

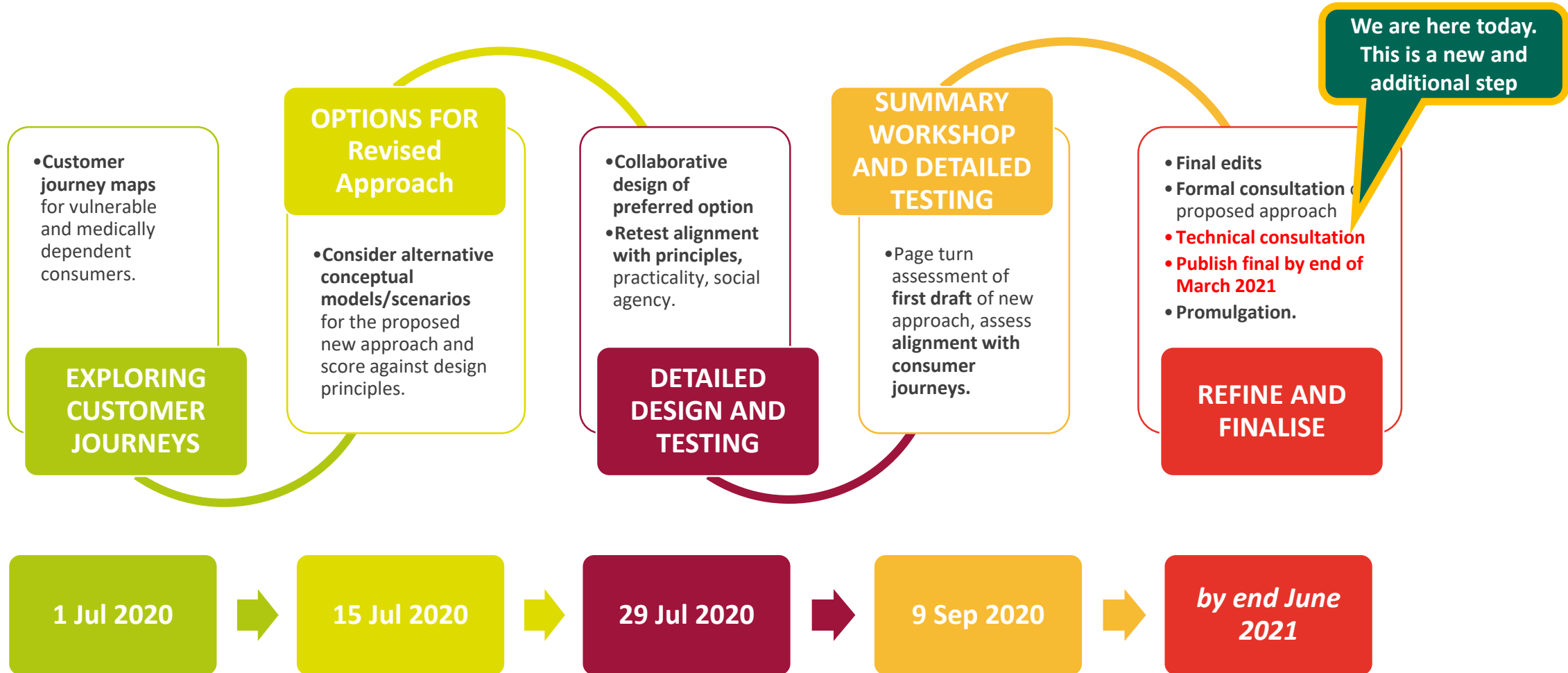


Consumer care guidelines

Technical consultation on changes
made to the draft guidelines

26 February 2021

Where we are



A word on definitions

The use of “**Guidelines**” in the decision paper

- **Existing guidelines** = the existing *Medically dependent consumer guidelines* and the *Vulnerable consumers guidelines*
- **Addendum** = the *Addendum to the Medically Dependent Consumer guidelines, and the Vulnerable Consumer guidelines*
- **Draft guidelines** = the guidelines that accompanied the 29 Oct 2020 to 27 Nov 2020 consultation
- **Final draft guidelines** = the guidelines that accompany the 23 Feb 2021 to 9 Mar 2021 technical consultation
- **Guidelines** = the final guidelines that will be issued in late March 2021 and become effective 1 July 2021



We are close to completion

Your input has been valuable

- We carried out 10 workshops and a full consultation
- We received 29 submissions which included 932 individual points
- There have been some excellent suggestions, and most have been actioned – so there's been a lot of change to the guidelines

Implementation timing

We intend to publish **final guidelines by end of March 2021**

On **1 July 2021**, the **consumer care guidelines** will replace the:

- *Guideline on arrangements to assist medically dependent consumers*
- *Guideline on arrangements to assist vulnerable consumers*
- *Addendum to the Medically Dependent Consumer guidelines, and the Vulnerable Consumer guidelines*



Implementation

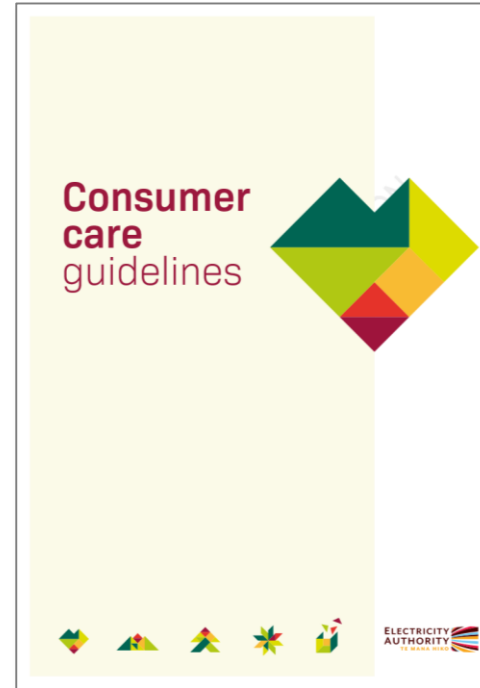
- We will run a separate workshop to talk about implementation after the guidelines are released in final form
- As many of the recommendations are carried over from the existing guidelines and addendum, we expect that retailers will continue to align with the recommendations carried over from the existing guidelines
- For new recommendations, we expect retailers to build capability and align by 31 December 2021
- There will be engagement to support implementation in two key areas (6 + 7 following)



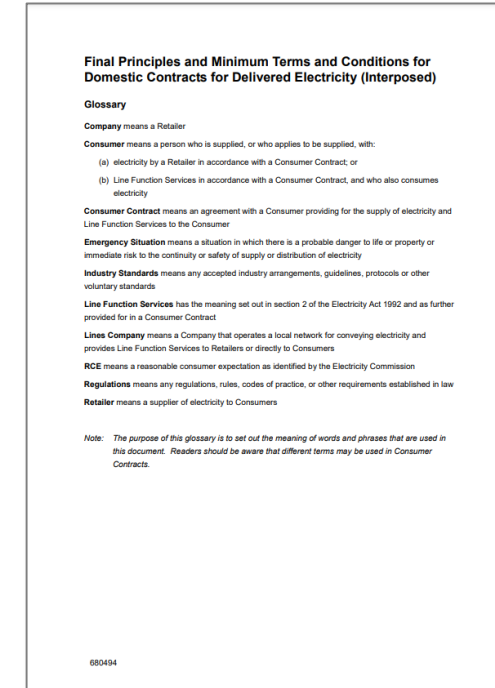
When effective, there will be two related care standards

Utilities Disputes Limited will consider customer complaints that relate to both standards

1. New Consumer care guidelines



2. Unchanged Retailer T&Cs of contract



Final steps for guidelines

Refine and finalise

Technical consultation

- Due to reasonably extensive changes made, we want to give stakeholders a chance to carry out a technical review of the guidelines
- Technical consultation closes on 9 March 2021, please use the submissions template
- It is not intended that stakeholders raise issues of general policy or seek to promote new proposals during this process

• **We want to know**

- if there are major practical reasons why retailers should not be able to implement the proposed guidelines as amended
- are there any technical drafting errors

We have provided both a tracked version and a clean version of the guidelines at www.ea.govt.nz/consumer-care



Main themes we heard in consultation

1 of 2

- Significant support for the collaborative approach
- Several submitters (including two retailers) commented that the guidelines should be made mandatory minimum standards if we want retailers to align
- Electricity may be thought of as an “essential service”, but hardship issues are broader than the guidelines, and retailers, can address
- Some retailers commented on the guidelines’ broader scope
- A number of submission points related to hardship
- Several retailers considered that the guidelines were too prescriptive in places (e.g., in relation to time periods for performing an action)



Main themes we heard in consultation

2 of 2

- A standardised consumer care policy template should be provided
- A number of retailers were of the view the updated guidelines would impose additional costs on retailers because of:
 - insufficient clarity in the guidelines, particularly around site visits
 - the requirement for site visits as part of the disconnection process where the customer/consumer will not respond to the retailer
 - changes to the timing of notifications from retailers to customers/consumers would require system changes for retailers
- A number of retailers were of the view that it should be possible to disconnect MDCs for obtaining services by or involving deception



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Key areas

1 of 7

Guidelines are guidelines

- Guidelines are not mandatory at this time, but we expect retailers to align
- A potential mandatory provision of monitoring information in a more detailed and frequent form than set out in Part 10, may be Codified later this year
- We will be assessing alignment with the guidelines at
 - 31 July 2021 – all retailers to provide alignment plan to us
 - 31 December 2021 – all retailers should have aligned with the guidelines. Where not aligned, retailers should advise us in writing. We may publish the non-alignment
 - August 2022 – alignment check
- If retailers do not achieve the outcomes / purpose of the guideline, we may explore making components of the guidelines mandatory where this is consistent with our statutory objective



Key areas

2 of 7

Guideline scope

- The guidelines are broader in scope than the previous MDVC guidelines, but not significantly so.
- We consider that the increase in scope is necessary due to
 - the changing nature of the electricity industry, which includes the increasing number of retailers
 - the highly contestable nature of the electricity retail industry
- Changes we have made in creating the final draft guidelines do not change the scope of what we consulted on



Key points

3 of 7

Hardship

- We have noted discussions that retailers are **not social agencies**
- We consider that **retailers have social responsibilities** for their customers and in preventing harm
- Submissions that included hardship items have been referred to MBIE



Key areas

4 of 7

Prescription

- The guidelines are only **prescriptive where a common process** needs to be followed to reliably support customers and consumers experiencing difficulty, and
 - while doing so, maintain a level playing field for long term competition and efficiency benefits, and
 - maintain a level playing field for participants
- Where we consider that there does not need to be a common process, the guidelines are not overly prescriptive allowing retailers to innovate
- We note that new technology will enhance the customer experience, and consider that there is sufficient flexibility for retailers to deliver the intended outcomes while innovating in their retail offers



Key areas

5 of 7

Template consumer care policy

- We agree that a **template (and not default) consumer care policy** has multiple benefits
- We think that we are not the right people to write a template consumer care policy; stakeholders are
- We will encourage retailers to develop a template consumer care policy in collaboration with stakeholders, and may publish it on our web site
- We will also encourage retailers, social and support agencies to develop **standardised interfaces**



Key areas

6 of 7

Increased costs and site visits

- **Increased costs** may be inevitable where increased customer/consumer care is provided
- Guidelines clarified particularly around the **site visits**
 - the recommendation only applies where a retailer has not been able to engage with a customer/consumer at a premises on a non-payment issue
 - the site visit may also be the disconnection visit
- After guidelines are finalised, we will commence a workstream activity around consumer engagement, including vacant premises. All stakeholders are welcome to join the discussion



Key areas

7 of 7

Disconnection of MDCs for obtaining services by or involving deception

- We remain uncomfortable with **disconnecting an MDC for non-payment or for obtaining electricity or distribution services by or involving deception**
- After guidelines are finalised, we will commence a workstream activity around site disconnection of MDCs. All stakeholders are welcome to join the discussion
 - Should MDCs be able to be disconnected for obtaining electricity or distribution services by or involving deception, but in a controlled manner?
 - How should we best support MDCs who cannot pay their electricity invoices?



Next steps

Promulgation

- Technical consultation – now
- Finalise guidelines – by end of March 2021
- Guidelines become effective – on 1 July 2021
- Encourage retailers to develop and implement by 30 September 2021
 - Template consumer care policy
 - Standardise interfaces with external organisations
- Finalise a revised HP notice and EMP by 30 September 2021
- Investigate key areas by 30 September 2021
- All retailers aligned – by end of December 2021
- Retailer alignment and first operational review – from August 2022

