

Consumer Care guidelines consultation: template for feedback

This template aims to guide the structure of responses on the consultation on the proposed guidelines

- Please add extra lines as needed for your responses
- Where feedback relates to specific clauses, please reference the clauses
- For all responses, please explain what changes you suggest (if any), and why.

Overarching questions

1. Do you agree with the structure of the guidelines?

Part	Clause	Feedback
Overarching	n/a	<ul style="list-style-type: none"> • Sustainability Trust is very supportive of the process that EA has undertaken to review the MDVC Guidelines. The consultation has been robust and we commend EA for engaging with a wide range of stakeholders. • Broadly we view the recasting of the guidelines as an opportunity of a generation or at least a decade to encourage (or mandate) retailers to engage with vulnerable households in their provision of an essential service. • We also view the Guidelines as being intimately connected with our hoped-for outcomes from the Electricity Price Review – Energy Hardship Recommendations. Retailers hold a unique and powerful connection with vulnerable households and focussing the Guidelines on mainly addressing the issues that arise from non-payment of bills would be a wasted opportunity. • Retailers are key conduits for all electricity and thus essential well being. As such they have a responsibility to ensure that vulnerable clients who use this essential service are empowered and supported to use electricity efficiently and at a level that supports health and well-being. • If the Guidelines set a standard or a baseline that allows retailers to contract out of being major stakeholders in New Zealanders’ well being and merely be supplier of service, the opportunity will have been missed. • Our comments below reflect our points above. We have only commented on those areas where we have formed a view. • We are very interested in expanding on any of these points in the near future.

2. Do you agree with the change in focus from ‘vulnerability’ to ‘consumer care’ applying to all domestic customers, and the reasoning behind this change?

Part	Clause	Feedback
Overarching	n/a	<ul style="list-style-type: none"> • Agree with widening the Guidelines to all consumers. However, vulnerability can be defined. It already is defined in many areas of social service support to enable access to programmes. Avoiding a definition clearly sidesteps retailers’ accountability to identify those that are already or may in the future experience difficulties in affording adequate energy services. • Programmes such as the government’s Healthy Homes Initiative and Warmer Kiwi Homes and many others use a clear set of guidelines to identify vulnerable households. For the purposes of these guidelines the energy hardship definition that will be developed as a result of the EPR will likely suffice. Using a hardship definition (likely to have a scale – severe-hardship to slight-hardship) will enable quantification of the numbers of clients likely to experience poor outcomes and inability to afford sufficient energy services. In addition, a common measure will



Part	Clause	Feedback
		<p>allow retailers to assess their risk and responsibilities across the industry and provide reporting to EA and other bodies.</p> <ul style="list-style-type: none"> We recommend that a prescriptive definition be used to identify vulnerability, that aligns with the EPR definition (TBC)

3. Do you have thoughts on the concept of these guidelines sitting within a wider consumer care guidance package?

Part	Clause	Feedback
Overarching	n/a	No feedback

Questions on the Explanatory Note

4. Do you agree with the inclusion of an Explanatory Note? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
Explanatory Note	n/a	No feedback

5. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
Explanatory Note		No feedback

Questions on Part 1: Purpose

6. We have not included a (sub) purpose statement specific to each Part, at the start of every Part. It could be possible to group parts and provide a purpose statement for each (e.g. Parts 2&3, Parts 4-7, then separately for each of Parts 8, 9 and 10). Do you think we should, and if so, why?

Part	Clause	Feedback
1	n/a	No feedback

7. Do you agree with the purpose statement, the overarching principles or the intended outcomes?

Part	Clause	Feedback
1	Purpose	<ul style="list-style-type: none"> Setting out a purpose is an excellent addition. However, we note there is no mention of electricity being an essential service and the need for retailers to ensure that a) b) and c) are written with this context in mind. The addition of wording should include a phrase such as : “Noting that the supply of electricity is an essential service for all NZ’ers, the purpose of the Consumer Care Guidelines is to support: ... As a consumer advocate working in energy hardship, we (and our vulnerable clients for whom the Guidelines support) likely have a very different view as to how the Purpose guides recommendations and prescription in the Guidelines. Specifically while the Purpose is to “maximise potential” and “minimise harm” the Guidelines mainly appear to give effect to assistance once the retailers run a risk of an unpaid bill. This maintains the “ambulance at the bottom of the cliff” approach in the MDVC Guidelines. We have an unprecedented opportunity to use these Guidelines to assist consumers avoid getting into energy hardship in the first place if written and monitored wisely.

Part		Feedback
		<ul style="list-style-type: none"> Identification of vulnerability that may lead to non-payment is key to avoiding the unwanted event for both consumers and retailers. Early intervention is the most obvious prescription to “minimise harm”. And this requires identification at time of sign-up, and during the customer journey.
1	Principles	No feedback
1	Outcomes	<ul style="list-style-type: none"> We note the Outcomes avoid altogether the intent in the Purpose. The Outcomes dive straight into avoiding payment difficulties, debt and disconnection. We recommend that the Outcomes include such statements as “Customers identified as being at risk of or in energy hardship are supported” Transparency Outcomes are well drafted, but we are keen to see how the apparent disconnect between the Purposes and Guidelines will enable monitoring of compliance.

8. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
1		No feedback
1		No feedback

Questions on Part 2: Retailers to publish a consumer care policy

9. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
2	n/a	<ul style="list-style-type: none"> See below for specific comments

10. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
2	6 a i	<ul style="list-style-type: none"> As noted earlier – specifically not mentioning vulnerable clients as the main client group that are in need of support (i.e those in or at risk of energy hardship) doesn’t set the right tone for a CCP. The further one goes into the specifics of the Guidelines, without mention of addressing the underlying causes of debt and disconnection (and how retailers can assist), means the Guidelines appear to be solely written to avoid debt and potential disconnection. The Purpose appears to speak of something very different.
2	6 d	<ul style="list-style-type: none"> As above. Without identification and referral to assistance and organisations that can diagnose and support clients <u>before</u> debt issues arise, the Guidelines will fail to meet the Purpose they are written for. We recommend including wording such as “retailers will be required to prove that they were proactively involved with clients prior to them experiencing payment difficulties.” The intent of this kind of wording is to encourage the retailer to develop their own identification and treatment/referral systems to avoid debt issues in the first place. Guidance on how to identify vulnerability should be included such as tracking usage patterns over colder spells (variation from other households in the area may indicate affordability), location in high deprivation areas, payment histories, etc.

Part	Clause	Feedback
		<ul style="list-style-type: none"> Consumer advocates and social service agencies that assist clients upgrade their homes, appliances, check their energy plan etc. should be specifically named. For example, all retailers would need to have offered to refer vulnerable clients to an energy assessment service. The financial savings that can accrue from installation of efficient heating, insulation, draught stopping, ventilation, hot water cylinder wraps, and being on the best plan can make a significant difference to the energy bill for vulnerable clients. Vulnerable clients will tend to be in rental properties. Energy advice services who can provide early interventions and ensure landlords are meeting their Residential Tenancies Act, and Healthy Homes Standards commitments, as well as providing practical behavioural advice for clients is preventative medicine.

Questions on Part 3: Information and records relating to consumer care

11. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
3	n/a	<ul style="list-style-type: none"> Identification of current or future vulnerability should be one of the key outcomes of information gathering. Questions that may be used to identify vulnerability include those that are used in assessing energy hardship in NZ healthy homes programmes and research studies. Alignment with these markers that may also be eventually used in energy hardship definitions under the EPR will enable a consistent identification of a household's level of current or future vulnerability. Referral to appropriate services at time of signup or during the customer journey would be more easily accomplished. Other information requests such as whether the client knows if their rental meets the Healthy Homes Standards, or if they have a Community Services Card also allows the retailer to recommend government programmes or refer to energy advice and assessment services. We note that when Energy Performance Certificates are introduced for NZ homes, retailers will be more easily be able to determine if a home is in energy hardship based on difference between electricity usage and the estimated required usage to maintain the home at World Health Organisation standards.

12. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
3		No feedback
3		No feedback

Questions on Part 4: When a customer signs up or is denied a contract

13. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
4	n/a	No feedback

14. Should further assistance be available (within these guidelines) for retailers, for when they are engaging with a customer that they are declining supply? Should further matters for a retailer to consider be included?

Part	Clause	Feedback
4	n/a	No feedback

15. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
4	18,19	<ul style="list-style-type: none"> As written it leaves scope for standard boiler plate on a website. We recommend that this be expanded to include personal contact with client as part of the onboarding process.
4		

Questions on Part 5: Business-as-usual account management

16. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
5	n/a	<ul style="list-style-type: none"> As noted earlier – identification is key to avoiding the poor outcomes of debt or disconnection. Retailers should be required to prove they are actively tracking a client’s electricity usage (much as credit card companies do) to determine any unusual variations that may denote vulnerability Retailers provide an essential service and are thus key actors in meeting human rights obligations (Human Rights Commission (NZ): Guidelines to a Decent Home) A higher level of accountability for retailers to ensure they meet the Purposes of Consumer Care Guidelines may lead to more active and innovative approaches. Clearly outlining that retailers are providing an essential service (which means supporting their clients to access adequate energy services to maintain health and wellbeing) would be helpful in the wording.

17. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
5	28b	<ul style="list-style-type: none"> As clients should be on the best/lowest cost plans for their needs already, recommending another plan is problematic. Again the issue is systemic – and a couple of cents less per kWh is not going to make a difference to overall client health and well being outcomes. Referral to organisations that can diagnose and assist is key.
5		

Questions on Part 6: When payment difficulties are anticipated or arise

18. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
6	n/a	<ul style="list-style-type: none"> This section details the most prescriptive suggestions for assisting clients with proactive recommendations for retailers. As noted earlier this kind of requirement should be activated much earlier in the customer journey through active identification of vulnerability – not just at the point that financial issues arise. We

Part	Clause	Feedback
		note the suggestion for monitoring energy use and again recommend this as standard for all clients to flag pending issues well in advance.

19. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
6	e,h,j	<ul style="list-style-type: none"> There will likely be a wide range of in-house capabilities within different retailers in terms of offering energy efficiency advice. External services may vary in quality and availability as well. In order to ensure a consistent approach we recommend that a national register of agencies be established that a retailer can refer or contract out to meet these requirements.
6		

Questions on Part 7: Progressing to disconnection for non-payment of invoices and reconnection

20. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
7	n/a	<ul style="list-style-type: none"> If a client is disconnected, we recommend that prior or shortly after connection a reputable energy advice service conduct a site visit or phone consultation and develop a plan with the client.

21. Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
7		No feedback
7		

Questions on Part 8: Additional recommendations for medically dependent consumers

22. Should we include a Part making additional recommendations specific to MDCs? Or, should we have recommendations relating to MDCs throughout Parts 4-7?

Part	Clause	Feedback
8	n/a	No feedback

23. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
8	n/a	No feedback

24. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
8		No feedback

Part	Clause	Feedback
8		

Questions on Part 9: Bonds and Fees

25. Do you agree with the explanation of what a fee is?

Part	Clause	Feedback
9	n/a	No feedback

26. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
9	n/a	No feedback

27. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
9		No feedback
9		

Questions on Part 10: Information disclosure and monitoring

28. Do you agree in general with the recommendations in this Part? If yes, please tell us if the meaning is clear?

Part	Clause	Feedback
10	n/a	No feedback

29. Do you have feedback on the drafting of specific clauses in this Part? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
10		No feedback
10		

Questions on Monitoring alignment and outcomes

30. Do you agree with the monitoring process that the Authority intends to follow?

Part	Clause	Feedback
Monitoring	n/a	<ul style="list-style-type: none"> Generally the guidance on monitoring is vague and leaves a lot open to interpretation. Again we note the Purpose is wide open to interpretation and thus the benchmarks for alignment are fuzzy. We recommend the Authority publish an example of what-good-looks-like, or at least a minimum standard in the template format. Without a benchmark for best practice, it will be at least 2023 before the Authority is able to clearly state acceptable practice standards.

31. Do you agree with the process set out for monitoring consumer complaints? Do you suggest alternative wording? Or is there any superfluous or missing text?

Part	Clause	Feedback
Monitoring	n/a	No feedback
Monitoring	n/a	No feedback

Questions on implementation

32. Do you agree with a 30 June 2021 implementation date for the proposed guidelines? If you disagree please provide reasons and the date that you would propose.

Part	Clause	Feedback
Implementation	n/a	<ul style="list-style-type: none"> This appears to be earliest opportunity.

Questions on the indicative impact assessment

33. Do you agree with the type of benefits identified?

Part	Clause	Feedback
Impact	n/a	No feedback

34. Are there benefits missing?

Part	Clause	Feedback
Impact	n/a	No feedback

35. Do you propose alternative methods to estimate the size of any particular benefit, or a different estimated magnitude?

Part	Clause	Feedback
Impact	n/a	No feedback

36. Do you agree with the type of costs identified?

Part	Clause	Feedback
Impact	n/a	No feedback

37. Are there costs missing?

Part	Clause	Feedback
Impact	n/a	No feedback

38. Do you propose alternative methods to estimate the size of any particular cost, or a different estimated magnitude?

Part	Clause	Feedback
Impact	n/a	No feedback
