



## **OurPower focus on supplying simple cheap power to the people in the WEL Networks footprint and ending energy hardship.**

OurPower support the Electricity Authority's goal of updating the guidelines to protect consumers. We appreciate the opportunity to submit feedback on the EA's Consumer Care Guidelines.

OurPower recognises the contribution of electricity supply to wellbeing of consumers. We believe that ending energy hardship is about programs not products and support the promotion of better engagement between retailers, and support and social agencies.

It is our view that an efficient, innovative and competitive market is vital in delivering the best outcomes to customers. As electricity retailers supply the same basic product; service levels, pricing structures and bundling of products give retailers the ability to create solutions which better suit the needs of specific customer groups. Customers are then free to choose from these solutions. Respect and engagement from all retailers, support and social agencies will help customers to find the solution which best suits their needs, and deliver them the best outcome.

Conversely more prescriptive guidelines may limit competition and innovation within the industry. This would reduce customers' ability to choose products best suited to their situations, leaving many customers, particularly the vulnerable, worse off overall.

We also believe that distinction between pre-pay and post-pay customer treatment could be better managed; if electricity is essential for consumer wellbeing, surely the same risks exist regardless of a customer's payment plan. If customers are free to accept additional risk on a pre-pay service, it is irrational that they cannot do the same on a post-pay solution. This is particularly pertinent as prepay is likely to attract disproportionate numbers of vulnerable customers.

While it is imperative that the electricity sector protects the safety of consumers; particularly those with medical conditions which leave them reliant on electricity, we believe that retailers are not qualified to manage healthcare and are concerned that putting the responsibility and cost of providing a healthcare service solely onto retailers will not result in the best outcomes for anybody.

Our business model combines active engagement with community organisations to support vulnerable customers with providing the lowest prices we can. We anticipate that some of the guidelines provided will result in increased costs, which will be passed on to customers and exceed the benefits they provide.

We believe a guideline that promotes customer choice, as well as retailer innovation, competition and efficiency, while prescribing clear communication with customers and engagement with social agencies would deliver the best overall outcomes to consumers.



# 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.

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## Overarching questions

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

Part	Clause	Feedback
Overarching	n/a	Yes

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	Yes. We agree with the EA stance that attempting to define vulnerability risks inadvertently leaving some consumers exposed to harm and that any person can experience vulnerability.

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	OurPower see customer's wellbeing as a program and not a product and agree with the EA's view that electricity supply is one of a package of essential services which contribute to a person's wellbeing.

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## 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	Yes

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	Viii	It is confusing that there can be minimum standards to protect consumers which are presumably only voluntary. It be more beneficial to specifically separate what is compulsory and voluntary within the guideline to ensure customer safety.

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## 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	

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

Part	Clause	Feedback
1	Purpose	Yes
1	Principles	Yes
1	Outcomes	Yes

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	4A.c	This clause could be clearer. Is this ruling out retailers disconnecting in situations where unpaid debt does not apply – such as breach of terms and conditions, health and safety, customer fraud etc?
1	4A.d	This clause could be clearer. Rules out MDC being disconnected for non-payment of debt – is this firm enough, can MDCs still be disconnected for other reasons?

### 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	OurPower agrees in general with Part 1. We see a consumer care policy as a good tool to provide customers and consumers with clear expectations of how they will be treated at the retailer, and support them in choosing a retailer which is suitable for them. We believe this section generally aligns well with the purposes, principles and outcomes of the guideline.

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	6e	This clause limits retailer's ability to provide innovative solutions which offer different value propositions E.g. a cheap online only product might be incompatible for a person who is unable to read or has no computer. Retailers cannot discriminate by telling customers they cannot join, but customers have the choice to go elsewhere if the product doesn't meet their needs. The guideline puts an expectation that all retailers to provide all services. This will incur significant additional costs, which would be passed onto the customer.
2	10	This clause may not be compatible with retailers who have no oral presence (i.e. online only)
2	10ai	What does "electricity remains connected as much as is possible" mean? Is this clause subject to a consumer paying/communicating

### 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	In general we agree with this section – however the language in this section implies that retailers are offering multiple channels of communication, invoicing frequencies, methods of receiving invoices, which may not be true of all retailers.

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	13b.i.	This point as written assumes monthly invoicing is always available, which may not always be the case. It could be approached with something more open like. “a customer’s preferred invoicing frequency, where the retailer offers more than one alternative.”
3	14a	This point is not clearly written. Assumedly it referring to previous arrears which have now been rectified. By definition in post-pay, all payment arrears have happened in the past.

### 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	<p>OurPower agrees, in general, with the intent of the recommendations of this part, however we believe the language used does not provide a clear, measurable or realistic expectation on the retailer.</p> <p>Phrases such as “ensure new customers understand” are well intended, however imply an unmeasurable and unrealistic expectation on retailers. We have included rewrites which we believe provide the same intent, but in a more achievable manner.</p> <p>Additionally we believe that while retailers should recommend customers to the offering that best meets the retailers understanding of the customer’s needs; they may lack information, qualification or customer agreement to ensure that customer receives the electricity offering that best meets the customer’s needs.</p> <p>This clause could also include provision for where a retailer doesn’t have a suitable product, or customer wishes to sign up for a product which based on their assessment may not be suitable for the customer. Something similar to Part 5 29b.</p>

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	As the guidelines increase the risk of financial loss to retailers, OurPower believe they should maintain flexibility in letting retailers decide the criteria they will accept or decline supply to customers on.

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	“Retailers should advise the customer of the range of electricity supply plans which are available from the retailer and help the customer understand what might work best to meet their needs or the needs of the consumers within their household.”
4	19	“retailers should advise the customer of the range of electricity pricing plans and payment plans the retailer offers”
4	20	“Retailers should advise customers of terms and conditions and ensure they agree to...”. In our experience, even an industry dispute resolution service acknowledged that most customers do not read and understand terms and conditions.
4	20b.i	While the intent is good; do retailers have to offer every customer the opportunity to specify period’s specific to them? We believe that retailers should be the ones to set standard timeframes suitable to them.
4	23a.iii	The wording of this clause should be changed to ensure that a retailer agreeing to comply with the guideline isn’t put in a position where they might need to disclose information which might breach another responsibility (e.g. privacy).
4	24	This clause could provide a requirement for a retailer to notify the customer, if a nominated support person or alternative contact does not agree, or withdraws their agreement to act in that capacity.

### 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	OurPower agrees in general with the recommendations in this part.

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	This clause may require significant changes to some retailer systems or increased staffing costs to monitor, particularly for smaller retailers.
5	29b	<p>This clause currently requires retailers to make consumers aware of specific plans offered by competitors which might better suit their needs. In addition to the clause being vague on what measure determines that another retailer may be better, we believe this is unreasonable to require from retailers.</p> <p>We believe a better way to convey the sentiment would be to encourage retailers to tell customers about comparison websites or to make them aware if they believe that a plan may not be suitable for the customer (which is already required in part 4)</p>

### 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	<p>OurPower agrees with the general principle but feel the prescription applied in this cause may not be practical for all retailers. The requirements of 34-36 are fantastic in spelling out terms which are unlikely to vary regardless of the retailer's business model.</p> <p>37-39 are prescriptive to more specific business models and may not be practical or relevant for all. E.g. minimum timeframes where customers are on shorter billing cycles (weekly/fortnightly), 3 contact attempts at different times of the day over a 2-3 day period where the contact method specified is email etc.</p> <p>We believe wording similar to clause 25 (in part 4) would be a more effective way of managing this; less prescriptive in the detail but still requiring retailer to clearly disclose the process, so the customer knows what will happen in the event of non-payment. This allows the customer to choose a retailer's plan which is best suited to meeting their communication needs.</p> <p>OurPower agree with clauses 40-43, which are focusing again on minimum standards of customer care and engagement; with the exception of the wording in 40h below.</p>

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	37-39	Less prescriptive and more in line with cause 25 – allow retailers to adopt an approach which provides the most value to customers, so long as it is clearly disclosed to customers what this approach is.
6	38	Does a retailer still have to attempt contact 2 more times if the first contact attempt is successful?
6	40h	"Retailers should consider pausing the repayment process if a referral is made". This may result in an accumulation of debt which is unmanageable for a customer, particularly with weekly invoicing and billing.

## 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	<p>OurPower believe that some of the guidelines included in this section undermine the overarching principles: specifically (B) Retailers have a right to be paid and competition and innovation are supported.</p> <p>We believe the process at this stage should be an agreement between retailer and customer and clearly disclosed by retailer to customer (in line with part 4 clause 25), before signup, at least annually and in the case of a customer getting into arrears.</p> <p>A less prescriptive approach, defined by the retailer and clearly communicated to customers would allow greater customer choice, retailer innovation and competition. The guideline already allows for alternative disconnection rules with customer consent in some situations (i.e. Pre-pay). For consistency we believe alternative rules with customer consent should be universal or not allowed at all.</p>

Part	Clause	Feedback
		As explanatory note viii. states; the guidelines are voluntary. We believe a less prescriptive approach will encourage compliance with the guidelines and make them more effective in providing customer protection and a consistent customer experience.

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

Part	Clause	Feedback
7	52a	There is no allowance here for if the first attempt to contact is successful – do we still have to make 4 more attempts. Additionally the guideline assumes that attempts to contact on all communication channels are equal, which we believe is flawed: e.g. one email is likely to be a better method of communication than 5 missed calls from a private number, with no ability to leave voicemail.
7	52b	We strongly disagree with this requirement for provision of notice in person, as in our experience it is both inefficient and ineffective: adding additional cost for little benefit, as: <ul style="list-style-type: none"> <li>• Customer may not be home or not answer door</li> <li>• Person answering door and accepting delivery may not be the customer</li> <li>• This is contradictory to the retailer and customer's ability to agree under 13a.i about preferred contact channels (if a customer agrees to more limited contact in exchange for a cheaper price, this undermines the innovative process)</li> <li>• Customer receiving courier letter may not be able to understand because of limitations in language, education, physical or intellectual ability.</li> </ul>
7	54	OurPower believe this step is both inefficient and ineffective and may create potentially unrecoverable costs to a retailer (which will ultimately be borne by paying customers) and may not offers the consumer protection the EA foresees, as: <ul style="list-style-type: none"> <li>• warnings may be received by a non-resident property owner and not passed onto the next tenant, meaning the tenants first contact may be the notification that their power is being terminated immediately on the day they move in.</li> <li>• Retailers may end up in a position of having to supply a customer despite no contract being signed, as customer will not switch away or sign up, but are (or claims to be) medically dependent.</li> <li>• Retailers may be required to take on customers, whom they would otherwise be unwilling to supply.</li> <li>• Service level the retailer is offering may not suit the needs of the customer.</li> <li>• It potentially provides 14 days free power to non-resident property owners between tenants which is contradictory to overarching principle B.</li> <li>• Medical dependency of consumers in property won't be known by network which could lead to consumer harm.</li> <li>• It may result in the unintended outcome of retailers disconnecting immediately once a contract ends (move out) to avoid the above, meaning the next consumer is charged fees for reconnection (a worse outcome for vulnerable customers who already struggle to afford electricity).</li> </ul> OurPower believe this is open to abuse and it is fundamentally wrong for retailers to owe notice obligations for persons who haven't signed up.
7	55b	Live process/dialogue is not defined here. Customer and retailer may disagree on whether a live dialogue exists.
7	59d	When the retailer doesn't know who the consumer at an uncontracted premise is, how can they ensure they have received and understood the notice – even with a signed courier

Part	Clause	Feedback
		delivery the retailer has no ability to ensure that the consumer being disconnected is the same as the person who received the notice. Additionally if consumers are actively avoiding contact, the retailer is unable to comply with this.
7	60	If retailer has already given a consumer at an uncontracted premises multiple opportunities to engage and customer is not engaging in good faith, it is unreasonable to add additional unrecoverable costs to retailers to provide this final warning, which can only be done in person as the retailer has no other communication channels for the unknown consumer.
7	63b	We disagree that reconnection should be at no cost in some situations: such as if a retailer has made every effort already recommended by part 7 to contact the customer (i.e. site visits, courier delivered letters, multiple contacts on customers preferred channels and to support person/alternative contact, giving a customer appropriate additional time as mentioned in part 8 to verify medical dependency), and the customer does not disclose/or provide evidence that they may be medically dependent until after the disconnection has occurred.
7	68	Is there a requirement for retailers to ensure that customers understand and accept the risks associated with being on a prepay meter? Why can this same explanation be a requirement for a post-pay retailer having the same in their T&C?
7	63/66	Guidance should be provided as to which of these takes precedence if the retailer is unable to make contact with the consumer.

## 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	It is our view that MDC guidelines should not be a separate section and it would be clearer to have MDC recommendations throughout parts 4-7.

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	<p>OurPower agree that protecting the health and safety of consumers is critical, and that as retailers we should do what we can to ensure that consumers who are medically dependent on electricity remain connected. We believe however that the health agencies and the EA are falling short of providing sufficient protection to these customers. OurPower agree with the view of Electric Kiwi expressed in their submission 16 June 2020</p> <p>Issues of hardship and medical needs are best dealt with by the agencies that have the appropriate skills and expertise as well as access to appropriate private information about health and other issues in order to manage them. This is especially important given the wellbeing of the most vulnerable members of society can be at stake. For clarity, it is entirely inappropriate for electricity retailers to be expected to manage (and fund) essential health inputs. If electricity is a health need then it should be funded in the same way that healthcare is funded centrally for those that require it.</p> <p>The information and record requirements may put increased security requirements and therefore costs upon retailers who would otherwise choose not to retain documentation or details of MDC and simply record that the customer has advised or verified their MDC status.</p>



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	80-82	Is a customer at decreased risk of harm on a pre-pay meter to an extent where the same protections should not be in place here? If there is no change in customer risk, why should there not also be rules for post-pay products to be in the same position? I.e. why are pre-pay retailers able to opt out of health and safety, or if it is the customer's choice to accept this risk, why can they not on a post-pay?
8	86	This clause has no context. Why are retailers required to contact the current retailer of a premises which has an MDC? Assumedly if they're contacted by a customer/doctor to advise this, but this isn't clear.

### 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	Yes

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	Does a retailer then have to justify how the cost of electricity supplied or distribution services provided charge is cost reflective? Costs which cannot be recovered as a fee specifically applied to a customer would naturally be covered as part of the tariff and cross subsidised by other customers.  Cross subsidising fees being avoided – the same or similar service may cost more or less to different customers (based upon distance travelled for example). Can retailers disclose a fee in their terms and conditions which is calculated as an average cost to all customers to provide the service?

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		

### 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	OurPower are concerned that additional monitoring requirements of this voluntary guideline may serve as a disincentive to retailers following the guideline. If there is a requirement to provide a statement of alignment with the guideline from retailers, shouldn't this be a requirement under the code?

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		
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	Yes

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	Yes
Monitoring	n/a	Yes

### 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	Yes

### Questions on the indicative impact assessment

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

Part	Clause	Feedback
Impact	n/a	No. We believe the proposed guideline will result in additional costs in communicating with customers, with little saving; rather than a cost saving from a courier letter (which is likely to be an incremental cost with no benefit based upon our experience). We foresee little incremental benefit in engaging with social agencies as we already actively engage with a large number in our region.

34. Are there benefits missing?

Part	Clause	Feedback
Impact	n/a	None from the retailer point of view which we can see.

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	

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

Part	Clause	Feedback
Impact	n/a	Yes

37. Are there costs missing?

Part	Clause	Feedback
Impact	n/a	<p>Yes:</p> <p>Cost of additional disconnection notices (i.e. courier and site visit being required)</p> <p>Additional cost of unbillable vacant consumption</p> <p>Additional costs of couriered letters, other notices and site visits for vacant consumption</p> <p>Incremental cost of staffing up to manage additional processes required in code</p> <p>Development to add additional functionality to existing systems to be compliant with guideline for customer records and consumption monitoring.</p>

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	For a retailer of 2,000 customers, we estimated around \$50/customer/year increased operating costs and around \$30/customer/year in one off costs required.

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