

27 November 2020

Electricity Authority – Te Mana Hiko
Level 7, Harbour Tower
2 Hunter Street
PO Box 10041
Wellington 6143

By email: mdvc.guideliens@ea.govt.nz

Consultation paper – consumer care guidelines

Meridian and Powershop appreciate the opportunity to provide feedback on the proposed consumer care guidelines (the “Proposed Guidelines”). We appreciate the high level of engagement the Electricity Authority has had with the industry to date.

We have worked hard to develop systems to help those in hardship. We are proud of our efforts to date and the service we deliver to all of our customers.

Please find attached our feedback on the Proposed Guidelines. Meridian and Powershop are broadly comfortable with the Proposed Guidelines and consider it a positive step to improve customer care.

This submission focuses on the improvements that could be made to the Proposed Guidelines. In particular, we are concerned that:

1. The requirement that disconnections for domestic premises that have no known customer but appear to be occupied would require an in-person visit if the inhabitant is unresponsive to retailers’ attempts to contact the consumer. Requiring retailers to make in-person visits to vacant premises is an excessively costly requirement that will detrimentally affect genuine, paying customers.
2. Some aspects of the Proposed Guidelines would result in significant initial and on-going compliance costs for retailers which do not appear to be outweighed by the benefit to consumers, retailers, the Authority or other stakeholders (the indicative impact assessment

certainly does not appear to indicate that benefits will outweigh the significant costs involved with compliance).

3. The quarterly monitoring information retailers would provide to the Authority does not actually enable the Authority to determine whether a retailer is in alignment with the Proposed Guidelines or enable the Authority to assess alignment with each retailer's consumer care policy.
4. There remains a problem that the Proposed Guidelines do not, and probably cannot, address – ensuring all retailers align with the Proposed Guidelines. Ultimately, we consider that if the Authority wants a consistent approach across all retailers then the Authority should instead consider a Code change to universally enforce certain minimum standards, rather than impose voluntary guidelines.
5. We understand that the Authority's intention (once legislative amendments have been passed to give the Authority a consumer protection function) is to consider a Code change. We question whether significant changes to the guidelines between now and any Code change are justified given they may only be a short-term interim step on the road to a Code based obligation. Retailers (as well as the Authority) will incur significant costs to align with the Proposed Guidelines which will not be worthwhile if the change is only temporary.
6. Finally, as an overall statement, it ought to be recognised that the Authority is a regulatory body and not a social agency. The issue of people having difficulty paying their electricity bills is fundamentally an issue of income, the cost of living and budget management. These are not issues that the Authority can resolve.

Please contact me if you have any queries regarding this submission.

Your sincerely



Alicia Rosevear
Legal Counsel

Overarching questions

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

Part	Clause	Feedback
Overarching	n/a	We agree the structure of the guidelines is appropriate. In particular, we support that the Authority has reverted to the approach of having just one set of guidelines.

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	<p>We agree with the decision to remove the concept of “vulnerable consumers” from the guidelines and make the Proposed Guidelines a minimum set of standards for all domestic consumers.</p> <p>However, we do query whether the focus of the Proposed Guidelines has been too narrowly applied to consumers who are struggling financially, and do not provide enough support for those customers who are in hardship for other reasons – e.g. age, disability. We therefore wonder whether the Proposed Guidelines as drafted would result in less protection for those other “vulnerable” customers. For example, the steps a retailer is required to take in clause 40 of the Proposed Guidelines may be useful for other “vulnerable” customers but appear only to be applied to customers who are in payment arrears.</p> <p>We are aware that the Authority has previously stated that there are “inconsistencies in the way retailers are applying the Guidelines” – particularly in relation to vulnerable consumers. It would be useful for the Authority to detail what these current inconsistencies are, so that it is clear that those inconsistencies have not been carried over to the Proposed Guidelines. It is unsurprising that there is some variability in interpretation and compliance with the existing guidelines. By using guidelines (rather than Code obligations) the Authority appears to have made a conscious choice to allow such variability. Meridian and Powershop goes to great lengths to comply with the existing guidelines and deliver excellent service to vulnerable and medically dependent customers. However, the same cannot be said of all retailers.</p> <p>The problems with inconsistent application of guidelines may not be addressed by simply amending the guidelines. If the Authority wants a consistent approach across all retailers then it should consider a Code change to universally enforce certain minimum standards. We understand that is the Authority’s intention once legislative amendments have been passed to give the Authority a consumer protection function. We question whether significant changes to the guidelines between now and any Code change are justified given they may only be a short-term interim step on the road to a Code based obligation. Companies like Meridian and Powershop will incur significant costs to adjust retail platforms and processes to align with the different format of the Proposed Guidelines – those expenses will, however, not be worthwhile if the change is temporary and further adjustments are yet to come.</p> <p>To avoid the doubling of costs incurred to implement multiple system changes, we ask that the Authority either:</p> <ul style="list-style-type: none"> • develop a package of Code requirements and associate guidelines together; or

Part	Clause	Feedback
		<ul style="list-style-type: none"> upon receipt of new legislative functions, commit to only proposing Code changes that are aligned with the expectations of retailers under the Proposed Guidelines.

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	We agree that it is appropriate for the Proposed Guidelines to sit within a wider consumer care guidance package. See the comments above on the merits of simultaneously consulting on and introducing a full package of Code changes and guidance.

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, we agree with the inclusion of the Explanatory Note.

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.	We agree that it is useful to explain that the Proposed Guidelines are voluntary, but suggest it is noted that the Authority monitors retailer compliance with some aspects of the Proposed Guidelines (e.g. publishing a consumer care policy and providing information to the Authority).

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, we agree that having Part 1 setting out the overarching purpose for the Proposed Guidelines is appropriate.

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

Part	Clause	Feedback
1	Purpose	<p>The proposed purpose and overarching principles are a significant and useful improvement to the guidelines. They clearly state what the Electricity Authority and the Proposed Guidelines are trying to achieve.</p> <p>We query whether there should also be a focus in Part 1 on customers dealing with retailers in good faith and responding to retailer communication in a timely manner. The use of “good faith” is valuable, as we consider that retailers’ ability to assist customers is limited by their willingness or reluctance to engage with us. We also consider it is important to note upfront that it is the consumer’s responsibility to disclose private or personal information that may be</p>

Part		Feedback
		<p>relevant to any disconnection decision – this is not reflected in Part 1. We accept that the Proposed Guidelines cannot directly impose obligations on consumers, but consider that expectations of retailers under the Proposed Guidelines should be written in light of the fact that consumers do not always co-operate in good faith with retailer processes.</p> <p>We consider it is important to recognise in Part 1 that managing electricity supply for customers in hardship and medically dependent consumers is the responsibility of a number of parties, including the consumer concerned, the electricity retailer, DHBs and government agencies such as Work and Income.</p>
1	Principles	See our response to question 8 below.
1	Outcomes	While we agree it is important that the Authority should be seeking to obtain a significant level of buy-in from retailers to comply with the Proposed Guidelines, we do not agree with some aspects of Outcome B and Outcome C – in particular, that “Retailers operate on a level playing field, where all competitors align with these guidelines” and “Mechanisms are in place to encourage retailer alignment with these guidelines”. We do not consider that Part 10 of the Proposed Guidelines contains sufficient measures to encourage retailer alignment and that there would still be retailers operating on different playing fields.

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	3	We suggest that Principle A is amended to read “ <i>Respect and constructive engagement underpin the consumer and retailer experience</i> ” to make it clear that retailers should also be entitled to have engagement with consumers that is respectful and constructive.

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	<p>We generally agree with the recommendations in this Part and that the meaning is clear, but note that:</p> <ul style="list-style-type: none"> • a template consumer care policy or further guidance from the Electricity Authority would be helpful for retailers to understand exactly what the Authority expects to see in this document (see for example the Australian Customer Hardship Policy Guideline); and • we consider there would be a significant cost involved in the initial and on-going administration of having another “living” document, i.e. in addition to standard terms and conditions, privacy policy, and pricing plan information that retailers already have to update – and documents that consumers are already asked to engage with – and query whether: <ol style="list-style-type: none"> (a) consumers will engage with a retailer’s consumer care policy, in addition to the documents consumers are already asked to engage with; and (b) the presence of a consumer care policy will actually lead to better service for consumers, especially when it is only the existence of the document that the Authority is monitoring, as opposed to actual service levels or alignment with the consumer care policy.

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		Please include either an “and” or “or” into all sub paragraphs, as appropriate (e.g. clauses 6.a, 6.d, 6.g, 7.b, 8.d)

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	Yes, we agree with the recommendations in this Part and that the meaning is clear.

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	14	<p>It is not clear whether the retailer is required to obtain the information set out in clause 14 from the customer, or just have processes for recording that information (which the customer willingly provides). If the intention is for retailers to obtain that information from the customer then clause 14 should mirror clause 13 and state that “Retailers should have and use processes and systems to request and record information on...”</p> <p>In addition, we consider clauses 13 and 14 should include a standard of “reasonable steps” so that a retailer is only required to take all reasonable steps to obtain the information from the customer or give the customer the information in Part 3. The onus should be on the customer to disclose all relevant information and it is not clear what happens when a customer refuses to provide the information to a retailer. A “reasonable steps” standard would address these issues.</p>
3		Please include either an “and” or “or” into all sub paragraphs, as appropriate (e.g. clauses 13.a, 13.b, 14, 16.)

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	Yes, we agree with the recommendations in this Part and that the meaning is clear.

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 comments.

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	25	We consider that clause 25 (which requires retailers to advise each new post-pay customer of the process that will be followed if an electricity invoice is not paid) should only apply were

Part	Clause	Feedback
		the retailer considers it is appropriate. We do not consider it appropriate to recite this process to each and every customer upon sign up if there is no indication that the customer would end up in payment arrears. This information should be provided when payment difficulties arise. However, to do so sooner would worry or concern customers and not seem relevant to a consumer that has only just joined a retailer. Clause 25 as drafted will limit our ability to engage with customers in a way that we think is most beneficial for our customers, particularly given the vast majority of customers will not end up in payment arrears. We do not want to waste customers' time and nor do most customers have any interest in disconnection processes (which are already explained in detail in retailers' terms and conditions provided at sign up).
4		Please include either an "and" or "or" into all sub paragraphs, were appropriate (e.g. 20.b, 23.a, 26.)

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	Yes, we agree with the recommendations in this Part and that the meaning is clear.

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	28.b.	<p>The intent of clause 28.b. is unclear. The clause seems to combine annual low user communications with a requirement to enquire about whether a change in consumption is because of payment difficulties. The former is already required under regulations and the latter will not be appropriate in most situations. The clause does not say what a reduction in energy use is relative to, but the "at least" annual frequency of the proposed communications suggests a difference in annual average consumption. Energy consumption commonly reduces because of changes in a household's occupation (i.e. a new flatmate or the birth of a child) or because of a change in household appliances. Holiday homes will also have highly variable consumption year to year. Most consumers will not want to be asked if they are having trouble paying as a result of such situations.</p> <p>Clause 28.b. requires a retailer to enquire whether a customer is having payment difficulties when we are aware that the customer's energy use is reducing "materially". The use of the word "materially" is somewhat ambiguous, and it is not clear how "materially" should be interpreted or applied in practice.</p> <p>We therefore suggest that this clause be amended to say "if, in the retailer's opinion, a customer's energy use is reducing materially..." This will give retailers discretion to enquire when appropriate without fear of "breaching" the Proposed Guidelines.</p>
5	29.b.	We do not consider clause 29.b. is appropriate or that retailers would recommend another retailers' payment plan in practice. This would be completely contrary to the normal operation of a competitive market. It is appropriate to make consumers aware of different payment plan options in the market in the situation where a credit test is failed, and a customer is not signed up. However, this is not appropriate whenever a pricing plan is changed.

Part	Clause	Feedback
		If the Authority persists with this clause, then it should clarify what is meant by “a payment plan not offered by the retailer” or spell out its expectations. There will be variability for example between different retailers’ smooth/level pay options (if they have them) but that should not necessitate referring a customer to a competitor’s alternative payment plan. It would be much simpler if the Authority was explicit in this clause that “if a retailer does not offer a monthly payment, weekly payment, smooth or level payment, or pre-payment option but thinks that one of those options might suit the customer’s circumstances better (i.e. because they ask for it), then the retailer should make the customer aware that the option may be offered by other retailers.”
5		Please include either an “and” or “or” into all sub paragraphs, as appropriate (e.g. clauses 28, 29, 31)

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>We generally agree with the recommendations in this Part and that the meaning is clear (subject to our comments in question 19).</p> <p>We consider it is important that information is provided to customers who are experiencing payment difficulties in a way that doesn’t worry or concern customers and is actually of benefit. We are not convinced that providing all the information set out in clause 40 will benefit customers. We are concerned that the Authority is recommending a strict, process focussed set of guidelines in this Part that will limit our ability to provide helpful information.</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	35.	Clause 35 requires a retailer to have “efficient processes” for dealing with a customer regarding non-payment, but does not actually define what “efficient processes” would consist of. We recommend clause 35 be deleted as it is currently meaningless, or alternatively amended to provide further guidance on what “efficient processes” means in practice.
6	37.d.	It is not clear why clause 37.d. is included given only one of clauses 37a. – c. is required before the retailer can progress to Part 7 of the Proposed Guidelines. Clause 37.d. can be deleted without having any effect on the operation of clause 37.
6	38	It is not clear what the statement “Leaving a voicemail message is not complete contact if other contact methods are available” is intended to mean in practice. Clause 38 suggests that retailers “should make at least three separate <i>attempts</i> to contact the customer” [emphasis added]. However, the sentence about voicemail seems to suggest that “completed contacts” are required rather than attempts to contact. Retailers can only attempt and have no ability to make consumers pick up the phone. We suggest the Authority delete the line about voicemail or otherwise clarify that leaving a voicemail message may be appropriate in the circumstances, for example if that phone number is the preferred contact method.
6	40	Clause 40 sets out a significant number of steps that a retailer is to take if a customer is in payment arrears or having payment difficulties. We suggest clause 40 is amended to make it clear that this clause only applies where the customer has ongoing or systemic payment difficulties. Often a customer will fall into payment arrears for reasons other than financial difficulties, for example needing to update credit card or direct debit details or simply

Part	Clause	Feedback
		forgetting the due date on a bill one month. In those situations, we do not consider it appropriate to follow each of 40.a. to j. These steps should be taken later in the process once it is clear that payment arrears are not merely the result of an administrative issue, i.e. following a reminder.
6	42.b.	We suggest clause 42.b. is amended so that monitoring of debt repayments and electricity usage is “appropriate” – rather than tied to the frequency of payments under the payment plan as suggested by the example in brackets. We consider that fortnightly monitoring for fortnightly payments is too high and the ability for a retailer to determine whether the payment plan is no longer appropriate would only be detected after a number of repayment cycles once fortnight to fortnight variability has been accounted for.
6	42.c.	We consider that the proposed recommendation in clause 42.c. to check in with every customer on a payment plan every three months is unnecessary and inappropriate. This obligation should be removed, given there are number of steps that a retailer who complies with the Proposed Guidelines would be taking to engage with customers who are genuinely in financial difficulty. It is not clear what the benefit of clause 42.b is, and from experience, customers would not want to hear from their electricity retailer every three months just for a “check-in” if there is no indication that the customer is having payment difficulties.
6	43	We consider that retailers should contact a customer within three business days if the customer falls behind in their repayments, rather than five business days. We consider five business days is too long for a retailer to get in touch with a customer in this instance.
6		Please include either an “and” or “or” into all sub paragraphs, as appropriate (e.g. clauses 40, 42 and 43).

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>We do not agree with a number of recommendations in this Part.</p> <p><i>Vacant domestic premises</i></p> <p>It is not clear to us what the statement “where electricity consumption at the premises indicates a domestic consumer is in residence” means in relation to uncontracted premises. We would appreciate the Authority provide further guidance on the level of consumption that is required to indicate a consumer is resident at an uncontracted premise.</p> <p>Further, under the Proposed Guidelines, if the electricity user at the vacant property is non-responsive to retailers’ attempts to contact them then the house would need to be visited in-person for disconnection to occur. We consider this requirement is unreasonable. We strongly oppose this section of the Proposed Guidelines for the following reasons:</p> <ul style="list-style-type: none"> - It will result in a significant increase in the number of manual disconnections – with the higher cost of disconnection flowing through to legitimate, paying, customers. - There will be an increase in the timeframe for disconnections for vacant properties where consumers have not signed up for supply, which will result in additional disputes about move in dates and backdated bills. - It is possible that if all retailers followed this rule, there would not be enough contractors to manage the level of manual disconnections required.

Part	Clause	Feedback
		<ul style="list-style-type: none"> - This will result in the disconnecting retailer being unable to recover the cost of manual disconnection from the causer, if the consumer then signs up with another retailer. - The only contact details we have for the occupant of the property is the physical address, and letters are not an effective method of driving engagement. - Consumers who purposely use electricity without signing up to a retailer and ignore any attempted communication could be rewarded with greater protections against disconnection than those who have signed up. <p>In these situations, retailers currently send multiple communications to the property – typically asking the occupant to sign up with a retailer for their electricity and outlining the next steps if this does not happen. Only if the occupant fails to either make contact with the existing retailer or sign-up with another retailer does disconnection become an option. We recommend altering the wording of paragraph 54 to reflect the industry’s best practice by requiring retailers take “reasonable efforts” to make contact with the occupant of a domestic premises before carrying out remote disconnections on vacant domestic premises.</p> <p>In addition, at clause 59.d. we question the phrase “ensured the customer or consumer... received and understood both the notifications of disconnection and the outcome of not responding...”. We would not consider that signing a document is adequate to cover this statement. The extent to which a customer or consumer understood is unmeasurable by retailers and cannot be ensured, even if a representative visits the premises.</p> <p>Remote reconnections / disconnections</p> <p>Clause 66 provides that a retailer should not carry out remote reconnection unless a representative has undertaken a safety inspection with the customers consent or the customer has provided sufficient information to allow the retailer to remotely reconnect safely. Meridian recommends changing this section by adding a “reasonable efforts” clause so a retailer can rely on communications with customers. We also suggest the Proposed Guidelines recognise modern technology, such as apps and messaging, which mean that electricity retailers can have reasonable confidence the customer has received (and read) any notices, even if they don’t get a response from the customer. This brings into question the need and efficacy to add a physical site visit if the customer chooses to ignore or not respond to the electricity retailer’s reasonable efforts to contact the customer.</p> <p>The Proposed Guidelines should recognise most disconnections are not physical disconnections, and even where they are, the agent undertaking the physical disconnection may not be the most appropriate person to make contact with the customer and ensure the customer understands the disconnection or reconnection process.</p>

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

Part	Clause	Feedback
7	54.	<p>We consider clause 54 of the proposed guidelines should be replaced with the following:</p> <p><i>“In the situation that the retailer considers a domestic premises to be vacant but the current patterns of metered consumption indicate that the premises is occupied by a domestic consumer, the retailer may remotely disconnect the site only after making reasonable efforts to contact the consumer, where reasonable efforts to contact the consumer includes sending no less than three disconnection notices to the occupier at the premise.”</i></p>

Part	Clause	Feedback
7	58.d.	We do not consider it is appropriate to include on a notice of disconnection for non-payment the total of all charges, fees and penalties that must be paid if disconnection and then reconnection occur. If a consumer is not engaging with a retailer, a notice including the likely fees the consumer will be subject to will not encourage or motivate a consumer to get in touch with a retailer. We suggest clause 58.d is removed.
7		Please include either an “and” or “or” into all sub paragraphs, as appropriate (e.g. clauses 51, 52, 54, 58, 59, 61, 63, 65, 67)

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	We agree that there should be a specific Part making additional recommendations specific to MDCs.

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>Yes, we generally agree with the recommendations in this Part and that the meaning is clear. However, we note that:</p> <ul style="list-style-type: none"> The Authority should work with the Ministry of Health to establish and maintain a shared database of medically dependent customers as the single source of truth. If this were to happen the Proposed Guidelines could be amended to streamline the verification process by a simple cross reference with the national database. Retailers should be able to rely on consumers advising their retailer when they are no longer an MDC or are no longer resident at an address. We agree that a right for retailers to verify ongoing MDC status is appropriate, but consider that retailers should be able to exercise this right more often than every 12 months if an MDC is rapidly accumulating debt. <p>The drafting should also be flexible enough to enable retailers to choose whether or not to verify MDC status with a health professional. Clause 78.b. seems to suggest this needs to occur when an MDC signs up, while clauses 85 and 88 set out an expectation of verification upon application for MDC status. We understand that for efficiency purposes, some retailers may choose to only seek verification of MDC status when an MDC falls into payment arrears. As there is no difference in the treatment of verified versus unverified MDCs, there would be no harm in allowing this practice of only verifying where necessary.</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	90 and 91	Clause 90 seems to give retailers discretion to have and follow “a process to review and confirm the MDC status of the customer or consumer.” This implies that the review and confirmation process is of the retailer’s design. However, clause 91 then places limits on the process such as reverification no more than once every 12 months. Given the range of MDC situations that can eventuate, a broader discretion seems more appropriate. For example,

Part	Clause	Feedback
		more frequent confirmation may be necessary for short-term MDC issues. If this is not allowed under the Proposed Guidelines, then there is a risk that a customer or consumer may no longer in fact be an MDC, but the retailer has no right to confirm that. There are unfortunately cases where such inflexibility might be abused in order to ensure continued supply of electricity for a year without payment.
8	93 and 94	Clauses 93 and 94 set out a clear path for disputing and declining an MDC application but there needs to be an equivalent for removal of an existing MDC status following a failed reverification.
8		Please include either an “and” or “or” into all sub paragraphs, as appropriate (e.g. clauses 75.a, 75.b, 76, 78, 83.a, 85.b, 86, 88, 89, 93.a, 95.d)

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, we agree with the explanation of what a fee is.

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	Yes, we agree with the recommendations in this Part and that the meaning is clear.

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	104	We consider that the current drafting of clause 104 suggests that a fee of less than 20% is reasonable and anything over potentially unreasonable. The Authority should consider removing clause 104 entirely as retailers’ payment plans should allow for spreading of amounts owing in general. Alternatively, the first part of the clause could be deleted so that retailers should consider in all situations whether spreading the fee over a number of billing cycles is appropriate.
9		Please include either an “and” or “or” into all sub paragraphs, as appropriate (e.g. clauses 102 and 103)

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	We disagree with some of the recommendations in this Part and query whether the recommended actions will lead to the desired outcome and whether the onerous monitoring “obligations” on retailers are actually for the purposes described in the Proposed Guidelines – it is difficult to see the connection.

Part	Clause	Feedback
		<p>Annual provision of the consumer care policy and annual alignment statement are similar to the benchmarking exercise led by ERANZ for the existing guidelines. These processes would not be overly onerous given the annual frequency and that they are directly linked to alignment with the Proposed Guidelines. The only thing we note is that the template certificate of alignment should require retailers to include details of steps taken to address any non-alignment (rather than just state the extent of any non-alignment).</p> <p>On the other hand, the quarterly provision of monitoring information would add to the already heavy administrative burden imposed on retailers by the Authority's information requirements. Any increase in the costs of doing business as a retailer will likely be passed on to consumers in the long term.</p> <p>Nothing in the quarterly monitoring information would enable the Authority to determine whether a retailer is complying with the Proposed Guidelines or enable the Authority to assess alignment of each retailer's quarterly monitoring information with its consumer care policies and annual alignment statement. The monitoring information is just raw data.</p> <p>ICP and disconnection data is already provided to the Authority via other mechanisms and this monitoring would be duplication. Collecting and reporting Work and Income referral data would add significant costs and it is unclear what the benefit might be. MDC data (which we understand is already provided to the Authority) will be highly variable because of the bespoke processes used by different retailers to verify MDC status – this data will offer the Authority very limited insight.</p> <p>If the Authority wants data to support policy decisions on future Code changes (rather than the clearly dubious expressed intent of assessing alignment with consumer care policies and annual alignment statements), then it should instead use its section 46 powers to request information from participants. The proposed quarterly monitoring sets a difficult precedent that the Authority may ask for any information from retailers (without statutory basis) and name and shame retailers that do not comply. This does not seem like proper process.</p> <p>Meridian and Powershop hope that all retailers take alignment with the Proposed Guidelines very seriously. However, there is a real risk with the Authority's "voluntary, but we will name and shame you" approach, that only retailers with sufficient scale to attract media scrutiny will bother to comply, while the incentive for smaller retailers to align will be more limited. This would result in a non-level playing field and continuation of one of the main problems with the existing guidelines. Meridian and Powershop reiterate the comments made earlier in this submission about the option of introducing Code changes and guidelines simultaneously to overcome the potential problems identified here.</p>

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 comments.

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	As set out above, annual certification is reasonable but the quarterly monitoring process is onerous, in part duplicates existing reporting, and seems loosely (if at all) connected to the express purpose for collecting the information.

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	The Authority has only a narrow remit to consider (but not decide on) Code breach allegations and customer complaints are generally addressed by retailers and Utilities Disputes. This section of the consultation paper reveals that there is nothing the Authority can do about an instance of non-alignment with a consumer care policy or with the Proposed Guidelines. Similarly, the Authority lacks any power to do anything about a retailer that simply does not <i>have</i> a consumer care policy or make any effort at all to align with the Proposed Guidelines. To suggest otherwise would be misleading.

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	Our preference would be the simultaneous roll out of Code obligations and accompanying guidelines. However, to the extent that the Authority nonetheless progresses with the Proposed Guidelines alone, we agree with a 30 June 2021 implementation, provided the guidelines are finalised early next year and there is sufficient time for retailers to update and align their systems and processes.

Questions on the indicative impact assessment

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

Part	Clause	Feedback
Impact	n/a	<p>The cost benefit analysis highlights the difficulties for the Authority in going beyond its statutory remit. The cost benefit analysis attempts to view all benefits through an efficiency lens (consistent with the Authority's statutory objective of competition, efficiency and reliability for the long-term benefit of consumers). Ideally any benefits to consumers should be viewed through a wider lens that recognises the wider societal, health and consumer welfare benefits to end-users from consumer protection in the provision of electricity services.</p> <p>It seems unlikely that any thorough cost benefit analysis would find a net benefit based on efficiency effects alone and we query how the Authority intends to overcome this when it develops minimum standards in the Code.</p> <p>The rough cost benefit assessment undertaken by the Authority significantly under-estimates the costs to domestic consumers. Based on the current drafting of the Proposed Guidelines, while there may be benefits associated with reduced effort liaising with a retailer over payment difficulties, for the vast majority of consumers that do not experience payment difficulties the Proposed Guidelines will <i>increase</i> in the time spent liaising with their retailer</p>

Part	Clause	Feedback
		<p>(for example clauses 19, 21, 25, and 40 are onerous on both retailers and consumers and for the vast majority of consumers will be pointless and time consuming).</p> <p>We therefore consider the efficiency benefits to have been significantly over-estimated by the Authority. For most consumers there will be a cost. That cost may be justifiable given the benefits to the small minority of customers in financial hardship but there is unlikely to be a net benefit when considering efficiency benefits alone.</p> <p>The biggest potential benefit relative to the existing guidelines is the possibility of broader alignment by more retailers. This could improve welfare outcomes for consumers of retailers that do not already have high standards of customer care. There would also be competition benefits by putting all retailers on a level playing field in terms of minimum expectations for customer care. However, those benefits may not eventuate given the inability of the Authority to enforce alignment with the Proposed Guidelines and the fact that the “name and shame” approach proposed may offer minimal incentive for some low profile retailers.</p> <p>We are also concerned that the benefits to retailers are heavily underpinned by the “key assumptions” in Table 1, which appear unrealistic. We do not consider the assumptions in Table 1 stand up to scrutiny and do not think any benefits will be realised by retailers relative to the status quo.</p>

34. Are there benefits missing?

Part	Clause	Feedback
Impact	n/a	No comments.

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 comments.

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

Part	Clause	Feedback
Impact	n/a	See response to question 33 above.

37. Are there costs missing?

Part	Clause	Feedback
Impact	n/a	No comments.

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 comments.