# 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	Good - The flow of the guideline is reasonably logical There are a couple of specific suggestions about structure raised later in this submission e.g. provide a specific part of the guideline on pre-payment meters/plans.

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, and yes. The main implication of this to me though is that retailers (and the EA) need to ensure that 'vulnerability' is not now a forgotten reality. Addressing vulnerability in a way that is not just 'ambulance at the bottom of the cliff' means being pro-active wrt retailers being in a position to identify potential vulnerability. This will require retailers having a greater understanding of customers. The guideline hints at additional information collected from customers but couches this in terms of only being volunteered by customers. I suggest further in this submission retailers taking a more pro-active stance e.g. well-crafted questions (designed in conjunction with support/social agencies) that would hint at potential vulnerabilities (customer willing) e.g. presence of household member with health condition, elderly, children, rental or owner, etc., and a question whether they would like any assistance with energy-related issues e.g. referral to energy advisor, energy efficiency, whanau ora support, refugee/migrant support, budgeting advice. The listing of various types of vulnerability (para 46 Consultation Paper) could be used as a guide.

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

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Part	Clause	Feedback
Overarching	n/a	A confusing question - the wider consumer care guidance package referred to (in Guidance Note) seems to include essential elements (e.g. practice notes, medically dependent status form, retailer-support agency accord) such that it seems difficult to conceive of the guidelines without them.
		If the question is suggesting an even wider package I would suggest holding off until the government's response on energy hardship becomes clearer. I imagine that a wider consumer care guidance package will have a strong intersection with energy hardship initiatives. Also, I suspect it will be challenging enough getting the core consumer care guidelines operating smoothly. For retailers this should be their priority.













### **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	At this stage it is useful. In future as the guidelines become accepted and adopted by industry, and referenced by stakeholders, it may be worthwhile to review.

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		Only point is one of language – e.g. the term 'learning loops' is used here and in other parts of the document. It sounds like jargon to me.
		Unless such terminology is a common industry term, or unless it is explained in the Glossary, I suggest this (and any other uncommon terms) are replaced by plain English.

### **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 – as long as the purpose is clear, and there is a logical flow in the document, I suggest avoiding. One problem with tagging sections with a purpose statement for each is that some sections could contribute to more than one purpose (I haven't checked whether this is the case BTW). Then it just becomes messy.

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

Part		Feedback
1	Purpose	Yes – I think it is a really good purpose statementmaybe a few tweaks but nothing comes immediately to mind.
1	Principles	<b>No</b> – I believe two of the principles are fundamentally wrongly stated.
		1 <sup>st</sup> principle – this is OKno further comment
		<b>2</b> <sup>nd</sup> <b>principle</b> – the main issue here is that this is not one principle but two. Retailers having a 'right to be paid' and 'competition and innovation are supported' are two fundamentally different concepts. They are also worded in a problematic way.
		"Retailers have a right to be paid" – I assume that this principle is reflective of retailer concern regarding (a) some deliberate avoidance of paying legitimate power bills, and (b) situations where electricity debts mount up from some customers and sometimes has to be written off? These are justifiable concern. However, as a broad principle it cannot be unqualified. Utilities Disputes (and EGCC prior) has, over many years, found a number of cases where, in effect, the retailer did not have a right to be paid either for all or some of what they were asking. Hence I think the qualification for this principle should be along the lines that the 'right to be paid' reflects fair and reasonable service provision from the retailer (including perhaps, adherence to customer care guidelines). I suggest also you seek specific input from Utilities Disputes on the wording.
		"Competition and innovation are supported" – given that promoting competition is one of the planks of the core objective of the EA is it redundant to be repeating here? Supporting innovation is a worthy principle, but tying it to competition draws the inference that innovation can only come from competition. I would content that innovation can come from a number of drivers e.g. basic regulations that apply to all can be a driver of innovation because

Part		Feedback
		it potentially removes unfair advantage; co-operation can be a driver of innovation through collective wisdom and sharing. Personally, I'd prefer to see a standalone principle around innovation with a 'solutions' focus. <b>3</b> <sup>rd</sup> <b>principle</b> – this principle is extremely poorly worded. While 'transparency' as a principle is fine, attempting to link it exclusively to outcome measurement and continuous improvement
		is highly problematic. Transparency does not enable outcomes to be measured. Outcomes can only be measured if (a) they are consistently recognised as desired outcomes from the start; (b) measurement systems and processes are set up from the start (that are consistent between retailers); and (c) there is a requirement on retailers to undertake, analyse and make the results available. It is only at this last point - making results publically available i.e. 'transparency' - in which the comparative results of measurement can be viewed and assessed. On this later point it may be that the best means for comparative assessment is through the EA taking this responsibility (e.g. in much the same way that EA report of disconnection rates from retailers showing relative rates between retailers). I suggest that you just craft the principle around the concept of <i>transparency</i> , and then use text to explain the way you see the transparency principle working in practice (e.g. open
		reporting, comparative assessment) as well as any qualifiers (e.g. privacy issues).
1	Outcomes	<ul> <li>No – the main problem is that 'outcomes' are not clearly specified in the guideline. Outcomes are a very specific measure, different from outputs and activities, and often quite difficult (and expensive) to measure properly. Outcomes can be thought of as the intended end-state or result arising from undertaking specific activities or services. The section 'Intended outcomes and contributing actions' mixes them all together, along with statements of policy and intent, in a highly confusing way:</li> <li>1. Under the first principle it is stated that "MDCs are not to be disconnected for non-payment of debt". This is actually statement of policy. For consumers the potential outcomes resulting from this policy will be a) security of electricity supply (and the positive results this provides), but also possibly b) an accumulation of electricity debt. For retailers potential outcome areas might include peace of mind knowing they will not be liable for potentially endangering the health of a medically dependent consumer (a positive outcome), but also that they assume the liability for any unpaid bills unless means are found to ensure payment (a negative outcome). These potentially conflicting outcomes have been known and discussed for years – although rather lacking in quantitative data to shed light on the extent of the issue. I suggest the guideline needs to move beyond the statement of policy and discuss how the desired outcome for both parties (continuation of electricity supply and no accumulating debt) can be achieved.</li> <li>2. The 3<sup>rd</sup> principle contains a list of intentions around measurement but none are expressed as outcomes per se. Unless EA explicitly states what the specific measurables will be, the risk is that individual retailers will interpret this in their own way. This may result in measurements that are not comparable between retailers, separating actions,</li> </ul>
		I suggest the EA states explicitly the 'measurables' expected of retailers, separating actions, from outputs from outcomes. Particularly for outcome measurements, adoption of consistent methodologies will be essential. This will require EA to specify the methodologies to be used by all retailers. The EA should also specify whether there are some outcomes that they will take responsibility
		to measure and monitor.

Part Clause Feedback
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Part	Clause	Feedback
1	4	The document refers to the customer's "journey" with a retailer in numerous places. I find this term uncomfortable – its use is trying to put some kind of broader and cosy connotation around a relationship which is fundamentally transactional between a service provider and a customer. I suggest you use language that is less marketer jargon and more straight-forward – it is a 'relationship' (hopefully based around mutual respect and openness) and you are concerned with a customer's 'experience', not journey. I also greatly doubt that customers see this relationship as a 'journey'.

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	I agree with the requirement for all retailers to have a CCP. However I think the EA is not being upfront with their rationale for the guidelines still being voluntary in the face of a clear recommendation from the EPR, and instruction from Government, that mandatory minimum standards should be set. In the Christchurch consultation meeting we were told that the absence of mandatory
		provisions was because the Authority's legal mandate did not allow 'consumer protection' rules. We were told that work was underway, in parallel to this process, to change the legal mandate. If this is the case, fair enough. However this explanation is nowhere to be found in the Consultation document. Rather it is stated that " <i>if we find there is not strong alignment with the guidelines, we may consider whether to mandate aspects of the guidelines in the Code</i> " (p13). There then follows a table in which numerous aspects of the voluntary guideline are deemed to be 'aligned' with aspects where the EPR recommended minimum standards. This does not sound like an authority committed to a mandatory, minimum standard approach.
		I am not arguing that mandated minimum standards would necessarily produce better outcomes in all these aspects. And some of the EPR recommendations, such as defining vulnerable consumers, have been overtaken by the review process in which there appears to have been broad agreement to subsume 'vulnerable consumers' within a broader guideline applying to all consumers.
		Nevertheless I would have thought that the duty of EA in this task would be to respond upfront to the request for minimum, mandated standards. Rather, we see a continuation of the decade-old mindset of the authority to persist with 'self-regulation' of the industry. Not only this, the strategy of the authority appears also to be one of corralling the wider community of interest (consumer organisations, NGOs, media etc) into accepting a de facto role in monitoring retailer performance (through the emphasis on retailer transparency). This all presupposes that such organisations have the time, resources and mandate to do this, and that they are not faced with the barrier of 'price confusion' (as recently cited – see below) and other barriers designed to thwart true transparency.
		<ul> <li>I suggest the EA needs to do the following:</li> <li>Set out explicitly the reasons why the instruction for mandated minimum standards are not being followed. If indeed these reasons are related to the current lack of legal mandate, outline the steps and timeline for legally mandated standards to be enacted.</li> <li>If a form of 'self-regulation' is to be followed (at least in the interim), EA needs to front up with a much more pro-active monitoring and assessment programme. They should not just take retailers' word on self-assessment of compliance and 'transparency' but should specify a far more rigorous programme including retailer audits, 'mystery shopper' initiatives, and formal feedback programmes from community of interest organisations.</li> </ul>

Part	Clause	Feedback
2	6f	Simply requiring information on all fees and bonds is not good enough – such information is generally available now. The problem is too often this information is buried in the fine print of retailers' pricing plans; with retailers often having multiple plans, transparency and easy consumer access is lacking. The CCP should require all fees and bonds to be stated clearly, in plain language, and not buried within fine print details.
2	6g(ii)	The outcomes desired must be explicitly specified for all retailers (as per previous section). Methodologies to be used must be consistent between all retailers and probably published as a practice note
2	7b(iii)	"You have every opportunity to be on the best pricing plan to meet your needs" is stated as the desired outcome. The issue EA must address is how this is to be monitored and assessed. As has just been reported customers (and support agencies etc.) are faced with an almost impenetrable wall of "price confusion" (https://www.stuff.co.nz/business/123429635/electricity-companies-accused-of-using-confusion-as-a-marketing-tool). Also, some retailer websites seem set up to obfuscate rather than clarify pricing plans. The EA will have heard through the consultative process undertaken to date the difficulty (and sheer time effort) required to find, access and secure the 'best pricing plan' from some retailers. In my own personal situation in the last month my long-term retailer offered me a new price plan to take over from an expiring fixed term plan that was 19% more expensive than a plan being offered for a new customer (the later as reported by the Powerswitch website). I pointed this out to my retailer who came back with the following reply: "We offer the Smart Value plan to our existing customers as a general rule, and if they are not happy with that then usually they will call us to see if we have any better deals available". So yes, as it turned out I had 'every opportunity' to be on the best plan to meet my needs. But this required challenging the price plan offer on my part to make a case. Which is what I expected to have to do, interestingly (based on very low expectations) - but to me this goes against the spirit of what you are asking here in the guideline. Would a customer facing repayment difficulties be offered such a plan, as of right? Because that is the test, I think, if these guidelines are to have real meaning. I suggest EA reviews and tightens this clause. As above EA must also set this as a high priority for monitoring, assessment and publication of findings.

### 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	

Part	Clause	Feedback
3	14b/14c	The supporting documentation indicates that contextual information will be collected only if offered by the customer. I understand issues here about customer privacy and a desire not to stigmatise, but my concern is that in the absence of contextual information the kind of support that may be provided through the guideline process becomes 'ambulance at bottom

Part	Clause	Feedback
		of cliff' rather than pro-active prevention. The guideline is unclear whether the offering of information by a customer would be in response to some helpful, friendly questioning by the retailer, or whether the information would be offered voluntarily by customers, unprompted. The later is implied in para75 of the consultation document; if so I would encourage exploring a rather more pro-active approach by retailers (perhaps in association with support agencies to agree approach) so that potential vulnerabilities are flagged in advance and hence more pro-active <i>consumer care</i> can be offered where appropriate (this follows up early comment in response to Q2).

#### 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	

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	I'm not sure that the question here is correctly stated – is it that further assistance should be available <u>for</u> retailers or <u>from</u> retailers?
		I can understand why retailers may not wish to enter a customer contract. However, the solution seems to me to be pushing responsibility back to support/social agencies. This seems like some kind of potentially endless loop because if households are in a situation where they are being consistently turned down by potential retailers they are probably well familiar with support/social agencies and vice versa.
		One of the topics of discussion raised during prior consultation was the concept of 'retailer of last resort'. It is unclear what the result of these considerations were, but discussion on this concept is absent.
		I don't think it is good enough for the electricity industry as a whole to be pushing this issue back to support/social agencies. While such agencies undoubtedly have a role to play I contend that the industry as a whole must adopt a policy position on:
		Always being able to provide supply to a household
		The default fall-back is surely a pre-payment meter/plan? All retailers, if they do not have PPM plans themselves, should have an arrangement with a retailer who does. Nevertheless PPMs, unless specifically requested by customers should be considered a last resort option. This should become a specific point of monitoring by the EA to ensure this is the case.

Part	Clause	Feedback
4	26 (and other clauses in Parts 5-9)	Electricity supply to households on PPMs is characterised by a high frequency of short term, cash-constrained disconnections. These result in incredibly disruptive and stressful lives for occupants and are a contributing cause of a range of negative outcomes. I believe the guideline is not giving sufficient weight to protections for PPM customers. Part of the problem is that the provisions are spread through this and subsequent parts of the guideline; it is difficult to get a clear focus on what is proposed for PPM customers. Also, the EA mentioned at the Christchurch consultation meeting that retailer intervention should occur once a threshold is reached of 1 day in 7 disconnected. Potentially this could

Part	Clause	Feedback
		result in up to about 20 disconnections over a winter period alone without intervention – far, far too many.
		I suggest the guideline is restructured to bring all the PPM provisions into a single, focused Part. I suggest also that consistent with the consumer care ethos, the EA should undertake some further, targeted consultation with key retailers and support/social/government agencies with a view to strengthen PPM provisions and to look at new approaches to reduce disconnection frequency.

### **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	A general comment in relation to clause 30 mentioning <i>actual meter readings</i> if they are available. The fact that some residential customers are still not on smart meters in my view runs counter to the concept of consumer care. Unfortunately the situation with the roll-out of smart meters is opaque – an earlier EPR report cited 19% still lacked access; discussion at the Christchurch consultation meeting suggested around 10% currently (it's not clear whether these relate to permanent residences or whether most of those still to be changed are holiday homes/infrequently used). Lack of access to smart meters limits tariff availability, continuation of estimated accounts and
		associated issues with infrequent, large and/or inaccurate billing, and limits good information feedback to customers.
		I believe that as an adjunct part of the guidelines industry should set a fixed date within the next 18 months in which all residential meters (for permanent residences) are converted to smart meters.

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	It is not good enough to use only a 'material reduction in energy use' as a marker that will prompt a retailer to inform a customer of potentially more favourable pricing/pricing plan options. The bigger question is why retailers continue to establish new tariffs that apply just to select groups (e.g. new customers) that may have the effect of undermining their established and loyal existing customer base if they do not invite all existing customers (who would be eligible) to change to a more advantageous plan? In my view such a principle a standardised, non-discriminatory pricing by individual retailers should underpin a consumer care policy.
5	28/29	It is not clear either here, or in sections referring to monitoring, how the outcomes from these provisions will be monitored. These are potentially important outcomes, requiring in-depth, independent assessment. I suggest this is an aspect where EA should signal its intention to carry out audits and independent assessment.

### 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	In general agree (while also noting that generic issues discussed above and previously would

Part	Clause	Feedback
		potentially put consumers in a better position re impending payment difficulties)

Part	Clause	Feedback
6	40f	Agree with the sentiment here but it is not clear that the level of detail suggested (and associated analysis of consumption, consumption profiles etc) is within the expertise range of all retailer customer service representatives?

### 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	

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

Part	Clause	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	Agree with a Part 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	In general agree, but note the following: a. The heading <i>When a customer signs up or is denied a contract</i> – the section does not actually deal with the possibility that a customer with a resident MDC may be denied a contract. I suggest that this specific scenario is addressed. b. A national register of MDCs – this has been raised during consultation, and in theory offers the benefit of administrative streamlining for retailers and for MDCs themselves. There are also many potential downsides including who would maintain the database and keep it updated, who would have access, privacy issues etc. I don't know whether the concept has been explored by the EA and dismissed; if not I suggest the concept is explored and reported on c. I agree with MDC status primarily being a matter for a health practitioner determination. However, it is not clear to me the criteria to be used that will assist health practitioners with their determination. Potentially 'medical dependence' on electricity access and supply is a very long piece of string, from clear-cut cases (e.g. need to operate a dialysis machine) through to conditions that currently probably fall outside of existing guidelines (e.g. cold- related health conditions requiring consistent indoor temperatures of 21C or so with the need

Part	Clause	Feedback
		for ongoing power for heat pumps). I do not know whether this has been covered in the prior consultation/co-design workshops but I would think at the very least this is a topic for further discussion and consultation.

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	Nothing further to add to the earlier comments about ensuring all such conditions are made clearly visible to customers, not buried in fine print

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	

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	Much of the information disclosure outlined is based on self-assessment by retailers of their adherence to the guideline. It is unclear the extent to which this self assessment by retailers will also incorporate feedback from stakeholders as part of their process – in para 18 of the Consultation document it is suggested that lack of formal feedback and the absence of a 'learning loop' between the Authority, industry participants and relevant agencies is a recognised barrier. But it's also unclear whether it is reasonable to expect individual agencies should be expected to provide feedback to all retailers on an individual basis. I suggest that EA needs to review the expectation on parties (retailers, the EA itself and relevant agencies) with respect to information, reporting, feedback and transparency responsibilities.

Part Clause Feedback
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Part	Clause	Feedback
10		

### **Questions on Monitoring alignment and outcomes**

provided.

30. D0 y0u	uBicc Wi	the monitoring process that the Authority interfas to follow.
Part	Clause	Feedback
Monitoring	n/a	With reference to the Consultation document, p30 discusses the information that may be part of the quarterly reporting. It says existing quarterly monitoring will be carried over, and

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

outputs and outcomes transparent.

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	
Monitoring	n/a	

suggests that consumer care monitoring information will be incorporated at a later date. On p49, the table heading states that 'What disclosure information needs to be provided and when due'....but the table does not list the types of information that will need to be

A theme of this submission is the need for good quality monitoring information in order that consumers can have confidence that the guidelines are being carried out as intended, and

I think there is much further work to do on this, including EA taking a much for pro-active

position around information collected and independent assessment of outcomes.

### **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	

### Questions on the indicative impact assessment

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

Part	Clause	Feedback
Impact	n/a	In general it is not clear how well founded these estimates are, in particular the costs associated with adequate levels of outcome monitoring for all retailers.

#### 34. Are there benefits missing?

Part	Clause	Feedback
Impact	n/a	

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	

#### 37. Are there costs missing?

Part	Clause	Feedback
Impact	n/a	Potential increased costs to social/support agencies is acknowledged but unquantified. Note this is not just an issue of incremental costs due to the guideline; the current existing cost load is something that the industry should also be aware of. Overall this is part of a wider energy hardship issue and is perhaps deserving of a broader assessment under the energy hardship programme.

### 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	