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**Submitted by email:** [mdvc.guidelines@ea.govt.nz](mailto:mdvc.guidelines@ea.govt.nz)

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Kia ora James and the Electricity Authority guidelines team,

**RE: Consultation Paper - Consumer Care Guidelines**

The National Building Financial Capability Charitable Trust (**FinCap**) thanks the Electricity Authority for the opportunity to comment on the Consumer care guidelines Consultation paper (**Consultation paper**). We also thank the Electricity Authority for its thorough approach to consultation ahead of your crafting of the proposed Consumer care guidelines.

Electricity is an essential service necessary for health, wellbeing and participation for people, whānau and communities. We must all work towards a future where no whānau is disconnected or goes without the electricity needed for a healthy home due to an inability to pay. The proposals in the consultation paper are a step towards this but should be the first of many. Financial Mentors and the people, whānau and communities they work with need strong protections through rights to appropriate and consistent assistance for overcoming or avoiding hardship from all electricity providers.

The Electricity Authority must urgently ensure it is working with electricity providers to access and publish clear information on where the energy system is failing to deliver the essentials to households. The wider government and Minister of Energy and Resources must urgently progress recommendations from the Energy Price Review<sup>1</sup> that relate to energy hardship.

This submission provides wider FinCap recommendations for reform to ensure Aotearoa is free of energy hardship. It then responds to the specific consultation question template.

**About FinCap**

**FinCap** (the National Building Financial Capability Charitable Trust) is a registered charity and the umbrella organisation supporting the work of Aotearoa New Zealand's 200 local free financial capability and budgeting agencies, which annually support over 70,000 people in financial hardship. Our input to that involves training Financial Mentors, hosting and analysing data from client interaction, supporting networking, and communicating and advocating around issues affecting those agencies.

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<sup>1</sup> See New Zealand Government, 2019. *Electricity Price Review* [final report]. Available at: <https://www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-consultations-and-reviews/electricity-price/>

## **General Comments - Mandatory minimum standards of assistance are needed**

Because electricity is an essential service, strong protections are needed for all consumers. The Minister of Energy and Resources and relevant government departments as well as the Electricity Authority should urgently progress several recommendations from the Electricity Price Review to avoid the flow on financial impacts of COVID 19 resulting in avoidable and long-term consumer harm. Financial Mentors across Aotearoa are already assisting many whānau to overcome hardship. Mandatory minimum standards of assistance for essential electricity providers will give Financial Mentors more tools to assist their clients towards overcoming hardship.

The Electricity Price Review recommendation B6 was to progress mandatory minimum standards for assistance within three months after the review's final report was released. We fully support this recommendation and are ready to work with decision makers progressing these reforms that will be vital to combatting energy hardship. The work on this consultation paper must be seen as an initial step towards mandatory consumer protection.

We are aware that some work has been underway to progress other relevant recommendations from the review such as establishing a cross sector energy hardship group (B1) and consumer advocacy council (A1). Again, we recommend that establishing these groups to provide expert advice on resolving issues for consumers is urgently progressed to counter the risk of consumer harm from energy hardship. There should also be some form of system put in place to ensure customers receive consistent and fair compensation when minimum standards are not followed.<sup>2</sup>

Once established we recommend that the cross-sector hardship group should initially prioritise work on issues that were ruled out of scope for the current Electricity Authority process but were regularly raised. These included:

- the lack of oversight of the experiences of whānau experiencing payment difficulty when on pre-pay arrangements (discussed in the commentary relating to recommendation B2 of the Electricity Price Review);
- the need for a clear way for all whānau to access essential electricity services regardless of their credit history or ability to pay (discussed in the commentary relating to recommendation B8 of the Electricity Price Review)
- how to best assist consumers to avoid consumer harm from energy hardship when they face barriers to engaging with their energy provider, especially where they are at high risk of being disconnected (perhaps through the approaches discussed in Electricity Price Review recommendation B3).

## **Better monitoring for consumer harm is needed to better inform reforms**

Aspects of the Electricity Authority's policy development have been constrained by a lack of information about issues. The monitoring proposed in the consultation paper is generally vague, so we recommended that decision makers and the Electricity Authority also urgently pursue work to make sure there is adequate oversight to identify and address consumer harm from energy hardship.

As flagged above, many issues with outcomes for consumers in the market may be hidden in pre-pay arrangements that decision makers have little oversight over despite the risk of regular and prolonged disconnections of consumers who have an inability to pay. FinCap welcomes the recent agreement of providers in the Electricity Retailers' Association New Zealand (**ERANZ**)'s VCMDC working group that

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<sup>2</sup> Victoria has a Wrongful Disconnection Payment that is made to customers as discussed in this factsheet: [https://www.ewov.com.au/files/fact-sheet-08-disconnection-and-restriction-for-debt\\_0.pdf](https://www.ewov.com.au/files/fact-sheet-08-disconnection-and-restriction-for-debt_0.pdf)

offer pre-pay options to begin working in a subgroup looking at the experiences of their pre-pay customers. This work should also be undertaken by relevant regulators and government departments in the interest of ensuring fair consumer outcomes.

Where the Electricity Authority feels it is lacking oversight on potential consumer harm it should make public recommendations to relevant decision makers to improve its ability to gather relevant information. Otherwise it should gather the information necessary if it already has the powers to do so and publicly report what is found. Such public reporting should be made available in the interests of overcoming any issues identified collaboratively.

## Consumer Care guidelines consultation: FinCap template-based feedback

### Overarching questions

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

Part	Clause	Feedback
Overarching	n/a	<p>FinCap supports the general structure and length of the guidelines. Energy hardship is a complex issue and the proposed guidelines describe expectations around businesses' conduct across many situations that could arise.</p> <p>We would welcome discussions on what such materials could look like and how to make Financial Mentors aware of the new guidelines. We recommend that materials are developed to give Financial Mentors a clear idea of what assistance to expect for clients for common issues that arise. Such materials could make a significant impact by flagging simple ways for the guidelines to be implemented in practice across a network of 200 services nationwide.</p>

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>People's experiences of payment difficulty and hardship can be diverse. FinCap strongly supports the application of consumer care guidelines to all consumers as this will reduce barriers for consumers accessing assistance. This change will mean that the time and resources of consumers, businesses and Financial Mentors can be used on finding sustainable pathways forward that overcome financial hardship as opposed to having to prove a situation fits a mould.</p> <p>While the avoidance of doubt about who should get assistance is great, we also support the expectation that businesses should appropriately record any information volunteered about vulnerability by a consumer for the purpose of people not having to repeat themselves.</p>

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	As above we support a wider package, and this should include information targeted at helping financial mentors efficiently understand an realise opportunities to work with their clients.

### 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	lii and vi	<p>We welcome the explanatory note. The meaning appears clear throughout the drafted guidelines. However, iii and the first point under vi appear to unnecessarily limit the expectations in guidelines to conventional energy retailers and the few distributors that directly invoice customers.</p> <p>Electricity is an essential service and we are aware that some whānau may receive electricity through other arrangements such as from the body corporate of an apartment building. All arrangements for residential dwellings accessing electricity should be covered by these guidelines because it should be expected that all whānau receive fair conduct from their supplier when experiencing repayment difficulties.</p> <p>Oversight of many of the non-conventional ways people access power (which we suspect practically exist as monopolies in many scenarios) may be difficult. However, the regulator and other decision makers must work towards advancing expectations on all providers in such arrangements to ensure fair outcomes for all consumers experiencing repayment difficulties.</p>

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	vii	<p>The Electricity Authority could also consider adding drafting along the lines of: 'also, to avoid doubt, where a statement in this guideline may be read with different meanings they should be read from the perspective of a consumer experiencing repayment difficulties.'</p> <p>Victoria's Payment Difficulty Framework in their Energy Retail Code takes this approach.<sup>3</sup> The above would avoid unintended interpretations of statements arising and generally encourage staff at businesses to consider what consumer's needs may be.</p>
Explanatory Note	x	<p>We encourage the Electricity Authority expand this clause further and encourage businesses to share learnings about better practice with other businesses, regulators, policy makers and support organisations like building financial capability services.</p> <p>Many retailers currently participate in the ERANZ VCMDC group and such initiatives should be recognised and encouraged in the guidelines. FinCap has</p>

<sup>3</sup> ESC's equivalent guidance note for retailers reflects this section of the regulations on page 7. See: ESC, 2017. *Energy Compliance and Enforcement Policy: Guidance note – Payment difficulty and disconnection*, Version 1, p.7 available at: [https://www.esc.vic.gov.au/sites/default/files/documents/payment-difficulty-framework-energy-compliance-and-enforcement-policy-guidance-note-20171222\\_v2.pdf](https://www.esc.vic.gov.au/sites/default/files/documents/payment-difficulty-framework-energy-compliance-and-enforcement-policy-guidance-note-20171222_v2.pdf)

Part	Clause	Feedback
		worked constructively with this group and acknowledges the commitment of the businesses and organisations involved.

### 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	We support the addition of sub purpose statements throughout the document. These should clearly focus retailer's conduct on preventing consumer harm due to energy hardship. Reinforcing these points will help guide retailers to delivering better outcomes for consumers.

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

Part	Clause	Feedback
1	Purpose	Electricity is an essential service and no one should be disconnected because of an inability to pay. The purpose should explicitly mention that disconnection for non-payment can cause serious danger to consumers and should be avoided through business' implementation of the guidelines.
1	Principles	<p>A principle should be added that clearly states that energy is an essential service that is important to the health, wellbeing and social participation of people and whānau in communities. Such a principle should have an equal or greater footing with the drafted principle B - <i>'Retailers have a right to be paid and competition and innovation are supported'</i> as all relevant stakeholders should be working to prevent the harm caused by energy hardship.</p> <p>Energy businesses may not be the cause of underlying vulnerability that means people experience payment difficulty.; However, businesses should not compound matters by punishing households unable to pay through disconnection or other harmful conduct. Leaving people disconnected and in the dark to see what happens is just a recipe for compounding a debt spiral and posing completely avoidable risks to children's health where a whānau are facing an impossible financial situation.</p>
1	Outcomes	<p>Under sections A or B there should be an expectation set out that electricity retailers work with their customers to provide the fairest pricing available for their needs. Consumers can often find electricity offers complex to compare and end up paying more because tariffs are not suited to their needs. Energy retailers can be seen to exist to negotiate fair pricing for consumers in a volatile wholesale market. Good customer service should include businesses regularly ensuring they are offering the most appropriate offer available to customers.</p> <p>Retailers can cause vulnerability and repayment difficulties where they charge unnecessarily high amounts to consumers. We do not see why energy retailers should have a right to be paid where they have failed to ensure they are charging a customer fair rates.</p>

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

Part	Clause	Feedback
1		No comment

## 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>FinCap strongly supports the inclusion of an expectation that businesses publish a policy on how they will assist consumers experiencing payment difficulty. This will be a game changer for financial mentors who will be able to clearly reference what options their clients have when they are having difficulty paying.</p> <p>To allow efficient uptake by smaller providers and to set a clear example of statements that reflect clear commitments we recommend that the Electricity Authority create a template consumer care policy for retailers that extends beyond the drafting in this part. We recommend that this template is developed in collaboration with a 'consumer side' advocates in a workshop as consumers as advocates and support workers will need to be able to understand and take action based off these published policies to realise the intended outcomes of the guidelines.</p>

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	8,ii	<p>As opposed to the terminology of budgeting advice services the Electricity Authority should instead use the terminology focused on the Financial Mentor role here and throughout the guidelines.</p> <p>A footnote may also be useful to explain that the MoneyTalks service currently offers the best pathway for referral where a business and its staff can be confident that their customer will get referred on to a relevant local service. Otherwise, businesses may have to guess which service is most appropriate from a map or list of around 200 service throughout the country. This is less likely to go smoothly for people experiencing payment difficulty.</p>
2	7.b.	<p>This statement should use clearer language to ensure a clear commitment is made. 'Want' should instead be 'will.' Adjustments like this should be made throughout all the drafting in this section to avoid a repeat of the issues the Australian Energy Regulator encountered before their most recent reform of their hardship policy requirements. Previously the statements in Australian energy retailers' hardship policies had often given retailers too much room to not deliver consistent outcomes for all households.<sup>4</sup></p>

## 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?

<sup>4</sup> See commentary on the background to Australian Energy Regulator's rule change request to the Australian Energy Market Commission: <https://www.aemc.gov.au/rule-changes/strengthening-protections-customers-hardship>

Part	Clause	Feedback
3	n/a	We strongly support the inclusion of the guidelines in this part. A purpose should be given to this part to ensure the meaning is clear – that information should be recorded in order to assist consumers when they have difficulty paying.

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

Part	Clause	Feedback
3		No comment.

### 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>We strongly agree with the recommendations in general as they aim to avoid retailers causing vulnerability through charging inappropriate rates or communicating ineffectively.</p> <p>The Electricity Authority must note that information disclosure is a very limited form of protection. People facing payment difficulty should be aware of their options for assistance but their access should not rely on their awareness, or require them to seek out or request it.</p> <p>It is particularly concerning that pre-pay customers may be offered no other choice than to accept the risks of pre-pay offers as opposed to no connection at all. The information disclosure expected in this part should not be viewed as enough protection for people on pre-pay arrangements. They should be offered more well targeted and appropriate assistance to avoid disconnection.</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	<p>We welcome that the Electricity Authority has made an attempt to address issues relating to whānau not having a right to access an essential service no matter what their financial status. However, these voluntary guideline recommendations do not go far enough in protecting consumers from serious harm through an inability to access an essential service. We are aware of clients presenting to Financial Mentors who often end up struggling to access electricity due to their credit ratings. This issue compounds the harm faced when a crisis requires consumers to move home while they juggle many complex debt issues and/or other social issues.</p> <p>The Electricity Authority should revisit its scope to address this issue. If the Electricity Authority is unable to progress a protection that all consumers have access to essential electricity services, then it should instead publicly recommend that relevant decision makers address this issue. The Electricity Authority should also require retailers to report when a consumer is denied a retail offer and what subsequent action the denying retailer took so the extent of this issue is better understood and can be addressed through appropriate reform.</p>

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	23.a.ii.	This statement should extend an expectation that the price comparison service operates as a 'not for profit' to avoid inadvertently encouraging referrals to a service that doesn't prioritise a customer's best interests. For example, some third parties in this space may prioritise an inappropriate offer because that delivers a commission.
4	23.b.	As opposed to the terminology of budgeting advice services the Electricity Authority should instead use the terminology focused on the Financial Mentor role here and throughout the guidelines.  A footnote may also be useful to explain that the MoneyTalks service currently offers the best pathway for referral where a business and its staff can be confident that their customer will get referred on to a relevant local service. Otherwise, businesses may have to guess which service is most appropriate from a map or list of around 200 service throughout the country. This is less likely to go smoothly for people experiencing payment difficulty.

### 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	We agree with this section in general and the meaning is clear. Regular 'check ins' with customers will mean that those who are not new customers after the guidelines are implemented should be made aware of assistance that they may have not had access to previously.  Checking in with customers is also good practice as it will increase the likelihood that early intervention is undertaken where payment difficulty arises.

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	The reminder in 28.b. is good at recognising that businesses may encourage underconsumption of essential electricity supply. However, it alludes to a missing element that should be present in this part – that retailers should offer to change all customers to the tariff that is likely best for their needs each year. This will provide fairer pricing to households that is the best early intervention to stop to accumulation of unnecessary debt from tariffs that are not in the best interests of whānau.  The clients of Financial Mentors are often facing a matter of cents in the dollar as the difference between being in surplus or deficit in a weekly budget. We hear of financial mentors having to refer people for food parcels to ensure they can meet bills for essential electricity services. It is unfair if these bills are higher than need be and that this is causing real harm by blocking whānau from overcoming financial hardship.



## 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, we agree with the expectations on businesses described in this section. It should be noted that these are voluntary minimum standards and do not extend protections equivalent to consumers in other jurisdictions around the world. Mandatory requirements on businesses to realise stringent protections as recommended in the Electricity Pricing Review will be needed to effectively and fairly ensure all whānau have a right to appropriate and effective assistance to avoid harm when experiencing payment difficulty.

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.b. and 37.c.	These statements rely on businesses' reasonable opinion and should instead require more evidence on how a business forms that opinion. Without more expectation to demonstrate how a customer may be seen to be failing to respond to communications or take up assistance businesses may assert this flippantly. This could cause significant harm to someone who may be struggling to engage due to vulnerability.
6	37.d.	This statement appears to undermine all other expectations for assistance and not recognise that whānau may simply have an inability to pay an invoice for a period of time. Such issues are not necessarily caused by businesses, but this doesn't mean a business should be able to simply overlook all assistance that is expected. We reiterate that no whānau should be disconnected because of an inability to pay.
6	38	<p>At Day '15' of the described process there is an expectation that a late notice can be issued to a customer. We suggest that this statement and others in the guidelines relating to any other expected notifications include drafting like the following to give an expectation on the purpose of these notices:</p> <p>'the notice should have the purpose of engaging the customer to offer assistance that will avoid disconnection.'</p> <p>Whānau may disengage from businesses for many reasons. Clearly spelling out an expectation that notification should aim for engagement may help overcome the tone of notices being a barrier to whānau understanding businesses' willingness to assist.</p> <p>We also strongly support the spaced and varied contact methods mentioned in this clause. Many aspects of people's lives may make them hard to contact, especially where they are in crisis and managing multiple issues. People can also be banned from taking calls while on varying shift work. Varied and spaced contacts will increase the chance that barriers like this are overcome.</p>
6	40	We support the inclusions in this list of what should be offered for support. To avoid doubt a clause should be added that creates an expectation that retailers do not place unrealistic eligibility criteria as a condition of accessing assistance. Such criteria could involve whānau providing a lump sum payment they cannot afford before receiving more realistic assistance. This ultimatum could lead to whānau going without other essentials to access assistance or not taking up assistance because it is inaccessible.

Part	Clause	Feedback
		The Electricity Authority should also ensure that businesses are expected to communicate effectively through interpreters or alternative communications that respond to disability for the recommendations in this part and part 7. Not including this targeted expectation could risk miscommunication creating easily avoidable consumer harm through a lack of access to an essential electricity services.
6	40.h.	<p>We strongly support the pause for repayment processes for 14 days after a referral is made. This reflects the reality that some support will take time and that a business proceeding with collections could undermine the ability of a financial mentor to assist a client to find a sustainable way forward with their electricity debt.</p> <p>We recommend this 14 day period should be expected to be extended where a Financial Mentor clearly advises the client and/or the businesses that more time is needed to deal with other debt issues and create a balanced budget. For example, multiple high cost credit contracts may be being paid through work and income redirections. It would take time for a Financial Mentor to work with their client's instructions to stop the directions and successfully apply a no interest loan from a charity. If the client is disconnected in the interim it may increase costs for replacing food or finding alternatives food sources and set back their ability to pay the electricity business sooner or at all.</p>
6	40.h. & 42.c.ii.	<p>As opposed to the terminology of budgeting advice services the Electricity Authority should instead use the terminology focused on the Financial Mentor role here and throughout the guidelines.</p> <p>A footnote may also be useful to explain that the MoneyTalks service currently offers the best pathway for referral where a business and its staff can be confident that their customer will get referred on to a relevant local service. Otherwise, businesses may have to guess which service is most appropriate from a map or list of around 200 service throughout the country. This is less likely to go smoothly for people experiencing payment difficulty.</p>
6	42.	<p>Guidance should be drafted for situations where a payment plan has been established but a partial payment is made by a customer. This guidance should set the expectation that this is recognised as an attempt from a customer to engage in payment and prompt a follow up to see if a payment plan has turned out to be unrealistic and should instead be set at a lower amount.</p> <p>We strongly support the quarterly check in outlined in 42.c. but believe situations like partial payments should trigger timelier 'one offs' of these check ins to avoid potential payment difficulty compounding until the next quarter.</p>
6	44 and 45	<p>The discrepancy of the assistance expected to be offered to pre-pay customers as opposed to post-pay customers is alarming in general given the electricity is an essential service and there appears to be little oversight of the outcomes for pre-pay customers.</p> <p>Expectations of businesses should be expanded in this section to at least include that:</p> <ul style="list-style-type: none"> <li>- Referrals to energy efficiency services and financial mentors are offered to a household when they are disconnected due to having no credit.</li> <li>- Businesses reasonably reconsider the ratio of debt and future usage that is recovered from a 'top up' made by a customer who is proactively identified as being at risk of, or already experiencing payment difficulty.</li> </ul>

Part	Clause	Feedback
		The above would be a step towards providing more tailored options to assist with repayment difficulties for those on pre-pay products while a wider review of the issues with these products should be progressed by decision makers.

## 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 agree with the direction as the Electricity Authority has taken towards in the drafting of this part. However, more action must be taken by all stakeholders to ensure no one is disconnected due to an inability to pay.</p> <p>We also welcome and support the Electricity Authority's proposals to provide expectations to make contact with consumers no matter what the customer arrangement. These expectations recognise that safe access to an essential electricity service for all is necessary to avoid significant harm.</p>

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

Part	Clause	Feedback
7	51	Disconnections that arise under this clause should consider whether access to the meter is being blocked by a party who is not the consumer. For instance, a landlord could be holding the electricity account for tenants, not paying the bills (despite this be part of a tenancy agreement) and blocking access to meter. The tenant should be given reasonable warning of the issue and assistance to find a way of addressing the non-payment that they may be unaware of.
7	55.a.	This clause should further clarify whether a partial payment would be acceptable in light of our comments on partial payments above.
7	58.f.	<p>As opposed to the terminology of budgeting advice services the Electricity Authority should instead use the terminology focused on the Financial Mentor role here and throughout the guidelines.</p> <p>A footnote may also be useful to explain that the MoneyTalks service currently offers the best pathway for referral where a business and its staff can be confident that their customer will get referred on to a relevant local service. Otherwise, businesses may have to guess which service is most appropriate from a map or list of around 200 service throughout the country. This is less likely to go smoothly for people experiencing payment difficulty.</p>
7	59.c. & 69.	<p>As opposed to these definitions around times that businesses cannot disconnect, which could have different interpretations in some circumstances the Electricity Authority should instead set clearly defined times which would allow a whānau to immediately arrange reconnection.</p> <p>Given there may be many barriers arise to reconnection (such as charging a phone or finding an alternative phone when your house has no electricity) we recommended a very restricted and consistent timeframe for disconnections for non-payment. For instance, disconnections for non-payment only being allowed between 9am and midday on</p>

Part	Clause	Feedback
		Monday through Thursday. This would clearly define what should be expected and reduce the potential from harm from prolonged disconnection.
7	60, 66 & 69.b.	The protections for post pay customers in 60 and 66 are clearly articulated and contrast heavily to those in 69.b. This discrepancy represents a gap in protections of the safety of consumers in prepay arrangements and should be addressed.
7	61.c.	We strongly support that those visiting a household should be empowered to not proceed with a disconnection where an issue is flagged. This clause could be expanded to also mention examples like it being clear that children's general health will decline without electricity on a cold day, that someone may need mental health support or that a contractor becomes aware that a consumer is absent from the property because they are hospitalised. This prompt may help avoid significant unnecessary harm from the removal of an essential service as well as the flow on effect of unnecessary costs to the health system.  61 represents one of the most targeted interventions where the assistance of a Financial Mentor may offer someone significant help. The Electricity Authority should also include an expectation that a contractor offers a referral to Financial Mentors and other support services when attending the premises.
7	65.b.	Similarly 65.b. also offers a very targeted point of intervention where a Financial Mentor may be able to help and the guideline could specifically mention a referral to a Financial Mentor in this clause.

## 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 support having a specific part 8 which discusses medically dependent customers (MDCs). Some signposting in the other parts may be helpful to ensure businesses' staff members or customers do not overlook an expectation around conduct from businesses where there is medical dependency on electricity on the other end of an ICP.

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	We strongly agree with the change from a list of equipment to instead relying on what a health practitioner states is necessary. This will ensure that people are better protected across many possibilities that could arise.

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	91. & 94.	From the series of workshops that contributed to the formation of these guidelines, FinCap understands that efforts to set up better systems with the Ministry of Health have not yet eventuated. Therefore, changes to guidelines that roll back any protections for MDCs or potential MDCs should not be implemented at this stage as stakeholders appear

Part	Clause	Feedback
		<p>in general agreement that a system set up with the Ministry of Health is the best way forward.</p> <p>We support the expectation in clause 91 that a business reimburses an MDC for the costs of reconfirming health practitioners advice but worry that upfront costs of appointments could create barriers for MDCs with few resources to undertake this process. The Electricity Authority should address how this risk can be overcome if proceeding with the changes to MDC protections.</p>

## 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	We agree with the broad definition of fees given by the Electricity Authority. A broad definition is important as fees can make the difference for a balanced budget for a Financial Mentor's client and therefore should be fair.

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	<p>FinCap strongly agrees with aspects of this part which will counter any business conduct that seeks to make an unreasonable charge. However, we oppose removing clear caps on bonds as this will work against the consistency aimed for generally across this document and cause potential confusion for Financial Mentors or their clients trying to access an electricity offer.</p> <p>We are also keen to better understand whether the proposed guidelines could lead to expensive fees for consumers facing payment difficulty in a rural area or any other risks that could arise. For example, someone may incur a much higher disconnection fee if they do not have a smart meter and a worker must travel to a rural area. This may need to be flagged for wider policy work with the aim of ensuring fair access to essential electricity services for all whānau.</p>

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	As raised by other advocates in a workshop this clause may inadvertently normalise significant fees and the risks of this should be considered. We would expect the Electricity Authority would have oversight of how many households are paying significant amounts of fees as a proportion of their bills. Such arrangements may significantly distort outcomes from selecting a tariff that initially appears fair.
9	106	Bonds should be set at a consistent cap across businesses. The rest of this guideline strives for consistent conduct that is easy to navigate whereas the interpretation of this clause could lead to different outcomes for different customers which are unfair and cause harm.

Part	Clause	Feedback
		Financial Mentor's clients may need to approach work and income to access money for a bond. Inconsistent amounts for bonds or bonds altogether should not be a barrier to accessing electricity for these clients.

## 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	Generally, FinCap agrees with efforts to make more information about businesses' practices publicly available. However, we are not confident that these self-reporting requirements will lead to the disclosure of significant issues that arise with businesses' conduct.

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 comment

## 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	<p>We agree that the Electricity Authority is taking a step in the right direction. However, the consultation paper mentions monitoring through the 'review of trends and changes in monitoring information' but provides little detail about what information this will involve.</p> <p>It became apparent throughout the consultation workshops that the Electricity Authority has little oversight of some harmful outcomes for consumers experiencing payment difficulty. For example, there was little information available to reliably inform how policy would be developed around disconnections of consumers with pre-pay arrangements or what to do where a consumer is credit-checked out of accessing a retail offer.</p> <p>The Electricity Authority and other decision makers must immediately begin work to better monitor issues like these to ensure consumer protection issues are identified in a timely matter and resolved through reform where necessary. Financial Mentors and their clients should not have to pick up the pieces from unnecessary consumer harm that relevant regulators have no mechanism to identify and address.</p>

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	FinCap would be happy to discuss if the data we have available could help the Electricity Authority or other decision makers assess issues for consumers experiencing payment difficulty.

## 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	<p>We recommend that the Electricity Authority continue with the 30 June or an earlier implementation timeframe which encourages retailers to align their practices as soon as possible following the approval of the guidelines.</p> <p>Financial issues arising from COVID 19 continue to impact communities on top of existing issues that may have resulted in people ending up without their essential electricity resources in the past. The implementation of these guidelines can lower the risk of compounding financial hardship for whānau and should be prioritised by businesses and decision makers.</p>

## Questions on the indicative impact assessment

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

Part	Clause	Feedback
Impact	n/a	We agree with the analysis that that many of the consumer benefits may be hard to quantify. Nonetheless there are substantial benefits of avoiding or addressing energy hardship with long flow on impacts. We also strongly agree that social agencies will benefit from interacting with more consistent business processes which allow more efficiency.

34. Are there benefits missing?

Part	Clause	Feedback
Impact	n/a	No comment.

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 comment

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

Part	Clause	Feedback
Impact	n/a	No comment.

37. Are there costs missing?

Part	Clause	Feedback
Impact	n/a	No comment.

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	It is worth considering that retailers will have to perform regular system maintenance and refinements in general and that the system changes that may be necessary to implement the guidelines may not be stand alone. Therefore, the cost may be split with general maintenance, revision of systems and the sum allocated might be less than estimated.

Please contact Jake Lilley, our Consumer Issues Adviser on 021 0236 3233 or at [jake@fincap.org.nz](mailto:jake@fincap.org.nz) if you would like to discuss any aspect of this submission.

Ngā mihi,

Moana Andrews  
**Acting Chief Executive**  
**FinCap**



p.p. Jake Lilley (Consumer Issues Adviser)