

27 November 2020

Submissions
Electricity Authority
PO Box 10041
Wellington 6143

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

ERANZ submission on 'Consumer Care Guidelines'

Introduction

The Electricity Retailers' Association of New Zealand (ERANZ) welcomes the opportunity to provide feedback on the Electricity Authority's (the Authority) 29 October 2020 consultation paper Consumer Care Guidelines. ERANZ would like to thank the Authority for a constructive and positive consultation process this year. Circumstances this year have not made discussions easy, but your team has strived to accommodate stakeholders from around the country both in-person and via video conferencing.

ERANZ supports the focus on helping customers in hardship

As you know, ERANZ and its members care passionately about electricity consumers in hardship and have consistently advanced additional protections since our formation in 2015.

Retailers have worked hard to develop systems to help those in hardship manage their debt and avoid disconnection, which ERANZ members have long treated as an absolute last resort. Indeed, this project builds on ERANZ's cross-sector working group looking at this exact issue, with representatives from retailers, consumer advocates, government officials and regulator working together to improve the previous guidelines to support customers in need.

We are incredibly proud of the progress the sector has made to better connect budgeting support agencies with customers who need a helping hand. Providing early and proactive support is one of the best ways to ensure families can affordably access the power they need.

Further initiatives we have worked on in recent years includes:

- Implementing Voluntary Practice Benchmarks to assist retailers, these are essentially a practice guide for how to implement the Electricity Authority's guidelines for vulnerable and medically dependent consumers.
- Undertaking annual compliance exercises to confirm retailers are meeting the standards of both the Electricity Authority Guidelines and the Voluntary Practice Benchmarks.

- Providing a range of payment terms or repayment schedules to suit a household's circumstances, like smoothed monthly payments to avoid high winter bills.
- Coordinating financial support with social service providers like WINZ and FinCap's MoneyTalks.
- Delivering pilot programmes such as EnergyMate to help New Zealanders experiencing energy hardship make the most of their electricity use through in-home energy coaching.

ERANZ welcomes the update to the existing guidelines, and see benefits in the voluntary approach proposed by the Authority

We note the Authority acknowledges that the current guidelines, which have been in place since 2010, have worked well to provide a consistent industry approach for vulnerable and medically dependent consumers. This review process is designed to address evolving consumer expectations, technology and business practices. We support the Authority's approach of avoiding a lengthy and unnecessary rebuilding from the ground up by taking the current guidelines and refreshing them.

The Authority's decision to make the guidelines voluntary provides retailers with useful flexibility to drive towards positive consumer outcomes without the rigidity of ticking boxes. Retailers support the best practice principles which allow them to employ their own business processes to best support customers and consumers. We reinforce the willingness of our members to use this flexibility constructively and look forward to the Authority's engagement through the assessment process.

We are supportive of introducing Consumer Care Plans to provide additional transparency on how retailers will meet the needs of their customers. Formalising the relationship between retailers and budgeting or social service agencies will improve access for customers who need some extra assistance in managing their finances. Both of these improvements will go towards ensuring customers have early options to discuss, manage and plan their way out of energy hardship.

While we broadly agree with most of the Authority's proposal, we have significant concerns about the application of some specific provisions in the proposed disconnection processes

The trade-off with these guidelines is balancing the expectations of power companies and consumers in a reasonable way. This balance is well struck across the majority of the draft guidelines. We agree with the approach set out in multiple places in the proposed guidelines requiring 'reasonable' efforts - some with regard to customers, and some with regard to retailers.

However, some of the more prescriptive aspects of the guidelines do not get the balance right – and as a result, become unworkable (and expensive) with little benefit. In particular, we have concerns with some aspects of the requirements in 52(b), 54 (e) and 59(d).

The requirement for a disconnection notice to be provided in person – either with a signed-receipt courier letter or an in-person visit to the premises – does not include a 'reasonable efforts' test. As a result, if a customer refuses to engage, declines to sign a couriered letter or is simply not home, then the retailer would not be able to proceed. Similarly, if a customer has already indicated by way of phone call that they understand the implications of a disconnection there seems little benefit from mandating an in-person visit.

This is further exacerbated by the requirement on retailers to *prove* the customer has received *and understood* the notification of disconnection. This is an extremely challenging test where a customer is not engaging, and would also benefit from the inclusion of a 'reasonable efforts' test.

We are also concerned that these proposed clauses would lead to significant cost increases without corresponding benefits. Retailers have found through experience that engaging with customers proactively resolves most issues, but for a subset of customers who refuse to engage, knocking on doors is disproportionately expensive without a corresponding increase in resolution rates. Given the desire to ensure fees reflect underlying costs, representative call-out fees, particularly for repeat visits or in rural areas, will only place further cost burdens on those already facing payment difficulties.

In our submission, we have set out some options for how these issues could be addressed. Also, we would appreciate the opportunity to discuss these with the Authority to find a solution that works – we consider there is merit in a further conversation on these issues rather than a traditional submission-decision model, particularly given these specifics in the Authority's proposal were not discussed as part of the Guidelines workshops.

Conclusion

Once again, we want to thank the Authority for the role it has played in coordinating these improvements to help better support customers in hardship. This is an incredibly important issue, and these refreshed guidelines represent a positive step forward which builds on significant efforts and improvements driven by sector participants in recent years.

Although these changes are positive overall, it is crucial to ERANZ that this isn't seen as the end of the road. As a sector, we are committed to driving continuous improvement in this area, particularly as we get a better understanding of what works and what doesn't. We look forward to continuing to work with you in this space.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Cameron Burrows', with a long horizontal flourish extending to the right.

Cameron Burrows
Chief Executive

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	<p>Yes.</p> <p>Taking a “customer journey” approach to structuring the guidelines is a user-friendly framework. Hopefully, this will make it easier for consumers and their advocates to navigate to the relevant sections when required. Retailers will know this material inside out, so the overall structure is less important to us.</p> <p>Consolidating both the medically dependent and vulnerable consumer guidelines into a single set of consumer care guidelines is a good development. Ensures an easier one-stop-shop for consumers to see their rights and obligations in one document.</p> <p>While the new structure of the guidelines makes the document appear radically different from its predecessor, ERANZ supports the EA view that this version is a refresh of a document that was performing its role well. However, over time, consumer expectations, technology and business practices had evolved to the point where a new version was appropriate. We welcome the EA’s approach which avoided a lengthy and unnecessary rebuilding from the ground up.</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>Yes.</p> <p>Retailers view customers in arrears or financial hardship the same way, there is very little value for either side in definitional debates of who is “vulnerable” or not. If a customer is facing hardship then retailers will provide the same level of service regardless. Removing labels such as “vulnerable” also removes any stigma from these customers that they have been labelled.</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	<p>Agree with the consumer care framework that provides a greater level of service across electricity retailers and social support agencies. Paragraph 2 of the guidelines document</p>



Part	Clause	Feedback
		contains a clear purpose statement that retailers support. Of course, the continual achievement of these purposes are beyond the power of retailers alone – it will take government, regulators, support agencies, housing providers and consumer advocates all partnering together to achieve success.

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. The meaning of the explanatory note is clear. ERANZ particularly supports the voluntary nature of the guidelines so retailers can meet the intended outcomes in a way that supports customers while minimising compliance costs.

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

Part	Clause	Feedback
Explanatory Note		No additional feedback on the wording.

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 single, overall purpose statement contained in Part 1. There is little benefit to writing a purpose statement for each individual part within the guidelines. Many of the high-level principles apply across the guidelines and are not self-contained within any one part.

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

Part	Clause	Feedback
1	Purpose	Yes, we agree with the purpose statement.
1	Principles	Yes, we agree with the three principles.
1	Outcomes	Yes, we agree with the identified outcomes and actions. However, we think the actions would be improved with the addition of one further action focused on ensuring constructive communication between retailers and consumers. This is detailed further below in answer to question 8.

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	4	<p>As mentioned above, ERANZ strongly submits the guidelines will be improved with the insertion of an additional point within Box B – “Retailers have a right to be paid, and competition and innovation are supported”. There should be a clear onus on consumers to engage in good faith with the communication received from electricity retailers. This was contained in an earlier draft of the guidelines document but removed in this consultation version. We suggest that this clause is reinstated.</p> <p>We suggest adding:</p> <ul style="list-style-type: none"> - “Consumers engage with retailers in good faith and respond to communications received from retailers.”

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	Yes, we agree with the general requirement to publish a 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		No further comments on Part 2.

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 general requirements in this Part.

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	13(iv) and 13(v)	<p>Care should be taken around support persons and alternate contact persons because for the vast majority of customers they do not need this. While the provision is prefixed with an “if” statement, it comes with significant compliance cost implications, both around recording and checking the nominated persons’ details as well as sending them letters should the customer get into invoice arrears. This process needs to be simplified by the customer taking on more responsibility to make the arrangements.</p> <p>We suggest changing the wording to something similar to:</p> <ul style="list-style-type: none"> - “iv) if a customer requests a support person to engage with the retailer on the customer’s behalf, the support person’s authorisation, contact details and preferred communication channels are supplied by the customer.”

Part	Clause	Feedback
		Use similar wording for the alternate contact persons in subclause (v).
3	13(iii)	The value of asking a customer to distinguish their internet connection type between fixed and mobile is unclear. It provides no information which would cause retailers to act differently in any way. We recommend this part of the subclause is deleted.

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 general requirements in this Part.

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	There is nothing further to add into Part 4. Inserting further considerations or obligations on retailers to accept customers could be detrimental to a customer's financial wellbeing if they take on a pricing plan they cannot afford.

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		No further comments on Part 4.

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

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

Part	Clause	Feedback
5	n/a	Yes, we agree with the general requirements in this Part, subject to the comments below.

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)	The requirement for retailers to check on a customer's declining electricity usage is well-intentioned but unworkable.

Part	Clause	Feedback
		<p>Firstly, retailers do not have the IT systems in place to analysis each customer’s usage and compare it to what could be considered “normal” or what could be considered a signal of payment difficulties.</p> <p>More importantly, there are just an infinite number of causes of declining usage, including: household members leaving, household members changing their behaviour, installing energy-efficient appliances, the household installing gas or solar, significant renovations, holidays, etc. The thought of a retailer calling a recently bereaved customer to enquire whether they are using less electricity due to financial difficulties is insensitive and potentially insulting.</p>
5	29(b)	<p>It is a very difficult requirement to make retailers aware of and responsible for understanding the plans offered by different retailers. There are already EA guidelines on Powerswitch promotion coming into force which will oblige retailers to inform customers of that service. While this may not result in a change to the guidelines as drafted, the difficulty of satisfying this clause should be taken into account by the EA when assessing retailers’ alignment with the guidelines.</p>
5	30	<p>It is unclear what the threshold is for using actual meter readings “if these are available”. For some customers, supplying actual meter readings for every billing cycle could be very costly.</p> <p>We suggest changing the wording to:</p> <ul style="list-style-type: none"> - “30) Retailers should use actual meter readings for invoicing if these are practicably available.”

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	Yes, we agree with the general requirements in this Part, subject to the comments below.

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(d)	<p>It is not clear what specific steps this clause is referring to when it says, “taken all the steps above”. Could change to:</p> <ul style="list-style-type: none"> - “the retailer has communicated with the customer, but the retailer’s invoices to the customer remain unpaid.”
6	38	<p>The explanation for singling out voicemail as a not meeting the definition of a “completed contact” is not explained in the guidelines or consultation document. There appears to be no reason for this. This specific clause requires three separate contacts with the customer and via their alternate contact. If the customer has nominated their phone as their preferred method of contact, it may appear unusual and unprofessional for retailers to repeatedly ring their phone and not leave a voicemail, if available, identifying themselves and their reason for calling. If voicemail was the only method of contact, ruling it out could make sense, but that is</p>

Part	Clause	Feedback
		not the case here because using multiple communications channels to reach the customer is required.
6	38	The number of days between communications attempts with the customer is very rigidly prescribed in this clause. Retailers have identified an issue where the configuration of their IT systems is misaligned with this clause by one day. Resolving this issue by changing the IT systems would be disproportionately expensive. We expect the EA to allow for interpretation here as to the definition of “day 1” and how days are counted from there, and this flexibility to flow through to the EA’s assessment of retailers’ alignment with the guidelines.
6	40(f)	<p>Great care has to be made when evaluating initiatives which may result in a cheaper electricity tariff, but which come with upfront costs. For example, reconfiguring a customer’s meter may give them access to a cheaper power plan, but the new meter’s installation cost could make it unsuitable for a customer.</p> <p>Furthermore, it is incredibly risky for retailers to advise customers on behaviour changes which could provide access to cheaper time of use tariffs, because if the customer does not maintain those behaviour changes over time, they could end up paying more, not less. This is the worst possible outcome for the customer and erodes trust in their retailer.</p> <p>Giving someone a more complex pricing plan is probably expecting too much from customers who are potentially struggling to make sense of their bills already.</p> <p>Given the guidance already contained within 40(g) for retailers to talk to customers about their options, we recommend 40(f) be deleted.</p>
6	40(h)	<p>Retailers value the partnership with budgeting advice and social agencies and are building good working relationships with them.</p> <p>However, the requirement in this clause for a 14 day pause on the credit cycle could end up causing problems for the consumer. 14 days is a long time, half the standard billing cycle, during which the consumer will continue to use electricity and is likely to incur more debt. This could potentially lead to the consumer, for many reasons, not receiving budgeting advice yet now having a higher debt to pay back.</p> <p>The retailers need reassurance that a consumer referred to budgeting services are engaging with those services in good faith. It is in no ones’ interest for the consumer to incur more debt.</p> <p>ERANZ submits that the pause is reduced to 7 days where the retailer has not received confirmation from the relevant budgeting service that the consumer is engaging constructively.</p>

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	ERANZ is concerned about the compliance costs for retailers contained in this Part, particularly relating to sending representatives to the home of consumers or vacant properties. In addition, there is no onus or requirement for consumers to communicate with retailers and respond to contact attempts. These issues require amending before the guidelines are published.

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

Part	Clause	Feedback
7	52(b)	<p>The requirement to provide the customer with an in person representative visit at least 10 days prior to disconnection departs from current practice, is disproportionately costly and ignores the effectiveness of current notices issues prior to disconnection. Requiring a signature may not be possible if a customer is not available at the time of courier delivery.</p> <p>Notices issued at this point in the credit cycle currently cost effective, elicit a good response rate and results in the majority of customers making payments against their invoice. Making this step in the cycle in person introduces significant costs to pay for site visits with only limited ability to improve response rates.</p> <p>The cost of these in person visits would need to be recovered from the customer which exacerbates their financial situation for little gain. Given the desire to ensure fees reflect underlying costs, representative call-out fees, particularly in rural areas, will only further impact on those facing payment difficulties.</p> <p>The ability to make these notices courier letters could provide some flexibility in theory, but the reality is customers can simply refuse to sign for these letters, meaning an in person visit is still required.</p> <p>We recommend notices at this stage in the cycle revert back to a requirement for retailers to use the customer's preferred communication channels and remove the requirement for in person or signed courier letters.</p>
7	54(b) and (d)	It is unclear how the seven day requirements relate to each other. Is a notice issued under 54(d) considered one of the three attempts required under 54(b)?
7	54(e)	<p>Requiring retailer representatives to make in person visits to vacant premises to deliver a disconnection notice is a prohibitively costly requirement that will detrimentally affect consumers. This provision relates to a situation where the consumer has made no attempt to contact a retailer for the supply of electricity, has received and ignored repeated communications attempts by the retailer, and is consuming electricity for a period of time anyway.</p> <p>Vacant premises using electricity is a significant cost borne by retailers who are obliged to make multiple communications attempts which may result in nothing, and there is still electricity to be paid for with no one to invoice.</p> <p>The only purpose of sending out a representative for an in person visit would be to ascertain whether a resident in a uncontracted premise is medically dependent. In this scenario, where a resident has made no attempt to enter into a contract with an electricity retailer despite</p>

Part	Clause	Feedback
		<p>being medically dependent and ignored repeated communications attempts, the onus is on the consumer, or their support person, to take steps to protect their own wellbeing so that the retailer can help them.</p> <p>Given these are uncontracted premises, the ability of retailers to send courier letters is limited to addressing them “To the occupier”. Experience tells us this is a very low uptake method of communication. One ERANZ member has trialled courier letters to vacant properties to test their effectiveness. The result was a 20% acceptance/open rate for these letters. This shows their limited effectiveness.</p> <p>ERANZ submits that the requirement in this clause for notices to be “in person” is deleted.</p>
7	59(d)	<p><i>Post-pay customers</i></p> <p>This clause requires retailers to undertake disconnections of post-pay customers in person where the customer has refused to engage with all the previous communications attempts. This is similar to current practice where the retailer must make an attempt to contact the customer when disconnecting in person. However, the requirement in 59(d) now sits alongside the requirement for an in person visit in 52(b) as well. Retailers will, therefore, find themselves in many situations where they have to send a representative to the premises <u>twice</u> in the course of a disconnection.</p> <p>Obviously in person visits are expensive, so visiting twice will increase the cost to retailers – factor in the rural location of many residences requiring longer drive times for the representative to reach and cost escalates even more. Add the fact that residents are often not home or refuse to answer the door necessitating repeat attempts, and the cost of this requirement exponentially increases.</p> <p>This much higher level of cost on retailers has not been considered through the cost benefit analysis contained in Appendix 2 of the consultation document. For both post-pay customers and uncontracted properties (detailed below) the provisions would benefit from a ‘reasonable efforts’ test in order to allow retailers to move on to the next step if there is no engagement from the consumer. The guidelines should give retailers the ability to show how they have attempted to fulfil their obligations without imposing road blocks or unworkable processes and costs.</p> <p><i>Vacant or Uncontracted properties</i></p> <p>For vacant or uncontracted properties, the need for disconnections to be undertaken in person will greatly increase. This is because disconnections for these properties occur, almost by definition, in situations where the occupier of the property has deliberately not engaged with the supplying retailer. That lack of engagement means the retailer cannot satisfy the requirement to prove notices have been received.</p> <p>The industry has undertaken considerable effort to deploy new technology such as smart and remotely controlled meters to enable efficiencies, but this is being rendered unusable under this clause.</p> <p>It is open to interpretation that because of the requirements of both 54(e) and 59(d) for disconnections to occur only when the consumer has received in person and understood a disconnection notice, that in a scenario where the premise truly is vacant (just with some</p>

Part	Clause	Feedback
		<p>residual appliances turned on) then the retailer can never disconnect the electricity supply because they will never be able to find a consumer to talk to.</p> <p>As discussed above, this provision should include a ‘reasonable efforts’ measure to allow retailers to move through the process in situations where the consumer is not engaging.</p> <p><i>Requirement for understanding</i></p> <p>In addition, the requirement that consumers have “understood” the notifications they have received is an impossible requirement to fulfil. There is no method by which a consumer can ascertain they have understood notices they have received other than through person to person conversations which severely limits how retailers can communicate to consumers despite the channel preferences the consumers may have identified.</p> <p>Even in the situation where a consumer signs for a courier letter to certify receiving a notification, there is still no method by which retailers can gauge understanding.</p> <p>The net effect of this clause is to impose enormous costs on retailers by preventing all disconnections other than where a representative has visited in person and spoken to the consumer. It is not clear that this is the intention of the EA through these guidelines, so we recommend the requirement for retailers to ensure the consumer has “understood” notifications is deleted.</p>
7	59-62	<p>ERANZ supports the provisions relating to when disconnections should not occur.</p> <p>However, in clause 59(d) it is unreasonable to expect retailers to ensure that customers or consumers understand both the notification of the disconnection and the outcome of not responding to the retailer’s contact attempts. A retailer can employ reasonable efforts in this regard and the wording should be amended to reflect this, rather than the onus being on the retailer to ensure that the consumer or customer understands.</p>

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 with a stand-alone part dealing with issues specific to medically dependent consumers.

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	Yes, we agree with the general requirements in this Part, subject to the comments below.

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	94	The waiting period of 40 business days is very long. In a situation where a consumer is incurring further debt and arrears, this long period of time exacerbates their financial situation. Given this clause relates to non-communication by the consumer, we recommend shortening this period considerably. ERANZ submits the waiting period should be "at least 20 business days".

Questions on Part 9: Bonds and Fees

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

Part	Clause	Feedback
9	n/a	Yes.

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

Part	Clause	Feedback
9	n/a	Yes, we agree with the general requirements in this Part.

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	106	We support keeping bonds because it is a helpful tool for both retailers and consumers to manage credit. Maintaining proportionately with the billing cycle is a good way to ensure affordability for consumers.

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	Yes, we agree with the general requirements in this Part. ERANZ looks forward to continuing to work alongside the EA on improving customer experiences with retailers and the tools they have available to help customers in payment difficulties.

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

Part	Clause	Feedback
10		No feedback.

Questions on Monitoring alignment and outcomes

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

Part	Clause	Feedback
Monitoring	n/a	Yes, we agree with the EA's monitoring process in this Part and welcome transparency for all industry participants aligning with the guidelines

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	

Questions on implementation

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

Part	Clause	Feedback
Implementation	n/a	Yes we agree with the 30 June 2021 implementation date provided the finalised and approved guidelines are published promptly at the start of 2021. This is to give time to retailers to update and align their systems and processes with these refreshed guidelines.

Questions on the indicative impact assessment

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

Part	Clause	Feedback
Impact	n/a	See question 36.

34. Are there benefits missing?

Part	Clause	Feedback
Impact	n/a	See question 36.

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	See question 36.

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

Part	Clause	Feedback
Impact	n/a	<p>Appendix 2 of the consultation document containing a cost-benefit assessment of the new guidelines is naturally underpinned by assumptions. As such, it renders many of the conclusions of the assessment indicative at best because it is the assumptions driving the findings, not empirical data.</p> <p>In addition, there are specific clauses in the guidelines we think are unworkable, so the estimated cost savings which are estimated to flow from these clauses are unable to be realised. For example, paragraph A28(b) states that retailers can make savings by avoiding in person visits to provide disconnection notices. As explained in our answer to Question 21, competing requirements on retailers mean that this avoided cost is unable to be realised.</p> <p>This specific example of couriered letters above makes the largest cost savings contribution to Table 1 in Paragraph A32. Therefore, in order for the cost savings for retailers to meet expectations, the EA must change how the processes set out in Part 7 work.</p> <p>The EA should allow greater use of technology to avoid in person visits through remote disconnections in situations where retailers have satisfied the requirements for multiple communications attempts that are either ignored or produce no payment contribution from the consumer.</p>

37. Are there costs missing?

Part	Clause	Feedback
Impact	n/a	See question 36.

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	See question 36.
