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Submitted via mdvc.guidelines@ea.govt.nz

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RE: Final draft Consumer Care Guidelines

FinCap welcomes the opportunity to comment on technical drafting issues in the Consumer Care Guidelines Final draft (**guidelines**). Electricity is an essential service necessary for health, wellbeing and social 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. We welcome these guidelines as they are a step in that direction, our comments in this submission encourage some adjustment of drafting so retailers who implement the voluntary guidelines are directed how to efficiently work with Financial Mentors across Aotearoa.

We also strongly support the Electricity Authority's intention to write to the Ministry of Business, Innovation and Employment (**MBIE**) to raise issues that are not resolved by these guidelines. This letter should be made publicly available. We still see the following as outstanding as we have raised in previous consultation based on the experiences of people facing hardship who are working with Financial Mentors:

- As raised in recommendation B6 of the Electricity Price Review,¹ regulated minimum standards for the assistance offered to people experiencing payment difficulty are needed to ensure consistently fair outcomes. The Government should progress giving the Electricity Authority a clear consumer protection function.
- All whānau in Aotearoa should have a right to access post-paid electricity at a fair price because electricity is an essential service needed for health, wellbeing and social participation.
- More protections are needed to make sure that people with an inability to pay on pre-pay electricity services are not left with no option but to be disconnected and go without an essential service.
- Whānau with residential gas services should have the same protections when experiencing payment difficulties as they have with electricity services because gas is an equivalent essential service.

Recommendation 1: The Electricity Authority raise the above outstanding issues in a public letter to MBIE.

We would also strongly support the Electricity Authority expanding your monitoring of outcomes for people experiencing payment difficulty, especially to provide more public oversight of disconnected

¹ [Electricity Price Review Final Report 2019, p.25](#)

prepay services. This more comprehensive monitoring should be progressed urgently to best guide policy reform that will prevent serious harm caused by energy hardship in Aotearoa.

Recommendation 2: The Electricity Authority urgently progresses monitoring that ensures it has oversight and can publicly report on where there are poor outcomes for people in energy hardship from retailer's conduct or service design.

About FinCap

FinCap (the National Building Financial Capability Charitable Trust) is a registered charity and the umbrella organisation supporting the work of Aotearoa's 200 local free financial capability and budgeting agencies, which annually support more than 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.

Comments on technical drafting issues – clearly direct retailers to Financial Mentors

FinCap strongly supports the many recommendations for energy retailers to refer people for support from Financial Mentors through the guidelines. However, the terminology used for these services should be updated to current terminology.

9.g.ii, 25.b.i, 44.h, 47.i, 48.b, 50.a-b, 60.f, 62.c, and 70.b and any other similar recommendations to refer people for budgeting in the guidelines should instead recommend referrals to reputable providers offering *financial mentoring* services. There is a continuing shift away from the use of the word budgeting or variations of that word in the services FinCap works with. Financial Mentors do not simply provide a budget for a person but instead take a strength-based approach to providing support and empowering people. There is also stigma associated with experiencing issues with money and the word budgeting or variations of that word can present a barrier to people facing hardship finding the support on offer approachable.

The Electricity Authority should instead use the terminology 'financial mentoring' to encourage retailers to do the same. If the Electricity Authority is aiming to capture a wider range of support than the more than 200 services FinCap is the umbrella body for it should look at alternatives like 'building financial capability services' or look into the way the Ministry Of Social Development describes the support that they fund.²

Recommendation 3: Refer to providers offering financial mentoring services as opposed to providers offering budgeting services throughout the guidelines.

The guidelines should recommend retailers offer referrals to the Ministry of Social Development funded MoneyTalks service if they don't already have a system for identifying which of the more than 200 services nationwide may best assist a customer. MoneyTalks is a specialist service that can offer information about what Financial Mentoring services are available in a person's area when they have called, internet messaged, sent a text or sent an email. A retailer referring to MoneyTalks can be confident that this service will refer on to the most appropriate face to face financial mentoring service.

² See: <https://www.msd.govt.nz/what-we-can-do/providers/building-financial-capability/index.html>

Referring through Moneytalks is the most efficient way of making a referral into the network we work with and we recommend that it is clearly signposted where relevant as a standard interface for simple referral. This may be appropriate in the footnotes where there is a requirement for a 'reputable Ministry of Social Development funded service.'

In the webinar on 26 February 2021 where the Electricity Authority presented its most recent decision to stakeholders, the Electricity Authority indicated it would encourage retailers to use standard interfaces for referrals to support agencies. Signposting the availability of MoneyTalks would be a step towards having the standard interfaces available to refer to Financial Mentors adopted by all retailers.

FinCap has already facilitated multiple retailers having a streamlined way of making 'warm referrals' to MoneyTalks and we are willing to work with any other retailer to set up this simple system which has already seen thousands of people access assistance. There is nothing stopping any retailer providing the MoneyTalks 0800 345 123 number to a customer today so that they can speak with an expert and find out about what support is available in their area. The MoneyTalks website also provides a map of the services offering financial mentoring that are available across Aotearoa.³

Recommendation 4: Specifically signpost MoneyTalks as a standard interface for efficiently referring to providers offering financial mentoring services in the guidelines.

Recommendation 5: The Electricity Authority encourage all retailers to work with FinCap to establish a system for 'warm referrals' to MoneyTalks, retailers can contact jake@fincap.org.nz to arrange this.

44.h.i-ii. in the guidelines recommend a retailer pause the repayment process for varying amounts of time after a referral is made to a Financial Mentor. We strongly support these recommendations. However, the drafting could be expanded to ensure people experiencing difficulty paying can practically take up a helpful delay in repayment.

There is plenty of demand for assistance from people facing hardship across Aotearoa. It is not uncommon for a caller to MoneyTalks to wait more than 10 days for an appointment with some face-to-face Financial Mentors. Face to face Financial Mentors provide expert ongoing support for meeting costs for essential services like electricity. Wait times depend on the demand for assistance in different areas at different times. To clearly signpost a way that retailers could refer and then receive confirmation that their customer is constructively engaging when seeking assistance from a Financial Mentor, the Electricity Authority should firstly recommend retailers refer through MoneyTalks as discussed above.

Then, the minimum threshold for confirmation that a person has made steps to access financial mentoring and should have repayments paused for 14 days as opposed to only 7 should be the referral email that MoneyTalks provides. These emails go to the provider of financial mentoring services a referral is made to and to the caller to confirm that a person has been in touch with MoneyTalks and accepted a referral on to their local service.

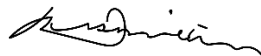
³ See: <https://www.moneytalks.co.nz/find-a-service/>

Adding details around this process in the guidelines will avoid frustrating experiences for people seeking assistance where their retailer may have the wrong impression of what realistic timeframes to commence support from a face to face Financial Mentor can be. Instead, it will allow an efficient, standardised and practical way for the recommendations in the guidelines to realise people having additional payment relief while waiting for expert support.

Recommendation 6: Signpost that retailers should action the 14 day pause on repayments for a person accepting a referral to work with a Financial Mentor where the person has a MoneyTalks referral email.

Thank you for seeking FinCap's comment. We would welcome a meeting to discuss the recommendations in this submission further if the Electricity Authority would like clarification on any point made. Please contact Jake Lilley, our Consumer Issues Adviser on 043330393 or at jake@fincap.org.nz to discuss our submission further.

Ngā mihi



Ruth Smithers
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FinCap