

9 March 2021

Electricity Authority – Te Mana Hiko
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By email: mdvc.guidelines@ea.govt.nz

Technical consultation – revised draft consumer care guidelines

Meridian Energy and Powershop welcome the opportunity to submit on the Electricity Authority's (the *Authority*) technical consultation on the proposed Consumer Care Guidelines (the *guidelines*). We support the development of these guidelines and again thank the Authority for their collaborative consultation process to date.

Our submission below reflects the key changes that can and should be made to the guidelines to ensure they best achieve their objectives.

As an overall comment, we consider that an alignment date of 31 December 2021 still puts undue pressure on retailers to make system changes within a tight time frame. Most retailers would have resourcing and budgeting for systems planned at least a year in advance. We therefore submit that an implementation date of 30 June 2022 would be more realistic for retailers to comply with the guidelines.

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

Your sincerely



Alicia Rosevear
Legal Counsel

Overarching questions

1. Are there any showstoppers that will prevent the guidelines from working?

Part	Clause	Feedback
		N/A

2. Are there any major errors or omissions in the guidelines?

Part	Clause	Feedback
Part 7	Clause 65	<p>We don't consider the "traceable contact" requirement for vacant / uncontracted premises is workable for retailers:</p> <ul style="list-style-type: none"> It is already difficult to engage with an unwilling and uncommunicative customer, but even more difficult to engage with an unwilling customer resident at a vacant / uncontracted premises who the retailer knows nothing about. The issue of customer engagement for vacant / uncontracted premises is often insurmountable and no matter how many steps a retailer adds into the process to encourage engagement some customers will not engage. "Traceable contact" requires a retailer to incur significant costs. While these costs may be justified when a retailer is trying to engage with a responsive customer whose details are known by the retailer, adding in a requirement for "traceable contact" for vacant / uncontrolled premises will create additional system costs for retailers without any benefit to customers or retailers. Vacant disconnections should in practice be a quick and seamless process. The guidelines are ultimately rewarding consumers at vacant premises who have delayed responding or engaging with the electricity retailer as there would be a longer period before disconnection.

3. Are there any technical drafting errors?

Part	Clause	Feedback
Explanatory Note and Part 1		Both the Explanatory Note and Part 1 state that the Consumer Care guidance package should be read to favour an outcome that achieves the purpose of the guidelines. We do not see the need for this repetition and suggest the duplicate statement is removed from Part 1 as it is not naturally a "purpose" of the guidelines.
Part 3	Clause 14(a)(v)	We consider it is impractical to ask retailers to assess a customer's level of confidence with reading a retailer's documentation. Instead retailers should be required to communicate clearly and simply. We can make sure that we are able to refer consumers to reading/language resources if we are aware that they are struggling with comprehension.
Part 3	Clause 14(a)(vii) and (viii)	It is not clear why the guidelines refer to both a customer's support person and an alternate contact person, when the guidelines only recommend actions in respect of alternate contact persons. Put another way, there seems to be no point to collecting information on a customer's support person. The guidelines are silent on what actions a retailer should take in respect of support persons and what retailers should

Part	Clause	Feedback
		do with information on a customer's support person. The only reference at clause 83(b) sets out a situation in which a retailer should <i>not</i> contact a support person.
Part 3	Clause 15	<p>The information a retailer is required to collect from a customer in clause 15 relates to collecting contextual information from customers who have had, or may have, difficulty paying their electricity bills. New customers may not provide this information when signing up to a new retailer, and it should be made clear that a retailer can still sign up a potential customer when this information is not provided. Accordingly, we suggest clause 15 should be amended to read: "Retailers should have and use processes and systems to obtain and, <u>where that information is provided by a customer</u>, record:"</p> <p>At the least, clause 15(d) should state "contextual information <u>offered by a customer</u> on a customer's energy use, primary heating sources and household dynamics", so that it is clear the retailer is not required to obtain this information where the customer chooses not to provide it.</p>
Part 4 and Part 5	Clause 25(a)(i) and 31(b)	We consider the provision requiring retailers to inform the customer about plans offered by other retailers in Parts 4 and 5 is redundant given the obligation in clause 25(a)(ii) to inform customers about pricing plan comparison websites – which sets out a wider range of plans than just those the retailer "is aware of". We also consider it is inappropriate to be providing information on a competitor's pricing plans or payment plans.
Part 6	Clause 42	Clause 42 should be amended so that the steps are laid out in chronological order. Currently "Day 24" is followed by steps that relate to Day 21.
Part 6	Clause 47(a) and (b)	We agree that the recommendation in clause 47 will help retailers identify customers who may be experiencing payment difficulties. If, however the recommendation is that retailers should be monitoring their entire customer base this is an unrealistic expectation. We suggest that more focused checks on the consumption patterns of customers who are known to be struggling would be more appropriate. Most customers will consider it a significant inconvenience and intrusion for their retailer to contact them whenever their consumption levels change, for example because of changes in household occupancy or appliances.
Part 7	Clause 57(a)	Clause 57(a) refers to the "three attempts under clause 40". This should be a reference to clause 42.
Part 7	Clause 62	It may not always be appropriate for the retailer's representative who undertakes the disconnection to be the contact person who is required to assess vulnerability and ensure the customer has understood the implications of disconnection. The implication of this is that any requirement for a site visit will necessitate an additional visit by specialist staff. We therefore recommend clauses 62(b), (c) and (d) should be an obligation on retailers, not retailers' on-site representatives.
Part 10	Clause 123	We recommend the Authority revert to the previous language that the Authority "must" publish each retailer's consumer care policy and the names of those retailers that did or did not provide a copy of their policy. If a purpose of the guidelines is for retailers to operate on a level playing field, where all competitors align with these guidelines, we would expect the Authority to promote this purpose.