



Summary of conversation with Electricity Authority re: consultation on Raising consumer awareness of Utilities Disputes and Powerswitch services

Our Energy's understanding of the Authority's consultation on Raising consumer awareness of Utilities Disputes and Powerswitch services

- This is an issue that was raised by the EPR.
- We agree that consumer awareness of Utilities Disputes and Powerswitch is relatively low, particularly for Utilities Disputes.
- As a small 'type 2' retailer, Our Energy provides information about Utilities Disputes on weekly invoices and could also relatively easily do so on its dashboard as well as on some communications.
- Our Energy does not promote Powerswitch.

Is low awareness of Utilities Disputes and Powerswitch causing problems?

- Yes, it is a problem but most consumers are not aware this is a problem they have.
- For example, a recent consumer was switching to Raglan Local Energy (one of our flagship projects in collaboration with WEL Networks). The consumer was not under contract but the losing retailer's terms and conditions included a 'break fee'. The consumer was not aware that this 'break fee' existed, and if Our Energy had not been able to help resolve the issue they would have had to have gone to Utilities Disputes.
- Awareness of Utilities Disputes help consumers. Without awareness consumers may feel they have to accept a lesser resolution just to get some kind of resolution to a compliant.
- It is important to make consumers aware of their rights regarding electricity. This is similar to needing consumers to be aware of their rights under the Fair Trading Act.

What are your thoughts on the proposal?

- In general the principle is good.
- We are wary of compelling retailers to promote Utilities Disputes and Powerswitch.
- It is already in retailers' interests to promote these services and we would be inclined to rely on competitive pressure over time to introduce these things.
- For smaller retailers such as Our Energy, while the absolute costs to implement are estimated to be smaller than for large retailers, the estimated costs make up a much higher relative proportion of turnover so creates a potentially larger burden.



Alternative options for increasing awareness

- If the proposal was to become compulsory then Our Energy would want a 1-2 year period to implement. This would give retailers flexibility to budget and make these changes to their systems.
- Our Energy questions if there is an opportunity to provide for a different approach based on the size of the retailer. As noted earlier the relative costs to implement for small retailers are larger than for retailers with more customers.
- There are good alternatives and examples from other public agencies such as the Commerce Commission “know your rights” campaign and other regular campaigns to build awareness.
- There is a risk that if the Authority does compel retailers to make this change it will impact on how retailers communicate. Our Energy's customers typically engage with us via their online dashboard. They receive bills and e-mails but in these forms of communication consumers are generally only interested in the amount they need to pay.

Switching

- The paper appears to assume that switching retailers is what drives savings.
- Savings are driven largely by consumer behaviour and the pricing plan the consumer is on.
- Switching may have a short term impact for consumers but the long term difference is in getting the plan right and behavioural changes.

Code Drafting

- We have briefly looked at the drafting, but not in sufficient detail to provide comment.
- We'd prefer to engage on the principle level regarding this proposal and leave any eventual drafting to those participants with regulatory teams.

Requiring all communications is not appropriate

- Requiring information to be provided in all consumer communications is very broad / big.
- Would prefer the Authority to either be prescriptive and list out what communications should be included or give retailers freedom to apply the requirements as best as they see fit given their customers' expectations and experiences (see below).
- As noted earlier, our customers typically engage through their dashboard, and putting the information here is likely the easiest and most cost effective way to deliver the desired impact from our point of view.
- The Our Energy dashboard is adaptive and making changes to this method of communication is generally much more straightforward than amending invoicing templates etc.



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Need to keep flexibly as to how retailers comply

- As above, we think the desired impact may be more likely to be achieved if The Authority provides flexibility as to how retailers meet their obligations.
- Support the creation of principles that need to be applied and let retailers innovate within these principles.

Awareness needs to be appropriate

- Our Energy does not support providing consumers information every time.
- We would prefer a readily locatable (1-2 clicks away) page where consumers will know to look.
- For example, on the page where consumers can change contact details.

Thank you

Our Energy team
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