

10 November 2020



Submissions
Electricity Authority
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By email: AwarenewwOfUDandPS@ea.govt.nz

Dear team

Re: Consultation paper – Guidelines for Raising consumer awareness of Utilities Disputes and Powerswitch services

Flick appreciates the opportunity to submit on the Electricity Authority's (Authority's) proposed Guidelines on how retailers might raise consumer awareness of the Utilities Disputes (UDL) and Powerswitch (PS) services.

Overall, as Guidelines these appear rather detailed. Electricity retailing is a competitive market and individual retailers may be innovative in how they deliver consumer awareness consistent with the Code and obligations under the Utilities Dispute scheme.

Consumers already have low trust in the electricity sector. It is important communications are clear and easy to understand. Flick will be trying to avoid adding any complexity or 'mixed messages' as it implements the new Code obligations.

Overlap with Utilities Dispute obligations

Flick suggests the Guidelines in relation to promotion of the Utilities Dispute scheme are confusing. As paragraph 4.38 states clause 11.30D does not supersede the obligations under the Utilities Dispute. We assume all retailers are already compliant with their obligations under the Utilities Dispute scheme. The Guidelines could be structured to list the obligations under the Utilities Dispute scheme and under each of these obligations whether the new Code adds additional obligations. This would include information about the difference between queries under the Code and complaints under the UDL scheme (currently section 6 of the Guidelines).

Providing information on websites

Flick notes the Authority's recommendation in paragraph 5.9 that *"to support clarity and prominence ... participants locate information within easy reach of the consumer landing on the main page of the website ... for example one to two clicks from the main page"*.

In our view, clarity and prominence is better promoted if information on PS and UDL is located with other relevant information (rather than “within easy reach of the consumer landing on the main page”). For example, information about PS is located near pricing plan information.

Section on Social media

The location of this section is confusing – it describes obligations to promote both PS and UDL when the start of section 6 (paragraph 6.1) says “this section relates to information provided about Utilities Disputes”.

Proposed FAQs

For ease of use when these Guidelines are published Flick suggests the FAQs be grouped into sections – questions that relate to promoting UDL only (eg q1) and questions relating to promotion of both PS and UDL (q4, 5, 8 & 9) and a section on questions for clarification (q2, 3, & 6).

Price comparison websites

We continue to be surprised that the Authority is ‘endorsing’ one particular price comparison website in its approach to raising awareness of the opportunity for consumers to review their current pricing plan and compare it with other equivalent offers.

If this endorsement does not drive innovation and competition out of the market, over time our strong preference would be that the service of ‘providing price comparison information’ is competitive, these providers are market participants, their minimum standard of conduct is regulated in the Code and retailers’ promotion of price comparison websites is generic and not to a particular provider. This is essentially the approach in other jurisdictions.

This would necessitate a review of the use of levy funding collected to ‘buy’ price comparison services – this review is not insurmountable and provision of contestable funding should drive innovative and cost-effective services.

We welcome the opportunity to discuss this submission with you in more detail.

Yours



James Leslie
Chief Operating Officer