

# Electrical Authority

## Consumer Care Guidelines

### September 2023



New Zealand Council Of  
Christian Social Services

#### Tirohanga Whānui | Overview

The New Zealand Council of Christian Social Services (NZCCSS) welcomes the opportunity to provide feedback on the Consumer Care Guidelines. We strongly support the kaupapa to further regulate the provision of electricity and protect consumers.

Our main points are:

#### Item One

The current Guidelines are not fulfilling their intended purpose.

#### Item Two

While parts 2, 6, 7 and 8 are important, each part of the Guidelines is necessary.

#### Item Three

Retailers have a right to be paid for services provided, but consumers also have a right to a decent standard of living.

#### Item Four

Potential consumer impacts of changes under different options.

#### Item Five

While Option 3 is a step in the right direction, Option 4 is our preference moving forward.

#### Item Six

The restriction of some consumers to prepay power plans must be reviewed.

#### Taunakitanga | Recommendations

We raise the following points and recommendations for consideration:

#### Item One

The current Guidelines were created on the assumption that power retailers would act in good faith with the protection of consumers in mind. As this consultation begins, it is clear that this has not happened and with a rising cost of living consumers are bearing the brunt of this. Too often, at-risk consumers are not presented with the necessary information and support to maintain power connected to their households and maintain a dignified standard of living.

#### Item Two

Parts 2, 6, 7 and 8 are important for the protection of consumers, however, they alone will not solve the current issues in the market. Part 5 is important as it sets out the consumers rights regarding access to important information such as consumption and the retailer's consumer care guidelines. Part 9 is especially relevant, as it sets out the guidelines for an information sharing and fee-minimising practice which allows consumers fair treatment in the payment of fees. We know that

these fees can cause a disproportionate burden upon some consumers, and it is important that they are fully informed of this prior to entering a contract.

### **Item Three**

As currently written, the Principles make clear that electricity retailers have the right to be paid for services provided. While this is true and undisputed, it is also important to note that there are often dependent individuals who are impacted by the unaffordability and subsequent disconnection of power services. Children of bill-payers are at risk of living in cold, damp situations without access to the internet in order to progress in their education and bear the brunt of disconnections.

The right for retailers to be paid is also framed in a way that legitimises disconnection as a manner to recoup debts, rather than move through debt collection and management collaboratively with consumers who are unable to pay. There are many protecting methods through which electricity retailers could work to keep consumers connected, while working through their debt.

### **Recommendation:**

We ask that the codified Guidelines require retailers to balance the needs of dependent consumers with their right to be paid for services, and that the Guidelines include options for debt recuperation without disconnection and its associated costs.

### **Item Four**

Option 3 is the minimum protection that the Electricity Authority can provide for consumers. While this is a step in the right direction, we believe that the codification of the entirety of the Consumer Care Guidelines is necessary to protect the wellbeing of consumers. As demonstrated by the unwillingness of retailers to comply with the Guidelines under a voluntary capacity, if treating consumers with respect is not mandated and enforced it will not occur.

The consultation document mentions the potential increase in compliance costs for retailers with Options 3 and 4, however it is also stated that if retailers are currently compliant, they will not experience significant increased costs. We see this compliance cost to be fair and foreseeable by those businesses who have chosen to not comply, especially as the possibility of mandatory compliance was clearly communicated when the original Guidelines were introduced.

While Option 4 is preferred, we see potential for staged codification of the Parts, beginning with those referred to in Option 3, then moving on to codify the Guidelines in full.

### **Recommendation:**

We recommend that Option 4 be implemented, with priority given to the implementation of Parts 2, 6, 7 and 8. We also recommend that the codification wait for and take note of the findings of the Energy Hardship Expert Panel.

### **Item Six**

While outside the scope of this consultation, the locking in of some consumers to prepay plans due to previous payment or credit issues is a significant factor which must be considered in the future. Prepay plans are often not as economical as pay-as-you-go plans, and due to their nature end in disconnections for those who exceed their limits. This poses a dual challenge for consumer protection, and often puts consumers who are already at risk of financial deprivation in more precarious positions. While prepay can be valuable for budgeting purposes, a more in-depth analysis and consultation process to better protect consumers in these situations is necessary.

**Recommendation:**

We ask that further research and consultation be done specifically in the area of protections for prepay consumers.

**Ko wai tātou | Who we are**

NZCCSS has six foundation members; the Anglican Care Network, Baptist Churches of New Zealand, Catholic Social Services, Presbyterian Support and the Methodist and Salvation Army Churches.

Through this membership, NZCCSS represents over 250 organisations providing a range of social support services across Aotearoa. We believe in working to achieve a just and compassionate society for all, through our commitment to our faith and Te Tiriti o Waitangi. Further details on NZCCSS can be found on our website [www.nzccss.org.nz](http://www.nzccss.org.nz).

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