

# Consumer Care Obligations

## Operational frequently asked questions

The Consumer Care Obligations are a set of minimum standards all electricity retailers in New Zealand must comply with if they sell electricity to residential consumers ([Part 11A](#) of the Code).

This document contains answers to frequently asked questions the Electricity Authority has received from retailers about operationalising the Consumer Care Obligations.

For more resources and support visit the [Electricity Authority's website](#).

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## Part 2: Consumer care policy and related matters

### 1. Is the consumer care policy separate from the retail contract?

Yes, the consumer care policy sets out the retailers' policies relating to residential consumers. It exists independently of retail contracts, because it has wider application (including in relation to prospective customers and medically dependent household members), and does not depend on customer agreement.

### 2. How often must retailers update their consumer care policy?

Retailers must review their consumer care policy at least every two years.

### 3. Clause 6 of the Obligations require retailers to provide a link to the Authority's website on the retailer's customer-facing website – what link should retailers use?

Retailers must publish, in a dedicated section of its customer-facing website, a link to the Consumer Care Obligations webpage: [www.ea.govt.nz/your-power/consumer-care-obligations/](http://www.ea.govt.nz/your-power/consumer-care-obligations/)

### 4. Each retailer must clearly and prominently publish specific information in a dedicated section of their customer facing website. What do you mean with 'prominently'?

It means that retailers should ensure that the required information is highly visible, easy to find and accessible to customers, including those with disabilities or low digital literacy. In the guidance, we provide good practice suggestions to apply this effectively.

## Part 3: Signing up customers and contract denials

### 5. What does 'drawback' mean in clause 8 of Part 3?

Retailers must provide information about any 'drawbacks' of available and relevant product offerings before signing up a new customer. A drawback refers to potential downsides of a product, such as early termination fees, or possible price variations, for example, if electricity is consumed at different times.

### 6. Do retailers need to provide pricing information to individual tenants in transitional housing?

Only if you are selling electricity to individual tenants directly. If your customer is the business or organisation providing transitional housing or other accommodation services (not the tenants), the Consumer Care Obligations (Obligations) do not apply to that customer relationship because the business or organisation is not a residential consumer. Businesses or organisations that purchase electricity in bulk to supply residents should assess whether they meet the definition of 'retailer' under the Electricity Industry Act 2010 (Act). If they are a retailer, they may have obligations under the Electricity Industry Participation Code 2010 (Code), including an obligation to comply with the Obligations. See section 2 of the [Retailer Guidance](#) for guidance on who is a retailer under the Act.

### 7. Why must prepay retailers provide pricing information about post-pay options with related retailers?

Prepay retailers must inform potential customers about cost differences with relevant post-pay options offered by related retailers, to ensure transparency and informed decision-making.

## Part 4: Information and records relating to customer care

### 8. What is the difference between an alternate contact person and a support person?

An alternate contact person is someone the retailer is authorised to contact if they cannot get hold of the customer. A support person assists the customer when they engage with the retailer. See paragraphs 7.6 to 7.11 of the [Retailer Guidance](#).

### 9. What are the requirements for recording an alternate contact person?

Retailers must record the alternate contact person's details, ensure they are independent from the retailer, and contact them only in accordance with the customer's authority.

### 10. What are the requirements for recording a support person?

Retailers must record when a customer wishes to use a support person, and use that information to inform its communication practices. Because the retailer is not required to engage with a support person directly, there is no requirement to record the support person's contact details (although a retailer may do so with the customer's consent).

### 11. Can a retailer agree to contact the alternate contact person directly instead of the customer, if the customer requests this?

Yes. In some cases, a customer might request that the retailer direct all contact to an alternate contact, or another authorised person. The Obligations do not prevent the retailer from agreeing to this request. However, in such cases the retailer should ensure it obtains and records the customer's explicit authorisation, including on what the authorised person can and cannot do on the customer's behalf (such as making account changes or bill payments). This customer can revoke that authorisation at any time.

### 12. Do retailers need to follow the naming conventions for 'alternate contact person' and 'support person'?

No. Retailers are not required to use the exact terms 'alternate contact person' or 'support person'. Existing internal terms or processes can meet the Obligations provided they meet the relevant definitions and requirements for alternate contact person and support person. See paragraph 11.40 of the [Retailer Guidance](#).

## Part 5: Business-as-usual account management

### 13. Can retailers include annual contact requirements in other customer communications?

Yes. Retailers can incorporate the annual contact requirements into existing customer communications or account reviews, providing a simpler customer experience.

### 14. What information must retailers provide before customers make changes?

Information about available product offerings and related pricing plans and payment options that are relevant to the customer's current household circumstances. Include any conditions to obtain benefits and any drawbacks of any option such as fees, to ensure they make informed decisions

before switching plans or services. You must also provide information about one or more electricity plan comparison platforms. See paragraph 8.4 of the [Retailer Guidance](#).

**15. What are the account management requirements for prepay customers?**

Retailers must provide low-credit notifications when their balance decreases below 2 days of standard usage. We recommend as good practice that retailers provide easy top-up options to help prepay customers maintain continuous electricity supply. See paragraphs 8.9 and 8.10 of the [Retailer Guidance](#).

## **Part 6: When payment difficulties are anticipated or arise**

**16. Do retailers need to provide payment difficulty information to customers every time they engage with them?**

No. Retailers must provide this information at least once, but do not need to repeat it in every communication with a customer experiencing payment difficulties. Retailers have the flexibility to determine the most appropriate time to share this information based on what will best support the customer. However, key information, such as next steps and timeframes, may need to be communicated more than once if payment difficulties remain unresolved.

**17. How are retailers expected to identify customers experiencing payment difficulties?**

Retailers must proactively identify customers who may be experiencing payment difficulty. This includes: 1. customers who tell retailers they anticipate challenges in paying their bills on time due to financial pressures, 2. customers who miss payments for more than 1 billing cycle in 6 months, and 3. any other customers where the retailer becomes aware of information that reasonably indicates anticipated or actual payment difficulty. For example, a retailer might use a process or methodology to track customer consumption and payment history to identify customers who may be experiencing payment difficulties.

**18. When must retailers refer customers to support agencies?**

If customers experience payment difficulties and they are engaging with the retailer, retailers must ensure the customer is aware of the financial assistance, financial mentoring and electricity efficiency advice available from support agencies. Retailers must also offer to refer the customer to any of those support agencies where appropriate, with customer consent. Referrals must be made within five business days of obtaining the customer's consent.

**19. Does the requirement to monitor prepay disconnections apply to ICPs for baches and other residential premises used infrequently?**

Yes. Clause 27 of the Obligations requires retailers to monitor the frequency and duration of disconnections of every pre-pay residential premises. This helps to identify disconnection patterns that could indicate hardship or risk. However, if a retailer knows that a premises is used infrequently, and this explains a significant and sudden increase in consumption, then the retailer may not need to contact the customer to offer support under clause 28(1)(a) of the Obligations.

**20. Are retailers required to send reminder notices for missed payments even when the amount owed is minimal?**

Retailers must send reminder notices when a customer 'fails to pay an invoice by the invoice due date'. The purpose of this requirement is to remind customers of the amount owing as soon as possible and help them to avoid getting further into debt. If the customer is only short a minimal amount, and that does not trigger any form of late payment penalty or disconnection process, then a retailer may treat the invoice as being paid for the purposes of this requirement and does not need to issue reminder notices.

## **Part 7: Disconnection and reconnection of residential premises**

### **21. What does "disconnection as a last resort" mean?**

Retailers must take all practical courses of action to avoid disconnection and help customers maintain electricity supply. This includes following the steps outlined in clause 31 of the Obligations, such as offering payment support plans and referrals to support agencies before disconnecting for non-payment.

### **22. When can a prepay customer be disconnected?**

Prepay customers can be disconnected if their credit runs out or they exceed an approved arrears limit. However, retailers must ensure that disconnection does not occur at a time that would endanger the wellbeing of any residential consumers at the premises or make it unreasonably difficult to quickly reconnect. Retailers must provide low-balance notifications and reconnect prepay customers within 30 minutes of a customer purchasing new credit, unless there are technical issues or the retailer is waiting on confirmation from the customer that the premises can be safely reconnected.

### **23. Do the Obligations apply to electricity supply for unoccupied homes under construction?**

No, the Obligations do not apply because the premises are not yet being used for residential purposes. Once residential consumers move in, the Obligations will apply.

### **24. The Obligations prohibit disconnection during severe weather events. Is this area specific – can disconnections take place outside of areas affected by severe weather?**

Retailers must avoid disconnecting any residential premises in conditions that would endanger their wellbeing of consumers at that premises or make it unreasonably difficult for them to seek rapid reconnection. This would include severe weather events occurring in the region of the premises, but it could also include severe weather events in other regions if that could indirectly impact consumers at that premises. For example, if the retailer's customer service centre is uncontactable due to severe weather occurring in another region, that would make it unreasonably difficult for consumers to seek rapid reconnection, and disconnection should therefore take place at another time. During any severe weather event the retailer should consider whether the cascading effects of that weather event could impact on any consumers at a property before proceeding with a disconnection.

## Part 8: Obligations in relation to medically dependent consumers

### **25. Do retailers need to obtain health practitioner verification before recording a medically dependent consumer?**

No, you can record a person has medically dependent consumer status at any time (clause 49). You don't need health practitioner verification to do so. However, if you do want health practitioner verification before recording a person has medically dependent consumer status, you must record that person as a medically dependent consumer if you receive a valid confirmation of status form.

### **26. What are retailers' obligations for verifying a confirmation of medically dependent consumer status form?**

The purpose of health practitioner certification is to ensure retailers rely on the clinical judgment of a health practitioner with an appropriate scope of practice about whether a person is medically dependent. There is no requirement to look beyond that certification. If you are concerned that a confirmation of status form is not valid, you cannot decline an application until you have taken reasonable steps to confirm the validity of the form. This could include contacting the health practitioner named on the form to confirm they have certified the consumer as medically dependent in accordance with the definition of medically dependent consumer.

### **27. What advice must a retailer provide to a medically dependent consumer about emergency response plans?**

Retailers must inform medically dependent consumers that electricity supply cannot be guaranteed and emphasise the importance of developing an individual emergency response plan. They must also direct customers to the Authority's website for emergency planning resources. [Medically dependent consumers | Electricity Authority](#)

### **28. Why should prepay plans not be recommended to medically dependent consumers?**

Prepay plans risk disconnection if credit runs out, which could be dangerous for medically dependent consumers who rely on electricity for critical medical equipment.

### **29. What responsibilities do retailers have when a consumer says they are medically dependent but have not completed the necessary documentation?**

A retailer must use best endeavours to request an application for medically dependent consumer status whenever the retailer receives information that indicates a medically dependent consumer may reside at a customer's premises. The retailer must treat them as if they are medically dependent while waiting for an application and must explain to them that if they do not receive an application within a specified timeframe (of at least 21 business days), the retailer may decide to no longer regard that person as someone who may be medically dependent. Section 11 of the [Retailer Guidance](#) discusses retailers' responsibilities in this situation and in situations where an application is received but the applicant does not respond to the retailer's questions or provide a valid confirmation of status form when requested.

### **30. Is there any point in time in which a medical dependent customer can be disconnected by the retailer?**

No post-pay customer's premises can be disconnected if the retailer knows a medically dependent consumer may be residing there (clause 37 of the Obligations). This does not apply to emergency disconnections or planned and unplanned outages. Retailers must advise medically dependent consumers that supply of electricity cannot be always guaranteed and of the

importance of arranging for the development of an individual emergency response plan (clause 58 of the Obligations).

The restriction on disconnection does not apply to prepay customers who run out of credit. However, retailers must not recommend a prepay product offering to medically dependent consumers and must use best endeavours to encourage consumers to choose a post-pay product for any residential premises where a medically dependent consumer may be residing (clause 59 of the Obligations).

**31. Do retailers have to communicate with medically dependent consumers who are not a customer?**

Yes. The Obligations require retailers to directly communicate with medically dependent consumers who are not customers but who are residing in a customer's residence. You must request and record the same communication information for medically dependent consumers and customers. However, a medically dependent consumer may authorise another person to be their primary contact person, in the same way as customers. See question **Error! Reference source not found.** above, and paragraph 11.41 of the [Retailer Guidance](#).

**32. What medically dependent consumer information must retailers provide to distributors?**

Retailers who are traders under the Code must provide information about medically dependent consumers to distributors using the prescribed protocol, [EIEP4A: Medically Dependent Consumer Information](#). This is a regulated electricity information exchange protocol.

Some distributors already receive medically dependent consumer information from retailers using the existing, unregulated exchange protocol, [EIEP4: Customer Information](#). These distributors need this customer information to notify customers of planned or unplanned outages. When a distributor is already receiving EIEP4, we expect that retailers will provide both EIEP4 and EIEP4A files at the same time, to ensure distributors receive timely and accurate information necessary to meet their responsibilities. More information about these information sharing obligations is provided from paragraph 11.9 of the [Retailer Guidance](#), and in the Authority's [decision paper on EIEP4A](#).

The Authority will be monitoring the implementation of EIEP4A, and has signalled in its [decision paper](#) that it may consider taking further action if distributors are not receiving timely exchange of EIEP4 data alongside EIEP4A data.

**33. What obligations do distributors have under the Obligations?**

Distributors must use reasonable endeavours to agree processes with retailers to coordinate planned service interruptions and disconnections that will affect medically dependent consumers (clause 60 of the Obligations). If a distributor directly invoices residential consumers, they also have obligations under clause 35.

**34. What are the expectations for distributor-retailer coordination during significant emergencies?**

We expect and encourage retailers and distributors to adopt a proactive, coordinated response in any significant emergency to quickly identify, prioritise and notify medically dependent consumers. The most effective coordination approach may differ depending on local systems, and the nature of the emergency. See page 47 of the [Retailer Guidance](#).



## Part 9: Fees and Bonds

### 35. Is it enough to list fees on our website to meet the disclosure requirements?

While listing fees on your website is one way to meet the requirement to clearly disclose this information (clause 65), fees also need to be disclosed in your consumer care policy (clause 3(2)(i)). You also need to make the customer aware of any fee before you charge it, which might include telling them what the fee is and directing them to further information available on your website.

### 36. What are the requirements for charging reasonable fees?

Retailers must ensure fees do not exceed reasonable estimates of the actual costs the fee is identified as contributing to, and are otherwise reasonable (clause 68). Fees cannot be used to offset future costs, recover past losses or deter customers from specific actions. The [Retailer Guidance](#) includes seven principles to inform fee-setting practices.

### 37. What if the actual costs a fee is contributing to are really high?

One of the principles to inform fee-setting practices in the [Retailer Guidance](#) is that not all actual costs are reasonable. If costs are unusually high or relate to a step unreasonably taken or inconsistent with the standard of the service, they may be unreasonable. Appendix B of the Retailer Guidance gives examples of the principles in action, including guidance on when fees may be considered unreasonably high. Provided these principles are followed, it is likely the fee will be reasonable.

### 38. What are the requirements for disclosing conditional discounts?

Retailers must take reasonable steps to ensure that customers are aware of any available conditional discounts, and how a customer can receive a conditional discount. A conditional discount is a discount that is dependent on the customer satisfying a condition relating to the timing or method of payment or delivery of an invoice. It includes discounts for receiving electronic bills, or paying by direct debit, for example.