Summary of views expressed

Consumer representative group workshop

Improving retail service quality for telecommunications consumers

Date of publication:	30 March 2021	
Sessions held:	Masterton	25 November 2020
	Wellington	9 February 2021
	Auckland	10 February 2021
	Christchurch	11 February 2021

Foreword

Kia ora,

Ngā mihi mo to whakaaro.

Thank you for attending our workshops to discuss pain points being experienced by fixed and mobile consumers and potential remedies to address them.

This is an important stage as we press ahead with our work to improve retail service quality (RSQ) for telecommunications consumers.

We are particularly grateful to the community groups who encouraged their members to participate and to those who attended for the time spent sharing your experiences with us. We appreciate hearing the insights you have gained from your work in the community. The experiences shared give us a wider view of what matters to New Zealanders and why.

Hearing directly from consumer groups provides an important and unique perspective as we now look to form a view of which pain points should be prioritised and consider the best ways to address them.

In addition to your feedback, industry stakeholders have provided written submissions, which have been published on our [website](#) alongside this workshop summary.

We have also received direct feedback from consumers through an online form, and have published a summary of that feedback on our [website](#).

We are currently designing and conducting a statistically robust national consumer survey which will further explore consumer pain points. We expect to publish the results of the survey by July this year.

By August we will look to publish our initial view on pain points that we intend to address.

Ngā mihi nui

Tristan Gilbertson

Telecommunications Commissioner

About this document

This document summarises the views of participants of the consumer representative group workshop sessions in relation to the Commerce Commission's (the **Commission's**) open letter to industry on [Improving Retail Service Quality for Consumers](#) published on 29 October 2020.

The open letter invited views from consumer and industry stakeholders on pain points and how retail service quality (**RSQ**) could be improved to better reflect telecommunications consumer demands. Feedback closed on 26 February 2021.

The summary of views will inform our decisions to prioritise pain points along with views received via our submission portal and feedback form in response to our open letter.

We have also published a statement of process paper that sets out our approach to RSQ work in 2021, to inform stakeholders as to how they can be kept up to date with progress and contribute to our RSQ work programme (**RSQ Statement of Process**).

Consumer representative group workshop

The Commission held workshops on improving RSQ for telecommunications consumers.

The purpose of the workshops were to seek views from consumer representative groups on on pain points and how RSQ could be improved to better reflect consumer demands, as set out in our open letter. In doing so, we aim to have increased representation of the consumer voice through our process to improve RSQ for telecommunications consumers.

The workshops provided an opportunity to hear from representatives from community groups. Commission staff took notes throughout the sessions, prepared this summary of views and obtained approval by attendees to publish it as views on our open letter. Participants agreed the workshops were a good way to seek their input and welcomed the opportunity for similar sessions in the future.

> **This summary presents views of participants who attended the workshops**
>
> This is not a summary of the Commission's views. The Commission's position with our preliminary views on RSQ pain points will be provided at a later date, as set out in the RSQ Statement of Process.
>
> Views expressed by staff at the workshops were for the purpose of stimulating discussion and were not intended to reflect the views of the Commission.

Improving retail service quality for telecommunications consumers workshops

The workshops were held in:

- Masterton on 25 November 2020 at the Masterton library;
- Wellington on 9 February 2021 at the Commission's office building;
- Auckland on 10 February 2021 at the MIT Pasifika Community Centre; and
- Christchurch on 11 February 2021 at Breakfree on Cashel conference room.

The workshops were attended by representatives and volunteers from a range of community groups. Participants were invited to share their experiences through their role of supporting telecommunications consumers.

Attendees worked in table groups of four to six people, facilitated by Commission staff, and completed two activities:

- Activity one – the groups identified and mapped pain points experienced by telecommunications consumers.
- Activity two – the groups took a deeper dive into prominent pain points and discussed ideas to address them.

Workshop participants in Masterton were asked to complete activity one only.

Attendees were encouraged to focus on experiences of the consumers they support, rather than their own.

Attendees were from the following organisations:

- Age Concern New Zealand
- Budgeting Services - North Canterbury
- Citizens Advice Bureau
- Compassion Trust
- Consumer NZ
- Digital Seniors Wairarapa
- FinCap
- Internet New Zealand
- Local doctors from Total Healthcare Charitable Trust PHO

- NZ Compare
- North Shore Budget Service
- The Pride Project Charitable Trust
- STRIVE Community Trust
- South Seas Healthcare
- Tamaki Budgeting
- Technology Users Association New Zealand (TUANZ)
- Vaiola Pacific Island Budgeting Service Trust

Consumer representative group views

Activity one – Pain point identification and mapping

The groups were asked to identify issues that consumers in the community they support have experienced with their telecommunications retailers. These issues (called 'pain points') were then mapped on an axis that rated the magnitude of "pain" experienced and how frequently it occurs. Mapping was used as a tool to aid discussion. Each pain point was discussed and agreed by group before being mapped.

We recorded the following key themes raised during this activity:

Difficulty getting a resolution from various customer services contact channels

1.   Long wait times getting through to call centres. Some consumers will avoid seeking assistance with an issue due to the difficulty and time required to get through to their telecommunications retailer's customer services.

2.   Overseas based call centres where English is not the first language make getting support or resolution more challenging for consumers. Differences in accents and understanding of colloquialisms can create confusion for consumers. Consumers find they need to repeat information and don't feel as if they have been understood.

3.   When issues are not resolved the first time, consumers are having to follow up with customer services, and sometimes have to repeat their requests when customer services do not adequately record the initial enquiry.

   3.1   Consumers find it difficult to get through to the right customer services support person, and find it frustrating when they are transferred and have to repeat the details of their issue again.

4.   Consumers have noticed there is an increased reliance from retailers on online chat, and automated chat bots. The limited communications of online chat makes it ineffective for many types of enquiries. Senior consumers, and those that prefer to talk to a person, find both the technology and the online chat challenging.

5.   It is hard to find a dedicated email address for contacting support, in particular for organisations that support consumers such as financial mentors, where email is the ideal way to communicate and have a record of the engagement with a telecommunications retailer.

Digital exclusion

6.   Consumers are being sold devices that they do not have enough understanding about in order to use the features they purchased the device (and service) for.

   6.1   Customer service staff (either on the phone or in a physical store) do not have sufficient time to educate their customers on how to use the products. The feeling is that customer services are more focussed on making sales.

7.   Consumers do not have the technical knowledge to understand what the right product or service for their needs is. This has follow-on effects including overpaying for services, difficulty asking for help; and being able to resolve issues quickly.

8.   There is not enough support for helping to set up modems, and more could be done to support older consumers who typically have less experience with the equipment.

Coverage information

9.   Customers are not informed during the sales process if a telecommunications retailer has patchy coverage in their area. Salespeople are making promises about services without checking availability.

10.   Coverage maps are not particularly consistent or reliable. Experienced coverage is not meeting expectations set by telecommunications retailers.

Complex product offers

11.   Offers are not clear or transparent on telecommunications retailers' websites. In particular, the information is not presented in a way that makes it easy to compare products of individual retailers or between retailers. Not all offers are displayed on telecommunications retailer's websites. Bundles, including those with electricity, add to the complexity of comparing offers on broadband products.

12.   Customers are recommended products and services that are beyond their needs, sometimes at a price they cannot afford.

13.   Not having adequate information about what they are currently using to make an informed decision. Consumers are either not aware or not making choices based on their needs. So, they are buying services that they do not need at a higher cost.

14.   30-day notice periods increase the costs of switching and make switching more difficult, adding complexity to consumer choice.

Lack of loyalty benefits

15.   Customers who stay with the same telecommunications retailer can pay more than new customers.

16.   Existing customers are not advised of better plans that suit their needs, or when better plans become available.

17.   New customer offers are often not available to existing customers. Retailers seem to only offer better deals to existing customers when they indicate they plan to cancel.

Affordability checks and financial hardship

18.   Lack of affordability checks in the credit assessment, or a low threshold to qualify for credit checks results in payment defaults, additional fees, suspended services, and increased costs when debt is referred to collection agencies.

18.1 Additional purchases for existing customers appear to lack adequate credit and affordability checks.

18.2 Automated email communications can feel threatening and can distress consumers.

19. No clear and publicly visible hardship policy to help those who are dependent on their phone.

20. Difficulty for budget services or other third-party supporting agencies to support consumers experiencing financial hardship, or overdue billing.

20.1 Inconsistent approach to the use of privacy waivers results in delays and difficulty for parties supporting consumers. Waivers are not consistently kept on record for repeat engagements, and anecdotal examples of repeated failure of a telecommunications retailer to release information to third parties even with a valid privacy waiver.

20.2 Difficult for third-party support people to contact a telecommunications retailer in a specific time window – particularly as support agencies work to appointments. Often wait times exceed 30 minutes, call-back options do not allow for choosing a specific call-back time, and there is not readily available email address.

The cost of data extras, and difficulties changing plans

21. Data extras are generally a more expensive method of increasing a data allowance compared with changing to a more suitable plan. However, changing plans is considerably more difficult, usually requiring the consumer to engage with their retailer's customer services, whereas purchasing extra data is more accessible via apps and are often prompted via text message. Consumers are spending more than necessary by purchasing data extras when they would be better off upping the allowance by changing their plan.

Prepaid mobile purchasing issues

22. Prepaid plans typically revert to default rates if there is insufficient credit on the renewal date. Consumers are often unaware that this has happened and rapidly using leftover credit. While telecommunications retailers are often willing to correct the issue, many consumers find it too hard to engage with their retailer, and just end up paying again for their plan.

Billing errors and contract and bill clarity

23. Consumers are experiencing more billing errors than they should. Sometimes errors, sometimes charges that have not been agreed by the consumer. It can be difficult to get a resolution from customer services (lack of call centre understanding), and often difficult to identify due to the complexity of the bill.

24. Billing and contract documentation is often confusing, over-complicated and includes a lot of jargon.

Consumer representative group views

Activity two – What good looks like

In this activity the groups took a deeper dive into particular issues. First, the discussion considered "what good looks like", and then moved to ideas of what could be done to get there.

We recorded the following views raised during this activity:

Getting a resolution from customer services

25.   The first hurdle for consumers looking for a resolution of an issue was being able to contact their retailer's customer services.

    25.1   Telecommunications retailers should be required to offer call-backs to customers rather than just the option to wait on hold. Attendees noted most retailers already offer a call-back option – however this could be made mandatory if wait times exceed a certain time (for example of wait times exceed five minutes).

        25.1.1   Call-back service should include the ability to specify a call-back time. This is particularly important when customer support agents (such as financial mentors) are supporting consumers with an issue and operate using scheduled appointments.

        25.1.2   Retailers should be more transparent with call waiting times so consumers are aware of how much time they have to wait.

    25.2   A human triage system would be more effective than an automated redirect services (particularly voice-recognition) for getting through to the right person and improve first contact resolutions. Particularly for consumers who find it difficult to articulate their issue.

    25.3   Complaints contact details for all channels should be clearly displayed on the retailer's website. This includes an email address, phone and others available. Not hidden behind FAQs.

26.   Improved training for all staff to ensure consistency of service and communications.

    26.1   Clear plain English communications and feedback loop ensuring that the retailer will do what it says it will when it says it will do it. Call centre staff should confirm back (or paraphrase) to the consumer to ensure they understand what has been communicated by the consumer.

    26.2   Call centres could improve record-keeping so that individual issues can be tracked appropriately when necessary. This could possibly extend to transcripts of conversations being made available to consumers upon request.

26.3 Training for supporting senior and vulnerable consumers, including for consumers with affordability challenges.

27. Support consumers until an issue is resolved.

27.1 Post-service follow ups on the phone to ensure everything is working as it should be.

27.2 When things don't get resolved, consumers should be proactively referred to Telecommunications Disputes Resolution (TDR) by the telecommunications retailer, recognising that there is a lack of awareness of the TDR.

Working to improve digital inclusion

28. Telecommunications retailers could do more to support consumers who are unfamiliar with smartphones. This includes that:

28.1 First-time smartphone users are identified during the sales process and the telecommunications retailer has a "journey" (process) in place to support them.

28.2 Frontline staff have training to support consumers who are not technologically literate, and staff are empowered to take the time with customers to educate, rather than only being sales-motivated.

28.3 Providers follow up with consumers shortly after a new purchase (e.g. up to one month) to ensure that they are able to use the new device/service.

28.4 Frontline staff should be familiar with local community support groups (such as local library initiatives) that promote digital inclusion, and recommend consumers to these community groups where appropriate.

28.4.1 Support networks are underfunded and need to be better resourced. Providers could contribute to funding of support networks as it benefits from their users.

28.5 More visibility and accessibility at an educational level, including face-to-face engagement so our communities can learn more about telecommunications and how it can safely improve in their lives and livelihoods. This would include engaging with:

28.5.1 Schools;

28.5.2 Church groups; and

28.5.3 Pasifika radio and social media.

Improving the sales process

29.   Consumers need clear and transparent information for choice.

    29.1   Information about plans, pricing, consumer rights, contracts, and dispute resolution processes needed to be clearly articulated, accessible, relevant, plain English and in the preferred format of the consumer.

    29.2   For those who have specific language barriers, hire native speakers in call centres rather than a translator.

    29.3   Clear, concise and simple contracts and product offers – consumers are aware of the important terms, upfront and ongoing fees and ensure there are no hidden costs or terms.

30.   Providers could do more to support consumers in a complex market.

    30.1   Call centres need proper record-keeping/paper trail management so that individual cases can be tracked appropriately when necessary.

    30.2   Extend the current cooling off period for a contract (seven days) to be either 21 days, or a set period after the first bill is sent to the customer.

        30.2.1 Providers follow up with customers before the end of the cooling off period to check in and remind them of the timing and options.

Increased focus on consumer affordability

31.   Providers need to place more focus on consumers' ability to afford the services it recommends.

    31.1   Providers should ask checkpoint questions during the sales process. Questions could include those about the consumer's level of technical knowledge budget and service needs.

    31.2   Consumers are presented with the best options for them, rather than just the more expensive/high-end phones and plans.

    31.3   Move from current credit checks to an overall affordability check. The process should test the consumer's ability to make the full payments. When signing up for further devices and/or plans this affordability assessment should be re-run.

    31.4   There is a lack of regulation for credit applications in the telecommunications sector, in particular compared with the banking sector. Regulations for the banking sector could be extended to credit assessments for device purchases.

32.   More could be done to support consumers who are experiencing financial hardship.

32.1   Improved communications before consumers are 'handed over' to a debt collector, so the consumer is fully aware that they are in arrears before a debt collection agency contacts them.

32.2   Specific communication channels (email, phone) for financial mentors and other consumer support groups to contact retailers on behalf of consumers. Banks are currently providing this option.

32.3   A transcript of the sign-up process should be made available to the customer to enable them to review what was agreed.