

13 October 2023

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Tēnā koe

## **Response to draft guidelines on product bundling**

Thank you for the opportunity to respond to the draft retail service bundling guidelines. For these guidelines to be effective they need to apply to all forms of bundling, including the provision of appliances, bundling of two telecommunications services and where services such as electricity are added on to a predominantly telecommunications service provider.

To ensure that the guidelines apply fairly across all market segments there must first be changes made to the definition of a bundle:

- The definition of 'bundle' only refers to cases where the retailer provides more than one service. That means that a bundle that only includes one telecommunications service and a good, such as a phone, or a kitchen appliance would not be captured by clause 9. That means clause 9.2 may in many cases not apply as intended.
- The second bullet in the definition of a bundle appears to be redundant, serving only to highlight a focus on electricity and telecommunications bundles. The bullet notes that a service is considered bundled if the ability to buy one service is dependent on also buying another. However, the main definition of bundling includes all cases where a service provider provides two or more services, so would on its own capture all cases where there is a dependency, and all cases where there isn't. We recommend that this bullet is deleted.
- The third bullet could more clearly state that it applies to the bundling of appliances, phones, etc.
- The definition is not clear if it extends to sign on credits and loyalty plans. We consider that these are forms of bundling so should be explicitly captured.

We also consider that two changes should be made to Part Two of the guidelines.

- The guidelines as drafted create an advantage for businesses that only offer services such as electricity as part of a bundle. For example, an RSP may offer many telecommunications services, but only one bundle that includes electricity. Under the guidelines they would be free to set the price for electricity well above market rates and provide no disclosure. This is because the RSP does not have a comparable electricity plan outside the bundle, so in this example clause 9.1 would not apply. Clause 9.2 would also not apply because there is no RRP for electricity services.

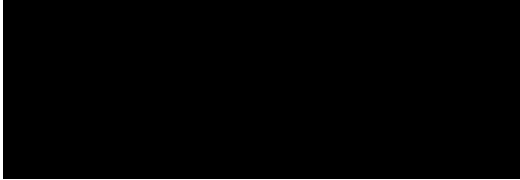
We propose that in cases where the service is not available outside of the bundle the RSP must disclose how the bundled service price compares to market prices, informed by independent price comparisons, such as Powerswitch.

- The guidelines do not provide any views on what should happen when one part of a bundle comes to a conclusion. For example, a telco provider that requires a

customer to take a certain size plan to be able to bundle in a phone payment plan.  
When the phone payment is concluded, what obligations should the RSP have for  
advising the customer that they can now move on to a lower cost plan?

Please contact me at [REDACTED] if you wish to discuss further.

Ngā Mihi



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