



7 December 2022

Tristian Gilbertson
Telecommunications Commissioner
Commerce Commission
By email to: market.regulation@comcom.govt.nz

Tēnā koe

Response to Improving Retail Service Quality: Product Disclosure – Emerging Views Paper

Thank you for the opportunity to respond to the Improving Retail Service Quality: Product Disclosure: Emerging Views Paper. We provide a summary of our views in this covering letter with detailed responses to the consultation questions attached.

We agree with the Commission that customers should be able to make simple comparisons between different plans and providers. Good information is the lifeblood of competition, and that will drive the best outcomes for end users.

Contact Energy's Proposition

While we agree with many of the issues identified by the Commission, the paper doesn't pay sufficient attention to other dimensions that we compete over, such as look and feel, brand, and customer engagement.

Contact Energy's broadband proposition is based on simplicity. This starts with keeping our plans themselves very simple, with no fixed terms, basic monthly billing, and no add-ons except a basic modem for those who need it. We extend this philosophy to the sign-up process where we make sure that customers are presented with a small number of plans to meet their needs and ensuring that the most relevant information is easily available, with more information just a click away.

A key example of this is how we present our detailed electricity rates. These are available for all our plans in a drop-down menu, and easily comparable between plans by clicking across each plan. This ensures customers have all the key information at their fingertips, without overwhelming the sign-up page.

3. Choose your new plan

Close rates

Electricity (standard user rates) 1

Charged: Midnight - 9pm	22.4c/kWh
Free: 9pm - Midnight	Free
Daily Charge	\$1.943/day

[SWITCH TO LOW USER RATES](#)

☐ With GST

Energy rates are before GST and any applicable discounts are based on the plan you selected (or our Basic plan if you haven't chosen one yet). Electricity rates are based on the information available for your property, and natural gas rates are the most common in your region. If you require LPG (i.e. piped gas in selected South Island areas / bottled gas) or your property has unmetered load, rates will be confirmed in your welcome letter. The Electricity Authority Levy does not apply on the Good Nights and Dream Charge plan. We do our best to provide accurate rates, but there are rare occasions where your actual prices may differ and we will confirm these once we have worked through all the details.

Good Nights

Online Deal

Free power
9pm-midnight
every night of the week
No fixed term

[learn more](#)

Broadband Bundle

Online Deal

Broadband
from
\$50/mth
when you bundle with energy
No fixed term

Choose plan

[learn more](#)

NEW - FOR EV USERS

Dream Charge

Cheaper rates
11pm - 7am
every night of the week
No fixed term

Choose plan

[learn more](#)



Product disclosure requirements must leave room to differentiate on look and feel

There is a risk that the proposed product disclosure requirements could result in all broadband retailers looking the same. This would be a bad outcome for consumers. It means that there would be no opportunity to experiment with new ways to engage customers and show them the key information they need to make a choice of retailer.

We also consider that in some cases the proposed requirements would present customers with too much information, which may cause greater confusion rather than support good decision-making. We all lead busy lives, and there is an art to providing enough information to keep customers informed without expecting all customers to invest significant time to understand detailed information. If the guidelines are sufficiently principled based and flexible then competitive tension will allow the optimal level of information to be found.

To avoid the risk of making all retailers look the same, and confusing customers with too much information we make three key recommendations:

1. **Additional text about the features of a plan should only be required if that information is not already obvious.** For example:
 - a. in the comparing plans section, the Commission proposes that plans charged on a simple monthly rate must also include sub-text that covers the monthly cost, which simply repeats the information of the plan (see screen shot to the right). We do not consider that this additional text should be required in that case.
 - b. the list of information proposed on plan inclusions would largely be unnecessary for the simple plans we offer. Our plans have standard speeds notified in the plan name, we have no minimum term, no termination fee, and no extra allowances or add-ons. It would not assist with a customers plan choice to see a series of blank boxes to questions that are not relevant.
2. **Detailed information requirements should be able to be met in a ‘further information’ page or drop-down box.** For example:
 - a. the proposed information for comparing total costs includes a lot of numbers and details that in our view are likely to generate more confusion for many customers. Allowing retailers to present information in a compelling and simple way for customers, while also providing more information for those who desire it allows for the best of both worlds.
 - b. the comparison tables proposed for broadband bundles would also likely overwhelm and cause greater confusion. We consider that our use of drop-down boxes (as discussed above) is an elegant approach that still ensures customers are provided the key information desired by the Commission.
3. **Information requirements should apply equally to all types of plan inclusions and bundling.** For example, it is common for broadband plans to include appliances, such as coffee machines, fridges or TVs as a bundle. These should be treated the same as other bundles, presenting the full life costs to consumers. We also note that bundling is beginning to extend beyond just energy and media, we are increasingly seeing other service like insurance also being included. The guidelines should make sure all bundled services are captured.



Implementation

We support the implementation of these recommendations via Commission guidelines and industry codes. This will ensure the requirements are practical and workable, while still meeting the Commission's intent.

We intend to fully comply with any codes developed as part of this process, despite not being a current member of the TCF. However, to ensure full participation we request that the TCF invites us and other non-members to be part of the process to develop these codes.

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

Ngā Mihi

[REDACTED]

Brett Woods
Head of Regulatory and Government Relations
Contact Energy.

Response to consultation questions

Question	Contact Energy Response
Comparing Prices	
Q1. What are your views on the option set out above for addressing this issue?	We support standardised unit pricing, but we consider that this information does not need to be repeated if it is obvious in the description of the plan itself.
Q2. What are your views on the proposed 24-month period for calculating the average monthly cost? For example, would a shorter timeframe of 12 months or a longer timeframe of 36 months be more meaningful to consumers?	We consider that a 24 month term would best balance out the impact of short term incentives.
Q3. Do you support the implementation approach set out above?	Yes, as noted above we intend to fully comply with industry codes.
Q4. How should we prioritise this issue relative to the other issues considered in this paper, if they are not addressed simultaneously?	.
Comparing Total Costs	
Q5. What are your views on the option set out above for addressing this issue?	The proposed information requirements could be overwhelming, and increase confusion for customers. We consider that this information is best contained in a separate 'further information' link.
Q6. Do you support the implementation approach set out above?	Yes
Q7. How should we prioritise this issue relative to the other issues considered in this paper, if they are not addressed simultaneously?	.
Comparing Plan Inclusions	
Q8. What are your views on the option set out above for addressing this issue?	We offer a small number of very simple broadband plans with standard speeds, and simple open term monthly charges. For the products we offer much of the information proposed would be unnecessary, and likely create more confusion than it solves. A degree of pragmatism needs to be applied to ensure that extra detail is only required where necessary to better inform customers.
Q9. What views do you have on the key fields of information that should be included in a broadband and mobile offer summary?	
Q12. What views do you have on the prescribed standard template format and length that should be included in a broadband and mobile product offer summary?	
Q13. Do you support the implementation approach set out above?	Yes
Q14. How should we prioritise this issue relative to the other issues	.

Question	Contact Energy Response
considered in this paper, if they are not addressed simultaneously?	
Comparing Bundle Pricing	
Q15. What are your views on the option set out above for addressing this issue?	<p>We support good information for customers to make better decisions.</p> <p>In meeting this requirement the industry code should allow some innovation in delivery, for example allowing drop down boxes with additional information so as to not overwhelm customers.</p> <p>We also consider that this requirement should apply to one-off 'gifts' bundled in with a plan.</p>
Q16. Do you support the implementation approach set out above?	Yes
Q17. How should we prioritise this issue relative to the other issues considered in this paper, if they are not addressed simultaneously?	.
Comparing Customer Numbers	
Q18. What are your views on the options set out above for addressing this issue?	.
Q19. Are there other globally accepted measures for defining mobile or broadband customer numbers that would be more appropriate than the ITU definition?	.
Q20. Do you support the implementation approach set out above?	.
Q21. How should we prioritise this issue relative to the other issues considered in this paper, if they are not addressed simultaneously?	.
Comparing Mobile Coverage	
Q22. What are your views on the option set out above for addressing this issue?	.
Q23. How long do you consider we should allow for delivering each of the three stages of improvements contemplated in the option set out above?	.
Q24. Do you support the implementation approach set out above?	.
Q25. How should we prioritise this issue relative to the other issues considered in this paper, if they are not addressed simultaneously?	.