

29 October 2020

By email to: Mobile Stakeholder Group
Broadband Stakeholder Group
Consumer Stakeholder Group

Ngā mihi mahana kia koutou katoa

Improving Retail Service Quality for Consumers

Summary

1. We are writing to inform you that we are ramping up our efforts to improve retail service quality (**RSQ**) for telecommunications consumers using our powers under Part 7 of the Telecommunications Act 2001 (the **Act**).
2. We would therefore like to invite you to share your views on how to improve RSQ to better reflect consumer demands.
3. We are particularly interested in your views on two key issues:
 - 3.1 the key pain points being experienced by fixed and mobile consumers and how they could be remedied; and
 - 3.2 how the industry dispute resolution scheme could be improved to support RSQ.
4. We would like to hear from all stakeholders, including fixed and mobile providers, individual consumers and consumer advocacy groups.
5. Please provide your views:
 - 5.1 on consumer pain points and how they could be remedied, by **26 February 2021**; and
 - 5.2 on the industry dispute resolution scheme, by **18 December 2020**.

Background

6. In 2018, recognising the importance of telecommunications services and the need for improvements in RSQ, Parliament gave us new powers and a clear direction to look more closely at consumer outcomes in retail telecommunications markets.
7. Before proposing amendments to the Act, the Ministry of Business, Innovation & Employment (**MBIE**) prepared a regulatory impact statement that noted a high level of customer dissatisfaction and complaints generated by the telecommunications sector, including issues of *“poor customer service, poor quality products (coverage and speed), difficulties with installations, misleading information and billing disputes”*.¹
8. MBIE also noted that the regulatory settings at the time:²
 - 8.1 had delivered insufficient information to support effective consumer choice in a rapidly changing environment;
 - 8.2 were over-reliant on industry self-regulation;
 - 8.3 left room for improved consumer responsiveness by retailers; and
 - 8.4 were modest in their attempts to safeguard consumer interests, compared to other similar overseas jurisdictions (for example the UK and Australia).
9. We were therefore given new powers to improve RSQ across all relevant dimensions including customer service, faults, installation, contracts, product disclosure, billing, switching, service performance, speed and availability.
10. These new provisions direct us to monitor RSQ and make available information in a way that informs consumer choice. They also give us the ability to review industry RSQ codes, provide guidelines to the industry on RSQ matters, and create Commission RSQ codes. The new provisions also require us to review industry dispute resolution schemes at least once every three years.

¹ Ministry of Business, Innovation and Employment, “Regulatory impact statement - Telecommunications Act review: consumer matters” (March 2017), paragraph 5.

² Ministry of Business, Innovation and Employment, “Cabinet paper - Review of the Telecommunications Act 2001: Final Decisions on Fixed Line Services, Mobile Regulation and Consumer Protection” (June 2017), paragraph 8.

Increased focus on RSQ

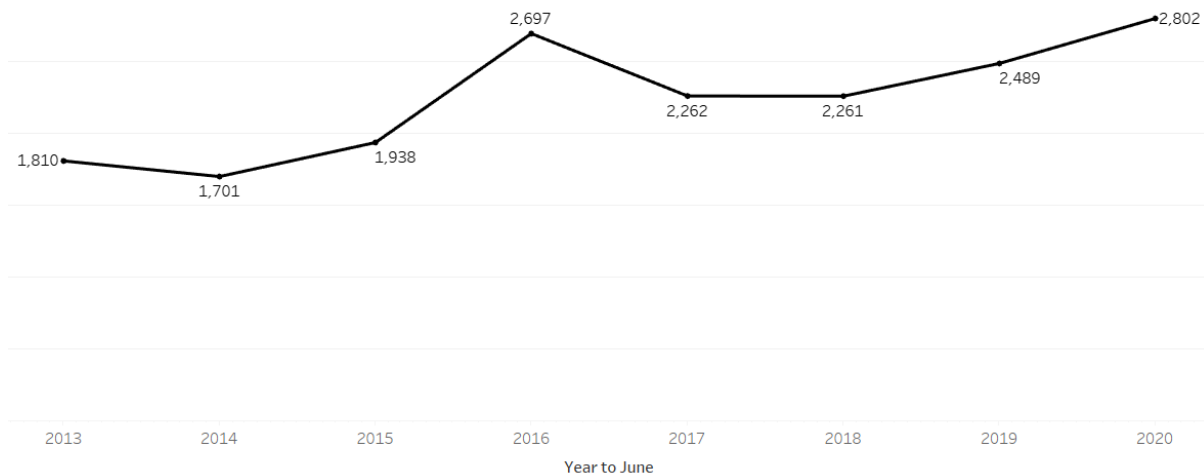
11. Shortly after the amendments to the Act, we published our Telecommunications RSQ Framework (the **Framework**), setting out our intended approach to implementing the new consumer provisions.³
12. Since publishing the Framework, we have undertaken significant work in the collection, analysis, and publication of consumer information:
 - 12.1 We have continued to develop our Measuring Broadband New Zealand programme with independent testing experts, SamKnows. The programme provides consumers with independent information on broadband performance across different providers, plans and technologies, to help them choose the best broadband for their household. Shining a light on actual broadband performance also encourages providers to compete on performance and not just price.
 - 12.2 Following our 2019 study of the mobile market, we recently conducted a review of mobile consumer bills, which concluded that there are transparency and inertia issues that result in significant value being lost by some consumers. On 17 September 2020, we published an open letter setting out our expectation that mobile providers should enable meaningful comparison and choice for residential mobile phone consumers.
13. Building on this, we are now pressing ahead with further RSQ work, with a focus on assessing pain points for fixed and mobile consumers. We have gathered evidence on a range of pain points, but we do not consider our list is exhaustive, or that we necessarily understand all the ways consumer outcomes could be improved, which is why we are seeking your input.
14. This is now more important than ever because, in the time since Parliament gave us our new consumer powers, we have seen an increase, rather than a decrease, in overall telecommunications complaints and enquiries to the Telecommunications Dispute Resolution Scheme (**TDRS**). This can be seen in Figure 1.⁴ We have also seen

³ Commerce Commission, “Telecommunications Retail Service Quality Framework Paper”, 30 November 2018.

⁴ These high-level complaints and enquiries numbers are taken from the TDRS’s 2018/19 Annual Report, its July – December 2019 Biannual Report and its “Industry Facts & Figures 2020”, are available at www.tdr.org.nz. According to the TDRS, more than 90% of complaints and enquiries are resolved directly between the provider and the customer without TDRS intervention.

an increase in telecommunications complaints and enquiries to the Commerce Commission over this time.⁵

Figure 1: Total complaints and enquiries to TDRS



Source: Telecommunications Disputes Resolution Scheme

We want to hear your views on RSQ

15. We are keen to hear from all stakeholders on how RSQ could be improved for the benefit of consumers.
16. We are specifically interested in your views on the following questions:
 - 16.1 What are the key pain points for fixed and mobile consumers?
 - 16.2 What is the most appropriate remedy or response to each pain point?
17. To guide your responses, and assist us in considering them, we have provided a template as an appendix to this letter, which sets out the form in which we would prefer to receive your responses in relation to consumer pain points. An online version is also available on our [website](#).
18. Where possible, please specify whether your view is relevant to fixed or mobile telecommunications services, and where you think issues are common to both markets (and could be addressed by a common solution).

⁵ More information on the complaints the Commission has received can be found in our Consumer Issues reports and Complaints Snapshot, available on our website. We note that a complaint does not necessarily mean that an offence or wrongdoing has occurred. We also note that larger industries are likely to generate more complaints because they have more customers, and high levels of publicity about an industry or issue can sometimes result in more complaints.

19. We also encourage views on potential remedies to be supported by reference to experience in other sectors and best practice in other markets.
20. Our experience suggests that workshops can provide a useful means of capturing views from consumer groups who are often constrained in their ability to provide written submissions.
21. Please email Ben Oakley, c/o regulation.branch@comcom.govt.nz by 6 November 2020 to let us know if that would be the case for you so that the necessary arrangements can be made.
22. We also intend to conduct a widespread, statistically significant survey to further understand RSQ issues and cross-check the responses we receive from this letter and any subsequent workshops. We currently plan to conduct this survey in January 2021.

Review of the TDRS

23. A key component of ensuring RSQ meets consumer demands is an effective dispute resolution scheme that captures and addresses all issues that consumers are unable to resolve directly with their providers.
24. With this in mind, we are prioritising our review of the TDRS, which is the primary industry dispute resolution scheme for telecommunications in New Zealand.⁶ Following this review, we will provide a report to the TDRS provider on any recommendations for improving the scheme and when the recommendations should be implemented.
25. As we prepare to review the TDRS, we would like to take the opportunity to hear your views, specifically on the following questions:
 - 25.1 What aspects of the TDRS do you think work well?
 - 25.2 What aspects of the TDRS do you think could be improved and how?
 - 25.3 Are there any other ways you think the TDRS could be improved for the benefit of consumers?⁷
26. Your views on these issues will help us prepare for our forthcoming review of the TDRS. We intend to publish terms of reference for the review once we have received

⁶ Section 246(1) of the Act requires us to review the industry dispute resolution scheme at least once every three years.

⁷ For example, you may have useful insights from similar dispute resolution schemes for other industries or in other jurisdictions.

your views. We currently plan to publish the terms of reference in February 2021 and will set out proposed next steps in the TDR review process at that time.

Conclusion

27. We look forward to receiving your views on consumer pain points and the TDRS. Your views will help us deepen our understanding of the issues and inform our approach to improving RSQ.
28. As noted above, our proposed next steps are as follows:

- | | |
|----------------------|--|
| December 2020 | – Possible workshops on TDRS |
| | – Views on TDRS due by 18 December 2020 |
| January 2021 | – Conduct survey on consumer pain points |
| February 2021 | – Issue terms of reference and commence TDRS review |
| | – Possible workshops on consumer pain points |
| | – Views on consumer pain points due by 26 February 2020 |
| March 2021 | – Issue consultation document on key consumer pain points and proposals for resolving them |

29. We look forward to receiving your input and to engaging with you in the next steps of this process.
30. Please email Ben Oakley, c/o regulation.branch@comcom.govt.nz if you have any questions in relation to this letter.

Ngā mihi nui



Tristan Gilbertson
Telecommunications Commissioner

Have your say on retail service quality

Your views will help us better understand and prioritise pain points so that we can look to address them.

Please provide your views by filling out this form and emailing it to:
regulation.branch@comcom.govt.nz.

Where possible, please include examples that illustrate your response to a question.

The deadline for providing your views is: **26 February 2021**.

Please note the confidentiality section at the end of this form.

Your details

Name:

Organisation (if applicable):

Email:

Contact number:

SEARCHING for a new service

Availability

- Are coverage maps accurate and useful?
- Is it easy to know what technology is available?

Choosing a plan

- Is it easy to compare different providers and plans?
- Do consumers have sufficient information to compare their current service with a new one?
- Are important terms clearly communicated?

What are the pain points?

What would be the best ways to address them?

The PURCHASING process

Installations

- are installations completed on time?
- does your provider communicate well during the installation process?

Paying for your service

- are bills easy to understand and accurate?
- how are late payments handled?

Switching providers

- is it easy to switch providers?
- what are the costs of switching?

Contracts

- are contracts easy to understand?
- are important terms prominent?
- do you have to give a notice period to exit?

What are the pain points?

What would be the best ways to address them?

USING a service

Performance

- is the speed and reliability meeting expectations?
- how well are providers responding to faults?
- do you have suitable coverage?

Plan allowances

- how accessible is usage information?
- is it easy to manage usage and spend?

What are the pain points?

What would be the best ways to address them?

Quality of CUSTOMER SERVICES

→ how easy is it to contact a provider?

→ how long does it take to resolve an issue?

What are the pain points?

What would be the best ways to address them?

Other feedback

Thank you very much for giving us your views.

Confidential information

Individual consumers

We may publish an anonymous summary of views on our website, without any personal details. If you would prefer your views to be excluded from this public summary, please tick this box

Telecommunications providers and consumer groups

If you are providing confidential information you must supply both confidential and public versions of your submissions. The public version will be the one published on our website.

Please provide reasons alongside any information in the confidential version as to why it is commercially sensitive or confidential information.

The responsibility for ensuring that confidential information is not included in a public version of a submission rests with the submitter.

More information on how and why we gather information, and when we may disclose it, is available on our website at: <https://comcom.govt.nz/about-us/our-policies-and-guidelines/transparency-statement>.

Have your say on the Telecommunications Dispute Resolution Scheme

Your views on these issues will help us prepare for our forthcoming review of the Telecommunications Dispute Resolution Scheme (TDRS).

Please provide your views by filling out this form and emailing it to: regulation.branch@comcom.govt.nz.

Where possible, please include examples that illustrate your response to a question.

The deadline for providing your views is: **18 December 2020**.

Please note the confidentiality section at the end of this form.

What is the TDRS?

The TDRS was established by the New Zealand Telecommunications Forum (TCF) to provide independent resolution of disputes.

Consumers can take disputes with their telecommunications provider to the TDRS where the scheme provider then works to find a resolution between the telecommunications provider and the consumer.

The Commission is required to review the TDRS at least once every three years.

You can find more information on the TDRS on its website at: <https://www.tdr.org.nz/about-tdr>.

Your details

Name:

Organisation (if applicable):

Email:

Contact number:

What do you think is currently working well?

What do you think could be improved and how?

Are there any other ways you think the TDRS could be improved for the benefit of consumers?

Other comments

Thank you very much for giving us your views.

Confidential information

Individual consumers

We may publish an anonymous summary of views on our website, without any personal details. If you would prefer your views to be excluded from this public summary, please tick this box

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