111 Contact Code - Feedback

Public Version

Commerce Commission

30 November 2022

1. As part of the Annual Disclosure Template 2022 the Commerce Commission asks for feedback on the Code that we would like to share.

2. We note the Commission will be consulting more fully on a review of the 111 Contact Code (the 'Code') during the first half of 2023. We offer our thoughts here to assist in preparation for the review.

3. This submission contains information that is confidential and commercially sensitive indicated in square brackets which must be redacted from any public version of this submission, including information requested under an OIA request.

Setting Appropriate Expectations

4. The Code is clear in its scope of only requiring retailers to provide an appropriate means for customers to contact 111 emergency services.

5. Some customers argue they need to be able to contact family members because 111 emergency services don't speak their language and they would rather speak to a family member. We note however that the 111 emergency call handling service speaks around 18 languages in total[1].

6. Spark has also received requests from customers arguing they need a vulnerable consumer device to be able to contact their family and friends during an emergency.

7. On a number of occasions, the vulnerable consumer is happy with the solution Spark has provided, but their adult children have wanted or expected more.

8. While we understand these concerns, extending the Code beyond the provision of a means to contact 111 emergency services during a power outage would significantly increase the scope and scale of the scheme, and would further place cost burdens on providers who continue to offer landline services (see our discussion later on costs).

9. We think the balance of the Code is about right at present and do not consider the scope should be extended.

10. Customers who are ineligible for the scheme but who wish to enhance the service level for their landline so it continues to operate during a power outage can purchase their own battery backup devices from a third party or can use a mobile device where there is coverage. Alternatively, they could install a medical alarm for greater peace of mind.

11. These options are also available to vulnerable consumers who want a more comprehensive solution than that offered by their retail service provider (RSP) under the 111 Contact Code – for example, if they want to be able to call their family in addition to 111 emergency services.

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[1] https://www.police.govt.nz/advice/personal-community/new-arrivals/english/communicating

12. We think it would be useful to clarify in the Code that whether a device is suitable for an individual is limited is assessed against usability and not the visual or physical characteristics of the device offered. For example, if a retailer provides a battery device, but the customer refuses to take it because it is too big; or if a customer is offered a mobile phone but they reject it because it's not the latest smart phone, the retailer should be considered to have met their obligations under the Code.

Medical Alarms

13. The Commission should consider how to incorporate medical alarms into the 111 Contact Code framework, specifically medical alarms as "appropriate means" under the Code.

14. Many vulnerable people already have medical alarms at their home. In fact, we estimate around half of our registered vulnerable consumers have medical alarms of some sort.

15. Medical alarms offer significant benefits over the solutions we can provide as network operators:

    a. The alarm can usually be worn as a pendant so, unlike a landline phone, is always with the customer, no matter where they are in their home or garden.

    b. Modern devices typically are self-powered, use the mobile network, and can easily meet the Minimum Period defined in the Code.

    c. Modern devices are remotely monitored, and the alarm company will reach out to the customer or caregiver if the device stops working or malfunctions.

    d. Some medical devices provide direct access to 111 emergency services or can be used to trigger call out of emergency services or equivalent help.

16. Many people with medical alarms already have access to the support they need during a power outage to access 111 emergency services, or a service through their alarm company to support their specific vulnerability.

17. It's not uncommon for retirement villages to include medical alarms in their accommodation units funded through their accommodation service fees.

18. The government has a scheme which subsidises the cost of a monitored medical alarm service for eligible people who have ongoing health conditions, disability or suffering from injury.[2] Devices are supplied by an MSD-accredited medical alarm supplier[3].

19. For many people, a government-funded medical alarm would be a far better solution than a mobile phone or battery backup device for their landline.

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[2] https://www.govt.nz/browse/health/help-in-your-home/personal-medical-alarms/
[3] https://www.workandincome.govt.nz/eligibility/health-and-disability/medical-alarms.html

20. We suggest the 111 Contact Code is updated to recognise the use of medical alarms as an option for vulnerable consumers by clarifying that:

    a. Customers with existing monitored medical alarms that work during a power outage, and which allow them to contact 111 emergency services or other emergency support related to their vulnerability, would not be eligible for a device under the 111 Contact Code.

    b. If a customer installs a monitored medical alarm (whether privately purchased or via MSD funding) they would not be a Vulnerable Consumer under the 111 Contact Code.

21. We also recommend the Commission talks to the MSD-approved medical alarm suppliers to understand what options are available to customers, and how the telecommunications industry can help increase awareness of government-funded options.

Compliance Costs

22. Spark has received around [   ] applications for our Vulnerable Consumer Scheme and currently has [   ] registered vulnerable consumers.

23. We estimate setting up Vulnerable Consumer registration process, rolling out information to our frontline, designing our application forms, updating our website, changing our frontline systems to display the customer's vulnerable status, and creating a safe storage location for application form information (which the Code requires us to store for certain periods) has conservatively cost in us in excess of [ ]. This includes (with estimated costs):

    a. Developing our 'Disclosure BOT' which reads out the VC disclosure information to customers (along with other terms and conditions) to ensure customers receive this information as part of the sales process [   ].

    b. Building a secure database for storing information from application forms, to protect the sensitive nature of the content and the Code's requirements to store this information for several years [   ].

    c. [ ] working on developing and refining the processes and customer information. The 111 Contact Code implementation took up a significant amount of their time over the course of a year.

    d. CRM build to create a new 'complaint type' for 111 Code issues so they can be tracked for compliance and process improvement [   ].

    e. System enhancement to build our mobile 111-only plan for vulnerable consumers. We have built processes to support 4 different types of mobile handsets due to product lifecycle and availability. We estimate the build work

for mobiles and battery device to be [ ] (not including time for procurement to source the devices).

    f.   [ ] to process the applications and manage our vulnerable consumers. This was [ ] plus ad-hoc support for the first year, but now requires [   ].

    g.   Field Techs installing battery backups, including some customers who require multiple visits [   ].

    h.   Content and form/user experience design work to create the application form and the guides for the devices [   ].

    i.   The cost to send out annual information to customers as required by the Code, including the cost of drafting collateral, printing and postage for paper bill customers, and digital deployment for e-bill customers [   ] annually).

    j.   The cost to send the annual consumers information in the first year was higher as they were sent as a standalone letter. This was due to the short timeframes in the Code which meant we were not able to reserve a slot to 'piggy-back' on our usual bill run process. Instead, we had to send the information as a standalone letter to non-e-bill customers. The cost of postage was [   ].

    k.   Cross-business team of 6 subject matter experts meeting fortnightly through the scheme implementation process to work through implementation. The same team met to discuss the supply issues with the original planned battery device and development of the EcoFlow solution, and more recently with the device firmware issue which lead to recall, testing and redeployment of the devices.

24. In addition, the cost of the appropriate means is not insignificant, especially the battery backup devices. The EcoFlow RIVER Pro has a retail price of $1,599 (including GST).[4] We can purchase them at [   ] (ex GST) per unit. We also provided battery customers with a small multi-power board to assist with connecting the customer's equipment.

25. Home visits are always required for our battery installations, but we offer consumers the option of a technician visit to help them set up their mobile device. Each installation is different, and some are more complex than others. For example, we have seen customers with unique communication needs due to extreme disabilities which required careful liaison and battery installation.

26. We have also had situations where the LFC ONT needs to be moved to a more suitable position so the battery backup device can be co-located in the home.

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[4] https://ecoflowtech.co.nz/products/river-pro

Long term viability of the vulnerable consumer scheme

27. Copper and PSTN switch-off means customers are being moved off copper on to fibre and wireless technologies. We note that RSPs are increasingly exiting the market for landline services.

28. The net result is that while Spark continues to offer a landline service it will continue to support a disproportionately high number of vulnerable consumers, and disproportionately carry the burden of the cost for the industry.

29. Mobile devices are suitable for most of our vulnerable consumers, and we have access to cost-effective handsets due to the commercial availability of standard entry level phones. In areas where there is no mobile signal or where the customer can't use a mobile phone for dexterity or other issues, we need to use a battery backup device. These are expensive, especially when they need to last for eight continuous hours.

30. The industry needs a better funding model in the medium to long term, and we invite the Commission to consider how this could be achieved to ensure the cost burden of supporting these important customers does not fall on a small number of operators.

A Sensible Cost Cap

31. We suggest there should be a cost cap on how much an RSP needs to contribute to support vulnerable customers, and the Commission should consider whether 'non-standard' customers should be required to contribute to their own costs. For example, monitored medical alarms would be a far superior solution for most customers and in many cases are funded by government.

32. LFCs should also carry some of the cost burden for supporting these customers as they made the business decision to not offer battery solutions as standard for all customers. We understand this decision, but ultimately this has passed the full burden of supporting vulnerable consumers on to landline retailers.

33. At the very least, LFCs should be explicitly required to pay for ONT relocations where these are required for vulnerable consumers.

Battery Life

34. The Minimum Period of 8 hours of battery life means any backup battery is big and expensive. Reducing the requirement to 4 hours would allow the use of the Ecoflow River Power Station which has been shown in testing to last 4 hours. This device is half the price of the Ecoflow River Pro, and is significantly smaller and lighter which will help with placement in the home.

Annual Reporting

35. We question the benefit of the measure in 38.7 which measures the average number of working days from the point at which a consumer's application is submitted to when the vulnerable consumer is provided with appropriate means to contact the 111 emergency service.

36. For our internal calculations, we start the clock when the customer submits an application form which includes all the necessary information. Sometimes this may require multiple conversations with the customer to explain what is needed.

37. There can be many reasons why there is a delay between the completed application form being received and a device being dispatched for a vulnerable consumer:

    a. Some customers are on copper but are not due to migrate to a fibre or wireless landline until a future date. Our process is to approve their application but wait until the migration is complete before we add them to the vulnerable consumer register and send the device. If their fibre installation is delayed or they are part of a planned migration, this may take weeks or in some cases months. We add these customers to the vulnerable consumer list to coincide with their landline service moving to the new technology.

    b. Customers need to agree a date for the technician visit. Our battery backup device is heavy and large, and too complicated for a vulnerable consumer to set up themselves. We contact the customer to arrange a date for the installation, but this will be subject to our technician's and the customer's availability.

    c. Some customers do not want a technician to visit their premises due to concerns over Covid. We contact these customers regularly so they know they can book their installation at their convenience.

    d. A number of customers were approved as vulnerable in the period of time before the date by which we needed to have a physical device available. These customers had a longer lead time.

    e. Customers waiting on the battery backup device were subject to delays due to supplier issues. These customers were offered other options, but some chose to wait until the batteries were available.

38. We are happy to continue to provide the information requested, but in our view it shouldn't be used to draw conclusions about the efficiency of a retailer's process.

39. To demonstrate the difference in numbers:

    a. Across all devices the average time from an application form being received to the customer being accepted on to the vulnerable consumer register is [   ] working days.

b. Our average working days from application received to device dispatched for mobile devices was [ ] working days. However, the average time from when the customer is added to our vulnerable consumer list to the device dispatched is just [ ] working days. The difference is because we only accepted them as vulnerable once their migration was complete (as until this date they are on copper which is line powered).

Questionnaire format/structure

40. The format and contents of our Vulnerable Consumer application form is based on Attachment A of the Code.

41. Feedback from customers is that the form is very long and wordy. One suggestion is to a create a simpler form with clear reference to the section in guidance notes to declutter the main form.

42. The area of the form which relates to the nominated person causes the most confusion and is often filled incorrectly, requiring us to go back to the customer to update the form.

43. The forms need more clarity on whether an existing medical alarm that allows the customer to contact 111 means the customer is not eligible for the vulnerable scheme.

44. We have seen some customers confused about who will contact their doctor. If the customer contacts their doctor proactively then often the doctor will charge a fee. The form should make it clear that a customer's retailer may reach out to the customer's doctor on their behalf.

45. The application form in the Code would benefit from a review, and we suggest the Commission gathers feedback from consumers and RSPs, and tests any proposed changes with typical end-users.