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By Email To: [REDACTED];  
CC: [REDACTED]

## Mobile Transparency – Progress Review

### Introduction

Thank you for the opportunity to comment on the Commerce Commission's *Mobile Transparency – Progress Review, June 2024*.

As we've said before, 2degrees has a genuine commitment to Retail Service Quality (**RSQ**) and acknowledges its role in improving outcomes for consumers. We're a strong supporter of changes that we think help our customers, consistent with our purpose of 'Fighting for Fair' - and that includes improvements related to transparency.

2degrees works continuously to improve outcomes for customers – we compete on this - and we're keen to ensure that consumers are aware of the benefits of 2degrees' services, including compared to our competitors.

As the Commission is aware, prior to the Commission's mobile transparency work programme 2degrees already provided its customers with a significant level of 'mobile transparency' versus other operators, including the ability to see historic usage in 'at a glance' graphs and by sending annual summaries (in 2degrees lingo called 'Happy Anniversary' emails). However, we agree that there have been enhancements to mobile transparency across all mobile operators since Commission work in this area. As a supporter of competition, we also agree that with these changes it is appropriate to let the competitive nature of the market respond. As such, we support the Commission's view that monitoring of the market is now appropriate.

We provide further context and comments on some specific areas raised by the Commission in its review below, which we hope you find helpful:

- Usage and spend information;
- Consumer cut through of annual summary emails; and
- Mobile comparison tools.



## Usage and Spend Information

2degrees agree with the Commission that there has been an increase of mobile transparency, across MNOs, since the Commission's work in this area. We think this further empowers consumers, improving consumer outcomes.

### **2degrees**

While (unlike our competitors) 2degrees already provided an award-winning app that included plan and usage history information<sup>1</sup>, as well as providing a 'Happy Anniversary' email outlining customer usage, in light of the Commission's work and ongoing competitive work, 2degrees have made - and expect to continue to make - improvements in this area.

As recognised by the Commission, following the Commission's engagement on mobile transparency 2degrees made updates to its initiatives including:

- Updating our 2degrees app by extending historical usage information, including our 'at a glance' graph from 6 months to 12 months, and adding in 12 months spend history for each of prepay and postpay customers (on top of the access to 12 months previous spend already available to our customers on 'Your 2degrees' online).
- Updating our existing and unique 2degrees 'Happy Anniversary' email, including by adding 'Your plan at a glance', 'Want more info?' and 'On the right plan?' sections, as well as updating the customer usage section to put this in monthly terms (not just annual).
- This was in addition to continuing to provide 2degrees customers with access to the 'Your 2degrees' platform, which includes the 'Your 2degrees' dashboard, displaying customers' 'at a glance' plan details, usage and expiry dates, including data, calls and texts, as well as click-through access to more detailed usage and spend info, and downloadable CSV files.

Separately, and in reflection of a competitive market:

- We continued to further enhance/evolve our app, recognising its importance to our customers in understanding and managing their services. This included by adding features such as further access to information on interest-free phone payments (for those customers that have chosen to take up a mobile repayment option) and a feature to support Add-on Management; and
- We rolled out a new 2degrees-brand broadband app, which provides our fixed broadband consumers the great features of our 2degrees mobile app (including the ability to monitor and change plans, including with daily and monthly 'at a glance' graphs, usage, spend and bill information). We initially rolled this out for fibre and copper broadband, but we are pleased to advise the Commission that we have now

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<sup>1</sup>Amongst other things - the 2degrees app includes lots of features, including to allow 2degrees customers to monitor and change their plan, purchase add-ons, top-up and review purchases.



added fixed wireless broadband to this app.<sup>2</sup> We have also added features such as ‘Payment Assistant’ (allowing customers to split their bills into smaller, more frequent payments that suit them).

- We are working on consolidating the 2degrees mobile and broadband apps, so that consumers can access both mobile and broadband (as well as our electricity offering) all from the same application.<sup>3</sup> [C-I-C:

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We expect this to further enhance consumer experience.

- We’ve been continuing to work through our wider post-merger and acquisition integration processes. [C-I-C:

[Redacted content]

We expect this integration and transition work to result in further improved consumer experience - including competitive initiatives in relation to ‘transparency’ workstreams.

Ultimately this means all our 2degrees mobile customers, prepay and postpay, can see their usage and spend, both daily and over the last 12 months, in near ‘real-time’, all year

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<sup>2</sup> All new and most existing fixed wireless access customers can now access this, and we are working on transitioning all customers. We note all 2degrees-brand customers can already access information from the ‘Your 2degrees’ portal. You might recall previously 2degrees did provide 2degrees-brand broadband customers access to more limited information from the mobile app. Slingshot and Orcon have a separate broadband app.

<sup>3</sup> Consumers with electricity can currently access information on this from the broadband app.



around, as well as having multiple means to change their plans with ease (including on the app), and that we have carried over these benefits to 2degrees broadband customers.

In part reflecting this, 2degrees is pleased to report that 2degrees has again been awarded the Canstar Blue ‘Most Satisfied Customers’ award for mobile monthly plans, as voted by consumers (the Winner for 2024). In addition, we have again, for 2024, been rated above other full service mobile network providers (both Spark and One NZ) for prepaid plan providers.<sup>4</sup> 2degrees has also been recognised as New Zealand’s fairest telco again in 2024, again ranking in the top 10 of all NZ companies on the 2024 Kantar Corporate Reputation Indexes Fairness leaders list. 2degrees is also ranked in the top 20 companies in New Zealand for the overall Corporate Reputation Index 2024 (all sectors) – we are the only telco to achieve this.<sup>5</sup>

### **Market**

In line with the Commerce Commission guidance on mobile transparency other mobile operators have also made significant changes, and we agree with the Commission that significant progress has been made that has lifted the baseline for consumers, across mobile operators.

With all these recent changes we agree with the Commission that monitoring the market is an appropriate response at this time. We think these multiple changes have further empowered consumers to make informed decisions on their provider, should they choose to do so, and we hope many of them will shift to 2degrees.

We also agree with the Commission that further changes are likely in the market, which we think are appropriately a commercial and competitive positioning choice [C-I-C

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We note that we do not consider mandatory right-planning would promote competition and would more likely undermine it. As we’ve indicated before, we think it would have unintended consequences and make it more difficult for competitors to win new consumers. Including for this reason we support the Commission’s view that it does not currently see a need to consider the introduction of mandatory ‘right planning’ obligations, as initially proposed at the outset of this process.

<sup>4</sup> To decide which provider offers the best level of customer satisfaction, each was rated across the following categories: Overall Satisfaction, Assistance Managing Data, Billing, Customer Service, Network Coverage, Provider Accessibility, Value for Money.

<sup>5</sup> Kantar Corporate Reputation Index 2024, June 2024.



## Consumer Cut Through

The Commission has specifically asked MNOs to comment on the apparent low level of cut through in relation to annual summaries noted by Consumer NZ.

While we consider our apps to be our primary focus and touchpoint (given the more real-time nature of the app, all year availability of usage and spend information, data issues and the fact the app is accessible to all consumers (including prepay)), we are keen to ensure our annual summary is good and we are pleased that over 80% of those who used the annual summaries found them helpful. We do think that that having how much you are expected to spend by staying on your current plan over the next year is helpful to consumers (along with voice, SMS and data usage, what your plans allows, and links to up-to-date alternative plans, and access to more details on the 2degrees app!).

Regarding consumer recall of annual summary emails, there are a number of factors to consider. We note:

- Consistent, with our commitments, and as we have previously advised, not all mobile consumers should be expected to receive Happy Anniversary emails. As such, ConsumerNZ should ensure it does not use the whole mobile base for a question on annual summary ‘recall’:
  - Only pay monthly customers (that are required to provide an email address) receive Happy Anniversary emails – for 2degrees that means a significant portion of our mobile base do not and will not recall receiving them. **[C-I-C:**  
**].**
  - Only primary account consumers have access to an overall account’s annual summary. While consumers can see their own usage on our app, it is for the primary account holder to receive the account’s annual summary and companion users shouldn’t expect this).
  - **[C-I-C:**  
**].**
- Not all consumers will choose to look at this email, including if they had recently compared plans by other means.

That said, we agree with the Commission that the level of cut-through was lower than 2degrees expected. We investigated this further. **[C-I-C:**



[REDACTED]

### Mobile Comparison Tool

As the Commission is aware, 2degrees supports mobile comparison tools. It is important that the Commission recognises that there are multiple ways for consumers to compare plans, and that different consumers have different preferences - which may be online or in-person, direct with suppliers (that may be more familiar with the details of offers) or from an aggregator (with potentially 'easier' but 'simplistic' comparisons that focus on particular parameters, such as price).

While we consider a large number of consumers make comparisons using individual operator sites and retail stores (including through NBR stores, which have multiple brands), we agree NZ Compare's comparison tool - in addition to other comparison websites, tools and information already available in the market - may be useful to a more limited subset of consumers.

2degrees support this tool by providing NZ Compare information, consistent with the TCF framework. 2degrees also did this prior to the TCF Framework being agreed. In addition,

**[C-I-C:**  
[REDACTED]

We do not support separate regulatory funding or sponsorship of Mobile Compare, which is one of several commercial operators, but note the potential changes above.

Please let me know if you have any questions regarding this response.

Yours sincerely

Sara Lipanovic  
**Head of Regulatory Policy**