

consumer.

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Market Regulation
Commerce Commission
Wellington

By email to: market.regulation@comcom.govt.nz

FEEDBACK on Open Letter about Increasing Consumer Awareness of TDRS Non-Membership

1. Introduction

Thank you for the opportunity to provide feedback on the Commerce Commission's open letter. This submission is from Consumer NZ, an independent, non-profit organisation dedicated to championing and empowering consumers in Aotearoa. Consumer NZ has a reputation for being fair, impartial and providing comprehensive consumer information and advice.

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2. General comments

As you will be aware, we have been concerned about low awareness of the Telecommunications Dispute Resolution Scheme (TDRS) for some time so strongly support any measures to improve awareness of the scheme.

3. Our responses to the questions

Do you agree it is necessary to take steps to increase consumer awareness and understanding in this area?

Yes, we agree it is necessary to take steps to improve consumer awareness and understanding in this area.

Consumers regularly contact our advisers about problems with their telecommunication providers but do not know what to do about these problems, or about the existence of the TDRS.

Increasing consumer awareness and understanding is an important part of improving the TDRS.

Which of the three options outlined above do you prefer and why?

We support “option 2: non-member disclosure” where telecommunications providers who do not join TDRS must provide disclosure notices to their customers and prospective customers.

We favour option 2 because it places the onus on the telecommunications provider to actively provide information to customers. Our view is that Option 2 would be most effective at increasing consumer awareness and understanding of the TDRS.

We consider that it is already necessary for providers to advise consumers about whether they belong to the TDRS. Consumers should not have to wait for things to get worse to have access to that information. It is important that information about a provider’s TDRS membership status is made clear to consumers from the outset so they can make informed decisions.

Additionally, option 1 does not provide a realistic resolution to increasing consumer awareness and understanding of the TDRS. In our view, it is unlikely that many consumers will know about the existence of the list of providers who do not belong to the TDRS.

Similarly, option 3 suggests a combination of options 1 and 2 but option 2 will only be implemented “in the event it is necessary”. This means it may not be implemented. In our view, this is unacceptable.

Are there any other options not considered in this letter?

No comment.

Should there be an exemption for smaller providers from any disclosure requirements? If so, on what basis, and what threshold should apply?

No, we do not consider the requirements set out in any of the options are overly onerous. We consider that all options can be implemented quickly, at low-cost, and effectively.

What period of time should be allowed for non-members to join TDRS under Option 1?

As stated above, we do not support option 1. However, if this option is chosen, we do not consider any period of time is necessary to allow non-members to join the TDRS. However, it would be useful to advise any organisations on this list that their details will be included. This may incentivise them to join the TDRS.

Do you agree that a Commission Code would be the most effective way of implementing disclosure obligations under Option 2?

Yes, we agree a Commission Code would be the most effective way of implementing disclosure obligations under option 2.

Thank you for the opportunity to provide comment.

ENDS