

18 July 2024

Rachael Coyle Head of Telecommunications Commerce Commission 44 The Terrace PO Box 2351 Wellington 6140

By email only:	
Cc	

RE: Mobile Transparency - Progress Review

Dear Rachael,

We are writing in response to the Commerce Commission's (the Commission) open letter on mobile transparency – progress review. We appreciate the opportunity to provide feedback on the Commission's preliminary views and have set out our position on the questions raised in the open letter below.

<u>Usage and spend information</u>

We agree with the Commission's preliminary view that monitoring the market on mobile transparency through Consumer NZ's annual progress reviews is the appropriate response at this time and no further regulatory interventions are required. Operators increasingly compete and differentiate on service quality and customer experience, and we see usage and spend transparency as a part of customers' overall experience with their provider.

As recognised in the Commission's open letter, there have been significant improvements in mobile usage and spend transparency for consumers since 2021. One NZ has communicated annual usage and spend reviews to post-pay mobile customers for a couple of years now. These are sent to customers on their annual plan anniversary via email and direct mail where we don't have a valid email address. [CI]. We have made improvements to these communications over time based on feedback from our customers and will continue to do so to improve the usefulness of the information provided and customers' engagement with the material. We were pleased that One NZ's progress in this space was recognised by Consumer NZ in their last review.²

As we've previously explained, apps and digital tools are not the sole mechanism for the competitive delivery of usage and spend information by operators. One NZ runs regular right planning campaigns to help ensure our customers are on the mobile plans that best suits their needs – this activity falls outside of the specific initiatives included in the Commission's 2021 open letter to industry. It is therefore important that Consumer NZ's annual progress reviews consider the total package of steps taken by an operator to lift transparency, rather than simply comparing whether it provides the same usage and spend information in exactly the same way as other operators, using the same applications or formats.

We'll continue to make improvements to how we provide transparency to our customers, and although this work will need to continue, we believe that the Commission is right to conclude that the right incentives are now in place and that regulatory intervention is not required to drive improvements.

Mobile comparison tool

As recognised by the Commission in its open letter, operators have successfully delivered the framework for sharing mobile plan information in a standardised way to support a mobile comparison tool. This has made it easy for comparison tool providers to interpret plan information across mobile providers, leading to the launch of Mobile Compare by NZ Compare.

The Commission has asked for industry's views on whether it sees a case for supporting the Mobile Compare tool by way of sponsorship or funding to enable NZ Compare to support and promote the tool. We remain open to entering acceptable commercial arrangements with comparison tool

https://comcom.govt.nz/__data/assets/pdf_file/0022/242923/Open-letter-from-the-Commerce-Commission-addressing-transparency-and-inertia-issues-in-the-residential-mobile-market-9-March-2021.pdf

² https://www.consumer.org.nz/articles/mobile-plans-which-mobile-provider-is-most-consumer-friendly

providers but have previously explained the barriers to entering commercial arrangements with NZ Compare on the terms offered.³ In connection with fixed broadband, we have ongoing concerns about Broadband Compare's practices around promoting specific offers that may not be in the best interests of consumers and not performing the truly independent function.⁴

We would not support the Commission imposing any requirements on industry to fund Mobile Compare while these issues remain unresolved. If the Commission nevertheless believes that funding for a mobile comparison tool should be prioritised, any costs should be met through existing regulatory funding and should be accompanied by requirements for NZ Compare to follow the Commission's Marketing of Alternative Services guidelines and become a signatory to the TCF Broadband Marketing Code.

Review of consumer mobile bills

We agree with the Commission's preliminary view that there is no need to re-run the review of consumer mobile bills that was undertaken in 2019 at this time.

Commission's approach to mobile transparency issues

We acknowledge the Commission's move away from the open letter approach initially adopted in connection with mobile transparency and its work to find more constructive means of engaging on retail service quality issues. We welcome further open and constructive discussion on the issues that Commission believes should be prioritised and any further measures that are proposed for addressing these. We continue to support an approach under which the Commission defines the target outcomes it is seeking to achieve and enables industry to work collaboratively to determine the best means of achieving these.

Yours sincerely,

Kamile Stankute Senior Public Policy Advisor One NZ

³ See email to the Commerce Commission, dated 22 February 2022

⁴ For example, we raised the most recent issue around Broadband Compare displaying fibre only options to consumers in our letter to the Commission, dated 24 May 2024