

8 August 2022

Tristian Gilbertson
Telecommunications Commissioner
Commerce Commission
By email to: market.regulation@comcom.govt.nz

Tēnā koe

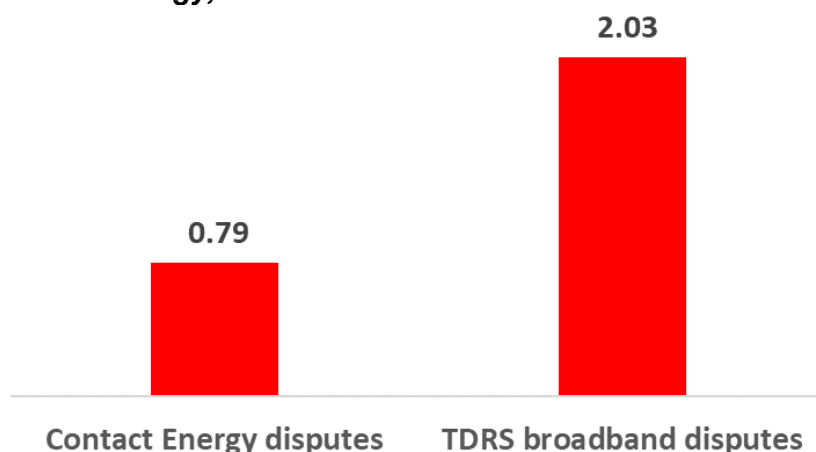
Response to open letter regarding consumer awareness of TDRS membership

Thank you for the opportunity to respond to the open letter regarding increasing consumer awareness of non-membership of the Telecommunications Dispute Resolution Service (TDRS) (the Open Letter).

All Contact customers have access to independent dispute resolution services provided by Utilities Disputes Limited (UDL) via the Energy Complaints Scheme. We prominently display the UDL services on the front page of our bills and on our website so that all our customers are aware of the services provided.

We take a proactive approach to complaints from our customers and strive to find solutions wherever possible. As a result, we had only four disputes that required resolution by UDL in the last year. This compares very favourably with the number of broadband disputes that required intervention by the TDRS on a comparable per 100,000 customer basis as shown in the figure below.

Disputes per 100,000 connections that required intervention by dispute resolution provider for Contact Energy,¹ and TDRS²



¹ This is the number of issues that reached deadlock and entered the UDL dispute process in the year ended 31 March 2022 <https://www.udl.co.nz/assets/Publications-and-schemes/Deadlocked-Complaints-/Accepted-Deadlocked-Complaints-report-2021-22.pdf> divided by total ICPs at that date, 503,216.

² Data from TDRS Biannual Reports for broadband disputes for the year ended December 2021 https://www.tdr.org.nz/sites/default/files/2022-03/TDR%20Bi-Annual%20Report%20-%202021%20Part%20One_0.pdf and <https://www.tdr.org.nz/sites/default/files/2022-06/TDR%20Biannual%20Report%20-%202021%20PT2.pdf> These reports show that TDRS intervened in 39 cases over 1,920,499 connections.

Telecommunications services offered by Contact Energy

Contact Energy began offering fixed line telecommunications services in 2017 as an add-on to our core electricity service. This has been a very successful product, in part because we have kept our broadband offer simple and worked hard to meet customer's expectations. We offer our electricity customers fibre at two speeds – fibre max, and fast fibre,³ as well as VDSL/ADSL copper. These services are offered on a month-by-month basis with no contracts or complicated extras.

We back this up with exceptional customer service, earning us a net promoter score of +31 and in 2022 we won the coveted Energy Retailer of the Year award as well as four NZ Compare Awards, including the Supreme Champion Award.

Part of our commitment to our customers is responding to complaints. In the year ended 30 June 2022, across our 75,000 broadband customers we received only [] complaints. We were able to resolve most issues directly with our customers, but a small number are passed on to our delivery partner Devoli, who work with the network provider to resolve technical problems. We have had no broadband complaints that have required dispute resolution.

Because most complaints relate to customer service matters such as billing which apply equally to broadband and power, our broadband customers are already provided with dispute resolution through our relationship with UDL. A single source of escalation is the best outcome for our customers to keep things simple and avoid adding unnecessary complication.

TDRS

Because Contact Energy is currently not signed up to the TDRS we would be subject to the disclosure requirements proposed in the Open Letter.

Providing accurate information to customers is critical to ensure competitive markets flourish. Detailed information about dispute resolution processes is just one part of what makes good customer service. We are concerned that in isolation this information may provide customers with a distorted picture of the service provided by Contact Energy.

We therefore propose that rather than informing consumers about TDRS membership as a separate piece of information, that this is captured as part of the broader customer service transparency work that the Commission is currently developing. This will provide a more accurate picture of the experience customers can expect from different providers.

We also recommend that disclosure of TDRS membership is extended to telecommunications network providers as well as retailers. Complaints related to network services are not directly captured by any dispute resolution service, which creates a gap in the protection offered to consumers.

Finally, we note that the TDRS is currently undergoing significant changes. In November 2021 the Commission finalised the review of the TDRS, which recommended a number of changes, including governance, awareness, complaints handling and jurisdiction. We understand that a new independent TDRS council is currently being appointed, who will then oversee further changes to the scheme.

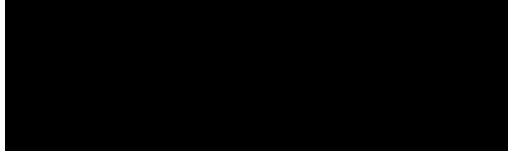
Any telecommunications provider that joins the scheme now risks significant sunk costs to implement the scheme as it currently stands, only to see these costs become redundant shortly thereafter, and a new set of requirements and costs imposed. It would be more financially prudent for any non-member to wait until the changes to the TDRS are implemented before considering joining.

³ 300/100 in most regions, and 100/20 in regions covered by Northpower's network

We therefore recommend that any disclosure requirements regarding TDRS membership are not implemented until the end of 2023 to allow the changes to the scheme to be implemented.

Please contact me at brett.woods@contactenergy.co.nz if you wish to discuss further.

Ngā Mihi



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