

13 October 2021

Commerce Commission
PO Box 2351
Wellington 6140

Online submission

SUBMISSION on “Improving Retail Service Quality Draft Baseline Report”

Introduction

Thank you for the opportunity to make a submission on the “Improving Retail Service Quality Draft Baseline Report”. This submission is from Consumer NZ, an independent, non-profit organisation dedicated to advocating on behalf of New Zealand consumers. Consumer NZ has a reputation for being fair, impartial and providing comprehensive consumer information and advice.

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Answers to questions

Our answers to the consultation questions are set out below.

Question 1: Do you agree the proposed key RSQ matters need improving? Please tell us why, or why not?

Yes, we agree the proposed key RSQ matters (set out in table 4) need improving. At Consumer NZ, we receive regular complaints about the types of issues identified in this list and have been calling for stronger measures to improve consumer protection for some time. We have also been carrying out surveys of customer satisfaction in the Telco industry for a number of years. These complaints, together with our survey data, support the fact these RSQ matters need improving.

Question 2: Do you agree that debt and affordability practices fall within the scope of RSQ? Please tell us why, or why not.

Yes, we support the Commission’s views that the list of matters in the definition of “retail service quality” in section 5 of the Telecommunications Act 2001 is not exhaustive. We also agree that debt and affordability practices directly relate to the way a Retail Service Provider treats and deals with its customer and could reasonably be regarded as falling within the scope of the definition.

Question 3: Do you agree that we should only maintain a watching brief over the matters in paragraph 53? Please tell us why, or why not?

We agree the matters in paragraph 53 are issues for consumers. We have received complaints about all these issues. However, they are not the most frequently complained about issues.

We consider the Commission should attempt to clarify the extent of these issues before deciding whether to maintain a watching brief on the issues or whether to include them in the list of key RSQ matters that need improving.

Question 4: Of the proposed key RSQ matters, which ones do you think we should address first? Please tell us why.

We consider priority should be given to customer service issues and billing. We receive frequent complaints about these issues and our survey data also shows a high percentage of customers experience long wait times and unhelpful customer service. For example, our 2019 survey found:

- 72% of ISP customers and 71% of mobile customers had experienced long wait times to speak to a customer service representative in the past 12 months.
- 44% of ISP customers and 45% of mobile customers had experienced unhelpful customer service at least once in the past 12 months.
- 23% of ISP customers and 18% of mobile customers had a problem with billing at least once in the past 12 months.

Our 2021 joint telco survey found that after service availability and service performance, billing issues and issues with customer service were the most common issues for both internet and mobile customers.

The joint survey also found:

- 54% of internet customers and 60% of mobile customers said it took "a lot of effort" to deal with the company.
- 38% of customers wanted their provider to improve how easy it was to get through to them to report an issue.
- 24% of customers switched providers due to poor customer service. This was the highest reason for switching, after cost.

Question 5: Do you think an industry or Commission RSQ code would improve the proposed RSQ matters? Please tell us why, or why not.

We do not support the use of industry codes. In our view a higher level of intervention is required. We therefore support the introduction of a Commission RSQ code to improve the proposed RSQ matters. We think Commission RSQ codes are likely to better achieve the purposes of section 233 of the Telecommunications Act 2001.

Thank you for the opportunity to make a submission. If you require any further information, please do not hesitate to contact us.

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