



15/10/2021

Tristan Gilbertson
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Submitted by uploading to the Commerce Commission website

Dear Tristan,

TRUSTPOWER SUBMISSION: IMPROVING RETAIL SERVICE QUALITY, DRAFT BASELINE REPORT

1. Introduction

- 1.1. Trustpower Limited (**Trustpower**) welcomes the opportunity to make a submission to the Commerce Commission (the **Commission**) on its draft baseline report, *Improving Retail Service Quality*, of 14 September 2021 (the **Draft Report**).
- 1.2. The Draft Report presents the Commission's baseline evidence and seeks feedback on the key retail service quality (**RSQ**) matters that the Commission considers need improving and could be addressed by the Commission's RSQ code powers under Part 7 of the Telecommunications Act 2001 (the **Act**).
- 1.3. Trustpower aims to constantly improve the quality of the service that we provide customers. This involves taking actions ourselves to improve the quality of the service we provide. It also involves supporting the Commission's and industry's wider efforts to introduce measures and codes where coordination between industry stakeholders is required to enhance customer experience and competition.
- 1.4. Our submission addresses the following topics:
 - RSQ review needs to clearly scope issues that are within the industry's control
 - Common industry master data solution would enhance customer experience
 - Affordability and debt management
- 1.5. We address each of these points in turn.

2. RSQ review needs to clearly scope issues that are within the industry's control

- 2.1. Whether a particular service issue is best addressed by RSPs individually, an industry code or another measure is becoming more complex to determine. In our experience this complexity is increasing because, from a customer perspective, the distinction between their devices, applications and broadband connectivity is becoming increasingly unclear.
- 2.2. This is consistent with the observation made in the Draft Report that a theme in the RSQ Facebook survey results is that consumers are unsure whether a fault lies with their RSP or

the wholesale provider, and they do not understand the relationship between the two.¹ Our experience is that this theme extends beyond the distinction between RSP and wholesale provider to encompass whether an issue relates to the connectivity within the home, the broadband connectivity, through to the applications running over these devices.

- 2.3. The complexity for customers to identify the source of an issue may also have contributed to other feedback that the Commission received from survey respondents.
- 2.4. For instance, the Draft Report cites the *Consumer Telecommunications Survey 2021* result that 57% of respondents said that RSP staff contacted did not have the “... *knowledge/authority to make decisions/take action ...*”.²
- 2.5. The level of this response may reflect staff who were unable to resolve a connectivity issue because it lay outside the scope of the broadband service or it may reflect staff who simply failed to address an issue related to the broadband service itself. We would expect that RSP staff should be able to resolve connectivity issues directly related to the broadband service.
- 2.6. We consider, therefore, that it is important to correctly scope the issues that customers are facing in order to determine the solution that is most likely to result in better outcomes for customers and the enhance the process of competition.

3. Improving consumer confidence in switching and increasing market transparency

- 3.1. The draft report cites evidence, which includes our previous submission, that indicates that consumers are experiencing delays when switching RSPs, where RSP and wholesaler switching process do not align.³ As we highlighted previously, pain points that can arise for consumers during the switching process include incorrect and multiple billing, incorrect service transfer, loss of services and limited transparency around the status of transfers.⁴
- 3.2. One particular issue with the current switching process that we have noted previously relates to fact that there is no single source of information on network connections.⁵
- 3.3. Switching between different retail service providers can create challenges that lead to poor outcomes for consumers and market participants alike. Our observation is that these challenges increase as more types of services – including fibre, fixed wireless and others – become available and as traditional copper-based services are switched off. Where once there was just one provider of wholesale network services (Chorus), one technology, and one source of truth for all network connections, now there are many.
- 3.4. Common industry master data solutions (central registries) of consumer connections are in place in the New Zealand electricity and gas markets.
- 3.5. For example, the Electricity Authority maintains a registry of all installation control points (ICPs) in the country. The electricity registry serves to facilitate timely, efficient and automated switching of consumers between retailers, who interact electronically with the registry via agreed protocols. Switching times and incidents have decreased dramatically over the past two decades since its introduction. However, the registry also has the significant upside of enabling the regulator, market participants, consumers and independent parties to monitor, examine and explore market behaviour, trends and information over time, by

¹ Draft Report, paragraph 84.

² Draft Report, paragraph 81.1.

³ Draft Report, paragraphs 107 & 115.1.

⁴ Trustpower submission: consumer pain points – retail service quality workstream, 26 February.

⁵ Ibid. paragraph 1.2.7 b.

segment and by location, in a timely fashion.

- 3.6. Based on our experience in the gas and electricity sectors, we consider that customer experience when connecting to and switching RSPs for broadband services would be enhanced if the industry referenced a common industry master data solution. Evidence from the energy sector demonstrates these solutions help facilitate increased competition between retailers.
- 3.7. The introduction of a common industry master data solution would in our view add significant benefit to consumers over the long term. It will ensure good practices are followed and that information is readily available to inform policy development.
- 3.8. As an initial step to exploring this matter further, we suggest that the Commission conducts a cost-benefit analysis to establish whether the potential benefits to the market justify further investigation of an industry master data solution.

4. Affordability and debt management

- 4.1. The Draft Report states there is evidence to suggest that RSPs do not appear to have clear or effective debt management policies, nor do they appear to have adequate policies around engaging with third party support groups.⁶
- 4.2. Trustpower has specific measures in place to support vulnerable customers experiencing financial hardship across telecommunications, gas and electricity services. In particular, we are required to comply with the Electricity Authority's Consumer Care Guidelines (the **Guidelines**) for the electricity services that we offer to customers.⁷
- 4.3. The Guidelines' are for electricity services and its intended outcomes includes, amongst others:⁸
 - (a) *Retailers work proactively to minimise harm caused by difficulty accessing electricity (including by disconnection).*
 - (b) *Customers facing difficulties paying for electricity supply or distribution services are supported, including through retailers proactively helping customers:*
 - i. *to be on the most appropriate pricing plan and payment plan; and*
 - ii. *prevent accumulating debt over electricity supply or the provision of distribution services.*
 - (c) *Retailers seek to keep customers connected, avoiding disconnection for an unpaid electricity invoice, by implementing these guidelines, and only use disconnection as a last resort measure (other than for medically dependent consumers (MDCs) – see next point), and only in relation to a customer's undisputed debt over electricity supply or the provision of distribution services.*
 - (d) *MDCs are not to be disconnected for non-payment of debt or for obtaining electricity or distribution services by or involving deception.*
- 4.4. These outcomes provide an indication of the level of debt management support that we put in place for vulnerable customers.

⁶ Draft Report, paragraph 135.

⁷ <https://www.ea.govt.nz/assets/dms-assets/28/Consumer-Care-Guidelines.pdf>

⁸ Ibid. page 5.

- 4.5. Even though the Guidelines relate specifically to electricity services, we extend them to gas and telecommunications services. That is, we do not make a distinction between electricity, gas and telecommunications services regarding the level of debt management support for vulnerable customers because we offer these services in bundles and they appear on a single bill.
- 4.6. Our support for vulnerable customers experiencing financial hardship extends to providing third party support groups with dedicated points of contact within the business. These points of contact include a dedicated 0800 financial hardship line, working directly with Ministry of Social Development, and Fincap. This support results in better outcomes for vulnerable customers.
- 4.7. There may be value, therefore, for the Commission to consider developing similar guidelines.

For any questions regarding this submission, please contact me on 027 305 8802.

Regards,

A handwritten signature in black ink, appearing to read "Antony Srzich". The signature is fluid and cursive, with a large, sweeping initial 'A'.

Antony Srzich PhD.

Advisor, Strategy & Regulation