

PUBLIC VERSION

Market Regulation
Commerce Commission
55 Shortland Street
Auckland 1010

By email: Market.Regulation@comcom.govt.nz;
Andrew.Young@comcom.govt.nz

Dear Andrew,

Commerce Commission Draft Product Disclosure Retail Service Bundling Guidelines

Thank you for inviting 2degrees to provide feedback on the draft guidelines for *Product Disclosure - Retail Service Bundling* (the **Draft Guidelines**).

2degrees recognises the importance of transparency in marketing and the role that it can play in ensuring consumers are able to make informed decisions. This is consistent with our purpose: 'Fighting for Fair'.

While 2degrees generally support the intent of the Draft Guidelines, we do have some specific feedback regarding the details, as we set out below.

We also support the submission of the TCF, which sets out the importance of being clear on the scope of the guidelines, ensuring the guidelines are not overly prescriptive in terms of implementation of the guidelines within a customer journey, and aligning the timeframes of the expected implementation of the guidelines with industry best practice.

Our specific feedback on the requirements:

- Definition of Plan:** A 'plan' is currently defined in the guidelines as 'an agreement between a consumer and an RSP, under which the RSP agrees to provide a mass-market service with an agreed set of terms. The plan specifies the technology, product, speed, allowances, user type, pricing structure (recurring, variable, controlled, time of day), and payment structure (pay-monthly or prepaid), as relevant'. We note not all 'plans' specify all of this information. For example, the Commission is aware we are not always able to specify speeds in our advertising, such as for 5G and Hyperfibre plans. The finalised guidelines should allow for such instances.
- Contract End Dates:** Paragraph 9.4 proposes to require RSPs to 'where possible, ensure all goods and services in the bundle have the same contract end date, or otherwise prominently disclose any difference in contract term end dates'. We note that aligning contract end dates may not always be possible. It also may not support innovation and consumer choice. For example, while aligning contract dates may be more straight forward in the promotion of a 'new' bundled product offer, it should be recognised this may not be possible where operators offer customers who already have a service with them the ability to add another service.
- GST Inclusive Requirement:** Paragraph 9.6 proposes that RSPs display prices included in a bundle inclusive of GST by default. 2degrees is supportive of a clearer display of GST position, however given our competitors – including those that may not follow the guidelines – may present certain prices on a GST exclusive basis (for example, electricity), we consider greater flexibility is required to support competition.



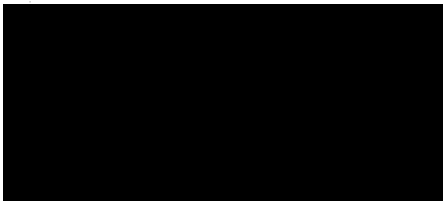
2degrees support a requirement to provide GST inclusive rates, and to prominently disclose that this is not the case where this is not the default. We note that 2degrees is [C-I-C

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Please let us know if you have any questions in relation to this response.

We look forward to further engagement and clarification on the above.

Yours sincerely,



Sara Lipanovic
Head of Regulatory Policy