



Vodafone Aotearoa response to the Commerce Commission's Open Letter on Increasing Consumer Awareness of TDRS Non-Membership

8 August 2022

1. We welcome the opportunity to comment on the Commerce Commission's (**the Commission**) proposals for increasing consumer awareness of TDRS non-membership. While the large majority of New Zealand's telecommunications services users have the ability to access the TDRS in an event of a dispute, there are a number of consumers who are still unable to do so because their provider is not a member of the Scheme, as rightly noted in the Commission's Open Letter.
2. The below response provides Vodafone Aotearoa's views on the options proposed by the Commission, as well as the role that the TDRS can play in encouraging more providers to join as members.

Options proposed by the Commission

3. Vodafone agrees that it is necessary to take steps to increase consumer awareness of TDRS membership and what it means for them if their provider is not a member of a disputes scheme.
4. We support 'Option 3: Combined Pathway' for encouraging non-members to join the TDRS. Publishing the list of non-members, along with a reminder that customers of these providers are not able to access the TDRS in the event of a dispute, would be a useful initial tool to encourage membership of the Scheme. It would also raise consumers' awareness of whether their provider is a member and the benefits that flow from that, and support consumers making informed choices when choosing a telecommunications provider. This form of 'transparency remedy' is the lowest cost measure and is capable of being applied to all providers irrespective of size and



sophistication, making the Commission's proposal a good first step. The TDRS should have the ability to refer to the Commission's information on non-members on its website to help raise awareness among consumers.

5. We agree that a period of time should be provided for current non-members to join the TDRS before the list of non-members is published by the Commission. We consider 120 days to be adequate. Three to six months is usually the period of time provided to industry to sign up to new TCF industry Codes. What's key is that non-members have a reasonable period of time to evaluate the requirements and benefits of scheme membership, and to make arrangements to become members of the TDRS. This period should run from when the TDRS is reconstituted (expected to be completed in early next year), as it is hard to incentivise membership of a scheme while it is undergoing considerable change.
6. We support the Commission reserving the right to take the further step of requiring non-members to provide Disclosure Notices to their customers and prospective customers as a way to encourage membership if initial steps don't have the desired impact.
7. However, we consider that the Commission should allow at least 12 months from when the reconstituted TDRS is launched in early next year before taking any further step. This will provide sufficient time to assess effectiveness of the first measure, as well as allowing the new TDRS entity to take steps in making the scheme attractive to non-members with an intention of driving membership. We provide further views on the role of the TDRS in encouraging greater membership below. In addition, it would provide the time and opportunity for the Commission to work with the TDRS and industry to examine the barriers to membership. For example, smaller providers may find scheme fees prohibitive or if the TDRS is not seen as a comprehensive or effective resolution forum by operators, including where the same complaint can be addressed to multiple dispute resolution forums depending on the outcome (e.g. from the TDRS to Disputes Tribunal).
8. If a move to requiring Disclosure Notices is needed, we agree that a Commission Code would be the most effective way to implement this.
9. We support these measures being applied to all telecommunications providers, with no exceptions for smaller providers, given that a disclosure requirement is not onerous. Our view is that it is entirely appropriate for any operator irrespective of size to be required to choose between joining the TDRS or, otherwise, disclosing that they are not members.

Role of the TDRS

10. In addition to the steps proposed by the Commission, the TDRS also has an important role to play in attracting new members. A recent submission by ISPANZ on the TDRS



review highlighted that most of their members do not see value in TDRS membership, 'Most ISPANZ members are not members of the TDRS. Of those that are, none view it as a 'trusted and useful tool'.¹ There is clearly work to be done to improve the effectiveness of the scheme as a way to increase scheme membership.

11. Vodafone is taking part in the TCF's programme of work to implement the Commission's recommendations in regards to the future governance regime of the TDRS. As part of the process, we are proposing that principles such as monitoring of the effectiveness of the TDRS to ensure it provides value to both consumers and members, recognising the importance of reasonable fees in attracting new members and ensuring that determinations made by the TDRS are perceived as balanced, informed and high quality are reflected in the new governance regime.

Contact

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¹ https://comcom.govt.nz/_data/assets/pdf_file/0032/267359/ISPANZ-Submission-on-TDRS-Review-27-September-2021.pdf