

13 November 2024

Commerce Commission

Wellington

By email: market.regulation@comcom.govt.nz

SUBMISSION on Draft Broadband Marketing Guidelines 2024

1. Introduction

Thank you for the opportunity to make a submission on the Draft Broadband Marketing Guidelines (the Guidelines). This submission is from Consumer NZ, an independent, non-profit organisation dedicated to championing and empowering consumers in Aotearoa. Consumer NZ has a reputation for being fair, impartial and providing comprehensive consumer information and advice.

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2. Comments on the Guidelines

We generally support the proposed amendments to the Guidelines but wish to make the following comments:

Outcome 1

- a. **Price and performance information:** Consumers need both price and performance information to make informed choices. We consider performance information should be provided alongside price information so that consumers can make meaningful comparisons and informed decisions.

- b. **Improvements to the MBNZ programme:** We agree consumers should be told how broadband services are likely to perform, particularly in terms of speeds and support this being based on independent testing under the Measuring Broadband New Zealand (MBNZ) programme, rather than using “up to” theoretical maximum speeds. However, we consider further improvements are required to the MBNZ programme to ensure it includes all retailers. We also consider there is insufficient information available to consumers in relation to fixed wireless services. We’d like to see improved performance reporting of fixed wireless services and transparency about the limitations and variability of the service to ensure consumers are fully informed.
- c. **Sales incentive policies not sufficient to eliminate risk of misselling:** Under new paragraph (h), RSPs with differential sales incentive structures should have policies addressing the risk of misselling and processes for remedying any misselling that occurs. In our view, this is not sufficient and will not eliminate the risk of misselling.
- d. **Disclosure of changes to service performance:** We consider retail service providers should be required to keep their customers informed about any changes to speed or capacity to ensure they remain fully informed.

Outcome 2

We agree consumers are entitled to exit their service, without penalty, if the service they are paying for materially fails. We also support the inclusion of guidelines about what it means for a service to materially fail. However, we don’t think consumers will be able to easily use this information to determine whether their service has materially failed. We think this information should be provided in a way that consumers will find easier to understand.

General comments

The Guidelines are one part of the Commission’s Retail Service Quality framework. We encourage the Commission to ensure other guidelines are regularly reviewed and updated to ensure consumers are adequately protected and that all guidelines are fit for purpose and up to date.

Finally, we consider consumers should be able to more easily compare offerings on the market and consider an independent comparison service, similar to Powerswitch, would enable consumers to do this. We would be happy to discuss this further with the Commission.

Thank you for the opportunity to provide comment.

ENDS