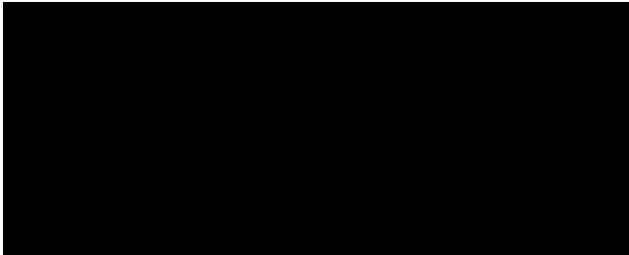


1 November 2022



Official Information Act #22.054 Response

1. We refer to your request received on 3 October 2022 for the following information:
 - 1.1 whether the Commission is approving consumer charges on using PayWave?
 - 1.2 how many broadband providers there are? And where does Trustpower fit in?
 - 1.3 information on the closure of copper and what affect that will have in an earthquake. How will that affect disabled or elderly people?
2. We have treated this as a request for information under the Official Information Act 1982 (OIA).

Our response

3. We have decided to grant your request.

PayWave

4. The Commission does not currently regulate the surcharge consumers pay when using contactless card payment methods such as PayWave.
5. Merchants are able to apply a surcharge for certain payment methods like PayWave (contactless). If a merchant does surcharge, it must be clearly disclosed and the reasons for the surcharge accurately described to ensure it isn't misleading and complies with the Fair Trading Act 1986. Consumers who consider they have been misled about the reason for a surcharge, or the amount of a surcharge, or who believe that the surcharge has not been adequately disclosed, can make a complaint to the Commission here - <https://comcom.govt.nz/consumers/make-an-enquiry-or-complaint>

6. The Commission has recently been given powers to regulate the retail payment system, under the Retail Payment System Act 2022. One of those powers is to issue standards that merchants must comply with to ensure that payment surcharges for payment services are no more than the cost to the merchant of the payment services used for accepting that payment.
7. You can find out more about the work we are doing in retail payment system regulation here - <https://comcom.govt.nz/regulated-industries/retail-payment-system>. You can also sign up for the Commission's latest announcements regarding the retail payments system on the same page.

Broadband providers

8. There are over 100 retail broadband providers in New Zealand. Therefore, as well as some of the larger providers you mentioned (Spark and Vodafone), there are also many others. This includes Trustpower, 2degrees, and Skinny. Other companies that provide broadband include, but are not limited to, Slingshot, Compass, and MyRepublic. Many retail service providers are regional only, so only offer service in certain areas.
9. In terms of the networks used by the providers, this varies depending on the type of broadband in question.
 - 9.1 For fibre services, the network is built and mainly provided by either Chorus or one of the three Local Fibre Companies (**LFCs**). These LFCs are Enable Fibre Broadband, Northpower, and Tuatahi First Fibre.
 - 9.2 For copper-based services, Chorus is the owner and operator.
 - 9.3 For fixed wireless services, households gain service by connecting to mobile towers. In New Zealand, these towers have been owned by Spark, Vodafone, and 2degrees.
 - 9.4 There are other smaller networks over which broadband is provided. Vodafone still operates the Telstraclear HFC network in Wellington and Christchurch, and Wireless Internet Service Providers provide localised services in many rural areas around the country.
10. To summarise, depending on the particular service in question, Trustpower, 2degrees, and Skinny use the networks provided by Chorus, the LFCs, and Spark, Vodafone, and 2degrees.

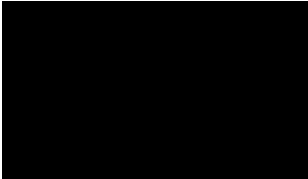
Closure of copper

11. Chorus is the owner and operator of the copper network. This means that, in areas where fibre services are available, it is Chorus shutting down the copper line rather than Vodafone.
12. Concurrently, Spark (and Vodafone) are retiring their old copper-based Public Switched Telephone Networks (**PSTN**) because they have now reached the end of their economic lives.
 - 12.1 The old and now obsolete PSTN telephone systems have to be shut down because replacements for worn out parts are no longer available. The industry has kept them going as long as possible, however they now need to move onto newer technologies.
 - 12.2 This means that in many cases these companies are moving their telephone customers off the copper and onto fixed wireless or other broadband services.
 - 12.3 These landline services are moved onto a Voice Over Internet Protocol (**VOIP**), which works over broadband.
13. Here is a link to the Changes to Copper Landline and Broadband Services in New Zealand factsheet, which we produced with the NZ Telecommunications Forum Inc (**TCF**): <https://www.tcf.org.nz/assets/tcf-copper-factsheet-compressed.pdf>
14. It is acknowledged that copper services have some advantages over fibre/VOIP services. Connectivity during natural disasters like the Christchurch earthquakes is one of those advantages. Using a mobile phone is a good alternative if fibre/VOIP services are unavailable during an emergency.
15. However as you note in your email many consumers still rely on their corded phone and do not have access to a mobile phone. Some of these consumers are vulnerable. We have developed the Commission 111 Contact Code for vulnerable consumers, to ensure they can access emergency services in the event of an emergency.
16. Here is a link to our Commission 111 Contact Code factsheet: https://comcom.govt.nz/_data/assets/pdf_file/0024/256425/Telecommunications-Forum-TCF-Home-phone-technology-and-calling-111-Code-factsheet-June-2021.pdf
17. Further information can be found in the fact sheet which explains how the Code works, who might qualify as a vulnerable consumer, and what rights a vulnerable consumer has.

Further information

18. Please note the Commission will be publishing this response to your request on its website. Your personal details will be redacted from the published response.
19. Please do not hesitate to contact us at oiia@comcom.govt.nz if you have any questions about this response.

Yours sincerely



OIA and Information Coordinator