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Submissions  
Commerce Commission  
Regulation Branch

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## TRUSTPOWER SUBMISSION: CONSUMER PAIN POINTS – RETAIL SERVICE QUALITY WORKSTREAM

### 1.1. Introductory comments

- 1.1.1 Trustpower Limited (**Trustpower**) welcomes the opportunity to share our views with the Commerce Commission (**the Commission**) on the key pain points being experienced by fixed and mobile consumers and how they could be remedied.
- 1.1.2 We strongly support the Commission ramping up its efforts to improve retail service quality (**RSQ**) for telecommunications consumers and look forward to engaging with the Commission as it progresses with this important workstream.
- 1.1.3 The Commission's RSQ workstream provides an opportunity to significantly improve consumer outcomes through identifying and addressing systematic issues across the relevant dimensions including: customer service, faults, installation, contracts, product disclosure, billing, switching, service performance, speed and availability.
- 1.1.4 Improving the telecommunications quality experienced by consumers across all these dimensions will require alignment in effort between wholesale and retail providers.
- 1.1.5 Accordingly, we support the Commission maintaining focus on the continued evolution of the quality expectations for Chorus and the local fibre company's (**LFC's**) established under the new fibre regime, along with the potential imposition of appropriate regulated minimum requirements on these fibre networks to ensure consumer quality expectations can be met.
- 1.1.6 We also support the Commission extending these considerations to the mobile market.

### 1.2. Trustpower's views on consumer pain points

- 1.2.1 In our experience, there is the potential for pain points to arise for consumers within all the dimensions outlined by the Commission.
- 1.2.2 However, we wish to draw the Commission's attention specifically to the challenges that can arise with the existing processes for installation and switching of fibre services, as we consider that advancements in these areas would deliver the greatest improvements to consumers. This is because the processes for installation and switching are not occurring as efficiently or effectively as they otherwise could, which has the effect of undermining competition in the retail market for fixed line services.

#### *Improvements to fibre switching processes*

- 1.2.3 There are a number of pain points that can arise for consumers during the switching process, including the potential for significant delays in switching providers, incorrect and multiple billing,

incorrect service transfer, loss of services during transfer and limited transparency around status of transfers.

- 1.2.4 For example, there can be delays to service provision where a customer moves into a new property and the existing service with another provider still belongs to the previous tenant (i.e. it hasn't been relinquished by the previous retail service provider(RSP)<sup>1</sup>). In these cases, the new RSP will have to submit a request for the fibre network to liaise with the previous RSP to relinquish the connection. There can be delays of up to 5 working days for the fibre network to receive a response from the previous RSP, during which time the customer has no broadband services being provided.
- 1.2.5 As another example, there can be delays in disconnection and double billing where a customer has transferred their fibre services to a new RSP and their original connection was in port 1 of the ONT and the new connection is activated in port 2 of the ONT (rather than transferring the existing service in port 1). The active order process precludes the losing RSP from placing a disconnection on the service in port 1 until port 2 is connected. This issue is likely to be further exasperated by increased uptake of unbundled fibre services.
- 1.2.6 These types of switching issues arise due to a lack of standardised, mandatory<sup>2</sup> processes (including timelines) for switching customers in the fibre market.
- 1.2.7 They also can arise as a result of:
- a) the inclusion of 30-day notice periods for terminating services within many RSP's contracts: These provisions can result in consumers being billed for unused services for a period of time and arise for both mobile<sup>3</sup> and fibre customers. We support the Commission investigating the appropriateness of the 30 days' notice as shorter switching times would enable a better customer experience, and are not reasonably necessary to protect the interests of RSPs; and
  - b) no single source of information around network connections existing: This issue which was recently highlighted during the level 4 CV-19 lockdown when the Ministry of Education was seeking to identify the location of families with school aged children, but no broadband. The establishment of a central registry (similar to the electricity and gas industries) would have helped with identifying what telecommunications services are available at an address.
- 1.2.8 We consider that the ability for consumers to quickly and easily switch between telecommunications service providers is key for the health of competition in the retail sector.
- 1.2.9 We encourage the Commission to prioritise improving the industry's fibre switching processes as part of its RSQ workstream. For example, significant improvements around timeliness of switching could be achieved by the Commission within an RSQ Code:
- a) Establishing mandatory, maximum permitted timeframes for transfers to occur within;
  - b) Providing appropriate direction to the industry to support the development of processes and systems that would enable the mandatory timeframes to be efficiently and effectively achieved; and
  - c) Actively monitoring and enforcing these requirements.

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<sup>1</sup>It is possible the existing RSP isn't aware that the consumer has moved out of the property.

<sup>2</sup> While there are some existing processes in place via the TCF's voluntary codes, these are not always followed by all participants and can create issues for consumers. We consider that the Commerce Commission regulating and enforcing requirements established in a new RSQ code or alternative regulatory instrument would deliver better outcomes for consumers in this area.

<sup>3</sup> To be clear, this is the only issue we have identified for mobile consumers associated with switching providers.

### *Improvements to fibre installation processes*

- 1.2.10 Service quality in the installation of fibre connections also continues to present an ongoing challenge for RSPs.
- 1.2.11 We support the Commission in further considering improvements that can ensure fibre connections are installed quickly. For example, this could be achieved by the Commission within an RSQ Code or similar regulatory instrument<sup>4</sup>:
- a) Establishing mandatory, maximum permitted timeframes for fibre network companies to install new fibre connections;
  - b) Providing appropriate direction to the industry to support the development of processes and systems that would enable the mandatory timeframes to be efficiently and effectively achieved; and
  - c) Actively monitoring and enforcing these requirements<sup>5</sup>.

### *Support the Commission conducting a survey to better understand consumer pain points*

- 1.2.12 We are pleased that the Commission has determined to conduct a robust survey to further understand RSQ issues and cross-check any responses it receives via this consultation process. It will be essential to the overall success of this workstream that a direct view from consumers around pain points is also obtained.
- 1.2.13 We have previously shared our views directly with the Commission around the value of a customer experience survey, including suggested metrics that could be monitored overtime<sup>6</sup> and outlining aspects of the dimensions where consumer pain points can arise. These views have not changed. As a result, we recommend the Commission reconsiders this material as part of this current consultation.
- 1.2.14 We also suggest the Commission refers to our previous correspondence with MBIE<sup>7</sup>, the Economic Development, Science and Innovation Select Committee<sup>8</sup> and the Commission<sup>9</sup> on related matters as they also outline aspects of the existing dimensions that can result in consumer pain points arising.

For any questions relating to the material in this submission, please contact me directly on 021 549 9330.

Regards,



**Fiona Wiseman**  
Senior Advisor, Strategy and Regulation

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<sup>4</sup> We note this is predominantly a wholesale matter and may not be most appropriately addressed through a RSQ Code.

<sup>5</sup> We acknowledge that the TCF has established a voluntary code around fibre installations but consider the Commerce Commission regulating and enforcing minimum standards would likely deliver the best outcomes for consumers.

<sup>6</sup> Refer to correspondence dated September 2018.

<sup>7</sup> Refer to Trustpower's submission to MBIE on its Review of the Telecommunications Act 2001 (November, 2015).

<sup>8</sup> Refer to Trustpower's submission to the Select Committee on the Telecommunications (New Regulatory Framework) Amendment Bill (February, 2018).

<sup>9</sup> Refer to Trustpower's submissions to the Commission during the development of the new fibre regulatory regime (various dates).