



Submission on Retail Service Quality Pain Points for Consumers

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1.0 Background

Citizens Advice Bureau New Zealand (CABNZ) Ngā Pou Whakawhirinaki o Aotearoa welcomes the opportunity to comment on the *Retail Service Quality Pain Points for Consumers*.

The purpose of our organisation is to:

- Ensure that individuals do not suffer through ignorance of their rights and responsibilities or of the services available; or through an inability to express their needs effectively — Me noho mataara kia kua te tangata e mate i tōna kore mōhio ki ngā āhuatanga e āhei atu ana ia, ki ngā mahi rānei e tika ana kia mahia e ia, ki ngā ratonga rānei e āhei atu ana ia; i te kore rānei e āhei āna ki te whakaputa i ōna hiahia kia mārama mai ai te tangata.
- Exert a responsible influence on the development of social policies and services, both locally and nationally — Kia tino whai wāhi atu ki te auahatanga o ngā kaupapa ā-iwi me ngā ratonga ā-rohe, puta noa hoki i te motu.

We support the principle of partnership reflected in the Treaty of Waitangi - e tautoko ana Ngā Pou Whakawhirinaki o Aotearoa i te mātāpono o te pātuitanga e ai ki Te Tiriti o Waitangi.

We work to empower individuals to resolve their problems and to strengthen communities. The person-to-person service provided by over 2,500 Citizens Advice Bureau (CAB) volunteers is unique in New Zealand. From 83 locations around New Zealand, the CAB provides individuals with a free, impartial and confidential service of information, advice, advocacy and referral. Ka mahi mātou ki te whakakaha i ngā tāngata takitahi ki te whakatika i ā rātou ake raruraru, ki te whakakaha hoki i ngā hapori. He mea ahurei i roto o Aotearoa te ratonga kanohi-ki-te-kanohi e whakaratohia e ngā kaitūao 2,300 o Citizens Advice Bureau (CAB). Mai i ngā takiwā e 84 puta noa i Aotearoa, e whakaratohia ana e te CAB ki ngā tāngata takitahi he ratonga koreutu, tōkeke, matatapu hoki e pā ana ki te mōhiohio, te tohutohu, te tautoko me te tukunga.

We use our experience with clients to seek socially just policies and services in Aotearoa New Zealand.

2.0 CAB key pain points for telecommunications

Every year the CAB assists around 1500 clients with in-depth enquiries around phone and internet providers. The majority of these complaints relate to the retail services of providers.

Our analysis of these enquiries reveals the following key pain points:

Delays and problems with connections

We regularly have clients who have had significant problems or delays connecting services. There is often confusion for clients about which company is responsible for what when a new service is being installed, often due to poor communication from the retail provider about what the process is.

Fees for early termination imposed when this seems to be unfair and unreasonable

We see many examples of clients being asked to pay an early termination fee in situations where this does not seem fair or reasonable - most often the client is seeking to end the contract early because the telco has not provided the service it had promised. Clients in this situation are often unaware that they might be covered by the Consumer Guarantees Act.

Lack of awareness of the process and potential cost of termination of the contract

Clients are often unaware of the process for ending a contract (such as having to give 30 days notice) as well as the potential costs of ending a contract.

Poor Billing

We regularly get clients who are unable to understand their billing from telco companies, particularly where there are multiple services or bundled services involved.

Issues around phones purchased from a telco

Many clients buy mobile phone handsets from their telco providers, but then when they have a problem with their phone they are being referred to the manufacturer to resolve it, rather than the telco taking responsibility.

Unexpected variations to contract terms

Despite the efforts of the Commerce Commission to discourage unfair contract terms in the telco sector, we are still seeing examples of what seem to be unfair variations to contracts. We are also seeing attempts by telcos to penalise customers for exiting a varied contract.

Lack of a written contract can put consumers at a disadvantage

The telco sector is one where contracts commonly consist of recorded conversations, and terms/conditions are conveyed via websites. This can put customers at a disadvantage when they wish to assert their rights under the contract, or contest the terms of the contract.

Long waiting times to address complaints

Telcos are providing essential, sometimes vital, communication services. Ironically though, our enquiries indicate that customers are often very poorly served when they try to communicate with their telco. Long waiting times and other barriers to communication are unacceptable obstacles to consumers being able to seek assistance, report a problem and exercise their right to complain or seek redress

Poor response to the consumer's issue or complaint

CABs frequently see clients who are stressed and desperate because the telco has not taken action to resolve their issue or complaint. This may well be a 'side-effect' of the communication problems highlighted above. Sometimes the delayed resolution has had unpleasant consequences for the client, such as debt collectors becoming involved.

One common issue clients face is disputes with the telco company about where responsibility for a problem lies. This can be particularly difficult for clients who are not comfortable or confident using technology.

Clients are also often frustrated at being billed for a service which is not operating correctly.

Very poor awareness of the Telecommunication Disputes Resolution service

Very few of the clients who approach us, having problems resolving an issue with their telco company are aware of the Telecommunication Dispute Resolution (TDR) and its role.

Thank you for this opportunity to comment. Please contact me if you have any questions, or want any clarification about our submission.

Yours sincerely



Dr Andrew Hubbard
Deputy Chief Executive