

STATEMENT

What works well

Consumer NZ identified the following points as working well.

- TDR is free, which is good for consumers.
- Phone contact seems to work well. The freephone is useful for consumers who are less confident using electronic communications and seems to work well once they get through.
- Consumer NZ has received some positive feedback from consumers who have dealt with the TDR.

What could be improved

Consumer NZ is of the view that there are significant problems with how the scheme currently operates, and gave the examples as outlined below.

- Consumer NZ said that because it is a voluntary scheme, there is no full industry coverage. Consumer NZ cited a recent example of an issue with Voyager and Chorus, related to the quality of lines. TDR advised the customer that Voyager wasn't a member and therefore it couldn't consider a complaint about the company; further, use of the service by Chorus was voluntary in this case. As a comparison, membership of the electricity disputes scheme is mandatory.
- Consumer NZ is of the view that awareness of the TDR is quite low.
 - Consumer NZ's results from a prompted awareness survey showed a level of 21%.
 - TDR is represented on consumers' bills in very small print. Recent changes in the electricity sector have made it mandatory for companies to have a reference to the dispute resolution scheme prominently displayed on consumer bills.
 - Low level of complaints and enquiries to TDR show that there is low public awareness. The costs of this are being borne by other organisations, such as Consumer NZ, because consumers don't know where to go if they have a complaint.
 - The TDR complaints/enquiries numbers conflict with the Commission and with Consumer NZ's statistics on number of complaints.
- Consumer NZ says it's not aware of proactive work being undertaken by the scheme to raise its public profile, and there is little direct contact with consumer groups. Consumer NZ assumes this may reflect constraints imposed by the funding relationship with the industry.
- Consumer NZ thinks the scheme's reliance on industry funding is problematic and creates potential conflicts of interest.
- Consumer NZ noted that published case notes are anonymised and that a lot of issues seem to be settled instead of formal decisions made by the TDR. There is then no publication of what the outcome was (eg if the telecommunications provider was in the wrong or not).
- Consumer NZ noted the TDR's recurring issues statements don't appear to be regularly updated. Consumer NZ also questioned the comprehensiveness of the TDR's position statements. These statements don't name providers and don't necessarily discuss the application of relevant consumer law. Consumer NZ questioned the robustness of one position statement, which stated it was reasonable for a mobile phone to last 1 to 2 years; Consumer NZ considers that this is not long enough.
- Consumer NZ thinks the six-week deadlock period is too long for consumers to wait to access the TDR. As a comparison, there is no such deadlock period in the Consumer Guarantees Act or for a consumer to go to a disputes tribunal. Consumer NZ noted that telco bills must be paid promptly and that there

isn't a 'grace period' for consumers when things go wrong. Telecommunications providers should be held to the same standard.

- Consumer NZ submitted that the list of exclusions and jurisdiction of the TDR are an issue, eg some wholesale providers like Chorus are limited members.
- Consumer NZ doesn't think the TDR is able to consistently identify and work to resolve industry systemic issues; it addresses disputes but doesn't appear to have the ability to influence improvements in company behaviour.
- Consumer NZ is of the view that the TDR hasn't evolved appropriately to respond to the growth in mobile phone and fixed line products, and the complaints the telco sector is generating.

Consumer NZ identified the following points that could be improved:

- The TDR should be more transparent, for example by:
 - publishing decisions and outcomes of disputes,
 - naming providers that are not complying with their rules,
 - publishing its processes when assessing disputes, eg the information it relied on to reach a decision for a dispute,
 - publishing an annual report that provides robust complaints data, identifies systemic issues and what it considers needs to be done to address them.
- It would be useful for the TDR to have more contact with consumer groups. For example, Consumer NZ noted that Utilities Disputes consulted with Consumer NZ on proposed advertising of the scheme.
- Complaints should be dealt with in a timely manner. Some complaints should be given more urgency than others, eg when the problem is causing significant consumer detriment.
- The TDR should identify systemic issues, intervene to drive performance improvement and better outcomes in the telecommunications market.
- The TDR's position statements should provide more information and should inform consumers of their rights.
- The cap for claims should be raised to align with the cap for the disputes tribunal. The TDR's cap is currently low (\$15K). This is not appropriate, for example, for roaming disputes, as the amount of the dispute can be quite high. As a comparison, the cap has been raised to \$100k in Australia.
- The TDR should impose penalties for non-compliance, as there is otherwise no incentive on the members to comply.
- The TDR should be flagging the rise in complaints in areas when identified. For example, Consumer NZ is currently getting an increased number of complaints about withdrawal of copper and FWA offers without appropriate information given to consumers.
- If the TDR stays a voluntary scheme, its internal rules need to be more robust and align with what is expected from telecommunications providers by the legislation and regulators.

Signed: _____

[NAME]

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