

14 December 2023

By email to:

Mobile Stakeholder Group
Broadband Stakeholder Group
Consumer Stakeholder Group

Tēnā koutou

Product Disclosure – Retail Service Price, Cost, and Coverage Maps Guidelines

1. Today we are issuing two sets of draft Product Disclosure Guidelines for consultation:
 - 1.1 Retail Service Price and Cost Guidelines, which cover the presentation of average price, total cost, early termination fees, and offer summaries. These Guidelines apply to all providers of broadband and mobile services; and
 - 1.2 Coverage Maps Guidelines, which cover the presentation of coverage maps alongside mobile services. These Guidelines apply to all providers of mobile services.
2. Both sets of draft Guidelines are intended to address several issues faced by consumers that were identified in our Baseline Report, and follow submissions made in response to the proposals for addressing these issues set out in our Emerging Views paper.^{1, 2}
3. The Draft Retail Service Price and Cost Guidelines set out our expectations regarding the measures RSPs should implement to increase the transparency of retail service pricing, and to aid comparability of offers between RSPs. They include guidance on the introduction of a “monthly average price” as a reference price, the introduction of a standardised summary of total minimum costs, how early termination fees are to be treated, and on the improvement of offer summaries.
4. The Draft Coverage Map Guidelines set out our expectations regarding the way mobile providers prepare and present coverage maps, with the aim of increasing consumer awareness of the coverage they can expect, and their rights in the event of experiencing a material coverage issue.

¹ Final Baseline Report, 2021 - https://comcom.govt.nz/_data/assets/pdf_file/0023/272930/Improving-Retail-Service-Quality-Final-Baseline-Report-9-December-2021.pdf

² Emerging Views Paper, 2022 - https://comcom.govt.nz/_data/assets/pdf_file/0035/294659/Improving-retail-service-quality-Product-Disclosure-Emerging-Views-paper-12-October-2022.pdf

5. As communicated in our Q3 Update, these draft Guidelines have been informed by the completion of consumer research. We asked consumers for their preferences on the design of the “average price” and “total cost” measures, and for their views on the disclosure of early termination fees. Through this process we learned that:
 - 5.1 consumers prefer the average price to be calculated over 12 months, and presented as an average monthly price in close proximity to the headline offer price;
 - 5.2 displaying the total minimum cost calculated over the contract term and displayed during the checkout process would inform consumer choice; and
 - 5.3 consumers would like to have any applicable early termination fees displayed on their invoices.

6. We will be consulting as follows:

Steps	Dates
Draft Guidelines published	14 December 2023
Submissions on the draft Guidelines due	23 February 2024
Final Guidelines published	1 st Half of 2024

7. We welcome submissions from consumers and industry as part of our public consultation process.
8. Please provide specific drafting comments for any changes you consider necessary along with the reasons for these changes.
9. Submissions can be emailed to market.regulation@comcom.govt.nz by 23 February 2024, with “**Retail Service Guidelines**” in the subject line.
10. The protection of confidential information is something the Commission takes seriously. When including commercially sensitive or confidential information in your submission, we offer the following guidance:
 - 10.1 Please provide clearly labelled confidential and public versions of your submission as we intend to publish all public versions on our website; and
 - 10.2 The responsibility for ensuring that confidential information is not included in a public version of a submission rests entirely with the party making the submission.
11. Please note that all submissions we receive, including any parts that we do not publish, can be requested under the Official Information Act 1982. This means we would be required to release material that we do not publish unless good reason

exists under the Official Information Act 1982 to withhold it. We would normally consult with the party that provided the information before any disclosure is made.

12. Please contact Andrew Young (market.regulation@comcom.govt.nz) if you have any questions in relation to this letter.

Ngā mihi nui

Andrew Young
Manager, Retail Service Quality