



Spark^{nz}

111 Contact Code Review

Public Version

Commerce Commission

16 June 2023

Introduction

1. In our experience the 111 Contact Code appears to be working well. We have customers with a range of needs who have registered for our Vulnerable Consumer scheme. These customers have been provided with a mix of mobile devices and batteries. All customers provided with a battery have had a technician visit their home to install the device correctly, and customers provided with a mobile device can opt to have a tech visit to help them set up the device. The feedback on our process has been overwhelmingly positive.
2. We also have customers registered for our Medical Dependency scheme. This scheme is for customers who have a medical condition and are dependent on their telecommunications service for critical support for medical, disability or safety reasons. Being listed on our Medical Dependency register ensures the medically dependant person is not unduly at risk when connecting, disconnecting, maintaining, or repairing faults with the telecommunication service.
3. This scheme is an alternative option for customers who do not meet the requirements of the 111 Contact Code – for example they may already have an alternative device to contact 111 during a power cut, or they don't have a landline service.

Question 1: In your experience, how has the implementation of the Code impacted the ability of vulnerable consumers (as defined in the Act) to contact the 111 emergency service during power failures? Please provide any evidence you have which supports your views.

4. Our customers who are Vulnerable Consumers have a range of reasons for being at particular risk of requiring 111 emergency service. They include customers with intellectual disabilities, extreme mental health issues, and a range of physical disabilities. We have provided solutions to enable them to continue to be able to use their landline for the minimum period in the event of a power failure.
5. We have not analysed how many of our Vulnerable Consumers have made calls to 111 because even if we did know the number, we would not be able to correlate that to a power outage in their premise.

Question 2: Do you believe that the solutions that have been provided to vulnerable consumers have been effective in providing an appropriate means of contacting 111 during an outage? Why do you hold that view?

6. Yes, we have been able to find solutions for our Vulnerable Consumers that are suitable for their situations. We have received positive feedback from Vulnerable Consumers' friends and families who have been acting as their support people,

including examples of Vulnerable Consumers being very happy with the mobile phone we provide.

7. We have an example of a Vulnerable Consumer who initially opted for a mobile phone finding this was not suitable for them, so we moved them to a battery backup solution. Conversely, a customer asked to move from our provided battery backup solution to a mobile phone, which we were also happy to action.
8. We have had feedback from one customer who had three short (1-2 hours) power cuts at her property over a two-day period during Cyclone Gabrielle. She reported to us that she checked her phone each time and it was working, and the battery recharged itself each time the power came on. She was happy with how the unit performed.
9. Our Vulnerable Consumers have the option of a tech visit to help them set up their device. This is mandatory for customers taking the battery solution, as they are complex to install, and are also too heavy and large for a consumer to install.
10. Our techs make sure the customer is comfortable with the device, and they also take a photo of the battery installation. The photo can be used as a reference if the customer contacts us with questions about their setup.
11. In many cases, however, we suspect most Vulnerable Customers would benefit more from a medical alarm to call for help, rather than relying on their landline to make a voice call. We discussed this further in our submission of 30 November 2022¹.
12. We encourage the Commerce Commission to promote the government's medical alarm funding scheme² as a better solution for most customers who are, or seek to register as, a Vulnerable Consumer.

Question 3: Do you believe that RSPs have effectively informed consumers about the options available for vulnerable consumers? Why do you hold that view?

13. Yes. We are required to provide annual reminders to our customers and inform them when they sign up for a new voice service. We also mention our Vulnerable Consumer scheme in the confirmation messages we send to customers after they have placed an order.
14. We observe an increase in applications shortly after we send our annual reminders about the scheme. We also get applications throughout the year that are prompted by people signing up to new plans.
15. We provide clear information in our copper withdrawal and PSTN migration communications, which naturally generate applications during each batch.

¹ Paragraphs 13 to 21

² <https://www.govt.nz/browse/health/help-in-your-home/personal-medical-alarms/>

16. Our frontline staff, including the team who manage our copper switch off and PSTN migration programmes, regularly request our Vulnerable Consumer team to post application forms as they talk to new and existing customers.
17. We also have examples where a family member has been notified about the Vulnerable Consumer scheme for their own connection and this has prompted them to apply on behalf of a family member in another location. This suggests the reach of our communications is wide enough to create broader awareness.

Question 4: In your view, are all landline consumers being made sufficiently aware of the risk of loss of service during a power outage? What evidence do you have that supports that view?

18. We inform customers of the risks of loss of service at various point in the customer purchasing journey.
19. Information on whether a product will function in a power outage is given to landline customers and those taking naked broadband services.
20. We know from the applications we receive that customers understand why they need a backup device.

Question 5: In your experience, are the prescribed processes for demonstrating vulnerability effective and accessible for consumers and their representatives? What are the reasons for your view?

21. Yes. There is a significant cost to providing additional support and a backup option to Vulnerable Consumers, so it is important that the support is appropriately targeted to avoid regulatory over-reach. We feel the balance today is correct:
 - a. We have customers who successfully complete the application form and get support from their nominated person (eg a medical professional).
 - b. We have examples of customers who have applied, but their nominated person has not supported the application. For example, some nominating people have noted that the applicant is not at particular risk of needing to contact 111 emergency service.
 - c. We have had examples of applications from business locations (where we are confident no one ordinarily resides) and customers without voice lines (these have been referred to Spark's medical dependency list instead).
22. The application form is necessary. We have tried to make it as simple as we can while remaining compliant with the 111 Contact Code, but it is necessarily detailed.
23. We encourage the Commerce Commission to test the form with consumer groups and industry to see if there are better ways of structuring it to obtain the required information.

Question 6: Do you have any changes you would suggest making to the Code to improve its effectiveness and/or outcomes for vulnerable consumers?

24. We raised a number of points related to the Code in November 2022 in our Annual Disclosure. The Disclosure Template asked for feedback on the Code.
25. In our submission we covered the following topics:
- Setting appropriate expectations
 - Medical alarms
 - Compliance costs
 - Long term viability of the vulnerable consumer scheme
 - A sensible cost cap
 - Battery life
 - Annual reporting
 - Application form format and structure
26. As a further point, we suggest the requirement to replace a device every 3 years is unnecessary in many cases, as the devices we deploy are expected to last longer than 3 years. Replacing devices unnecessarily increases waste, causes additional disruption and stress to vulnerable consumers, and increase costs. Providers should have discretion on whether to replace a device after 3 years if it is still functioning and is reasonably expected to continue to function as required for another 12 months.

Question 7: Do you have any views on any other matter related to the Code and/or the vulnerability of consumers who rely on the 111 emergency service? Please provide as much detail as possible.

LFC Contribution

27. Chorus' copper withdrawal program requires customers to move off the copper network and on to other technologies, such as fibre and wireless, which require power in the home to operate. Vulnerable Consumers who have been reluctant to move to other technologies are being forced to change. This is driving an increase in registrations for retailers' Vulnerable Consumer schemes.
28. This in turn drives costs into retailers who are faced with the additional cost of supporting Vulnerable Consumers. As noted in our previous submission, the cost of providing suitable devices and supporting these customers with tech visits etc is significant.

29. Chorus benefits from copper withdrawal through a reduction in its operation costs. To align with the principle of cost causation it seems reasonable that Chorus should cover the cost of meeting the Code's requirements in respect of Vulnerable Consumers it is displacing from the copper network.

Clearer Definition Of Eligibility For Potential Applicants

30. We note that at least one retailer provides an indicative list of eligible health, disability and safety criteria on this application form. This provides a very specific guide to the sorts of issues which would, or would not qualify a customer to be considered vulnerable.
31. Currently the definition in the Code is quite high level and more guidance on the specific medical, health and safety aspects would be useful. We support the Commerce Commission creating a similar list to assist potential applicants. This would help GPs to review whether their patient meets the requirement.
32. The Commission should also be clear on what issues are not covered by the Code. For example, customers are often confused by the words 'safety' and interpret this more generally to include situations where someone lives on their own, or a home doesn't have mobile coverage. We do not believe this was the intent of the 111 Contact Code.