8 June 2023

Nicki Crauford Chair  
Electricity Authority Nicki@riposte.org.nz

Kia ora Nicki,

**Re: Consumer Care Guidelines need to be mandatory**

We write to you as a group of organisations that are concerned the important protections in the Consumer Care Guidelines are only voluntary. Our concern has increased since the recent release of the findings of the Authority’s first annual review of electricity retailer compliance with the Consumer Care Guidelines. The findings show that many retailers do not comply with the Guidelines and in some cases did not even supply information to the Authority about their compliance.

Electricity is an essential service. The electricity system must be sustainable, reliable and affordable for all.

The Consumer Care Guidelines are a fundamental part of a well-functioning electricity market that balances the interests of consumers and retailers. The Guidelines are intended to protect consumers, and to ensure all consumers are treated fairly and that their rights are safeguarded, regardless of retailer.

The Guidelines provide basic standards of care. They provide consumers with information on their rights and the standards of service they can expect, including information on billing, metering, disconnections, and complaint procedures. The Guidelines also outline responsibilities for protecting the lives of Medically Dependent Consumers.

These protections are critical for safeguarding the health and wellbeing of consumers – including children and other vulnerable people. They should not be voluntary. In particular, it is irresponsible to use non-compulsory guidelines to protect Medically Dependent Consumers and vulnerable households facing disconnection, because life and health are so clearly at stake. But other parts of the Guidelines should also be mandatory to protect customers’ wellbeing, mental health and dignity.

**The full set of Consumer Care Guidelines should be mandatory, with regular oversight by the Electricity Authority and penalties imposed for non-compliance.**

This is an essential next step towards improving the quality of service provided by electricity retailers and protecting consumers.

Mandatory guidelines will be more effective at deterring poor customer service and will encourage retailers to prioritise the needs and concerns of their customers. They will also better ensure a level playing field for all retailers.

Currently, there is little accountability, transparency or consistency regarding how the Consumer Care Guidelines are being followed.

Mandatory annual reporting on retailer compliance with the Guidelines would improve transparency, accountability and consumer trust in the electricity industry. Requiring retailers to disclose information about their service levels and other metrics such as disconnection rates (including auto-disconnections for those consumers on pre-pay electricity plans) would enable consumers to make more informed decisions about retailers, which would enhance retail competition. It would also incentivise retailers to do better by their consumers.

There must be penalties for non-compliance with the Guidelines if they are to be taken seriously. A penalty regime must be proportionate and impactful.

In March 2021, the Electricity Authority stated (in its decision paper):

"*Should achievement of the purpose and intended outcomes of the guidelines not be satisfactory, we can immediately progress a workstream to explore whether making one or more components of the guidelines mandatory would be consistent with our statutory objective."*

Given the Authority's finding in relation to retailer non-alignment, and the fact that the Authority's statutory objective now includes protection of domestic and small business consumers, we urge the Authority to act swiftly to make the Guidelines mandatory. We request that any consultation is limited only to what is necessary before changes are implemented.

We strongly believe mandatory standards are necessary to achieve required improvements in consumer protection, and request this matter is progressed as quickly as possible to prevent harm to New Zealanders. At the very least we ask that a mandatory regime be in place prior to winter 2024.

We would be happy to meet with you to discuss this issue further.

Ngā mihi



Deborah Hart, Chair, Consumer Advocacy Council



Jon Duffy, Chief Executive, Consumer NZ



Ruth Smithers, Chief Executive, FinCap



Jolyon White, Director of Advocacy, Anglican Care



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