

3 March 2020

Electricity Authority  
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**SUBMISSION on  
"Raising awareness of Utilities Disputes and Powerswitch services"  
Consultation Paper**

**1. Introduction**

Thank you for the opportunity to make a submission on the "Raising awareness of Utilities and Powerswitch services" consultation paper. This submission is from Consumer NZ, New Zealand's leading consumer organisation. It has an acknowledged and respected reputation for independence and fairness as a provider of impartial and comprehensive consumer information and advice.

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**2. Submission**

Our answers to the questions in the consultation paper are set out in Appendix 1.

Thank you for the opportunity to make a submission. If you require any further information, please do not hesitate to contact me.

Yours sincerely

Aneise Gawn  
Consumer Advocate

## Appendix 1

<p><b>Question 1: Do you agree the issues identified by the Authority are worthy of attention?</b></p> <p>We agree the issues are worthy of attention and concur with the Authority that improved awareness of Powerswitch and Utilities Disputes would help consumers:</p> <ul style="list-style-type: none"><li>• make more informed decisions on power deals, and</li><li>• escalate disputes they've been unable to resolve with their provider.</li></ul> <p>We agree awareness of Utilities Disputes is low. Our 2019 electricity satisfaction survey also found significant differences in how well companies deal with complaints:</p> <ul style="list-style-type: none"><li>• only 29 percent of customers who had made a complaint to their retailer felt it had been handled well,</li><li>• 30 percent believed their complaint had been handled poorly.<sup>1</sup></li></ul> <p>For the complaints system to be effective, consumers must be aware they can escalate problems to Utilities Disputes. We consider amending the Code to introduce a specific requirement for providers to inform customers about Utilities Disputes will help raise awareness of the scheme and improve access to redress.</p> <p>We also consider requiring providers to inform customers about Powerswitch will be a useful step. Our survey found 65 percent of consumers had been with their electricity provider for three or more years. Raising awareness that independent price comparisons are available on Powerswitch will encourage consumers to review their options and shop around for better deals.</p>
<p><b>Question 2: Do you agree with the objectives of the proposed amendment? If not, why not?</b></p> <p>Yes, we agree with the objectives.</p>
<p><b>Question 3: Do you agree the benefits of the proposed amendment outweigh its costs?</b></p> <p>Yes, we agree the benefits outweigh the costs.</p>
<p><b>Question 4: Do you agree the proposed amendment is preferable to the other options? If you disagree, please explain your preferred option in terms consistent with the Authority's statutory objective in section 15 of the Electricity Industry Act 2010.</b></p> <p>Yes, we agree the proposed amendment is preferable to the other options. While it would be preferable to have input from the consumer advisory council, the council has yet to be established and we don't consider a delay of 12 to 24 months in implementing the proposals is warranted. However, we would expect the Authority to consult with the council when reviewing the effectiveness of the proposals (see question 6).</p>
<p><b>Question 5: Do you agree the Authority's proposed amendment complies with section 32(1) of the Act?</b></p> <p>Yes, we agree the proposed amendment complies with section 32(1) of the Act.</p>
<p><b>Question 6: Do you have any comments on the drafting of the proposed amendment?</b></p>

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<sup>1</sup> Our survey was a nationally representative survey of 1471 New Zealanders, aged 18 and over, carried out in April and May 2019.

We consider the amendment should include a review date, requiring the Authority to report on compliance with, and the effectiveness of, the proposals.

Question 7: Do you have any comments on the proposed principles?

We consider the proposed principles should include additional examples to illustrate expected standards of practice. We also consider it would be useful to give examples of disclosure that would be unacceptable. For example, information currently provided by retailers about Utilities Disputes may be placed on bills in small print. It should be made clear this would not satisfy the requirements.