

16 March 2023

Utilities Disputes Submission on Retail Service Quality: Customer Service

Utilities Disputes Limited Tautohetohe Whaipainga (UDL) welcomes the opportunity to submit to the Commerce Commission on the Retail Service Quality consultation designed to deliver better telecommunications services and experiences to the consumer in New Zealand and align with internationally accepted best practice.

Our background

UDL is an independent, not-for-profit company that provides independent resolution of disputes between consumers and utilities providers, facilitating a strong relationship of trust between consumers and utility organisations.

We currently operate three dispute resolution schemes: The Government approved Electricity and Gas Complaints Scheme, the Broadband Shared Property Access Disputes (BSPAD) Scheme and a voluntary Water Complaints Scheme.

We have a fulltime community engagement officer based in South Auckland who covers all of Aotearoa and we have good relationships with consumer support agencies, consumer advocacy groups and utility organisations that are members of our schemes. We have been providing dispute resolution services since 2001 and are governed by an independent Board.

Opening comments

We have based our comments on our experience obtained in operating several consumer utility dispute schemes

Chapter 4: Consultation questions

Overall proposed approach to informing consumer choice and improving customer service levels

1. Do you agree that our proposed approach to monitoring provider customer service levels and publishing a provider ranking dashboard based on key customer service metrics will be beneficial to consumers by helping to inform their choice of provider and will encourage improvements in customer service?

Yes. UDL agrees with the proposed approach which will help inform customers when they select a provider. This will provide a more fulsome picture of the services the consumer will receive and help shift the overt focus on product and price. We agree requiring providers to publicise service metrics will increase the focus they place on customer service delivery.

It will be critical to ensure the information is presented to consumers in a simple accessible way and we agree with the suggested approach subject to our comments below.

Industry-sourced information

The Commission may wish to consider requiring providers to undertake their own customer satisfaction surveys and include the results as part of the industry information that is collected. Over time this may allow the Commission to move towards a reporting model such as that adopted in the UK by the Consumer Council for Water (CCW) and the Water Services Regulation Authority (OFWAT).

That form of self-reporting is subject to several external processes to maintain quality. The Commission may want to review the helpful CCW OFWAT report on *Improving Complaint Processes in Water – A Follow Up Report October 2021*. That report discusses improvements in gathering complaint handling information, including customer service. It reports that water service providers in the UK outperform telecommunications, energy and finance in terms of complaints handling times and contains a number of other helpful best practice suggestions.

Gathering customer surveys directly from providers will greatly increase the sample size and allow the Commission to compare the results gathered independently to identify disparities. Requiring providers to gather and report on internal customer service handling will also promote internal improvements and innovation amongst providers.

The Commission may wish to consider how these metrics will apply to those providers who deliver services as part of a bundled offering to ensure they are comparing like for like when assessing the data and receiving an accurate picture of the service they will be receiving.

Irrespective of whether the categories of collection are expanded, UDL recommends the inclusion of an external auditing mechanism to ensure the information gathered is true and accurate. This could be carried out internally by the Commission regularly with external audits every 5 years. This is best practice and in addition, reassures the consumer the information presented to them is reliable.

3. Do you agree with the proposed calculation methodology for the industry-sourced information based on the metrics set out in Attachment A? If not, why and what do you think is a better way of defining these metrics? How do you believe agreement should be reached on a consistent calculation methodology?

UDL understands the Commission sought consultation from the telecommunications industry on the calculation methodology.

We expect the Commission intends to include all providers involved in the provision of telecommunications services, including electricity and gas retailers who provide these services as part of a bundle.

4. Can you produce the industry information using the proposed calculation methodology set out in Attachment A without incurring significant costs? If not, why not?

No comment.

5. Do you believe the industry-sourced information based on the metrics in Table 1 should be provided by all mobile and broadband providers? If not, why not? Is there a minimum that we should set as a threshold (in terms of number of customers that a particular provider serves) before including them in those providers that we monitor/report on?

We believe consumers would be best served by including information provided by all mobile and broadband providers. It may be appropriate for small providers to be given more time to collect and provide the information than the larger providers.

Care must be taken to ensure the information can be accessed by consumers in a meaningful way to allow readily comparisons to be made regardless of the size of the provider.

6. Can you provide the industry-sourced information on a quarterly basis? If not, why?

No comment.

7. Can you provide the industry-sourced information for residential and SME customers separately?

No comment.

8. What is your preferred approach for the Commission requesting this information from industry? Are there benefits to a voluntary approach versus a statutory information request?

The energy industry, through the Electricity Authority recently implemented Customer Care Guidelines that are not mandatory but are widely adhered to. The Authority requested energy retailers to mirror the Guidelines in their own internal policies.

The Commission may wish to consult with the Authority on the industry's compliance with the voluntary approach. We understand the Authority is currently awaiting further information before deciding whether to make the guidelines mandatory.

Publishing provider customer service rankings

9. Where do you think is the most useful place for providers to publish the dashboard to ensure it is available to consumers (for example, provider homepages, provider mobile and broadband plan webpages, provider brochures and sales collateral and/or provider own branded retail store windows)?

We agree with the proposal to follow the approach of the Competition Markets Authority in the UK.

We believe the provider's website is the most prominent platform for consumers to access this information, and the lowest cost to the provider to make regular changes. It is worth considering displaying this information at physical sites where consumers are purchasing products. It would however need to remain current which could be challenging.

10. We are proposing the dashboard is updated every six months. Do you agree with this frequency? If not, what frequency do you recommend and why?

In principle, UDL agrees 6 months is a fair and reasonable time frame for providers to obtain a good snapshot of their customer satisfaction data, it also allows providers time to make remedial changes to their practices should previous surveys need improvements.

We note the proposed Customer Service Information /Metric on Table 1 includes the following question at number 10.0 *“How long did it take to resolve their issue successfully and completely?”*. While we have not been asked to comment specifically on these proposed metrics, we believe the Commission should consider separating out the two areas consumers are asking to comment on here: resolution and timeliness. Question 8 adopts a similar approach.

In our experience the *‘resolution’* of a complaint is a highly subjective term. It can mean the consumer’s complaint has been addressed through an apology, compensation or explanation. It can also simply mean it has been closed with none of these being provided.

We suggest it would be preferable to include a metric on the consumer’s satisfaction with the time it took to conclude or close their complaint, with a separate metric to confirm their satisfaction with the outcome.

We suggest providers are required to collect this information directly from their customers, as part of the proposed changes we have suggested above under question 1.

This approach would follow the model adopted by CWC and Ofwat and better inform consumers, by allowing them to choose a product and service fully informed on how quickly and well any issue is addressed by their provider.

11. We are proposing that provider rankings are calculated using six-month rolling data. Do you agree with this calculation period? If not, what period do you recommend and why?

UDL agrees rolling data is best practice as it gives a chance for the provider to improve and is appropriate for consumers to make informed choices.

12. Do you think that consumers should be provided separate customer service ranking dashboards for mobile and broadband services? Or would a combined dashboard, showing a provider’s overall rankings be better for consumers, even if this shows providers who offer both mobile and broadband services alongside broadband only providers?

Yes, UDL believes they should be separate, as it provides greater relevance to consumers. These are different services and different consumer groups who may be deciding on different products. Broadband customer service metrics may not be relevant to mobile customer service performance.

13. What is your preferred approach for requiring publication of the dashboard by providers, should this be on a voluntary basis, or should the Commission use its RSQ code powers to require this?

Publication of the dashboard needs to be mandatory, as potentially poor performing providers are unlikely to publish dashboards not in their favour if this was done on a voluntary basis. In April 2021 the Electricity Authority made amendments to its code, requiring providers to prominently display UDL’s details and scheme information on relevant communications including bills. UDL saw a 56% increase in consumer contacts that year. Before this it was

mandatory but the form was more flexible, we ultimately saw less prominence of our information which led to fewer contacts as a result. Refer also the NZ Banking Ombudsman and its member bank dashboard on its website.

Next steps

If we can be of further assistance at this stage, please contact Hamish Clareburt directly at hamish@udl.co.nz.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M Ollivier', with a long horizontal flourish extending to the right.

Mary Ollivier
Toihau Commissioner
Tautohetohe Whaipanga: Utilities Disputes
Limited