

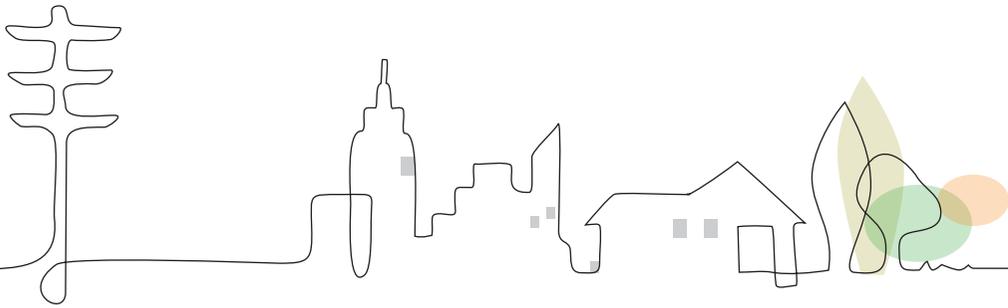
## This year

- Member compliance with the scheme rules increased
- The number of enquiries and complaints decreased from last year's record high
- The percentage of complaints needing investigation increased

## The issues

### Complaint issues

	10 - 11	11 - 12	12 - 13
<b>Billing</b>	40.3%	42.3%	<b>46.4%</b>
<b>Customer Service</b>	19.4%	17.7%	<b>16.3%</b>
<b>Disconnection</b>	7.8%	8.1%	<b>9.2%</b>
<b>Meter</b>	10.6%	9.5%	<b>7.0%</b>
<b>Other</b>	2.4%	3.7%	<b>5.0%</b>
<b>Debt</b>	6.8%	5.6%	<b>4.5%</b>
<b>Supply</b>	4.1%	5.1%	<b>4.5%</b>
<b>Switch</b>	3.6%	4.4%	<b>3.0%</b>
<b>Lines</b>	2.6%	1.6%	<b>1.9%</b>
<b>Provision</b>	1.3%	1.0%	<b>1.6%</b>
<b>Land</b>	0.7%	0.4%	<b>0.5%</b>



The **Electricity** and **Gas** Complaints Commissioner Scheme offers a free and independent service for resolving complaints about electricity and gas companies

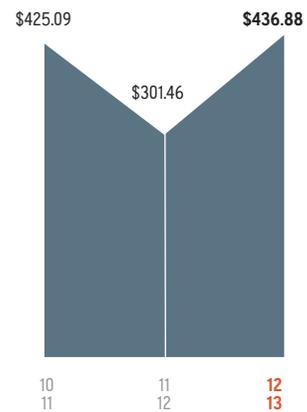
## How many

Enquiries and complaints received

	10 - 11	11 - 12	12 - 13
Enquiries	3258	4783	4312
Complaints	1210	2707	2045
Total cases	4468	7490	6357

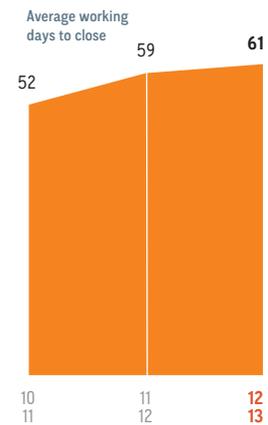
## How much

Cost per case



## How long

Days to close deadlocked complaints



## The workload

Change in enquiries and complaints from previous financial year

	10 - 11	11 - 12	12 - 13
Enquiries	177.7%	46.8%	-9.8%
Complaints	85.3%	123.7%	-24.5%
Total cases	144.7%	67.6%	-15.1%

13% of complaints needed investigation, up from 9% last year

## Chairman's report

The major feature of the 2012-13 year was that the Scheme did not receive the increase in work anticipated when the Board approved the business plan and set the budget. The Board welcomes the development of lower consumer complaints, even though it inevitably impacted negatively on a key performance standard of average EGCC cost per case.



Richard Janes | Independent chair

A handwritten signature in orange ink, appearing to read 'R. Janes', written over a light blue background.

The Board set the 2012-13 budget based on a higher projected workload after evaluation of the expected variables. With lower than expected total cases, the net result was a higher average cost per case, and a higher year-end reserve than forecast. This meant the Board was able to use part of this reserve to set lower EGCC levies for 2013-14.

The Commissioner has reported a change in the mix of the work of the office, with an increased ratio of deadlocked cases to complaints. The Board believes this is a good development, as it indicates companies are settling more complaints and the Commissioner's office is focused on the more intractable or complex cases. The increase in the proportion of complaints reaching deadlock means the Board will have to review the current performance standards and indicators. It also means it is imperative the Commissioner retains experienced and qualified staff.

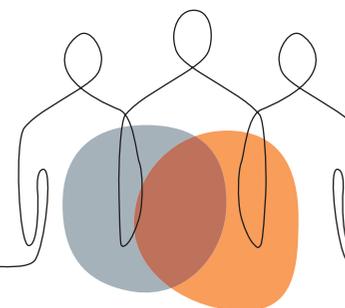
The Board is determined to consistently improve Scheme performance, and expects the Commissioner to continuously review her procedures and practices to find efficiencies and economies (without compromising the integrity of the Scheme). The Board and Commissioner will look at operational

reviews from Ombudsman schemes in Australia to identify any efficiencies that we can implement in the EGCC Scheme.

The changes to the Scheme document, arising from the 2011 independent review of the Scheme, were effective from 1 October 2012. These have allowed both the Commissioner and members to incorporate some important efficiencies into their processes.

I thank the Member Committee for their careful review of and comments on the Board's proposed 2013-14 budget. I acknowledge the contribution to the Scheme of Therese O'Connell, who completed four years as a consumer representative on the Board in August 2012. The Board valued her input and advice. The Minister of Consumer Affairs appointed Linda Cooper as her replacement, and I welcome Linda to the Board.

I thank my fellow Board members and the Commissioner for their work over this past year. I appreciate their commitment to ensuring the Scheme continues to provide an effective external complaint handling scheme for the electricity and gas industries.



## Performance standards

Standard for 2012-13	Performance for 2012-13	Standard for 2013-14
75% deadlocked files closed within 90 working days (total time to close)	72.3% (75% closed in 98 working days)	At least 45% closed in 30 working days No more than 25% open longer than 90 working days
Independent review of sample cases assessed confirms recommendation on file reviews has been implemented	Met	Not set – independent review of cases scheduled for 2014-15
Cost per case – the proportion of total budget to total cases is \$300	\$437	\$418
Survey of complainants (deadlocked cases) shows 85% rate Scheme performance at resolving complaints as good or better	68%	75% complainant satisfaction with complaint handling process
Survey of members shows 85% rate Scheme performance at resolving complaints as good or better	58%	75% member satisfaction with complaint handling process
Awareness in the community – reduction in proportion of members' reported non-compliance with the requirement to advise members about the Scheme	Met – reduced from 38% to 22%	Continued improvement of members' compliance with requirement to advise complainants about the Scheme
Accessibility – responses to accessibility questions in complainant survey reach 80%, 90% and 85% respectively	88%, 79%, 94%	Same as above
All compliance reporting to regulators is complete, accurate, delivered on time, and cost effective	In progress and expected to be met	All compliance reporting to regulators is complete, accurate, delivered on time, and cost effective

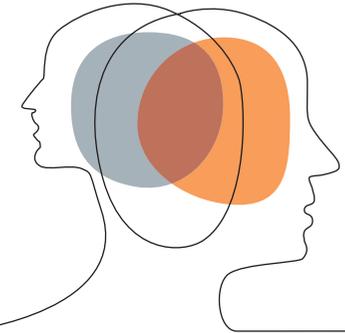
## Complaints about the operation of the Scheme

The Board received five complaints about the operation of the Scheme this year, all from complainants. The Scheme document says the Board must investigate such complaints. The Board has delegated investigation of Scheme complaints to the Chair. The Chair has responded to three complaints, and is still considering the other two complaints. The table sets out a general summary of the complaints about the Scheme and their outcomes.

Scheme complaint received	Outcome
Not dealing with complaint in a timely manner; collusion with senior management from company	Explanation of delays; other claims not substantiated
Information relied upon in making decision; corruption	Board unable to consider complaints about the Commissioner's decision; other claims not substantiated
Not dealing with complaint in a timely manner; limited scope of complaint dealt with; manner in which file transferred between staff	Apology to complainant; Commissioner made changes to process of reviewing and monitoring work of staff

## Annual review

### The Board believes the Scheme continues to provide an effective complaint handling service.



The Board has reviewed the Scheme against the requirements of Schedule 4 of the Electricity Industry Act 2010 and is satisfied the Scheme meets those requirements. Schedule 4 of the Act sets the standard for the approved scheme for electricity and gas complaints, and replaces the previous benchmarks set by the Electricity Commission and the Gas Industry Co.

The performance standard of closing 75% of cases within 90 working days was not met. This was in part because of the overhang of cases from 2011-12, when the Scheme received 35% more cases than expected. Although new cases fell below expectations in 2012-13, the mix of work changed. The ratio of complaints (referred back to the company for resolution) to deadlocked complaints has been in the 100:10 range for the last several years. This year it reached 100:13. As deadlocked complaints take considerably more work than complaints, this meant more resource was needed than might otherwise have been expected.

The Commissioner has put measures in place to improve case handling (see page 5), which are expected to mean the Scheme will meet its timeliness performance standard next year.

An independent reviewer confirmed monthly reviews of open files were being conducted, with the necessary information being recorded. This completes implementation of the recommendations from the 2010-11 independent review of files, and meets the relevant performance standard.

The performance standard for the average cost per case was not met. Although the Commissioner continued to look for and implement process improvements, the lower than expected total case numbers meant the standard was not met.

The performance standards for complainant and member satisfaction were not met. The Board accepts the time to close complaints lowered the satisfaction ratings. Members rated the office low on timeliness, and complainants' comments in the survey often reflected dissatisfaction with the time taken.

The performance standard for awareness of the Scheme was met. This year the Board set the standard against member compliance with the requirement to advise complainants about the Scheme. The Board believes this is a more relevant standard than the general awareness survey used in previous years.

The performance standard for accessibility was met in part. The complainant survey showed 79% felt they received all or most of the information they needed. While this is still a high level, it did not meet the performance standard of 90%. The Commissioner is reviewing the information and the manner in which it is provided to ensure complainants receive the information they need.

The performance standard of having compliance reporting complete, on time and cost effective is expected to be met.

After two years of rapid growth, demand for the services of the Scheme appears to have plateaued, which I believe is good news for both consumers and the industry.

The best indicator of success for an external complaint handling scheme is to have the need for its services reduce. It appears this may be beginning to happen, but it is not something for which my office can take total credit. Member companies have also worked to improve their complaint handling, and their systems and processes. The improved compliance with the requirements of the Scheme confirms this.

The rapid growth in the previous two years resulted from, I believe, increased awareness of the Scheme, and of the companies' internal complaints processes. The Scheme requires information about both members' complaints processes and the EGCC on all invoices. This information is also required on materials published for landowners and land occupiers. I do not believe the rapid growth indicated increasing problems in the industry.

With lower than anticipated workloads, we did not fill all budgeted staff positions, and were able to catch up on work from the previous year. We were not able to resolve all the deadlocked complaints during that year, and started the year with 74 open cases, some of which had been open for some time.

All aspects of our work remain under review to identify efficiencies. This year improvements included:

- streamlining the process for referring complaints to members
- increasing the team support position to 1.5 FTE (this role handles straight forward enquiries and provides support to the operations team)

- taking a less formal approach to challenges to jurisdiction from members
- using the "no further consideration" power where appropriate (from October 2012)
- starting to improve the accessibility of the technical and legal resources of the office
- revising our website, including adding a search capacity for the published case notes (the new website went live in April 2013)

We introduced a new complaints database which allows us to generate more reports for analysis of our work.

All stakeholders contribute to the success of the Scheme as an external complaints handling body. I thank member companies for working with us to resolve complaints, and referral agencies for fielding initial enquiries about complaints and referring unresolved complaints to us.

The Board members, especially Richard Janes as Chair, have continued to provide support, challenge and guidance, for which I thank them.

And finally, I thank my staff, especially Deputy Commissioner Nanette Moreau, for their tireless enthusiasm for resolving complaints and improving the way we work. I believe it is a tribute to the staff that we gained third place in the small workplace category of the Kenexa-JRA Best Workplace Awards in 2012.



Judi Jones | Commissioner

## Scheme document

Amendments to the Scheme document took effect on 1 October 2012. The dollar value of complaints the Commissioner can consider increased from \$20,000 to \$50,000 at the Minister's request. This can be extended to \$100,000 with the agreement of the member company concerned.

The Scheme document was amended following a public consultation process. The consultation was based largely on recommendations and suggestions in the independent review of the Scheme completed in 2011. Reviewer John Wood recommended these changes to further improve the operation of what he described as 'a very effective external complaint handling scheme'.

The Board began consultation in March 2012. There were two rounds of consultation, both of which attracted close to 20 submissions. Scheme members made the most submissions, with government agencies, interest groups, and individuals also taking part. The Minister of Consumer Affairs approved the proposed amendments in September 2012. The main changes are summarised below.

### Definition of complaint

The definition of complaint is now aligned to the International Organisation for Standardisation and includes a complaint about the complaint handling process.

### Working days to resolve a complaint

The Scheme provides for member companies to have 20 working days to resolve a complaint before the Commissioner can consider it. In the past members had to ask the Commissioner for permission to extend this time where they felt extra time would allow them to resolve the complaint. From 1 October 2012, members can have up to 40 working days to resolve the complaint if they notify

the complainant, providing a good reason for extending the time.

### Acknowledge receipt of a complaint

The Code of Conduct said members must acknowledge receipt of a complaint in writing within two working days. This may now be done over the phone where the complaint is made by phone and the complainant agrees.

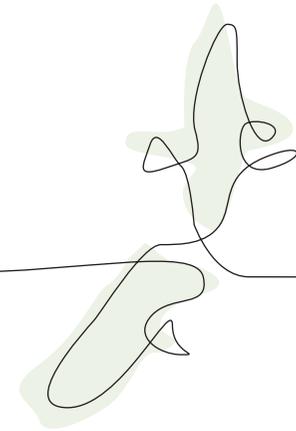
### Tell complainants about the EGCC

Members need to tell complainants about the EGCC when they acknowledge a complaint and again if the complaint reaches deadlock. This requirement is in addition to the general requirement to inform consumers about their membership of the Scheme on invoices, contracts, website, and in other consumer materials.

### No further consideration of a complaint

The Commissioner has a further reason to decide not to consider a complaint. The Commissioner may now decide not to consider a complaint, or not consider it further, where this is warranted. This discretion is intended to address the balance between natural justice, cost, and the time of pursuing a complaint through the entire process.

*The Minister of Consumer Affairs is the responsible Minister under the Electricity Industry Act 2010 and the Gas Act 1992.*



# Complaint handling

After two consecutive years of increasing complaint and enquiry volumes, numbers levelled off. Total complaints and enquiries were down 12.8% from the previous year, although deadlocked complaints were up 13%.



Our primary role is to resolve complaints about members of the Scheme. The Scheme provides for complaints to be referred to the member in the first instance. If the complaint is not resolved within the required timeframe, the complainant is entitled to ask the Commissioner to consider the complaint.

## Enquiries and complaints

We received 4,312 enquiries, 9.8% fewer than last year, and 2,045 complaints, 24.5% fewer than last year.

When people contact the office, our first step is to identify whether the person has a complaint, or is simply seeking information. If the contact is an expression of dissatisfaction with services provided (or not provided) by a member of the Scheme, then we handle the contact as a complaint. All other contacts are considered enquiries. For complaints, we then conduct a preliminary review to see whether the complaint is something the Commissioner would be able to consider. Matters to be checked include:

- Is the complaint about services provided (or not provided) by a member of the scheme?
- Is the amount in dispute within the monetary limits of the Scheme?
- Is there a more appropriate forum for the complaint?

- Did the complainant raise the complaint with the company within three months of the event or omission giving rise to the complaint?
- Is the complaint about price?

While the Commissioner cannot consider complaints about the price of electricity or gas, she is able to consider whether the customer is on the correct tariff, or whether correct information about tariffs has been given.

Even if the complaint may not be able to be considered by the Commissioner, we generally refer the complaint to the member company. We tell both parties if we believe the Commissioner cannot, or may not, be able to consider the complaint.

## Accepting complaints for consideration

If a complaint has already been raised with the member company, and the complainant is asking the Commissioner to consider the complaint, we check whether:

- The complaint has reached deadlock (see page 9)
- The complaint is something the Commissioner is able to consider which includes assessing whether the explanation provided or offer made by the member company is reasonable

## Not in jurisdiction

### The case

Mr Q complained about a service line on his property falling after a tree branch fell on the line during a storm. Mr Q said the network company had been working on the line and he believed the service line was not properly secured when that work was done.

### The outcome

The Commissioner decided the complaint was not within her jurisdiction to consider.

There was no doubt the line that fell was a service line on Mr Q's property.

Case	35718	Lines – maintenance
Year	2012	
Category	Network	

The Commissioner found the service line was not part of the company's network, and the company was not responsible for maintaining it. The work Mr Q had seen the network company doing was on a transformer and was unlikely to have had any impact on the service line.

The Commissioner gave Mr Q the opportunity to make a submission on this. Mr Q decided not to take the complaint any further and the complaint was closed.

### Jurisdiction challenges

Rejected	80
Accepted	12
Complaint withdrawn	5
Under consideration at year-end	7
<b>Total</b>	<b>104</b>

### Challenges to the Commissioner's jurisdiction

Members will sometimes advise they do not believe the Commissioner is able to consider the complaint. The member might believe the complaint has not reached deadlock, or the complaint is otherwise outside the Commissioner's jurisdiction to consider. Member companies challenged jurisdiction on 104 complaints this year.

The Commissioner used to respond to these challenges with a formal decision. The increased number of challenges this year prompted a change; now a team manager calls the member to discuss the issues being raised. This gives the opportunity for informed discussion on the nature of the complaint, and the likelihood of the Commissioner finding whether or not the complaint is one she could consider. If the matter is not resolved this way, the Deputy Commissioner has delegated authority from the Commissioner to accept complaints for consideration.

If the Commissioner believes she cannot consider a complaint, the complainant is advised and given the reasons for this. The complainant has the opportunity to respond or provide further information, and the Commissioner makes the final decision on whether to consider the complaint.

The Commissioner found 80 of the 104 complaints challenged were in her jurisdiction. The 80 cases represented almost 30% of all deadlocked complaints accepted for consideration. Seventeen challenges were successful, and 7 challenges remained under consideration at the end of the year. Of the 17 that were successful, five were withdrawn by the complainant.

Challenges to the Commissioner's jurisdiction took a disproportionate amount of office time and created delay in 'getting on with the job' of resolving complaints. Retail members accounted for 73 or 70% of the challenges. Fifty-eight of the challenges were from three retailers.

## Our process

We help the parties to a complaint settle it between them by getting information or offering conciliation or mediation. This year nearly 90% of complaints were settled between the parties. If a complaint cannot be settled this way, either of the parties can ask the Commissioner to recommend a settlement.

### Deadlock

The Scheme describes a complaint that has not been resolved as having reached deadlock when:

- The complaint has taken longer than 20 working days to resolve; or
- The complaint has taken longer than 40 working days to resolve (the company must notify the complainant within the first 20 working days of good reasons why it requires more time); or
- The company has made it clear it does not intend to do anything about the complaint; or
- The complainant would suffer unreasonable harm from waiting; or
- It is otherwise unjust

Complainants have two months from the complaint reaching deadlock to ask the Commissioner to consider the complaint. The Commissioner can extend the time if she believes there is good reason for the delay.

### Accredited mediators

The operations team includes 12 LEADR accredited mediators. LEADR is an Australasian organisation providing training and accreditation of mediators. All operations staff attend the five day LEADR mediation training. The office supports conciliators to achieve the standard of accredited mediator and seven staff became accredited during the year. Accredited mediators must meet certain standards each year to maintain accreditation.

## Complaints reaching deadlock

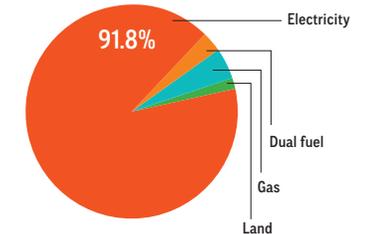
In contrast to the overall decrease in enquiries and complaints, the number of complaints reaching deadlock increased by 13% in 2012-13. The percentage of complaints about dual fuel and gas increased from 4.7% to 8.1% of total deadlocked cases. The investigation and decision making process for complaints that reach deadlock consumes considerably more resources than processing enquiries and complaints.

Of the 2,045 complaints received in the year, 268 were accepted for consideration as deadlocked complaints. Initially, 418 reached deadlock but more than a quarter, 125, were then resolved between the company and the complainant. Resolving complaints at this stage is an indication of members' willingness to reach settlements. We sometimes facilitate negotiation at this stage.

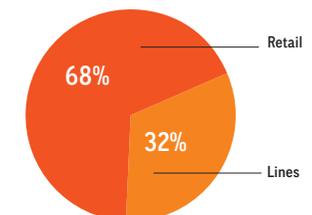
### Withdrawn or abandoned

Twenty three complaints were withdrawn and 13 were abandoned. Withdrawn or abandoned complaints do not necessarily indicate a lack of interest from the complainant. In some instances, the complainant will decide to withdraw the complaint after an investigation summary or information exchanged during a conciliation conference suggests the actions of the member were reasonable.

Deadlocked complaint category  
12-13



Retail and line complaints  
by member category 12-13



### Initial conciliation conference

The office routinely offers the parties an initial conciliation conference. This is a mediation type process, generally held by telephone, and facilitated by a conciliator from the Commissioner's office. Telephone conciliation conferences were held on 37 deadlocked complaints, with 14 resolving as a direct result and seven partially resolving. We are encouraged by the potential of conciliation conferences to assist with early resolution and promote them to members and complainants as a practical and economic option. Even where the conciliation conference does not lead to resolution, it helps clarify the issues and facts. Face to face conciliation conferences are also an option for complaints that reach deadlock and we conducted a number of these in the year.

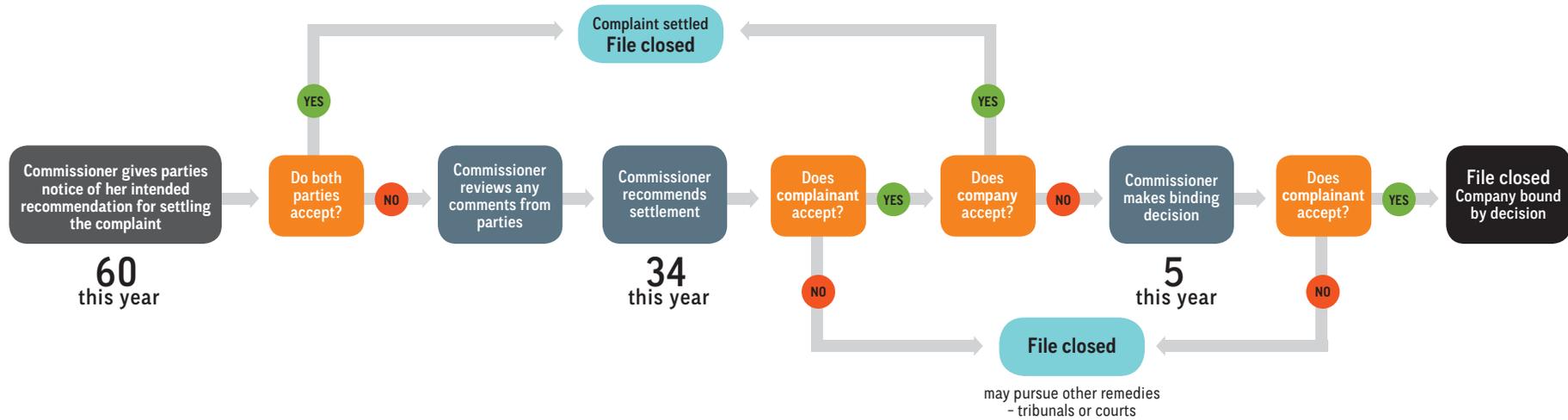
### No further consideration

Amendments to the Scheme document effective from 1 October 2012 gave the Commissioner discretion to not consider (or further consider) a complaint if this is not warranted, 'having regard to all the circumstances'. After 1 October, the Commissioner exercised her discretion not to consider a complaint further on 10 occasions. Where no further consideration is proposed, the complainant gets a report setting out the reasons for the Commissioner's decision. Generally the reasons are either the Commissioner believed the member company's offer was reasonable, or the complaint was not substantiated. The complainant has the opportunity to respond and provide further relevant information.

### Recommending a settlement

The Scheme provides for the Commissioner to recommend a settlement of a complaint if asked to by one of the parties. The Commissioner gave notice of her intention to recommend a settlement on 60 complaints, five more than last year. Over half of these complaints, 34, were settled. Eight complainants rejected preliminary recommendations or recommendations, and 13 did not respond.

Five complainants accepted recommendations that were rejected by the companies involved. In such cases the Commissioner can issue a binding decision, previously called an award. The Commissioner issued binding decisions for the five complaints. This is the most issued in one year and brings the total to 18 since the Scheme began.



**Time to close**

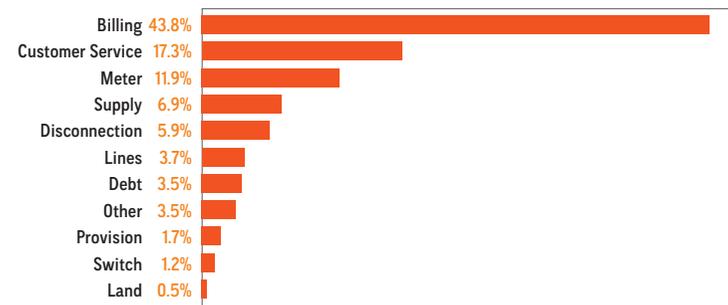
A combination of workload factors meant we did not meet the performance standard for time to close deadlocked files. We closed 80% of files in 98 working days, rather than the 90 days we were aiming for. Of the 52 files that took more than 120 working days to close, half had been open for more than 120 days at the beginning of the financial year.

Deadlocked files	10-11	11-12	12-13
Open	144	247	268
Closed	109	230	278

**Issues**

Billing is the most common issue in complaints, accounting for nearly half of all complaints received. This is followed by customer service, disconnection, meters and debt. By the time a complaint reaches deadlock the issues may have been clarified. The graph on this page shows the issues in deadlocked complaints.

**Deadlocked complaint issues 12-13**



## Systemic issues

Systemic issues are ones that are affecting or have the potential to affect groups of people. When a systemic issue is identified the Commissioner works with members to define the issue and consider options to resolve complaints fairly and consistently. The Commissioner may refer systemic issues to the Minister of Consumer Affairs.

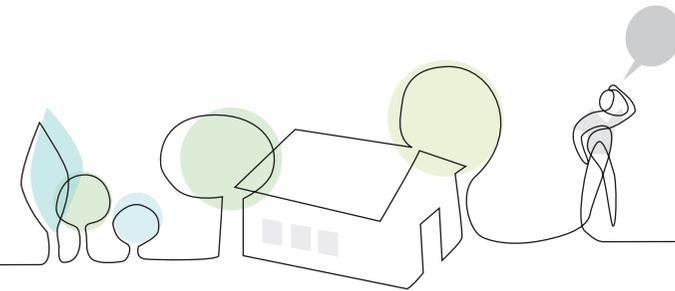


Systemic issues identified this year were:

- A company shifted its pre-pay customers to another company's pre-pay service. A problem with a communication device on the pre-pay meters led to delays in customers being able to use their new retailer's pre-pay service. Many pre-pay customers were put onto post-pay accounts in the interim, and received back bills for the electricity used before the new pre-pay system was working. We raised this issue with both companies involved and they worked to resolve the issue.
- Some companies refused to connect customers where a debt was owed by a previous occupant of the property. We raised this issue with the Ministry of Business, Innovation and Employment and investigated the complaints. The Commissioner issued a binding decision on two of the complaints. These meant the company was not able to pursue those complainants for the debt owed by previous occupants.
- A company's payment system did not allow customers with arrears to make one payment to cover both current bills and an agreed regular payment to pay off the arrears. This made it difficult for people who were on payment arrangements to keep track of the balance of their arrears. We raised the issue with the company involved, and investigated industry practice. This issue is still under consideration by the Commissioner.
- A company released account information about previous occupants of a property to the new occupants. We raised this with the company involved as a possible privacy breach. The company disagreed it had breached privacy. We raised the issue with the Office of the Privacy Commissioner.
- A significant event on the electricity network impacted a large number of customers. Many properties in the area experienced damage to appliances. We investigated the issue. The Commissioner made a binding decision upholding one of the complaints against the retailer and the remaining complaints were settled.
- A problem with a company's smoothed payment system led to a large number of customers underpaying for electricity. The company raised the issue with the EGCC, and we monitored related complaints. The company has advised the EGCC it has fixed the issue, and resolved complaints with affected customers.

# Deadlock complaints by member

This report shows the number of complaints reaching deadlock by member for the six months to 31 March 2013.



The Board believes publishing members' names provides a benchmark and drives best practice in the industry.

The first of these reports was for the six months to 30 September 2012 and is available on the website.

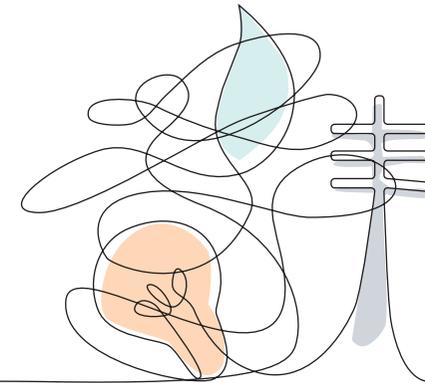
The report for the first six months showed the share of complaints that reached deadlock against the total number of those complaints. Following feedback from members, this report shows the share of complaints that reached deadlock as a percentage of such complaints for that category of membership. The report also shows market share, expressed as a percentage of the retail or lines markets. This is calculated using installation control points (ICPs). These are the points of connection to a network from which electricity or gas is supplied to a site.

	Number of complaints that reached deadlock	Share of category complaints that reached deadlock	Market share of category ICPs
<b>Retail members</b>			
Contact Energy (includes Empower)	31	36.05%	23.14%
Genesis Energy	22	25.58%	25.68%
Nova Energy	11	12.79%	2.05%
Pulse Energy (includes Just Energy)	6	6.98%	1.40%
Bay of Plenty Energy	4	4.65%	2.12%
Mercury Energy	4	4.65%	18.27%
Meridian Energy	2	2.33%	9.87%
Powershop	2	2.33%	2.27%
Trustpower	2	2.33%	9.14%
Energy Direct NZ	1	1.16%	1.09%
Energy Online	1	1.16%	2.90%

	Number of complaints that reached deadlock	Share of category complaints that reached deadlock	Market share of category ICPs
<b>Lines members</b>			
The Lines Company	11	35.48%	1.02%
Orion	5	16.13%	8.12%
Vector	4	12.90%	30.20%
Marlborough Lines	3	9.68%	1.08%
Powerco	3	9.68%	18.09%
PowerNet	2	6.45%	3.75%
Eastland Network	1	3.23%	1.13%
Unison	1	3.23%	4.76%
WEL Networks	1	3.23%	3.76%

# Members

**Two retail companies joined the Scheme this year, so we now have 32 lines company members and 26 retail company members.**



From the consumers' viewpoint, these members represent 34 lines company brands and 32 retailer brands. The member list on page 25 reflects the register of members, while the member list on the website reflects the company brands people see on their energy bills and in the community.

## Member satisfaction

Each year we survey member satisfaction with the Scheme. The response rate this year was 33%. Only 13 lines company members and six retail company members responded. The survey was used to measure achievement of the Board's performance standard that 85% of members rate the Scheme performance at resolving complaints as good or better. That standard was not met, with only 58% of respondents giving those ratings. The result is in line with the response to a similar survey in 2010-11, but falls short of the result achieved in the survey of members carried out as part of the independent review in 2011, when 47% of members responded. The result from the independent review was used to set the performance standard.

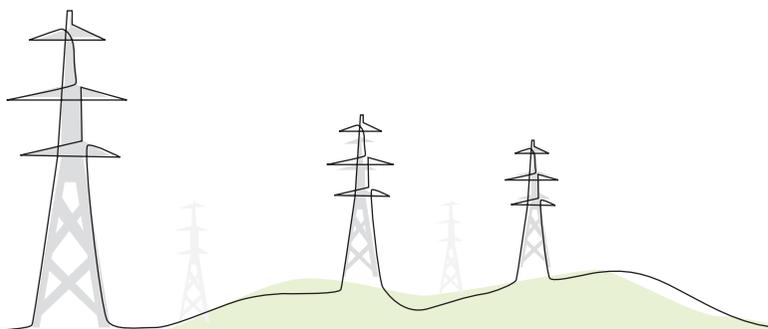
Members were also asked to rate the fairness, independence, and timeliness of our complaint resolution. Both groups rated independence highest and timeliness lowest. This is consistent with the office not meeting the performance standard for timeliness; an issue that is being addressed by the Commissioner.

## Member forum and induction

The theme for the 2012 member forum was 'complex issues and challenging behaviour'. The main speakers covered conflict resolution, complex investigations, and record keeping as an aid to complaint resolution. There were also updates from the Electricity Authority, the Gas Industry Co, and the Ministry of Consumer Affairs. The day was well attended, with 54 people representing 25 members.

The post-forum survey showed attendees found the day well organised and useful, and particularly enjoyed the keynote presentation on conflict resolution from David Henton of Confident Communication. The survey also asked respondents to indicate their interest in special interest sessions, either as break-out sessions at future forums, or separate webinars. There is a strong preference for break-out sessions on member compliance and the self-review process, and on handling network complaints. We will take this into consideration in planning the next forum.

Induction is a half-day programme for new staff of member companies, with all presentations made by staff from the Commissioner's office. We offered two induction sessions, one the afternoon before and one the morning after the forum. Twenty three people from 17 members attended. The feedback survey showed attendees found induction well organised and useful, with 93% saying they would recommend new staff attend.



## Member compliance

One of the Board's duties under the Scheme document is to monitor members' compliance with the Scheme. The Board fulfils this duty by:

- Reviewing the Commissioner's reports on member breaches
- Reviewing the Commissioner's reports on potential systemic issues in complaints
- Instructing the Commissioner to undertake a 'mystery shopper' survey of member call centres to assess compliance with requirement to tell people about the Scheme

The Scheme also requires members to review their own compliance and report to the Board annually.

The Board has a duty to report to the Minister of Consumer Affairs on material and persistent breaches of the Scheme. This year the Board reported there were no such breaches.

The Commissioner's report on systemic issues is on page 12, and the results of the 'mystery shopper' survey are on this page.

The self-review of compliance asks members to provide information about their compliance with the Scheme. The Board gives feedback and recommends actions to improve compliance. A key measure is whether members tell complainants about their right to access the Scheme when complaints reach deadlock.

This year 78% of all complainants whose complaints reached deadlock were told about their right to access the Scheme, compared to 62% in the previous cycle

- retail members reported they told 84% of complainants
- network companies reported they told 52% of complainants

The previous self-review highlighted how long it had taken members to implement the 1 April 2010 requirement to include information about the Scheme on invoices. Compliance with this requirement is improving. However nearly half of the members received recommendations about including information about the Scheme on contracts, websites, and consumer information. Over half of the members received recommendations to update or correct the Scheme's logo or contact details on their materials. The Board advised members that failure to implement recommendations in the next self-review period may be seen as a persistent breach.

Acting on the feedback from the member forum, we held an interactive session for members about the self-review process and got a good response with 22 people attending in person or by phone. We gave feedback on the overall results, as summarised above, while members gave us feedback on the importance of a compliance score. Members say they can use this information to

measure their own performance and to benchmark themselves against others. This feedback will be taken into account when preparing the next self-review forms.

The next self-review period will be for the 12 months from 1 October 2012 to 30 September 2013. This is because the revised version of the Scheme document took effect from 1 October 2012. It is expected this timetable will be in place for the foreseeable future.

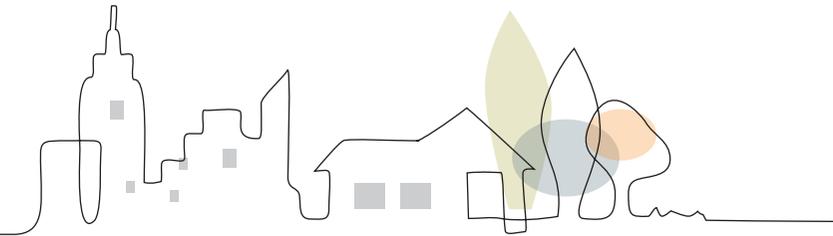
## Mystery shopper

From time-to-time we conduct a 'mystery shopper' survey of members' call centres. This tests whether call centres provide contact information for the Scheme and information about the complaints process.

The most recent survey showed little change from the one in 2011. The most basic measure is the number of calls in which the correct phone number for the EGCC is given. This was 89% in 2011 and 87% in 2013. There was an increase in the percentage of calls where all contact details (phone, website, email, post) were given correctly from 9% to 19%. The results from the calls that try to get information about members' own complaint process were worse than last time, with useful information from 45% of calls compared to 78% in 2011. As well as collating results at industry level, we provide results for individual members on request.

# Awareness and accessibility

Over 97% of enquiries and 75% of complaints are made over the phone.



## How people were referred - top 7

	12-13
Company bill	2905
Company	251
Own knowledge	212
EGCC website	131
Other	102
CAB	90
Friend or relative	88
	11-12
Company bill	4175
Company	286
Own Knowledge	265
EGCC website	219
White Pages	122
CAB	84
Friend or Relative	84
	10-11
Company bill	1750
Own Knowledge	283
EGCC website	263
White Pages	260
Company	214
CAB	150
Work & Income NZ	98

## Contacting us

Most people who contact this office do so by phone. Over 97% of enquiries and 75% of complaints are made over the phone. We have an 0800 number and accept calls from mobile phones. We developed a system this year for sending complainants text messages asking them to get in touch. This means people with limited credit on their phones do not have to pay to access a voice message.

The number of complaints received by email or through the complaint form on our website increased from 12% to 22%, while only two per cent of enquiries were made by email or through the website.

## Surveys of satisfaction

This year we conducted two surveys of complainant satisfaction, to measure achievement of the performance standards (see page 4).

One survey was of people who contacted our office between 1 September and 31 October 2012 and had a complaint referred to the company. We sent 147 survey forms and got 34 responses.

The performance standards were:

*How easy was it to find contact details for the office of the Electricity and Gas Complaints Commissioner?* The target was 80% neutral or better. We achieved 88%.

*Following your first contact with us, were you given the information you needed?* The target was 90% most or better. We achieved 79%.

*How easy was it to talk to us about your complaint?* The target was 85% neutral or better. We achieved 94%.

The other survey was of people whose complaint reached deadlock, and the file was closed between 1 April and 30 September 2012. We sent 130 forms and got 31 responses.

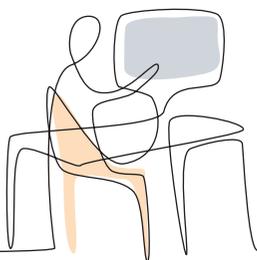
The performance standard is:

85% of complainants whose file reached deadlock rate Scheme performance at resolving complaints as good or better. We achieved 68%.

## Community outreach

The Ministry of Consumer Affairs' Consumer Rights Days gives complaint resolution bodies a chance to talk to community organisations about their work. In the past year we have attended Consumer Rights Days in Taupo, Christchurch, Tauranga and Greymouth.

The Commissioner visited community law centres in Grey Lynn and New Plymouth, and we talked about the Scheme to Citizens Advice Bureaux in Auckland (Mt Albert and Massey) as well as South Canterbury and New Plymouth.



We worked with other dispute resolution organisations to develop resources for teaching speakers of other languages how to make a complaint. These resources are freely available on [www.complaintline.org.nz](http://www.complaintline.org.nz)

### Publications

We updated our brochure, fact sheets, and summary of the Code of Conduct to incorporate the changes to the Scheme that became effective on 1 October 2012. Citizens Advice Bureaux are a major distribution point for our brochure and fact sheets. We have had requests from 26 bureaux for copies of our information, with multiple requests from larger bureaux in metropolitan centres.

We publish case notes on our website, and in a hard copy booklet annually in November. This booklet is sent to community groups, and to electorate offices as a resource for constituents who approach these offices with electricity or gas complaints.

### Media

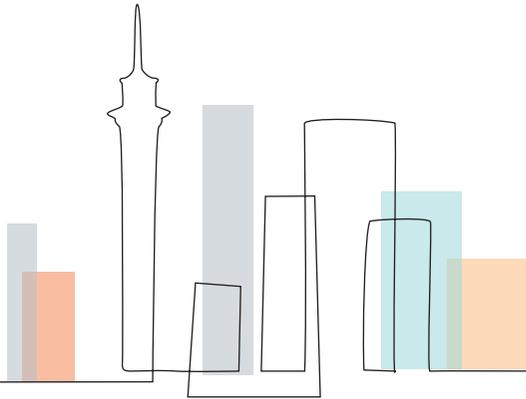
The Commissioner's policy of not talking about individual complaints means the work of the office is not often in the news. Any stories about individual complaints are usually a consequence of the complainant taking their story to the media.

The Commissioner was approached and agreed to an interview for broadcast on community access radio. The interview was recorded at Coast Access Radio and broadcast in November 2012 and January 2013.



The staff of the Office of the Electricity and Gas Complaints Commissioner.

## Supply switched without consent



Case	36536	Switch – unauthorised
Year	2012	
Category	Electricity	

### The case

Mr O complained the electricity supply for his business was switched from one retailer to another without his consent. Mr O said the switch resulted in him receiving a back bill.

Mr O was paying electricity bills through direct debit to retailer A. Unknown to him, he had been switched to retailer B. When Mr O realised what had happened he requested to be switched back to retailer A. Mr O then got a back bill from retailer A for \$4,952.48.

### The outcome

The complaint was settled between the parties after investigation by the EGCC.

The EGCC's investigation showed retailer B mistakenly requested Mr O's Installation Control Point number <sup>1</sup> when it was meaning to request that of his neighbour. After the switch retailer A cancelled the direct debit payments. This meant Mr O did not pay electricity bills for six months.

Retailer B offered to pay Mr O \$900 in recognition of the error it made. Mr O said he would only accept \$1,200 because retailer B caused him stress, doubt, and worry in paying off the \$4,952.48 back bill to retailer A.

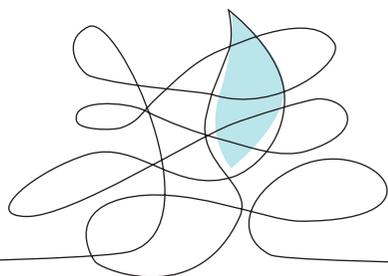
The Commissioner reviewed the file and explained to Mr O that if she was asked to make a recommendation, she might recommend retailer B offer him more or less than the \$900.

Mr O accepted retailer B's offer of \$900 on the condition that retailer B improve its switching process. Retailer B advised the Commissioner and Mr O that it had changed its process and the complaint was settled.

### Settled

<sup>1</sup> Installation Control Points are the points of connection on a network from which electricity or gas is supplied to a site.

## Charged for gas when there were no gas appliances in the property



Case	35958	Billing - meter
Year	2012	
Category	Gas	

### The case

Mrs C complained about a gas retailer charging her for gas when she was not a customer of that retailer. Mrs C said she moved into a rental property in August 2010, and since then, the retailer sent bills addressed to 'the new occupant'.

Mrs C said the bills had charges for arrears and daily lines charges. She said there were no gas appliances at the property. Mrs C said the gas meter at the property had a sticker on it saying it was disconnected.

### The outcome

The EGCC investigated the complaint. It found Mrs C's landlord had removed all gas appliances from the house shortly before she moved into the property.

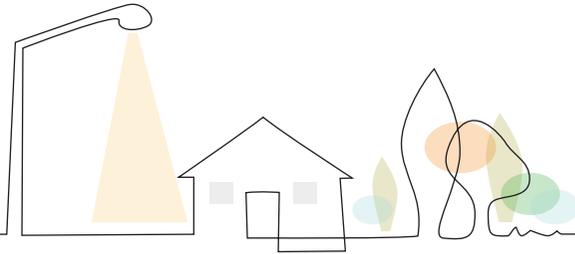
The retailer said it would reverse the charges if the meter was removed. The retailer said it needed the landlord's permission to remove the meter.

Mrs C provided the retailer with her landlord's contact details through the EGCC and the meter was removed.

The retailer then issued a new invoice for the property showing a zero balance. Mrs C accepted the invoice in full and final settlement of her complaint.

### Settled

## Hot water cylinder turned off when street lights went on



Case	35856	Supply - faults Customer service – failure to respond
Year	2012	
Category	Electricity	

### The case

Ms J complained on behalf of her parents Mr and Mrs U that their retailer did not take reasonable steps to identify and correct a wiring problem at an electricity pole.

The wiring problem caused the hot water cylinder at Mr and Mrs U's property to switch off when the streetlights switched on for four months between October 2011 and January 2012. The wiring problem was identified when Mr and Mrs U paid an electrician to come to the property to check the hot water cylinder.

Ms J also complained the retailer did not provide help and support for Mr and Mrs U when they first complained in October 2011 about not having a reliable supply of hot water.

### The outcome

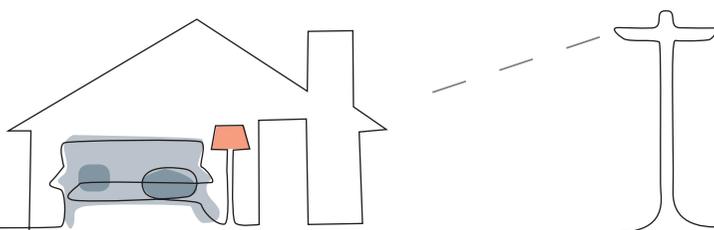
The parties were unable to resolve the complaint between them, so asked the Commissioner to recommend a settlement.

The Commissioner upheld the complaint. She recommended the retailer make a customer service payment to Mr and Mrs U of \$300 and reimburse them \$78.20 for the electrician's bill. The Commissioner found the retailer should have done more to help Mr and Mrs U find out what was causing the problem.

Both parties accepted the Commissioner's recommendation and the case was closed.

### Recommendation – upheld

## Disconnection without notice



Case	34157	Disconnection – notice Billing – back bill
Year	2012	
Category	Electricity	

### The case

Ms E complained an electricity retailer disconnected the supply to her property without notice. The retailer then charged Ms E a disconnection fee and billed her \$1,032 for electricity used at the property for the previous six months.

Ms E said she had been trying to sign up to a retailer for six months but did not know who was supplying electricity to the property. She says one of the retailers she called told her the property did not have an Installation Control Point number.<sup>1</sup>

Ms E said when she first contacted the retailer that eventually disconnected and billed her, it told her that it was not the retailer for her property.

Ms E says when she called the retailer after it disconnected the property, it agreed to waive the disconnection fee, but not the \$1,032 back bill.

### The outcome

Ms E and the retailer settled the complaint after the EGCC prepared an event summary for Ms E and the retailer.

The event summary showed Ms E's property was on a section that had been subdivided. The address for the property had changed, but this was not recorded in the electricity registry.<sup>2</sup> When Ms E called the retailer it could not find her address and told her it was not the retailer for the property.

After the retailer received the event summary, it offered Ms E a \$300 discount on the back bill and a payment arrangement of \$150 per fortnight for the remaining \$732.20.

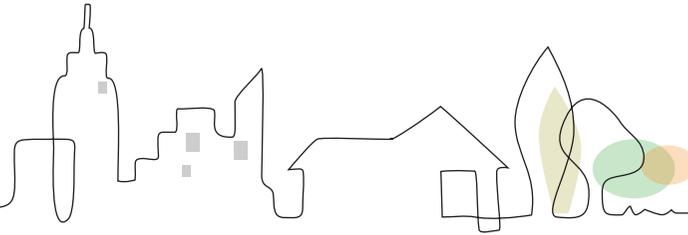
Ms E accepted the retailer's offer and the complaint was settled.

### Settled

<sup>1</sup> Installation Control Points are the points of connection on a network from which electricity or gas is supplied to a site.

<sup>2</sup> The electricity registry is a national database of information on every point of connection on a network from which electricity is supplied to a site. The points of connection are called installation control points.

## Liable for the network charges



Case	28649	Vacant property Contract Land – network equipment – liability
Year	2012	
Category	Electricity	

### The case

Mr R believed he should not be liable for the network charges at three vacant rental properties he owned.

Mr R believed it was unfair of the company to charge him for network function services to the vacant properties when he allowed the company to have its assets on his properties at no cost.

### The outcome

The parties were unable to settle the complaint between them and asked the Commissioner to recommend a settlement. The Commissioner did not uphold Mr R's complaint about the network charges for the vacant rental properties because she was satisfied:

- Mr R entered into contracts with the company for the supply of network function services to the properties
- The network company applied its charges under the contracts correctly to the properties

The Commissioner could not consider Mr R's complaint about the network company not paying Mr R to have equipment on his properties. Clause B.9.8 of the Scheme document says the Commissioner cannot consider a land complaint arising from the negotiation for, or other process of, obtaining any interest in land in relation to network equipment.

### Recommendation – not upheld / Outside jurisdiction

# Financial summary

## 2012-13

Total cases 6,357

Cost per case \$436.88

Budget \$3,136,500

### Income and expenditure (summary)

For the year ended 31 March	10-11	11-12	12-13
	\$000	\$000	\$000
annual levy	1,957,138	2,326,448	<b>3,275,097</b>
other income	21,084	103,196	<b>81,512</b>
<b>total income</b>	<b>1,978,222</b>	<b>2,429,644</b>	<b>3,356,609</b>
staff related costs	1,145,395	1,459,656	<b>1,955,768</b>
other costs	690,161	691,266	<b>758,595</b>
depreciation	63,766	106,983	<b>62,856</b>
<b>total expenditure</b>	<b>1,899,322</b>	<b>2,257,905</b>	<b>2,777,219</b>
<b>operating surplus before tax</b>	<b>78,900</b>	<b>171,739</b>	<b>579,390</b>
<b>Total cases</b>	<b>4,468</b>	<b>7,490</b>	<b>6,357</b>
<b>Cost per case</b>	<b>425.09</b>	<b>301.46</b>	<b>436.88</b>
<b>Budget</b>	<b>1,959,000</b>	<b>2,282,200</b>	<b>3,136,500</b>

The figures for 2010-11 and 2011-12 total income and total expenditure have been restated to exclude expert costs and recovery. This has had no effect on the operating surplus.

The increased operating surplus for 2012-13 meant we were able to set a lower member levy for 2013-14.

Audited financial statements are available on the publications page of the website [www.egcomplaints.co.nz](http://www.egcomplaints.co.nz)

## Board members



### Independent Chair

#### Dr Richard Janes

*(Appointed December 2007, term expires December 2013)*

Dr Janes is a professional director, with extensive international governance experience in both public and private organisations.



Retailer representative  
Contact Energy

#### Ruth Bound

*(Elected March 2010, re-elected June 2012, term expires June 2014)*

General Manager of Retail,  
Contact Energy



Lines company representative  
Electra

#### John Yeoman

*(Elected March 2010, re-elected June 2012, term expires June 2014)*

Chief Executive,  
Electra



#### Linda Cooper

*(Appointed September 2012, term expires August 2014)*

Linda has 20 years of governance experience for commercial, local body, and non-governmental community organisations, spanning health, education, and social services.

*Alternate: Sue Chetwin, Consumer NZ*



### Consumer representatives

#### Nicky Darlow

*(Appointed March 2011, re-appointed March 2013, terms expires February 2015)*

Nicky is self-employed as a community consultant, specialising in reviews of community organisations, community development, and mediation and facilitation.

*Alternate: Major Campbell Roberts, The Salvation Army*

## Member companies

### Lines

Alpine Energy  
 Aurora Energy  
 Buller Electricity  
 Centralines  
 Chatham Islands Electricity  
 Counties Power  
 Eastland Networks  
 Electra  
 Electricity Ashburton  
 GasNet  
 Horizon Energy  
 MainPower  
 Marlborough Lines  
 Maui Development Ltd  
 (a gas transmission company)  
 Nelson Electricity  
 Network Tasman  
 Network Waitaki  
 Northpower  
 Orion  
 Powerco  
 PowerNet  
 Includes: Electricity Invercargill  
 Electricity Southland  
 The Power Company  
 Otago Net Joint Venture  
 Scanpower  
 SIESA - Stewart Island Electricity  
 Supply Authority

The Lines Company  
 Top Energy  
 Transpower NZ  
 (the electricity transmission company)  
 Unison Networks  
 Vector  
 (includes Vector's gas  
 transmission business)  
 Waipa Networks  
 WEL Networks  
 Wellington Electricity Lines  
 Westpower

### Retail

Auckland Gas  
 Bay of Plenty Energy  
 BOSCO  
 Includes: Tiny Mighty Power  
 Chatham Islands Electricity  
 Contact Energy  
 Includes: Empower  
 Energy Direct NZ  
 Energy for Industry  
 Genesis Energy  
 Includes: Energy Online  
 Greymouth Gas  
 Hunet Energy  
 Includes: Mega Energy  
 King Country Energy  
 K Power  
 Meridian Energy

Mighty River Power  
 - trading as Mercury Energy  
 Nova Energy  
 OnGas  
 Opunake Hydro  
 Payless Energy (from April 2012)  
 Pioneer Generation (from July 2012)  
 Powershop NZ  
 Prime Energy  
 Pulse Utilities  
 Includes: Just Energy  
 Pulse Energy  
 Marvellous Lovely Power Company  
 SIESA - Stewart Island Electricity  
 Supply Authority  
 Simply Energy  
 TrustPower

## Staff

**Electricity and Gas  
 Complaints Commissioner**  
 Judi Jones

**Deputy Commissioner**  
 Nanette Moreau

### Team Managers

Dene Bannister (from April 2012)  
 James Blake-Palmer  
 Jerome Chapman  
 Bonnie Gadd  
 Moira Ransom

### Conciliators

Daniel Becker (from April 2012)  
 Ali Cameron (0.7)  
 Brenda Devane (until March 2013 -  
 on parental leave from October 2012)  
 Markus Frey (from June 2012)  
 Steven Graham (from November 2012)  
 Louise Holden (from April 2012)  
 Riki Jamieson-Smyth  
 Chris Juchnowicz (until October 2012)  
 Adam Meek  
 Ross Miller (from November 2012)  
 Hannah Morgan-Stone (0.8)  
 Sarah Ramsay  
 Mika Reilly (0.5 until October 2012)  
 Lewis Rivers (0.8)  
 Simon Roughton (from May 2012)  
 Annika Voulgaris

### Corporate Services Manager

Paul Selwyn-Smith  
 (0.5 until September 2012)  
 Lisa Player (0.5 from October 2012)

### Communications Advisor

Dinah Vincent (0.6)

### Research Analyst

Joel Pearce (until November 2012)  
 Mika Reilly (0.5 until October 2012-  
 fulltime from November 2012)

### Reporting Analyst

Richard Heaps

### Executive and team assistant

Kirsty Williams (until September 2012)  
 Christy Waller (from September 2012)

### Team support

Caleb Green (0.6)  
 Alexi Serepisos (from November 2012)



Electricity and Gas Complaints Commissioner Scheme



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