

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



issues

### Definitions:

**Complaint** – an expression of dissatisfaction related to services, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected

### In EGCC statistics:

**Enquiry** – any contact where the person wants information

**Complaint** – any contact where the person makes a complaint

**Deadlock / complaint reaching deadlock** – when a complaint has not been resolved within 20 working days and is within the Commissioner’s jurisdiction

### Acronyms:

**EGCC** – Electricity and Gas Complaints Commissioner Scheme, sometimes the Scheme

**EA** – Electricity Authority

**GIC** – Gas Industry Company

**MBIE** – Ministry of Business, Innovation and Employment

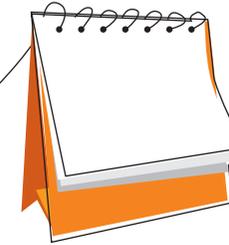
**EIA** – Electricity Industry Act 2010

Complaint issues

	11 - 12	12 - 13	13 - 14
<b>Billing</b>	42.3%	46.4%	<b>43.0%</b>
<b>Customer service</b>	17.7%	16.3%	<b>16.9%</b>
<b>Disconnection</b>	8.1%	9.2%	<b>9.7%</b>
<b>Meter</b>	9.5%	7.0%	<b>9.5%</b>
<b>Supply</b>	5.1%	4.5%	<b>5.1%</b>

*This table shows the top five issues in complaints. See the website for a full list.*

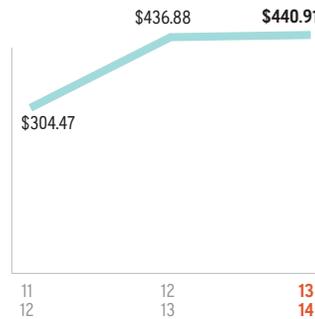
# HOW MANY



Enquiries and complaints received

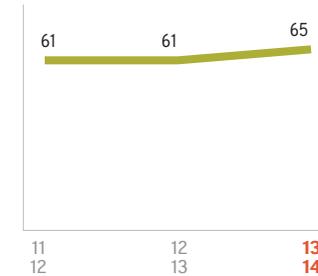
	11 - 12	12 - 13	13 - 14
<b>Enquiries</b>	4783	4312	<b>4387</b>
<b>Complaints</b>	2707	2045	<b>2070</b>
<b>Total cases</b>	7490	6357	<b>6457</b>

Cost per case



Days to close  
deadlocked complaints

Average working days to close



# Chair's report

*This is my first report as Independent Chair of the Electricity and Gas Complaints Commissioner Scheme (the EGCC). The EGCC has a clear and useful purpose. For complainants, it provides a free and independent service for resolving complaints. For the energy industry, it helps set standards for complaint resolution. I look forward to contributing to the EGCC as it continues to challenge itself, and member companies, to provide complaint resolution services of the highest quality.*



Heather Roy | Independent Chair

*Heather Roy*

The Scheme document sets out the rules for the EGCC's operation. This document has changed over ten times since the EGCC started in 2001, reflecting the dynamic nature of the energy industry. The Board consults on proposed changes to the Scheme document and the Minister of Consumer Affairs has an opportunity to decline approval of any changes.

This year the Board consulted on proposals to improve administrative efficiency and to allow the Commissioner to consider complaints about bottled LPG. The Board decided not to ask the Minister to approve the bottled LPG changes until the Ministry of Business, Innovation and Employment completes work on exemptions from membership of the EGCC. The administrative changes took effect on 1 April 2014 (see page 6).

In 2014-15 the Board is consulting on changes to allow the EGCC to look at certain disputes between retail and network member companies. These changes are necessary because amendments to the Consumer Guarantees Act 1993 require the EGCC, as the approved scheme, to be a forum for such disputes.

Complaint resolution remains the EGCC's core business. The EGCC's performance is measured against standards set annually by the Board (see page 3). Half the standards were met. I am pleased by the timeliness standard which shows nearly half of the complaints accepted for investigation are closed within 30 working days. While the EGCC did not meet the standard for

cost per case, the lower than anticipated workload meant it was able to return money to members by way of a decreased levy for the coming year. There are separate standards for satisfaction with the complaint handling process for complainants and member companies. Member satisfaction with the EGCC's complaint handling process improved from last year, but lags behind complainant satisfaction.

The Board is aware the EGCC's strength depends on providing value to the complainants and the membership, and the reputation of the Scheme. With this in mind, the Board has approved a business plan which includes strategic initiatives intended to improve the EGCC's overall performance, rather than being purely operational. These have a mix of internal and external focus.

Of the external projects, one is targeted at members and one at the public. The member initiative shares knowledge to assist member companies to resolve complaints. This includes providing workshops, training, and information about complaint handling and the EGCC process. Several workshops have been delivered at the time I write and each has received excellent feedback. The public initiative will raise the visibility of the EGCC, especially with those groups currently under-represented as complainants. Demographic information from complainants and surveys of awareness show the EGCC is not well known or used by people with lower incomes and for whom English is a second language.



This is being addressed by a programme of community engagement, review of resources, and increased co-operation with other dispute resolution schemes.

The internally focused initiatives look at the way the EGCC develops its people and how it measures the quality of its work. The first will increase the EGCC's options to attract and retain the best staff. The second will look at what the EGCC does to establish measures for effective performance. These initiatives will enhance the EGCC's reputation for independent and effective complaint handling.

The Commissioner and her staff have a great deal of expertise in complaint resolution and in the energy sector. I thank them for the commitment and integrity they bring to their work and to the reputation of the Scheme. The EGCC's governance structure means member companies are represented on the Board and the Member Committee, which reviews the budget. I am grateful to the staff of member companies who have contributed to the EGCC in these roles. The work of the community representatives on the Board ensures the Scheme has a strong consumer focus and I acknowledge the contributions made in this area. Finally, I thank Dr Richard Janes who chaired the EGCC for six years until December 2013. Dr Janes guided the EGCC through several changes of the constitution and Scheme document and the process of becoming the approved Scheme for the industry from April 2010. His contribution to the development of the Scheme has been significant.

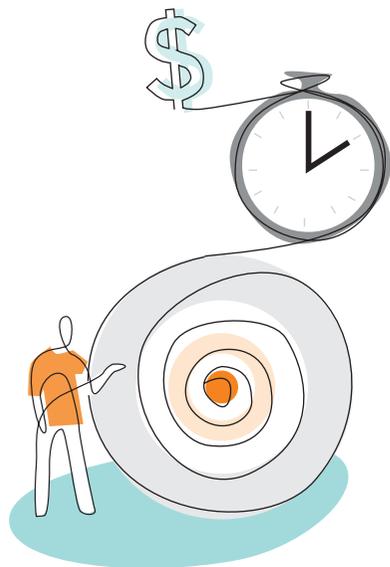
I look forward to building on these successes.

#### Performance against standards set for 13-14

Standard	Performance
At least 45% deadlocked files closed within 30 working days	Met – 48%
No more than 25% deadlocked files open longer than 90 working days	Met – 23%
Cost per case - the proportion of total budget to total cases is \$418	Not met – \$440.91
Survey of complainants (deadlocked cases) shows 75% satisfaction with complaint handling process	Met – 77%
Survey of members shows 75% satisfaction with complaint handling process	Not met – 67%
Awareness in the community – continued improvement of member compliance with requirement to advise complainants about the Scheme	Not met – decreased from 78% to 74%
Accessibility – continued improvement of member compliance with requirement to advise complainants about the Scheme	Not met – see above
All compliance reporting to regulators is complete, accurate, delivered on time, and cost effective	In progress and expected to be met

# Annual review

The Board's annual review<sup>1</sup> is an opportunity to plan for Improved performance. The Board's business plan for 2014-15 includes strategic initiatives developed in response to interim results against the performance standards and an external organisational review. The initiatives are intended to develop robust quality and productivity measures, to improve member satisfaction, and to increase awareness and accessibility.



## Performance against the standards set

The performance against the standards set is summarised in the table on page 3.

The standard for cost per case was not met, ending up at \$440.91 (standard \$418). The cost per case is set by taking the total budget and dividing by the total number of forecast cases (enquiries and complaints). The number of cases did not reach forecast levels, which meant the office ended the year with a higher cost per case and a surplus against budget. The surplus was used to offset member levies for 2014-15.

This year's result highlights the limitations of cost per case as a performance standard. The calculation weights all cases equally, regardless of whether they are enquiries, complaints, or deadlocked cases. In practice, deadlocked cases take more time than both enquiries and complaints, and complaints generally take more time than enquiries. Further, the cost per case measure does not reflect the impact of other work, such as monitoring compliance with the Scheme rules, and dealing with systemic problems.

The standard for member satisfaction was not met, with 67% (standard 75%) rating the complaint handling process as satisfactory or better. This is an improvement from 58% the previous year. The standard includes all members, but the survey showed satisfaction is higher for network members, with 82% rating themselves satisfied or better with the EGCC complaint handling process, compared to 45% of retail members.

The standards for awareness and accessibility were not met. These are measured by members' self-reported compliance with the Scheme document (see pages 14 and 16).

## Schedule 4 of the Electricity Industry Act 2010

The EGCC is the approved dispute resolution scheme for the electricity and gas industries under Schedule 4 of the EIA.

Clause 13(a) requires 'any person' be able to make complaints for resolution by the approved scheme. The EGCC does not meet this requirement because the EGCC is not able to consider complaints about bottled LPG.

In 2013, the Board proposed changes to the Scheme document to include complaints about bottled LPG (see page 6). This work was deferred because MBIE is still considering the extent to which retailers of bottled LPG may be exempted from membership of the Scheme.

<sup>1</sup> The Board is required to review and report on the Scheme in the Annual Report. The review includes performance against the standards set, performance against the requirements of Schedule 4 of the EIA and in response to any issues raised by the responsible Minister (the Minister of Consumer Affairs). The Minister did not raise any issues.

# Commissioner's report

*This year we continued to focus on delivering best practice complaint resolution for the electricity and gas sectors. We trialled new processes, made changes to our database to improve efficiency, and had an external review of our fitness for purpose.*

Demand for our services remained at previous levels – it is the third year in a row in which we handled over 2,000 complaints and over 4,000 enquiries. Satisfaction with our service increased amongst both complainants and members, and we continue to work on improving this.

We operate in an industry driven by technology and competition. Consumers have more choice about how to buy energy, and who to buy it from. We welcomed three new member companies this year, each with unique business models. As noted in the Chair's report, we await the outcome of work by MBIE on exemptions from membership of the Scheme. This will determine the extent to which suppliers of bottled LPG and those who re-bill for electricity and gas (e.g. landlords) are required to join the Scheme. This will have an impact on the nature of complaints, and also on the nature and number of members of the Scheme.

We continually review our processes for handling complaints and the way we work with our members. This year we trialled changes to the way we work. These included increased use of early referral to the company and increased use of face-to-face meetings with the parties to a complaint. My staff reviewed the database we use to manage our work, and made improvements to the system.

An external review looked at the organisation's fitness for purpose for the next five years. The reviewers concluded the Scheme is functioning well, is organisationally strong, and is widely respected. The reviewers noted some challenges, which are being answered by strategic initiatives in the 2014-15 business plan.

Hon Heather Roy took up the position of Independent Chair on 1 January 2014.

Mrs Roy replaces Dr Richard Janes, who stepped down after six years of service. It is a tribute to the energy and professionalism of Mrs Roy and Dr Janes that the transition was effected seamlessly, for which I thank them. Mrs Roy quickly demonstrated her belief in the importance of the EGCC's role in the industry through her support of the strategic initiatives. These initiatives are an opportunity for the EGCC to further improve the service it offers to complainants, member companies, and the industry, and to ensure the EGCC continues to comply with its founding principles of being accessible, independent, fair, accountable, efficient, effective, and known in the community.

Several of the initiatives were developed and will be implemented by the staff of this office, and are an opportunity for staff to extend themselves professionally. Some staff have been involved in developing and delivering training skills workshops and resources for staff of member companies; some have looked at the way we work and are identifying measures for the quality of our work; some are meeting with community groups to provide information about the EGCC face to face. There is more detail about the initiatives throughout this report.

The everyday work of the EGCC continues. All the conciliation staff have or are working towards LEADR<sup>1</sup> accreditation, and all staff get plain English training from Write Ltd. We were pleased to be finalists in the Best Organisation category of the WriteMark Plain English Awards. We took part in the IBM Kenexa Best Workplaces Awards again, and were finalists for the third consecutive year.

I thank all the staff for their dedication and acknowledge the tireless support of Deputy Commissioner Nanette Moreau.



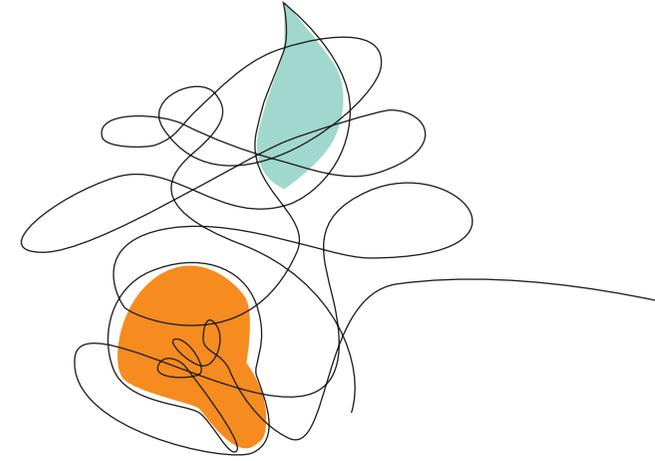
Judi Jones | Commissioner

*Judi Jones*

<sup>1</sup> LEADR is an Australasian organisation providing training and accreditation of mediators.

# Scheme document

The year's work was done under the Scheme document effective from 1 October 2012, the fifth version of the document since the Scheme was approved in April 2010.



## Scheme document

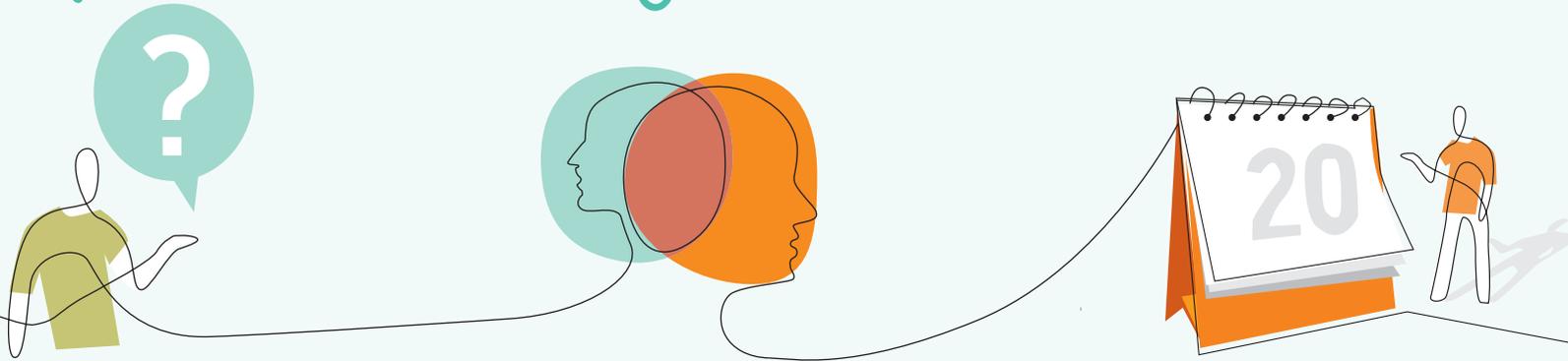
The Board consulted on recommended changes in November 2013. These included changes to allow the Commissioner to consider complaints about bottled LPG. The Board agreed to defer asking the Minister to approve this recommendation because MBIE's work on the exemptions regime has yet to be finalised. The recommended changes that were approved were administrative. The amended Scheme document took effect from 1 April 2014.

## Scheme complaints

This year the Board received two complaints about the operation of the Scheme. The Scheme document says the Board must investigate such complaints. The Board has delegated investigation of Scheme complaints to the Chair, who has responded to both complaints. The table summarises the complaints and their outcomes. It includes one complaint received in 2012-13 which was responded to during this reporting period. One other Scheme complaint received in 2012-13 was not pursued by the complainant.

Scheme complaint received		Outcome
12 13	Commissioner should have included the balance of final invoice as part of the agreement reached in full and final settlement of the complaint; the presentation of the final invoice was supported by the Commissioner and violated the agreement reached in full and final settlement of the complaint	Not substantiated. The complaint was limited to the back bill received and did not include other billing; Commissioner's correspondence clearly stated the settlement applied only to the back bill; Commissioner did not have any knowledge of or involvement in ongoing billing
13 14	Complainant made to feel wrong for complaining about the retailer; complainant pressured into accepting a settlement offer; preference for the retailer's view	No bias; options accurately presented; conciliator could have given complainant more time to consider the offer, but correct procedures followed
	Lack of knowledge by Commissioner and staff, shortfall in processes	It would have been helpful for the Commissioner's decision to set out how the complainant's account was to be recalculated, but this had been clarified in subsequent discussions between the complainant and the company

# Complaint handling



## Our core business is complaint resolution

### Something happens

People contact the EGCC because they have a question or something has happened with their energy supply. They:

- Seek information (an 'enquiry') or
- Have a 'complaint'

A complaint is an expression of dissatisfaction about goods and services provided by energy companies. When the EGCC is contacted, we take a preliminary look to see if the complaint is something the Commissioner can consider. We check whether:

- The complaint is about a member of the Scheme
- The complaint has been made to the member
- The amount in dispute is within the dollar limits the Commissioner can consider
- The complaint would be better dealt with elsewhere
- The person complained to the company and the EGCC in the timeframes set out in the Scheme document
- The complaint is about price

The Commissioner cannot consider a complaint about price, but can consider if the complainant is being charged the correct amount and has received correct information.

## The complaint is not resolved

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

- The complaint has reached 'deadlock'
- The complaint is something the Commissioner can consider, which includes assessing whether the explanation provided or offer made by the member company is reasonable

### Complaint reaches deadlock

The Scheme describes a complaint which is not resolved as reaching deadlock when:

- The complaint has taken longer than 20 working days in the member company process and is not resolved; or
- The complaint has taken longer than 40 working days to resolve (the member company must notify the complainant within the first 20 working days of good reasons why the company 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 the complainant can show good reason for the delay.

A conciliator tells the member company the complainant has asked the Commissioner to consider their complaint and the conciliator believes the complaint is at deadlock.



### Challenges to jurisdiction to consider a complaint

A member company may think the Commissioner is not able to consider a complaint. The member may believe the complaint is not at 'deadlock' or is outside the Commissioner's jurisdiction. Member companies challenged jurisdiction on 97 complaints this year. Team managers discuss the challenge with the member company and indicate the likelihood of the Commissioner deciding whether or not she could consider the complaint. If the jurisdiction challenge is not resolved the Deputy Commissioner has delegated authority to accept complaints for consideration.

Where the Commissioner believes she cannot consider a complaint, she will advise the complainant, giving reasons. The complainant can respond or provide further information. The Commissioner makes the final decision on whether to accept the complaint for consideration.

Of the 97 challenges, 47 were accepted for consideration. Another 47 were either not accepted or the complaint was resolved before a decision was made. The remaining three complaints were being considered by the Commissioner at year end.

### Commissioner accepts the complaint for consideration

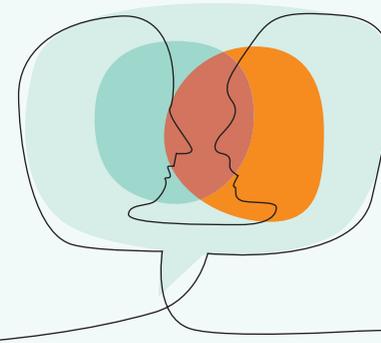
Of the 2,070 complaints received this year, the Commissioner accepted 189 complaints for consideration. Initially, 320 reached deadlock but 131 (41%) were resolved at this early stage between the complainant and the member company, sometimes with our assistance.

Once the complaint is accepted for consideration, we will work with the parties to try and resolve the complaint. We use a number of dispute resolution techniques. These include:

- Conciliation conferences, by teleconference or face-to-face meetings
- Shuttle negotiations
- Mediation

Other techniques used to assist with the resolution of a complaint include:

- Investigation summaries
- Site visits
- Engaging an external technical expert



### Conciliation conferences

We encourage the use of conciliation conferences to assist with early resolution and promote them to complainants and the member companies as a practical and efficient approach. This is a type of dispute resolution process facilitated by an EGCC conciliator. Sometimes a conciliation conference is held before the complaint has been accepted for consideration. Even if the conciliation conference does not reach a resolution it helps to define the issues and clarify the facts.

We held telephone conferences for 23 complaints accepted for consideration. Of these, 14 were resolved and two were partially resolved.

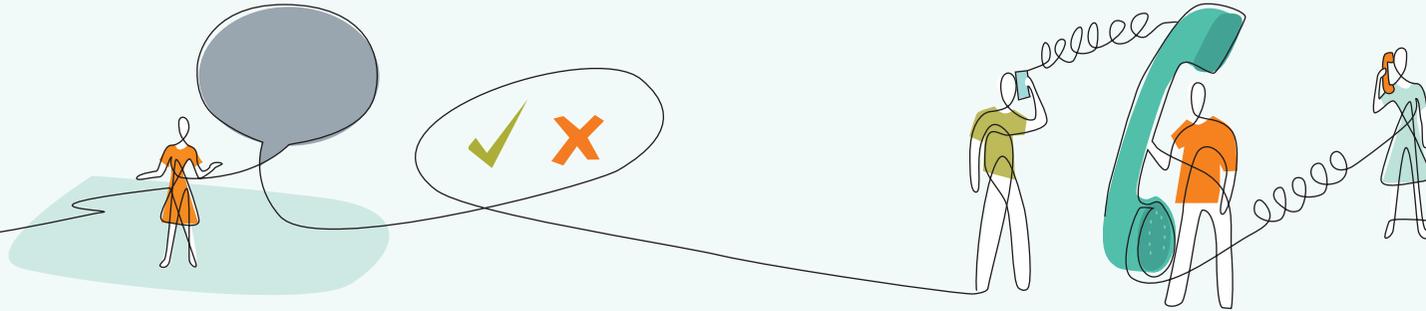
### No further consideration

At any time during the investigation of a complaint, the Commissioner may exercise her discretion not to consider a complaint further. Where this is proposed, the complainant will receive a report setting out the reasons for the Commissioner's decision. Normally the Commissioner believes the member company's offer was reasonable or the complaint was not substantiated. The complainant can respond and provide further relevant information which the Commissioner will consider.

During the year, the Commissioner issued no further consideration decisions in 23 cases. This increased from 10 in the previous year.

### Withdrawn or abandoned

Twenty-four complaints were withdrawn and nine were abandoned through the year. The complainant may decide to withdraw or abandon the complaint at any time and for any reason. Sometimes this happens after an investigation summary, an expert technical report, or receiving information during a conciliation conference which indicates the actions of the member company were reasonable.



### Recommending a settlement

If a complaint is not resolved, the complainant or the member company can ask the Commissioner to recommend a settlement of the complaint. The Commissioner gave notice of her intention to recommend a settlement on 25 complaints. The notice contains the facts of the case, analysis, and the reasoning of her proposal. The complainant and member company can make submissions before the Commissioner issues her final recommendation.

Eight cases were closed after the Commissioner gave notice, and a further 17 cases went on to a final recommendation.

In seven of these cases, the complainants accepted final recommendations that were rejected by the member company involved. The Commissioner then issued binding decisions, which means the company must implement the recommendations. The seven binding decisions issued this year are the most issued in a single year and bring the total to 25 since the Scheme began.

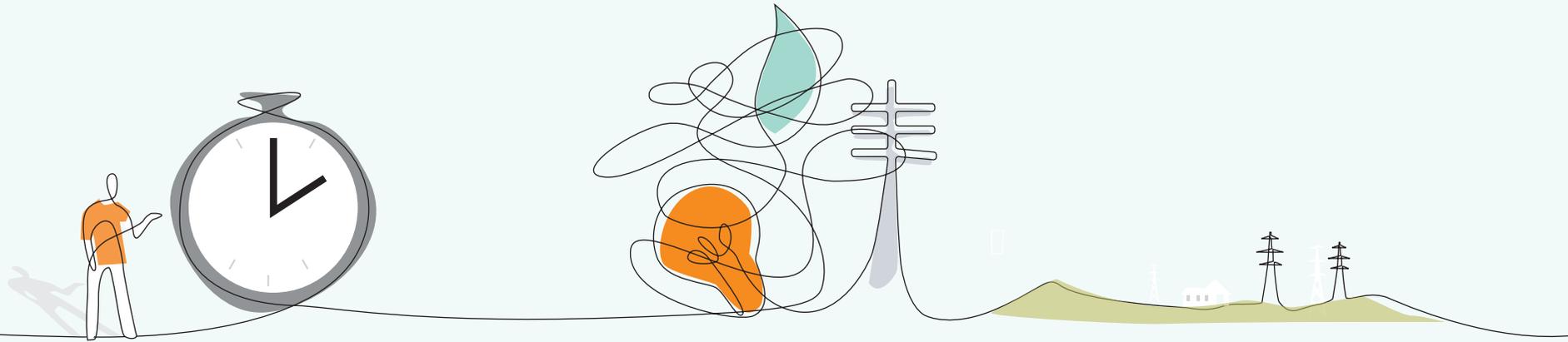
### Process trial

In August 2013 we trialled increased use of early referral to member companies. This means using the phone instead of email to contact a company as soon as we receive a complaint. We call this 'refer to higher level' (RHL). During an RHL call, the conciliator offers to facilitate a resolution between the parties. This can be by shuttle negotiation – calling the company to get its view and calling the complainant back, or a three way call between complainant, company, and conciliator.

When a person makes a complaint we ask if they have contacted their company. This is because companies have 20 working days to resolve the complaint.

If the person has not contacted the company, the conciliator offers to send a summary to the company. If the complainant accepts, the conciliator emails the summary to the company and closes the complaint. If the complaint involves an urgent matter, such as a disconnection, or seems very easy to resolve, the conciliator uses RHL.

During the trial conciliators used RHL unless there was a good reason not to. The results of the trial are being evaluated in the 2014-15 business year.



### Closed cases

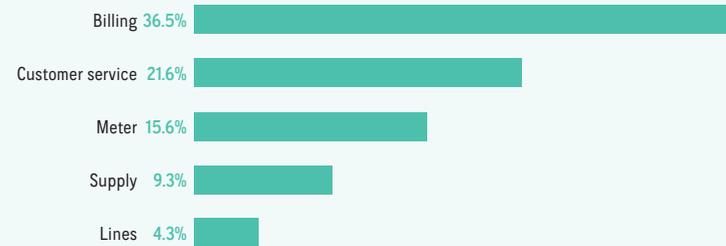
We closed 212 deadlocked cases during the year and opened 189 new ones. During the year 77% of deadlocked cases were closed in under 90 days and 83% in under 120 days. We met the key performance indicator from this year’s business plan of having 75% of deadlocked complaints closed in under 90 days.

Deadlocked cases	11-12	12-13	13-14
Open	247	268	189
Closed	230	278	212

### Issues in deadlocked complaints

Billing continues to be the most common issue in deadlocked complaints accepted for consideration. This is followed by customer service, meters, and supply complaints. Complaints about billing issues dropped to 36.5% from 43.8% in 2012-13, while complaints about customer service, meters and supply issues have risen.

Deadlocked complaint issues 13-14



This graph shows the top five issues in deadlocked complaints. It is slightly different to the top five issues in complaints. See the website for a full list.

# Systemic problems

Systemic problems affect, or have the potential to affect, groups of people. The Commissioner identifies and responds to systemic problems to ensure any complaints are resolved fairly and consistently. The Commissioner's most common response to a systemic problem is to discuss it with the company or companies involved.



This year some of the systemic problems responded to this way included: whether information on bills specified when a bill was an estimate; salespeople quoting incorrect prices; and charging disconnection fees in error.

In other cases the Commissioner may notify all members of the affected class of member (retail or network), or the regulators. This year the Commissioner notified groups about the following systemic problems.

## Notified to all retailers

### • *Notices to customers who get bills electronically*

We received complaints about back bills from customers who get bills electronically. The customers got back bills because their retailers could not access their meters. The retailers sent notices about the issue to the customers by 'attaching' letters or adding an endorsement to the online bills. The customers read the email and did not look at the bill, meaning they did not see the letter or endorsement. The customers said the emails did not say anything about a problem. The Commissioner issued a practice note to all retailers setting out what the Commissioner believes is good industry practice when sending notices to customers who get bills electronically.

### • *Valmet-Ivo / Enermet meter fault*

We received complaints about meters over-recording electricity use. The fault occurs in Valmet-Ivo or (Enermet) K320NXEp meters manufactured between 1989 and 1993. The Commissioner asked retailers what action they were taking and consulted a member of her panel of independent experts. The Commissioner is working with retailers to establish what she believes is good industry practice for this issue.

## Sharing information with the regulator

### • *Complaints about bottled LPG*

The Commissioner cannot consider complaints about bottled LPG (45kg bottles). This year we got more calls about this product, with billing and delivery problems the most common issues. We have discussed bottled LPG jurisdiction with the GIC and MBIE. GIC and MBIE are considering whether bottled LPG should be within EGCC jurisdiction and this was the subject of consultation in the year (see page 6).

### • *People unable to find a retailer*

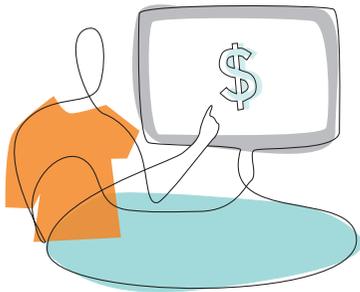
We are monitoring complaints from customers who cannot get a retailer to supply them due to previous debt or a disconnected property. MBIE is talking to retailers about their disconnection rates and processes. We have provided MBIE with statistics and case studies.

### • *ss 105 / 106 of the Electricity Industry Act 2010*

We are monitoring complaints relating to sections 105 and 106 of the EIA which concerns a distributor's obligation to supply. The complaints are about companies billing landlords and new tenants for charges incurred while a property is vacant or tenanted by someone else. MBIE intends to review ss 105 and 106 when the EIA is next amended.

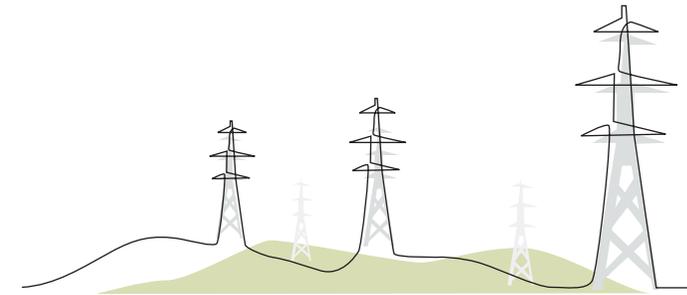
### • *Non-member companies*

We are monitoring queries and complaints about companies who potentially should be Scheme members. We pass this information to MBIE which has the power to enforce the requirement to be a member of the Scheme.



# Member companies

Three retail companies joined the Scheme in the year, bringing the total number of member companies to 60. One of these members is also a lines member. We now have 37 lines members and 28 retail members representing nearly 70 brands.



## Member satisfaction

We survey member companies annually asking about their satisfaction with various aspects of the service it provides. The survey includes a question about member satisfaction with the complaint handling process that the Board uses as a performance standard. This year the standard of 75% was not met. The result of the member survey was 67% rated the complaints handling process as satisfactory or better. This is an improvement from 58% for 2012-13, and the response rate also improved, up from 33% last year to 48% this year.

The result includes both classes of membership, although we survey retail and network members separately. Satisfaction is higher for network members, with 82% rating themselves satisfied or better with the EGCC complaint handling process, compared to 45% of retail members. Of the 28 members who responded to the question, only three selected a response below the option of neither satisfied nor dissatisfied.

### Quality of Commissioner's written decisions % 13-14



The survey asked members to assess the quality of the Commissioner's written decisions, regardless of the outcome. The graph shows the percentage of members who rated the decisions good or better in four areas.

## Member services

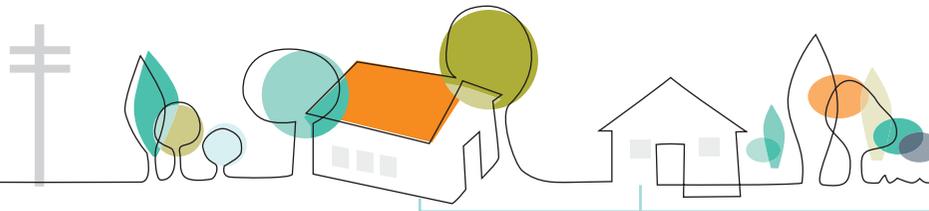
The strategic initiatives for 2014-15 include measures to improve member satisfaction. The one likely to have greatest impact on members has EGCC staff share knowledge to help members resolve electricity and gas complaints.

There are three strands to this initiative:

- Complaint handling workshop – to provide general complaints handling skills to staff of member companies (The first of these were delivered in March 2014 and were very well received.)
- Process training – to improve member knowledge of the Scheme's process
- Member resource – to develop resources member companies can use to assist complaint handling

Another of the strategic initiatives is focused on increasing the visibility of the Scheme. This will improve the accessibility of resources to all users, including member companies.

Business-as-usual work likely to improve member satisfaction is the focus on timeliness in complaint handling, the development of relationships between team managers and member companies, and the continuous improvement of the members' area of the website.



### Compliance with the Scheme document

Members have to self-review their compliance with the Scheme document annually. The Commissioner's office has refined the process over the past four years to make the exercise as simple and as meaningful as possible for members. The purpose of monitoring compliance is to maintain high standards of complaint handling within companies. The quantitative measures are acknowledgement and response time within the companies' own processes, and the number of complainants told about their right to use the Scheme if the complaint cannot be resolved by the company. The following table shows self-reported compliance against these measures.

	Retail companies	Network companies	All member companies
% of complaints acknowledged in 2 working days	93%	95%	94%
% of complaints responded to in 7 working days	80%	98%	90%
% of complaints reaching deadlock advised of right to go to EGCC	73%	77%	74%

Most compliance can only be assessed qualitatively. Members report compliance in five areas: promoting awareness of the Scheme, in-house complaints handling, referral between members, consumer contracts, and disclosure to the Commissioner.

Compliance is assessed on a four point scale: high, compliant, some, poor.

	Retail companies	Network companies	All member companies
Promoting awareness of the Scheme	High 57% Compliant 26% Some 13% Poor 4%	High 80% Compliant 20%	High 70% Compliant 23% Some 6% Poor 1%
In-house complaints handling	High 87% Compliant 13%	High 93% Compliant 7%	High 91% Compliant 9%
Referral between members	High 91% Compliant 9%	High 97% N/A 3%	High 94% Compliant 4% N/A 2%
Contracts	High 57% Compliant 30% Some 9% Poor 4%	High 74% Compliant 13% N/A 13%	High 66% Compliant 21% Some 4% Poor 1% N/A 8%
Disclosure	High 44% Some 4% N/A 52%	High 40% N/A 60%	High 42% Some 1% N/A 57%

The following table shows the results of this assessment.

Two members, Hunet Energy and Prime Energy, were reported to the Minister for persistent breaches of Scheme requirements. The Chair and Commissioner have met with these companies to discuss how they can improve their compliance.

# Deadlocked complaints by member



This table shows the number of complaints reaching deadlock by member company (retail and network) for the year. The number of such complaints is expressed as a share of the category complaints, and the members' market share is shown for comparison. Market share 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.

Over 91% of deadlocked complaints are about electricity. More than half the retail members and two thirds of the network members had no complaints reach deadlock.

This table shows the name of the member company. The list on page 25 shows trading names and brands.

	Number of complaints that reached deadlock	Share of category complaints that reached deadlock %	Market share of category ICPS %
<b>Retail members</b>	<b>69.8% of deadlocked complaints</b>		
<b>Bosco</b>	2	1.52	1.15
<b>Contact Energy</b>	60	45.45	23.15
<b>Energy Direct NZ</b>	1	0.76	1.09
<b>Genesis Energy</b>	27	20.45	28.57
<b>Hunet Energy</b>	2	1.52	0.04
<b>Mighty River Power</b>	12	9.09	18.27
<b>Meridian Energy</b>	3	2.27	9.87
<b>Nova Energy</b>	7	5.30	6.28
<b>Pulse Utilities</b>	11	8.33	1.40
<b>Powershop</b>	5	3.79	2.27
<b>Prime Energy</b>	2	1.52	0.03

	Number of complaints that reached deadlock	Share of category complaints that reached deadlock %	Market share of category ICPS %
<b>Lines members</b>	<b>30.2% of deadlocked complaints</b>		
<b>Aurora Energy</b>	1	1.75	3.70
<b>Counties Power</b>	1	1.75	1.67
<b>Electricity Ashburton</b>	1	1.75	1.13
<b>Marlborough Lines</b>	4	7.02	1.08
<b>Orion</b>	1	1.75	8.14
<b>Powerco</b>	8	14.04	18.15
<b>PowerNet</b>	1	1.75	2.97
<b>The Lines Company</b>	20	35.09	1.02
<b>Top Energy</b>	2	3.51	1.30
<b>Unison Networks</b>	6	10.53	4.77
<b>Vector</b>	9	15.79	30.29
<b>WEL Networks</b>	1	1.75	3.77
<b>Wellington Electricity Lines</b>	2	3.51	7.27

# Awareness and accessibility

The founding principles of the Scheme require it to be known in the community. This is a challenge for an organisation that does not advertise and offers a service people only think about when they have an immediate need.



## Being known in the community

Member companies have a significant role to play in making us known in the community. The performance standards for both awareness and accessibility are measured by an increase in members' self-reported compliance with the requirement to advise complainants whose complaints reach deadlock about the Scheme. It was disappointing to see compliance decrease from 78% to 74%. This means the performance standards were not met. The business initiative targeted at members should help improve compliance.

A limited range of people use us. When we survey complainants about their experience of using the EGCC we ask for demographic information. The results show our service is most used by males over 50, on middle or higher incomes, who describe themselves as NZ European. This picture of the typical complainant was confirmed by a nationwide survey in February 2014 that included questions about awareness of the EGCC. Awareness of the EGCC was just 18%, and the person least likely to know about us was female, aged 18-29, with an income less than \$15K per annum.

The organisational review challenged the Scheme to work towards 'a much higher profile of issues of scheme visibility - and greater knowledge of how to make complaints - in disadvantaged groups'. This is being addressed by one of the strategic initiatives in the business plan for 2014-15. The Commissioner's

office will make presentations and go to community events throughout the country, working with other complaint handling organisations where possible. It will review its resources to ensure they are accessible to a wide range of people.

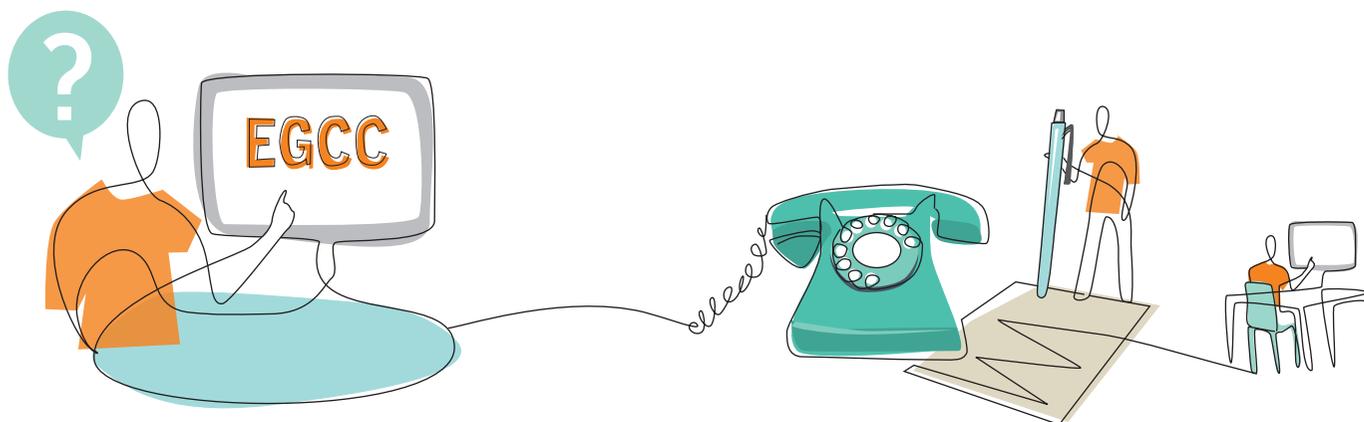
## Media

The Commissioner's office received more media queries in the year than in previous years. This is attributed to a couple of factors. One is the introduction of twice-yearly publication of the names of member companies who have complaints reach deadlock (see page 15). The other is the number of energy related issues in the media, including new technologies, energy efficiency, an increase in disconnections, and energy poverty. The Commissioner was asked to take part in a discussion on energy poverty for a television current affairs programme (screened in June 2014).

## Being accessible

### Publications

This year we had our standard brochure translated into New Zealand Sign Language. We updated our fact sheet about trees and powerlines, and added a new sheet about safe work practices for felling or trimming trees near power lines. All our fact sheets and the brochure are available from Citizens Advice Bureau throughout New Zealand. Community Law Centres and budgeting services are also outlets for our publications. We are grateful to all these organisations for helping direct people to us.



### Website

We upgraded our website at the beginning of the financial year. The purpose of the upgrade was to increase use of the website, especially from mobile devices. This has been achieved, with a 40% increase in visits overall and a 60% increase in visits from people using mobile devices (mobile phones and tablets). Visitors to the site view more pages and stay longer. We publish anonymous summaries of cases, called case notes, on the website. As part of the upgrade we added a search function to the case notes. This means visitors can search by issue, year, or outcome. The site has one-click searches for case notes on the most common issues: billing, customer service, meters. This feature has proved to be one of the most popular on the website. Conciliators use it to refer companies and complainants to relevant case notes.

### Contacting us

Most people who contact this office do so by phone. Over 97% of enquiries and 71% of complaints are made over the phone. We have a 0800 number and accept calls from mobile phones. A survey of people who contacted the office in a three month period and had a complaint referred to a company showed they found it easy to get contact details, got the information they needed from the first contact, and found it very easy to talk to us.

The number of complaints received by email or through the complaint form on our website increased from 22% to 26%, while only two per cent of enquiries were made by email or through the website.

### Surveys of satisfaction

We surveyed people whose complaint had reached deadlock and closed in a certain six-month period. We surveyed this group by post and got a 22% response rate.

The performance standard is:

Complainants whose file reached deadlock rate Scheme performance at resolving complaints as good or better.

**Target: 75%**

**Result: 77% Achieved**

### How people were referred - top 7

	13-14
Company bill	606
Company	264
Own knowledge	146
Search engine	93
CAB	71
EGCC website	47
Friend or relative	44
	12-13
Company bill	628
Company	206
Own knowledge	169
EGCC website	90
CAB	64
Friend or relative	63
Other	38
	11-12
Company bill	1270
Company	211
Own knowledge	185
EGCC website	162
CAB	70
Friend or relative	70
Work & Income NZ	56

# Case notes

<b>Case</b>	48771
<b>Year</b>	2014
<b>Category</b>	Electricity
Customer service – poor attitude, Billing – back bill – disputing back bill, Switch – error – wrong site	

## Mistake with the ICP number

### The complaint

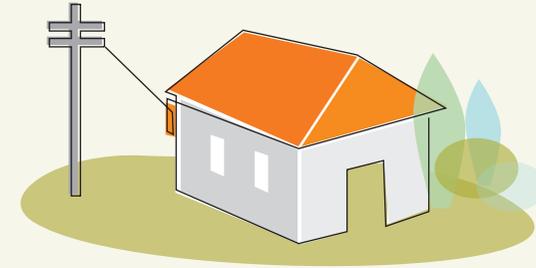
Mrs L complained an electricity retailer did not bill her tenants properly and provided poor customer service to her as their representative.

Mrs L was the tenants' budget adviser and had authority on their electricity account. Mrs L said the tenants moved in to a property she used to live in. The tenants opened a new electricity account with a different retailer. The tenants set up direct debits to the retailer for their electricity. After four months the retailer sent the tenants a letter saying no electricity was being used at the property and the account was in credit.

Mrs L contacted the retailer to sort out the account. Mrs L and tenants gave the retailer information about the meter at the property and the ICP number.<sup>(1)</sup> Mrs L said the retailer told her the information she provided was wrong. Mrs L said she spent many hours talking to the retailer about the account.

The retailer checked the electricity registry<sup>(2)</sup> and realised it had made a mistake about the ICP number when it opened the tenants' account. The retailer offered a \$150 customer service payment to resolve the complaint.

Mrs L did not accept the offer, and asked the EGCC to investigate the complaint.



### The outcome

The EGCC held a telephone conciliation conference with the parties after investigating the complaint. The complaint was settled at the conference. The retailer agreed to apply a 10% prompt payment discount on the correct bill, and apply a \$400 credit on the account.

The EGCC's investigation found:

- The electricity registry did not have correct information about the properties in the street
- The tenants' street address on the electricity registry did not match the postal address for the property
- Mrs L gave the retailer the correct address for the property in the registry two months after the tenants moved in
- Another retailer changed the meter at the property before the tenants' retailer requested the ICP number in the registry

### 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.

<b>Case</b>	37936
<b>Year</b>	2013
<b>Category</b>	Electricity
Contract, quantum meruit	



## Principle of quantum meruit

### The complaint

Mr P owned a rental property. Mr P did not re-let the property after a tenant moved out. The following month the network company sent Mr P an invoice for lines charges including metering, control, and network fees as well as demand charges.

Mr P told the network company he did not have a contract with it. Mr P said if the network company wanted payment for charges incurred by the previous tenant then it should contact the tenant.

Mr P paid the invoice and told the network company the payment was for the metering, control and network fees only. Mr P expected what he had paid would cover these fees for about a year. Mr P said he would not pay the demand charge because there was no demand for electricity while the property was vacant.

The network company offered to credit Mr P the first invoice and to reduce the demand charge. Mr P rejected the offer and contacted the EGCC.

### The outcome

The Commissioner upheld Mr P's complaint and recommended the network company set the demand charge at zero.

The Commissioner's recommendation was based on the following conclusions:

- There was no contract between Mr P and the network company

- The network company was entitled to recover reasonable costs under quantum meruit for the services it continued to provide to Mr P's property
- It is fair and reasonable for the network company to set the demand charge at zero units of demand

#### No contract

The Commissioner was satisfied there was no contract between Mr P and the network company. The company had not given Mr P a copy of the terms and conditions. The Commissioner did not accept the issuing of the first invoice by the network company and the subsequent payment by Mr P formed a contract. The Commissioner found the invoice did not provide Mr P certainty about what was being agreed.

#### Quantum meruit

The Commissioner found the legal principle of quantum meruit meant the network company could recover reasonable costs for the services it was providing to Mr P's property. Quantum meruit allows a party that has supplied goods or services in the absence of a contract to recover reasonable costs for its supply. Quantum meruit applies where the person who received the services:

- requested to be supplied with services or freely accepted them, and received a benefit from those services; or
- received a benefit from the services, whether or not the services were requested or were freely received.

The Commissioner found Mr P freely accepted the services provided by the network company and Mr P received a benefit by being able to demand electricity once the property was occupied again. The Commissioner was satisfied Mr P knew he could reject the services by asking the network company to remove the electricity installation, but did not do so.

#### Fair and reasonable

The Commissioner recommended a fair and reasonable settlement of the complaint would be for the network company to set the demand charge at zero. The Commissioner believed the correct application of quantum meruit would entitle the network company to recover the market price or the recoverable amount under a normal commercial arrangement. The Commissioner believed by applying the pricing methodology applicable at the time, the demand charge would have been set at zero anyway.

Mr P accepted the recommendation but the company did not. The Commissioner's Terms of Reference allow her to issue a binding decision against the company in this situation. This means the company has to abide by the Commissioner's decision.

#### Binding decision

**Note: The company has changed its pricing methodology since this complaint was closed.**

<b>Case</b>	42901
<b>Year</b>	2013
<b>Category</b>	Gas
Customer service – poor attitude	

## *\$4,000 termination for a commercial contract*

### **The complaint**

Ms X complained a gas retailer threatened to charge her an early termination fee of more than \$4,000 when she said she wanted to close her business account.

Ms X bought a business that used gas. Ms X contacted the gas retailer used by the previous owner of the business. Ms X expected to pay the same rate for gas as the previous owner.

An account manager from the company visited Ms X and offered a slightly cheaper rate, as long as Ms X signed the contract immediately. Ms X signed.

Ms X called the retailer 20 minutes after signing to cancel the contract.

The retailer told her there was a \$4,000 termination for a commercial contract. Ms X did not read all the conditions of the contract and was unaware an early termination fee could apply.

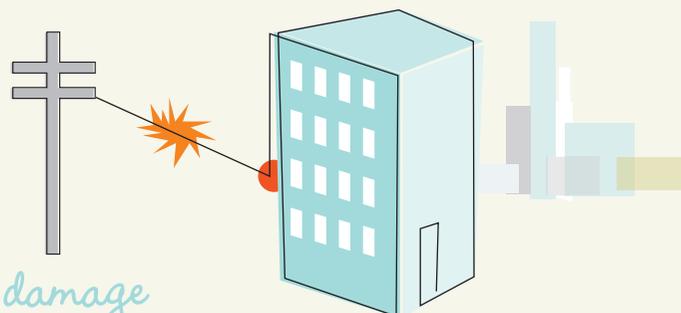
Ms X believed the gas retailer should have informed her how much an early termination fee could be.

### **The outcome**

The EGCC talked to Ms X and the retailer. Ms X offered to stay with the retailer for two months. The retailer offered to waive the termination fee. Ms X accepted the offer in full and final settlement of the complaint and switched to another gas retailer.

### **Settled**





## Surges on the electricity network caused damage

### The complaint

The owners of ABC Ltd complained surges on the electricity network damaged the alarm at their business premises. The owners said they noticed lights flickering and buzzing a few days before the damage occurred. They claimed the cost of replacing the alarm from the network company.

The owners said the network company had an obligation not to exceed voltage requirements of the Electricity (Safety) Regulations 2010 and the network company had not met that obligation. They said this cost their business time and money.

The network company said the fault occurred because a connection within the pedestal supplying ABC Ltd became loose. The network company said it would not pay for the damage because it was not negligent.

The network company said the damage may not have occurred if the owners had contacted the network company when they first noticed the problem. The network company said it recently carried out an advertising campaign to encourage customers to contact it about any problems with electricity.

### 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 the complaint.

The Commissioner got advice from one of her panel of independent experts. The Commissioner asked the expert whether the network company had done enough to prevent the connection becoming loose. The Commissioner accepted the expert's advice the work was done to a reasonable standard when the connection was installed, and it was unlikely an inspection would pick up the fault.

The Commissioner found other factors were likely to have contributed to the damage to the alarm. These factors were:

- The alarm was more sensitive to interruptions in supply due to its age
- The interruptions in supply continued over several days without the owners notifying the network company

The Commissioner said the network company had obligations to ABC Ltd under the Electricity (Safety) Regulations 2010, but these obligations were limited by the retailer's terms and conditions. The terms and conditions excluded liability for damage to sensitive appliances from interruptions in supply. The terms and conditions also excluded the provisions of the Consumer Guarantees Act 1993 for businesses.

### Recommendation – not upheld

<b>Case</b>	44622
<b>Year</b>	2013
<b>Category</b>	Electricity
Supply – surge – damage	

<b>Case</b>	31020
<b>Year</b>	2012
<b>Category</b>	Electricity
Price – Switch – Customer service	

## Rates quoted not applied

### The complaint

Mr D complained an electricity retailer did not apply the rates it quoted when he agreed to open his account. Mr D said he switched to the retailer because of the quoted prices. Mr D also said the retailer's service was poor and it took too long to respond to his complaint.

The retailer agreed it did not apply the rates it quoted. The retailer recognised it took too long to respond to Mr D's complaint and apologised for the poor service.

The retailer offered to credit Mr D's account \$561.33. This included \$311.43, being the difference between the rates quoted and the rates charged over a six month period, and \$250 as a customer service payment.

Mr D rejected the offer and asked the retailer to continue to apply the prices it had quoted.



### The outcome

Mr D asked the Commissioner to recommend a settlement. The Commissioner upheld the complaint and recommended Mr D accept the retailer's offer.

The Commissioner based her recommendation on the following conclusions:

- The retailer did not charge the agreed price
- The retailer responded poorly to Mr D's complaint
- The retailer did not give Mr D 30 days' notice of an increase in price
- The retailer offered to honour the agreed price for a reasonable period

Mr D did not accept the Commissioner's recommendation and the file was closed.

### Recommendation – upheld

# Financial summary

## 2013-14

Total cases 6,457

Cost per case \$440.91

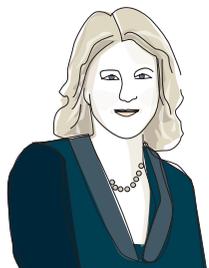
Budget \$3,070,795

### Income and expenditure (summary)

For the year ended 31 March	11-12	12-13	13-14
	\$000	\$000	\$000
Annual levy	2,326,448	3,275,097	<b>2,757,577</b>
Other income	103,196	81,512	<b>86,585</b>
<b>Total income</b>	<b>2,429,644</b>	<b>3,356,609</b>	<b>2,844,162</b>
Staff related costs	1,459,656	1,955,768	<b>2,058,088</b>
Other costs	691,266	758,595	<b>721,971</b>
Depreciation	106,983	62,856	<b>66,886</b>
<b>Total expenditure</b>	<b>2,257,905</b>	<b>2,777,219</b>	<b>2,846,945</b>
<b>Operating surplus/(deficit) before tax</b>	<b>171,739</b>	<b>579,390</b>	<b>(2,783)</b>
<b>Total cases</b>	<b>7,490</b>	<b>6,357</b>	<b>6,457</b>
<b>Cost per case</b>	<b>301.46</b>	<b>436.88</b>	<b>440.91</b>
<b>Budget</b>	<b>2,282,200</b>	<b>3,136,500</b>	<b>3,070,795.00</b>

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



Industry representatives



Consumer representatives



## Hon Heather Roy

*(Appointed January 2014, term expires December 2017)*

As Minister of Consumer Affairs from November 2008 to August 2010, Mrs Roy was involved in consumer law reform and the approval of the EGCC as the regulated scheme for the electricity and gas sector. Mrs Roy is Chair of Medicines New Zealand and a member of the Territorial Force Employer Support Council. She is a principal/director of a boutique consulting business, Torquepoint. Mrs Roy is also a Reserve Officer in the New Zealand Army.

## Retailer representative Contact Energy

### James Kilty

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

James Kilty, General Manager Sales & Customer Experience, 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 in commercial, local body, and non-governmental community organisations. Linda is a councillor for Waitakere on the Auckland Council, a trustee of Waitakere Healthlink, and Chair of Family Action Inc. Linda is the youth mentoring representative on the Territorial Forces Employer Support Council.

*Alternate: Sue Chetwin, Consumer NZ*

## Nicky Darlow

*(Appointed March 2011, re-appointed March 2013, term 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

## Network

Alpine Energy  
Aurora Energy  
Buller Electricity  
Centralines  
Chatham Islands Electricity  
Connect Utilities (from February 2014)  
Counties Power  
Electricity Ashburton  
- trading as EA Networks  
Electra  
Electricity Ashburton  
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, Otago Net Joint Venture, The Power Company  
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  
Wanganui Gas - trading as GasNet  
WEL Networks  
Wellington Electricity Lines  
Westpower

## Retail

Auckland Gas  
Bay of Plenty Energy  
BOSCO  
- includes: Budgie, Jimmy, Tiny Mighty Power  
Chatham Islands Electricity  
Connect Utilities (from February 2014)  
Contact Energy  
- includes: Empower  
EMH Trade (from December 2013)  
Energy Direct NZ  
Energy for Industry  
Flick Energy (from November 2013)  
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, includes: GLO-BUG  
Nova Energy  
OnGas  
Opunake Hydro  
Payless Energy  
Pioneer Generation  
Powershop NZ  
Prime Energy  
Pulse Utilities  
- includes: GreyPower Electricity, Just Energy, Marvellous Lovely Power Company, Pulse Energy  
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  
James Blake-Palmer  
Jerome Chapman  
Bonnie Gadd  
Moira Ransom

**Conciliators**  
Daniel Becker  
Ali Cameron (0.7)  
Markus Frey  
Steven Graham  
Louise Holden (fulltime, 0.5 from August 2013 until March 2014)  
Riki Jamieson-Smyth  
Adam Meek  
Ross Miller (until March 2014)  
Hannah Morgan-Stone (0.8)  
Sarah Ramsay  
Lewis Rivers (0.8, 0.6 from February 2014)  
Simon Roughton  
Annika Voulgaris

**Corporate services manager**  
Lisa Player (0.5 - on parental leave May 2013 to March 2014)  
Eileen Lockerd (0.5 May 2013 to March 2014)

**Communications advisor**  
Dinah Vincent (0.6)

**Research analyst**  
Mika Reilly  
Louise Holden (0.5 from August 2013 until March 2014)

**Reporting analyst**  
Richard Heaps (full time, 0.4 from July 2013)  
Alexi Serepisos (0.6 from July 2013)

**Executive and team assistant**  
Christy Waller

**Team support**  
Caleb Green (0.6 until December 2013)  
Niall Monaghan (from February 2014)  
Alexi Serepisos (full time, then 0.4 from July 2013)





Electricity and Gas Complaints Commissioner Scheme

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Wellington 6145

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Website [www.egcomplaints.co.nz](http://www.egcomplaints.co.nz)