

Improving Electricity Billing in New Zealand¹

Utilities Disputes Limited | Tautohetohe Whaipainga (Utilities Disputes) strongly supports the aims of the discussion paper and its proposals to: improve electricity bills, introduce back bill restrictions; and increase the information provided to consumers around best plans and switching.

Utilities Disputes

Utilities Disputes' Energy Complaints Scheme (ECS) is the statutory mandated complaints resolution scheme for resolving complaints about every electricity retailer and distributor in New Zealand.² Utilities Disputes resolved 20,936 consumer complaints and queries last year and we are projected to resolve over 28,124 this year.³

We are a not-for-profit and our service is free to consumers. We are experts at resolving utility complaints as we operate consumer dispute resolution schemes for water, telecommunications, and broadband providers.

We draw on this unique perspective to comment on the *Improving Electricity Billing in New Zealand (Improving Billing Paper)*.

Summary of our submissions

The proposals will reduce complaints and improve the relationship between consumers and retailers in a number of ways.

Improved bills

Standard information on bills will allow consumers to make better choices about their usage and plan. Other changes will improve switching. The changes should also drive efficiencies in the way retailers bill and the switching process while ensuring greater consistency of service. They should also help ensure the industry achieves some basic billing standards which have been in discussion since 2019.⁴ We also support mandatory wording on bills directing consumers to the EA's price comparison site, and Utilities Disputes.

¹ Some formatting changes in heading since submission.

² See s 95 & schedule 4, cl 1, Electricity Industry Act 2010; s 43E Gas Act 1992.

³ UDL's voluntary telecommunications scheme is not an industry dispute resolution scheme under part 7 of the Telecommunications Act 2001. At present it has one member.

⁴ "We identified other consumer-related problems. One is that households and small businesses lack sufficient say in the direction of the sector. They are largely unseen and unheard. They also cannot get immediate access to their consumption data. Many plead for more understandable bills that will help them compare plans and switch to retailers offering better deals." *Electricity Price Review*, 21 May 2019, pg. 1.

Restrictions on back bills

We are pleased to see the EA is moving to reduce the period that can be covered by back-bills. As it is aware, Utilities Disputes has raised concerns over inconsistent back billing practises for some time and had recommended that the issue be addressed when the CCOs were first issued.

Back-billing is a significant issue for consumers. They may have no awareness their bills are based on estimates, especially where there is an issue with the meter, or an error with the retailer's in-house systems. We have seen inconsistent approaches to how far back retailers will go when issuing back bills, from 14 months to many years and many will attempt to direct debit the entire back-bill in one transaction, even though it runs to thousands of dollars. The changes that are proposed will bring New Zealand into line with international best practice, as proposed by Utilities Disputes.

Consumer voice

We also believe it's vital for consumer feedback to be incorporated into any final changes around billing, and we support the EA's promise to engage with consumers about the model bill. The regulator and retailers cannot presume to know the needs of consumers and should rely on feedback from focus groups when reviewing any draft bills.

Compliance

We again suggest the EA should extend its retailer audit process to include some level of proactive checks around compliance with the CCOs.

Whole of industry solutions

We also suggest the EA introduces review processes for non-traditional electricity retailers such as those involved in retailing solar and other distributed energy. Many of these are registered as electricity retailers on the EA register, however, there seems to be little oversight over their billing practices and contracts. This is a concern where consumers are tied to long-term contracts with corresponding long-term obligations. It is important consumers receive the same level of protection as they would have when dealing with a traditional retailer and that all registered electricity retailers understand how the Consumer Care Obligations (CCOs) and other industry standards apply to their goods and services. Particularly around billing and fees.

We also suggest the EA looks at doing more to address errors in the electricity registry with the onus remaining on the retailer. The EA is rightly preparing the industry for increased automation and digitisation as well as the Consumer Data Right. However, care is needed to ensure that automation does not lead to savings for the retailer and unnecessary burdens on consumers.

The proposals are positive

Overall, we strongly support the changes the EA is proposing. Consumers will be able to have multiple retailers in the coming years as distributed forms of energy become more common. This is likely to complicate billing further for consumers. As an industry we must find ways of simplifying any complexity. Repeating the words the Deborah Hart, Chair of Utilities Disputes, and past Chair of the Consumer Advocacy Council: “*Power bills shouldn’t be a riddle.*”⁵

Assessment Principles

1. We set out below principles for assessing the EA’s proposals.⁶ Counterproposals should be measured against these principles:
 - i. The timeframe for voluntarily compliance has passed. Many of these issues were raised in 2019 (if not earlier) and codification is therefore justified.
 - ii. The changes will encourage competition and bring about market efficiency and could be viewed as a continuation of the market reforms, begun in previous decades.
 - iii. The proposals about billing will help providers reach the ordinary expected billing standards of business invoicing.
 - iv. Retailers will be able make use of new technologies to aggregate data and gain insights. To take advantage of the same opportunities consumers must also have access to information that relates to them personally.
 - v. The amendments are necessary to provide reasonable protections for consumers, especially when a back-bill is required.

A Need for Codification

2. Frontier Economics notes below, issues about billing were identified in 2019. That is half a decade without a satisfactory solution.⁷ The window for voluntary change or a market driven solution has therefore closed, and amendments to the CCOs are required. We therefore support the EA’s proposal to codify of the proposals.⁸

⁵ See RNZ, “‘Power Bills Shouldn’t Be a Riddle’ – Consumer Advocacy Group Chair Calls for Greater Bill Transparency”, 26 September 2023; see *Improving Billing Paper*, B. 10.

⁶ These principles support and are congruent with many of the EA’s assessment principles, see *Improving Billing Paper*, pg 43-48.

⁷ See Frontier Economics, *Review of Electricity Market Performance*, Final Report to MBIE and Ministers, 23 May 2025, pgs. 9, 76, 85. See fn 3.

⁸ See *Improving Billing Paper*, paras 6.43, 6.49

The issue of bill complexity was also raised in the Electricity Price Review, but again no solution has been developed for this. The incentive for current retailers is to avoid bill simplification if it raises the costs and frustrations for customers who want to switch suppliers. Indeed, comments from the retail side of the market suggested a reluctance to resolve this issue. We think that the absence of more uniform provision of billing information is making it harder for customers to make price comparisons and deters customers from shopping around.⁹

An Efficient Market

3. Changes to the electricity industry over the last decades have encouraged competition among retailers.¹⁰ A government report summed up the reforms this way, while noting the importance of good complaint handling:

In 2009 and 2010, the review of the electricity market resulted in significant electricity market reforms. The reforms make it easier for more electricity retailers to operate across New Zealand, so customers will have more choice in providers. The Government has also established a three-year \$15 million fund to promote customer switching. The Electricity Authority estimates that residential customers could save on average about \$150 a year - or \$240 million a year across all customers – by switching to the cheapest available retailer. Consumer complaints are also dealt with more effectively. This helps to promote competition and improve the price and quality of goods and services.¹¹

4. Competition demands consumers have adequate information to make choices. At minimum a consumer should have sufficient data to know: their plan, their consumption, the fees they will be charged or credits they will accrue, as well as the rate(s) they will be charged for the electricity they consume.
5. Utilities Disputes has consistently highlighted the fact billing issues are one of the biggest drivers of consumer complaints. The high frequency of complaints strongly suggests a systems change is necessary. The EA's proposals therefore are required to:
 - i. improve competition;
 - ii. ensure consumers have adequate information to make informed choices; and
 - iii. address the high number of billing complaints.

Consumer benefits

6. Retailers can receive the benefits of data aggregation and analysis through new technologies such as Artificial Intelligence. This can allow them to tailor goods and services to the market. Consumers should also be allowed to derive benefits from these technologies, particularly where their own data is the source. It should be

⁹ *Review of Electricity Market Performance, Final Report to MBIE and Ministers*, pg 81.

¹⁰ See for a useful snapshot of industry history (absent recent events), MBIE, *Chronology of New Zealand Market Reform*, August 2015, [report](#).

¹¹ NZ Government, *New Zealand Energy and Conservation Energy Strategy 2011-2021: Developing Our Potential*, August 2011, 12.

easier for consumers to find the best plan for their needs and shift their usage to gain the most benefit. One easy way to facilitate this is by standardising the information on bills. While the proposed changes are sensible, the changes also highlight the importance of the EA paying close attention to how consumer data is being utilised in new technologies.¹² This analysis should include a discussion about a consumer's rights of access to data, its use, and their ability to withhold access.¹³

A Requirement of Good Business Practice

7. A basic element of the selling of goods and services is the bill. A bill with adequate information about the: date and time the goods and services were supplied; a description of those goods and services; and the quantity and volume of those goods and services.¹⁴ Where there is doubt the business should be able to easily clarify this information.
8. Utilities Disputes' experience is that providers can struggle to adequately supply this information and/or expand upon it on request. Consumers sometimes cannot identify if the electricity provided is estimated or actual, the basis for the billing amount requested (consideration), and the period it covers.
9. Since the business reforms of post 2000 it is unacceptable that the bill, the basic building block of the exchange of goods and services is not always managed well by retailers and distributors. Therefore, for the reasons of good business practice Utilities Disputes supports the EA's proposals.

Consumer Protection

10. Gaps in information can lead to significant consequences for the consumer, as seen in this Utilities Disputes complaint summary:

There was an error in the registry which resulted in back bill just under \$3,000.00. A direct debit occurred, after the complaint was made, and this was reversed. There were further attempted direct debits, which appeared to be due to automated systems. The complainant advised the stress these attempts caused, including raising the possibility that a mortgage payment could not be met. Upon a review of the billing data it was discovered the amount billed was inaccurate because of differences between actual and estimated reads. Customer service issues were also raised. The Commissioner taking into account all issues recommended a payment plan and a reduction of about 50% of the original bill.¹⁵

¹² UDL, *Consultation Paper - Our Future is Digital*, 10 July 2025, pg 2-3

¹³ We note the EA's reference to AI billing, see *Improving Billing Paper*, pg 20.

¹⁴ See for context definition of consideration, tax invoice, and supply information, ss 2, 3, 24 of the Goods and Services Tax Act 1985.

¹⁵ See for a lengthier summary, *UDL Systematic Insights 2024*, Dec 2024, 8-10.

11. Correct billing would not have resolved all these issues. However, many of the issues would have been clarified or not taken place at all if there had been an:

- i. an accurate invoice;
- ii. a back-bill with clear information about actual and estimated reads;
- iii. a bright line rule restricting the length of time that can be covered by a back bill, and
- iv. rules about direct debiting.

12. We believe therefore the EA's proposals about billing information, back-billing, notification to a consumer of a better plan, and switching are necessary: to protect the consumer, rebalance the consumer-provider relationship, and to give clear expectations to retailers.

13. We now make observations on each proposal and identify some related matters for the EA's consideration. At **Appendix A**, you will find Utilities Disputes statistics that build on those noted in the *Improving Billing Paper*.

Billing

14. The bill is a basic building block of the consumer-retailer relationship.¹⁶ The Electricity Industry Participation Code (EIPC) establishes obligations around accuracy in metering, meter reading, data handling, and electricity settlement.¹⁷ For some time Utilities Disputes' has said it makes little sense the same standards are not applied to how retailers bill consumers. Standards that govern the retailer-regulator relationship should be mirrored in the retailer-customer relationship.¹⁸

15. Billing is also set to become more complex. Soon a consumer will be able to have more than one retailer.¹⁹ In such circumstances UDL has advised that requiring a

¹⁶ Note electricity under the guarantee of supply is treated as a good under s 7B the Consumer Guarantees Act 1993 (however electricity is not treated as a good or service under the Act in respect of the other guarantees).

¹⁷ See EIPC see cl 14.25 of part 14; and cl 15.27 & 15.29 of Part 15.

¹⁸ Another example is there are disclosure requirements on a retailer to the EA. The EA is also considering the best way to gather and communicate data to third parties who may assist a consumer find their best plan within the Consumer Data Right. However, these disclosure standards should not run ahead of disclosure requirements to individual consumers. See discussion about disclosure to third-parties and the consumer re bills: UDL, *Enabling Consumer Mobility by Improving Access to Electricity Product Data*, 12 August 2025, paras 28-32.

¹⁹ See UDL, *Consultation – Evolving Multiple Retailing and Switching*, 29 July 2025. The introduction of compulsory time-varying plans also may increase billing complexity, see UDL, *Improving Pricing Plan Options for Consumer Time-Varying Plans*, 26 March 2025, pg 7.

billing aggregator to manage billing is unlikely to be an advancement. Especially if it requires the consumer to pay additional fees:

As billing becomes more complex, with multiple retailers and rates, the formatting and presentation of billing, consumption and export data will be crucial to help the consumer make informed choices. There is a danger that billing could become so complex that consumers will have to engage third parties to interpret their data. While accredited requestors will have a role in helping consumers understand their information and purchase products under the Consumer and Product Data Act 2025, information should still be conveyed so that an ordinary consumer can make their own analysis.²⁰

16. Therefore, the billing proposals are urgent, billing standards must be high, to ensure the consumer can take advantage of the new types of plans coming on to the market. The danger is that billing will become more complex, not less so and affect uptake of potentially cost-saving plans. We therefore fully support the EA's drive to bring simplicity to billing.

Format

17. Utilities Disputes is open to the tiered billing approach suggested by the EA, an approach based on the work of the Australian Energy Regulator and overseas research.²¹ This approach requires that billing information generally appear in descending order of importance but is also grouped in a way that makes the most sense to the consumer. However, in assessing the consumer impact of the proposal, the ordinary person test will be important namely: *Can the ordinary person on reading their bill find the information they need?*
18. Testing the model bill with consumer groups, and a cross section of consumers will ensure it achieves its promise. Without robust consumer testing it is doubtful the needs of consumers will be properly known, responded to, and be met.²² Running past consumers various copies of the bill which correspond to real life situations will be a must. We therefore support the EA in its promise to engage with consumers about the model bill and guidelines.²³

Information Importance

19. What is important information for a plan will be constantly changing especially with development of new types of meters, and methods to control usage. For example, already some billing is made on special hours where electricity is cheaper for the

²⁰ UDL, *Consultation Paper - Our Future is Digital*, pg. 4. See also UDL, *Consultation – Evolving Multiple Retailing and Switching*, paras 10-12.

²¹ *Improving Billing Paper*, para 3.15-3.17

²² The EA to respond to the needs of ordinary consumers may need to make this a regular facet of their policy and rule formation. See for example consumer testing of new processes arising from increased digitalisation, UDL, *Consultation Paper - Our Future is Digital*, pg 2.

²³ *Improving Billing Paper*, pg 17.

consumer. Some retailers then do not show on bills start and end meter readings. Instead, consumption is grouped by charging rate.

20. Utilities Disputes is in favour of including both meter information and consumption information. However, it is key the retailer conveys to the consumer: why a billing approach is taken and which data is more helpful to them.²⁴ To catch all types of plans in the new obligation, we recommend a catch all general principle be added to part 1 of the drafted CCO Billing Standards Section. Such an overarching principle will also assist with reviewing complaints, especially where the new plan does charge according to traditional billing categories. Below is a working draft of the principle:

The information provided must present the core information of plan to a consumer, so they can assess the accuracy of their bills.

Information Elements

21. Utilities Disputes supports the EA's billing information elements.²⁵ However, it makes the following comments:

- i. *End Dates of Plan:* Some plans have rollover clauses, arguably this gives retailers an advantage as they can hold on to a customer until they have a better plan to offer and keep their customer without noting the term has ended. Retailer terms and conditions are standard form contracts, so customers are often not aware of the date when their contract ends. We therefore support end contract dates on every bill and/or recommend two months prior to the end of the contract a bill advise a consumer their contract is about to end and will rollover. Including this information is a way of rebalancing the retailer-consumer relationship in respect of rollover clauses.²⁶
- ii. *Plan/Product Identifier:* Including the name and a brief description of the plan will enable the consumer:
 - i. to quickly identify their plan,
 - ii. easily compare their plan with others, and
 - iii. advise third parties and comparison websites of their plan.

²⁴ With more half-hour information being used by retailers, the aggregation of half hour volumes may be the key information.

²⁵ We consider the requirements for invoicing of customers should fall on all retailers and for distributors on all network owners/distributors (see section on distributors below). This includes customers connected to local networks, as well as secondary networks, who appear an under researched aspect of the industry.

²⁶ As background see Commerce Commission, *Energy Retail Contracts Review*, Aug 2016.

The unique product identifier will also facilitate an easy comparison of plans. Utilities Disputes supports this proposal.

- iii. *Estimates/Actual Reads:* Estimated reads signal that a bill is provisional. However, if this information is not included in a bill, the consumer has no way of knowing this is the case. As discussed below a period of estimated reads can lead to back-billing and consumer distress. It is unsatisfactory that a retailer may back-bill for a lengthy period, without the consumer having been aware there is a meter issue, and any opportunity to address it and/or provide a manual read. We therefore see the inclusion of this information as a must.
- iv. *Rates/Levies/Credits/Discounts:* Consumers need to be able to readily identify each of these items. Including each in a running total is not helpful and can lead to consumer dissatisfaction. This in turn can lead to complaints, including complaints about customer service if there are long wait times to contact a retailer representative. As plans become more complex the importance of distinguishing the different rates linked to different consumption hours will only increase.
- v. *Bundled Services:* Telecommunications, gas and/or electricity are often linked. A single retailer or billing aggregator²⁷ who bills a consumer for several utilities/services is not a far-off possibility. Therefore, UDL supports the continued clear itemisation of these services.
- vi. *Government Agencies:* Retailers are getting accustomed to the CCO's increased obligations such as putting consumers in touch with support agencies (see CCO 25 (5)(c)). Including some of this information in a bill, in a limited manner, is another way of assisting consumers. Not all consumers are comfortable discussing their personal circumstances with their retailer, and the putting this information on the bill is another way of consumer outreach. However, hearing from retailers and consumer/budgeting groups such as FinCap about which agencies should be included and the practicalities of including this information on a bill will be important.
- vii. *Interpreter Services/Services:* We note the reference to placing interpreting services on bills for retailers that offer them. However, we emphasise that

²⁷ UDL has made the EA aware that some change may need to include billing aggregators within the EIPC, and within the ECS. See also UDL, *Consultation – Evolving Multiple Retailing and Switching*, para 13.

when a retailer becomes aware of a consumer with language difficulties, they must take steps to ensure the consumer understands their communication and/or offer (see CCO 4).

22. We also ask that consideration be given to setting out the network pricing category on a bill, in plain language, so the consumer can consider if it is suitable. Incorrect or unoptimised categorisation does give rise to complaints. For example, consumers have been charged commercial rates, when they are a residential customer. A subsequent category revision often results in significant savings. We also see cases where a property is not listed as the primary place of residence in the registry, however the property has become the primary residence, but the registry has not been updated. So, the consumer is not on the appropriate plan and is not taking advantage of cheaper rates. This can remain undetected for some years. If placing this information on a bill is not possible, we ask the EA to give consideration to others ways this issue can be addressed.
23. We have previously asked the EA to prescribe mandatory wording on bills referencing the Utilities Disputes. Firm guidance is required as practices vary, and to educate new retailers and distributors as they enter the market. We see the EA is in favour of prescribed wording for its comparison website and see no justification for not having similar provisions for Utilities Disputes.²⁸

Back-billing

24. Utilities Disputes has raised concerns about back-billing practices for some time and is pleased to see the changes that are proposed.²⁹ While we initially highlighted this issue to the EA through submissions and decisions we also raised the issue directly with retailer CEOs when no immediate action was signalled.³⁰ While some retailers agreed to voluntarily restrict the back bill period to an acceptable timeframe, others continued to issue back bills covering many years. As confirmed in the paper, Utilities Disputes was able to share data and direct evidence to highlight the significant consequences this had for domestic and business consumers and are really pleased to see changes will be made to align New Zealand with best practice overseas.
25. Utilities Disputes believes a six-month window is optimal to encourage the industry to respond positively to the underlying issues that can cause back bills. We wish to

²⁸ See recommended wording EA, *Raising Consumer Awareness of Regulated Dispute Resolution Service and Electricity Plan Comparison Website*, 2 March 2021, paras 4.16-4.17. See also *Improving Billing Paper*, para B.23; but further see 3.68-3.69.

²⁹ See UDL, *Consultation Paper: Proposed Consumer Care Obligations*, 10 September 2024, pg.14.

³⁰ See ltrs to EA, ERGANZ and retailers 3 September 2025.

stress that the examples we are most concerned about are where the consumer has little knowledge of what is occurring, and why a back-bill is necessary.

26. As set out in the *Improving Billing Paper*, the six-month window would not make New Zealand an outlier in terms of overseas models. We leave it to the industry and EA to decide whether a 12-month window would unduly favour the retailer and to balance the cost of any system change with the expected efficiencies in ensuring bills are correct and customers are protected.
27. UDL acknowledges safe-guards are necessary to ensure that the new obligation is fair to consumers and retailers. Therefore, UDL makes the following comments on the specifics:

- i. *Fault:* We think the circumstance of inaccurate registry information needs to be clarified and rarely should be considered a consumer fault. This appears to be the reasoning behind rule 11.2(1), part 11, of the EIPC which requires a participant to take all practicable steps to ensure registry information is accurate.

Innocent consumer mistakes are not infrequent. For example, some retailers, have websites where the consumer enters their new address, however this can cause issues if there are multiple vacant residences with the same address, and an incorrect sub letter is entered by the consumer eg 22A instead of 22B. The consumer may also have difficulty bringing up these multiple addresses, especially with new builds, in the website tool and confirm an address which is incorrect.

Sometimes call agents can also ask the consumer to get their ICP number. Again, where there are multiple ICPs and vacant properties, it is easy for the consumer to make an error and pick their neighbour's ICP. Which again because of multiple vacancies the call-agent does not pick up.

In these circumstances and considering participants oversight of the registry we do not think the above examples should shift responsibility for registry/billing errors to the consumer.

As a side note the EA is rightly preparing the industry for increased automation and digitalisation, however care is needed to ensure that such automation does not unfairly lead to savings for the retailer but

inappropriately burdens the consumer.³¹ Hence UDL's request to the EA that it insert a stage of ethical discernment in its policy making about new technologies and market digitalisation.³²

- ii. *Attempts at Correction:* Situations can arise where there are repeated attempts to fix meters, but each is unsuccessful or works for a few days and then is unsuccessful. Actions like these could prolong the billing period or reset it. We are of the view the obligations should include an amendment like this: "where a retailer has made multiple attempts to fix a meter with limited success, the 6 month window does not reset at each attempt".
- iii. *Internal Systems:* Back-bills are not only caused by incorrect meters and can be caused by errors in internal processes. Utilities Disputes is of the view the draft obligation's silence on these matters is correct, as the consumer has little to no control over these errors and should not mean the 6 month window is suspended.
- iv. *Repayment Plans:* Utilities Disputes strongly supports the prohibition on direct debiting back-bills, and that the retailer be required to work out repayment plan with their customer. However further drafting work appears to be required to account for those situations of partial fault and/or if there is fault and the bill is for longer than six months. In many of these situations direct debiting will be unreasonable, and it is not clear subclause 11.32H(2) covers off those types of complaints.³³ Utilities Disputes has shared an example of an attempt to direct debit a consumer, a company for a bill for over \$70,000. The consumer, it appeared, was responsible in part for the large back-bill, however the Commissioner considered the attempt at direct debiting without notice was still unreasonable, and indeed appalling. Considering the likely flow on effects that can result for the consumer from such without notice drawings from an account.

³¹ See for example diagram, *Improving Billing Paper*, pg 3. Without the EA having a deep understanding of the new technologies and the consumer risks of these new products such diagrams may appear unduly exhortatory. The EA will have taken on board comments from Consumer NZ about decentralisation: "Consumer NZ is not opposed to decentralisation, but we are concerned about an industry assumed future being projected onto consumers, many of whom neither asked for it, desire it, nor have the means to participate. The industry must meet consumers where they are, not where they want them to be. The transition to a more decentralised electricity system should be driven by robust evidence, consumer need, and inclusive design - not just technological enthusiasm. We urge the Electricity Authority to take a cautious, consumer-centred, evidence-based approach. That means starting with the realities of consumers' lives not just the possibilities of emergent technologies." Consumer NZ, *Submission on Green Paper: Working Together to Ensure Our Electricity System Meets the Future Needs of All New Zealanders*, 25 June 2025, pg 2.

³² See UDL, *Our Future is Digital*, Q2.

³³ See the exclusion of subclause (1) only by subclause 11.32H(3).

- v. *Backstop:* Utilities Disputes also asks the EA to reconsider if there is an ultimate backstop to charging, no matter the circumstance. UDL has discussed with the EA if it is appropriate that retailers charge for electricity beyond their ability to make settlement corrections to the registry.³⁴ The EA advised this was not a relevant consideration for limiting the amount a retailer can back-bill. That may be so, but some outer limit appears appropriate.

Fees - Distributors

28. Utilities Disputes has advised the EA that distributors billing practices can be uneven:

An example of the difficulties in itemisation, is the UDL Case Study “Incorrect Fees” where the distributor struggled to provide fulsome evidence supporting charges for traffic management, the passing on of council fees, and the work done. This was a case when it was necessary to issue a proposed recommendation, however often UDL has been able to reality test with the distributor about such information gaps, acquire further itemised information and/or help the parties reach a negotiated settlement.

This issue has appeared in various types of complaints, for example itemisation has been challenging for the distributor in certain tree complaints, where the distributor has charged for the removal of the owner’s trees. In part the distributor has had to rely on the information of a contractor. However, the lack of any information in such cases is a business process issue, not a consumer issue, the consumer as with the supply of any good or service can expect fees to have a demonstratable rational basis on request.

The drive for increased clarity by the EA around pricing may be seen as ensuring distributors are held to the same consumer standards as retailers, who are used to, and required to provide a whole range of fee information, due to the Consumer Care Guidelines and industry practice.³⁵

29. The *Improving Billing Paper* does not discuss distributor’s fees. However, such fees are a consumer billing issue. Utilities Disputes recommends the EA redraft CCOs 66-68, to include distributors or draft new fee obligations for distributors. We recommend obligations be drafted as to the expected content of a quote, estimate, and invoice. A consumer after reading their bill for tree removal or other service should know what they are being charged for and be able to assess if a fee is reasonable. Distributors, as with retailers, should also be required to promptly to respond to consumer queries about their bill.³⁶

³⁴ See 15.26-27, part 15, EIPC.

³⁵ UDL, *Consultation Papers: Distribution Connection Pricing & Network Connections Pricing*, 20 December 2024, 3. See also Case Study ["Incorrect Charges"](#)

³⁶ If CCO 68 is kept it may benefit from a tightening to include the following phrase in bold: otherwise, be reasonable, taking into account the need to strike an appropriate balance between precision, administrative and practical efficiency, **and the services provided**.

The New Retailers & Distributors – Onboarding, Contracts, and CCOs

30. We also repeat our submissions about new retailers and distributors whose services are based on solar, and other forms of distributed energy.³⁷ These new distributors and retailers would benefit from a tailored onboarding process, where the EA discusses with them how the CCOs and other industry standards apply to their products, particularly in the area of customer billing, fees, and break and exit fees. The EA registration process defined by the Electricity Industry Act 2010, would seem the best moment for this pro-active onboarding to take place.
31. We have seen a steady increase in solar complaints since 2019. These are often complex complaints, as the contracts differ from the shorter standard form contracts seen in traditional retailing. Consumers often do not appear to understand the ramifications of signing such lengthy contracts, up to 20 years. Understanding these complaints frequently involves an in-depth analysis of a number of legal issues. The application of the CCOs to these contracts can be challenging. Utilities Disputes is managing these complaints.
32. However, many of these retailers are registered with the EA. It therefore seems necessary for the EA to extend its regulatory reach and policy, to these organisations and the consumer issues we have highlighted. We also expect the EA will be best placed to eliminate some of the issues and have in depth knowledge of the products being offered to consumers, with established links with these new distributors and retailers. New products will likely demand new forms of oversight and regulation. We have previously advised the EA that the Electricity Industry Act 2010 (and by extension the EIPC) may require review and amendment to ensure that new types of industry participant such as billing aggregators come within its scope.

Better Plan

33. Utilities Disputes continues be in favour of better plan notices for consumers:

The EA is also invited to consider requiring retailers to issue best plan notices periodically on a customer's bill (e.g. every three months). These notices will help a consumer decide if they should move to a different plan or consider switching. A recent consumer survey found that 87% of consumers thought it would be useful to have a best plan notice on their bill. As there is an increase in product offerings and/or plans of increased complexity, best plan notices in plain language will help the consumer take full advantage of the savings these plans offer.³⁸

³⁷ See UDL, *Improving Pricing Plan Options for Consumer Time-Varying Retail Pricing for Electricity Consumption and Supply*, pgs 5-6, UDL, *Working Together Paper*, 25 June 2025, pgs 2-3, UDL, *A Regulatory RoadMap for Batteries*, 31 July 2025, 3; & *Consultation – Evolving Multiple Retailing and Switching*, pgs 5-6.

³⁸ See UDL, *Improving Pricing Plan Options for Consumer Time-Varying Retail Pricing for Electricity Consumption and Supply*, pg 7. See Consumer Advocacy Council to EA, *Options to Support Consumer Price Plan Comparison and Switching*, para 43.

34. We are content with the proposal that better plan notices be issued every 6 months.

Defining what is a better plan will be of concern to retailers. However, we think any concerns can be addressed by clearly managing consumer expectations and ensuring the new obligation is appropriately drafted and not result in reduced plans being offered as a result of the regulatory changes.

35. It is the EA's expectation that the retailer will use *reasonable endeavours* to assess if a consumer is on a better plan. A better plan is a plan that would have given the consumer a *materially better outcome*, over the previous 12 months.³⁹ We support these definitions, and the assessment factors. Particularly as the assessment is based on past consumption patterns. The retailer has no control of changes made by the consumer. We note the sample messaging for how a retailer may advise the consumer of their better plan, such as:

Based on our assessment, [plan name x and/or plan name y] could be a better plan for your current needs. See [link] for details or to switch now at no cost.⁴⁰

36. However, we recommend these changes to manage: a) consumer expectations about the offer of a better plan; b) the consumer-retailer relationship; and c) the enforcement of this new obligation:

- i. *Test:* The draft obligation explicitly notes the materially better outcome test, but the reasonable endeavours aspect is absent. This needs to be included in the obligation so both consumer and retailer are aware of this aspect of the test. This inclusion will assist Utilities Disputes staff and the Commissioner when considering complaints about the offering of a better plan and help with communications to the complainant and retailer;⁴¹
- ii. *Expectations:* The sample messaging to the consumer is understandably brief. However at some stage in the internal switch-over process further information needs to be provided to the consumer, including: a) the offer does not guarantee savings; b) is dependent on the consumer more or less consuming the same amount of electricity as the previous 12 months, and at the same times; c) is an offer not based on other retailers plans; and d) is based on the retailer's plans available at the time of the offer. Without mandating this type of messaging the risk of misunderstanding is great, and complaints will be likely be made about a guarantee of savings;⁴²

³⁹ See *Improving Billing Paper*, pgs 22-23, 79-80.

⁴⁰ Ibid., pg.23.

⁴¹ Ibid., pg 20; and pgs 72-73, 79-80.

⁴² UDL has previously highlighted this issue to the EA: "We expect the challenges (about offering a best plan) could be overcome if clear parameters were placed around what should be considered and reported to

- iii. *Drafting*: We are pleased that EA has taken up our recommendation to require retailers to ask the consumer if they want information about better plans on occasions other than when the consumer makes enquires about changing their pricing plan.⁴³ However careful drafting of the obligation will be required, so as to not trigger this obligation for simple billing inquiries; and
- iv. *Practical Issues*: Retailer submissions will further identify practical issues of this proposal. Precision drafting of the new CCOs may be able address many of these concerns.

Switching

- 37. Switching complaints make up between 4- 6% of Utilities Disputes complaints.⁴⁴ These are switches between retailers either at the same property (trader switches) or a new property (move-in switches).⁴⁵ New Zealand has low switching rates: "...trader" switching rates have remained consistently below 10% for the past ten years. These declined slightly from peaks of 8.5% in 2018 to around 6 to 6.5% in 2023."⁴⁶
- 38. Increasing internal switching rates is a further way to encourage a switching culture, and to help consumers save money. To ensure successful implementation of the proposal we make the following observations:
 - i. *Seamless Process*: Embedding a seamless process will be paramount. Bad switching experiences, are likely to lead to a reluctance to switch again, and switching numbers will not improve.⁴⁷ A process pressure point will be when the consumer decides to switch back to their previous plan within the three month window. This process will have to be faultless, or it will lead to complaints, in term of delay, and/or challenging whether the three-month window is open.
 - ii. *Practical Issues*: Submissions from retailers will highlight practical issues which will need to be addressed. However, an immediate issue that may need closing

consumers when informing them of their best plan and what factor have been considered. We expect the Authority would work closely with retailers and consumer organisations to confirm what these should be." UDL, *Submissions on Options to Support Consumer Plan Comparison and Switching*, 8 March 2024, Q. 10 (material in brackets not included).

⁴³ See UDL, *Consultation Paper: Proposed Consumer Care Obligations*, pg 14.

⁴⁴ See UDL, *Consultation – Evolving Multiple Retailing and Switching*, 6; and Appendix A.

⁴⁵ Move in switches and trader switches.

⁴⁶ EA, *Options to Support Consumer Plan Comparison and Switching*, 1 February 2024, para 10.11.

⁴⁷ See data albeit in the telecommunications sector (in relation to broadband): Commerce Commission, *Switching Telecoms Providers Consumer Research Report – GravitasOPG – June 2024*, pgs 15 & 57.

off is, namely what will the process be if the consumer's older plan no longer exists or is being phased out? We also note that a switch back may impose additional obligations on the retailer, as metering may have changed and this could have flow on effect to what pricing plan the customer may be eligible for.

- iii. *Switching Fees*: Prohibiting fees for an internal switch of plan,⁴⁸ is likely to increase uptake of both better plans and/or time varying plans. We support this recommendation as it will assist vulnerable consumers who have the most to benefit from switching.⁴⁹
- iv. *Publication of Plans*: Utilities Disputes supports the retailer publication a catalogue of their plans. This is another way of empowering consumers, however depending on the functionality of the EA's comparison website this may only need to be a short-term measure. There should also be a record of the plans available at a point in time so complaints about any failure to recommend the best plan can be effectively resolved. We also suggest recording the retailers pricing plan code in the registry that applies to an ICP identifier to ensure that comparisons of pricing plans are accurate. This pricing plan code could be restricted so that only the current retailer and the comparison provider have access to it to maintain privacy.
- v. *Billing Information*: The success of the EA's time-varying proposal rest on the implementation of the billing proposal. Time-varying plans will be new for many consumers, and continued uptake will require the consumer to receive *adequate* and understandable billing information about these complex plans.⁵⁰

⁴⁸ See *Improving Billing Paper*, pg 75.

⁴⁹ However, we note FinCap's view that these types of changes may not necessarily have the impact needed, see FinCap, *Te Kore, Te Pō, Te Ao Marama – Energy Hardship: The Challenges and a Way Forward Discussion Paper*, 28 April 2023, 3.

⁵⁰ See UDL, *Improving Pricing Plan Options for Consumer Time-Varying Retail Pricing for Electricity Consumption and Supply*, paras 3-4; see for general observation about the linkages between billing and switching, *Submission on Options to Support Consumer Plan Comparison and Switching*, Q. 1. Note: A change to a time-varying plan will have to be managed with care as they may not be suitable for customers who have no discretionary load.

Compliance: Auditing

39. We note the EA's recently advised increased monitoring framework, where it will attempt to gain insight into compliance with certain CCOs by gathering further information.⁵¹ However we remain of the view that compliance with the CCOs should be included in the current audit process, for existing retailers that are traders, and require other retailers that are not traders to undergo an audit periodically.⁵² Relying solely on information disclosure by the retailer appears a clear gap in the EA's regulatory toolkit.⁵³ Auditors could also do random audits of retailer processes and their compliance with the more significant CCOs such as billing requirements, and their processes for assisting vulnerable and medically dependent consumers.

Thank you for the opportunity to comment on the Improving Billing Paper. If you have any questions, please contact me at: paulb@udl.co.nz. When issues arise about billing and industry practice which may be of regulatory concern the Commissioner will continue to direct anonymised decisions to the EA.

Paul Byers -Legal and Policy Officer | Pou Ture Me Nga Kaupapahere

⁵¹ See EA. *Monitoring the Consumer Care Obligations of Electricity Retailers*, Nov 2025.

⁵² See UDL, *Consultation Paper: Proposed Consumer Care Obligations*, pg.11.

⁵³ See UDL comments on relying on information disclosure for monitoring of the new water service providers within the Local Water Done Well project, UDL to Com Com, *Economic Regulation of Water Services – Information Disclosure (Draft Decision)*, 20 October 2025, [sub.](#)

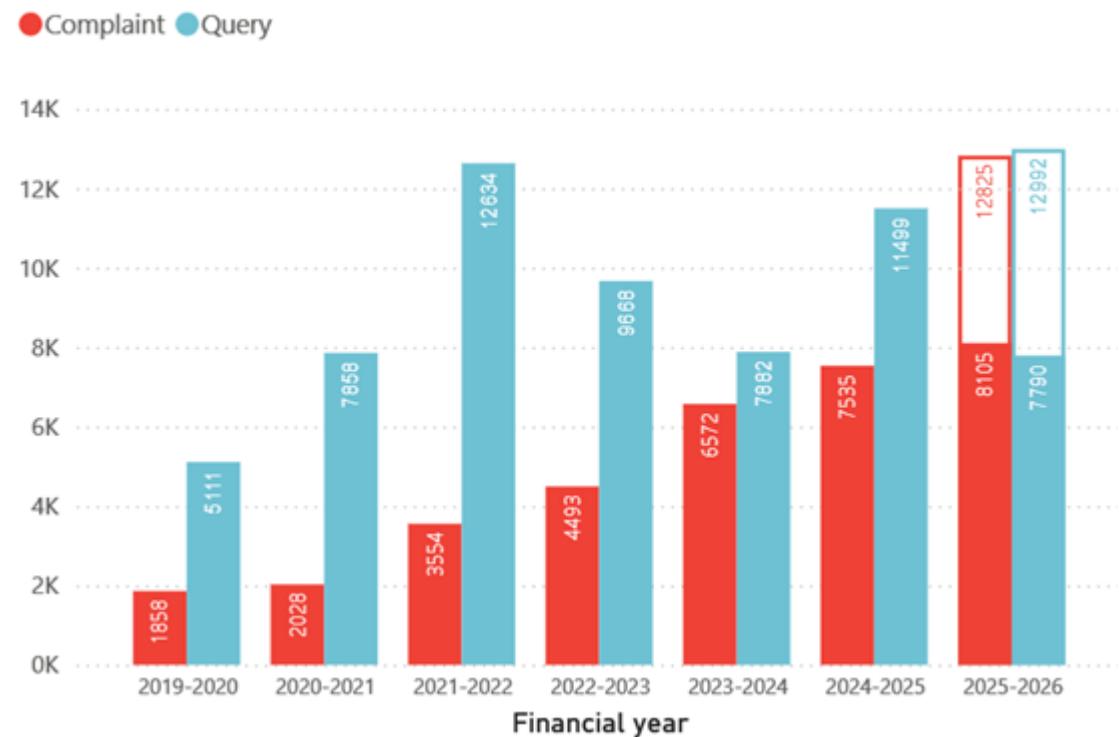
Appendix: Supporting data from UDL

This report complements our submission in supplying supporting information to show some of the high-level issues consumers are facing in the energy sector. We look deeper into areas that appear to be common pain points for consumers:

- billing complaints, where affordability issues might manifest
- switching complaints and complaints about a consumer's plan
- customer service complaints, noting 40% of complaints with billing issues also have a customer service issues, and queue wait time and contact method complaints have significantly risen in 2025

Overall, we have seen a steady rise in complaints and queries for our energy complaints scheme, with our complaints having increased almost four-fold since the 2020-2021 financial year (see Diagram 1).

Cases received projection



(1) Complaints and queries received by UDL under the energy scheme (with projection)

We also expect to resolve 34% more complaints and queries than the last financial year (see Diagram 2)

Cases Resolved

● Complaints and Queries Closed ○ Projection

30K

25K

20K

15K

10K

5K

0K

17,275

15,175

15,396

20,936

28,118

17,403

2021-2022

2022-2023

2023-2024

2024-2025

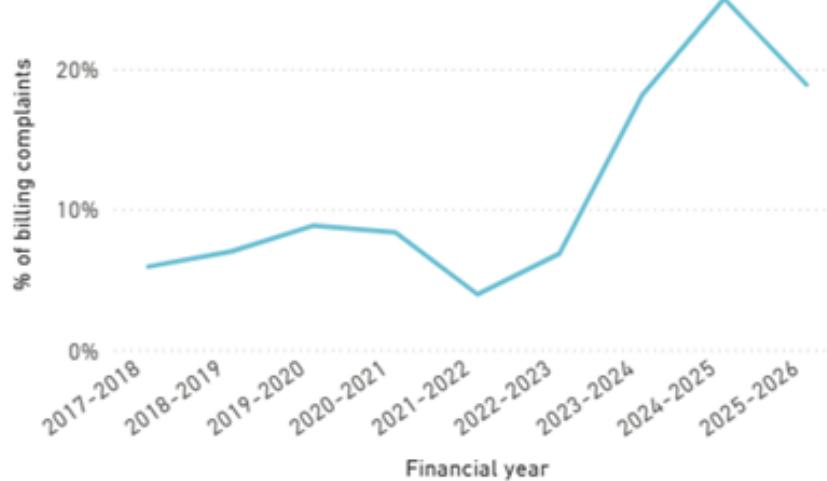
2025-2026

Financial year

(2) Complaints and queries resolved by financial year

Billing is one of the most common issues that we see in our complaints, with affordability concerns often appearing within these complaints. With the cost-of-living crisis impacting consumers, affordability has become more of a concern in recent years for both current and back bills (See Diagram 3). While we cannot consider complaints directly about price, we can consider complaints about the information given around the price and other billing issues. Complaints about price often then contain aspects which we can consider, we will explore this further in a later section.

Complaints about affordability

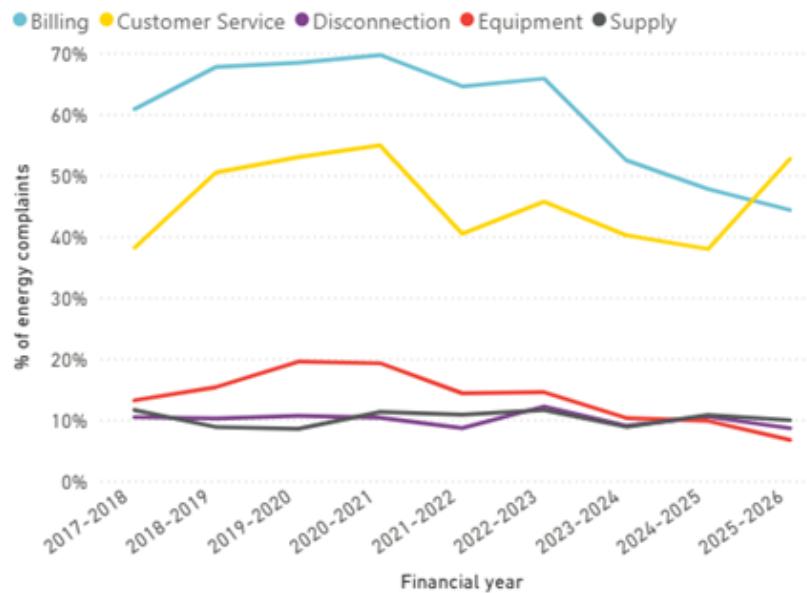


(3) Percentage of billing complaints that include an affordability related issue

Billing complaints

Billing has historically been the most common issue in complaints in the ECS. This financial year we have seen a first-time surpassing of billing by customer service complaints. While customer service issues appear in a slightly higher percent of complaints, billing is still a prevalent issue (see Diagram 4).

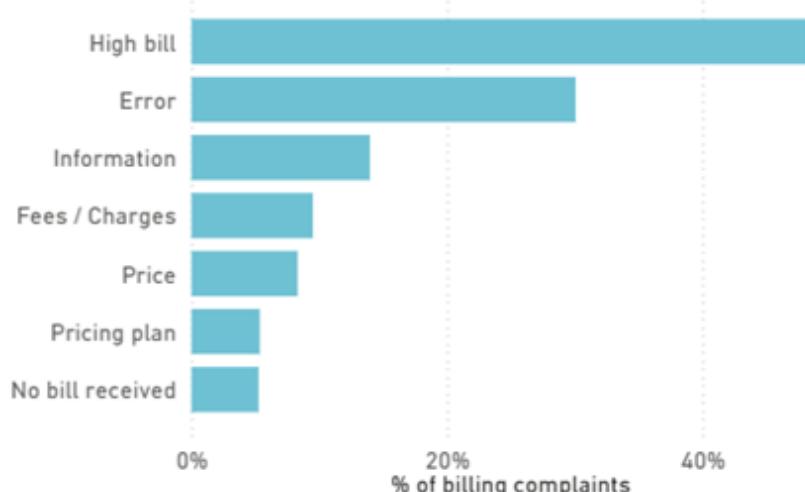
Top energy complaint issues over time



(4) Percent of energy complaints with each issue, top 5 issues

We expect to receive 5400 complaints involving a billing issue this financial year. To date, these break down by the following sub-categories. The most common category in our billing complaints is high bills (see Diagram 5).

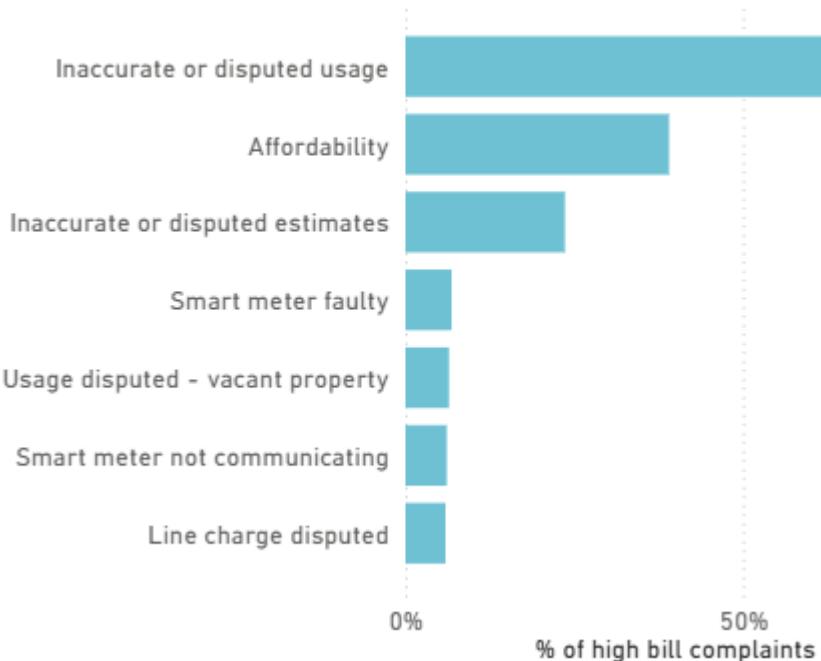
Billing complaints sub-categories



(5) Percent of billing complaints with each sub-category issue

We expect to receive 2555 complaints involving high bills this financial year. To date, most of these are about disputed or inaccurate usage, or complaints about affordability (see Diagram 6).

High bills sub-categories

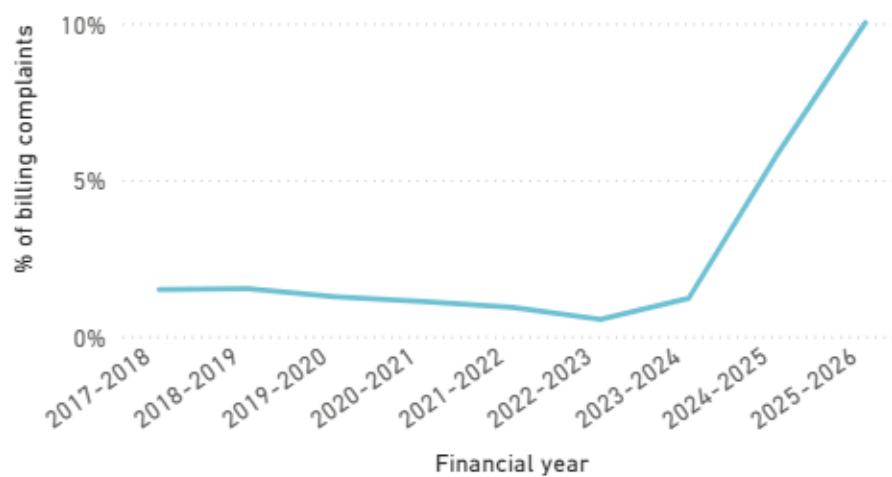


(6) Percent of high bill complaints with each sub-category issue

As mentioned earlier, UDL cannot consider complaints directly about price. However, affordability complaints most commonly contain complaints of inaccurate or disputed usage, or inaccurate or disputed estimates.

Complaints about unclear bills have increased significantly in recent years (see Diagram 7). This rise indicates that consumers are finding it increasingly difficult to understand their bills. We believe a unified standard for information on energy bills will be beneficial for both the consumers and providers, giving consumers clarity and preserving resources for providers that may otherwise be spent on explaining bills or complaints.

Complaints about unclear bills

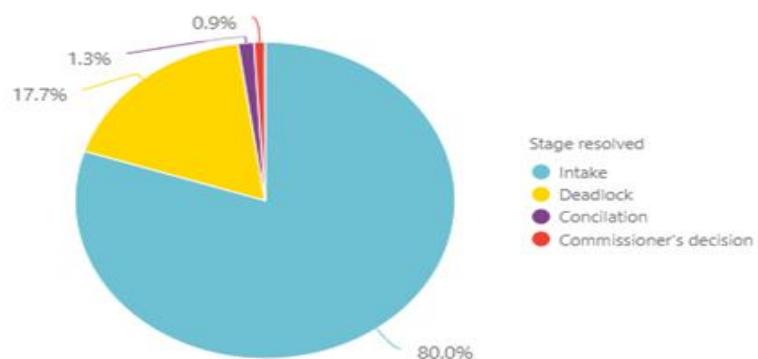


(7) Percent of billing complaints that include an 'unclear bill' issue

80% of billing complaints received by UDL are resolved early in our process. Cooperation from providers aids in these complaints being solved quickly. Around 1% of billing complaints we receive require a Commissioner's decision (see Diagram 8).

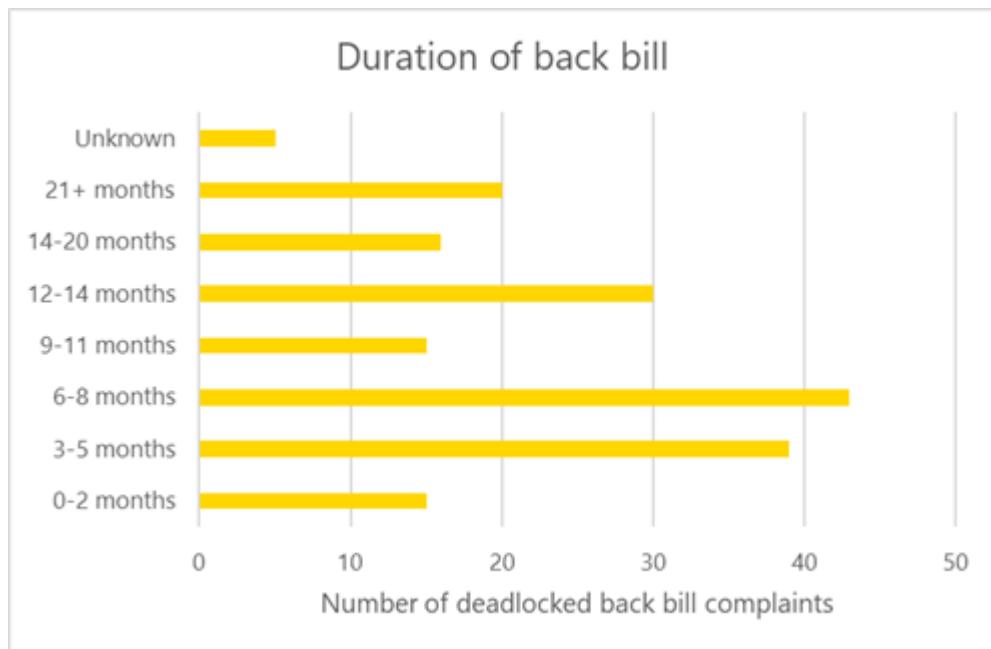
Outcome of billing complaints

FY 2025-26 to date



(8) Outcomes of billing complaints (2025-2026 financial year to date)

Back bills are issued to customers who have been incorrectly billed for their previous energy usage. Often they follow a period of estimated billing. 11% of billing complaints are about a back bill. Data from Jul 2024-25 found that 70% of the back bills complained about were for periods longer than 6 months. If the EA's proposed 6 month cap of back bills is confirmed, UDL would a 2/3 reduction in back bill complaints (see Diagram 9).



(9) Duration of back bill complaints

9% of the back bill complaints we looked at had an attempt to direct debit the back bill, this may include the full amount or a portion of the back bill.

Comparability and visibility of options

There are two issues we record when consumers are having problems enacting their choices around providers or pricing plans for their energy needs. The first is our ‘switch’ issue, which captures issues consumers have with switching to a different provider. The second is our ‘incorrect plan’ issue,⁵⁴ which captures issues consumers have with their plan.

Switch complaints make up a small percentage of complaints UDL receives. We project around 700 complaints this year will involve a switch issue. This has remained consistent over the years as a percent of all complaints we receive^[1], as seen in the graph below (see Diagram 10).

⁵⁴ We would classify a switching issue to a new plan with the same provider under “Incorrect plan”

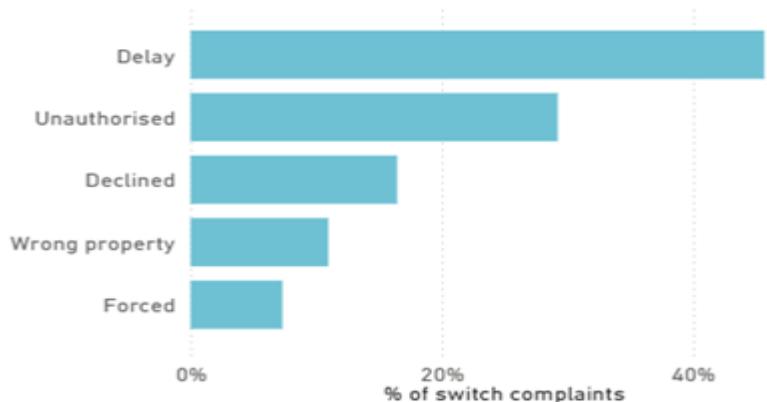
Switching between retailer complaints



(10) *Percent of complaints with a switch issue*

We also record sub-categories of switch complaints, with delay's in switching and an unauthorised switch being the most common issues (see Diagram 11).

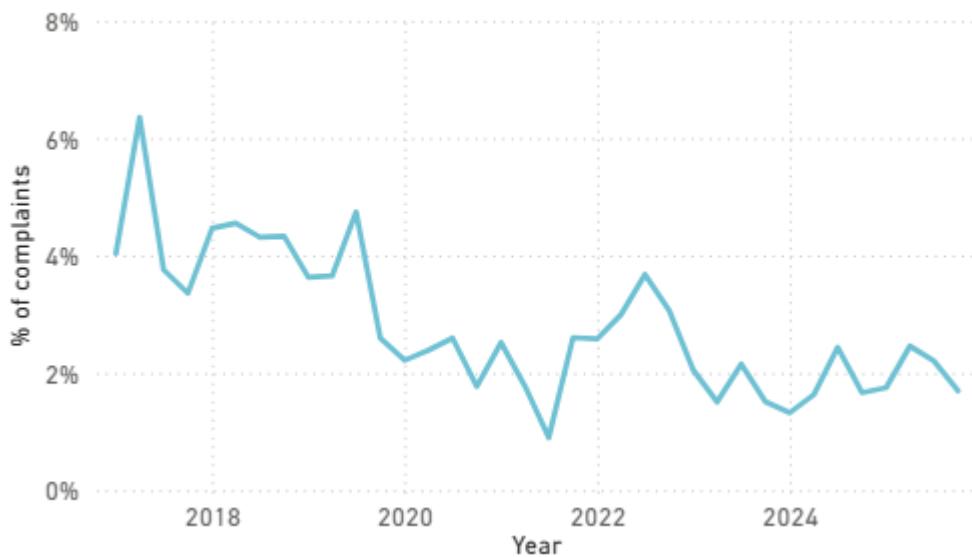
Switch



(11) *Percent of switch complaints with each sub-category issue*

Incorrect plan complaints make up a small amount of the complaints we receive, and have slightly decreased over time as a percentage of the complaints we receive, as seen below (see Diagram 12).

Complaints about incorrect plan



(12) Complaints about consumers being on the wrong plan

These complaints can involve aspects of incomplete information leading to consumers potentially paying more by remaining with a provider, as opposed to switching. We receive complaints from consumers who are unsure if they are on the best plan because they are receiving high bills. Some complainants say the information regarding their plan is unclear. We receive complaints about higher bills because of incorrect rates, for example commercial rates being applied to a residential property. We have seen instances of consumers being charged incorrect rates for many years, with neither the consumer nor the company being aware of the error. Unclear information makes it more difficult for consumers to compare their plans, leading to possibly paying more by staying on their current plan.

Customer service complaints

Customer service complaints to UDL have spiked this year, becoming the most common complaint type we receive. 40% of billing complaints also have a customer service component.

We expect to receive 5400 complaints involving customer service issues this financial year. To date, these break down by the following sub-categories (see Diagram 13). The most common subcategory in our customer service complaints is accessibility.

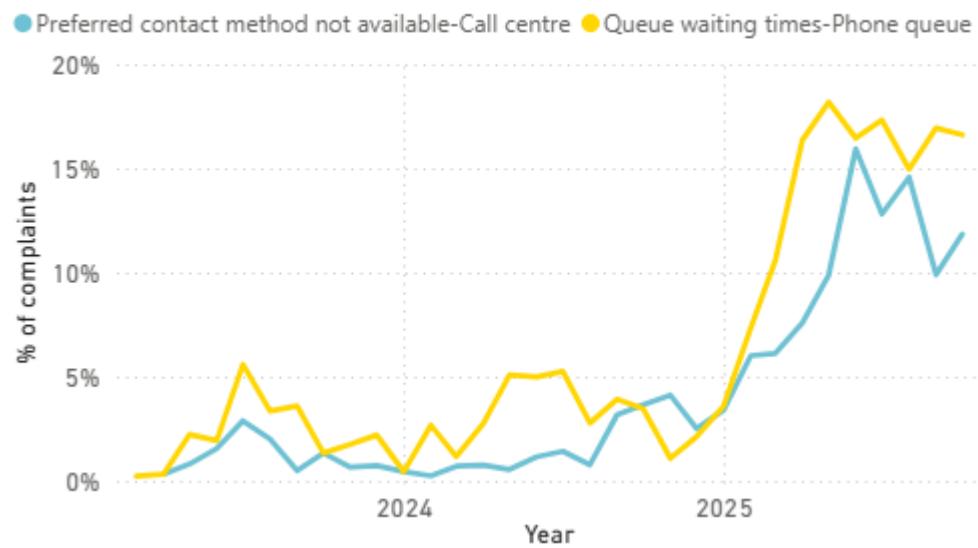
Top customer service complaints sub-categories



(13) Percent of customer service complaints with each sub-category issue

Accessibility complaints have been most responsible for the spike in customer service complaints this year, largely driven by complaints about call centres being unavailable and phone queues being long (see Diagram 14).

Accessibility complaints



(14) Percent of complaints that involve an accessibility issue

While the reasons for this will be related to the individual businesses, trends we have seen in the industry include resourcing challenges for call centres as well as pushing customers more towards digital engagement.

Conclusion

This information provides a picture of the pain points consumers have when it comes to billing, and the prevalent issues consumers are complaining about. More clarity around billing is needed, and a back bill period limit would ease concerns of affordability and 'bill shock'. It is also clear that consumers are having difficulty reaching their providers, with trends in the industry including resourcing challenges. With clearer bills, there may be less need for consumers to reach out to their provider for explanation, therefore easing some of the resourcing issues providers are facing.