

24 June 2026

By email to: Mobile Stakeholder Group
Broadband Stakeholder Group
Consumer Stakeholder Group

Tēnā koutou

Improving Retail Service Quality – Debt Practices Report

1. Today we published our *Improving Retail Service Quality – Debt Practices Report*, highlighting how debt practices affect consumers who fall behind on payments for essential telecommunications services.¹
2. Our work indicates that around 10% of telecommunications consumers are likely to be experiencing financial difficulty at any given time. In the second half of last year, 204,200 households and 16,700 SMEs experienced debt relating to telecommunications services.
3. In the current economic climate, there is an increased risk that a change in circumstances could place any consumer in difficulty. For those affected, the consequences can be significant, including having to reduce spending on essentials such as food or clothing to maintain telecommunications services.
4. It is clear from our work that no retail service provider (**RSP**) wants to make things harder for their customers when they get into financial difficulty. However, the variability in current debt practices across the sector can contribute to stress, disengagement, delays in seeking help, and in some cases increased risk of service restriction or disconnection.
5. Our work shows that six factors have the most influence on outcomes for consumers who find themselves in financial difficulty:
 - 5.1 Access to clear and timely information about available support;
 - 5.2 Payment flexibility and the application of late payment fees;

¹ Commerce Commission, [Improving Retail Service Quality – Debt Practices Report](#).
This report builds on the findings of our [Improving Retail Service Quality – Final Baseline Report](#).

- 5.3 Disconnection policies and processes;
 - 5.4 Treatment of bundled services;
 - 5.5 Third-party support and related privacy waiver arrangements; and
 - 5.6 Communication and continuity of care throughout the hardship process.
6. We have identified opportunities for improvement in each of these areas, drawing on best practice in other sectors and jurisdictions that have addressed similar issues. These are summarised in the attached table.
 7. We recognise that some RSPs are already demonstrating best practice in some of these areas. However, approaches remain variable across the sector, and greater consistency would improve consumer outcomes.
 8. Accordingly, we expect two responses from the sector:
 - 8.1 First, we expect the New Zealand Telecommunications Forum (**TCF**) to update the *Disconnection Code* to reflect the findings set out in the report. We expect all TCF members to contribute to the development of, and sign up to, this Code. The updated Code should be issued by no later than 31 December 2026.
 - 8.2 Second, we expect RSPs to begin improving their debt practices immediately, where necessary, without waiting for formal code changes to occur. A number of the improvements identified in this review can be implemented directly through operational and process changes at RSP level. RSPs should have substantially progressed these improvements by 31 December 2026.
 9. We will actively monitor progress and consider whether further regulatory intervention is required if meaningful improvements are not delivered, particularly given current cost of living pressures.
 10. We appreciate the contribution of industry participants, consumer groups and financial mentors to this work and look forward to continued collaboration as the sector progresses these improvements.

11. If you have any questions on this letter, or the Commission's work in this area, please contact Andrew Young via email to market.regulation@comcom.govt.nz with "Improving RSQ" in the subject line.

Ngā mihi nui

Tristan Gilbertson
Telecommunications Commissioner

SUMMARY OF IMPROVEMENTS

Key factor affecting consumer outcomes	Why this matters	Opportunities for improvement	Industry response
Clear and accessible information about debt support	Consumers experiencing financial difficulty need to be able to quickly identify available support options and understand how to access them. Delays in seeking help can increase the risk of escalation, service restriction or disconnection.	Improve visibility and accessibility of hardship and payment support information across websites, apps, bills and customer communications using clear, consumer-friendly language. Ensure consumers are directed to appropriate support early in the process.	Update the Disconnection Code to strengthen expectations regarding hardship information and support pathways, including clearer guidance on how consumers can access assistance and when support should be offered.
Payment flexibility and late payment fees	Limited flexibility and inconsistent fee practices can increase financial stress and make it harder for consumers to recover from temporary hardship.	Improve transparency and consistency around the application of late payment fees and repayment arrangements. Increase flexibility for consumers experiencing temporary hardship, including payment plans, payment holidays or fee waivers where appropriate.	Develop more consistent approaches to repayment arrangements and late payment fees, including clearer expectations around fee disclosure, waiver processes and the treatment of consumers experiencing financial hardship.
Disconnection policies and processes	Service restriction and disconnection can have significant impacts on consumers, particularly where telecommunications services are important for work, education, health or access to support services.	Improve clarity, consistency and safeguards within disconnection processes, including clearer communication, escalation pathways and reasonable opportunities for consumers to engage before restriction or disconnection occurs.	Clarify and standardise the disconnection process across the industry. Update the existing flowchart to ensure it includes all key stages (from first missed payment), timeframes and escalation points.
Bundled services and payment allocation	Consumers may have reduced ability to prioritise essential services where multiple	Increase flexibility for consumers experiencing financial difficulty, including allowing consumers to	Clarify expectations regarding bundled service arrangements, including the ability for consumers to part-pay

	services are bundled into a single account.	allocate payments across services within a bundle and pause selected services where appropriate.	and prioritise payment across services within a bundle, and options for pausing selected services during periods of financial difficulty.
Third-party support and privacy processes	Financial mentors and support services play an important role in helping consumers resolve hardship issues quickly and effectively.	Simplify and standardise processes for engaging with authorised third-party support providers, including privacy waiver and verification arrangements.	Develop more consistent approaches to privacy waivers and third-party support processes, including standardised verification arrangements and clearer pathways for financial mentors to engage with RSPs.
Communication and continuity of care	Consumers experiencing hardship should not need to repeatedly explain their circumstances across multiple interactions or communication channels with the same provider.	Improve record keeping, continuity of care and internal information sharing to support more consistent consumer experiences throughout the hardship process.	Strengthen expectations regarding continuity of care, including the recording and use of relevant customer information during hardship interactions to reduce the need for consumers to repeatedly explain their circumstances.