

Improving Retail Service Quality

Response to submissions and feedback on our draft baseline report

The Commission:

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Associated documents

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14 September 2021	n/a	Consumer Telecommunications Survey 2021
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29 October 2021	n/a	Improving Retail Service Quality for Consumers – Open letter
30 November 2018	n/a	Telecommunications Retail Service Quality Framework

Glossary

Term	Definition
The Act	Telecommunications Act 2001
ASA	Average speed to answer
CAB	Citizens Advice Bureau
Commission	Commerce Commission
Consumer group workshops	The series of workshops we held in 2020/2021 with consumer advocacy groups
Consumer Telecommunications Survey 2021	The survey undertaken by Research NZ on our behalf for the purposes of this document
CPE	Customer-premises equipment
ETF	Early termination fee
FTA	Fair Trading Act
FWA	Fixed wireless access
ISP	Internet service providers
MBIE	Ministry of Business, Innovation and Employment
Open letter	Improving retail service quality for consumers open letter
RSQ	Retail service quality
RSQ Facebook survey	The Facebook survey we undertook in 2019
RSQ Framework	The RSQ Framework we published in 2018
RSP	Retail service provider
Statement of Process	The Statement of Process we published 30 March 2021
TDRS	Telecommunications Dispute Resolution Scheme
UDL	Utilities Disputes Limited
Wi-Fi	Wireless technology used to connect computers, tablets, smartphones and other devices to the internet

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Introduction

Purpose

1. This document outlines our response to submissions and feedback on our Improving Retail Service Quality – Draft Baseline Report (draft report) published on 14 September 2021.
2. This document should be read in conjunction with the Improving Retail Service Quality – Baseline Report (final report) that has been published alongside this document.

Structure

3. This document includes the following sections: Summary of questions asked and our process; Response to submissions received; Next steps; and Table of submissions received.

Our process

4. The draft report presented our baseline evidence and sought feedback on the key retail service quality (**RSQ**) matters that we consider need improving and could be addressed by our RSQ code powers under the Telecommunications Act 2001 (the **Act**). Five consultation questions for stakeholders were included in the report, which are set out in Table 1 below. We also asked stakeholders whether: debt and affordability practices should fall within the scope of RSQ; whether we should maintain a watching brief over other matters found through our research;¹ what RSQ matters we should prioritise; and whether an industry or Commission RSQ code would improve the RSQ matters.
5. We published our draft report on 14 September 2021 and invited submissions from interested stakeholders.
6. We received 19 submissions. These were from Chorus; Christians Against Poverty; Consumer NZ; a joint submission from Enable Networks Ltd, Northpower, Fibre Ltd, Tuatahi First Fibre (LFCs); Federated Farmers NZ; FinCap; Nova Energy; Rural Connect NZ; Shoulder Monkeys; Spark NZ; New Zealand Telecommunications Forum (TCF); Trustpower Ltd; Technology Users Association of New Zealand (TUANZ); 2degrees; Utilities Disputes; Vocus; and Vodafone NZ. These submissions have been published on our website.²
7. We also received feedback from 307 consumers, via an online feedback form and a rapid feedback form. The online feedback form asked the five questions set out in the draft report and enabled consumers to prioritise RSQ matters by each RSQ category. The rapid feedback form enabled consumers to simply prioritise the RSQ matters.

¹ These matters are set out in Table 2.

² Available at <https://comcom.govt.nz/regulated-industries/telecommunications/projects/retail-service-quality?target=documents&root=251407>

Response to submissions

Question One - Do you agree the proposed key RSQ matters need improving?

8. We have considered the submissions and consumer feedback we received on our draft report. The final report now confirms the key RSQ matters in Table 3 that we consider need improving and could be addressed by our RSQ code powers under the Act. These are unchanged from the draft report.
9. Most submitters agreed with our view that the RSQ matters we outlined in the draft report needed improving.
10. While some submitters suggested that certain matters we proposed may not be an issue for them, the range of evidence we collected shows that they are key RSQ matters for the industry as a whole. There was also reference to previous reviews of the sector in relation to contract terms.³ However, consumers continue to identify issues in this area, signalling the implementation of the Commission's recommendations on contract terms has been inconsistent and that this is reflected in consumer experience.
11. There is existing work underway that we believe will improve some of the RSQ matters. In early 2022, we will provide a roadmap that will in part be informed by progress on two key current industry initiatives:
 - 11.1 Delivery by the three mobile network operators of commitments made to the Commission to address transparency and inertia issues in the residential mobile market;⁴ and
 - 11.2 delivery by the TCF of a binding industry code that implements marketing guidelines issued by the Commission in relation to alternative telecommunications services.

Response to Vodafone's submission

12. Vodafone provided a detailed submission which argued that the evidence provided in the draft report showed that some of the RSQ matters identified in the report were not an issue. In this section we provide a more detailed response to its submission.
 - 12.1 Billing: Vodafone submitted that only 4% of consumers were dissatisfied with billing. However, when viewed in terms of our wider evidence, as a category, billing makes up a large proportion of the complaints to both the Commission

³ Commerce Commission, Telecommunications Contract Review - Unfair contract terms (February, 2016) Available at: https://comcom.govt.nz/_data/assets/pdf_file/0018/86121/Unfair-contract-terms-Telecommunications-contracts-review-February-2016.pdf

⁴ Available at: <https://comcom.govt.nz/regulated-industries/telecommunications/monitoring-the-telecommunications-market/topic-papers-other-reports-and-studies/review-of-consumer-mobile-bills>

and the TDRS. We, therefore, continue to consider that it is an RSQ area that needs to be improved.

- 12.2 Customer Service: Vodafone submitted that the focus group research that was conducted had no statistical weight. We consider focus groups to be a standard research approach to provide customer insight. These focus groups were used to develop the questions that were used for our consumer survey. Evidence from that survey indicates that 49% of respondents who contacted their provider said they had difficulties understanding staff, so we still consider that it is an RSQ matter that needs to be improved. We also disagree with Vodafone's comments that our RSQ work is making it harder for consumers to understand telecommunications products.
- 12.3 Product Disclosure: Vodafone submitted that consumers may simply be seeking more information or advice when they contact their provider, rather than expressing dissatisfaction. While we acknowledge this point, it may be that consumers need to contact their provider because the product disclosure information is not clear. As noted in the final report, MBIE's 2020 NZ consumer survey found that 41% of survey respondents whose most recent problem was in the Home-Based Telecommunications Services category, said a cause was because the product/service was different from what was expected or did not work. Another 23% of respondents of that survey said a cause was incorrect/misleading information. We, therefore, consider that product disclosure remains an RSQ matter that needs to be improved. Our marketing guidelines, published on 9 November 2021, leading to an industry code, should help to improve some of these RSQ matters.⁵
- 12.4 Switching: Vodafone submitted that the latest research found only 3% of internet users and 2% of mobile users had an issue with the disconnection of a service. However, these figures include consumers who had not switched in the last two years. Of respondents who had switched in the last two years, 31% said it took a lot of effort to deal with their provider. In addition to this, Consumer NZ's 2019 ISP survey found that 29% of consumers who had not switched in the last 12 months did not do so because they felt it was too much effort to change RSPs.

Question two - Do you agree that debt and affordability practices fall within the scope of RSQ?

13. We have considered the submissions from stakeholders on this question. There is strong evidence from stakeholders, particularly organisations that support consumers, that debt and affordability practices are an issue for consumers. We note that some RSPs have debt and affordability measures in place. We will be investigating these issues further to understand in more detail the current level of service quality.

⁵ Available at: https://comcom.govt.nz/_data/assets/pdf_file/0032/269663/Marketing-alternative-telecommunications-services-during-the-transition-away-from-copper-guidelines-8-November-2021.pdf

Question three - Do you agree that we should only maintain a watching brief over the matters we identified for a watching brief in the draft report?

14. After assessing the data and submissions received, it is not clear that the matters in Table 2 are RSQ matters that need improving at this time. We will therefore maintain a watching brief on these matters. As we progress with our work, we may identify new RSQ matters which need improving and so may look to address these additional matters as part of the solutions in development or by prioritising new solutions.

Question four - Of the proposed key RSQ matters, which ones do you think we should address first?

15. There were a range of views on which RSQ matters should be addressed first. Many industry stakeholders suggested that product disclosure should be the area we look to address first. However, as can be seen in the summary of consumer feedback on page 38, the majority of consumers suggested that we should look to address customer service issues first. Several submitters also suggested potential solutions to some RSQ matters. We will take this feedback into account as we consider how best to prioritise the matters to be addressed and develop a roadmap for our work.

Question five - Do you think an industry or Commission RSQ code would improve the proposed RSQ matters?

16. Submitters responded to this question by expressing preferences for either an industry or Commission RSQ code, with most in favour of industry codes as a first step. The question was seeking views on whether a code (industry or Commission RSQ code) would improve the RSQ matters, however, we will use the feedback we received when prioritising and developing the appropriate solutions for the RSQ matters in early 2022.

Next steps

17. In early 2022, we will undertake activities to identify and test potential solutions to improve the key RSQ matters. We will provide an update on the opportunities to contribute to the identification of solutions and their design and implementation. Once we have considered potential solutions, and how best to prioritise the matters to be addressed, we will publish our roadmap.

Table 1: Consultation questions asked in the draft report

Consultation questions
1. Do you agree the proposed key RSQ matters need improving? Please tell us why, or why not.
2. Do you agree that debt and affordability practices fall within the scope of RSQ? Please tell us why, or why not.
3. Do you agree that we should only maintain a watching brief over the matters in paragraph 53? Please tell us why, or why not.
4. Of the proposed key RSQ matters, which ones do you think we should address first? Please tell us why.
5. Do you think an industry or Commission RSQ code would improve the proposed RSQ matters? Please tell us why, or why not.

Table 2: Watching brief matters identified in the draft report

RSQ evidence
Exaggerated benefits e.g., not mentioning a large ETF accompanying signup bonus offers.
No contract notifications when introductory offers expire, or the end of a contract is reached.
RSPs not returning built up credit when a customer switches.
Existing customers are excluded from new offers - 'loyalty penalty'.
Additional fees - paper bills, post-shop, credit card.
Late payments fees are rarely proportional to the size of the overdue amount.
RSPs require warranties and bonds before sending handsets off for repairs.
Overall satisfaction is low.

Table 3: Key RSQ areas for improvement proposed in draft report

RSQ category	RSQ matters
Billing	<ul style="list-style-type: none"> • Consumers experience errors in their bills. • Consumers struggle to understand their bills. • Consumers experience bill shock.
Customer service	<ul style="list-style-type: none"> • Consumers face long wait times and multiple transfers when dealing with their RSP. • RSPs keep poor records of previous dealings with customers. • Consumers find it difficult to understand customer service representatives. • Consumers find it difficult to resolve issues. • Consumers lack information about the installation process.
Product disclosure	<ul style="list-style-type: none"> • Consumers find marketing of new technologies inconsistent and confusing. • Product information and service quality do not always match or line up. • “Up-to” advertised performance indicators do not give an accurate indication of expected performance. • Consumers find it difficult to compare plans: <ul style="list-style-type: none"> ○ Plans are complex with a lot of add-ons and bundled offers. ○ Usage information is inadequate to assess appropriate plans. ○ Coverage maps can be inconsistent, inaccurate, or difficult to interpret.
The switching process	<ul style="list-style-type: none"> • Consumers experience issues with the switching process such as double billing errors, long delays and unreliability. • Consumers expect switching to be difficult.
Contract issues	<ul style="list-style-type: none"> • Consumers face high exit and early termination fees (ETFs). • RSPs unilaterally vary contract terms.
Debt practices and affordability	<ul style="list-style-type: none"> • RSPs do not appear to have adequate consumer support, or debt management, policies. • RSPs do not appear to perform basic affordability checks.

Table 4: Responses to submissions and feedback

Row #	Question	RSQ matter/issue	Submitter	Reference	Main submission arguments
1	1	Billing – Errors in bills	Vocus	Appendix page 2	“Our experience is that genuine errors are extremely rare and solved extremely quickly. Vocus aims to keep our product offering simple and we invest heavily in automation to reduce human error around billing”
2	1	Billing – Errors in bills	Vodafone	Para 13	“It is encouraging to see that: a. Only 4% of consumers that took part in the research were dissatisfied with their provider’s b. 90% of consumers did not have an issue with their mobile bill in 2021, up from 81% in 2019, showing a clear improvement”
3	1	Billing – Clarity of Bills	Vocus	Appendix page 2	“We have invested in making our bills easier to understand, through our online self service tools and our mobile apps. The TCF CDR project may also help customers understand data”
4	1	Billing – Clarity of Bills	Christians Against Poverty	Page 3, Para 6	“A common challenge for CAP clients is understanding their internet and phone bills. Clients have reported that bills are confusing due to the amount of information on one page, the jargon used, and bundle services”
5	1	Billing – Bill shock	Vocus	Appendix page 2	“This is something customers do experience and is an area we are working on. Our own research indicates this is most likely to occur on the customers first invoice. We have introduced new functionality into our new Self Service app that helps customers understand ‘unusual’ charges such as: <ul style="list-style-type: none"> • variance in usage; and • one off charges”
6	1	Billing – Bill shock	Vodafone	Para 14	“Industry is putting measures in place to improve usage and spend information for consumers, including through annual summaries, as part of the mobile billing transparency workstream. This will help consumers understand their bills and avoid ‘bill shock’”
7	1	Billing	TCF	Para 19	“We agree that this is an area for improvement, however identifying any systematic billing issues can be challenging. Further assessment of the evidence should put a spotlight on the specific issue and help develop solutions. Significant investment made by RSPs into billing

					systems has improved consumer billing experience since 2019, particularly around roaming charges and accuracy, which is reflected by the fact that only 10% of consumers experienced an issue with their bills according to the Commission's Report"
8	1	Customer Service – Wait times and transfers	Vocus	Appendix page 2	"Over the past couple of years, Vocus has invested into this area to drive our average wait times down to 3.14 minute ASA (Average speed to answer), 10 hours for email and 45 seconds for chat"
9	1	Customer Service – Poor records of previous dealings	Vocus	Appendix page 2	"Vocus keeps notes on all customers interactions. We have invested into a system which helps with customer interactions this helps to streamline notes and provide customer history for our agents"
10	1	Customer Service – Difficulty understanding customer service representatives	Vodafone	Para 18	"While this [Focus group research] has no statistical weight, it is worth considering the framing of issues in these verbatims statements and what scope of action is available to industry to address each of these issues as framed: In terms of front-line service representatives and customer understanding each other, Vodafone and other retailers will continue to pursue diversity and equality of opportunity in its employment policies. This will result in "new-New Zealanders" being employed in our contact centres. Industry has no role to play in insulating certain customers from the fact of increasing diversity in our society and workplaces"
11	1	Customer Service – Difficulty understanding customer service representatives	Vodafone	Para 18	"Vodafone is extremely sympathetic to a communications approach with customers that focusses on the essential quality of the services being provided. Unfortunately, this is not an outcome that is supported by the Commission's preference that consumers should be provided with increasingly granular technical information about services"
12	1	Customer Service – Difficulty understanding customer service representatives	Christians Against Poverty	Page 4, Para 2	"CAP clients have reported difficulty in communicating with customer service representatives"
13	1	Customer Service – Difficulty resolving issues	Vocus	Appendix Page 3	"Vocus has a dedicated team to resolve escalated issues. We always seek to resolve customers issues, as this is a key driver for churn. We are also an active member of the TDRS, including a position on the

					current council. We work closely with the TDRS to resolve any disputes and drive improvement across the scheme. We closely monitor NPS (both cold and as a post-interaction measure) and have seen huge improvements in this space”
14	1	Customer Service – Lack of info on installation process	Vocus	Appendix page 3	“Fibre installation does present an issue especially around Right of Ways and Multi Dwelling Units. Information and updates from LFCs in this area could be improved, especially when it goes off to ‘Network build’ and third party Install planning companies. Vocus has invested into our Self-Service order trackers which explain installation process in great detail, and consumes LFC updates when they become available”
15	1	Customer Service – Lack of info on installation process	Vodafone	Para 20	“It is clear that the majority of installation issues relate to fixed broadband services, and it is critical that wholesalers are fully in scope of any future regulatory solutions”
16	1	Customer Service – Lack of info on installation process	LFCs	Para 4.4	“RSPs approved the TCF Fibre Installation Code. RSP staff training may be an issue. The LFCs are open to working with RSPs to simplify information and forms for consumers”
17	1	Customer Service	Utilities Disputes	Para 1	“The Ministry of Business and Innovation’s 2020 NZ consumer survey found that compared to other categories, problems with home-based telecommunications services can be time-consuming to resolve. According to survey results 21% of complainants spend 10 hours + trying to resolve their problem”
18	1	Customer Service	Christians Against Poverty	Page 4, Para 4	“CAP would like to see specific guidelines regarding how customer service representatives engage with customers and financial mentors and what kind of assistance can representatives offer to customers facing difficulties”
19	1	Customer Service	LFCs	Para 5.1	“As wholesalers, our only direct engagement with a customer is limited to general education and awareness marketing of the availability and benefits of fibre, the initial installation, or remote reactivation, of a fibre service – and our Part 6 obligations require us to report on our uptake.

					LFC submission in response to the Commerce Commission Draft Baseline Report on Improving Report Retail Service Quality 6 product mix, service level and service availability performance. In addition, our products, processes and performances are controlled and monitored by our Part 4AA undertakings, Reference Offer, TCF Fibre Installation Code and TCF Customer (Fibre) Transfer Code”
20	1	Customer Service	TFC	Para 22	“This RSQ category is very broad, but we agree that improvements can be made and suggest that further consumer engagement and assessment of the information gathered to date could help steer solutions. The TCF’s current work to update and improve our Broadband Product Disclosure Code will likely have positive improvements on customer service as a result of more consistent and transparent information being provided to consumers when they need it”
21	1	Product disclosure – Coverage map issues	Vocus	Para 13.3	“Care is needed to avoid making generalisations about problems where some of them may be individual telco specific. There can similarly be a split in issues between fixed and mobile services e.g. the issues with coverage maps is specific to mobile services.”
22	1	Product disclosure – Coverage map issues	Vocus	Appendix Page 3	“Broadband: - Our signup process allows customers to view what technologies and plans are available at their address, simplifying the process. Mobile: - Agree we need work in this area”
23	1	Product disclosure – Coverage map issues	TCF	Para 30	“The Report describes issues with coverage maps being inconsistent and difficult to interpret. The TCF suggests that this is an area that could be further investigated, particularly in relation to the Broadband Map which combines data from network operators and RSPs”
24	1	Product disclosure – Marketing of new technology	Vocus	Appendix Page 3	“Vocus would like more detail on customers comments around this. Comments under section 94 suggests consumers would like more clarity on information provided. We would be interested to know more to help us improve our website copy and overall customer experience”
25	1	Product disclosure – Marketing of new technology	Vodafone	Para 8	“The conclusions that ‘consumers find marketing of new technologies inconsistent and confusing’, “‘upto” advertised performance indicators do not give an accurate indication of expected performance’ and ‘usage

					information is inadequate to assess appropriate plans' which the Commission identifies as 'key RSQ matters for improvement' are mentioned nowhere in Research New Zealand's Consumer Telecommunications Survey"
26	1	Product disclosure – Misalignment between product info and service quality	Vocus	Appendix Page 3	"The TCF product disclosure code is currently being reviewed to help improve the way we communicate with customers and how we talk about technologies"
27	1	Product disclosure - "Up-to" performance indicators do not provide expected performance	Vocus	Appendix Page 3	"The TCF product disclosure code is currently being reviewed and this is one of the areas that will be addressed"
28	1	Product disclosure - "Up-to" performance indicators do not provide expected performance	Vodafone	Para 8	"The conclusions that 'consumers find marketing of new technologies inconsistent and confusing', "'upto" advertised performance indicators do not give an accurate indication of expected performance' and 'usage information is inadequate to assess appropriate plans' which the Commission identifies as 'key RSQ matters for improvement' are mentioned nowhere in Research New Zealand's Consumer Telecommunications Survey"
29	1	Product disclosure - "Up-to" performance indicators do not provide expected performance	Vodafone	Para 24	"Any measure that is adopted across industry is based on independently verified evidence. Using SamKnows could be a solution if greater rigour and consistency is assured around how it measures broadband performance and is consistent with real world experience by most consumers. Currently, testing by SamKnows is carried out using hard-wired connections and measures performance to the router/modem. This does not reflect the typical experience of most end users, who experience broadband services via WiFi connection"

30	1	Product disclosure - "Up-to" performance indicators do not provide expected performance	Vodafone	Para 26	"One way of mitigating the risk of overselling is to require all RSPs to provide information to consumers relating to the speed needed to undertake common internet activities, including browsing, email, downloading media files and streaming music/films at standard and high-definition quality. This requirement is in place as part of the Better Broadband Speed Information Code in the UK"
31	1	Product disclosure - "Up-to" performance indicators do not provide expected performance	Spark NZ	Para 20	"We have also switched to using peak time average speeds to describe our plans rather than 'up to' speeds."
32	1	Product disclosure - "Up-to" performance indicators do not provide expected performance	Spark NZ	Para 37	Should apply to WSP and LFCs. "Most of the other LFCs have now announced speed upgrades for their plans, but the latest information on plan upgrades shows that each LFC is taking a different." "That makes our product disclosure very difficult as the speed a customer may get on a retail plan depends on what part of the country they will be in. This is a complicated message to share with customers at the same time the Commission is encouraging retailers to display the average peak time speeds to customers – not only have we not got any data on the speeds that customers will actually receive, but the speeds will vary by LFC."
33	1	Product disclosure - "Up-to" performance indicators do not provide expected performance	Rural Connect NZ	Page 2, Para 2	"Most consumer broadband services are sold without any speed guarantees. This may work adequately for fibre services, but with other services that are more subject to signal degradation and congestion it leaves the consumer in uncertainty. Many services (eg FWA, DSL, satellite) are sold with vague, exaggerated, or no descriptions of speed. This makes it difficult for the consumer to choose between providers, and can lead to dissatisfaction after signing up to a contract"
34	1	Product disclosure - "Up-to" performance indicators do not provide expected performance	Rural Connect NZ	Page 3	<i>Rural Connect NZ noted Ofcom's work they are doing in this area and their Broadband Speeds Code of Practice. They provided an example of what an RSPs advertising looks like in UK around speed representations.</i>

35	1	Product disclosure – Difficult to compare plans	Vocus	Appendix Page 3	“The TCF CDR project is looking to address this area to help customers compare plans and information in an easy format for both the consumer and comparison sites to consume”
36	1	Product disclosure – Difficult to compare plans	Vodafone	Para 9	“Reference to usage information, for example, only appears in a statistically invalid summary of discussion with 18 consumers, during which one consumer noted an issue of not being able to check on usage easily”
37	1	Product disclosure – Difficult to compare plans	Vodafone	Para 23(b)	“If comparison providers are to play an increased role, then the Commission should consider the case for introducing an accreditation scheme – similar to the one run by Ofcom in the UK – to ensure comparison tool providers are held to set standards. This would add a layer of protection and help avoid consumers being misled”
38	1	Product disclosure – Difficult to compare plans	Spark NZ	Para 30	“Comparison services are another area outside of our control. We consider price comparison websites should be held to a higher standard of accuracy and transparency as they are present themselves as an independent comparison of services. We encourage the Commerce Commission to look at an accreditation scheme for price comparison services along the lines on the UK approach.”
39	1	Product disclosure – Difficult to compare plans	TCF	Para 28	“The Commission should consider introducing an accreditation scheme for comparison websites – similar to the one run by regulator TCF Submission to Commerce Commission on RSQ Draft Baseline Report 7 (In-confidence) Ofcom in the UK – to ensure comparison tool providers are held to set standards. This would add a layer of consumer protection”
40	1	Product disclosure	Vodafone	Para 22	“We agree with the principle that the telecommunications industry must be transparent in the product information that we present to consumers. We do this through our compliance with the TCF’s Broadband Product Disclosure Code, as well as the Fair Trading Act (FTA)”
41	1	Product disclosure	TUANZ	Para 13	“In our recent submission on the Commerce Commission’s open letter in regards to marketing of alternative services to consumers during

					copper/PSTN withdrawal we covered the issue of complexity and confusing marketing in the communications market”
42	1	Product disclosure	Christians Against Poverty	Page 3, Para 8	“CAP is concerned that providers are not adequately considering that the way they provide goods and services may cause whānau to face hardship and vulnerability”
43	1	Product disclosure	Christians Against Poverty	Page 4, Para 3	“CAP would like to see provisions around retailers informing customers of the best rates available according to the client’s needs, particularly when dealing with customers who are in hardship or vulnerable”
44	1	Product disclosure	LFCs	Para 4.3(a)	“As the Commission is aware, the self-regulated TCF Broadband Product Disclosure Code is finally being reviewed by the TCF, but it is taking longer than necessary. We need this review to address the matters identified by the Commission and fix other areas of product disclosure to improve overall consumer satisfaction”
45	1	Product disclosure	LFCs	Para 4.3(a)	“We submit that the Commission must require the TCF to include the following in the revised Broadband Product Disclosure Code: (i) the Code must be technology neutral so that it applies to copper, fibre, wireless, FWA and HFC, and include a simple process for adding other technologies as they become available to consumers; (ii) RSPs must disclose: A. product performance in terms of average speed (using the Measuring Broadband New Zealand reports as evidence), availability and downtime (by product type and geographic location); B. product limitations (including data caps); and C. charges, including early termination fees, (iii) the information reported by RSPs must be clearly visible, accessible, easy for consumers and stakeholders to understand their options, what they are purchasing and compare between RSPs and products; (iv) a regular independent monitoring process led by the Commission; (v) an unambiguous and effective process for dealing with breaches via the TCF code compliance framework, with clear consequences for non-compliance; and (vi) the Commission’s outcomes and conduct principles from its Open Letter are embedded into the Code [* As we explained in our submission in response to the Open Letter, ¹¹ the Commission should ensure that its final principles and

					guidelines are applied more broadly (where appropriate) and not limited to marketing during copper withdrawal or PSTN migration]”
46	1	Product disclosure	Rural Connect NZ	Page 1, Para 4	<p>“Many RSPs now provide ‘landline’ voice services using voice over broadband without effective QoS (eg VoIP over ADSL). These services are now the standard landline offering from some RSPs. The voice quality and reliability of these services over ADSL can be extremely low. We know of many people that have been sold these VoIP services without any warning of the disadvantages. In these cases, the RSPs did not disclose that the VoIP voice service:</p> <ul style="list-style-type: none"> • would have poor quality or fail if there is congestion on the broadband (because there is no end to end QoS) • be interrupted if you use the internet heavily • may not meet the requirements of the Emergency Voice Calling Services Code”
47	1	Product disclosure	Rural Connect NZ	Page 2, Para 5	<p>“Services that are initially good can sometimes degrade over time. Often there are no minimum standards that trigger capacity upgrades on rural cell sites. Where there are standards, they are often lower than the consumer's expectations. There should be more transparency on the criteria for capacity upgrades and the minimum standards consumers could experience”</p>
48	1	Product disclosure	TCF	Para 24, 25	<p>“We agree this is an RSQ issue and an area for industry to lead improvement in. We consider this of high priority because improvements will likely have the greatest positive impact for consumers – if done successfully, it will have positive impacts on other RSQ areas such as customer service and switching (via better and easily accessible information). To this end, the TCF has started work to make changes to the TCF Broadband Product Disclosure Code”</p>
49	1	Switching – Double billing/delays	Vocus	Appendix Page 3	<p>“TCF Fibre Transfer code is looking to address some of these issues”</p>
50	1	Switching – Difficulty switching	Vocus	Appendix Page 4	<p>“Vocus has taken steps to reduce complexity around switching, we allow customers specify the date of transfer (to account for notice periods with existing providers) and bring-your-own-modem.</p>

					Investment in order tracking and comms which explain all stages of the fibre installation process as well”
51	1	Switching	Vodafone	Para 32, 33	“The latest research found that only 3% of internet users and 2% of mobile users had an issue with the disconnection of a service (including switching to a new company). In the 12-month period between 1 March 2020 – 28 February 2021, 257,780 fixed-line numbers were ported. This suggests that the number of consumers switching their fixed-line service providers is significant. These figures appear to paint a contrary picture to the Commission’s conclusion that ‘consumers expect switching to be difficult’”
52	1	Switching	Chorus	Para 19	“One option could be to consider Ofcom’s ‘one touch’ switching process that allows all consumers to use a single process to switch, regardless of the retailer, network or technology. Ofcom considered options for improving consumers’ ability to take advantage of offers after research showed four in ten people decided against switching due to the “hassle of needing to contact more than one provider”, along with others who found it too time-consuming”
53	1	Switching	Nova Energy	Para 4	“Nova suggests that any RSQ code pertaining to switching should be paired with the creation of telecommunications registry, for greater transparency and consumer satisfaction across the telecommunications industry.”
54	1	Switching	TUANZ	Para 17	“The BIT report also addressed the inertia in the NZ market around switching providers. Inertia describes a person's tendency to stick with the default option by taking no option. The report indicates that inertia is driven by three main factors: ease, endowment and endorsement. Ease and endowment are the two key factors seen in the telecommunications market. The report finds that endorsement does not typically drive or encourage switching.”
55	1	Switching	TUANZ	Para 23	“Make small changes to reduce frictions to switching (Feasibility = high; Impact = low). This includes the idea that comparison tools are helpful in promotion switching, but that they need to be as easy as possible to

					use. Other changes might include making it as easy as possible for users to access their data and use it in a comparison tool”
56	1	Switching	Christians Against Poverty	Page 4, Para 4	“CAP encourages clients to switch to the most affordable internet and phone plans to provide more funds for essentials like food and their debt repayments. However, difficulties switching, long delays and unreliability can mean clients do not follow our advice”
57	1	Switching	LFCs	Para 4.3(b)	“RSPs are commercially incentivised to make switching off their own service as unattractive and difficult as possible for the customer. The LFCs believe the industry, under the supervision of the Commission shall undertake an investigation of the switching process, with improvements codified in a revised TCF Customer Transfer Code. The lack of any disclosure obligations on RSPs has resulted in the current absence of any meaningful information to allow consumers to compare their options”
58	1	Switching	TCF	Para 31, 34, 36	“The TCF introduced its Customer Transfer Code in 2007 and since then more than 5.917 million numbers have been ported across mobile and fixed. Barriers to switching remain low, and the industry has a strong track record in empowering customer agency in this regard...The Report states that 97% of internet and mobile users did not have an issue with switching or disconnection of a service. This data suggests that the current process is robust and is contrary to the view expressed in the Report that consumers view switching as difficult, unreliable and a process that takes too long”
59	1	Contract issues – High exit and early termination fees	Vocus	Appendix Page 4	“Vocus has taken steps in this area introducing ‘The no dramas contract’ in Slingshot and no contract options in Flip and Stuff Fibre. Early termination fees do apply when promotional items or costly hardware is being supplied to the customers”
60	1	Contract issues – Unilaterally varied contract terms	Vocus	Appendix Page 4	“Vocus does remind customers if we change our terms and conditions that they can terminate the contract if they are unhappy with the changes”

61	1	Contract – Unilaterally varied contract terms	Vodafone	Para 36, 37	<p>“Unilateral variation clauses are already appropriately regulated under the Unfair Contract Terms framework under the FTA. Under that regime, terms in standard form consumer contracts, including unilateral variation clauses, can be declared “unfair” if, among other things, they are not reasonably necessary to protect a business’ legitimate interests. If so, the term would be unenforceable. That could apply to a unilateral variation clause where, for example, customers are “locked in” to a business’ amended agreements and cannot cancel without paying fees. But, appropriately, that position does not apply by default, and requires a considered application of the definition of unfairness under the FTA”</p> <p>“The Commission carried out an extensive Unfair Contract Terms review in 2016. As part of the review, ability to unilaterally amend terms to introduce detrimental changes was considered”</p>
62	1	Contract issues	TCF	Para 38	<p>“There are a number of regulatory consumer protections already established particularly relating to contracts, including the Fair Trading Act, the Consumer Guarantees Act and the Credit Contracts and Consumer Finance Act. The case for adding to these protections to prohibit or mandate any particular approach to contracting in the telecommunication sectors isn’t clear. We note that the Commission undertook an extensive Unfair Contract Terms review a few years ago and did not identify any widespread or systemic problems with our sector”</p>
63	1	Debt and affordability – Inadequate debt management policies	Vocus	Appendix Page 4	<p>“Vocus offers weekly and fortnightly billing options for customers, to help them budget around pay cycles. We promise to pay in the event a customer finds themselves in the situation where they can’t pay that week. We have also launched a new Payment Assistant which allows customers to break up their bill into easier manageable instalments. In the event they go into our bad debt, our credit team also has mechanisms such as payment plans to help customers get out of debt”</p>
64	1	Debt and affordability – RSPs not perming basic affordability checks	Vocus	Appendix Page 4	<p>“Vocus does credit check customers along with fraud measures to ensure customers can afford services with us. We also need to make sure we don’t discriminate unnecessarily so majority of New Zealanders</p>

					have access to internet. Vocus doesn't offer Handset hardware with our mobile plans"
65	1	Debt and affordability	Vodafone	Para 39, 41	"The Commission's summary of the sources used to compile its list of RSQ matters makes clear that it has not sought submissions from RSPs on the existence or content of debt management, customer support or affordability policies or processes. Indeed, it is unclear what information sources the Commission has relied on to inform its view of existing industry debt management practices. We ask that the Commission clarify this and proactively release this to enable informed comment by industry"
66	1	Debt and affordability	Utilities disputes	Page 3, Para 2	"We are seeing consumers that have lost or reduced their income while increasing their energy use and are unaware of the mechanisms to ask for help or assistance"
67	1	Debt and affordability	Trustpower	Para 4.2	"Trustpower has specific measures in place to support vulnerable customers experiencing financial hardship across telecommunications, gas and electricity services. In particular, we are required to comply with the Electricity Authority's Consumer Care Guidelines (the Guidelines) for the electricity services that we offer to customers"
68	1	Debt and affordability	FinCap	Page 1, Para 1	"It is regularly reported to FinCap that accessing these essential services can get too complex, confusing, unfair and generally messy for whānau....This hardship involves whānau ending up defaulting on payments for, or altogether going without other essentials. RSQ needs to improve."
69	1	Debt and affordability	FinCap	Page 2, Para 5	FinCap provided the example of a Woman who had been working with a financial mentor. The Woman had been sold a plan which was beyond her needs and at a cost she could not afford.
70	1	Debt and affordability	FinCap	Page 3	"The CCCFA sets out targeted protections for borrowers to prevent them facing substantial hardship but these don't apply even though from FinCap's perspective this arrangement is equivalent to a loan and similar protections should apply. We recommend the Commerce Commission monitor these arrangements, their outcomes and compare these to work done within their credit team on irresponsible lending."

71	1	Debt and affordability	Christians Against Poverty	Page 3, Para 2	"Over 65% of CAP clients owe money for utilities and housing"
72	1	Debt and affordability	Christians Against Poverty	Page 4, Para 5	"A significant concern is that there are no affordability assessments required for telecommunication goods and services"
73	1	Debt and affordability	Christians Against Poverty	Page 4, Para 4	"CAP would like to see initiatives to encourage telecommunications providers to have consistent financial hardship practices that financial mentors could engage with and refer to"
74	2	Do you agree that debt and affordability practices fall within the scope of RSQ?	Vodafone	Para 44	"OECD figures show that New Zealand compares favourably in terms of affordability and prices of services are not high by international comparison. If the view remains that work is required to make services more affordable, then this requires a broader government response, including work to specifically subsidise services for those consumers that cannot afford them"
75	2	Do you agree that debt and affordability practices fall within the scope of RSQ?	Spark NZ	Page 9, Q2	"Spark already has policies in this area and we do not consider this a priority area. If the Commission is to look at this area it should first consider what it considers failures in the existing legal requirements in this area and ensure it does not create a competing set of financial obligations on RSPs."
76	2	Do you agree that debt and affordability practices fall within the scope of RSQ?	Federated Farmers	Page 1	"...we would not oppose including debt practices and affordability measures within the scope of RSQ."
77	2	Do you agree that debt and affordability practices fall within the scope of RSQ?	FinCap	Page 3, Para 3	"FinCap strongly agrees that debt and affordability practices are in scope. Significant harm can be caused where practices to ensure whānau keep connected to phone and internet services at a fair price with fair arrangements are inadequate."
78	2	Do you agree that debt and affordability	Consumer NZ	Page 1, Para 3	"Yes, we support the Commission's views that the list of matters in the definition of "retail service quality" in section 5 of the Telecommunications Act 2001 is not exhaustive"

		practices fall within the scope of RSQ?			
79	2	Do you agree that debt and affordability practices fall within the scope of RSQ?	Consumer NZ	Page 1, Para 4	"We also agree that debt and affordability practices directly relate to the way a Retail Service Provider treats and deals with its customer and could reasonably be regarded as falling within the scope of the definition"
80	2	Do you agree that debt and affordability practices fall within the scope of RSQ?	TUANZ	Para 28, Para 30	"We support the Commission's view that these practices, as further defined in paragraphs 50.1 and 50.2, fall within this scope of RSQ. In our understanding, the practices around affordability would only apply to when the customer is being on boarded as part of a sales process. While we do consider there is work to be done around affordability for New Zealander's who are currently digitally disadvantaged, we do not believe that this workstream is the right place to solve that issue"
81	2	Do you agree that debt and affordability practices fall within the scope of RSQ?	2degrees	Page 2, Para 9	"Given RSPs are bound to obligations and policies that sit outside of the remit of the Telecommunications Act, and our view that consumer representative understanding of the level of debt and affordability checks undertaken by operators is likely to be limited in the context of consumer engagement to date, 2degrees support the TCF view that these matters should not fall within the RSQ work programme"
82	2	Do you agree that debt and affordability practices fall within the scope of RSQ?	Christians Against Poverty	Page 5, Para 1	"CAP strongly agrees that debt and affordability practices fall within the scope of RSQ"
83	2	Do you agree that debt and affordability practices fall within the scope of RSQ?	Christians Against Poverty	Page 5, Para 1	"Debt and affordability matters are an aspect of customer service, contract issues and billing problems. Customers in debt and hardship should be prioritised they are the most impacted and vulnerable to poor customer service or billing errors. In FinCap's debt collection report, they state that utility debts mostly with electricity and gas providers, but also phone and internet providers were the main original sources of debt collection seen by those interviewed"

84	2	Do you agree that debt and affordability practices fall within the scope of RSQ?	Christians Against Poverty	Page 5, Para 2	"CAP recommends that protections in this space should be brought up to speed with those in other industries. E.g. Electricity Authority's Consumer Care Guidelines and changes to the responsible lending code"
85	2	Do you agree that debt and affordability practices fall within the scope of RSQ?	LFCs	Para 4.5	"We support the industry position stated in the TCF submission in response to the RSQ Report"
86	2	Do you agree that debt and affordability practices fall within the scope of RSQ?	TCF	Para 40	"The Commission has asked if debt and affordability practices should be included in the scope of RSQ. At this stage, the TCF does not believe that these matters should be posited in the RSQ programme"
87	3	Do you agree that we should only maintain a watching brief over the matters in paragraph 53?	Vocus	Appendix Page 1	"Yes. We support the Commerce Commission maintaining a watching brief around these matters"
88	3	Do you agree that we should only maintain a watching brief over the matters in paragraph 53?	Vodafone	Para 45	"Vodafone agrees that the Commission should only maintain a watching brief over matters outlined in paragraph 53"
89	3	Do you agree that we should only maintain a watching brief over the matters in paragraph 53?	Spark NZ	Page 9, Q3	"Agreed"
90	3	Do you agree that we should only maintain a watching brief over the matters in paragraph 53?	Utilities disputes	Para 3	"UDL agrees that not all matters in paragraph 53 are fundamental to a well-functioning industry and given the current breadth of other issues that need addressing it may be appropriate for the Commission to maintain a watching brief at this point over those matters. The industry, should however, be encouraged to make improvement in these areas"
91	3	Do you agree that we should only maintain a	Federated Farmers	Page 1	"...we understand the rationale for doing so and generally support the Commission opting to do so for most of the matters described. The only one of those matters of direct relevance to the experience of our farmer members is that of low overall satisfaction."

		watching brief over the matters in paragraph 53?			
92	3	Do you agree that we should only maintain a watching brief over the matters in paragraph 53?	FinCap	Page 4, Para 3	"FinCap strongly supports work in this area. We recommend the Commission go further than a watching brief and takes action to improve monitoring of debt and affordability issues."
93	3	Do you agree that we should only maintain a watching brief over the matters in paragraph 53?	FinCap	Page 4, Para 4	"...the Commission could actively request further information on how often people are exposed to the requirement to pay early termination fees under a contract, the size of these fees, how often people default within the first few months of a mobile plan or how often people are disconnected from phone or internet services. The Commission could also look at what hardship practices are in place and how many customers are engaged with these practices in comparison to the frequency of debts being sent for recovery. Another metric could be how often whānau are denied connection to essential phone and internet services."
94	3	Do you agree that we should only maintain a watching brief over the matters in paragraph 53?	Consumer NZ	Page 2, Para 1	"We agree the matters in paragraph 53 are issues for consumers. We have received complaints about all these issues. However, they are not the most frequently complained about issues. We consider the Commission should attempt to clarify the extent of these issues before deciding whether to maintain a watching brief on the issues or whether to include them in the list of key RSQ matters that need improving"
95	3	Do you agree that we should only maintain a watching brief over the matters in paragraph 53?	TUANZ	Para 31	"We agree that the Commission should maintain a watching brief on the issues in paragraph 53. This does not mean we consider these issues to be inconsequential and recommend that the Commission be proactive in monitoring these issues."
96	3	Do you agree that we should only maintain a watching brief over the matters in paragraph 53?	2degrees	Page 3, Para 5	"2degrees support that the matters raised in paragraph 53 should not be included as RSQ matters that need improving at this time. We agree with the Commission that there is insufficient evidence to indicate that these warrant interventions"

97	3	Do you agree that we should only maintain a watching brief over the matters in paragraph 53?	Christians Against Poverty	Page 5, Para 5	"CAP would like to see the Commerce Commission go beyond a watching brief over the matters outlined in paragraph 53 of the report. CAP believes that the Commerce Commission should use its powers to monitor matters such as disproportionately high late payment fees, telecommunication providers not returning built up credit when a customer switches and no notifications around contracts ending or sizeable early termination fees proactively. CAP has anecdotal evidence of these matters negatively impacting clients in hardship and facing unmanageable debt"
98	3	Do you agree that we should only maintain a watching brief over the matters in paragraph 53?	LFCs	Para 4.5	"Key current matters correctly identified by the Commission; keep a watching brief on evolving prominent issues"
99	4	Of the proposed key RSQ matters, which ones do you think we should address first?	Vocus	Appendix Page 1	"We consider that communication with customers around installation (LFC updates) and other communication pain points should be prioritised. It should also be noted the TCF is already working on and has prioritised the Product Disclosure code and Transfer code for review"
100	4	Of the proposed key RSQ matters, which ones do you think we should address first?	Vodafone	Para 50	"We would support product disclosure category being prioritised by the Commission, given that this closely interlinks with industry's existing work on the Broadband Product Disclosure Code, as well as the Commission's forthcoming guidelines on marketing of alternative services which industry will be required to develop into a code. There is a case for the Commission being involved in the creation of this code to ensure that it is fully engaged with and understands that complexity of some of the issues involved and the trade-offs that will be involved in addressing these"
101	4	Of the proposed key RSQ matters, which ones do you think we should address first?	Spark NZ	Page 9, Q4 Para 18, 19	"We propose address Product Disclosure first. Transparency of information is key for customers so they can compare plans, confirm what they have purchased is actually delivered and understand industry processes." "The risk of attempting to address everything at once is that the

					industry loses momentum and simply don't have enough industry resource. It will also be difficult to measure the success of individual initiatives if they do not occur in isolation."
102	4	Of the proposed key RSQ matters, which ones do you think we should address first?	Utilities Disputes	Page 3, Para 4	"UDL believes it may be helpful to address the categories in the order below for the reasons set out. 1. Debt practices and affordability. Steps are put in place to relieve immediate stress in part due to Covid-19. 2. The switching process. It is simpler for dissatisfied consumers to easily switch which may resolve existing dissatisfaction. 3. Billing. There are simpler and easy to read bills with higher amounts fully explained and steps to address hardship or inability or pay clearly set out short of disconnection. 4. Customer service. Having access to better customer service will assist with all of the categories and this improvement should be able to be addressed relatively quickly. 5. Contract issues. This will involve educating consumers as well as providers and taking steps to simplify contracts and ensure they are fair. Many or most customers do not read their telco contracts so this will need to also be addressed with perhaps an easy English cover sheet highlighting the top 3 issues in the contract. 6. Product disclosure. This is important and may take longer to implement – however it would assist more consumers to have some of the other more common issues sorted earlier. This is on the assumption lesser numbers of customers move to new products"
103	4	Of the proposed key RSQ matters, which ones do you think we should address first?	Chorus	Para 7	"Central to driving robust competition is ensuring that key information is available to consumers and that they can choose the service that best suits their needs. Therefore, our focus and recommended priorities to help improve RSQ are: <ul style="list-style-type: none"> • Product disclosure; and • Switching."
104	4	Of the proposed key RSQ matters, which ones do you think we should address first?	Nova Energy	Para 3	"...the switching process should be addressed first..."

105	4	Of the proposed key RSQ matters, which ones do you think we should address first?	Federated Farmers	Page 1	"...we recommend that the matters described under the RSQ categories of 'customer service' and 'product disclosure' ought to be addressed first."
106	4	Of the proposed key RSQ matters, which ones do you think we should address first?	FinCap	Page 4, Para 6	"Debt and affordability issues with essential services can mean whānau have no access or end up with unmanageable debt. Both outcomes can cause long term compounding harm from hardship and the sooner intervention prevents these undesirable outcomes, the more that harm can be avoided."
107	4	Of the proposed key RSQ matters, which ones do you think we should address first?	Consumer NZ	Page 2, Para 3	"We consider priority should be given to customer service issues and billing. We receive frequent complaints about these issues and our survey data also shows a high percentage of customers experience long wait times and unhelpful customer service"
108	4	Of the proposed key RSQ matters, which ones do you think we should address first?	TUANZ	Para 33	"In our view Billing issues appear to be one of the most consequential areas which cause a large number of complaints and issues, and they are able to be relatively easily addressed by providers by making changes to their internal systems"
109	4	Of the proposed key RSQ matters, which ones do you think we should address first?	2degrees	Page 3, Para 6	"As a challenger brand 2degrees have worked hard to reduce switching barriers. We were disappointed to see the Commission results that "Consumers experience issues with the switching process such as double-billing errors, long delays and unreliability" and "Consumers expect switching to be difficult". While we understand the definition of 'switching' used in the Draft Report may differ from the typical industry definition of 'switching' (as set out in the TCF submission), we consider that this is an area the Commission should address"
110	4	Of the proposed key RSQ matters, which ones do you think we should address first?	Christians Against Poverty	Page 6, Para 1	"CAP would like to see debt and affordability issues addressed first. These issues have detrimental impacts on marginalised and vulnerable people"
111	4	Of the proposed key RSQ matters, which ones do	LFCs	Para 4.5	"The Commission should focus on product disclosure and switching to provide the industry with guidance required to amend current codes"

		you think we should address first?			
112	4	Of the proposed key RSQ matters, which ones do you think we should address first?	Rural Connect NZ	Page 1, Para 6	"We would like to see full product disclosure prioritised for voice services using VoIP over ADSL. This information is especially important for those without mobile coverage"
113	5	Do you think an industry or Commission RSQ code would improve the proposed RSQ matters?	Vocus	Appendix Page 5	"The TCF is already working on several codes which look to improve key RSQ matters. These include review of the Product Disclosure Code and the Fibre Transition code. The TCF is looking to address these codes this year with a view of tackling other codes next year"
114	5	Do you think an industry or Commission RSQ code would improve the proposed RSQ matters?	Vodafone	Para 48	"Industry code is always a preference. However, the Commission needs to make it clear that this code will need to apply to the entire industry, including smaller retailers and wholesalers. Absent that, it is likely to be impossible to develop an industry code. A code that doesn't apply to all industry players will fail to effectively address the consumer pain points outlined by the Commission"
115	5	Do you think an industry or Commission RSQ code would improve the proposed RSQ matters?	Spark NZ	Page 9, Q5	"Industry is best placed to solve many of the matters raised, provided we have a clear definition of what needs to be addressed, so we support industry codes as the default option. Commission codes may be necessary if industry cannot reach agreement, or some providers refuse to adopt the Code."
116	5	Do you think an industry or Commission RSQ code would improve the proposed RSQ matters?	Utilities Disputes	Para 5	"UDL is of the opinion that a mandatory industry RSQ code is more likely to be successful, with the Commerce Commission enforcing the code should that be necessary. This would encourage ownership and buy in from industry, encouraging pride in its industry, as well as ensuring a level of consumer protection"
117	5	Do you think an industry or Commission RSQ code would improve the proposed RSQ matters?	Chorus	Para 11, 12	"We think that amendments to the TCF's Product Disclosure Code (Code) will improve RSQ outcomes. Our view is that the following changes will drive improvements to transparency for consumers and we are working as part of the relevant TCF process to advocate for these"
118	5	Do you think an industry or Commission RSQ code	FinCap	Page 4, Para 7	"FinCap recommends a Commission RSQ code as the most efficient way of addressing issues in the interests of the community."

		would improve the proposed RSQ matters?			
119	5	Do you think an industry or Commission RSQ code would improve the proposed RSQ matters?	Consumer NZ	Page 2, Para 7	"We do not support the use of industry codes. In our view a higher level of intervention is required. We therefore support the introduction of a Commission RSQ code to improve the proposed RSQ matters. We think Commission RSQ codes are likely to better achieve the purposes of section 233 of the Telecommunications Act 2001"
120	5	Do you think an industry or Commission RSQ code would improve the proposed RSQ matters?	TUANZ	Para 35	"We generally favour the Commission issuing guidelines that enable the industry to develop codes that address these. However, the concern we have in this situation is that voluntary industry codes developed by the Telecommunications Forum (TCF) only apply to those providers who are members of the TCF"
121	5	Do you think an industry or Commission RSQ code would improve the proposed RSQ matters?	2degrees	Page 4, Para 8	"As noted above, the TCF is already looking at updating several codes related to RSQ, including the Broadband Product Disclosure Code Review, the Customer Transfer Code and the TDRS/Customer Complaints Code. In addition, we are expecting to develop a code regarding marketing of services to copper consumers in the short term. Whilst these substantial RSQ-related reviews are underway, we are unclear that additional codes should be progressed. 2degrees considers more information, including on the size, extent and reasons for issues would be required before identifying whether such additional codes are needed to improve RSQ for consumers"
122	5	Do you think an industry or Commission RSQ code would improve the proposed RSQ matters?	Christians Against Poverty	Page 6, Para 2	"CAP agrees that an industry or Commission RSQ code would improve the proposed RSQ matters"
123	5	Do you think an industry or Commission RSQ code would improve the proposed RSQ matters?	LFCs	Para 4.5	"An industry code is the right place to start given the knowledge and experience of the participants. However, the Commission must be ready to step in and take over if a mandated deadline is not met or the codes are insufficient to improve RSQ"
124	Other	RSQ Scope	Vocus	Para 13.1	"Competition is the key driver for better service quality"

125	Other	RSQ Scope	Vocus	Para 13.1, Appendix Page 2	"The Commerce Commission should consider whether issues are individual service provider specific, or symptomatic of a broader problem in the industry"
126	Other	RSQ Scope	Vocus	Para 13.5	"As a business that operates at both the wholesale and retail levels we are acutely aware of the impact upstream wholesale/networks can have on service quality. Issues with Chorus' fibre connection service quality is a theme of the earlier submissions in response to the Commission's open letter and the consultation on the Part 6 price-quality regulation for Chorus' fibre business. The TDR has also recognised that fibre connection delays is a recurring issue, which can depend on the fibre installation provided by Chorus"
127	Other	RSQ Scope	Vocus	Appendix Page 2	"Chorus' fibre price-quality regulation will be the single biggest determinant of debt and affordability issues for end users"
128	Other	RSQ Scope	Vodafone	Para 2	"New Zealand consumers have benefited from intense competition over many years that has delivered low prices, a range of world-class networks and connectivity options, and continuous evolution of the services on offer. But the Commission's report tells us that consumers require more from aspects of service experience"
129	Other	Strength of evidence	Vodafone	Para 3	"It is unfortunate that the Commission's report appears to give significant weight – certainly in its headline characterisation of pain points in the report's findings – to the findings of focus group research conducted by Research New Zealand. This research involved 3 focus groups each lasting not more than 90 minutes and involving 6 participants. It is also clear that focus group research "was undertaken with specific groups of consumers rather than a representative sample...the results have no statistical validity". It is therefore surprising that the Commission has elected to give such prominence in its pain point characterisation of focus group research"
130	Other	RSQ Scope	Vodafone	Para 5	"What is abundantly clear is that for any solutions to effectively address the issues outlined by the Commission, the entire industry must be captured by any new rules, including smaller retailers and wholesalers. If the Commission is to overlay further obligations "to improve retail

					service quality to reflect the demands of end-users of telecommunications services”, it must impose those obligations on all parties whose actions influence this service quality”
131	Other	RSQ Scope	Vodafone	Para 6	“This is why we also say that the TDRS must be mandatory for all telecommunications providers and the Commission’s forthcoming guidelines on marketing of alternative services must apply to the entire industry, including wholesalers and retailers that are not members of the TCF”
132	Other	RSQ Scope	Vodafone	Para 27	“In either case, the Commission must take an aligned position across all workstreams currently underway that relate to product disclosure: this consultation on RSQ pain points, marketing of alternative services and the TCF’s review of the Broadband Product Disclosure Code, as well as the enforcement approach taken by the Commission on Fair Trading Act matters. Clarity is needed on how the outputs of all these various workstreams are intended to hang together, e.g. does the Commission envision a new RSQ code that incorporates and consolidates existing industry codes?”
133	Other	RSQ Scope	Vodafone	Para 28	“The Commission must also be cautious as to how far they go in standardising products presented to consumers to avoid any new regulations having a negative impact on competition. ‘plans are complex with a lot of add-ons and bundled offers.’ This is an area that RSPs compete on and caution is needed not to curb this competition”
134	Other	RSQ Scope	Spark NZ	Para 5, Para 9	<p>“...we need to ensure that Retail Service Quality initiatives do not reduce that dynamic competition by artificially “flattening” the range of services and service bundles available to customers due to an overly myopic preference for competition focused on one service characteristic (price).”</p> <p>“It would not be a good outcome for consumers if retail regulation had the effect of consolidating product offers to just a few products where the only differential between providers was price”</p>

135	Other	RSQ Scope	Spark NZ	Para 22	<p>"Many of the other RSQ issues are described in quite high-level terms. This makes it difficult for us to comment on their relative priority as we do not fully understand the scale and scope of each issue."</p>
136	Other	RSQ Scope	Spark NZ	Para 25	<p>"It will be important to do this analysis to understand if the issues raised are systemic and something that can only be addressed through formal regulation, or whether they are better addressed by industry self-regulation once they are identified. It will also be important to look at the effectiveness of existing policies and industry codes in a particular area."</p>
137	Other	RSQ Scope	Spark NZ	Para 33, 34, 35, 39, 42	<p>"...Chorus made a public announcement on the 1st September that it would be increasing speeds for consumers on the Fibre 100 product to 300Mbps. This resulted in media coverage, but was a surprise to RSPs who were still awaiting final confirmation from Chorus of the change."</p> <p>"The UFB Product Forum is the industry group where changes to products and services are discussed. The group meets monthly. Recently however we have seen this forum bypassed as Chorus and the LFCs have chosen to use only bilateral consultation and notification of changes..."</p> <p>"Chorus and LFCs also seek to influence the retail market through connection incentives and direct to consumer marketing activities."</p>
138	Other	RSQ Scope	Spark NZ	Para 40,41	<p>"While the regulatory regime will ensure Chorus offers anchor products, we suspect the majority of RSPs will be consuming non-regulated products which give Chorus much more flexibility on how they manage changes and pricing."</p> <p>"We therefore ask the Commerce Commission to engage with the Product Forum as observers so it can monitor industry behaviour."</p>

139	Other	Additional Information	Trustpower	Para 2	“The complexity for customers to identify the source of an issue may also have contributed to other feedback that the Commission received from survey respondents. [...]may reflect staff who were unable to resolve a connectivity issue because it lay outside the scope of the broadband service or it may reflect staff who simply failed to address an issue [...]. it is important to correctly scope the issues that customers are facing in order to determine the solution”
140	Other	Additional Engagement	2degrees	Page 4, Para 8	“2degrees considers more information, including on the size, extent and reasons for issues would be required before identifying whether such additional codes are needed to improve RSQ for consumers”
141	Other	Cross reference	2degrees	Page 2, Para 2	“As set out in the TCF submission, given the broad nature of some of the issues identified, the Commission will need to provide further, more specific information obtained from its consumer engagement to industry so that it can better understand the concerns and, if relevant, to support the development of effective solutions”
142	Other	RSQ Scope	2degrees	Page 3, Para 7	“In addition, we note that the Commission has several parallel pieces of work that fall under RSQ matters. For example, this includes the Marketing of alternative services to consumers during copper/PSTN withdrawal work the Commission has indicated it will publish industry ‘guidelines’ on shortly. It is important that the Commission ensure that all these pieces of work are aligned as work progresses towards a final version of this Report and associated next steps. This will ensure clear implementation plans and allow our internal teams to appropriately prioritise resources”
143	Other	Support	LFCs	Para 5.3	“It is disappointing to us that the same RSPs remain unmotivated to publicly acknowledge the extent of the RSQ issues confirmed in the RSQ Report, the effect on consumers and lack any interest in proactively remedying issues without the Commission or TCF involvement”
144	Other	Information gathering	TCF	Para 17	“The TCF suggests that the Commission should continue to drill down into the information obtained from consumer engagement to be able to provide more detail to industry”

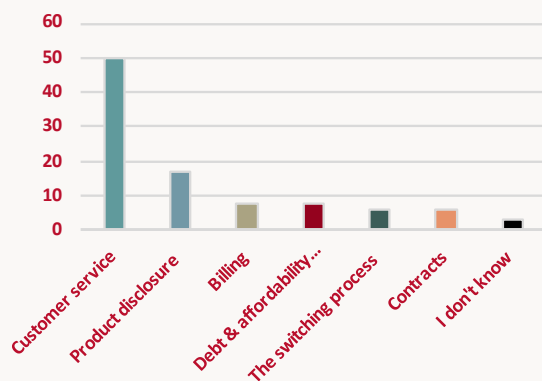
145	Other	RSQ Scope	TCF	Para 26	<p>“It is worth noting that these plans, add-ons and bundles are predominantly used by the industry to differentiate their retail products and services – something that is vital to an industry based on a set of largely regulated wholesale inputs (both mobile and fixed-line). To preserve competition, it is important we don’t stifle innovation and while complexity is one consideration, so too is enabling customers to access plans and services that best meet their individual needs.”</p>
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Improving RSQ draft baseline report: Consumer feedback

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responses

What RSQ category should we look to improve first?



Of the proposed key RSQ matters, which ones do you think we should address first?

Customer service

- 51%** Consumers face long wait times and multiple transfers when dealing with their RSP.
- 19%** Consumers find it difficult to resolve issues.
- 13%** Consumers find it difficult to understand customer service representatives
- 8%** RSPs keep poor records of previous dealings with customers.
- 4%** Consumers lack information about the installation process.

... Customer service is where a consumer will go to resolve other errors ...

Product disclosure

- 54%** Consumers find it difficult to compare plans
- 19%** "Up-to" advertised performance indicators do not give an accurate indication of expected performance.
- 15%** Product information and service quality do not always match or line up.
- 9%** Consumers find marketing of new technologies inconsistent and confusing.

..The various technologies are confusing, I just want a solution that matches my needs and delivers as promised..

Billing

- 45%** Consumers struggle to understand their bills.
- 20%** Consumers experience bill shock.
- 20%** Consumers experience errors in their bills.

.. The bills can be confusing to read but I find most people don't actually even look at them..

Debt & affordability practices

- 47%** RSPs do not appear to have adequate consumer support, or debt management policies.
- 28%** I don't know.
- 23%** RSPs do not appear to perform basic affordability checks.

..too many whānau are continually repeating the same ongoing debt practices and for many they are unaffordable..

The switching process

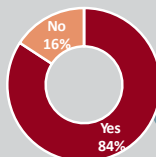
- 51%** Consumers experience issues with the switching process such as double -billing errors, long delays and unreliability.
- 30%** Consumers expect switching to be difficult.

..we're too scared to change because of the disruption of changing and the difficulty of getting any other Telco providers to believe we have fibre..

Contracts

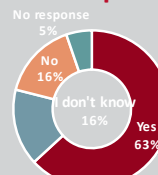
- 61%** Consumers face high exit and early termination fees
- 23%** RSPs unilaterally vary contract terms

Do you agree the proposed key retail service quality matters need improving?



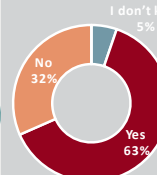
I have personally experienced 15 of the 17 matters above. In some cases multiple times a year.

Do you agree that debt and affordability practices within the scope of RSQ?



I have seen too many examples of seniors being sold a contract or a device that goes way beyond their needs, but costs are high

Do you agree that we should only maintain a watching brief over the matters excluded?



ETFs, LPFs, and contract notifications are critical elements to address, without these it will be very difficult or superficial to truly solve for bill shock.