



TCF submission on the Commerce Commission's Issues Paper: Consumer Switching

May 2025

A. Introduction

1. Thank you for the opportunity to comment on the Commerce Commission's (Commission) Issues Paper on consumer switching in New Zealand. This submission is made on behalf of the New Zealand Telecommunications Forum (TCF) members.
2. The TCF is the telecommunications sector's industry body which plays a vital role in bringing together the telecommunications industry and key stakeholders to resolve regulatory, technical and policy issues for the benefit of the sector and consumers. TCF member companies represent 95 percent of New Zealand telecommunications customers. Our members include network operators, retail service providers and the tower companies that own and operate cell towers.
3. The TCF's industry-led working groups enable ongoing coordination between retail service providers and network operators to support continuous improvement in switching processes. This collaborative approach has delivered efficient, reliable, and consumer-focused mechanisms that have contributed to greater competition in both the mobile and broadband markets.
4. Switching plays an important role in a competitive telecommunications market and the industry is committed to ensuring that switching processes are robust, remain efficient, reliable, and responsive to evolving technologies. The New Zealand telecommunications sector was well ahead of other jurisdictions, including Australia, when it established the number portability framework¹ and drafted industry codes² to establish agreed standards for switching in both mobile and broadband markets.
5. The Paper covers a range of topics some of which are not considered switching issues; non-switching related billing disputes, and credit/refund challenges typically fall outside the scope

¹ Number portability went live in New Zealand on 1 April 2007

² The Regulated Copper Transfer Code was first approved by the TCF in 2012, the third version of the TCF Fibre Transfer Code was approved in 2022.

of switching processes and are more appropriately categorised as general customer service, product disclosure, and billing - these areas fall under other RSQ workstreams. We recommend avoiding any duplication and keeping the scope of this review specifically to switching processes and whether meaningful solutions are required that will make a significant difference to consumers.

6. In this submission we cover:

- a. the frameworks that govern switching in New Zealand.
- b. responses to the key issues raised in the Paper; and
- c. a recommendation that, as the next step in this process, the industry investigates further the issues that specifically relate to switching (operational procedures and processes).

B. The role of the TCF in switching frameworks

- 7. The TCF plays a central role in the management and oversight of industry codes and operational frameworks that support switching in New Zealand. This includes the administration of key processes such as number portability for mobile and fixed services, and the development and compliance of industry codes that guide broadband service transfers across copper and fibre networks.
- 8. We note that the Issues Paper omits reference to these mechanisms which provide an important foundation for ensuring consumers have a seamless switching experience in both mobile and broadband. To our knowledge, the Commission has not engaged in the detail of these existing industry standards nor sought information from telecommunications providers on their switching processes prior to publishing the Issues Paper. To ensure a proportionate approach, the Commission should assess existing regulation before suggesting that further measures are needed to improve the switching process.

9. Mobile Switching:

- a. **Number Portability Determination and Operations Manual:** Local and mobile number portability (LMNP) are both regulated under the Telecommunications Act. The Commerce Commission is responsible for the Number Portability Determination and the TCF is responsible for the supporting operations manual. Through the number porting process the TCF has also implemented a two-factor authentication (2FA) process to safeguard consumers against fraud during the porting process.
- b. **IPMS (Industry Portability Management System):** The TCF also operates the Industry Portability Management System (IPMS), which handles the port request process, including validation and authorisation. IPMS then activates the process when the customer requests number changes and transfers. There are currently more than 40 providers that interact with the IPMS system daily.

10. Broadband Switching

- a. Two industry codes govern the transfer of copper and fibre services, providing structured and coordinated switching processes between providers. The Copper Code is a regulated code which applies to all providers selling copper services. The TCF Fibre Customer Transfer Code is a voluntary code, however the switching process set out in this code is incorporated into contractual agreements between Local Fibre Companies (LFC) and retail providers, therefore all fibre retailers taking LFC services must follow the industry best practice process when a customer transfers their fibre service from one retailer to another.
 - b. Both Codes describe procedures that Retailers must comply with when switching a customer's broadband service and the role the Network Operator plays in facilitating the process between the gaining and the losing retail providers.
11. Mobile and broadband switching processes are led by the customer's requirements. The 'gaining' provider handles the transactional details to ensure their new customer is transitioned smoothly onto their new plans and services. It is the 'gaining' provider that must ensure correct customer authorisation is gained before services are transferred. Customer information obtained through the switching process can only be used for the purposes for which it was originally obtained. The 'losing' provider's contact with the customer must only be about resolving technical issues or about other products and services that remain with them or relating to any outstanding contractual obligations the customer may have.
12. The TCF facilitates working groups that support continuous improvement and coordination across the sector, bringing together retail service providers and network operators to ensure switching processes are efficient, reliable, and consistent with consumer protection principles. This industry-led approach has led to the development of well-functioning switching mechanisms that have enabled increased competition for both the mobile and broadband markets.
- a. In the last 12 months the average number of ports per month was 23,588 for mobile and 10,799 for landline. We note that landline porting is trending down which is the result of consumers moving to mobile and over the top services for voice calling³.
 - b. The average mobile number is ported within 13 minutes (includes the two-factor authentication process for customer authorisation)⁴.

C. The consumer experience

13. Based on industry experience and existing data (including aspects of the Commission's research), we observe that the majority of consumers switching mobile or broadband providers in New Zealand have a seamless experience. The research show that over 80% of consumers are satisfied with the switching process for both mobile and broadband⁵.

³ Source: Number Portability Administrator

⁴ Source: Number Portability Administrator

⁵ *The great majority indicated that overall they were satisfied with their switching experience; 11% were neutral and 4% were dissatisfied.*
Source: Gravitas OPG Consumer Research Report, Switching Telecom Providers

14. We agree with the Commission's observations that there is no optimal level of switching that would indicate customer satisfaction or barriers to switching. The type of issues raised in the Paper also indicate that there are no major issues with the switching process across mobile and broadband and that the process is not fundamentally broken. Issues like general billing disputes, and credit/refund challenges typically fall outside the scope of switching processes and are more appropriately categorised as general customer service matters.
15. In addition, the bundling of services between energy, entertainment and telecommunications sectors have created both benefits and challenges for switching.
16. We agree that there may be opportunities to improve existing processes. The TCF would not support a process that jumps directly to solutions. Further investigation of issues to clearly define those that are directly linked to the switching process, ideally through an industry led approach, should be supported. Once that is done, the TCF would be able to carry out a review of existing processes/codes to deliver any specific targeted improvements.
17. Developing a work programme to complete this work must consider current industry priorities, work programme and Commission reviews.
18. Mobile switching must be considered within the Commerce Commission's current regulatory obligations. Number Portability will be reviewed by the Commission as part of its deregulatory programme. If the decision is to keep number portability a regulated service, the following next step is to review the Number Portability Determination. The TCF has already indicated to the Commission that the sector has identified some areas of improvement for the scope of that review. This must be completed by December 2026.

D. Recommendations

We propose the following next steps:

19. Industry-led Review through the TCF:
 - a. An industry led approach should be supported that would seek to clearly define the issues in detail. We believe this would be best addressed by industry through the TCF and existing working groups.
20. Focus on Existing Industry Codes:
 - a. The TCF can lead a review of industry codes and processes, drawing lessons from what is currently working well and identifying opportunities for improvement. Once that's been completed, providers will be expected to implement any changes made to industry codes and processes within an allocated timeframe.
 - b. Further review of mobile switching may be progressed in-line with the Commission's pending review of the Number Portability Determination.
21. No presumption of regulatory change
 - a. At this stage, we do not consider it appropriate to propose formal regulatory changes. Instead, we recommend that any future changes be grounded in evidence

from the industry review and implemented via updates to existing codes, or new voluntary processes where appropriate.

22. Commitment to Ongoing Engagement

- a. The TCF recommends working with the Commission to scope this work collaboratively and ensure that any changes to existing industry switching processes align with consumer needs and are practical and proportionate. The TCF notes however that the industry is currently focussed on a number of core priorities including:
 - i. legacy technology withdrawal (copper transition and 3G shutdown),
 - ii. scam prevention and engagement with government on the establishment of a cross-sector scam protection framework;
 - iii. resilience of critical infrastructure; and
 - iv. the resource management reform, specifically the review and updating of the National Environmental Standards for Telecommunications Facilities regulations.

These workstreams cover issues that we know consumers care about and that will need to be prioritised over any further measures on switching processes for the remainder of this year.

E. Conclusion

- 23. We appreciate the opportunity to comment on the Commission's switching Issues Paper and look forward to continuing to engage with the Commission on this matter.
- 24. If there are questions about this submission please contact the TCF in the first instance.