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Subject: Consultation Paper - Raising consumer awareness of Utilities Disputes and Powerswitch services

Thank you for providing the opportunity to give feedback on the Electricity Authority's consultation paper *Raising consumer awareness of Utilities Disputes and Powerswitch services*. Switchme has reviewed the paper and has outlined some key points for consideration and response.

For awareness here are a few brief points about switchme.co.nz. Switchme is a privately owned energy comparison service that has been operating in New Zealand since 2009. Switchme does not receive any public funds and provides an impartial service to our customers across both consumer and business. Switchme was the first New Zealand comparison site to enable an online comparison and switching service. Prior to Switchme there was no service allowing a consumer to request to switch energy providers online.

Switchme's feedback must start by acknowledging that for many years the EA has been doing vital work to improve competition within the electricity sector and has been successful in driving change that is resulting in improved customer outcomes. Consumers are benefiting from the changes being rolled out and there is still more that can be done.

Upon reviewing the paper, this initiative is conflicted in how it seeks to deliver increased competition and benefits to the consumer. This is outlined in the following key points:

- This initiative ignores the many thousands of customers that have benefited through the use of comparison services other than Powerswitch. Services that are independent, not tax-payer funded, and that would be adversely impacted should the EA throw its support behind a single comparison service. Surely competition and the consumer are best supported through choice, giving the customer options as to how they compare electricity providers and more widely energy providers. The EA should be looking to promote the awareness of comparison services more broadly and not implying there is only one service available.

- Due to the existence of multiple comparison services, retailers and the comparison services themselves often offer consumers incentives to switch. The competition between comparison sites themselves result in further benefits to the consumer. If the EA encourages a consumer to only visit Powerswitch then the consumer may be missing out on other offers or promotions applicable to them. As such, the consumer is not being made aware of the best deal available to them.

- The proposed changes mandating the retailer to disclose the Powerswitch website is effectively the EA providing marketing services for Powerswitch. It would seem anticompetitive to single out this comparison service.

- The existence of other comparison sites helps drive innovation. For example, Powerswitch had been in existence for many years before Switchme launched. Switchme was the first website to provide an online comparison and switch service. Powerswitch later followed suit but the consumer benefitted from the competition that exists between comparison sites. This initiative threatens the existence of that competition.

- Switchme is not aware of any initiative seeking to secure a preferred comparison site to be supported by the EA. Switchme would be interested in applying for such endorsement if it had been put to market. What was the process and criteria for Powerswitch to be identified as preferred supplier?

Based on the above points, enhancements to the initiatives outlined in the paper would result in better customer outcomes. Switchme are happy to provide recommendations if requested.

Switchme would appreciate the EA responding to this letter and giving consideration to the points raised, and revised initiatives that truly promote competition with a view to benefitting the consumer.

Yours sincerely,

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