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Submissions  
Electricity Authority  
P O Box 10041  
Wellington 6143



By email: [AwarenessOfUDandPS@ea.govt.nz](mailto:AwarenessOfUDandPS@ea.govt.nz)

## **Re: Raising consumer awareness of UDL and Powerswitch Services**

### **Introduction**

Thank you for the opportunity to submit on the "Raising consumer awareness of Utilities Disputes and Powerswitch services" consultation paper. We strongly support the Electricity Authority's (EA's) intention to raise consumer awareness of UDL and Powerswitch. However, we provide the following perspectives on the EA's proposed approach.

### **Regulating Consumer Awareness will not achieve intended result**

We do not believe that regulating consumer awareness by requiring retailers to provide information on UDL and Powerswitch in all retailer communications will increase consumer awareness. In our experience many, if not most, customers do not strongly engage with retailer communications. Flick, along with other retailers, already regularly provides information to all consumers about UDL. We don't believe additional similar retailer lead communications will move the dial on consumer awareness.

We also believe that if these services are promoted by retailers the perceived independence of the service will be compromised. The consumers will perceive these services as being retailer driven and lose confidence in these services.

The authority should seek other avenues to create awareness among those consumers who are unaware of switching benefits or avenues for dispute resolution. We do not believe regulating retailers to require more communications about UDL and Powerswitch is the answer to attract customer engagement, particularly given the target segment the authority is seeking to engage are very unlikely to engage with retailer communications.

### **Utilities Dispute Awareness**

Flick has already taken the initiative to advise consumers of UDL through multiple channels i.e., Flick website, customer bills, complaint acknowledgement communications. We believe adding UDL information to all communications will not provide any additional benefit to consumers but is likely to complicate communications between retailers and consumers. For example, if Flick is required to provide UDL information on a credit disconnection letter this has the potential to mislead the customer into an assumption that they should raise this as a dispute through the UDL scheme despite there being no grounds to do so.

### **Powerswitch Awareness**

Flick provides price comparison services through the Flick website where customers can provide their bills for price comparison and assess whether they would benefit from Flick pricing. We believe that we provide a more detailed comparison around pricing using our tools than the Powerswitch website. Again, these services are only used by consumers who are engaged. We believe that if we added Powerswitch information in all our

communications, this would still target only the engaged consumers. We suggest the EA prioritise its resources to raise awareness of Powerswitch services among disengaged consumers, through other more targeted avenues similar to the 'What's My Number campaign' to successfully raise awareness for Powerswitch.

#### **Utilities Dispute – is it really free?**

Flick supports the ability for consumers to take unresolved disputes to the UDL. However, we struggle with the proposal that we may be required to advertise UDL as a 'free service'. Retailers are certainly charged for UDL both in terms of annual fees and increasingly in terms of the cost of the dispute resolution process where a dispute is accepted by the Utilities Dispute team. Given the very tight margins that retailers are facing in the existing market you can be certain that cost lands with consumers. It would be more accurate, and less misleading, to say that the cost of UDL is spread across all consumers through their power bills, and therefore is available to customers at no additional charge.

This particularly stings given any complaint that gets accepted by UDL costs the retailer \$500, whether or not that complaint has any merit. In the current environment it is a long time before a retailer breaks even on a \$500 expense. UDL is widely regarded as so one-sided in its decision making that its effectively a known cost of \$500 to \$2000, in addition to the cost of the decision in favour of the customer. So, in effect every customer that suggests they will go to UDL retailers might as well pay \$500 to appease. UDL may consider that a win for customers but ultimately it is not – all customers will suffer in subsidising the resolution of unmeritorious claims.

#### **Conclusion**

We appreciate the EA's intention to increase consumer awareness of UDL and Powerswitch services, but we do not believe the proposed approach will be effective. We believe that active consumers are mostly aware of these services and it is the disengaged consumers who are left out and need a different engagement approach similar to "what's my number" to catch their attention. Regulating consumer awareness and putting the onus on retailers to ensure consumers are kept informed will not raise awareness with disengaged consumers. We also think "free" is an increasingly misleading way to talk about UDL. We would appreciate the opportunity to discuss our perspectives with you in more detail.

Yours sincerely,



Malti Prasad  
Compliance Manager