

21 October 2024

Submitted via: [retaildata@ea.govt.nz](mailto:retaildata@ea.govt.nz)

Te Mana Hiko Electricity Authority  
Wellington

**Re: Improving retail market monitoring: amended information notice and updated analysis Consultation paper**

Communities need confidence that all whānau will be able to access the electricity they need for health, wellbeing and social participation. The regulator having and sharing visibility of the electricity retail market can build trust and confidence.

FinCap welcomes the opportunity to comment on the Electricity Authority's *Improving retail market monitoring: amended information notice and updated analysis Consultation paper* (proposed notice).

Many whānau working with financial mentors do not use a heater when it's cold and this can contribute to their being unwell. The Electricity Authority having better visibility over the way in which people interact with electricity retailers will be a foundation to best addressing underconsumption and other energy hardship issues. FinCap calls for:

- strong monitoring of electricity retail markets;
- robust rules to ensure no one is disconnected from essential energy services due to an inability to pay; and
- unhesitating action from regulators where someone is harmed by an electricity retailer breaching consumer protection obligations.

We expand on these comments in the submission below.

**About FinCap**

FinCap (the National Building Financial Capability Charitable Trust) is a registered charity and the umbrella organisation supporting the 185 local, free financial mentoring services across Aotearoa. These services supported over 69,000 whānau facing financial hardship in 2023. We lead the sector in the training and development of financial mentors, the collection and analysis of client data and encourage collaboration between services. We advocate on issues affecting whānau to influence system-level change to reduce the causes of financial hardship.

**Comments on Q1. Are there any further adjustments you think should be made to amended clause 2.16 notice in Appendix A that would improve workability and cost for most retailers?**

*FinCap recommends all retailers are subject to the notice apply to all retailers not just those with more than 1,000 customers.*

We oppose limiting monitoring to just retailers with over 1000 ICPs. Less monitoring to achieve lower barriers to entry is a sign of the market failure and the need for other interventions to bring fair prices. The Electricity Authority should not sacrifice visibility over the quality of some consumers' interactions with their essential service provider to just theoretically challenge the pricing of larger traders. The physical supply of electricity is homogeneous and the consequences of disconnecting this essential supply are the same no matter what the size of the billing entity behind the disconnection.

*FinCap recommends secondary networks are subject to the notice.*

Ensuring consumer protections extend to retirement villages, tenants billed for electricity by their landlords, those living in camping grounds and those in apartments should not again go to the 'too hard basket'. FinCap, as we have regularly in the past, again raises our concern that those supplied essential electricity services in secondary networks are more vulnerable in general. We request the Electricity Authority, if continuing in proposed threshold approach for monitoring, ensure the limiting of monitoring does not apply to secondary networks.

*FinCap recommends publicising a strong enforcement programme for Consumer Care Obligations or bringing more monitoring of the Consumer Care Obligations back into the notice, or both.*

From discussions with the Electricity Authority we understand that monitoring around many aspects of the Consumer Care Obligations are no longer in the proposed notice as compliance activity should give the Electricity Authority means to get the same information when needed.

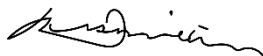
This is worrying to FinCap as it appears to rely on consumers reporting systemic issues to identify problems, rather than the Electricity Authority taking a proactive approach. Financial mentors often tell FinCap how those they assist do not trust that complaining about harmful conduct from a trader will do anything but make their life worse. Where financial mentors do get permission to raise details of likely breaches to disputes resolution schemes or regulators, it also draws heavily on their already strained capacity. While we welcome the work regulators do to take action on financial mentors' concerns, compliance across markets should not rely on financial mentors or consumers' understanding and visibility of systemic issues as well as their ability to report them.

However, we have not yet seen strong and specific detail on how the Electricity Authority intends to enforce compliance with the Consumer Care Obligations protections. We recommend:

- that the Electricity Authority either produce a strong piece of communication, signalling it will prioritise strong enforcement of the incoming consumer care obligations in a way that gives us confidence that the regulator will have more visibility than if there was monitoring; and/or
- bring detailed monitoring of consumer care protections in the notice, as recommended in our previous submission on this topic.

Please contact Jake Lilley, senior policy advisor at FinCap on 027 278 2672 or at [jake@fincap.org.nz](mailto:jake@fincap.org.nz) to discuss any aspect of this submission.

Ngā mihi



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