

## Media Release: Mandatory Consumer Care Guidelines

Published: Monday, 15 May 2023

### Time to make Consumer Care Guidelines mandatory

#### Survey shows many power companies are failing in their duty of care to consumers

Consumers deserve the protection of a mandatory code of conduct to ensure fair and consistent treatment across all electricity retailers says the Consumer Advocacy Council.

The Electricity Authority, which regulates the electricity market, today released the findings of its first annual review of the guidelines following a survey which asked all retailers to assess how they applied the voluntary Consumer Care Guidelines introduced by the authority in 2021.

[Consumer Care Guidelines \[PDF, 875 KB\]\(external link\)](#)

“The survey shows that many retailers are paying lip service to the Consumer Care Guidelines, depriving New Zealand’s 5 million consumers of the protection they deserve,” said Consumer Advocacy Council Chair Deborah Hart.

“This is a shocking result particularly when you consider that the retailers promised to prioritise protections for consumers when they helped develop the guidelines with the Authority.” The guidelines provide a minimum standard of care and are particularly important for vulnerable consumers, such as those who depend on medical devices, but retailers don’t have to apply them.

“It’s high time all retailers embraced the guidelines. We want the Electricity Authority to require all retailers to apply the guidelines so consumers can be assured that any company supplying them with power will honour the same basic protections.”

In summary the survey showed:

- only 28 out of 38 retail brands responded to the Authority
- 9 retailers did not respond including Nova (1 non-responding retailer is defunct)
- only 18 retailers representing 41% of customers said their practices fully complied
- 3 of the big 6 retailers - Genesis, Mercury and Trustpower - said they did not fully comply.

“The fact that only 3 retailers responded on time and that 9 out of 38 retailers did not bother to respond at all shows the level of contempt for the guidelines that exists in the industry.

“It’s even more telling that when the Authority checked on how the retailers assessed themselves, they had doubts about how well they were complying with various guidelines.

“One of those who did not respond was Nova - a significant retailer with 65,000 customers who have no idea how well the company does safeguarding their interests. It’s failing its customers.

“It’s really worrying that for some of our most vulnerable consumers - those who rely on electrical medical devices - a quarter of the households were not fully protected from the risk of disconnection. One of those not fully complying in this regard was one of our largest retailers, Genesis.

“Good retailers should have nothing to fear. For example, what’s wrong with requiring all retailers to ensure their customers are on the pricing plan that best suits them as the guidelines suggest? Good retailers should be doing that now.

“We know that some big and small retailers like Meridian and Flick think making the guidelines mandatory is a good idea.

“But there needs to be a level playing field to make them work for all consumers. The Authority said in 2021 all retailers must comply or it would consider forcing compliance with some or all of the guidelines.

“After a law change in 2022 the Electricity Authority now has a specific mandate to protect the interests of residential and small business consumers.

“So, at a time when our own survey shows consumers are very worried about electricity being affordable and the power staying on, the Authority must make all the guidelines mandatory now,” said Deborah Hart.