

Media Release: EPR Recommendations

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Vulnerable consumers yet to receive the protection promised 4 years ago

Key recommendation from 2019 Electricity Price Review languishing

New Zealand's most vulnerable consumers are still waiting for rules to be imposed on retailers to protect them 4 years after a review of electricity prices recommending mandatory standards was endorsed by the Government.

“This is disappointing when there was a clear recommendation that our most vulnerable consumers, particularly those struggling to pay electricity bills, those depending on electrical medical devices and those on prepay electricity, should have their rights protected by strict rules,” said Consumer Advocacy Council Chair Deborah Hart.

The Council was commenting on an assessment the Council commissioned from consultants Allen & Clarke on how the Electricity Price Review recommendations have been implemented.

[Implementing the Electricity Price Review recommendations - Full report](#)

The Electricity Price Review was delivered to the Government in May 2019 and the Government supported most of the recommendations, including the need for mandatory minimum standards to protect vulnerable consumers in its response in October 2019.

[Electricity Price Review: Final Report\(external link\)](#)

[Electricity Price Review: Government Response to Final Report\(external link\)](#)

The Review said 'We consider the current voluntary arrangements do not provide vulnerable and medically dependent consumers with sufficient protection and should be replaced by a formal, consistent and enforceable set of standards'. It said the Electricity Authority should be responsible for enforcing the standards and these should be developed and implemented within 12 months (Recommendation B6).

“Our most vulnerable consumers remain just that, vulnerable to how retailers choose to treat them based on the current voluntary Consumer Care Guidelines,” said Hart.

“Voluntary standards do not provide the consistent, enforceable protection these consumers need, no matter which retailer they rely on for electricity.

“Since the Review, the Electricity Authority has introduced voluntary Consumer Care Guidelines, but as its own review in May discovered, these guidelines are unevenly followed by retailers. Even worse, that assessment by the Authority relies on the retailers self-reporting their adherence to the guidelines. We just don’t know how well they are actually applied.

“The guidelines must be mandatory - we need strict rules for minimum consumer protections, with penalties for those retailers not following the rules. All consumers deserve that protection, but vulnerable consumers even more so.

“Those rules would make it clear the process around disconnecting consumers, that disconnection should be a last resort and the care retailers should apply to those facing hardship such as payment options - all reasonable rules when you consider electricity is an essential service which everyone needs for health and wellbeing.

“The Electricity Authority now has an explicit mandate to protect small consumers so there is no excuse any longer to delay mandatory protection for vulnerable consumers at the very least.”

The Electricity Authority has agreed to consult on options to improve the guidelines in September. The Council will be advocating for all the guidelines to be turned into a set of enforceable, mandatory rules with proper oversight and penalties for non-compliance.

The Council said while many recommendations from the Review had been acted on, its assessment also found disappointing progress in other key areas.

- Prohibiting prompt payment discounts - these disproportionately hurt low-income consumers, make it confusing to compare retailer pricing and can be unrelated to the true cost of recovering an overdue bill. We have no evidence that all retailers have abandoned these and they have not been prohibited (Recommendation B7).
- Improving consumer awareness of Utilities Disputes. The agency resolves disputes between retailers and consumers. Only 12% of consumers had heard of Utilities Disputes according to a 2022 Electricity Authority survey (Recommendation C7). Retailers need to do better to inform consumers of this avenue.
- Encouraging bulk deals for social housing to allow savings on bills to be shared by low-income tenants, many of whom face challenges paying power bills and may be paying more than they should. Energy innovator Ara Ake recently achieved changes to allow a pilot for 200 Kāinga Ora homes in Wellington using solar panels, but such arrangements take too long to facilitate and no other bulk deals have been approved (Recommendation B8).

[Survey of residential electricity consumer perceptions 2021/22 \[PDF 1.3MB\]\(external link\)](#)

[Utilities Disputes\(external link\)](#)

[Ara Ake: Solar energy sharing for social housing trial approved\(external link\)](#)

“Electricity is an essential service few of us can do without. It’s high time the balance of power was firmly shifted from retailers to consumers, and we seek urgent action on the remaining recommendations of the Electricity Price Review that have yet to be fully implemented,” said Hart.