

Media Release: Mandatory Minimum Standards

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1 in 3 households are buying electricity from a retailer that does not meet minimum standards

Minimum standards of care should be mandatory so customers are better protected, urge a number of organisations who support vulnerable consumers.

In an open letter to the Electricity Authority, which regulates the market, the groups have called on the authority to turn the full set of Consumer Care Guidelines into clear, codified rules all retailers would be required to follow.

The call is being made by Anglican Care, the Consumer Advocacy Council, Consumer NZ, Fincap, Sustainability Trust, Toast Electric, Christian Action Aotearoa, the Wellington City Mission and He Kāinga Oranga Housing and Health Research Group at the University of Otago.

“As winter sets in we see an increasing number of whānau struggling to stay warm. It’s heartbreaking that treating vulnerable families with care and dignity is still optional for electricity retailers. It’s time to make the Consumer Care Guidelines mandatory,” said Anglican Care Director Jolyon White.

“Right now, the majority of people we see at our budget advisory services are there because they’re struggling with their power bill - they deserve better protection.

“But it is wider than our services. 1 in 3 households are with a power company that doesn’t meet minimum guidelines of care, for some they will only find that out when they need help.

“Turning the full set of guidelines into rules is the only way to ensure consumers get the consistent and fair service they deserve no matter who they buy their power from.”

A recent survey of compliance with the Guidelines by the Electricity Authority found that of 38 companies, only 20 (roughly 1 in 2) self-assessed to fully comply with the Guidelines. Those companies represent two-thirds of electricity connections to households. The remaining one third of households are with retailers who either self-assessed as non-compliant, or did not even supply a self-assessment to the Electricity Authority (which is in itself a requirement of the Guidelines). Most concerning is that 2 areas where many retailers were not fully complying were those impacting vulnerable consumers - disconnection and consumers who are medically dependent on electricity.

“At the moment we have a weak voluntary system where retailers are simply being relied on to tell the Electricity Authority they are correctly applying the Guidelines, and not being penalised when they are not,” said Jolyon White.

“Self-assessment is a poor way to measure electricity retailer compliance when health and wellbeing is on the line.

“If a workplace has a serious accident, WorkSafe NZ doesn’t just ask if the company did anything wrong, they investigate.

“How can vulnerable consumers be assured electricity retailers are actually playing by the Guidelines when nobody is really checking up on them and there are no consequences if they are failing to apply them?

“We urge the Electricity Authority to do the right thing by our most vulnerable consumers and make the full set of Guidelines into a set of rules with meaningful penalties.”