

8 August 2022

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Tēnā koutou

Increasing consumer awareness of TDRS non-membership

1. Introduction

- 1.1. Thank you for the opportunity to comment on the Commerce Commission's proposed options to increase consumer awareness of the **Telecommunications Disputes Resolution Scheme (TDRS)**, set out in its **Open Letter on Increasing Consumer Awareness of TDRS Non-Membership (Open Letter)**, 18 July 2022.
- 1.2. This submission is provided by the **New Zealand Telecommunications Forum (TCF)**; the telecommunications sector's industry body which plays a vital role in bringing together the telecommunications industry and key stakeholders to resolve regulatory, technical and policy issues for the benefit of the sector and consumers. TCF member companies represent 95 percent of telecommunications customers in New Zealand.
- 1.3. The TCF promotes TDRS membership and the benefits for providers and their customers. TDRS members must raise awareness of the TDRS and their membership of it, with their customers.¹ The TCF considers it is reasonable that providers who are not TDRS members should be required to disclose this status.
- 1.4. The TCF welcomes the Commerce Commission's focus on how to increase consumer awareness of those providers who are not TDRS members. As it stands, there are consumers who are not able to access the TDRS when a dispute between them and their provider has reached deadlock.
- 1.5. It is important that consumers of telecommunications services in New Zealand can make informed choices and understand which providers support access to a free and independent dispute resolution process. The TCF views the TDRS as an effective independent dispute resolution service supported not only by TCF members but other industry providers. The TCF is committed to working with the TDRS and the Commerce Commission to increase the level of consumer awareness and understanding of the TDRS, and to ensure providers are incentivised to join the TDRS.

2. Proposed options for improvement

- 2.1. Consumers should have access to an effective disputes resolution service if their complaint is not resolved with their provider. The TCF agrees with the Commerce Commission that consumers should know whether a service provider belongs to TDRS and understands what this means for them in the event of a dispute, so that they can make decisions on a fully informed basis (the **Objective**).
- 2.2. The TCF considers a modified version of 'Option 3: Combined Pathway' in the Open Letter will best achieve the Objective for the following reasons:
 - Allowing a period of time to join the TDRS is reasonable to enable a provider to seek information from the TDRS on the obligations it will need to meet as a member, be educated

¹ Cl. 5.3 TCF Customer Complaints Code

on the dispute process and work through any changes required to their business processes before signing up to the scheme.

- It will be important the Commerce Commission provides a reasonable timeframe for any prospective TDRS members to transition to TDRS membership and the obligations this entails. The TCF recommends the Commerce Commission consult with TDRS on the appropriate period of time to ensure the onboarding process aligns with any proposed timeframe. Individual provider submissions should also guide the Commerce Commission on the most appropriate timeframe.
- Publishing a list of non-members at the end of this period would meet the Objective and if they are able to access the TDRS in the event any complaint is not resolved with their provider. However, this list should be secondary to a 'positive' list of providers (and their brands) who are members.
- Publishing a list of TDRS members as a positive promotion of membership would balance the risk of just publishing a list of non-TDRS members and having these providers gain extra consumer awareness of their brands which could be counter-productive.

Assessment

- At the end of the transition period, the Commerce Commission will be well placed to assess whether there has been a 'sufficient reduction' in the number of consumers who remain outside the scheme or whether a move to a mandatory disclosure obligation is necessary to improve outcomes for consumers (the TCF recommends below the Commerce Commission consult with the TCF further on the mandatory disclosure obligations).
- If, for example, there *has* been sufficient reduction after the transition period the Commerce Commission will be able to review (e.g., at least annually) whether Option 1 remains adequate, and (if not) it has the ability to implement further measures, if necessary. This approach will likely be a more effective incentive to encouraging providers to take this first voluntary step to become a member of the TDRS.
- The TCF is interested in understanding what level of 'sufficient reduction' in the number of consumers locked out of the TDRS the Commerce Commission is aiming to achieve and the related reduced percentage of non-TDRS membership. Of the remaining non-TDRS members the TCF would be interested in understanding what barriers these providers perceive exists to becoming a TDRS member.
- Assessing this information could provide an opportunity for the Commerce Commission to work with TDRS and the TCF to implement solutions which lower those barriers. Monitoring uptake over a period of time would provide evidence to the Commerce Commission on whether moving to implement other measures is required.
- The TCF considers reasonable scheme membership fees an important driver to membership. The TDRS may consider a review of its annual scheme membership fees in the short-to-medium term to provide for a more viable incentive to membership if this is identified as a barrier. Another important factor in driving membership is ensuring that the TDRS is effective, that providers gain value from their membership and that determinations made by the TDRS are perceived as balanced, informed and high quality.

3. Additional questions

a. Do you agree it is necessary to take steps to increase consumer awareness and understanding in this area?

Improving consumer awareness is important. Since 2021, TDRS has embarked on a significant marketing campaign including TV, radio and social media. This has resulted in a substantial increase in consumer engagement, generating a lift in website traffic and enquiries made to the service. For example:

- With 5,700 sessions in May 2022, the TDRS more than doubled website viewing figures from March, (the last complete month using the old website and pre campaign efforts).
- Although this campaign is not focused on non-TDRS membership, it has seen an increase in consumer engagement. Across the month of May, 289 service requests were made. This represents a:
 - Month on month increase of 68% from April 2022
 - Year on year increase of 71% from May 2021

- TDR's social media channels reached over 1 million people in this period.

The TDRS members have also increased activity in recent years to promote the existence of the scheme, including by linking to the TDRS on their websites and informing customers about the TDRS through various other communications channels.

The TCF recommends a combined approach, working with the TDRS and the Commerce Commission, to setting longer-term goals to improve both consumer awareness of the TDRS and TDRS membership.

b. Are there any other options the TCF would like to put forward?

The Commerce Commission should also publish a list of TDRS members on its website as a positive promotion of TDRS membership. This will allow consumers to clearly see which providers are and are not TDRS members and helps to balance the risk that if the Commerce Commission only published the non-member list it will create brand awareness for these providers.

The TCF would like to be consulted with should the outcome of Option 1 be considered insufficient by the Commerce Commission. This will allow for the merits and specific implementation of further mechanisms to be considered.

c. Exceptions for smaller providers from any disclosure requirements.

The TCF does not recommend that disclosure exemptions are put in place for smaller providers. Disclosure requirements are not onerous and should therefore be applied to all providers given there are a reasonable number of smaller providers servicing a wide range of consumers who should have the equal right to access a dispute scheme when their complaint is not resolved. Requiring a provider, irrespective of size, to choose between joining the TDRS or disclosing that they are not a member is entirely appropriate.

d. Do you agree that a Commission code would be the most effective way of implementing disclosure obligations under Option 2?

As noted in our response to b, if option 1 is unsuccessful in achieving any material increase in TDRS membership or any corresponding reduction in the number of consumers locked out of the TDRS, we would like to be engaged on the specific implementation mechanism for Option 2.

4. Conclusion

- 4.1. Increasing consumer awareness of the TDRS is important for consumers not only to understand whether or not their provider is a member and what benefits that brings but also to know their rights and have an independent service available to assist them when their complaint has not been resolved by their provider.
- 4.2. TDRS members have recently agreed to increase the TDRS funding to support TDRS' consumer marketing campaign along with a number of other initiatives that the TCF supports to promote membership, knowledge of industry codes of practice and community engagement.
- 4.3. The TCF welcomes the Commerce Commission's focus on the TDRS membership and looks forward to the outcomes of this consultation and future engagement with the Commerce Commission on implementation of the agreed option.

Nāku iti noa, nā



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New Zealand Telecommunications Forum (TCF)