

Changes to Scheme Documents

1. Definition of Complaint/Complainant

The combination of the Electricity Commission (EC) requirements and the Wood report recommendations produces, we suggest, a scheme under which any person can "complain" about anything.

The definition of "Complaint" now includes any expression of dissatisfaction with Services, with no necessity that the complainant be taking, or intending to take the Services provided. While Consumer and Land Complaints are included, Complaints are no longer restricted to these categories. This presents a wide potential for politically motivated or crusading complainants.

The EC requires that the definition of "Complainant" be wide enough to include "Complaints from anyone". The EC appears to presume that any constrictions will be in the definition of "Complaint".

However, influenced by the Wood report, the definition of Complaint has been widened rather than constricted, and the definition of Complainant is now meaningless as it refers only to the category of Consumer Complaints, which the scheme is no longer limited to.

It is recommended that:

In light of the EC requirements the Wood recommendation be abandoned.

The definition of Complainant, instead, be amended to any person who makes a Complaint, to comply with the EC requirements

The definition of Complaint be amended to limit Complaints. We suggest as part of this limitation that "Complaint" include the requirement to have suffered loss as a result of the action complained of.

As a consequential result the definition of Consumer Complaint may have to be incorporated into the general Complaint definition.

2. Commission Duties A2.2

We suggest, in line with the Wood Report, that the performance standards should be sufficient to allow determinations of whether the scheme is efficient as well as effective (i.e. purpose requirement to be cost-effective).

3. Jurisdiction – B1.1

This refers to “Services to the Consumer” – but given the above charges the concept of the Complainant Consumer is erroneous. Presumably the word “Consumer should be replaced with Complainant”.

4. B2.2A

Presumably the time of receipt is after the complaint has been through the member’s internal process otherwise the 2 weeks conflicts with the 6 weeks for the internal process.

5. B3.2 / B3.6

We suggest that the initial period should remain at 20 Working Days, in our experience rulings have been completely re-written following new information (sometimes the complaint itself is not clearly defined until the ruling or we have not sighted the complainants statement of facts until the ruling). The period in B3.6 can however be shortened.

6. B5.1 (i) (i)

We suggest that that “making ad hoc confidential reports” should be replaced with “confidentially conveying the Commissioner’s concern”. The word “report” conveys the impression of a major work. The Commissioner is not a systems analyst, internal auditor or a policy adviser. If a study is required the Member will no doubt commission one.

Presumably the Electricity Commission or the Commerce Commission are the appropriate bodies to study industry wide issues that lead to disadvantaged customers making complaints, in order that the interests of all customers are balanced.

7. C 3.1

The word “reasonable” needs to be replaced to give better guidance on the scope of information requests. Some customers are interested in extremely detailed information that were it requested under the Official Information Act would come with a heavy price tag.

8. C23.1B

We suggest having information on both internal and external complaint handling systems on the invoice will only cause confusion to consumers as to what is the appropriate system to use, leading to unnecessary referral cost for the Commission – we note it costs \$300 a referral at present.

We suggest that you explore with the EC the reason behind this requirement.

9. C23.4 Frivolous and vexatious

The corollary to this is that the Commissioner must have a cost-effective way of dealing with frivolous or vexatious complaints. We suggest that it is the absence of this process that is causing hesitation in members in referring vexatious complaints to the Commission.

10. Facilitation

Finally we note that the Commissioner's principal powers and duties are orientated to facilitating the resolution of Complaints, and the EC's requirement anticipate face to face meetings between the parties.

In our experience the existing scheme is too orientated towards investigations and rulings, with the quality of both varying in the extreme. We understand from the Commissioner that this is because retailers want quick rulings and are uninterested in settling complaints. We believe the Trustpower model of a complaints scheme providing quick and easy regional access to a mediator would be both more effective in settling complaints and less costly than investigations undertaken from a desk in Wellington. We suggest that the current scheme should be completely reviewed with the aim of incorporating the Trustpower scheme, and providing a more cost-effective complaint resolution scheme.