

4 May 2023

Commerce Commission

Wellington

By email to: market.regulation@comcom.govt.nz

SUBMISSION on the Copper Withdrawal Code Review

1. Introduction

Thank you for the opportunity to make a submission on the Commerce Commission's (the Commission) Copper Withdrawal Code Review (the Review). This submission is from Consumer NZ, an independent, non-profit organisation dedicated to championing and empowering consumers in Aotearoa. Consumer has a reputation for being fair, impartial and providing comprehensive consumer information and advice.

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2. Comments on the Review

Consumer supports the review of the Copper Withdrawal Code (the Code). We receive regular complaints from consumers relating to copper withdrawal and consider the Code could be improved.

Question 1: In your experience do end-users understand Chorus' process for withdrawal of copper services and how it will affect them? Please provide any evidence you have which supports your views.

No, based on the complaints we receive not all end-users understand the process and how the withdrawal of copper services will affect them.

Elderly people seem particularly confused by the process. Many are also confused about how to operate the new technology they're provided. This is creating stress for some consumers and impacting their ability to communicate and connect with their friends and whānau.

One Consumer member contacted us about her elderly mother, Christine, who lives alone. Christine was told she needed to go onto a new plan but did not understand what a wireless phone or a modem was or the implications this had for her.¹ Christine was eventually registered as a vulnerable customer and provided with a cellphone. However, she did not know how to use it. Christine felt distressed by this experience.

We have also received several other similar complaints from consumers.

To help address this lack of understanding, we previously suggested the Commission consider funding a freephone service and printed materials for consumers who aren't as technologically savvy.

In 2021, Consumer NZ worked with the Commerce Commission to produce further guidance (entitled "What to expect when moving to new phone and internet technology") for consumers to help them better understand the process. However, as far as we are aware, the document has not been published.

Question 2: In your experience are end-users receiving information from Chorus that enables them to understand the fibre service options available to them? What are the reasons for your view?

No – based on feedback we have received, not all consumers are receiving information that enables them to understand the alternative options available to them.

In our view, the main problem is not that they aren't receiving the information. The problem is that consumers don't always understand the information they have been provided. Some consumers contact us, seeking clarification, as a result. Other consumers may need someone to

¹ Consumer NZ article, "Copper withdrawal symptoms: fibre roll-out leaves some behind", 11 October 2022: <https://www.consumer.org.nz/articles/copper-withdrawal-symptoms-fibre-roll-out-leaves-some-behind>.

call on them to explain the process and help them understand what they are required to do.

Question 3: Do you believe end-users are being given a reasonable amount of time to prepare for a proposed withdrawal of their copper service by Chorus? Why do you hold this view?

We haven't received any recent complaints indicating people aren't being given a reasonable amount of time to prepare for a proposed withdrawal.

Question 4: In your experience, are end-users able to have a fibre service (providing similar functionality) installed by Chorus within a reasonable timeframe?

No, not always. We have recently received complaints from a number of consumers who wanted to get fibre installed but had to deal with multiple cancellations and delays.

One member noted: 'Chorus keeps throwing me into the too hard basket ... I have had different schemes from each different person, promises of action, a few excuses and a bit of buck passing.' Another said: 'I have had six scoping visits, at least five cancelled installation visits, and I'm no nearer getting fibre.' A third member said: "Ever since September [2021] I've been trying to get fibre set up at my new property but Chorus has been a complete nightmare to deal with, and you guessed it 5 months later no internet."

These examples clearly indicate the issues some consumers are still having with fibre installations.

Question 5: Do you have any changes you would suggest making to the Code to improve its effectiveness and outcomes for end-users?

In its current form, the Code is not providing the minimum consumer protections as it intended to do. We support most of Chorus' proposals for changes to the Code as set out in the Review document. Specifically, we support:

- Proposal 1 – Amending the notice requirements so that the Final Notice outlines the potential outcome(s) for consumers, with the

actual withdrawal date, and there is no requirement to send a separate notice within a month after the notice period ends. We agree that it is better to communicate and confirm the outcome for consumers in the Final Notice. We support simplifying the process and ensuring that consumers are provided with a definitive date for withdrawal as early as possible, rather than conflicting dates in different notices.

- Proposal 4 – Adding a mechanism that would allow Chorus to pause and extend the copper withdrawal process. The recent flooding in Tāmaki Makaurau (Auckland) and other parts of Te Ika-a-Māui (North Island), and the impacts of Cyclone Gabrielle have illustrated the need for this.
- Proposal 5 – The Code should be clarified so that copper withdrawal is not prevented where the consumer wanting fibre has taken reasonable steps available to them to resolve the issue but is being prevented by a third party or parties to get it installed. We support clarifying the Code to allow consumers to be able to access fibre or an alternative service in these circumstances. We also agree that where the third-party issue extends beyond a reasonable time, then Chorus shouldn't be required to keep the copper service running.

Question 6: To what extent are the roles of Chorus and RSPs not sufficiently clear to end-users and how can this be improved?

We think that more could be done to assist consumers to understand the distinction. We have been contacted by some members who have been confused about the distinction between Chorus and RSPs. One member noted: "I have contacted Chorus on several occasions and they say 'we are wholesalers and don't deal with the public'."

This could be improved by the Commission creating clearer, consumer-centric, guidance.

Also, we think it would also be useful if consumers only had to deal with their RSPs, rather than both their RSPs and Chorus (or other local fibre company). This would also mean consumers were less likely to reach a dead-end when things go wrong.

Thank you for the opportunity to provide comment.

ENDS