

Amy Sutich

From: Yvette Popovic [Yvette.Popovic@comcom.govt.nz]
Sent: Monday, 20 April 2009 2:46 p.m.
To: Submissions Mailbox
Subject: Submission on Approval of a Complaints Resolution Scheme
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Submission on behalf of the Commerce Commission:

In summary, we support a single nationwide scheme to cover gas and electricity related complaints and further support the selection of the Electricity and Gas Complaints Commission (EGCC) as the Approved Scheme.

We consider that a scheme meeting achievement standards that are based on the Australian Benchmarks is appropriate and that the EGCC scheme is the most appropriate option in terms of meeting those standards.

Some of the benefits of a single scheme are:

- Consistency. This is an important consideration, both in terms of consistency throughout the complaints process and in decision making. One scheme also provides more certainty for both consumers and scheme members/industry.
- Accessibility. One scheme is more likely to make itself readily available to consumers in terms of promoting knowledge of its existence and being easy to use. Several schemes may lead to confusion for consumers.
- Efficiency. One scheme is more likely to operate efficiently by keeping track of complaints and monitoring its processes, particularly in terms of timeliness.
- Independence. Having more than one scheme may serve to undermine independence and impartiality. This also might encourage 'forum shopping' by consumers or retailers.
- Simplicity/Effectiveness. Complaints can relate to more than one retail provider and where those providers belong to different schemes it will be more complex for consumers, potentially leading to increased cost and timeliness being affected. Complications may arise where complaints cover issues relating to members of different schemes.

It is important to the Commission that where systemic issues arise that indicate a prima facie breach of the Fair Trading Act or of any of the legislation that the Commission enforces, that these issues are referred to the Commission. In our experience, this has worked well with the operation of the EGCC scheme in that it has been able to assist in the identification of systemic conduct or behaviour across the industry. We also observe that, in our experience, this scheme works well in terms of meeting the achievement standards under the Australian Benchmarks, although we would recommend more transparency around the publishing of decisions, i.e. published case notes, naming of scheme members, explaining decisions that have been reached and where, appropriate, the reasons for this.

In terms of any competition issues, we do not have any concerns under the Commerce Act 1986 as the operation of one scheme would not have, or be likely to have, the effect of substantially lessening competition in any of the markets in which it would operate.

Thank you for the opportunity to comment.

Yvette Popovic
Chief Adviser, Policy & Compliance Strategy
Fair Trading Branch
Commerce Commission.

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