

Question	BOPE response
<p>1 Do you see any problems with the Commission using the Australian Benchmarks to evaluate consumer complaints resolution schemes? If so what evaluation method should the Commission use?</p>	<p>In our letter to the Commission dated 26 April 2006, we:</p> <ul style="list-style-type: none"> • expressed reservations about the use of the “Australian Benchmarks” to evaluate New Zealand schemes; • sought clarity on why the Australian Benchmarks had been chosen by the Commission; and • queried whether the Australian Benchmarks were specifically formulated for the energy (electricity) industry. <p>We have not received any response from the Commission to these questions and the consultation paper does not answer them (other than to assert that when the Government Policy Statement was drafted “it was envisaged that the Australian Benchmarks would be used”).</p> <p>We agree with the core principles espoused by the Australian Benchmark (ie. accessibility, independence, fairness, accountability, efficiency and effectiveness). The external complaints scheme implemented by BOPE has adopted these same principles.</p> <p>Whether these core principles are satisfied by a particular scheme for which approval is sought should be a question of fact and degree in each case. We therefore support the Commission’s proposal to adopt a flexible ‘fit for purpose’ approach when evaluating whether a particular scheme (see our answer to question 6).</p> <p>We also suggest that the Commission consider the relative weight to be applied to each core principle. It is not necessary for every scheme to be a ‘rolls royce’ scheme. In our view, simple,</p>

	<p>focussed and cost-effective schemes are best for the industry and the consumer.</p>
<p>2 The suggested level of achievement is to indicate the level at which the Commission believes the benchmark criteria would be met. Is it useful to have a suggested level of achievement for each of the benchmark criteria?</p>	<p>Yes.</p> <p>However, it is important that the Commission remains flexible as certain specified achievement levels may not be appropriate or applicable to every scheme.</p> <p>A good example of this approach is the Commission’s proposed achievement levels for benchmark 1.1 (ie. applicants need only meet 3 out of 5 specified levels).</p>
<p>3 The Commission is seeking comments on the individual benchmark criteria and achievement standards detailed in the table attached as Appendix one:</p> <p>(a) Identify <u>benchmark criteria</u> that are not suitable for the evaluation of an electricity consumer complaint resolution scheme. If possible, suggest an alternative;</p> <p>(b) Identify <u>achievement standards</u> that are not suitable for the evaluation of an electricity complaints resolution scheme. If possible, identify an alternative; and</p> <p>(c) Should any additional benchmark criteria be inserted? If so, what should the additional benchmark criteria specify, and what would the achievement standard be?</p>	<p>See BOPE Feedback Form 2.</p> <p>Please note that BOPE’s comments on the proposed benchmarks and achievement standards are entirely without prejudice to its application for approval of its complaints scheme. Failure to comment on any particular benchmark or achievement does not constitute acceptance thereof.</p>
<p>4 Should the Commission approve more than one scheme?</p>	<p>Yes.</p> <p>BOPE supports a ‘multiple scheme’ approach for (at least) the</p>

	<p>following reasons:</p> <ul style="list-style-type: none"> • section 158G(2) contemplates the existence of more than one scheme; • it is unlikely that a single centralised scheme could meet the requirements of all industry participants and all consumers/stakeholders; • the existence of both national and regional schemes will enable retailers (and other industry participants) to join a scheme that best suits it and its customers; • for BOPE, a scheme based within its incumbency is a far more efficient and cost-effective means of meeting government policy expectations. We have found with our own internal complaints process that meeting complainants face-to-face is the best way to resolve issues to the mutual satisfaction of the parties. BOPE’s external complaints scheme offers our customers (and other locally based complainants) the same opportunity. This is preferable to dealing with complaints remotely; and • there may be Commerce Act issues if industry participants are prevented from operating their own schemes.
<p>5 If the Commission were to approve more than one scheme, what should be required of each scheme to ensure that consumer confusion is avoided? Are the achievement standards under criteria 6.2(a) sufficient?</p>	<p>We acknowledge the jurisdictional issues identified by the Commission. However, BOPE believes that these can be effectively managed by adopting protocols in line with the Commission’s proposed achievement standards for benchmark 6.2(a).</p> <p>Further, we suggest the Commission consider the following</p>

	<p>scenario:</p> <ul style="list-style-type: none"> • A complaint is received by Company A that, in Company A's view, has contributing factors by another company (in this case Company B). Company A and Company B are members of different complaints schemes. <p>Company A settles the complaint with the complainant and/or the complaint is determined in favour of the complainant under Company A's scheme. In either case, a sum of money is paid to the complainant resolving the entire complaint.</p> <p>At what point does Company A have the ability to involve Company B in the complaint? Should Company A be entitled to lodge a complaint against Company B seeking a contribution by utilising Company B's complaints scheme?</p> <p>We consider that the answer to this last question should be yes. This way, Company B's position is not prejudiced by the actions of (or decision against) Company A.</p>
<p>6 Is it appropriate that the Commission is able to consider applications that do not meet the level of achievement for each benchmark criterion? That is, should the Commission be able to accept alternative evidence that a benchmark principle is met to an acceptable standard even though individual benchmark criteria are not satisfied as specified by the achievement standards?</p>	<p>Yes.</p> <p>We anticipate that the Commission will adopt a flexible 'fit for purpose' approach to evaluation and approval of complaints schemes. We also expect that the Commission will engage with applicants during the evaluation process so as to address areas where established achievement levels are not met.</p>
<p>7 Do you have any comments on the performance monitoring process?</p>	<p>No.</p>

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However, we note that, based on our experience, the likely volume of complaints will be very low. Therefore, compliance monitoring may not be necessary beyond an annual review.