

Approval of a Joint Electricity and Gas Complaints Resolution Scheme  
Consultation Paper

**Response by  
Australia & New Zealand Energy and Water Ombudsman Network (ANZEWON)**

## Objective and Scope Requirements

This section describes the objective and scope requirements that a complaints resolution scheme must meet in order to be considered for approval.

No.	Title	Achievement Standard	ABM	Comments
1.1	Objectives			
1.1.1	Overall objective The scheme rules will provide for a clear overall objective to provide an independent, timely and cost-effective complaints resolution scheme that is in the long-term interests of gas and electricity sector consumers (including potential consumers) and owners and occupiers of land.			Agree
1.2	Scope			
1.2.1	Clear scope	The scheme rules will be clear on the scope of the scheme and the powers of the decision-maker.	6.1	Agree
1.2.2	Binding rules	The scheme rules will be binding on member companies and set out the principles, requirements, services and actions a complainant can reasonably expect from scheme members.		Agree
1.2.3	Coverage of energy sector	The scheme will cover: <ul style="list-style-type: none"> <li>All parts of New Zealand.</li> <li>All electricity retailers and line companies (including Transpower) as defined in the Electricity Act</li> </ul>	6.2	Agree. It is important for a single energy complaints scheme to cover all consumers, and all electricity and gas retailers and network providers for those consumers.

		<ul style="list-style-type: none"> <li>All natural gas retailers and pipeline companies as defined in the Gas Act.</li> </ul> <p>The scheme will be designed and have the capacity to cover reticulated LPG as provided for in the Gas Act.</p>		<p>We support provision for the scheme to cover reticulated LPG – from the consumer’s point of view this is no different from reticulated natural gas, especially if the consumer relies on this service for essential heating and cooking.</p>
1.2.4	Complainants	<p>The scope of the scheme will be sufficient to deal with:</p> <ul style="list-style-type: none"> <li>Every person who has a complaint about electricity distributors and retailers (including Transpower);</li> <li>Every person who has a complaint about gas distributors and retailers;</li> <li>Complaints from anyone, whether or not they have a contract with the retailer or the distribution company, including potential consumers and the owners and occupiers of land.</li> </ul> <p>The scope of the scheme will not cover the amount members charge for their services.</p>	6.2	<p>Agree.</p> <p>It is important for the scheme to deal with complaints from any consumer or person affected by the decisions, actions, or lack or decision or action of energy retailers and distributors. We support the intention of the consultation paper to make the scope of the scheme as wide as possible.</p>
1.2.5	Coverage of complaints	<p>The scheme rules will require that the scheme deals only with complaints that are within the scope of its coverage and have not been dealt with, or are not being dealt with, by another dispute resolution forum, and:</p> <ul style="list-style-type: none"> <li>Which have been considered, and not resolved to the customer’s satisfaction, by a scheme member’s internal complaints resolution mechanism; or</li> <li>Where a scheme member has refused, or failed within a reasonable time, to deal with a complaint under its internal complaints resolution mechanism.</li> </ul> <p>The scheme rules will specify that “reasonable time” for the purpose of this item will be:</p> <ul style="list-style-type: none"> <li>30 working days from the original complaint to the scheme member; or</li> <li>The resolution agreed to by the member does not eventuate within 30 working days</li> </ul>	5.1	<p>We agree that the scheme deals only with complaints that have not been dealt with, fully or partially, by another dispute resolution forum, so long as the member has fairly informed the complainant of the right to access the external complaints scheme.</p> <p>We agree that the scheme deals only with complaints that have not been resolved to the customer’s satisfaction by a member’s internal complaints resolution mechanism.</p> <p>We disagree that a reasonable time for internal review by members is 30 working days. While 30 working days might be appropriate in some cases, in our experience 30 working days is too long for many customer complaints. This applies particularly where the matter is urgent, and the consumer is being directly affected or about to be directly affected by the action or</p>

		of that agreement being made.		decision of a retailer or distributor, eg disconnection of supply, lack of repair of infrastructure.
1.2.6	Non compliance	The scheme rules will require the scheme to consider complaints against a member company for not complying with the membership rules.	6.9	Agree
1.3	Scheme to include code of practice			
1.3.1	Conduct	The scheme rules will include a code of practice that governs the conduct of members in dealing with stakeholders.		Agree
1.3.2	Code coverage	<p>The code of practice will include requirements for members to:</p> <ul style="list-style-type: none"> <li>• Treat all customers (including potential customers) and other stakeholders with respect even when they are complaining.</li> <li>• Deal with all stakeholders in an open professional manner, making information available promptly in response to reasonable requests.</li> <li>• Be sensitive to the health and safety of all stakeholders.</li> <li>• Ensure all consumers are aware of the payment options and services offered by retailers and social agencies.</li> <li>• Ensure that consumers enter into the most appropriate contracts for their needs.</li> <li>• Cooperate with low income and vulnerable consumers to establish arrangement that meet their needs.</li> </ul>		Agree
1.4	Frivolous and vexatious complaints			

1.4.1	Exclusions	The scheme rules will allow the decision maker to exclude complaints considered to be vexatious or frivolous.	5.4	We do not disagree with this recommendation and note that a similar provision applies to most ANZEWON members. However, we note that this provision is rarely used because of the difficulties of applying these value laden terms to a customer. In practice, we find that it is important to have other more 'neutral' exclusions, eg <ul style="list-style-type: none"> <li>- insufficient interest in the complaint</li> <li>- further investigation not warranted</li> <li>- more appropriate other forum.</li> </ul>
1.4.2	Members required to advise	The scheme rules will require members to advise complainants of the scheme regardless of whether the member considers the complaint to be vexatious or frivolous.	5.4	Agree. This is an important principle so that the judgement of the member company does not block access for the consumer to the dispute resolution scheme.

## Membership Requirements

This section describes the membership requirements that a complaints resolution scheme must meet in order to be considered for approval.

No.	Title	Achievement Standard	ABM	Comments
2.1	Members to promote scheme			
2.1.1	Promotion of scheme	The scheme rules will require members to promote the existence of the scheme to all stakeholders.	6.9	Agree
2.1.2	Invoices	The scheme rules will require members with direct relationships with energy consumers to include information about the scheme on consumer invoices.		Agree
2.1.2	Websites	The scheme rules will require members to include information on websites about the existence and nature of the scheme.	1.1	Agree

2.2	Internal complaints resolution systems			
2.2.1	Internal complaints system	The scheme rules will require all members to have a robust internal complaints resolution system.	6.7	Agree. We suggest that 'effective' is a more appropriate term than 'robust'.
2.2.2	Promotion of internal systems	The scheme rules will require all members to include a message on any invoices to consumers advising that the member runs a free internal complaints resolution service.	1.1	Agree
2.2.3	Information about the scheme	The scheme rules will require all members to inform complainants that if they are unable to resolve a complaint through the internal complaints service that the member also belongs to a free national independent scheme which will be able to investigate on the customer's behalf	1.1 1.4	Agree
2.3	Members to advise complainants about scheme			
2.3.1	Advising complainants	The scheme rules will require that members provide information about the existence of the scheme, and its procedures and scope, when a member responds to a complaint;	1.4 1.5	Agree
2.3.2	When internal process fail	The scheme rules will require that members advise complainants to use the scheme: <ul style="list-style-type: none"> <li>• When complainants are not satisfied in whole or in part with the outcome of the internal complaints system;</li> <li>• When the member fails to deal with a complaint within the time period within which the internal complaints mechanism is expected to produce an outcome.</li> </ul>	1.4 1.5	Agree
2.4	Members to provide information to decision			

	maker			
2.4.1	Timely information	The scheme rules will state that, if required by the decision-maker, scheme members will provide (to the decision-maker) all information relevant to the complaint in a timely fashion, unless that information identifies a third party to whom a duty of confidentiality is owed, or unless it contains information which the scheme member is prohibited by law from disclosing.	3.9	Agree
2.4.2	Third parties	The scheme rules will permit that where a scheme member provides information which identifies a third party, the information may be provided to the complainant with deletions, where appropriate, at the discretion of the decision-maker.	3.10	Agree
2.5	Binding determinations			
2.5.1	Binding	The scheme rules will require that a determination of the decision-maker is binding on the scheme member if the complainant accepts the determination.	6.10	Agree
2.6	Members to adopt and abide by the code of practice			
2.6.1	Adopt code	The scheme rules will require members to adopt the code of practice in dealing with stakeholders.		Agree
2.6.2	Binding code	The scheme rules will require members to abide by the code of practice when dealing with stakeholders.		Agree

## Procedure Requirements

This section describes the procedures that a complaints resolution scheme must follow in order to be considered for approval.

No.	Title	Achievement Standard	ABM	Comments
3.1	Informal proceedings			
3.1.1	Encouraging settlements	The scheme rules will provide for the use of appropriate techniques including conciliation, mediation and negotiation, in attempting to settle complaints.	1.19	Agree
3.1.2	Encouraging an informal approach	The scheme rules will provide for informal proceedings which discourage a legalistic, adversarial approach.	1.19	Agree
3.2	Rights of parties to complaint			
3.2.1	Presentation of complaints	The scheme rules will provide for a complainant's case to be presented orally or in writing, at the discretion of the decision-maker.	1.16	Agree. We note that in our experience most consumer complaints are received orally by phone. This is key accessibility principle for dispute resolution schemes.
3.2.2	Rights to rebut	The scheme rules will require that both parties will have the opportunity to rebut the arguments of, and information provided by, the other party.	3.5	Agree. Fairness and due process is a key principle for dispute resolution schemes.
3.3	Face-to-face hearings			
3.3.1	Rights to present	The scheme rules will require that both parties to a complaint have the opportunity to present their case to the decision-maker if a face-to-face hearing is involved.	3.3	We disagree with the term 'hearing' and its implications, and suggest that all such references be replaced by the word 'meeting'. This is more in keeping with the encouragement of an informal, non legalistic,

				non adversarial approach.
3.3.2	Discourage legal representation	The scheme rules will discourage the use of legal representatives at any face-to-face hearings before the decision-maker except in special circumstances.	1.20	Agree. As above, we suggest that the term 'hearings' be replaced by 'meetings'.
3.3.3	Rights to have support	The scheme rules will provide for complainants to be supported by another person at any face-to-face hearings.	1.17	Agree. As above, we suggest that the term 'hearings' be replaced by 'meetings'.
3.4	Legal representation			
3.4.1	Rights to legal representation	Although informal proceedings are to be encouraged, the scheme rules will allow any party to have legal representation if they wish.	1.20	We strongly disagree. This proposal is inconsistent with 3.3.2 and with the objective for informal proceedings. If a member wished to have legal representation, this would put significant pressure on the complainant to obtain legal representation with significant cost implications. If a complainant wished to have legal representation, the member may respond in kind, thereby escalating the proceedings. We suggest that 3.3.2 adequately covers the question of legal representation in line with the Benchmark of Accessibility.
3.4.2	Complainants to be advised about rights to legal support	Complainants will be advised during their initial contact with the scheme, and again at the time of any decision, that they have the right to access legal representation at any stage of the complaints process.	3.2	We strongly disagree for the reasons outlined above (3.4.1). Such a message may encourage the parties to believe they need legal representation as part of the complaints process.
3.4.3	Rights for both parties to be represented	The scheme rules will provide the opportunity for a party to be legally represented where the other party has chosen to be legally represented.	1.21	We agree that this is consistent with Benchmark 1.21 but suggest that the emphasis should be on the discouragement of legal representation.
3.4.4	Legal costs	The scheme rules will provide for the member to pay the legal costs of a complainant where the member is the party seeking to be legally represented and the decision-maker agrees to that request.	1.22	We agree that this is consistent with Benchmark 1.22 but suggest that the emphasis should be on the discouragement of legal representation.

3.5	Reasons for determination			
3.5.1	Both informed	The scheme rules will require that both parties are told the reasons for the determination.	3.6	Agree
3.5.2	Reasons provided	The scheme rules will require that complainants are advised of the reasons why their complaint is outside the jurisdiction of the scheme or otherwise excluded.	3.7	Agree
3.6	Information about complaints			
3.6.1	Sufficient information	The scheme rules will require that both parties to a complaint will be informed of the arguments and be given sufficient information to understand the position of the other party.	3.4	Agree
3.6.2	Complainant information	The scheme rules will require that the decision-maker will encourage but cannot compel complainants to provide information about a complaint.	3.8	Agree. If a complainant does not provide information that the scheme believes is relevant and necessary to the complaint, this might be grounds for no further investigation.
3.7	Confidentiality			
3.7.1	Complaint information	The scheme rules will require that information provided for the purposes of resolving complaints is kept confidential, unless disclosure is required by law or for any other purpose specified in these requirements.	3.11	Agree
3.7.2	Generated information	The scheme rules will require that parties to a complaint agree not to disclose information gained during the course of any mediation, conciliation or negotiation to any third party, unless required by law to disclose such information.	3.12	We acknowledge that this is consistent with Benchmark 3.12, and that such a requirement is appropriate in relation to formal mediation. However, the majority of our dispute resolution involves investigation, conciliation and negotiation, and our experience has raised some issues about this benchmark in practice, including:

				<ul style="list-style-type: none"> <li>• if the complainant is not satisfied with the outcome of an investigation, they might take their complaint to another forum and would reasonably wish to use information obtained through the scheme's investigation. Prohibition of disclosure of information gained in the scheme's investigation would not be reasonable in this situation</li> <li>• there is no effective enforcement of this provision, particularly in relation to the complainant (and schemes would not wish to have any enforcement processes against complainants).</li> </ul>
3.8	Referring complaints and problems to other forums			
3.8.1	Referring complaints	The scheme rules will require that scheme staff have the information, mechanisms and procedures for referring relevant complaints to other, more appropriate, forums.	5.2	Agree. This is a very important service to complainants who are often not clear about the most appropriate dispute resolution forum for their complaint.
3.8.2	Internal complaints systems	The scheme rules will require that the decision-maker is able to advise scheme members about the existence of internal complaints systems operated by members.	6.8	This recommendation varies in effect from Benchmark 6.8. However, we agree that: the scheme should be able to advise a member about their own internal complaints process, as well as advise all members about best practice in internal complaints processes.
3.8.2	Systemic problems	The scheme rules will require that there are mechanisms and procedures for referring systemic industry problems that become apparent from complaints to scheme members	5.3 6.4	Agree. This is a key provision for assisting the scheme to work with members to reduce or eliminate areas of complaints and an important role for the central decision-maker.
3.9	Tracking complaints			
3.9.1	Systems	The scheme rules will require the scheme to keep systematic records of all complaints and	5.7 5.10	Agree

		enquiries, their progress and outcomes.		
3.9.2	Time limits	The scheme rules will require the scheme to have a mechanism to ensure that the time limits for dealing with complaints are complied with as far as possible.	5.6	Agree
3.9.3	Receipts	The scheme rules will require staff to provide complainants with a receipt indicating the acceptance of the complaint within two weeks of receiving the complaint. The receipt is to include information on the process for resolving complaints, including when the complainant can expect updates.	5.8	<p>We agree with the spirit of this recommendation but suggest some clarification, eg</p> <p>The scheme rules will require staff to provide complainants with <i>confirmation of receipt</i> of the complaint within two weeks (<i>ten working days?</i>) of receiving the complaint. The receipt is to include information on the process for resolving complaints, including when the complainant can expect updates.</p> <p>The reason for this suggested change is that although a complaint might be received by the scheme, it might not be 'accepted' for investigation if it is found to be out of jurisdiction or more appropriately handled by another agency.</p>

## Miscellaneous Requirements

This section describes some miscellaneous requirements that a complaints resolution scheme must meet in order to be considered for approval.

No.	Title	Achievement Standard	ABM	Comment
4.1	Awareness and promotion			
4.1.1	Publicity material	<p>The scheme will provide readily available material in simple terms explaining:</p> <ul style="list-style-type: none"> <li>• How to access the scheme;</li> <li>• How the scheme works;</li> <li>• The major areas with which the scheme deals;</li> <li>• Any restrictions on the scheme's powers;</li> <li>• The minimum standards of conduct for</li> </ul>	1.3	Agree

		member companies.		
4.1.2	Special needs customers	<p>The scheme rules will require that the scheme promotes its existence in such a way as to be sensitive to disadvantaged customers with special needs.</p> <p>The scheme will do this by liaising with organisations working with, or consisting of, people who may not be able to find out about the scheme through standard means. The scheme will assist those organisations with distributing information about the scheme to these organisations' clients and/or members.</p>	1.6	Agree
4.2	Access and ease of use			
4.2.1	Available	The scheme rules of the scheme will be expressed clearly and made available on a scheme website.	1.10	Agree
4.2.2	Simple processes	The scheme rules will require that the processes are simple for complainants to understand and easy to use.	1.15	Agree
4.2.3	Guideline	The scheme will have a simple, step by step guideline available for all complainants.		Agree
4.2.4	Easy access	The scheme will provide a free phone number and a freepost service.	1.7	Agree We suggest that the scheme should also provide freefax, email and the ability to lodge a complaint from the scheme's website.
4.2.5	Assisted access	The scheme rules will require the scheme to arrange services to assist complainants to access the scheme (such as appropriate services to meet the needs of complainants with disabilities and from non-English speaking backgrounds) at no cost to the complainant.	1.8	Agree
4.2.6	Assisted complaints	If a complainant is unable to put a complaint in writing, the scheme will record the complaint in writing and send it to the complainant for confirmation.	1.9	Agree
4.2.7	Free access	The scheme rules will specify that the scheme is free to complainants. This will be made	1.11	Agree

		clear in all promotional material.		
4.3	Contact Staff			
4.3.1	Staff training	<p>The scheme will ensure that all new staff members are adequately trained to carry out their role in the complaints process.</p> <p>Staff training will provide an understanding of the energy industry to a level to enable staff to understand most complaints.</p> <p>The scheme will provide for regular staff training to the extent necessary to maintain the necessary level of understanding of the energy industry and the complaints process.</p>	1.12	Agree
4.3.2	Contact staff duties	<p>Contact staff will explain to complainants in simple terms:</p> <ul style="list-style-type: none"> <li>• How the scheme works;</li> <li>• The major areas it deals with;</li> <li>• Any restrictions on its powers;</li> <li>• The timelines applicable to each of the processes in the scheme.</li> </ul> <p>Where an initial query or complaint is received, contact staff will acknowledge receipt and provide an explanation of how the scheme processes work.</p> <p>Contact staff will be provided with a check list to ensure that complainants and potential complainants are given all information.</p>	1.13	Agree
4.3.3	Non-confrontational approach	<p>The scheme will ensure that all contact staff adopt a non-confrontational approach with complainants.</p> <p>The scheme must ensure that contact staff are trained or experienced in appropriate techniques, including conciliation, mediation and negotiation.</p>	1.18	Agree, but we note that the Benchmark uses the term "non-adversarial".

## Decision Making

This section describes the decision making processes that a complaints resolution scheme must follow in order to be considered for approval.

No.	Title	Achievement Standard	ABM	Comments
5.1	Decision maker			
5.1.1	Determinations	The scheme rules will require the scheme to have a decision-maker who is responsible for the determination of all complaints.	2.1	Agree. In practice, of course, the decision-maker needs to be able to delegate some of their decision-making capacity. (Any delegation would not include the making of Binding Decisions).
5.1.2	Scope of determinations	The scheme rules will require that the decision-maker will have the power to: <ul style="list-style-type: none"> <li>Recommend that a complaint should be settled or withdrawn.</li> <li>Uphold a complaint against a member.</li> </ul> The scheme rules will require that, if a complaint is upheld, the decision-maker will have the power to: <ul style="list-style-type: none"> <li>Award compensation in favour of a complainant.</li> <li>Require reimbursement of expenses in favour of a complainant.</li> <li>Require a member to take certain actions to make redress.</li> </ul>		Agree We suggest that the last point should be amended to include 'non actions' as well as actions, ie <ul style="list-style-type: none"> <li>Require a member to take certain actions to make redress, or not to take certain actions in relation to the complainant.</li> </ul> Such 'non actions' might include non imposition of a charge, no disconnection of supply.
5.1.3	Not accountable to members	The scheme rules will require that the decision-maker is not accountable to scheme members for determinations.	2.3	Agree
5.1.4	Fair and reasonable	The scheme rules will require that the decision-maker makes determinations based on what is fair and reasonable, having regard to good	3.1	Agree

		industry practice, relevant industry codes of practice and the law.		
5.2	Written determinations			
5.2.1	Reports	<p>The scheme rules will require the scheme to provide written reports of determinations to scheme members and any interested bodies for the purposes of:</p> <ul style="list-style-type: none"> <li>• Educating scheme members and consumers;</li> <li>• Demonstrating consistency and fairness in decision-making.</li> </ul>	4.1	Agree, with the proviso of 5.2.2
5.2.2	Complainants not named	<p>The scheme rules will require that in written reports of determinations:</p> <ul style="list-style-type: none"> <li>• Complainants are not to be named;</li> <li>• Members may be named, but the basis on which those members would be named must be clearly stated.</li> </ul>	4.2	Agree
5.3	Compensation			
5.3.1	Not punitive	The scheme rules will not allow the decision-maker to make awards for punitive damages.	6.3	Agree
5.3.2	Maximum compensation	The scheme rules will allow for compensation up to a maximum of \$20,000 to be awarded.	6.2	Agree

## Member Compliance Requirements

This section describes the compliance processes that a complaints resolution scheme must follow in order to be considered for approval.

No.	Title	Achievement Standard	ABM	Comments
6.1				
6.1.1	Compliance	The scheme rules will provide a mechanism to monitor member compliance with the scheme.		Agree
6.2	Monitoring member compliance			
6.2.1	Monitoring own compliance	The scheme rules will require members to monitor their compliance with the scheme rules and report annually to the scheme.		Agree
6.2.2	Scheme to monitor members	The scheme rules will provide rights for the scheme to identify and report <sup>1</sup> on problems with member compliance with the scheme rules.		Agree
6.2.3	Member breaches	Any member breaches will be reported to the Overseeing Entity and published in the scheme's Annual report.		Agree
6.3	Overseeing Entity to report on compliance			
6.3.1	Annual Report	The scheme rules will require the Overseeing Entity to report on member compliance in the scheme's Annual Report.		Agree

<sup>1</sup> To the Overseeing Entity and in the Annual Report

6.3.2	Report to EC/GIC	The scheme rules will require the Overseeing Entity to report on member compliance to the Electricity Commission and Gas Industry Co in the case of any member non-compliance with the scheme rules.		Agree
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## Governance Requirements

This section describes the governance requirements that a complaints resolution scheme must meet in order to be considered for approval.

No.	Title	Achievement Standard	ABM	Comments
7.1	Overseeing Entity			
7.1.1	Oversight role	The scheme rules will require that an Overseeing Entity has a responsibility to oversee the effectiveness and independence of the scheme.	2.6	Agree
7.1.2	Composition	The Overseeing Entity will have a balance of consumer interests, industry interests, and where relevant other key stakeholder interests, and will have a chair who is independent of any particular interests.	2.4	Agree
7.1.3	Functions	The scheme rules will require that the functions of the Overseeing Entity include: <ul style="list-style-type: none"> <li>• Ensuring that the scheme meets the overall objective<sup>2</sup>;</li> <li>• Appointing and dismissing the decision-maker;</li> <li>• Approving the annual budget;</li> <li>• Receiving complaints about the operation of the scheme;</li> <li>• Approving any changes to the scheme rules;</li> </ul>	2.8	Agree

<sup>2</sup> As outlined in 1.1.1

		<ul style="list-style-type: none"> <li>• Receiving regular reports about the operation and performance of the scheme;</li> <li>• Taking actions to improve the performance of the scheme where reports suggest that is necessary;</li> <li>• Receiving information about, and taking appropriate action in relation to, systemic industry problems referred by the scheme;</li> <li>• Ensuring that the scheme continues to meet the requirements set out in this document and which were a basis for approval;</li> <li>• Developing and implementing a code of practice that sets out minimum standards of conduct for members.</li> </ul>		
7.1.4	Consumer members	<p>The scheme rules will require that the representatives of consumer interests are:</p> <ul style="list-style-type: none"> <li>• Capable of reflecting the viewpoints and concerns of consumers;</li> <li>• Persons in whom consumers and consumer organisations can have confidence.</li> </ul>	2.7	Agree
7.1.5	Industry members	<p>The scheme rules will require that the representatives of industry interests are:</p> <ul style="list-style-type: none"> <li>• Capable of understanding the viewpoints and concerns of consumers;</li> <li>• Persons in whom consumers and consumer organisations can have confidence.</li> </ul>		Agree
7.1.6	Election of Overseeing Entity members	<p>The scheme rules will require that:</p> <ul style="list-style-type: none"> <li>• Industry representatives are elected by members;</li> <li>• Consumer representatives are nominated by the Ministry of Consumer Affairs;</li> <li>• The Independent Chair is elected by the Overseeing Entity following consultation with the Electricity Commission and the Gas Industry Co.</li> </ul>		Agree

7.2	Amending the scheme rules			
7.2.1	Consultation	Any changes to the scheme rules will be undertaken in consultation with relevant stakeholders, including scheme members and the Overseeing Entity, the Gas Industry Co and the Electricity Commission.	2.10	Agree
7.2.2	Requirements	Any changes to the scheme rules will be consistent with the GPS for Electricity Governance and the GPS for Gas Governance and the requirements set out in this document unless otherwise agreed by the Gas Industry Co and the Electricity Commission.	2.10	Agree
7.2.3		The scheme rules will provide a process governing how changes are made to the scheme rules that allows the scheme to develop in response to changes to the environment and to improve its performance in meeting the overall objective.  This process will achieve an appropriate balance between the interests of those that may wish to make complaints and the members involved in governing and funding the scheme.		Agree
7.3	Appointing staff to the scheme			
7.3.1	Decision-maker	The scheme rules will require that the decision-maker is appointed by the Overseeing Entity and has no relationship with the scheme members that fund or administer the scheme which would give rise to a perceived or actual conflict of interest.	2.4	Agree
7.3.2	Fixed term	The scheme rules will require that the decision-maker is appointed to the scheme for a fixed term.	2.2	Agree, although we suggest that the decision-maker should be eligible for reappointment for a further fixed term(s) .
7.3.3	Other staff	The complaints scheme staff must be	2.5	Agree

		independent of members and must be appointed by the decision-maker.		
7.4	Handling complaints about the scheme			
7.4.1	Referred to Overseeing Entity	The scheme rules will require that the scheme receives and passes complaints about the operation of the scheme (other than complaints about a decision of the decision-maker) to the Overseeing Entity for appropriate action.	6.5	Agree
7.4.2	Timely response	The scheme rules will require the scheme to respond to any recommendations of the Overseeing Entity in response to complaints about the operation of the scheme in a timely and appropriate manner.	6.6	Agree

## Funding Requirements

This section describes the funding requirements that a complaints resolution scheme must meet in order to be considered for approval.

No.	Title	Achievement Standard	AB	Comments
8.1	Funding Arrangements			
8.1.1	Funded by members	The scheme rules will require that the scheme is funded by the members.	2.9	Agree
8.1.2	Transparency	The scheme rules will require that the funding arrangements are clear and transparent to stakeholders.	2.9	Agree
8.1.3	Funding mechanism	The scheme rules will require that the Overseeing Entity is required to ensure that the scheme: <ul style="list-style-type: none"> <li>• Has a user pay component to provide an incentive for internal schemes to be bolstered.</li> <li>• Ensures incentives are correctly aligned to encourage efficient resolution by all</li> </ul>	2.9	Agree

		parties.		
8.2	Setting the budget			
8.2.1	Overseeing Entity	The scheme rules will require that the annual budget and funding arrangements are considered and approved by the Overseeing Entity.		Agree
8.2.2	Sufficiency	The scheme rules will require that the scheme is funded sufficiently to allow its caseload to be managed and to allow other functions necessary to meet the requirements of this document.	2.9	Agree
8.2.3	Efficiency	The scheme rules will require the scheme to be funded at a level consistent with providing a cost-effective outcome.		We agree, but there is a question about the definition of 'cost-effective outcome' that may need further clarification. We suggest that this would be a matter for the Overseeing Entity in consultation with the Decision Maker.

# Performance Monitoring Requirements

This section describes the performance monitoring arrangements that a complaints resolution scheme must meet in order to be considered for approval.

No.	Title	Achievement Standard	AB	Comments
9.1	Performance standards			
9.1.1	Standards to be set	The scheme rules will require standards against which the performance of the scheme will be measured. These standards will be sufficient to allow external parties to readily determine if the scheme is providing an effective complaints resolution service.	5.9	Agree
9.1.2	Standards to include	The standards will include the following requirements: <ul style="list-style-type: none"> <li>To determine 90 per cent of all complaints received by the scheme within 60 working days of receiving notification of each complaint.</li> <li>Determinations are to be sufficiently clear and comprehensive as to be readily understood by all parties.</li> <li>Determinations are to be within the scope of the powers of the decision-maker as set out in the scheme rules.</li> </ul>	5.5	We agree with the need to set standards for the scheme, but suggest that these specific timelines may be too prescriptive. We suggest that the time standards for the scheme should be a matter for decision by the Overseeing Entity and the Decision Maker in consultation with the Electricity Commission and Gas Industry Co rather than set out in advance in the approval criteria.
9.2	Internal reviews			
9.2.1	Regular reviews	The scheme rules will require the scheme to conduct regular internal reviews of its performance including: <ul style="list-style-type: none"> <li>A review against the achievement standards set out in this document.</li> <li>A review against the performance standards set by the Overseeing Entity.</li> </ul> A review of any particular issues raised by the Gas Industry Co and the Electricity	5.11	Agree. We assume that the form of the internal reviews would be a matter for the Overseeing Entity and the Decision Maker in consultation with the Electricity Commission and Gas Industry Co

		Commission.		
9.2.2	Feedback	The scheme rules will require that the internal reviews will include seeking periodic feedback from stakeholders and stakeholder perceptions about the performance of the scheme.	5.12	Agree
9.2.5	Frequency of review	The scheme rules will require internal reviews to be completed annually and reported in the Annual Report.	5.11	Agree
9.3	Independent reviews			
9.3.1	Scope of review	<p>The scheme rules will require an independent review of the scheme to assess:</p> <ul style="list-style-type: none"> <li>• Whether the scheme is meeting the overall objectives for the scheme.</li> <li>• Whether the scheme is continuing to meet the achievement standards set out in this requirements document and whether they are appropriate requirements.</li> <li>• Whether the performance standards set by the Overseeing Entity are adequate;</li> <li>• The quality of the internal reviews;</li> <li>• Whether the code of practice provides appropriate assurance to stakeholders about the conduct of members.</li> </ul>	5.11 6.11	Agree
9.3.2	Terms of reference	The scheme rules will require that the terms of reference for any independent review will be determined by the Overseeing Entity following consultation with the Electricity Commission and Gas Industry Co.		Agree
9.3.3	Reviewer	The scheme rules will require the independent reviewer to be appointed by the Overseeing Entity following consultation with the Electricity Commission and Gas Industry Co.	6.11	Agree
9.3.4	Frequency of review	The scheme rules will require an independent review to be completed within one year of approval and subsequently at no more than three yearly intervals.	5.11 6.11	In our experience a review within one year of approval of a scheme is too soon, as the scheme is still settling processes and staffing etc, with the result that a review could be inconclusive and limited in its assistance. We

				suggest a more realistic timeframe is a review within 18 months to two years of approval.
9.3.5	Special review	The scheme rules will require that a special independent review can be required at any time if requested by both the Electricity Commission and Gas Industry Co in response to clearly articulated policy concerns.		Agreed
9.4	Reporting requirements			
9.4.1	Regular reports	The scheme rules will require that the scheme reports regularly to the Overseeing Entity on the performance of the scheme against the standards.	5.13	Agree
9.4.2	Annual Report	<p>The scheme rules will require the scheme to make available on the website a detailed and informative Annual Report containing specific statistical and other data about the performance of the scheme, that must include:</p> <ul style="list-style-type: none"> <li>• Information about how the scheme works;</li> <li>• The number and types of complaints it receives and their outcome;</li> <li>• The time taken to resolve complaints;</li> <li>• Any systemic problems arising from complaints;</li> <li>• Examples of representative case studies;</li> <li>• Information about how the scheme ensures equitable access;</li> <li>• A list of scheme members supporting the scheme, together with any changes to the list during the year;</li> <li>• A list of any scheme members which did not meet their obligations as members of the scheme;</li> <li>• Information about new developments or key areas in which policy or education initiatives are required;</li> <li>• A report on compliance with the approval</li> </ul>	4.3	Agree

		<p>criteria set out in this document;</p> <ul style="list-style-type: none"> <li>• A report against the performance standards;</li> <li>• The findings of internal reviews;</li> <li>• The findings of the independent review (if relevant for that year);</li> <li>• A financial report containing sufficient information to allow scheme members and other stakeholders to understand how the scheme funding is being utilised.</li> </ul>		
9.4.3	Reporting to stakeholders	The scheme rules will require that the annual report is distributed to relevant stakeholders (the distribution may be through an internet link, but parties must be advised of its publication) and is made widely available via the internet.	4.4	Agree
9.4.4	Independent review published	The scheme rules will require that the results of the independent review are to be made available to all stakeholders.	6.11	Agree
9.4.5	Non-performance	The scheme rules will require if the scheme is unable to achieve the performance standards within any quarter, the decision-maker must report to the overseeing entity on the cases, the reasons for the delay, and seek solutions if delays are likely to occur again.	5.5	Agree

## Exit Requirements

This section describes the exit requirements that a complaints resolution scheme must meet in order to be considered for approval.

No.	Title	Achievement Standard	AB	Comments
10.1	Winding up the scheme			
10.1.1	Notice requirement	The scheme rules will require that, if the scheme is to be wound up, at least 12 months' notice must be provided to the Electricity Commission and Gas Industry Co.	5.9	Agree
10.1.1	Continuity	The scheme rules will require that, if the scheme is to be wound up, the scheme will cooperate with the Electricity Commission and Gas Industry Co in the transition to a new set of arrangements for complaints resolution.	5.9	Agree

It is not a requirement for the scheme rules, but any scheme seeking authorisation should note that, should the Electricity Commission and Gas Industry Co decide to revoke authorisation of a scheme, at least 12 months' notice will be provided. This requirement will be included in any terms of the authorisation.