TrustPower
Submission to Telecommunications Carriers Forum
Customer Transfer code

Summary

TrustPower do not support the "Customer Transfer Code" as presented. TrustPower propose that;

1. The code is rewritten into 2 documents. An "Industry Rules" document prescribing time periods for responses and forms of authorisations etc. Secondly, a document prescribing the file formats, communication methods and protocols to be used for the transfer of information.
2. The TCF pursue a central registry rather than peer to peer communication as a method of transferring customers. The Central registry to hold all relevant supply chain information, thereby allowing the simplification of the unique code attributed to a service.
3. Within the file formats document, the TCF define file formats and method of transfer of information that allow a party to automate processes if they so wish.
4. A Regulatory body is established to formulate and consult on rules governing transfer of Telecommunications services.
5. A separate enforcement agency enforces those rules.
6. Customer groups are consulted and involved in the process of defining rules.

Detail

1. ***The document as presented endeavors to cover 4 different aspects;***
    a. Industry switching rules – Sections of the document define the rules of the process for transferring customers. These sections should be contained in a seperate rules document and should be administered by the regulatory body.
    b. File formats, protocols etc – Items defining the file formats and protocols should be the focus of the customer transfer code.
    c. Code of conduct – The current document defines how a retailer should interact with customers. This constitutes a code of conduct and should not be included in the Customer Transfer code. Retailers should be free to deal with customers as they see fit. The complaints process is a matter for the retailer and their customer and is typically detailed in the retailer/customer service agreement.
    d. Contracts – The document prescribes contractual obligations between suppliers, retailers and their customers. These contractual obligations will be defined in the individual agreements between suppliers and their customers.

    It is appropriate for the document to define the Industry Switching rules and File formats and protocols but it is not appropriate for the document to define the manner in which a supplier interacts with the customer or what contractual terms a supplier has with another supplier.

2. ***The document prescribes a peer to peer process of data interchange. TrustPower do not support this view.***

    TrustPower would support a central registry. TrustPower has considerable experience in a similar industry facing similar problems.

    The electricity industry switching process began with a peer to peer process. The issues resulting from this decision are well documented and resulted in bad publicity for the industry for the 3 years it took to fix this issue and has had a lingering effect on the industry reputation even after correction.

    The decision to move to a Central registry was made fairly quickly and has proved to be the most efficient model.

    Although the peer to peer model may appear to be a cheaper option, the electricity industry has shown that the costs associated with a central registry are far less over time.

3. *The document doesn't prescribe a file transfer mechanism.*

Based on the file formats prescribed, it is assumed that email is the preferred method of transferring data.

TrustPower do not support email as a transfer mechanism. This form of data exchange is archaic and carries a high risk of failure. The code should specify options for data exchange that include; xml, web service, file upload etc.

Requirements for security, transport mechanism and acknowledgement of file receipt must be defined. Again the electricity model deals with these issues and should provide a model for the formation of this code.

4. *Withdrawals must be allowed*

Again, based on experience in the electricity industry, errors occur in the transfer of services from one service provider to another. In addition "cooling off periods" are allowed for in the legislation covering the sales method of the majority of Telecommunications service providers.

The code must specify a method of "rolling back". Either the gaining or the losing provider must be able to initiate a withdrawal and the code must specify the rules and formats for these withdrawals.

5. *The notification periods defined in the document are unnecessarily short.*

The time periods specified in the document assume that all processes will run smoothly. Although the majority of transfers may occur in the timeframe specified, the timeframes should not place an unnecessary burden on the parties in the event that they cannot be achieved.

Time frames should be reviewed in consultation with industry and customer groups.

6. *The length of the ID proposed to identify the service is unreasonable.*

The unique ID is intended to simplify and promote the transfer of customers from retailer to retailer. The ID as specified is seen to be a barrier to this transfer especially given that the majority of customers will have 2 such identifiers.

A move to a central registry enables the use of a smaller unique ID with supply chain info held elsewhere. In the electricity model, the ID identifies the property while all of the supply chain information is held and maintained on the registry.

7. *There is commentary on the enforcement agency within the draft code.*

While TrustPower support the formation of an enforcement agency, it is important that the enforcement agency is independent of both the rule maker and the other parties to the code.

8. *Customer consultation*

The Purpose statement at the beginning of the document states that the code is intended to improve the experience of New Zealand end customers. This code should, therefore be developed in consultation with consumer groups and should specify an ongoing relationship with these groups in the administration of the code.

9. *No discussion of form of authority and notifications*

While the code specifies authority must be gained and retained for a one year period, there is no commentary regarding the form this authority must take. Allowable forms should be clearly specified and include; signed form, electronic signature, email and voice recording.

Further feedback requested

1. The scenario as described should be included within the scope. A move to a central registry allows for this change in the same way as changes to network provider or changes to GXP occur for an electricity company. This change should be invisible to the end customer.
2. The dispute process for customers should be a contractual relationship between the supplier and the customer. While TrustPower support the concept of a dispute resolution framework, it is important to separate disputes and breaches. Breaches should be resolved under the

rules and enforced by the enforcement agency. Again there should be independence between the rule maker and the enforcement agency.

3. The supply chain information should not be on the retail bill. This will be a barrier to competition and introduces unnecessary complexity when transferring customers. As described above, the supply chain information should be held on a central registry with the reference appearing on the customers retail invoice.
4. The restrictions imposed on the losing retailer's ability to contact customers are inappropriate. The retail process belongs to the retailer and the retailer should be free to engage in any competitive activity they see fit. Of interest, the recent report on competition in the electricity market supports the losing retailer contacting and trying to "win back" customers.
5. TrustPower believe 9 months is a reasonable timeframe to implement the changes. Moving to Central Registry would not negatively impact this timeframe.
6. As described above, TrustPower believe the format and timing of the notifications should be defined in a rules document. The industry should move to a Central Registry and formats, timing and delivery mechanisms must allow a retailer to automate these processes if desired. The mechanism must also allow suppliers to operate on a manual basis if that is their wish. Again, the electricity model has both these options, allowing for a individual changes via a web page as well as an automated file interchange process.