



UTILITIES DISPUTES

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Board Response to Independent Review of
UDL's Energy Complaints Scheme

Response to the independent review of UDL's Energy Complaints Scheme

On 8 December 2023, we released the independent review of the Energy Complaints Scheme by Professor Ron Paterson, ONZM. The review is required to be conducted every five years under the provisions of the Electricity Industry Act 2010.

The report confirmed UDL's Energy Complaints Scheme is operating effectively and meeting the standards expected of a dispute resolution scheme. The universally held view expressed by external stakeholders is that the energy scheme works well and that UDL is a trusted, independent agency that resolves utilities disputes fairly and reasonably.

The report contained six recommendations for improving the scheme. Full details of the review's findings and recommendations can be found in the report, a copy which is available [here](#).

The Board has considered the report's recommendations and a brief outline of each recommendation and the Board's response is set out below.

1. Employ additional Community Engagement Officers outside of Auckland to build links with community support and advocacy organisations and raise the profile of the Energy Complaints Scheme

The report recognises the benefits of establishing links to build trust and ongoing relationships with the community groups and advisory services that support vulnerable consumers.

The Board endorses this view. Over the past three years UDL has focused on growing its presence in the community as part of its strategic priority to improve awareness of the Energy Scheme and accessibility for consumers.

The Board and Commissioner have agreed to increase the support that is currently provided to UDL's Community Engagement Officer. UDL will use existing employees to build on the work of the community engagement officer across Aotearoa New Zealand. Staff will be given dedicated training and will have access to resources to support them. The intention is to expand (and embed) UDL's work in this area, while providing valuable opportunities for resolution staff to engage directly with consumers and the community organisations that support them.

UDL is currently developing a plan to implement the above approach, which will include ways to monitor and measure its success.

2. Amend the wording of General Rule 18 of the Energy Complaints Scheme

The report recommended the wording of the rule be amended to express the Commissioner's discretion to take no further action on a complaint in clearer and more neutral language.

The Board endorses the recommendation and intends to progress it as part of the next review of the Energy Complaints Scheme Rules. The Board notes UDL is required to consult with all relevant stakeholders, including providers, scheme participants and follow all legislative requirements prior to making any amendment to the rules. Any proposed changes will be subject to this process.

3. Rename the Conciliation team the Investigation and Conciliation team, and its members as Investigators or Conciliators. Develop a plan to reduce investigation delays and report on progress to the Board, scheme participants and in the Annual Report.

The report recommended the change to provide greater clarity of purpose to the team and to better define the role of its members. It noted investigation delays can undermine confidence in any dispute resolution scheme and noted a concerted effort from managers and senior leadership would be required to address the issue.

The Board agrees with this recommendation and UDL will be changing the name of the Conciliation Team as recommended.

As the report noted, UDL has a number of other initiatives to reduce its investigation times. These include a new and improved case management system which has incorporated process changes designed to enable better oversight of investigations by management. UDL has also introduced new KPIs and reporting tools aimed at highlighting and addressing delays. The Board already receives reporting in relation to closure times and UDL will include reporting on this area in the Annual Report.

4. Formalise a process to enable a legal and senior staff review of appropriate files based on complexity or the time it has been under investigation.

The report observed there was scope for improving the quality of decisions in cases with complicated facts or novel legal issues. It recommended greater involvement of senior staff at an earlier stage. It also noted there may be a case for UDL to employ an inhouse legal advisor or to seek external advice more readily, given the increasing complexity of the energy sector and complaints UDL receives.

The Board endorses the recommendation and UDL is developing automated escalation steps for cases based on day counts and complexity, which can escalate cases to the Deputy Commissioner and Commissioner when appropriate. UDL will also enhance existing case review and acceptance processes to improve its ability to deal with complex and novel cases and is considering the appointment of a Policy and Legal role within the organisation.

5. Reinvalidate the production and publication of case studies, practice statements, prevention insights and guidance. Work with scheme participants and key stakeholders to examine the feasibility of developing a complaints dashboard for the energy sector to maximise learning from complaints.

The report noted the publication of case studies and insights is a useful way for UDL to demonstrate its accountability to the energy sector and the broader community and should be broadened. As most complaints are resolved early without formal investigation, the report mentioned it is important to capture the lessons learned and outcomes of those cases, as well as the cases that are investigated. The report also recommended considering the development and publication of a complaints dashboard on UDL's website.

The Board agrees with the recommendation. UDL is implementing steps to increase the publication of case studies, insights and guidance. It is also considering the concept of a complaints dashboard and intends to consult with its Advisory Committees and relevant stakeholders. It will also consider work being undertaken by other organisations in this area.

6. Prioritise the identification and reporting of systemic issues in the energy sector, bringing them to the attention of regulators, scheme participants and the public.

The report observed there would be considerable benefits from commencing targeted thematic reviews of complaints received to determine trends and provide industry-wide learnings.

The Board agrees with the recommendation. UDL will be focusing on identifying and sharing potential systemic issues with stakeholders and providers. UDL has introduced changes to its CRM to improve our ability to identify systemic issues and assist the staff that work in this area. Systemic issues will be provided to the Board and will be shared with relevant stakeholders as appropriate.

The Board wishes to thank Professor Paterson for his thorough and robust review, and recommendations for improving the operation of the Energy Complaints Scheme for consumers and providers.

Ngā mihi nui



Hon Heather Roy
Chair