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Via email
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Kia Ora Kate et al,

Minimising energy hardship this winter

Thank you for your letter on 21 February. We share your concerns about projected rises in electricity prices and the impact that this may have on households who are already struggling financially.

You will know from previous correspondence with Mercury and from your interactions with Helen Tua that we take our responsibility as a large provider of essential services very seriously. Mercury has a customer care programme which includes: a dedicated Here to Help team to provide wraparound support to our customers experiencing hardship; collaborative efforts taken with community to deliver sustainable outcomes; and providing hedges to social retailers at a rate that broadens our care of consumers in hardship beyond our own customer base.

We believe these initiatives will provide support to households impacted by price changes and respond to your four requests below.

1. We endeavour to ensure customers are on the right plan

Mercury endeavours to ensure that any customer who is receiving support from our Here to Help team is on the plan that best suits their energy usage and personal needs. These customers are also excluded from the price change process. With the help of our community partners, we will continue to identify customers who are experiencing hardship but not currently engaging with us and broaden the scope of our support both in terms of exclusion from price change and right planning.

We note that finding the “right” plan for a customer is not always as simple as finding the cheapest option “today”. This will be more challenging for retailers as time of use pricing plans become more common. A customer’s future energy consumption will be driven by the extent of change the customer is willing to adopt and therefore more difficult for retailers to predict. In some circumstance, we know that net savings are not necessarily the primary driver for customers experiencing hardship when it comes to the right plan for their needs. Mercury recently completed the Winter Energy Study in partnership with Kainga Ora, where we tested applying a cap to participants’ electricity bills for two years over winter months. Early findings show that the cap gave participants the confidence to use the right amount of electricity to keep their homes warm, knowing that their electricity bill would not exceed a fixed amount each month. We would therefore suggest that for some customers experiencing hardship, certainty may be as valuable as savings.



2. We do not disconnect customers in hardship for non-payment

We're proud to not have had any post-pay disconnections for non-payment due to hardship since June 2024, a significant benchmark of success for our customer care programme. As a result, there are no disconnection or reconnection fees for these customers and this has been Mercury's policy since August 2023. We're committed to ensuring Mercury customers who are experiencing hardship and are engaging with us remain connected to power.

3. GLOBUG pricing is on par with Mercury post-pay

Mercury's prepay offering, GLOBUG, is priced at a small discount against comparable single variable rate post-pay plans.

4. All customers have access to electricity

We put significant effort in to helping households have access to electricity across Mercury post-pay, GLOBUG prepay and through providing hedges to social retailers. Our Here to Help team has developed an onboarding process to help customers with adverse credit sign up to post-pay plans. By working with the customer and supporting agencies we ensure the customer has the requisite budget and financial support to help them make regular payments towards their electricity bills. We acknowledge that prepay does not suit all customers and where we identify hardship, we work to move those customers onto a suitable post-pay option to prevent them from going without or rationing electricity.

All customers receive transparent and empathetic price change communications

You may also be interested to know the steps that Mercury has taken to ensure that price changes are clearly communicated to our customers. Our communications (copy can be viewed [here](#)) explain the increase in a way that is transparent, accurate, and empathetic. Each customer has received or will receive:

- A personalised impact statement based on last bill as an easy comparator so that we can communicate to customers based on your last bill, the impact of new price change would be \$xxx/day.
- A clear explanation of the drivers for the increase and the composition of the bill in simple, straightforward, language.
- Links to an interactive map, showing the average residential increase in their area and the proportion of lines to energy e.g. \$20 network + \$2 energy = \$22/month average increase.
- Clear guidelines on how to get in touch if they're having problems paying bills.

In addition, our front line is well-armed with information and responses to frequently asked questions. Agents are empowered to apply low user credits if applicable or Mercury credits for customers who are not on a low user plan but our agents determine a need for financial assistance. Any customer who the team suspects is experiencing hardship will be provided further assistance by our Here to Help team.

We hope this gives you comfort that Mercury has already taken steps to mitigate the impacts of price change for our customers and that our ongoing customer care programme will provide the support needed by those who will feel the impacts most. We would be very happy to organise a time for us to meet in person or online to discuss our shared objectives in relation to minimising hardship this winter. Please feel free to contact me at craig.neustroski@mercury.co.nz or Jo Christie at jo.christie@mercury.co.nz to set up a time.

Nga mihi



Craig Neustroski
Chief Customer Officer

