

Media Response – Common Grace / NZ Herald

Deadline: Monday 28 April

Enquiry:

I am writing on behalf of Common Grace Aotearoa, a charitable trust that advocates for solutions to energy hardship. Thank you for your recent letter about your energy wellbeing work, and we commend the efforts you are making so far. Common Grace Aotearoa is now collaborating with the NZ Herald to highlight whether or not New Zealand's largest power companies will take specific proactive steps to reduce hardship this winter. We are very concerned about the upcoming price rises across the electricity sector and the impact these will have on people. We believe it is important that the public can assess and compare companies' responses to inform their switching decisions. We would be grateful if you could provide answers to the following questions by 28 April for both Meridian and Powershop. This allows you a further five weeks to consider whether these steps are ones your company will take. From May onwards, the NZ Herald will publish the responses from power companies. Our aim is to enable the public to see clearly which companies are taking obvious, achievable steps to prevent harm.

Response – Meridian & Powershop:

For background: Meridian is one company with two retail brands: Meridian and Powershop. Our commitment to customer support and internal processes is the same across both brands, and there is no differentiation when it comes to customer commitments. We are proud advocates of the Electricity Authority's Consumer Care Obligations, and our own consumer care policy, which set clear standards and expectations for upholding customer rights and providing fair treatment for all.

The responses below are attributed to Rachel Herangi, Head of Customer Relationships:
(Note: we request that these responses are printed in full)

Will you check that all your customers are on the cheapest plan that you offer for their energy use, and inform customers of any plans that would be cheaper for them?

We believe in empowering customers to make a decision on which plan is best for them, which they can do by viewing our website, talking to our customer care team or using the Powerswitch website. However, we proactively assist customers who are struggling to pay their bills and work with them to ensure they are on the right plan.

We note that the recently introduced Consumer Care Obligations also require retailers to consider whether customers facing payment difficulties might be better off on an alternative pricing plan and to advise the customer if this is the case. Meridian's practices are consistent with these requirements.

Will you permanently stop charging (and threatening to charge) disconnection or reconnection fees in cases of non-payment?

We are committed to looking after our customers in a fair and responsible way. We are proud advocates of the Electricity Authority's Consumer Care Obligations, and our own consumer care policy, which set clear standards and expectations for upholding customer rights and providing fair treatment for all.

Meridian's disconnection rates are among the lowest in the industry and disconnection affects only a very small proportion of customers - 0.017% of our total customer base in 2024 - but there remain customers for whom this is a necessary approach.

We only use credit disconnection as a last resort for customers who refuse to engage with us around unpaid bills and/or mounting debt. When customers do engage, we support them to get back on track. In the event a customer finds themselves disconnected and then advises us that they are in hardship, we won't charge the fees.

Will you provide discounted electricity to people in hardship, for instance by not passing on price rises to this group, capping their bills or by giving free power?

In our experience, discounts are not the way to help people transition out of energy hardship. Through our Energy Wellbeing Programme we provide our customers with budgeting support, in-home assessments and tailored support to make their homes healthier, easier and cheaper to heat. In some cases, this involves providing items like curtains, insulation, or heat pumps. With more than 2,500 households already assisted, we have found this to be a far more sustainable solution.

Will you be transparent about whether your door is open to serving people in hardship, by telling us how many customers you turned away in 2024 due to credit score or concerns about credit worthiness?

We recognise electricity is an essential service and we seek to take a compassionate and flexible approach to considering a potential customer's credit history. Any person who does not meet our initial credit checks is reviewed and referred a second time to ensure we are making energy accessible to as many people as possible who choose to use our services.

Are you taking any other initiatives to prevent hardship in winter 2025 that you want to tell us about?

We have a range of products to help customers reduce their overall energy bill this winter. These include our Smart Hot Water, which uses technology to automatically shift when a home's hot water is heated and rewards participating customers with a monthly \$10 credit, and Four Hours Free, which allows participating customers to select up to four hours each day where they can receive free electricity.

For those in energy hardship, our Energy Wellbeing Programme is a \$5m investment to help Meridian and Powershop customers. We provide budgeting support, in-home assessments and tailored support to make their homes healthier, easier and cheaper to heat. In some cases, this involves providing items like curtains, insulation, or heat pumps. We're already helping more than 2,500 households through this programme.