

TDRS
ANNUAL REPORT
2013



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Report from the Chair

The year has been one of steady progress. The scheme is working well and is providing a valuable service to the members' customers.

The TDRS is operating well on two fronts.

First, the member companies are resolving most complaints at an early stage. Clearly this is a benefit to customers but it also shows that the companies have grasped the well-established reality that the longer a complaint remains unresolved the bigger the issue becomes in the mind of the complainant and the greater the risk that a customer will be lost.

By providing a fair and prompt complaint resolution service they are enhancing their standing with their customers and by so doing are less likely to lose customers to competitors. In short, an effective scheme such as the TDRS makes good business sense.

Second, a recent customer satisfaction survey produced very positive results. The vast majority (99%) of customers surveyed reported that they were satisfied with the TDRS dispute resolution process; they gave a remarkable 100% satisfaction score to the level of service provided by TDRS staff; and, reflecting on their views of the TDRS, relatively few respondents could think of ways in which the service might be improved.

As the telecommunications sector expands so too must the supporting complaint resolution service. Technical innovation in the sector is constantly moving forward and frontline staff must always be up with the latest developments to ensure they have the knowledge to assess the significance and relevance of complaints and inquires about new services and technologies. I am pleased to report there have been no complaints from consumers about a lack of technical understanding by TDRS staff of the telecommunications sector.

In addition to the need to keep up to date with technical developments, the TDRS has played a part in legislative changes in the relationship between customers and providers of telecommunication services. The notable area of development in this area over the past year has been the scheme's expansion to cover access to multi-unit complexes.

The purchase of TelstraClear by Vodafone presented a challenge in that the number of Tier One providers reduced from three to two. This led to a debate about the funding of the scheme and how, under the reduced membership, levies were to be allocated. My thanks to the TCF, our sponsoring industry body, in mediating an arrangement between the parties.

My thanks also to my fellow Council members for their wisdom and support during the year.



David Russell
Chair TDRS Council

Scheme Director's Report

The TDRS service celebrated 5 years of operation on 30 November 2012. DRSL had the privilege of realising the TCF's initial concept, commencing the service in late 2007 and operating it since then. It's probably fair to say that the TDRS service has now become an accepted part of the industry's fabric.

Scheme members recognise the value to their business in giving customers access to an external, independent complaint resolution process to complement their internal processes.

A couple of company mergers had an impact on the scheme's membership this year. We saw the departure of one of our three 'tier one'¹ members as a result of Vodafone's purchase of TelstraClear. Farmside's membership also ceased following its purchase by a non-member.

In addition, AspireTel elected to terminate its membership. However, we were delighted to welcome several new members: Primo Wireless, Terrible Talk, Northpower and Enable. Orcon also took out membership in its own right following its separation from Kordia.²

We acknowledge the cooperation of our members through our regular bi-monthly operations meetings in evaluating the effectiveness of the process and in constantly seeking improvements that benefit all parties. One of the outcomes has been a process that enables the Scheme Agent to notify members about enquiries that they have not yet had the opportunity to consider.

They can then decide whether to fast-track a resolution and so avoid the matter being escalated as a formal complaint to the TDRS service. We also thank our

members for declaring, via a recent satisfaction survey, their on-going commitment to the scheme.

We also survey the satisfaction of all users of the TDRS scheme (customers) throughout the year using an external research company, Research New Zealand. The scheme is of course all about customers, and we are very proud of the high regard they have for us.

The highlights of the research are a Net Promoter Score of +85, 99% of customers satisfied with the TDRS process and 100% satisfied with the way TDRS staff dealt with their complaints.³ Suggestions for improvement provided a clear theme: that more people should be made aware of the existence of the scheme.

1 The tiered membership structure, which determines (among other things) membership fees and council voting rights, is set out on page 5

2 A full list of our members as at June 2013 appears on page 5

3 Detailed results are set out on page 12-14

Scheme Director's Report

+85

Net Promoter Score

99%

Customers satisfaction with the TDRS process

100%

Customers satisfaction with the way TDRS staff dealt with their complaints

In that regard, we have been promoting awareness of the scheme by actively cooperating with the media and advocacy organisations, and by participating in the Consumer Rights Days that have taken place throughout the country. These events, organised by the Ministry of Consumer Affairs, are well attended by consumer advocate organisations.

They assist schemes such as ours to educate the general public about their existence and services. We acknowledge the Ministry's invaluable role in helping create this awareness.

Although it is not possible to correlate awareness-raising

activities with complaint numbers, we experienced an increase of 29% in the number of new enquiries received compared with the previous year. There was also a 61% increase in the numbers that were resolved at the Investigation and Resolution phase of the process.⁴

However, much still needs to be done, and one of our priorities for the coming year will be to work with our members and the TDRS Council to raise awareness of the scheme.

The Council and has provided invaluable advice and support again this year, and we thank them for their dedication and guidance. We are also grateful to our members for their cooperation and prompt

responses, which have undoubtedly been major factors in achieving the excellent customer satisfaction results.

We extend our gratitude to the TCF, whose Chief Executive and staff have worked tirelessly behind the scenes to ensure the continuing success of the scheme. Finally, we thank our staff, all of whom live by the philosophy of putting the customer before everything we do.

⁴ An explanation of the complaints resolution process appears on page 6

TDRS Scheme Members

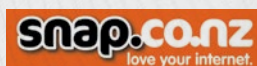
Tier 1 Members:



Tier 2 Members:



Tier 3 Members:



Tier 4 Members:



Complaints

Since 1 August 2011, under the amended Customer Complaints Code, the dispute resolution process has consisted of only two phases.

Phase I – Enquiry and registration

TDRS receives an enquiry, and gathers information from the parties in order to determine whether the complaint:

- Is relevant (is about a scheme member and their telecommunication service)
- Has previously been made to the Scheme Member and is at deadlock
- Is within the jurisdiction of the Scheme to consider.

Phase II – Investigation and resolution

If the complaint is in jurisdiction, the parties exchange statements of position. TDRS then assists the parties to reach a negotiated settlement, using whatever process it considers appropriate. If settlement cannot be reached, TDRS issues a final determination.

When a complaint is in “phase II”, the process is managed by a single Complaint Resolution Practitioner.

A total of 1784 enquiries were registered in Phase I and another 26 issues were moved into phase II during the reporting period.

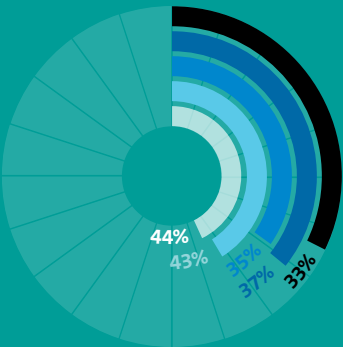
TDRS issues resolved by category

Billing and credit issues at 33% still remain as the largest category of issues resolved with customer service and faults at 25% and 19% respectively.

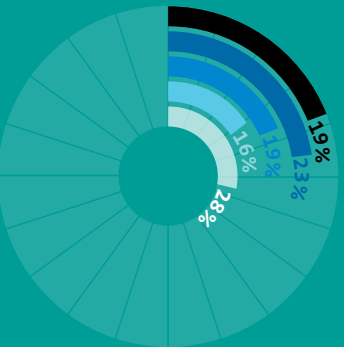
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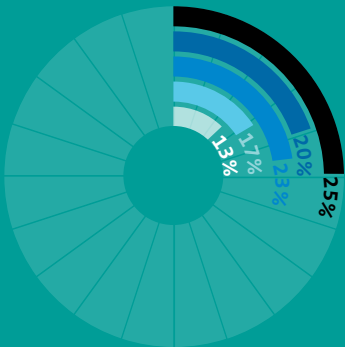
Billing/Credit



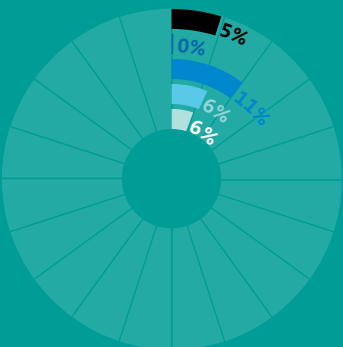
Faults



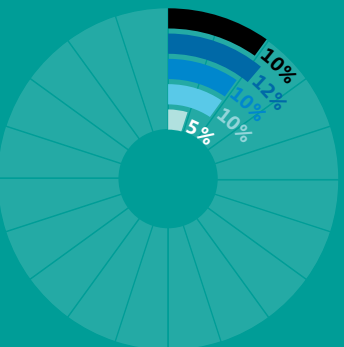
Customer Service



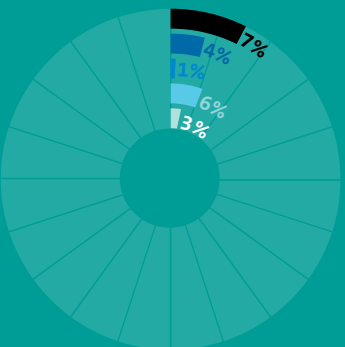
Network



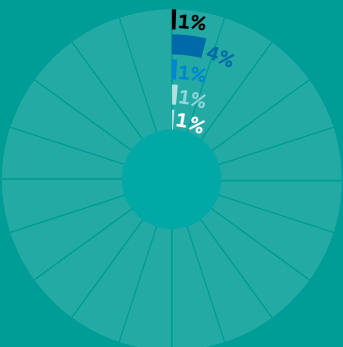
Contracts



Transfers



Complaints



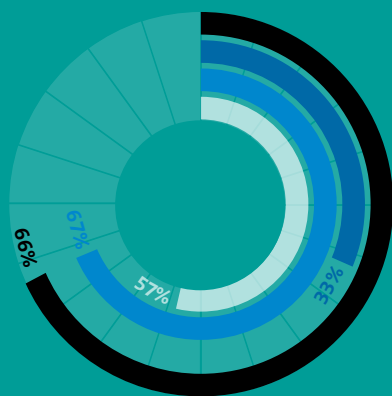
KEY

- 2012/13
- 2011/12
- 2010
- 2009
- 2008

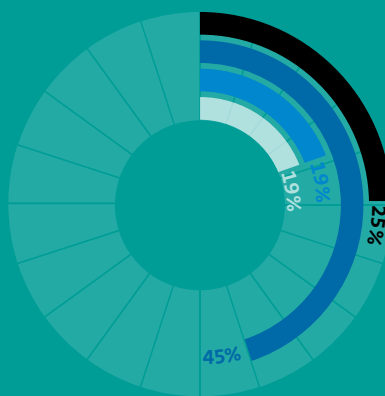
Non-relevant Enquiries

This year we have seen a significant increase in the percentage of enquiries from members who had not previously registered with their scheme member and a reduction in those from non-scheme member customers.

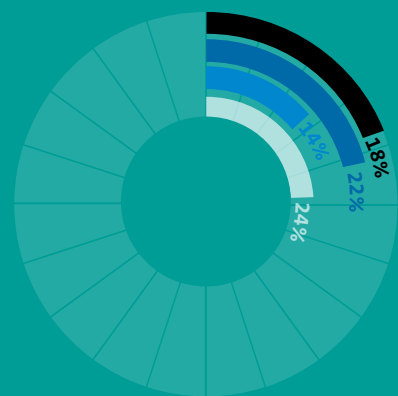
Not Registered



Not about a member



Other



KEY

- 2012/13
- 2011/12
- 2011
- 2010

The 2010 figures are for the calendar year.

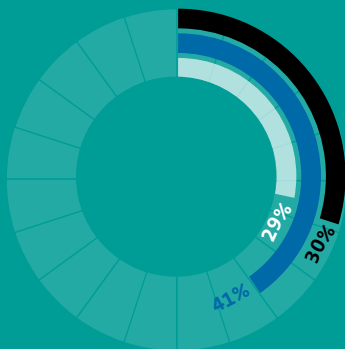
Figures for 2011 are only taken from a 6 month period 1 January to 30 June.

The 2011/12 and 2012/13 figures are for the year 1 July to 30 June.

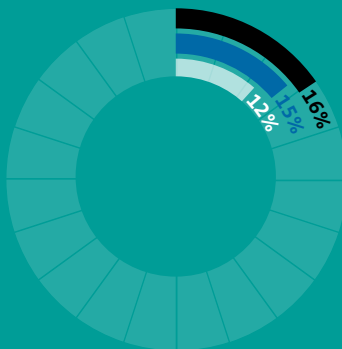
Non-relevant Enquiry Categories

Billing/credit complaints at 30% remain the largest non-relevant enquiry segment.

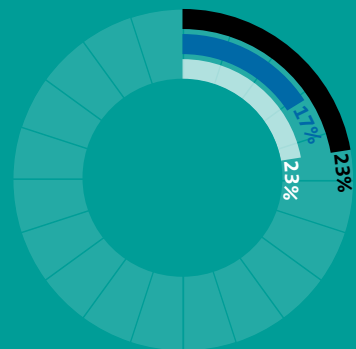
Billing/Credit



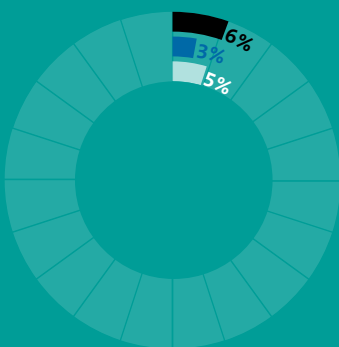
Faults



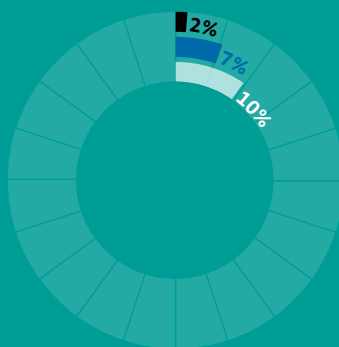
Customer Service



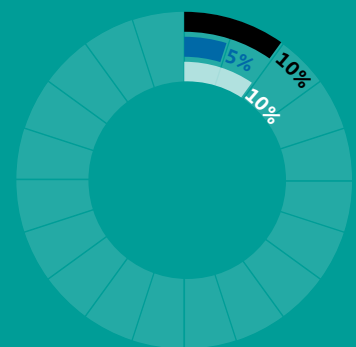
Network



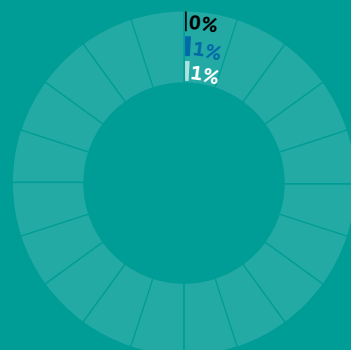
Contracts



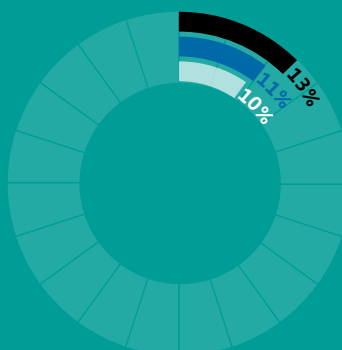
Transfers



Complaints



Other



KEY

- 2012/13
- 2011/12
- 2011

Figures for 2011 are only taken from a 6 month period 1 January to 30 June.

The 2011/12 and 2012/13 figures are for the year 1 July to 30 June.

Case Studies

Reconditioned phone

The customer's husband gifted her a new mobile phone, purchased from provider X on a two-year data and calling plan. Around six months after the purchase, the customer noticed a small mark on the screen, but which did not affect the functioning of the phone. Given that the handset was still under warranty, the customer returned it to the provider, who sent it away for assessment and repair.

The provider subsequently called the customer to advise that she could collect her handset. However, the phone that the provider gave her was a reconditioned handset, not her original phone.

The customer objected to being provided with a reconditioned model, and felt she should have been given an option of having her original phone returned. As it was, her phone had confidential work information stored on it, which she would have deleted if she had known the phone might not be returned. She also considered that a reconditioned phone was second-hand, and that she ought to have been given a new phone if the original could not be repaired.

The provider tried to retrieve the customer's original handset after she raised her objections, but unfortunately it was unsuccessful. The customer re-asserted that if the provider was unable to return her original handset, she should be provided with a new one rather than a reconditioned model.

The provider did not agree that it had provided diminished value by replacing the faulty phone with a reconditioned model. It reasoned that at the time of the customer took the phone back to the store it was nine months old. The provider further argued that reconditioned phones have new parts and parts that have been factory-tested, and are therefore as good as new. As a goodwill gesture it offered to credit one month's plan charges to the customer's account if she accepted the reconditioned phone.

The customer did not accept the offer, and the complaint was referred to a TDRS Adjudicator.

In his determination, the Adjudicator referred to the parties' contract for services as well as the Consumer Guarantee's Act 1993 (the CGA). He found that the fault with the phone

screen was a 'minor' and not a 'substantial' defect. Therefore under the CGA the provider was required to either repair the phone, replace it with an identical type, or refund the cost of the phone if it could not reasonably be repaired.

The provider had chosen to replace it with a reconditioned phone, but the Adjudicator found that this was not a replacement with an 'identical type'. The Adjudicator therefore directed the provider to either provide a new phone of the same model or refund the cost of the phone and void the remainder of the term of the contract for service.

The customer elected to take the new phone option, which the provider duly supplied. The customer therefore continued with the contract for service with the provider.

Case Studies

How long should a mobile phone last?

The customer entered into a two-year contract with Provider Q for a high-end mobile phone together with data and voice calling services. At the end of the two-year term, he continued to subscribe to the services, but around six months later the phone began dropping calls and the 'home' button ceased to function.

The customer took the phone back to Provider Q, who told him that the two-year warranty period had expired and that he would therefore need to pay for the repair as well as for the cost of sending the phone to the repair company.

The customer objected to this, and claimed that Provider Q should repair the phone free of charge. He submitted that the phone was not of acceptable quality or durability and that Provider Q had accordingly breached the Consumer Guarantees Act 1993 (the CGA). He further alleged that Provider Q had misled him about his rights under the CGA by advising him that

he needed to take up the issue with the manufacturer.

Provider Q responded that it had extended the manufacturer's 12-month warranty by a further 12 months, and that this was a reasonable length of time for the durability of a phone. This was particularly so because the phone is a sensitive piece of computer equipment that (unlike, for example, a television set) is frequently carried on the person and exposed to risky situations and environments. Provider Q offered to waive the standard fault assessment fee of around \$60, but maintained that the customer was liable for the cost of repair (\$370) or for a refurbished phone.

The parties were unable to settle the dispute by agreement, and the complaint went to adjudication. The adjudicator identified the essential issue as being the length of time a high-end phone ought reasonably to last. She noted that the CGA did not specify the period, and she

considered that it depended on the cost and quality of the phone, how it was used, the nature of the fault, and how old the phone was when the fault appeared. She recorded that at the time the customer contracted with Provider Q, the cost of the phone was around \$1,000. When considering its usage and the fault, she found that the durability requirement under the CGA had been breached. The adjudicator therefore directed Provider Q to pay for the repair.

Service Level Report

TELEPHONY SERVICE LEVEL INDICATOR

94.8%

ANSWERED CALLS

Percentage of calls answered within target
80% within 20 seconds.

2.3%

ABANDONED CALLS

Percentage of calls abandoned.

The TDR service received a total of 3996 calls in the 12 month period, a total of 3906 were answered within the target time of 20 seconds.

EFFECTIVENESS / QUALITY

Effectiveness/Quality	Target %	Achieved %
Jurisdiction Checks	95%	97.3%
Enquiry & Registration Phase	95%	96.7%
Investigation & Resolution Phase	95%	91.7%
Final Determination Phase	100%	97.5%

Final Determination Phase

From issuing final determination to closing dispute within 30 business days

Jurisdiction Checks

Scheme member replying to Scheme Agent within 3 hours of jurisdiction check.

Enquiry & Registration Phase

Receiving complaint and completing summary of dispute within 24 business days.

Investigation & Resolution Phase

Issuing final determination or mediated agreement within 27 days of receiving summary of dispute.

Service Level Report

CUSTOMER SATISFACTION RESEARCH

Consumers expressed their agreement/satisfaction with TDRS staff as follows:

“ The staff have been really professional in the way they dealt with me and I’m really happy with the outcome. ”

“ They are a very good organisation and the person I dealt with was excellent. A very nice lady, I was very pleased with her attitude as well. ”

“ They were very helpful and worked it out. Until TDRS got involved [telecommunications provider] wasn’t interested. ”

To get a better understanding as to what customers felt TDRS staff’s strengths and/or weaknesses were, customers were asked to rate the service they had received from TDRS staff in relation to six key service attributes. The TDRS Customer Satisfaction Survey results are very positive, not only in relation to the high standard of service received from individual staff members but also with regard to the dispute resolution process in general. This is reflected in the following results:

- Professionalism – 100 percent of customers agreed that TDRS staff acted professionally when dealing with their complaint (98 percent strongly agreed)
- Being listened to – 99 percent of customers agreed that TDRS staff listened well to what they had to say (95 percent strongly agreed)
- Accessibility – 97 percent of customers agreed that TDRS staff were available when needed (88 percent strongly agreed)
- Efficiency – 99 percent of customers agreed that TDRS staff dealt with their complaint promptly (95 percent strongly agreed)
- Knowledge – 95 percent of customers agreed that TDRS staff were knowledgeable about the dispute resolution process (86 percent strongly agreed)
- The majority (99%) of customers reported being satisfied with the TDRS dispute resolution process including 95% who provided the highest possible rating in this regard (by rating the experience as a ‘5’ out of ‘5’)
- Customers also commended the service received by TDRS staff, as 100 % reported being satisfied with the way in which TDRS staff handled their complaint. In fact, 93 % gave TDRS staff the highest rating possible rating in this regard (a ‘5’ out of ‘5’).

Those who offered suggestions as to how the service might be improved largely focussed on communications. This included increased promotion of the TDRS service to better inform the public that the service is available and clearer communication with customers of the steps involved in the resolution process.

Service Level Report

SCHEME MEMBER RESEARCH

Scheme members expressed their agreement/satisfaction with the scheme as follows:

“I think the exclusions need to be further defined, but TDRS are absolutely awesome to work with and I would work with them wherever they go. They’re an awesome bunch of people.”

“No I think all is working as it should so I am satisfied.”

99%

Customers agreed that TDR staff dealt with their complaint promptly.

100%

Agree that TDR staff act professionally when dealing with complaints

97%

of customers agree that TDR staff were available when needed

As found previously TDR Scheme Members are generally satisfied with the operation of the Scheme and are likely to continue supporting it. This is reflected in the following results:

- Staff are effective and efficient in dealing with complaints – Seven out of 10 agreed with this statement, including four who strongly agreed
- Staff get on with the job promptly – Eight out of 10 agreed with this statement, including six who strongly agreed
- Staff are fair and impartial in dealing with complaints – Eight out of 10 agreed with this statement, including six who strongly agreed
- Staff are professional in everything they do – Eight out of 10 agreed with this statement, including six who strongly agreed
- Staff are responsive to your requests – Eight out of 10 agreed with this statement, including six who strongly agreed
- You are satisfied with the relationship you have with TDRS – Eight out of 10 agreed with this statement, including six who strongly agreed
- I have trust and confidence in the TDR Scheme – Nine out of 10 agreed with this statement, including four who strongly agreed
- I am satisfied with the way the Scheme works – Seven out of 10 agreed with this statement, including four who strongly agreed
- You will continue to support the Scheme in the future – Nine out of 10 agreed with the statement, including four who strongly agreed.

Customer Feedback

CUSTOMER FEEDBACK

“They were very helpful and worked it out. Until TDRS got involved [telecommunications provider] wasn’t interested.”

“They were very good and able to resolve the issue. They were prompt with their service. They just need to let people know that they exist. If I knew earlier about their service I would have resolved my issue ages ago. But overall performance was excellent.”

“I was just surprised that it went so smoothly, I felt that when the TDRS service was engaged [telecommunications provider] was more open to a satisfactory resolution.”

“I am just so pleased and amazed how quickly it was resolved.”

“I’m very happy that they dealt with my issue quite quickly and efficiently. I would recommend them to anybody. “

Glossary

Non-relevant enquiry (NRE) – an enquiry that is not attributable to a Scheme Member, does not relate to a customer’s telecommunication service or relates to an event that occurred before the commencement of the Scheme on 30 November 2007.

Since 1 August 2011, under the amended Customer Complaints Code, the dispute resolution process has consisted of only two phases.

Phase I – Enquiry and registration

TDRS receives an enquiry, and gathers information from the parties in order to determine whether the complaint:

- Is relevant (is about a scheme member)
- Has previously been made to the scheme member and is at deadlock
- Is in jurisdiction.

Phase II – Investigation and resolution

If the complaint is in jurisdiction, the parties exchange statements of position. TDRS then assists the parties to reach a negotiated settlement, using whatever process it considers appropriate. If settlement cannot be reached, TDRS issues a final determination.

If you have any questions or concerns about your current services and would like to discuss them with your service provider, or you would like to sign up with one of the companies that belong to this Scheme, please see their contact details below:

2degrees:	0800 022 022 or 200 from your mobile
CallPlus:	0800 89 5000
Compass:	0800 640 840
Enable:	0800 434 273
Flip:	<i>Technical Issues:</i> 0800 60 8324
Kordia:	09 916 6400
Northpower Fibre:	0800 667 847
NOW:	0800 GET NOW
Orcon:	0800 13 14 15
Primo Wireless:	0800 123 77 466
Skinny:	0800 4 754669
Slingshot:	0800 89 2000
Snap:	0800 500 638
Telecom:	Call 123 or *123 (mobile)
Terribletalk:	0800 002 612
TNZ Group:	09 929 3000
Vector:	0800 826 436
Vodafone:	0800 800 021
Woosh:	0800 244 844