



MARKET RELEASE

12 April 2019

Spark New Zealand fined \$675,000 for two historic operational and billing issues

Further to its earlier guilty plea (see market release dated 6 November 2018), Spark New Zealand has today been fined a total of \$675,000 by the District Court in Auckland for breaches of the Fair Trading Act 1986.

The proceedings, to which Spark pleaded guilty in a previous court hearing, were brought by the New Zealand Commerce Commission in July 2018, in relation to two separate historical operational and billing issues:

- Incorrect implementation of a 'welcome credit' when joining Spark for some fibre broadband customers during 2016; and
- A billing implementation issue relating to a 30-day notice period when customers left Spark

Spark has fully co-operated with the Commerce Commission during this process, which resulted from mistakes with no malicious intent. Spark sincerely regrets the impact on customers and has taken all practicable steps to refund those customers who were billed incorrectly or did not receive their welcome credit. The Court has taken Spark's conduct, including its guilty plea, into account when determining the financial penalty.

Spark has fully refunded existing customers and the vast majority of former customers, and has sent a letter or email to the last known address of former customers with a credit balance of \$1 or more. Any former customer who thinks they may be eligible for a refund can apply at spark.co.nz/refund.

The outcome of these proceedings does not impact Spark's FY19 guidance.

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