

Energy & Water Ombudsman NSW
CASE STUDIES 2001 - 2002



CASE STUDY OVERVIEW

The following case studies reflect the types of issues raised by customers and how EWON works to assist customers and providers to resolve complaints. These case studies reflect some of the broader issues for customers in the supply of electricity, gas and water in NSW.

Billing continues to be the main area for complaints. As more than 65% of customer matters involve billing, we have included case studies on three major issues: disconnection of supply, difficulty in payment/payment options, and disputed accounts.

Customer Service is the second most common issue raised by consumers approaching EWON for assistance. In many of these cases, it appears that the provider could have resolved the complaint without the customer needing to contact EWON.

The final section highlights cases involving the provision and supply of electricity, water or gas, and the impact of utility services on land.

In all matters EWON works with member providers to ensure that customers' issues are resolved in a fair and reasonable manner.

DISCONNECTION OF SUPPLY

EWON receives many calls from customers who are facing disconnection of their electricity or gas or who have already been disconnected. We also receive a lesser number of complaints from customers facing restriction of their water supply. In many cases customers are experiencing significant financial difficulty.

EWON acts as an independent third party to assist with negotiation between the parties. In the majority of cases, customers and providers work cooperatively with EWON to avoid disconnection or to have the electricity, gas or water reconnected.

Desperate measures

Mr R is an aged pensioner who has had an account with his gas provider for 32 years. For ten years Mr R's gas bills were consistently around \$60 a quarter, so he was shocked to receive a bill for \$300. He immediately contacted his provider to ask if a new gas meter they had recently installed caused the high bill. He was told that he needed to engage a licensed plumber to determine the cause. Mr R told his provider that he could

not afford to pay either the bill or a plumber. Mr R asked his provider to disconnect the gas as they were not prepared to offer any further suggestions on how he could avoid future high bills.

After being without hot water or cooking facilities for two days Mr R contacted EWON. He asked for advice on how to reduce his high consumption and for help in making arrangements to pay the \$300 still outstanding. Following contact by EWON, the provider arranged to test the meter and check for possible gas leaks. They discovered a major leak in the hot water system that probably caused the high bill. Due to Mr R's situation, his provider offered to reduce the bill to \$80. Mr R appreciated the assistance and the amended bill.



No way out?

When Mr L contacted EWON he had been living without electricity for twelve months. Mr L was unemployed, had experienced severe financial difficulty while battling a serious illness, and could not afford to pay the \$1200 owing on his account. When his health began to improve he contacted his electricity provider to try to have the power reconnected. Mr L offered to pay the bill in installments, but was told that he needed to make an initial payment of \$640 plus \$40 per fortnight. Mr L could not afford this up-front payment and contacted EWON for information on the options available to him.

EWON referred Mr L to local organisations that provide EAPA vouchers for assistance with the initial payment his provider had requested. EWON discussed with the provider the difficulties Mr L might experience in obtaining such a large amount of money.

Mr L was able to arrange \$360 in EAPA assistance. Following EWON intervention, his provider reconnected his electricity after he paid this amount and agreed to a payment plan of \$40 per fortnight.

An unpleasant surprise

Ms G was distressed when her provider disconnected the electricity for \$400 arrears. Ms G expected her provider to give twenty-four hours notice of the final intention to disconnect. When she contacted her provider they insisted they had delivered a twenty-four hour card to her home.

Ms G told EWON she could pay \$250 within two days. Ms G also contacted community organisations in her area for assistance for herself and her large family, but was not able to secure an appointment until the following week.

EWON raised the issue of the twenty-four hour notice of intention to disconnect with the provider. They reviewed their files and discovered that they had not attempted personal contact with Ms G as required by regulation.

Because the electricity provider had not complied with the disconnection schedule they agreed to reconnect Ms G. They waived the reconnection fee and credited a \$20 customer service payment to her account because of the inconvenience.



PAYMENT OPTIONS

Energy providers are expanding their range of payment options, to assist customers to negotiate repayment plans that they can commit to and afford.

This year has seen a growth in Centrepay, an option that allows regular utility payments to be deducted directly from a Centrelink benefit. EWON welcomes the increasing availability of payment options, such as Centrepay, as long as they are voluntary for customers and part of a positive approach to assist customers in financial difficulty.

A helping hand

Mrs P is a single parent with three children, two of whom have a disability. Her electricity was disconnected after arrears had built up to over \$1000. She approached three community agencies but was unable to secure any EAPA assistance. Mrs P contacted her provider to discuss her situation but they were unwilling to reconnect until she paid at least \$530.

The electricity provider referred the customer to EWON for help to resolve the situation because of Mrs P's obvious distress. Mrs P spoke with EWON about a realistic payment plan. She felt that she could make one payment of \$250 and then \$60 every fortnight. EWON discussed this with the provider who accepted the arrangement and reconnected Mrs P the same day.

EWON then facilitated contact between a local community agency and Mrs P. The agency visited Mrs P and provided her with EAPA assistance to help clear the debt and also offered her continuing support, including a washing machine and food vouchers.

Elementary deduction

Mrs U is a single parent with two dependent children and is pregnant with her third child. Her gas was disconnected for non-payment of an account for \$127. In addition to the bill and the subsequent \$77 disconnection fee, Mrs U owed over \$800 to the Department of Housing and was in debt to Centrelink. When Mrs U contacted her provider to negotiate reconnection they refused to waive the disconnection fee because it had been waived for her before.

Mrs U contacted EWON and said that she could pay \$25 per week if the money could be taken directly from her benefit payment (Centrepay). Mrs U was also able to pay \$50, which she had received from a local community agency, towards the bill. EWON proposed this arrangement to her provider who agreed to waive the disconnection fee and reconnect her gas after Mrs U paid the \$50 and organised Centrepay deductions.

Holiday hangover

When Mrs W received a gas bill just before Christmas for \$186, she contacted her provider to arrange a three-week extension. By the revised due date she had made only a \$70 payment, so the provider disconnected her supply. The technician who disconnected the gas told Mrs W he would not have disconnected her if she had been able to make a payment at the time.

Later, Mrs W approached a community organisation and was given \$150 to help pay her gas bill. When she advised her provider that she had the money required, she was told that they now needed \$507 before they would reconnect her gas. In addition to the \$150, the provider had added a \$77 disconnection fee and \$300 owing for a gas heater she had recently purchased. Mrs W explained that she could not afford to pay the full amount immediately, but she could pay \$50 per fortnight until her debt was paid. The provider did not accept her offer.

Mrs W contacted EWON for help. In EWON's discussion with the gas company, they agreed that it was inappropriate to deny reconnection on the basis of an outstanding bill for an appliance. Mrs W's provider offered to waive the disconnection fee in recognition of their error in combining her gas supply bill with a separate retail account. Acknowledging the financial difficulty Mrs W was experiencing, they agreed to her proposed payment plan of \$50 per fortnight and reconnected her gas immediately.

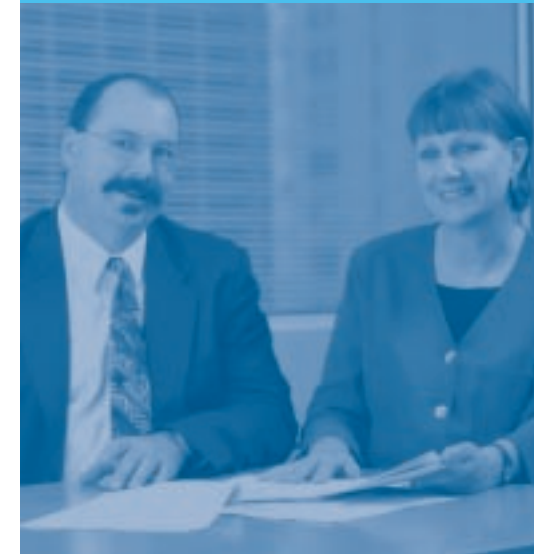


If at first you don't succeed

Mr E was without electricity for seven days after being disconnected for an outstanding amount of \$658. His electricity provider told him they required \$400 before they would reconnect. After unsuccessfully contacting three community agencies for EAPA assistance, Mr E contacted EWON.

EWON gave Mr E the contact details of other community organisations in his area and contacted Mr E's provider about the matter. The provider offered to reduce the reconnection payment to \$200 if Mr E agreed to a payment arrangement of \$50 per fortnight on the balance.

Mr E accepted his provider's offer and contacted other community agencies for assistance. One of the organisations EWON had suggested was able to provide EAPA assistance to Mr E. As a result of the vouchers and his own payment, Mr E was reconnected.



DISPUTED ACCOUNTS

Approximately 20% of matters investigated by EWON are raised by customers who dispute their utility account. In many cases the utility has provided a possible explanation but customers are either not satisfied with the explanation or wish to have their accounts independently reviewed.

Disputed accounts can take a significant amount of time to resolve while EWON investigates possible causes for high or confusing bills. In some cases an error by the utility is identified. In other cases EWON is able to provide information to help consumers understand and manage their energy or water usage.

Lighting the way

Ms B did not receive an electricity account for twelve months and then received one for \$2283, with fourteen days to pay. She was shocked at the amount and contacted her electricity provider to query why she had not received regular quarterly bills.

Ms B's provider explained that their system does not issue accounts if they are abnormally high. Ms B believed that if she had received regular bills she could have acted to reduce her electricity consumption. The provider offered her twelve months to clear the debt but they were not prepared to reduce the amount owing. Ms B was not satisfied with the explanation, and contacted EWON to discuss her concerns and seek advice on her repayment options.

After an EWON investigation the provider amended Ms B's account based on her electricity use for the same period for the previous year. Ms B's account was reduced by \$660 and the provider offered nine months to pay. The provider agreed to review their systems relating to the non-issuing of accounts for customers in similar situations.

Where's the water?

Mrs D is building a duplex with another party. Although they have received a strata title classification, the units are not completed and the water is not connected to the property. As such, Mrs D feels that the water company should not have started charging them for water and sewerage service availability. Mrs D contacted her provider to discuss her concerns and was told that she was liable for the service charges and the provider had already commenced debt recovery action for the \$225 owed to them in charges.

Mrs D contacted EWON to clarify the basis for these charges. EWON discussed the matter with the provider. After visiting the site, the provider agreed that the information Mrs D had been given was incorrect. They reversed all service charges and confirmed that they would not bill Mrs D again until construction of the units was completed.

Critical error

When Mrs N had her power connected, her provider agreed to contact her for meter readings and bill her on a monthly basis. Although the provider did not contact her for the meter readings, Mrs N received monthly bills as promised. However, three years after connection, Mrs N received two abnormally high electricity bills totalling \$7000.



Mrs N contacted her provider and was told that because she lived in an isolated area the provider only read her meter once a year. After a recent meter read they had found that her consumption had been underestimated for three years.

Mrs N was not able to pay this amount, and after receiving a 24-hour notice of disconnection, she contacted EWON for assistance. The provider agreed to delay disconnection action until EWON was able to investigate the matter.

During the investigation, Mrs N's provider agreed that they had failed to conduct regular meter readings. Recognising the lack of contact and the impact of estimated accounts, the provider billed the customer for twelve months consumption only, which reduced the account by \$3300. The provider also gave Mrs N 12 months to repay the adjusted account.

Withdrawal symptoms

Mrs N had organised fortnightly payments of \$30 to be directly debited from her bank account to her gas account. The first payment was deducted as planned, but the second payment was deducted early in error. This caused Mrs N's account to be overdrawn, and attracted \$38 in account fees from her bank.

After this unplanned deduction, Mrs N did not have enough money to live on until her next payday. She contacted her provider who acknowledged the mistake, but advised her that they could only credit the money back to her gas account. In desperation she called EWON for advice. EWON contacted her provider and discussed how the early deduction had affected Mrs N and her family.

Mrs N's provider agreed to immediately credit the bank fees and the incorrect deduction back to her bank account. Her provider also gave her a \$50 credit on her gas account for the inconvenience caused.



ABOVE AND BEYOND

Most customers only need to contact their utility provider on rare occasions. However, when a potential problem does arise, the provider's ability to handle a customer issue or complaint can have a lasting impact on the customer-provider relationship, either positive or negative.

The following examples highlight positive resolutions for customers and action by providers that exceeds what might reasonably be expected, in order to resolve customer complaints.

Magnifying the cost

Mr R received a high gas bill from his provider for \$170; his normal consumption is around \$50. Mr R was told by his provider that they had been unable to read his meter because it was inside the house. When Mr R read the meter and sent the results, the provider issued the \$170 bill as a 'catch-up' account because they had estimated his bills for two years and undercharged him as a result.

Mr R contacted EWON to explain that he had received a letter from his provider two years ago asking him to read his meter and send the results into them. Mr R is an elderly pensioner and his meter is high up on the wall in his bathroom. To read the meter, he had to stand on the bath and use a magnifying glass to record the digits. Because of the difficulty Mr R had in reading his meter, he was not always able to send the correct details to his provider.

EWON discussed Mr R's situation with his gas provider. His provider was unaware of the awkward location of Mr R's meter and offered to send someone out to conduct a meter read. The meter reading confirmed that the 'catch-up' account was correct. However, the provider offered to move Mr R's meter to a more accessible location at their expense. Mr R was happy with new location of the meter and was able to conduct self-reads to prevent any future estimated accounts.

A meter shared is a bill halved

Mrs A lived in a semi that shared the electricity meter with the neighbouring house. Although the two neighbours agreed to halve the electricity bills, the account remained in Mrs A's name.

Accustomed to bills of around \$200 a quarter, Mrs A was very surprised to receive a bill for \$900. On contacting her provider she was told to ignore the bill and they would send someone out to check her meter.

During this time Mrs A moved premises and waited for further contact from her energy provider. After two months, the company informed her that they had checked her meter and as it was functioning properly, she would need to pay the \$900 bill. Mrs A contacted EWON for further advice.

EWON discovered that the provider had underestimated two of Mrs A's previous bills, resulting in the high account. After EWON explained Mrs A's difficulty in splitting this high bill with her neighbour, the provider offered to reduce her account to \$370 in recognition of the fact that their actions may have contributed to this situation. This enabled her to pay off the amount and clear her debt.

A splitting headache

Ms J is an elderly pensioner who lives alone. One day she noticed that the service mains connected to her house was pulling at the timber on the exterior of her house, causing it to split. She rang the emergency service number of her electricity provider and within twenty minutes they had come out and loosened the wires.

After this work was completed she noticed that the damage to her house was quite extensive. When she discussed the damage with her provider, they advised her to contact a builder and gave her EWON's number for further assistance.

EWON contacted Ms J's electricity provider to determine the probable cause of the tightening of the wires. While discussing Ms J's situation, the provider offered to repair the damage caused to her home without the need to determine who was responsible for the repair costs.

Ms J's provider arranged a carpenter to repair the damage to her house. Within days of contacting EWON, the repair work was completed. Ms J was very pleased with the response and attitude of her electricity provider.

All wrung out

Mrs S's water bills are usually around \$100. When Mrs S received a high bill, she asked a plumber to assess the cause of the high usage. The plumber inspected the pipes and told Mrs S that he had fixed the problem.

Three months later, Mrs S received another high water bill, bringing the total amount owed to \$840. When a second plumber found a concealed leak under her house, the provider offered to credit \$300 to her account to help make repayment more manageable.

Mrs S was not happy with this offer as her pension would not cover the required repayments on the balance owing without placing her under significant financial strain. Mrs S felt she had done everything she could to address the problem, including calling out two plumbers. She had also contacted her water provider three times to discuss the high bill, but her calls were not returned.

Mrs S's daughter contacted EWON to help negotiate a more acceptable arrangement. EWON spoke to the water provider to discuss the issues surrounding the concealed leak, and to inform them of Mrs S's financial situation. The provider was unaware of her situation and reviewed the charges. They found that as a pensioner Mrs S qualified for a financial hardship provision under their concealed leak policy. Her provider reduced the bill so it reflected Mrs S's usual water usage.



COMMUNICATION BREAKDOWN

In some cases miscommunication and time delays lead to customer dissatisfaction. In many instances it appears that complaints could have been resolved quickly and easily without the need for EWON intervention.

Dear customer...

When Mrs A moved into her property she arranged for the gas to be disconnected because all her appliances were electric. Eighteen months later, she was still receiving bills and notices addressed to 'Dear Customer'. Mrs A contacted the gas provider on nine separate occasions to explain that she did not use gas and had never opened an account with them. Each time Mrs A was assured that the matter had been rectified, but she continued to receive bills.

Mrs A contacted EWON when she received a letter from the provider advising that they had provided details of the unpaid accounts to a debt collection agency and that this may affect her credit rating. EWON contacted the provider and conveyed the frustration Mrs A was experiencing.

The provider acknowledged that the problem should have been sorted out in the first instance. The company apologised to Mrs A and deleted her name from their debt recovery system. Mrs A was very happy that the matter was resolved and her credit rating would not be affected.

A flood of complaints

Mrs D had a large water leak close to the meter at the front of her block of units. She rang the 24-hour emergency number, but because she rented the unit and she was not the account holder, the water provider was not prepared to talk to her about the leak. Three months later, the leak was still not fixed and her landlord refused to contact the provider on her behalf.

Mrs D contacted EWON for advice on how to get the leak repaired. EWON informed the water provider about the leak and explained how upset Mrs D was with the treatment she had received. Immediately after EWON's contact, the provider rang Mrs D to follow up her complaint. Within four hours, workers had replaced the broken pipe and the water provider had apologised for the frustration they had caused in not acting upon Mrs D's concerns sooner.



A fortunate finding

Mr S is a pensioner with six children. He owed his electricity provider \$830 and was told that he would be disconnected if he did not make an immediate \$300 payment. He contacted his provider and offered to pay \$100 that day and a further \$200 the following week. The company refused this offer and insisted on the full \$300 payment immediately or they would disconnect his electricity.

Mr S contacted EWON to request a delay in disconnection while he sought emergency assistance. EWON contacted the provider and discussed Mr S's circumstances and his efforts to pay his electricity account.

The company was not aware of Mr S's pensioner status and added these details to his account. After the provider backdated his pensioner rebate, the amount outstanding on the account was reduced to \$480. With assistance from community organisations Mr S paid the remaining amount and his account was cleared.

Crossed wires

Mr L lived in a block of units where he was receiving very high electricity bills. To try to find the cause of the high bills, Mr L's landlord arranged for an electrician to inspect the wiring. The electrician found that the block had been incorrectly wired, and the power for the entire building was being recorded through Mr L's meter.

Mr L contacted his electricity provider a number of times to inform them of the situation and to request an investigation. His provider continued to demand payment of the high bills, insisting the issue was between Mr L and his landlord. Mr L refused to pay the most recent bills until the matter was resolved. When his provider did not respond to his requests to amend the incorrect bills, Mr L contacted EWON.

As part of the investigation, EWON had the meters inspected and confirmed that Mr L was being billed incorrectly. EWON conveyed the details of the investigation to the company, including a recalculation of Mr L's electricity use during the period. Following EWON's intervention the provider agreed to amend the accounts and apologise for the distress caused to Mr L.

That week Mr L received a refund of \$1337 from his electricity provider and a letter of apology.



SUPPLY AND PROVISION

Customer complaints about provision and supply include delays in connection of utility services, claims for damage as a result of network events, and quality of supply.

A holiday gone sour

Mr M received a letter from his provider giving notice that the electricity to his holiday home would be disconnected. On contacting his provider Mr M was told that they had made an error, his account was in order, and he should disregard the letter. He returned to his holiday home two weeks later to discover that his power had been disconnected seven days after the phone call to his provider.

Mr M found that the food in his freezer and refrigerator was spoiled, and that both appliances were damaged. The floor and carpets were also water damaged. Mr M lodged a claim with his electricity provider for \$3350. After two weeks, he contacted his provider to check on the status of his claim and was informed that a response could take up to two months.

Believing that this was too long a period to process his claim, Mr M contacted EWON for assistance. When EWON contacted the provider they offered \$1400 to settle the claim. Mr M rejected this as unreasonable.

EWON's investigation found that Mr M's claim for compensation was reasonable in the circumstances. After receiving further documentation and receipts to substantiate the loss, Mr M's provider agreed to review their offer. Mr M accepted a payment of \$3000 for the damage and loss caused by the disconnection in error.



An outage of service

Mr J lives in a rural area and is accustomed to two or three planned power outages per year. His provider would contact him about the outages, allowing him time to prepare and work around them. However, he found that a recent change of policy by the provider meant that he would no longer be personally notified about planned outages.

He contacted his provider to discuss the matter but was informed that the notification service was no longer part of their business operations. After several inconclusive discussions with the provider, Mr J called EWON.

EWON raised Mr J's concerns with the provider. They explained that they advertised outages in the local newspaper because the area was too large for a letter drop and there were too many people to contact by telephone.

Following further consultation with EWON, the provider agreed that their policy needed to be amended to incorporate advance warning of the outages to rural customers in similar situations to Mr J.



A cool reception

Mr S, his wife and six children were surprised to find they had no hot water, heating or cooking facilities when they moved into their new home. There was no gas connection, despite many assurances from the provider that the gas would be connected and ready to use by this time. When Mr S contacted the provider to discuss his family's situation, he was promised that the gas would be connected the day after moving in.

However, the next day he was told that it would not be possible to connect as promised, because the contractor had to bore under the road to connect to the main. Mr S was told that it would take

at least two more days before they would be able to connect his house to the gas main. Mr S was very upset about the miscommunication and contacted EWON to ask for help to get the gas connected for his family.

EWON contacted the provider and negotiated to have the gas connected the following day. The provider connected bottled gas so the family could have hot water while the connection was carried out. The provider also waived the connection fee of \$295 because of the inconvenience caused to Mr S. By midday the following day, the connection to the main had been completed and Mr S had gas in his new home.

LAND

Customers contact EWON when they cannot resolve issues relating to the location of poles, pipes and other infrastructure necessary to maintain utility supply, or to damage to private land caused by the activities of the provider.

The lost pipe

Mr O called in a plumber to carry out work on a suspected crushed sewer pipe located at the back of his property. He asked his provider to supply him with diagrams showing the location of the pipes so his plumber could easily gain access. When the plumber commenced digging, he could not locate the pipes because the diagrams supplied by Mr O's provider were incorrect. Mr O contacted his provider on two separate occasions and each time was told that they would not take responsibility for the situation.

The work by the plumber took a lot longer than expected and was blocking access to the rear laneway. Mr O contacted EWON to try to resolve the matter quickly and gain access to the correct location of the pipes. He was concerned about the increased cost of future work that might be needed to rectify the situation.

EWON asked the provider to investigate the issue as a matter of urgency. The provider conducted a site inspection and confirmed that the diagrams given to Mr O were inaccurate. His provider arranged for contractors to complete excavation work to locate the crushed pipe at their expense. In addition, the provider reimbursed Mr O for all plumbing costs incurred.

Burying the problem

Mrs E contacted her local gas provider to have gas connected, with a meter installed toward the rear of her house. Mrs E agreed to the \$970 quoted and bought new appliances and installed gas fittings for her home in anticipation of the quoted connection.

The provider later advised Mrs E that the original quote was incorrect because they had not included the cost of burying the pipes under her concrete driveway. Mrs E could not afford the cost of the new proposal but the company was unwilling to negotiate further.

Mrs E contacted EWON, asking for help to negotiate with her provider. EWON, the provider, and Mrs E met for a site visit at her property to discuss the issues and identify what options were available.

The provider and Mrs E agreed that a strip of her driveway would need to be dug up to install the gas line. The provider agreed to connect Mrs E as originally quoted and pay for any driveway restoration required. Mrs E was satisfied that the connection was to occur within the week, and was happy to pay the \$970, as originally agreed.

