



## Background information: EWON and energy marketing complaints

### About EWON

- EWON provides an independent dispute resolution service.
- We help people with complaints about all electricity and gas providers in NSW, and some water providers.
- Our service is free for consumers.
- Consumers can ring us on freecall 1800 246 545, Monday to Friday, 9am-5pm
- Consumers can lodge a complaint online at [www.ewon.com.au](http://www.ewon.com.au)

### Retail competition

- Full retail competition for domestic energy consumers was introduced in NSW in 2002.
- Retail competition means consumers can choose who supplies their electricity and gas.
- In real terms, this means a consumer chooses the retailer who bills them, as the network provider physically supplying the energy stays the same.

### Statistics

#### Retail competition complaints

- From 1 January to 31 May 2006 EWON received 1,064 retail competition complaints (32% of all complaints received, total complaints = 3,288)
- Comparatively, EWON received only 449 retail competition complaints in the last five months of 2005.

#### Marketing related issues

Of the retail competition complaints received from 1 January to 31 May 2006, customers raised the following issues in relation to marketing.

- **433 customers complained about misleading conduct** (eg marketer misled them about who they worked for and/or they did not disclose the terms of the contract)
- **229 customers complained about informed consent** (eg the marketer signed them up to a contract without their knowledge or explicit consent, or the customer did not understand the contract or the offer being made to them)
- **91 customers complained about pressure/coercion** (eg customer felt pressured or coerced into signing the contract and/or signed the contract to get the marketer to leave)

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*Background information: EWON and energy marketing complaints (cont'd)*

### Case examples

- A door-to-door marketer visited the home of a frail 85 year-old who had recently returned from a lengthy period in hospital, and initiated a contract after telling her that by doing so, she would no longer experience power interruptions.
- A door-to-door marketer initiated contracts with a number of elderly occupants of a public housing complex, after telling them that their standard supplier was about to go out of business.
- A telemarketer initiated a contract with a 92 year-old sufferer of dementia on the basis of the phone call.
- A door-to-door marketer initiated a contract with an elderly sight and hearing-impaired person whose business affairs are usually handled by her daughter as part of a power-of-attorney arrangement.

### Legislation: Marketing Code of Conduct

If a marketer does not provide information regarding termination fees and the cooling-off period, or they mislead a customer into signing an energy contract, this is a breach of the *Marketing Code of Conduct*, which all energy retailers are obliged to follow.

### What is EWON doing about marketing complaints?

- We resolve customer complaints and in cases where there has not been informed consent, we negotiate with the company for the contract to be cancelled without any charge to the customer and for them to be returned to their original supplier.
- EWON reports all retail competition complaints to the Independent Pricing and Regulatory Tribunal, which is responsible for administering the operating licences granted to energy retailers and their compliance with the *Marketing Code of Conduct*.
- We have recently written to the Hon. Joe Tripodi, Minister for Energy, alerting him to the cases we have received which indicate that some marketers have been taking advantage of older consumers. This information has also been sent to the Department of Energy, Utilities and Sustainability and to the Independent Pricing and Regulatory Tribunal.
- We have launched an awareness campaign called ***Make an informed choice about your energy contract***, to disseminate information to older consumers via peak bodies and community organisations.

### For more information:

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