



MEDIA RELEASE

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Complaints decline but affordability still puts energy and water beyond the budget for many

Complaints to the Energy & Water Ombudsman NSW (EWON) decreased overall by 19% in 2014/2015. However there were 8,512 affordability related complaints, a decline of only 12% from last year, which indicates that steadier pricing has not reversed the impact of previous price increases for consumers on fixed or low incomes.

As released in its 2015 Annual Report today:

- EWON received 30,402 complaints in 2014/2015 – down from 37,485 in 2013/2014
- Affordability issues were raised in 28% of all complaints, including disconnection, denied payment plans, large arrears and debt collection
- Customer service issues were raised in 39% of all complaints
- Electricity and water complaints were down 24% and 10%, respectively, while gas complaints rose by 5%.

“The overall decrease in complaints followed eight years of successive increases and it was driven by improvements in most providers’ internal dispute resolution processes,” said Energy and Water Ombudsman NSW Janine Young.

“These improvements are very welcome, however, affordability remains a challenge for many consumers. A growing number of customers are seeking EWON’s assistance with credit listing and debt collection problems, two complex issues which have increased markedly over recent years.

“On a positive note, we have also seen energy and water providers reviewing their hardship and payment assistance programs and entering into partnerships with community agencies aimed at addressing affordability issues systemically. We are hoping to see a decrease in affordability related complaints in the current financial year as a result of these initiatives,” said Ms Young.

Other noteworthy decreases included transfer complaints, which dropped by 47%, reflecting the low switching rates in NSW.

“While this is positive from a complaints perspective, it means that many NSW customers may not be on the most cost-effective market contract. An increase in competition and the movement from standard contracts to market contracts may materially assist many of those consumers currently struggling to play their energy bills,” Ms Young explained.

A 14% decrease in complaints about billing reflects an end to issues arising as a result of energy retailer billing system upgrades that had been a major driver of high complaint levels in prior years.

“But while an overall decrease in complaints reflects our experience that internal complaint handling has improved, a further opportunity for providers is evident,” continued Ms Young. “Customer service complaints went against the downward trend, rising 7% in 2014/2015 to account for 11,767 of all cases finalised. Incorrect advice and failure to respond to customers or provide them with requested information were all reported more frequently, resulting in customer frustration and stress that could have been avoided.”

Looking ahead, significant changes in the structure of the energy industry are on the horizon and new products and services are set to bring about developments in the energy market.

“This creates some uncertainty for EWON around energy complaint trends and jurisdiction in the months and years ahead,” said Ms Young. “So we are monitoring this dynamic environment closely to ensure we are equipped to manage customer complaints effectively and efficiently, and to ensure adequate consumer protections are in place.

“Further, we are also continually focused on ensuring that vulnerable consumers across New South Wales are aware of our office and can readily access our services.”

For more information or to arrange an interview with the Ombudsman, contact:

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