



Energy & Water  
Ombudsman NSW  
Free, fair and independent

# Quarterly Activity Report

## Complaints, Case Studies and Community

1/4/2018 to 30/6/2018



**Energy & Water  
Ombudsman NSW**

Fax 1800 821 291  
Free Call 1800 246 545

Web [ewon.com.au](http://ewon.com.au)  
Email [omb@ewon.com.au](mailto:omb@ewon.com.au)

ABN 21079718915  
Post PO Box A2436 Sydney South NSW 1235

# Contents

- Contents ..... 1
- Introduction..... 2
  - Complaint environment ..... 2
- Complaint Activity April – June 2018 ..... 4
  - Overview ..... 4
    - Table 1 – Files opened April – June 2018, including previous quarters ..... 5
  - Customer Complaint Issues..... 6
- Energy Issues ..... 7
  - Table 3 – Case breakdown – Energy..... 7
- Industry issues – Affordability April-June 2018..... 8
  - Customers’ experience of payment plans..... 9
    - Requiring lump sum payments ..... 11
    - No referral to hardship program..... 12
  - Closed account case studies..... 16
  - Referral to another retailer ..... 17
  - Automated systems errors..... 19
    - Table 4 – Water Top 5 issues April – June 2018, including previous quarters..... 22
    - Table 5 – Case breakdown – Water..... 22
  - Large water providers ..... 23
- Exempt Retailer Issues ..... 26
- Stakeholder Engagement ..... 27
  - Members ..... 27
  - Government and Other Stakeholders ..... 28

# Introduction

Welcome to the EWON Quarterly Report for the period 1/4/2018 to 30/6/2018.

## Complaint environment

During the quarter we received 6,816 complaints, a 4.3% increase when compared to the same period in the previous year, and a 20.6% increase when compared to last quarter. As a result, we received around 26,500 complaints in 2017/2018, a 12% increase over the prior year. The increase during the last quarter was largely driven by an increase in complaints about electricity retailers, although complaints are up across all sectors.

## Themes of this report

At the time of writing, the Australian Energy Market Commission (AEMC) is considering a National Energy Retail Amendment Rule change proposed by the Australian Energy Regulator (AER) aimed at strengthening energy retailer hardship programs. EWON strongly supports the intent of the Rule change, and has actively participated in the change process through workshop participation and a submission, which drew on a significant number of case studies.<sup>1</sup>

In addition to responding to the questions raised in the AEMC's consultation paper, we also drew the Commission's attention to critical energy industry language barriers which we suggest, could also be addressed by the Amendment:

Customers can experience, or be at risk of experiencing, financial vulnerability for a number of reasons. These are:

- short or medium term or situational vulnerability, for example following job loss;
- long term vulnerability due to disability or injury; or
- for the most financially vulnerable, generational.

Use of the term 'customers in hardship' is not a helpful label.

The word 'hardship' is viewed, by many people, as being a discriminatory or dysfunctional label – if retailers offered Energy Affordability Programs rather than hardship programs, we may see a greater number of customers who experience financial vulnerability self-identify. It may also open the door to initiating easier conversations between retailer staff and the customers who need these programs.

We encourage our members to consider this terminology amendment for their programs and staff.

Given that financial vulnerability is under the energy sector spotlight, it is timely that the theme of this quarterly report is also focused on affordability and the complaints which come to my office as a result of energy retailers, and to a lesser degree water providers, missing opportunities to provide affordability assistance directly to their customers.

The case studies in this report illustrate the different issues experienced by customers who had previously contacted their provider seeking help.

---

<sup>1</sup> [https://www.aemc.gov.au/sites/default/files/2018-07/Energy%20and%20Water%20Ombudsman%20NSW\\_0.PDF](https://www.aemc.gov.au/sites/default/files/2018-07/Energy%20and%20Water%20Ombudsman%20NSW_0.PDF)

These issues include:

1. Payment plans suggested by customers that were refused and instead, unaffordable payment plans being offered to the customer.
2. Retailer staff demanding significant upfront lump sum payments before agreeing to reconnection or offering the customer a payment plan.
3. Customers not being referred to retailer affordability teams, despite the customer obviously requiring specialist assistance.
4. Customers with closed accounts being unable to negotiate affordable payment plans to clear their final bill.
5. Retailers who suggested or incentivised customers to sign with another retailer, rather than the retailer acting on its responsibilities to support customers who were unable to pay their account, including sometimes, high arrears which were accrued without prior retailer engagement with their customer.
6. Automated billing systems that resulted in disconnected customers or warning notices being issued despite customers being on agreed payment plans.

The case studies are drawn from complaints about all retailers; first tier, long-term second tier and more recent market entrants. All of these issues are examples of hardship programs being inadequate, lack of access to hardship programs, or the Rules being broken. While it is true that the larger and more established retailers' hardship programs tend to be more inclusive and targeted, there are exceptions.

The stark difference in quality between retailers' hardship programs and their implementation is one reason EWON supports the AER's proposal for hardship guidelines. It is also why, should the AEMC make a rule similar to the AER proposal, EWON will be arguing for the guidelines to be prescriptive rather than light touch.

While most of the case studies relate to energy, we have seen an increase in affordability issues from water customers and illustrative case studies for the water sector are also included.

This report also contains the regular section on complaints from customers residing in embedded networks about exempt entities, as well as information about our stakeholder engagement.

We welcome any feedback about this report. For further information, or to discuss any aspect of it, please contact our office. Contact details are on the cover of this report.

# Complaint Activity April – June 2018

## Overview

Complaints received by EWON this quarter increased by 4.3% in comparison to the same period in 2017 (6,816 compared to 6,533). When compared with last quarter, there has been an increase in complaints of 20.6% (6,816 compared to 5,653), driven by a 19.5% increase in electricity complaints, a 20.3% increase in gas complaints and a 42.2% increase in water complaints.

**Electricity:** The 5,050 electricity retail complaints represent an increase of 11.4% when compared with Q4 2016/2017, when there were 4,534 complaints. This number is an 18.9% increase from last quarter’s count of 4,247 complaints. The 253 distribution cases opened is a slight increase of 0.8%, when compared with 251 in the same quarter last year, and an increase of 24.6% compared to last quarter. Overall electricity complaints increased by 9.5%, 5,431 this quarter compared to 4,958 in the corresponding 2017 quarter and increased by 19.5% compared to last quarter.

**Gas:** The number of gas retail complaints received this quarter (1,047) decreased by 13.4% in comparison to the corresponding period in 2017 (1,209) but increased by 17.6% compared with last quarter (890). As well, the number of gas distribution complaints (68) fell by 49.3% in comparison to the equivalent period last year (134) but increased by 58.1% compared to last quarter (43). Overall, gas complaints (1,127) decreased by 16.8%, compared to 1,355 in April – June 2017 and increased by 20.3% when compared to 937 last quarter.

**Water:** The number of water complaints received this quarter (236) increased by 21.6% compared to the corresponding period in 2017 (194) and by 42.2% compared to last quarter (166). High bills were the largest source of water complaints.

**Exempt entities:** EWON received 22 complaints from customers of exempt entities this quarter compared to 46 in the same quarter in 2017 and 22 last quarter. Most of those received were electricity related (21).

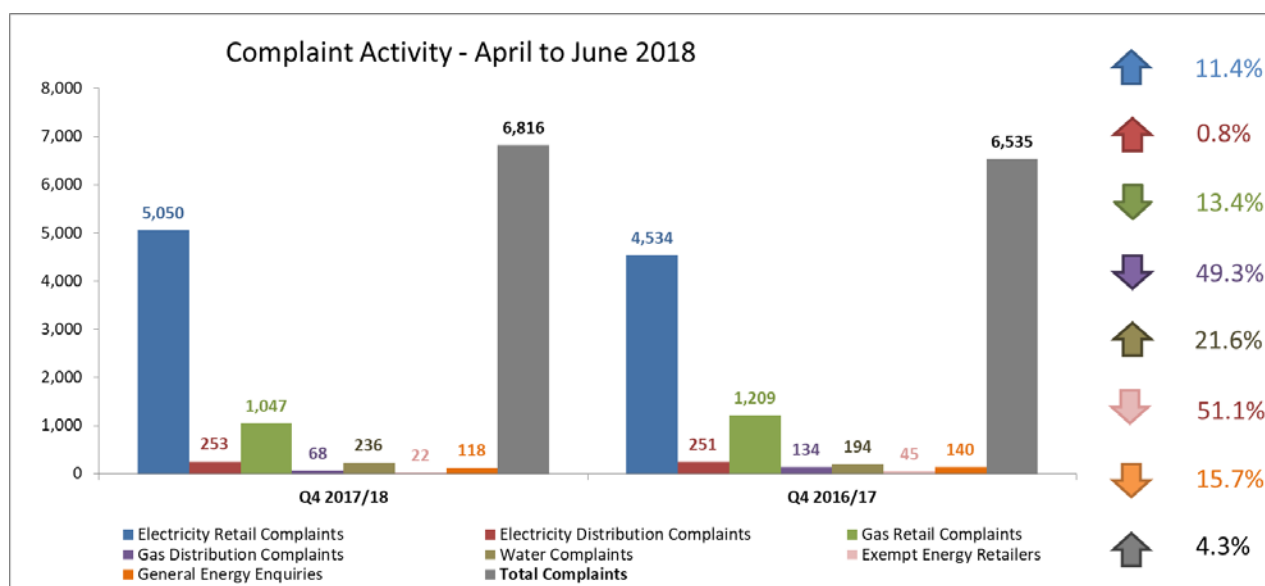


Table 1 provides more detailed information about the number of complaints received from April to June 2018, in comparison to the previous three quarters and the corresponding period in 2017.

**Table 1 – Files opened April – June 2018, including previous quarters**

Case Subject	Provider Type	April 18 – June 18	Jan 18 – Mar 18	Oct 17 - Dec 17	July 17 – Sep 17	April 17 – June 17
Electricity	Distributor	253	203	232	269	251
Electricity	Exempt retailer	21	20	25	45	43
Electricity	General enquiry	107	74	61	121	130
Electricity	Retailer	5,050	4,247	4,965	4,979	4,534
<b>Electricity Total</b>		<b>5,431</b>	<b>4,544</b>	<b>5,283</b>	<b>5,414</b>	<b>4,958</b>
Gas	Distributor	68	43	81	148	134
Gas	Exempt retailer	1	2	3	4	2
Gas	General enquiry	11	2	3	8	10
Gas	Retailer	1,047	890	1,299	1,271	1,209
<b>Gas Total</b>		<b>1,127</b>	<b>937</b>	<b>1,386</b>	<b>1,431</b>	<b>1,355</b>
Non energy/ Non water	General enquiry	22	6	24	21	28
<b>Non energy/ Non-water Total</b>		<b>22</b>	<b>6</b>	<b>24</b>	<b>21</b>	<b>28</b>
Water	Distributor	53	61	47	54	52
Water	Exempt retailer	0	0	0	1	1
Water	General enquiry	18	7	11	11	11
Water	Retailer	165	98	137	165	130
<b>Water Total</b>		<b>236</b>	<b>166</b>	<b>195</b>	<b>231</b>	<b>194</b>
<b>Grand Total</b>		<b>6,816</b>	<b>5,653</b>	<b>6,888</b>	<b>7,097</b>	<b>6,535</b>

## Customer Complaint Issues

High bill complaints numbered 1,958, up from 1,782 last quarter, and continue to be the largest issue, representing 13.7% of all issues raised this quarter. Complaints where customer service was identified as an issue continue to remain high. Complaints about payment difficulties (580) rose this quarter and were up in comparison to the same quarter last year (492) and against the previous quarter (449).

Complaints about delays in the installation of digital meters returned to the top ten issues that led to customers coming to EWON. Prior to the new metering arrangements coming into effect in December 2017, all of the customers complaining about this issue were customers with a solar installation seeking a new net meter. These complaints dropped away over 2017 and are increasing again since retailers became responsible for all meter installations from 1 December 2017. There were also 154 complaints about delays in the installation of new meters where a customer is seeking new supply, in addition to the 364 delay cases which concern meter replacement for upgraded supply or the replacement of a faulty meter.

**Table 2 – Top 10 issues April – June 2018, including previous quarters**

Primary Issue	Secondary Issue	Tertiary Issue	April 18 – June 18	Jan-18 – Mar 18	Oct 17 – Dec 17	July 17 – Sep 17	April 17 – June 17
<b>Billing</b>	High	Disputed	1,958 (13.4%)	1,782 (13.9%)	2,464 (16.7%)	1,915 (13.1%)	1,501 (10.9%)
<b>Customer service</b>	Poor service		1,595 (10.9%)	1,367 (10.6%)	1,577 (10.7%)	1,612 (11.0%)	1,338 (9.7%)
<b>Customer service</b>	Failure to respond		1,122 (7.7%)	1,097 (8.5%)	1,194 (8.1%)	1,108 (7.6%)	1,031 (7.5%)
<b>Billing</b>	Opening/ closing account		662 (4.5%)	560 (4.4%)	558 (3.8%)	550 (3.8%)	544 (4.0%)
<b>Credit</b>	Payment difficulties	Current / arrears	580 (4.0%)	449 (3.5%)	609 (4.1%)	594 (4.1%)	492 (3.6%)
<b>Billing</b>	Estimation	Meter access / not read	554 (3.8%)	564 (4.4%)	609 (4.1%)	581 (4.0%)	557 (4.1%)
<b>Customer Service</b>	Incorrect advice / information		480 (3.3%)	624 (4.9%)	569 (3.9%)	628 (4.3%)	562 (4.1%)
<b>Customer service</b>	Failure to consult / inform		431 (2.9%)	479 (3.7%)	398 (2.7%)	320 (2.2%)	289 (2.1%)
<b>Digital Meter Exchange</b>	delay		364 (2.5%)	190 (1.5%)	97 (0.7%)	222 (1.5%)	489 (3.6%)
<b>Billing</b>	Error	Other	361 (2.5%)	378 (2.9%)	386 (2.6%)	308 (2.1%)	285 (2.1%)
<b>Total Number of Issues Per Quarter</b>			<b>14,630</b>	<b>12,847</b>	<b>14,768</b>	<b>14,630</b>	<b>13,755</b>

## Energy Issues

The breakdown of all energy complaints by case category is shown in Table 3.

Table 3 – Case breakdown – Energy

Complaint type	Number of complaints	% Total energy complaints
General Enquiry	27	0.4%
Complaint enquiry	2,318	35.3%
Refer to Higher Level	2,480	37.8%
Investigated	1,733	26.4%
<b>Total</b>	<b>6,558</b>	<b>100%</b>



## Industry issues – Affordability April-June 2018

In March 2018 the Australian Energy Regulator (AER) proposed a rule change to the Australian Energy Market Commission to strengthen protections in the National Energy Retail Rules for customers experiencing financial vulnerability. The reason for this was:

*“The outcomes of our 2017 Hardship Review, and recent performance data submitted by retailers to the AER has indicated that discrepancies exist between retailer commitments in hardship policies and what occurs in practice. This disconnect can have a significant impact on customers experiencing payment difficulties and their ability to access and successfully complete hardship programs. We consider that the general and principles-based nature of many hardship policies is contributing to some poor customer outcomes and, in particular, to customers most in need of assistance not always being able to access it. Many policies do not appear to sufficiently align with the minimum requirements and do not provide adequate guidance to customers to assist in their understanding of their rights and entitlements.”<sup>2</sup>*

EWON’s complaint experience supports the AER’s conclusion. Retailers’ hardship policies often contribute to poor outcomes for customers. While many hardship programs operate well, positive results are limited to those customers who actually gain entry into the formal program. The customers who do not receive access, which is both a customer right and entitlement, especially the right to an affordable payment plan, are those who do not receive a referral to a hardship program. This is especially so for customers who experience a disconnection. EWON complaints indicate that some retailers operate as if, once disconnected, any customer rights and entitlements cease.

The National Energy Retail Law requires retailers to offer payment plans to customers who inform the retailer they are experiencing financial difficulty and where the retailer “otherwise believes the customer is experiencing repeated difficulties in paying the customer’s bill or requires payment assistance.”<sup>3</sup> Most retailers very often meet their requirements in relation to customers in their hardship programs. And many very often provide relevant assistance to customers who identify as being in financial difficulty. However, EWON’s experience is that this is dependent on how effective contact centre training is so that customers are referred to affordability team specialists. And, our complaints indicate that few retailers pro-actively identify customers experiencing payment difficulties as requiring specialist assistance.

EWON acknowledges that customer engagement is challenging and that customers should reach out to providers if they are unable to pay their energy or water accounts. However, our complaints evidence the fact that many customers have reached out and their provider has not responded appropriately.

The AER attempted to address these issues with the development of the Sustainable Payment Plans Framework. The Framework established four key principles which, if implemented, would form the basis for effective engagement with customers experiencing financial difficulty. The principles are: Empathy, Respect, Flexibility and Consistency. The Framework also includes a Good Practice Guide. This outlines a staged approach, where a referral to a hardship program is the final step after a number of other options have been explored. In EWON’s experience, many of the Framework’s principles are not evident in the initial customer contact with their retailer.

During the consultation to establish the Framework, EWON proposed that the Framework should also apply to closed accounts and this became part of the Framework. EWON also argued against the Framework being voluntary and suggested that there needed to be a stronger enforcement mechanism for it to be successful. This latter approach was not adopted and the Framework remains

---

<sup>2</sup> Covering Letter AER Rule Change Proposal March 2018

<https://www.aemc.gov.au/sites/default/files/2018-05/RRC0017%20Rule%20change%20proposal.pdf>

<sup>3</sup> NERL Clause 50 (1) (b)

voluntary. Perhaps the proposed Rule change supports EWON’s views with respect to the Framework’s voluntary status and the need for stronger enforcement.

The case studies in this report identify payment plan difficulties, unaffordable lump sum payment requirements, barriers to accessing hardship programs, difficulties for customers with closed accounts and examples of some retailers attempting to avoid their responsibilities with respect to customers who are experiencing affordability challenges. Finally there are some case studies about systems causing distress and examples of a lack of empathy towards customers in very difficult personal circumstances. Case studies involving retailers who were not signed up to the Framework at the time are noted as such. All other case studies involve retailers who have adopted the Framework.

## Customers’ experience of payment plans

The complaints EWON receives about payment plans include refusal of payment plans after disconnection, unsustainable/unaffordable plans demanded by retailers and payment plans with unclear terms.

### Case studies

#### Payment arrangement refused

**The customer who was clearly experiencing short/medium term affordability challenges was refused not just a sustainable payment arrangement but a request for an extension of time to pay. This was despite having made regular payments in the past.**

A customer, a refugee, changed address and his payment arrangement ceased. He received a disconnection notice requiring payment of \$510. He attempted to negotiate an extension where he would pay half the amount immediately and the balance in a fortnight, but this was rejected.

EWON negotiated with the retailer and an agreement was arrived at where the customer paid \$255 and then would contact the retailer to establish a plan going forward. EWON also identified that the Low Income Household Rebate ceased when the customer moved and we provided advice to the customer to update his details with Centrelink. EWON also provided referrals to agencies providing financial assistance.

This retailer was not a signatory to the Sustainable Payment Plans Framework.

#### Unclear payment arrangement

**Payment plan terms need to be clearly explained to customers.**

A customer had a field officer arrive at her home to disconnect her electricity. She rang EWON as she had been paying \$120 per week and had not missed a payment.

EWON contacted the retailer and established that the payment arrangement was with a collection agency acting for the retailer, and was only for an existing debt and did not cover current consumption. The retailer agreed to have hardship program staff contact the customer and arrange a sustainable plan to cover both the previous debt and current consumption. The disconnection was cancelled.

#### Unaffordable payment plan

**The good practice guide associated with the Framework states that the retailer should start by asking the customer what they can afford. It also points out that by suggesting an amount, the retailer may pressure the customer into agreeing to an amount they cannot afford. This case study is an example of this in practice.**

A customer received a disconnection notice for arrears of \$570. He contacted the retailer and was offered a payment arrangement of \$190. He could not afford this but felt he had no choice but to agree. He was unable to pay the first instalment and came to EWON seeking assistance.

EWON contacted the retailer and arranged a payment plan of \$90 per fortnight for six months which

would cover the arrears and ongoing consumption. The retailer also indicated that if this remained unaffordable then a referral to the hardship program could be arranged. The customer was pleased with this outcome.

#### Payment plan refused after disconnection

**Retailers are not allowed to disconnect if a customer has an appointment for assistance, such as with an EAPA provider. The spirit of this rule should apply if a community agency confirms that EAPA will be provided after reconnection. In this instance the retailer had two opportunities to enter into a sustainable payment arrangement before EWON's intervention.**

A customer contacted EWON after being disconnected with arrears of \$1,574. The customer had attempted to negotiate a payment plan with the retailer, which was refused because of two failed payment plans. The retailer refused the customer access to the hardship program because it had determined that the customer had sufficient disposable income to pay the arrears. After the disconnection the customer again attempted to arrange a payment plan. He rang the retailer with a worker from a community agency, who indicated the agency would provide \$500 as soon as the account was reconnected. This offer was refused.

EWON confirmed the EAPA offer from the community agency and then contacted the retailer to request reconnection. The retailer waived the disconnection fee and agreed to a payment plan of \$140 per fortnight. The retailer agreed to have its hardship program staff contact the customer.

#### Customer refused payment plan after disconnection

**Despite not having been on any payment plans or in the hardship program, this customer was denied his request for a payment plan to enable reconnection. Disconnection provides a basis for engagement with customers in hardship. A refusal of a payment plan at this point is not in the spirit of the hardship requirements of the Law and Rules.**

A customer had been disconnected for arrears of \$1,972. He had requested a payment plan for reconnection but the retailer refused his offer so he came to EWON.

The retailer said that the customer had a poor payment history and had had a direct debit in place but that there had been multiple payment transfers rejected. The retailer also said that the customer was not on a formal payment plan. A reconnection was arranged and the disconnection fee was waived. A payment plan of \$85 per week was agreed. The customer was provided with an EAPA referral and reminded that he needed to maintain the payment plan otherwise he would be at risk of being disconnected again.

#### Sustainable payment plan refused

**By refusing the customer's request for a payment plan that was affordable, the retailer did not follow the requirements of Clause 50 of the NERL and Rule 33 of the NERL. Even the retailer's initial payment plan offer to EWON of \$150 per fortnight did not take into account the customer's capacity to pay as required by Rule 72 (1) (a) (i).**

A customer approached EWON seeking assistance in paying her bill after receiving a disconnection warning notice. She had electricity arrears of \$460 and had requested a payment plan. She had proposed an initial payment of \$150 and regular payments thereafter. Her retailer requested an upfront payment of \$360 and suggested that the customer seek EAPA.

The retailer confirmed that the disconnection order had not been issued at that stage and initially suggested to EWON that a regular payment of \$150 per fortnight would be required. After checking with the customer, EWON indicated that this would be unaffordable and proposed an affordable initial payment of \$150, with further payments of \$50 per fortnight. The retailer agreed that this would be acceptable if the regular amount was more than the customer's usage. The customer was then referred to the retailer's hardship program to confirm the payment plan.

This retailer was not a signatory to the AER's Sustainable Payment Plan Framework.

### Unaffordable demands on small business customer

**The AER strongly encourages retailers to reflect the principles of the Framework in their engagement with small business customers who are experiencing payment difficulties. Requesting unaffordable payment arrangements can force a business to close – perhaps reducing any opportunity for the business to cover off the outstanding debt.**

A small business customer had arrears of \$12,000 and received a disconnection notice. He approached the retailer and offered to pay \$5,000 and a further \$1,000 per month. This was refused and the retailer demanded 70% of the arrears before it would consider a payment plan. The customer came to EWON seeking assistance in establishing a payment plan.

EWON began an investigation and the retailer's first response was that the customer had been given a number of extensions and had not paid the outstanding amounts. It proposed that the customer pay a minimum of 50% of the arrears with a further month to pay the balance, or alternatively two monthly instalments for the balance. After further engagement, the retailer acknowledged the customer's current financial position and agreed to a \$6,000 up-front payment, \$1,000 each month and payment of future bills on the due date.

*When investigating complaints from business customers, EWON is very conscious of solvency requirements for business customers. In the event that we are of the view that the business may be trading while insolvent, we will finalise the investigation and advise both the customer and the retailer of that decision.*

## Requiring lump sum payments

EWON is aware that retailers face challenges engaging with customers experiencing financial difficulties. Customers are often unprepared to disclose their circumstances to third parties, especially when they owe money which they can't afford to pay. Disconnection is often a trigger for a customer to engage and provides a retailer with an opportunity to offer the assistance which they are required by the Law, the Rules and the Framework to provide. A demand for unaffordable and significant lump sum payments before reconnection or agreement to a payment plan is not acceptable practice. Often EWON is able to arrange exactly the same offer the customer has made to the retailer which had previously been refused by the retailer's call centre. Escalation by call centre staff to affordability specialists would avoid these complaints.

### Case studies

#### Lump sum payment required for reconnection

**The retailer refused a sustainable payment plan for reconnection and was resistant to arranging a reconnection even after EWON's involvement.**

A customer had been away and returned home to find his electricity disconnected. He contacted the retailer and offered to pay \$100 a week, beginning immediately. The retailer refused and required a payment of \$500 to reconnect on arrears of \$645. The customer contacted EWON seeking assistance to be reconnected.

After contact by EWON, the retailer agreed to the payment arrangement requested by the customer but only if the first payment was made before the reconnection. The customer made a \$100 payment at a Post Office and EWON forwarded a copy of the receipt to the retailer. The retailer questioned why the customer could not pay the full arrears given the amount, and indicated that it would try to raise a reconnection but said there might be a delay. EWON pointed out that it was the Friday before a long weekend and that it was fair and reasonable for the reconnection to occur immediately. The reconnection was completed and a referral to the retailer's hardship program provided.

This retailer was not a signatory to the AER's Sustainable Payment Plan Framework.

### Lump sum payment required for reconnection

#### **The retailer responded positively once contacted by EWON but had failed to use the opportunity when the customer first made contact to implement the same arrangements**

A customer was disconnected and rang his retailer. It required a lump sum payment of \$800 on arrears of \$1,244 to arrange reconnection. He could only pay \$300 so he contacted EWON seeking assistance to be reconnected.

The retailer advised EWON that they had only been retailing energy to the customer for three months, they were on monthly billing and no payments had been received. The retailer agreed to reconnect upon the customer paying \$300 and entering into a payment arrangement. The customer then made this payment and was reconnected. EWON provided an EAPA referral and the customer received \$500 assistance, which further reduced the arrears. The retailer also placed the customer on its hardship program on a payment plan of \$160 per fortnight for three months.

### Complete payment required for reconnection

#### **A customer of seven years standing who had never been disconnected made a simple request which should have been granted. The failure of the retailer to show flexibility resulted in a EWON complaint.**

A customer was disconnected for arrears of \$319. She paid \$200 immediately and rang the retailer to request reconnection. The retailer demanded the balance before it would reconnect the customer but the customer could not afford this and requested a fortnight extension. This was refused so she came to EWON.

EWON contacted the retailer which then arranged reconnection. EWON established that the customer had been with the retailer since 2011 and had never been disconnected. The retailer also confirmed that the customer made regular fortnightly payments but that the amount was not consistent. The customer did not require a formal payment plan and indicated that she would pay the outstanding \$119 within the next fortnight. The retailer then reconnected her. EWON provided her with advice on how to access the Low Income Household Rebate and EAPA.

### 50% of arrears required for reconnection

#### **The customer's demonstrated willingness to pay should have been taken into account before requiring an unaffordable amount for reconnection.**

A customer received a disconnection notice for his arrears of \$1,412. He contacted the retailer and it informed him that he could no longer be on the hardship program and that he needed to pay 50% of the arrears to avoid disconnection. He approached EWON and said that he had been paying \$100 per fortnight and that he recently increased this to \$125. He said that he had become unemployed and missed payments last year but now had a Centrelink payment in place.

An EWON investigation established that the customer had been making regular payments as stated, with three payments of \$125, and that the Low Income Household Rebate was in place. The retailer pointed out the customer had failed a number of previous payment arrangements and had been removed from the hardship program. EWON pointed out that the current Centrelink payments had been regular and that they exceeded the customer's consumption. The customer did not know about EAPA and a referral was made which would also reduce the arrears. On this basis the retailer cancelled the disconnection order and agreed to allow the customer to continue paying \$125 per fortnight on a formal payment plan.

## No referral to hardship program

Complaints to EWON where a customer has been in contact with the retailer and clearly should have been referred to a hardship program raise questions about the retailer's internal referral processes. It is especially disappointing when community agencies are providing assistance to customers and

retailers still refuse access to hardship programs or even payment plans. In addition, some retailers require demonstrated willingness to pay before allowing entry into the hardship program. While this may be understandable for customers who have a history of payment failures while on the hardship program, or even failure of multiple payment plans, requiring a number of payments before any consideration of entry into a hardship program seems unnecessarily harsh.

Call centre staff may not have the discretion or delegation to make decisions on the accounts of extremely vulnerable customers. However, the key principles of the Framework of empathy, respect and flexibility mean retailers should ensure all staff be adequately trained to recognise and respond appropriately to vulnerable customers.

#### Case Studies

##### No access to the hardship program

**The fact that a welfare agency was advocating for the customer should have resulted in this customer being dealt with through the retailer's hardship program. The refusal to accept the agency's offer shows a lack of understanding of the requirements placed on retailers by both the NERL and the NERR. The refusal also left this vulnerable customer facing potentially extreme weather conditions with no electricity.**

A customer was disconnected at the pole top (due to a locked meter box) for arrears of \$4,449. He approached a welfare agency for assistance. The agency contacted the retailer to negotiate reconnection. The agency offered \$1,000 in EAPA but the retailer refused and required 75% of the arrears before reconnection could occur. Three different workers from the agency attempted to gain reconnection however the retailer refused. The agency also asked to speak to the retailer's hardship program but this was refused. An agency worker, authorised by the customer as his advocate, contacted EWON seeking assistance.

The advocate explained that the customer had a mental health disability and little capacity to manage his own affairs and that she would be referring him to the NDIS for a permanent case worker. She also said that he had been disconnected for over a week, which she considered unacceptable as he lived in the Snowy Mountains and winter was approaching. She said that despite the agency's best efforts the retailer was not prepared to negotiate a reconnection.

When EWON first contacted the retailer it rejected the request for reconnection on the basis of a \$1,000 payment, as it claimed that this would only cover the fees for disconnection and reconnection. The retailer reiterated that it required payment of 75% of the arrears. EWON pointed out that the customer had not been offered a payment plan and there had been no referral to the hardship program. EWON also pointed out that the welfare agency's advocacy was a significant indicator of hardship. The retailer then said that if the agency could provide a further \$1,000 in EAPA it would consider reconnection. It also said that the customer should consider opening an account with another retailer.

The advocate said it could not provide further EAPA and that the agency already had to provide an exception report to the NSW Department of Environment and Planning due to its original offer. She also said she did not think the customer had the capacity at the present time to deal with transferring his account. EWON recontacted the retailer and pointed out that after 10 days it would be obliged to reconnect and provide the customer with a new account under the obligation to supply provisions in the Rules. Although reluctant, the retailer agreed to reconnect and negotiate an ongoing payment plan with the advocate. The advocate was provided with the direct number for the retailer's compliance manager to establish the payment plan.

This retailer was not a signatory to the AER's Sustainable Payment Plan Framework.

### No referral to hardship program

**When the retailer could not arrange a sustainable payment plan with the customer there should have been a referral to the hardship program.** A customer received a disconnection warning notice for \$740. She had been experiencing financial difficulty and was not able to agree on a payment arrangement with her retailer. She approached EWON to seek assistance to remain connected.

EWON contacted the retailer and had a hold placed on the disconnection. The retailer indicated that a regular payment plan of \$74 a fortnight was needed to cover consumption and arrears. EWON confirmed that the customer could not afford this and the retailer arranged for a referral to the hardship program.

### No referral to hardship program

**Despite the customer approaching the retailer with a financial counsellor to discuss affordability of an existing payment plan, no referral to the hardship program was made. This was not even offered during EWON's initial conversations with the retailer.**

A customer was in financial difficulty and contacted his retailer to discuss reducing his existing payment plan. It refused his request and did not offer access to its hardship program. He sought assistance from a welfare agency, which provided \$1,000 in EAPA and a referral to EWON to gain assistance establishing an affordable payment plan.

EWON contacted the retailer about the customer's complaint. The retailer said that it had been contacted by the customer and a financial counsellor who had requested the retailer reduce the payment plan from \$70 to \$40 a fortnight. The retailer refused on the basis that \$40 was less than 50% of the customer's usage. EWON pointed out that with the \$1,000 EAPA payment and the customer's last payment of \$70 the arrears were now only \$809. The retailer agreed to place a hold on payments to allow the customer time to contact the hardship program to discuss the matter.

### Payment arrangements cancelled after customer moves

**The retailer's response to the customer shows a lack of flexibility.**

A customer moved to a new address and contacted her retailer to transfer her electricity account. It advised her to open a new electricity account for her new address. The customer had been on the retailer's hardship program and was concerned this would remove her from it but the retailer assured her that it would reactivate the program. The customer then received a final bill for her previous address and contacted the retailer to discuss reinstating the hardship program but was told that closed accounts were not eligible. The customer told EWON that she only opened a new account on the advice of the retailer and that she had questioned the advice at the time. The customer could not afford to pay the total amount owing. Her arrears at the previous property were around \$900 and she needed a payment arrangement.

This complaint was referred to the retailer at a higher level, with the customer's agreement, knowing she could return to EWON if an agreed outcome could not be negotiated.

### No referral to hardship program

**The customer attempted to communicate his circumstances but was met with inflexibility. When customers ring their retailer at the point of disconnection to indicate they are having difficulty paying, a retailer should provide access to the hardship program.**

A customer received a disconnection notice for arrears of \$1,590. He was in financial difficulty and attempted to negotiate a payment plan but this was rejected and the retailer demanded \$748 to avoid disconnection. As he could not afford that payment, the customer came to EWON.

The retailer placed a hold on the disconnection to allow discussion about a suitable payment arrangement. The retailer then offered either a six month arrangement of \$230 per fortnight or a 12 month arrangement of \$165. This was conveyed to the customer who said that at the moment all he could afford was \$110. This was slightly above consumption so the retailer agreed to it as a temporary arrangement and made a referral to the hardship program to work on a more sustainable long term arrangement.

### Qualification for hardship program

**It is understandable that a customer with a history of failed payment plans and high arrears might be required to demonstrate a willingness to pay before re-admittance to a hardship program. Requiring four payments before considering a customer with low arrears and usage for its hardship program lacks the flexibility which the Framework expects.**

A customer's gas was disconnected for arrears of \$786. He called EWON seeking assistance to be reconnected and to establish a payment plan. He said that his partner had passed away and that he had suffered a heart attack and not been coping very well. He said that he was in private rental and that he had very little of his pension left over after he paid rent.

EWON contacted the retailer and established that the customer had a poor payment history. His circumstances were explained and a reconnection was arranged. The retailer said that if the customer made four payments he could then become eligible for the hardship program. The retailer also indicated that the disconnection fee would be added to the arrears. Given that the usage was only \$15 a fortnight, the retailer accepted a \$50 a month payment for four months to establish willingness to pay. EWON also assisted the customer in providing his pension details so that he could receive the gas rebate.

As a result of reviewing this case study and others like it, the Ombudsman is now writing to this (these) retailers requesting that its 'four payment' affordability program eligibility criteria be removed and staff retrained.

### Qualification for hardship program

**Hardship program staff should be skilled at establishing affordable payment plans. For some customers, immediate referral to the program could lead to a more sustainable outcome than requiring four regular payments as a qualification for this assistance.**

The customer was disconnected for arrears of \$1,597. She came to EWON seeking assistance for reconnection. The customer said that the most she could pay immediately was \$50.

The retailer provided EWON with a payment history. The customer had made regular payments up to June 2017 at which point there was a credit of \$628 on her account. There had been only an occasional payment since then and arrears had built up. The retailer required a payment to be made before reconnecting and would accept \$50. The customer had not been on a payment plan. The retailer also said if the customer agreed to make four regular payments she could be considered for the hardship program. EWON passed this information on to the customer who said that she could borrow \$50 and would let the retailer know as soon as she paid the money. EWON later confirmed that the reconnection had occurred on the same day and that the customer had agreed to pay \$90 a fortnight and then would contact the retailer's hardship program.



### A severe lack of empathy

**The apology provided by the retailer acknowledged that the way this customer was treated was unacceptable.**

A distraught customer contacted EWON about an electricity debt of \$125.65. Her separated husband had committed suicide and had not left a will. She was trying to settle his affairs. She contacted his retailer and requested a delay on the bill until arrangements could be made to administer his estate. The retailer instead said a payment plan had to be established. The customer said she had been sobbing on the phone but the person she was speaking to kept saying the retailer “was sorry for her loss but that she needed to make a payment or the debt would be passed onto the debt collection agency.” She said that all she wanted was for the bill to be put on hold until the deceased’s estate was released.

The day after receiving this complaint the customer contacted EWON with an update. The retailer had contacted her with an apology and had waived the debt. The customer said that she wanted the retailer to review its process so that no one else would have to go through what she had experienced. She did not want any further action from EWON.

## Closed account case studies

The AER’s Sustainable Payment Plan Framework states:

*“In relation to inactive account customers (customers who no longer have a current account with a retailer but who still have a debt with that retailer) a retailer who adopts the Framework is committing to:*

- *give these customers a reasonable opportunity to repay the amount owed, taking into account what they can reasonably afford, and*
- *apply the Framework’s principles of flexibility, consistency, empathy and respect when negotiating repayment plans.”<sup>4</sup>*

EWON often receives complaints from customers who have changed retailers and who then have difficulty in entering into a sustainable payment arrangement for their closed account.

### Case studies

#### Refusal of a sustainable payment plan

**Despite the significant arrears, the refusal to allow a sustainable payment plan can be seen as an avoidance of the retailer’s responsibility. It was also contrary to the responsibilities the retailer has under the ACCC/ASIC Debt Collection Guideline, which requires affordable payment arrangements.**

The customer arranged for a payment plan on his closed account but when the first payment was due, the retailer attempted to recover the total arrears by direct debit. When he rang the retailer he was told that he could not have a payment arrangement on a closed account. The retailer told him that he should wait until the debt was sold to a debt collection agency and then a payment plan could be entered into. The customer then came to EWON. The complaint was referred to the retailer at a higher level. The customer returned to EWON as he was unable to resolve the complaint.

EWON investigated and established that the customer had paid \$1,000 towards the arrears and had made a further payment of \$100, which he indicated he would continue to pay every fortnight. This left arrears of \$3,850. The retailer confirmed that its attempt to recover the total arrears by direct debit was an error. The retailer offered a minimum payment plan of \$200 a fortnight and said that the only other alternative would be the sale of the debt. When this offer was communicated to the customer, he indicated that he could not afford \$200 per fortnight and that, after the way the retailer had responded, he would rather deal with a collection agency. He requested EWON to

<sup>4</sup> Introduction AER Sustainable Payment Plan Framework

arrange the referral of the debt to a collection agency as quickly as possible. The retailer agreed to facilitate the referral and indicate to the collection agency that the customer needed a payment arrangement.

This retailer was not a signatory to the AER's Sustainable Payment Plan Framework.

#### Retailer requiring an unsustainable payment arrangement

**The initial requirement of \$200 per fortnight was clearly unsustainable and should never have been required.**

A family member of a customer approached EWON at a Bring Your Bills event in Dubbo. She said her grandfather had a closed account with a retailer who was requiring \$200 per fortnight in repayments. The grandfather, a single parent with two children, could not afford this.

The customer provided an authority to act for her grandfather and EWON immediately contacted the retailer. The arrears were \$1,138. The retailer agreed to a sustainable payment plan of \$50 per fortnight and also waived \$200 from the arrears.

#### Payment plan refused on closed account

**This retailer is a signatory to the Framework and as such should have offered the customer a payment plan on his closed account.**

A customer advised that he had changed retailers and that after two bills he was dissatisfied with the amount of the bills. He arranged to transfer and rang his retailer to set up a payment plan for the outstanding balance. He was told that this could only be done after the final account was provided. When his account transferred he again rang and was told that he could not have a payment plan on a closed account. He considered he had been misled into entering the contract on the basis of promised savings and that he should be able to have a payment arrangement for the outstanding debt. He said that the retailer had shown very poor customer service.

This matter was referred to the retailer at a higher level with the customer's agreement, knowing he could re-contact EWON if an agreed outcome could not be negotiated.

#### Refusal to continue a payment arrangement

**The Framework requires payment arrangements to take into account what a customer can afford and to show flexibility. While this arrangement had been ongoing for two years the lack of flexibility in initially allowing a continuation was not in the spirit of the Framework.**

A customer (a pensioner) had been in a payment arrangement on a closed account and had been paying \$25 a fortnight and had reduced his arrears to \$770. He rang the retailer to renew the payment arrangement but it refused. It required the balance of the closed account to be paid or the debt would be sold. The complaint was referred to the retailer at a higher level. The retailer refused to extend the payment plan and the customer returned to EWON.

The customer continued to make his payments while EWON investigated. As a result of EWON's investigation, the retailer agreed to a payment arrangement of 12 payments of \$30 a fortnight, after which it would waive the balance of the account.

## Referral to another retailer

EWON has identified a trend of some retailers actively encouraging customers in financial difficulty to transfer to another retailer. In some instances this has extended to offering financial incentives for the customer to transfer. This seems to be an attempt to avoid the obligations on all retailers to provide support for financially vulnerable customers, one of the requirements of being a retailer of an essential service. This obligation should not be passed on to competing retailers.

## Case studies

### Retailer proposing a transfer to solve an affordability issue

**Retailers should not attempt to avoid their responsibilities by proposing the customer could transfer to another retailer.**

The customer had arrears of \$1,955 and was asked to pay \$200 to avoid disconnection; she could only afford \$100. The retailer refused this and said that the disconnection would go ahead. The customer then came to EWON.

When EWON rang, the retailer indicated that the customer had called again, that the disconnection was on hold and that its hardship program was going to contact the customer to arrange a sustainable payment plan. The customer then told EWON that the retailer, as well as offering assistance, had suggested that she transfer to another retailer. She wanted to stay with her retailer but wanted advice on the transfer suggestion. EWON indicated that transferring retailers is always an option for a customer however, when an account is closed, payment arrangements may not apply. Further, EAPA is not available for closed accounts. While she would not be at risk of disconnection with a new retailer, she would still have the debt with the old retailer. The customer indicated that she wished to remain with the current retailer. EWON provided the customer with referrals to financial counselling and EAPA agencies.

EWON raised with the retailer its concerns about referring customers in hardship to other retailers. EWON reminded the retailer that EAPA wasn't available on closed accounts.

This retailer was not a signatory to the AER's Sustainable Payment Plan Framework.

### Customer and welfare agency told that the retailer did not want the customer

**Part of the responsibility of being an authorised retailer is the obligation to properly deal with customers who experience affordability challenges. It is not a satisfactory response to try to move such customers to another retailer. The refusal of a welfare agency's offer of a \$1,000 payment for reconnection on the basis that the retailer did not want the customer is extremely poor behaviour.**

A customer was disconnected for arrears of \$2,628. He contacted his retailer and said that it refused to reconnect him until he paid the whole amount, as it did not want him as a customer.

EWON contacted the retailer and explained that the customer was not working and was waiting for an operation. It had taken a number of months for the customer to qualify for Centrelink payments. The customer had also sought assistance from a welfare agency. The retailer said it would consider reconnection if the agency confirmed the amount of assistance. When EWON contacted the agency it offered \$2,000 as a one-off EAPA payment. The agency said that it had previously offered the retailer a \$1,000 payment but the retailer had refused and told the agency it did not want the customer to continue his account. EWON then recontacted the retailer which agreed to reconnect on the basis of a \$2,000 EAPA payment and the customer paying \$25 a fortnight. When EWON recontacted the agency it offered to increase the EAPA payment to \$2,500 if the retailer then waived the balance, allowing the customer to start regular payments with a 'clean slate'. The retailer agreed to this proposal. The customer was then placed in the retailer's hardship program on a \$25 per fortnight payment plan.

This retailer was not a signatory to the AER's Sustainable Payment Plan Framework.

### Offer to waive arrears if customer transfers

**While the offer to waive arrears if the customer transferred her account was of benefit to the customer, it is not a sustainable solution for customers' hardship problems.**

The customer was disconnected for arrears of \$1,157. She had stopped making payments on an agreed payment plan after disputing a bill and had then been disconnected. She attempted to reinstate her previous plan but this had been refused and the retailer required the arrears in full.

She could not afford this and contacted EWON.

EWON contacted the retailer, arranged for reconnection and began the process of negotiating an affordable payment plan. The retailer informed EWON that the customer had not been in the hardship program but had been on a payment plan of \$62 per fortnight from June 2017. The payments ceased in December 2017 and the plan was cancelled. The retailer indicated that it was willing to place the customer in its hardship program. The customer made the first agreed payment of \$64 but told EWON she still wanted a billing review as she thought that the previous winter bill had been high. When informed of this, the retailer offered to waive the arrears if the customer transferred retailers. The retailer also said that a minimum payment plan for the final bill would be \$76 a fortnight. Given the considerable financial benefit, the customer agreed to transfer to a new retailer.

#### Offer to waive arrears if customer transfers

**It is poor practice when debt waiver is applied to encourage a transfer but is not offered to assist customers deal with affordability.**

The customer received a disconnection notice and paid \$200 but was then disconnected for the remaining arrears of \$539. She contacted the retailer to seek a payment arrangement; however it required the full payment for reconnection.

When EWON contacted the retailer it reconnected the customer. The retailer said that the customer was removed from the hardship program in February 2018 after breaking a payment plan. The retailer recognised that the customer had made some payments since February and it was agreeable to putting the customer back in its hardship program. It suggested that a suitable plan would be \$124 per fortnight. EWON agreed to communicate this offer to the customer. The customer felt that she could pay \$120 per fortnight and EWON recontacted the retailer. The retailer then said that, considering the customer's payment history, it would prefer to the customer transfer to another retailer and if this occurred it would waive the arrears of \$505, but that the customer would still have to pay the final bill. When this offer was communicated to the customer she was happy to agree to a transfer.

## Automated systems errors

When customers are having trouble paying bills they often ignore or put off dealing with them, hoping they will somehow be able to meet their responsibilities. Where a customer only makes contact at the last minute before a disconnection and enters into a mutually agreed payment arrangement, the retailer has the responsibility to ensure that the disconnection does not occur. Unfortunately this does not always happen as automated process interventions are not undertaken.

While the Rules require that disconnection not occur for customers who only owe a small amount, disconnection warning notices are erroneously issued for those amounts by some retailers' billing systems. This is a significant breach of the NERL. EWON is investigating this issue in accordance with its systemic issues policy.

### Case studies

#### Disconnection after payment plan agreed to

**When a customer responds to the threat of disconnection and agrees to a payment plan, the retailer should take special care to ensure that the disconnection does not occur.**

A customer received a disconnection warning and rang her retailer to arrange a payment plan and was promised an assessment for the hardship program. She was also advised that the disconnection would be cancelled, but she was then disconnected. When she contacted the retailer she was told that she needed to make a new payment arrangement to be reconnected. She then came to EWON.

EWON contacted the retailer and it identified that the disconnection order should have been cancelled. A reconnection was arranged and the previously agreed upon payment plan was reinstated. All fees associated with the disconnection were reversed.

#### Disconnection after payment plan agreed to

**When a customer responds to the threat of disconnection and agrees to a payment plan, the retailer should take special care to ensure that the disconnection does not occur. This is especially true when the customer has also been accepted into the hardship program.**

A customer was in hardship and owed \$1,204 in arrears. He received a disconnection warning so he called his retailer and was placed on a payment plan with the retailer's hardship program. He was then disconnected so he came to EWON seeking assistance.

EWON contacted the retailer which acknowledged that the customer should not have been disconnected and that the cancellation order on the disconnection had not been actioned. The retailer arranged for reconnection with all fees reversed and also provided the customer with a \$250 credit for the error resulting in disconnection.

#### Disconnected while on a payment plan

**Steps need to be taken to ensure that automatic systems don't trigger a disconnection through a minor variation of an agreed plan.**

The customer's electricity was disconnected. She did not understand how this could occur as she had entered into a payment plan and had been paying regularly.

When EWON investigated, the retailer indicated that the customer had been on a payment plan which required four payments so that the customer could be reassessed for the hardship program. The records showed that the customer had made the payments but that the first payment occurred a week late; the other payments had been on time. The retailer said that the late first payment had been treated as a missed payment by its systems, triggering a disconnection. The retailer arranged reconnection and waived all associated fees. The payment plan was restored and the customer was reinstated into the hardship program.

#### Disconnection warning for \$174

**Disconnection warnings for amounts less than the minimum disconnection amount of \$300, set by the AER and below which customers cannot be disconnected (Rule 116(1)(g)), cause distress to customers. The ACCC/ ASIC Debt Collection Guideline Clause 19 (b) states "You are entitled to accurately explain the consequences of non-payment of a debt, but must not misrepresent those consequences". Threatening disconnection knowing that it is not an option is in contravention of this Guideline.**

A customer was in hospital and received a disconnection warning for \$174. He rang EWON to ensure that his electricity would not be disconnected before he could leave hospital and pay what he owed.

The retailer assured EWON that a disconnection order had not been raised. On being informed that the customer was in hospital, the retailer applied the pay on time discount which reduced the arrears to \$144 and also provided a one month extension on the arrears.

### Disconnection warning for \$87

**There would have been no EWON complaint if the retailer had not sent a disconnection warning for an amount that they could not disconnect for.**

The customer paid her electricity account four days late. She then received a bill for the amount of the pay on time discount (\$87) which had not been credited to her account. As she was attempting to negotiate the waiving of those arrears which she had paid only few days late, she received a disconnection warning for arrears of \$99. She contacted EWON concerned about the disconnection.

When EWON contacted the retailer it was established there was no disconnection service order and there had been a \$12 late payment fee added to the arrears of \$87. The retailer agreed to apply the pay on time discount and waive the late payment fee as a customer service gesture. The customer had already paid the \$87 and this amount was placed as a credit on her account.

## Water Complaints

Water complaints received this quarter (236) increased 21.6% (42 complaints) compared to the corresponding period (194) in 2017 and by 42.2% (70 complaints) compared to last quarter (166).

High bills continue to be the most complained about issue for water customers contacting EWON. Otherwise, complaints to EWON about water providers relate to customer services issues and disputes over the maintenance of network assets, as can be seen in Table 4 below.

A breakdown of water case types is shown in Table 5.

**Table 4 – Water Top 5 issues April – June 2018, including previous quarters**

Primary Issue	Secondary Issue	Tertiary Issue	Apr 18 – Jun 18	Jan 18 – Mar 18	Oct 17 – Dec 17	Jul 17 – Sep 17	Apr 17 - Jun 17
<b>Billing</b>	High	Disputed	57	51	52	56	66
<b>Customer service</b>	Poor service		49	38	27	34	27
<b>General</b>	Energy / Water		38	14	28	23	21
<b>Customer service</b>	Failure to respond		28	25	21	27	28
<b>Land</b>	Network assets	Maintenance	16	10	9	15	16

**Table 5 – Case breakdown – Water**

Complaint type	Number of complaints	% Total water complaints
General enquiry	5	2.1%
Complaint enquiry	123	52.1%
Refer to Higher Level	72	30.5%
Investigated	36	15.3%
<b>Total</b>	<b>236</b>	<b>100%</b>

## Large water providers

### Water restriction for non-payment

**The initial payment plan offered by the water provider appeared to be unaffordable for the customer. EWON considers that a payment plan discussion should not start with the water provider's preferred amount, as this may pressure the customer to accept a payment plan that they cannot afford. A payment plan that meets the needs of both the customer and provider should be established.**

A customer contacted EWON the day after water supply was restricted to her property. The customer advised EWON that there was \$1,288 owing on her water account and she had previously agreed to a payment plan with the water provider of two initial payments of \$408 and then ongoing payments of \$80 per fortnight. The customer contacted her water provider after she was restricted and the provider told her that she had missed a payment in the agreed payment plan. The customer advised EWON that she had asked the provider to start the same payment plan again so the restriction could be lifted, but the water provider had declined this request. The customer advised EWON that she was experiencing ongoing difficulty paying her bills.

EWON contacted the water provider to discuss the water restriction. The provider confirmed that the water supply to the property was restricted because the customer missed a payment in the agreed payment plan. The water provider confirmed that the customer had only recently taken over the account after a previous joint account holder had suffered a bankruptcy. Three bills had been issued to the customer since the account had been placed in her name and no payments had been received. The provider confirmed that the customer had agreed to pay the full arrears in two payments of \$408 and then \$80 per fortnight. The provider also attempted to refer the customer to the Water Payment Assistance Scheme (PAS). The customer failed to make the initial \$408 payment and then made the second \$408 payment four days late. The restriction notice was sent the day after the first failed payment. The provider advised EWON that it would lift the water restriction if the customer paid \$408 and kept up the agreed ongoing payments of \$80 a fortnight. The provider also suggested that the customer should look closely at their water usage. The customer accepted this payment plan offer and the water restriction was removed. EWON referred the customer to community agencies to discuss the PAS.

### Extended delay in closing a water access licence

**The customer was worried by a bill she believed she did not have to pay. This was exacerbated by poor communication by the provider.**

A customer first contacted EWON on 14 July 2017, advising she had sold the related property, which she had partly owned, on 31 August 2013. The customer signed a transfer of the Water Access Licence and provided this to the new owners. After the sale the customer continued to receive invoices from the water provider for the outstanding water account. The customer contacted the water provider several times and was sent a letter in February 2017 stating that the water licence had been updated with the new owner's details and the matter was resolved. The customer continued to receive invoices for the outstanding water account. The customer had attempted to surrender the water access licence but was told that she couldn't because she was only a part owner. EWON referred the matter to the water provider at a higher level.

The customer returned to EWON as she received a further invoice and had not been contacted by the provider. In EWON's investigation, the water provider said that the transfer of the water licence was still not complete and the customer must complete the transfer through her solicitor/conveyancer. EWON provided this information to the customer who advised that she had done all she could to contact the new owners of the property to complete the transfer of the water licence, but they had not been responding to her requests. EWON discussed the matter again with the water provider which advised that the bills had been sent to the new owner, but as the transfer of the licence was not complete, the unpaid bills automatically reverted back into the name of the



customer. It then emerged that the current owner of the property had passed away. The executor of the estate had contacted the water provider to advise that the water access licence had not been used for at least five years, and they intended to surrender the water licence and pay the outstanding amount. In October 2017 EWON advised the customer that the water provider did not consider that she was responsible for the water licence and that it had agreed to contact her to arrange the surrender of the water access licence. The customer advised EWON that the issue had caused her a great deal of stress and she was now experiencing financial difficulty after losing her employment.

The customer contacted EWON in April 2018 advising that, again, she had not been contacted by the water provider as agreed and had received another bill for the outstanding water account dated 6 April 2018. The customer had again tried to resolve her complaint with the provider without success. EWON contacted the water provider which advised that action had commenced to cancel the customer's water licence, and that any outstanding debt would be waived. The water provider advised EWON on 20 June 2018 that this had occurred.

#### **Water provider offers to credit the customer 75% of a large water bill caused by a concealed leak**

**In this case the water provider went above and beyond their own concealed leak policy when considering the customer's circumstances. However, the unexpectedly high water bill still put financial stress on the customer's business.**

A small business customer contacted EWON after receiving a bill from his water provider for \$12,230 which was significantly higher than his usual quarterly water bills of \$95 to \$150. The customer engaged a plumber who identified and fixed a concealed water leak on the property. The customer notified the water provider of the concealed leak and submitted a copy of the plumber's report. The provider initially offered to credit the customer with 50% of the bill, consistent with its concealed leak policy, and increased this to 75% when the customer said he would have trouble paying even half. However, the customer could not afford to pay the remaining 25% of the bill and offered to pay \$1,000 for the period affected by the concealed leak, but the provider declined this offer.

EWON advised the customer that the outcome offered by the water provider was better than required under its policy on customer complaints following concealed leaks. EWON also confirmed that the customer was responsible for the maintenance and repair of their private water service. EWON referred the customer to a higher level at the water provider for another opportunity to discuss the matter.

The customer returned to EWON after having further discussions with the water provider. The customer advised EWON that the provider had offered no further assistance and was concerned that the water bill would put his business at risk of closing. EWON contacted the water provider to clarify the outcome of its review of the customer's complaint but the provider declined to review the matter further but did offer to allow the customer to pay off the arrears in instalments. EWON advised the customer that the outcome offered by the provider was appropriate in the circumstances and provided the customer with advice on requesting a payment plan if required.

### **A tenant faces impending disconnection of water supply for non-payment**

**A complaint to EWON would have been avoided if the tenant had been told that it was the water provider's policy not to restrict water supply for non-payment when a property is occupied by a tenant.**

A customer contacted EWON after he received a water bill for \$780 addressed to 'the occupier' and a disconnection notice from the water provider. The customer noted that he was a tenant at the property and the notice stated that the water supply to the property would be restricted within five days if the amount owing was unpaid. The customer contacted the water provider and he was advised that he needed to contact the owner of the property. The water provider also told the customer that it would put a hold on any action to restrict water to the property for 14 days. The customer advised EWON that he had not received a water bill from his real estate agent. The customer also said he did not want to contact the landlord about the unpaid water bill.

The water provider advised EWON that the tenant was not authorised to discuss the account. The provider did not have a contact number for the owner but had sent debt notices to the mailing address provided by the owner and undertook to write to the owner again. A hold was placed on any restriction and the provider advised EWON that water supply to the property would not be restricted now that it had identified that a third party occupied the property. The provider advised EWON that it had attempted to assist the tenant but this had been challenging due to his difficult behaviour. EWON informed the tenant that he was not at risk of restriction and referred him to an appropriate agency for advice on tenancy issues.

## Exempt Retailer Issues

EWON received 22 complaints from customers of exempt entities this quarter.

Seller or network operator	Complaints Received
Residential Park Operator	6
Other Exempt Retailer	16
<b>Total</b>	<b>22</b>

EWON received complaints from residential customers, involving issues such as:

- high bills
- the calculation of service availability charges in residential parks
- complaints about the prices set by exempt retailers for energy consumption
- difficulty opening and closing accounts
- customers who do not want to be included within a brownfield conversion
- delayed billing
- objections to price increases
- embedded network operators or exempt retailers failing to provide adequate information to new customers
- difficulty accessing retail competition.

This case study will also be included in the regulators' report that EWON provides to the AEMC and the AER.

### High bill dispute from a small business customer in an embedded network

**High bills are a key issue for many of the energy consumers that complain to EWON each year. It is critical that customers are given access to all the relevant information about the billing of their account, including their meter data, so that they can investigate the causes of increased energy consumption.**

A small business customer contacted EWON after being notified that their electricity account had been transferred from the retailer of her choice to be managed by the operator of the shopping centre where their business was located. Initially the customer did not notice any change in her electricity bills after transferring to the exempt retailer until the monthly electricity bills for the business increased from around \$200 to over \$1,000. The customer complained to the shopping centre management and she was advised that she would have to pay for a meter test if she was disputing the amount she was being billed. The customer also complained that she had not given authority to join the embedded network.

EWON contacted the exempt retailer and requested further information, including the data recorded by the customer's meter and other relevant billing information, to review whether the billing of the account was correct. Based on EWON's review of the available information we confirmed that the billing by the exempt retailer appeared to be accurate. EWON detailed the investigations previously carried out by the shopping centre management to ensure that she was being billed solely for the energy consumed by the business. EWON provided the customer with information on the patterns of electricity consumption for their business over time, to help the business owner investigate the possible causes of a period of increased electricity consumption during the winter period. EWON also provided the customer with advice about accessing the retail market.

# Stakeholder Engagement

This section gives a summary of significant stakeholder activities by EWON during this quarter.

Members	
Meetings EWON	Staff involved
Consultative Council Meeting	<i>Ombudsman, General Manager Governance, Awareness &amp; Policy, General Manager Investigations, General Manager Finance &amp; Corporate Services, Investigations Managers, Manager Policy &amp; Research, Manager Communications, Manager Governance, Senior Policy Officer, and Member Liaison Officers</i>
Dodo Power & Gas	<i>Ombudsman</i>
Energy Locals	<i>Ombudsman</i>
ActewAGL	<i>Ombudsman</i>
Ausgrid	<i>Ombudsman</i>
OC Energy	<i>Ombudsman and General Manager Governance, Awareness &amp; Policy</i>
WINconnect	<i>Ombudsman and General Manager Governance, Awareness &amp; Policy</i>
amaysim / Click Energy	<i>Ombudsman / General Manager Investigations</i>
Jemena	<i>Ombudsman / General Manager Investigations / Manager Policy &amp; Research</i>
EnergyAustralia	<i>General Manager Investigations / Manager Policy &amp; Research and Senior Policy Officer</i>
Momentum	<i>Ombudsman</i>
Alinta Energy	<i>Ombudsman</i>
Origin	<i>Ombudsman</i>
1 <sup>st</sup> Energy	<i>Ombudsman</i>
Powershop	<i>Ombudsman</i>
BlueNRG	<i>Ombudsman</i>
Enova	<i>Ombudsman</i>
Red Energy	<i>Ombudsman</i>
Simply Energy	<i>Ombudsman</i>
CovaU	<i>General Manager Governance, Awareness &amp; Policy, Manager Governance and Member Liaison Officer</i>

Pooled Energy	<i>Ombudsman</i>
Living Utilities	<i>Ombudsman</i>
Hunter Water	<i>Ombudsman</i>
Flow Systems	<i>Ombudsman and General Manager Governance, Awareness &amp; Policy</i>

## Government and Other Stakeholders

Meetings	Staff involved
Energy Consumers Australia	<i>Ombudsman</i>
Financial Councillors Australia	<i>Ombudsman</i>
Financial Ombudsman Scheme	<i>Ombudsman</i>
NSW Energy & Water Minister's advisor	<i>Ombudsman</i>
EWOV and EWOQ	<i>Ombudsman</i>
Telecommunications Industry Ombudsman	<i>Ombudsman</i>
Australian Energy Regulator	<i>Ombudsman</i>
Australian Energy Market Operator	<i>Ombudsman and Manager Policy &amp; Research</i>
ANZEWON	<i>Ombudsman</i>
ANZOA	<i>Ombudsman, General Manager Governance, Awareness &amp; Policy, General Manager Investigations, Manager Policy &amp; Research, and Manager Quality</i>
NSW Legislative Council – Upper House Inquiry	<i>Ombudsman and Manager Policy &amp; Research</i>
Treasury Department – Consumer Rights Workshop	<i>Manager Policy &amp; Research</i>
Fair Trading NSW	<i>Ombudsman and General Manager Governance, Awareness &amp; Policy / Manager Policy &amp; Research and Senior Policy Officer</i>
PIAC	<i>General Manager Governance, Awareness &amp; Policy, Manager Policy &amp; Research, and Policy Officers</i>
Sydney City Regional Business Awards	<i>Ombudsman</i>
Energy Networks Conference	<i>Ombudsman</i>
Arc Energy	<i>Ombudsman and General Manager Governance, Awareness &amp; Policy</i>

## Outreach Events for April 2018

Sun day	Monday	Tuesday	Wednesday	Thursday	Friday	Satur day
1	2	3 <b>Expo</b> , Seniors Week, Richmond (100)	4 <b>Resources</b> , Seniors Week, Swansea (50)	5 <b>Bring Your Bills</b> , St Vincent de Paul, Mt Druitt,(6) <b>Presentation</b> , Community Care Interagency, Penrith (30) <b>Meeting</b> , Inner Sydney Aboriginal Interagency Network, Sydney (12)	6 <b>Bring Your Bills</b> , SydWest Multicultural Services, Blacktown (6) <b>Expo</b> , Seniors Week, Dee Why (300)	7
8	9 <b>Bring Your Bills</b> , Salvation Army, Menai (4) <b>Presentation</b> Bankstown Koori Interagency (13)	10 <b>Bring Your Bills</b> , Orana Inc, Sutherland (50) <b>Resources</b> , Taree Council - drop in day for residents (40)	11 <b>Meeting</b> , Hawkesbury Interagency combined (80)	12	13	14
15	16	17	18 <b>Expo</b> , Community Fair Day, Marrickville (150)	19	20	21
22	23 <b>Expo</b> , FACS Housing Pop up Shop, Merrylands (200)	24	25	26 <b>Presentation</b> for tenants, Federation of Housing, PIAC, Office of Environment & Heritage and EWON (15)	27 <b>Stall</b> , Ability Day, Miller (50)	28
29	30					

**Blue indicates general outreach events.**

**Orange indicates Aboriginal and Torres Strait Islander events.**

## Outreach Events for May 2018

Sun day	Monday	Tuesday	Wednesday	Thursday	Friday	Satur day
		1	2 <b>Telephone Conference,</b> PIAC (3) <b>Telephone Conference,</b> ECA (2)	3 <b>BYB,</b> Peninsular, Woy Woy (51) <b>BYB,</b> St Vincent de Paul, Mt Druitt <b>Meeting,</b> Inner Sydney Aboriginal Interagency Network, Haymarket (15)	4 <b>BYB,</b> SydWest, Blacktown <b>Resources,</b> MP Forum, Swansea (80) <b>Presentation,</b> Bridge Housing Tenants Advisory Group, Waverley (20) <b>BYB &amp; Stall,</b> Fines, Bills & Money Worries, Mt Druitt (10)	5
6	7	8 <b>EXPO,</b> Orana, Sutherland (1) <b>Visit,</b> Redfern Community Centre Luncheon Group (25)	9 <b>Presentation,</b> NSW Federation of Housing, PIAC, EWON and OEH, Parramatta (25)	10	11	12
13	14 <b>BYB &amp; stall,</b> Premier & Cabinet, Picton (15) <b>BYB &amp; stall,</b> Fines, Bills & Money Worries, Hebersham	15 <b>Meeting,</b> NAIDOC, Redfern	16 <b>EXPO,</b> Compass Housing & tenants, Maitland (150)	17 <b>Resources,</b> Hawkesbury Community Centre, Richmond (30) <b>BYB</b> with Hunter Water, Salamander Bay (30) <b>Stall,</b> Making Links, Burwood	18	19
20	21 <b>BYB,</b> Aboriginal Service, Dubbo, (20)	22 <b>BYB &amp; stall,</b> Law Week, Brewarrina (50)	23 <b>BYB &amp; stall,</b> TSEP, Brewarrina (50)	24 <b>BYB &amp; stall,</b> TSEP, Bourke (50)	25 <b>Expo,</b> Disability, Homebush (200)	26 <b>Expo,</b> Disability, Home bush (200)
27	28	29 <b>Forum,</b> St Vincent de Paul, Parramatta	30	31 <b>Presentation,</b> NSW Federation of Housing, PIAC, EWON and OEH, Wollongong (20)		

27	28	29 <b>Visit</b> , Redfern Community Centre Luncheon Group (25)	30	31		
----	----	---	----	----	--	--

**Blue indicates general outreach events.**

**Orange indicates Aboriginal and Torres Strait Islander events.**



## Outreach Events for June 2018

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 <b>Bring Your Bills</b> , SydWest Multicultural Services, Blacktown (1)	2
3	4	5 <b>Presentation</b> , Legacy, Penrith (40) <b>Bring Your Bills</b> , Powering down Project, Albury (19)	6 <b>ADR meeting</b> , JOIN group, Sydney (8) <b>Presentation</b> , Metropolitan Disability Services, Campbelltown (45)	7 <b>Bring Your Bills</b> , St Vincent de Paul, Mt Druitt (2) <b>Meeting</b> , ATSI ADB Advisory Committee, Parramatta (6)	8	9
10	11	12	13 <b>Meeting</b> , NAIDOC, Sydney (8)	14 <b>Presentation</b> , NSW Fair Trading Forum/Community Workers, Woy Woy (20) <b>Resources</b> , PIAC with Penrith Disability (10)	15 <b>EXPO</b> , Macarthur Homeless, Campbelltown (100) <b>BYB + stall</b> , Fines, Bills & Money Worries, Penrith (5)	16
17 <b>EXPO</b> , Sustainability Speed Dating with Energy experts hosted by Blacktown Council (15)	18	19	20 <b>Presentation</b> , CALD women group hosted by Strathfield Council, Strathfield (5) <b>Meeting</b> , Telephone conference Campsie BYB planning with Local MPs, Punchbowl (5) <b>Meeting</b> , NAIDOC, Redfern (8)	21 <b>Resources</b> , Housing Trust Wollongong/Tenants (2000)	22	23

24	25 <b>Presentation,</b> Parks Community Centre Financial Literacy forum, Prairiewood (45)	26 <b>Presentation,</b> Muslim speaking group, Campsie (30)	27 <b>EXPO,</b> NSW Federation of Housing Associations and Homelessness NSW - Affordable Housing Conference, Sydney (450) 2 days	28 <b>Presentation,</b> Salvation Army Staff, Auburn (20) <b>BYB + Energy Busters Program</b> with OEH, Toomelah & Boggabilla (7)	29	30
----	--	--	--	--	----	----

**Blue indicates general outreach events.**

**Orange indicates Aboriginal and Torres Strait Islander events.**