



Energy & Water  
Ombudsman NSW

# EWON Insights

## Complaints Analysis

1 January 2020 - 31 March 2020



Energy & Water  
Ombudsman NSW

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# Introduction



**4,897**  
**COMPLAINTS RECEIVED**  
down from 5,127 last quarter

**↓ 4.5%**

decrease in complaints  
compared with last  
quarter

**↓ 25.8%**

decrease in complaints  
compared with the same  
period in 2018/2019

The Australian Energy Regulator (AER) set a COVID-19 response direction for the energy sector with the release of its [Statement of Expectations](#) which calls on all energy businesses to put customers first during the pandemic. Its principles include protection from disconnection and referral to debt collection agencies until 31 July 2020; access to affordability programs and payment plans; and waiving disconnection, reconnection and contract break fees for small businesses that have ceased operation.

It is timely therefore that we highlight the numerous complaints received in the January to March 2020 quarter where vulnerable customers were not referred to affordability programs, often resulting in actual or threatened disconnection. This is at odds with the AER's *Customer Hardship Policy Guideline*, released in 2019. Our focus on affordability in this issue provides a stark reminder to all members that vulnerable customers were struggling to pay their energy bills well before COVID-19. Average household energy debt was \$809 at the end of 2019, compared with \$491 in 2013/2014. This will increase as household incomes fall and energy use increases as a result of home working and schooling. It will be further exacerbated when winter sets in.

The case studies in this issue illustrate the need for retailers to be proactive and vigilant with respect to the AER's *Customer Hardship Policy Guideline* and its *Statement of Expectations*.

Energy Networks Australia's announcement of a COVID-19 relief package for consumers and small businesses extended the level of support available to energy customers. This is an unprecedented move and paves the way for electricity grid owners to become involved in affordability programs. Energy focused Government stimulus packages including the Energy Account Payment Assistance program budget increase provide further opportunities for customer support.

These initiatives, combined with retailer vigilance, will be vital to ensuring customers are offered easy, equitable access to affordability programs during an already stressful period.

While this advice is energy focused, I am sure EWON's water members are equally focused on extending affordability assistance to their customers.

During this period, our teams – EWON, members, and stakeholders – are all working remotely and experiencing a range of unprecedented working environment challenges. We are mindful of this and encouraging customers to be patient, to use web-based communication channels if they have digital access and importantly, even if stressed, to be respectful during interactions with our staff.

**Janine Young | Ombudsman**  
Energy & Water Ombudsman NSW





# Complaint activity

January - March 2020



↓ 8.2%

decrease in electricity complaints compared with last quarter



↓ 12.8%

decrease in gas complaints compared with last quarter



↑ 19%

increase in water complaints compared with last quarter

## ELECTRICITY

The 3,457 electricity retail complaints we received during the period represents an 8.2% decrease on last quarter's 3,764 complaints and a 29.1% fall compared with the same quarter last year, when there were 4,879 complaints. Network complaints increased by 56.6%, up to 368 from 235 in the previous quarter, and by 43.2% from 257 complaints in the same quarter the previous year. This was underpinned by the serious bushfires and storms that hit NSW early during the quarter. Total electricity complaints fell by 3.8% to 3,940 compared to the previous quarter and by 25.1% compared to the 5,260 received in the corresponding period in 2019.

## GAS

The number of gas retail complaints received during the quarter (658) fell by 12.8% compared with the previous quarter (755) and by 37.5% compared to the same period in 2019 (1,052). The number of gas network complaints (31) decreased by 11 from the previous last quarter and by 16 in comparison to the same period the previous year. At 697, overall gas complaints were 14.0% lower compared to 810 complaints received last quarter and 37.1% lower compared to the same quarter the previous year (1,108).

## WATER

The number of water complaints received this quarter (238) increased by 19% compared to last quarter (200) and by 6.7% compared to the corresponding period in 2019 (223).

## EXEMPT ENTITIES

We received 14 complaints from exempt entity customers this quarter, five fewer complaints than in the previous quarter. The 62.2% decrease on the same period in 2019 was due to many exempt retailers becoming members of EWON, and their complaints now being counted in the 'Retailer' category.



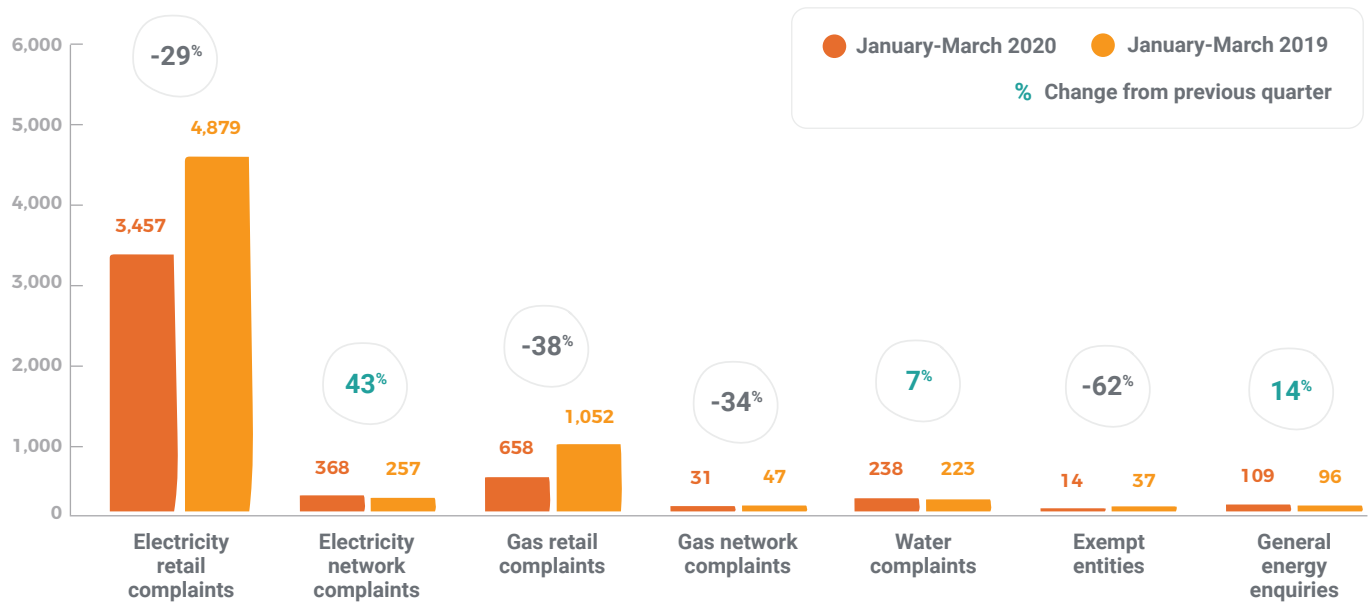
# Complaint activity

## Complaints received

### Complaint activity overview

Complaints received this quarter decreased by 4.5% to 4,897 (down from 5,127), owing to fewer complaints from electricity and gas customers. They fell by 25.8% compared to the same period in 2019 (down from 6,597 to 4,897). We also noted a decrease in complaint numbers during March as the Coronavirus crisis started to impact Australia.

Figure 1: Complaint activity



### Customer complaint issues

Customers identified 8,618 different issues associated with the 4,897 complaints opened in the last quarter. This was a decline of 15% on the previous quarter when 10,138 issues were identified. It was an even more significant reduction on the same quarter last year at 32.3% (12,723 issues).

The drop in issues relates to the continued improvement in customer service being provided by retailers. Complaints involving poor customer service declined by 32.7% from the previous quarter and by 51.4% in the same quarter last year. The customer service issue 'failure to respond' declined by 25.5% from the last quarter and was down 61.3% from last year with just 309 complaints this quarter.

Disputed high bill complaints numbered 1,455, a decrease of 21.8% on the 1,862 received in the previous quarter. This issue continued to be the most significant billing issue, representing 16.9% of all issues raised this quarter. However, numbers are down significantly from the same quarter the previous year when this issue drew 1,875 complaints.

We have been monitoring complaints relating to payment difficulties to gauge the impact of new retailer affordability policies. We had 387 complaints about payment difficulties which, despite new retailer policies, is only 20 fewer than in the previous quarter and 83 down from the first quarter in 2019. We expected complaints with this issue to decline as retailers bedded down the new approach to customer affordability management. Despite the decrease in affordability complaints the percentage against the total number of issues rose to 4.5% compared to 4.0% in the previous quarter and only 3.7% in 2019. Given the Coronavirus crisis we expect a considerable increase in affordability complaints in the next quarter.







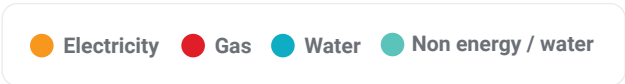
# Complaint activity

## Complaints received

**Figure 2: Complaints received January - March 2020, including previous quarters**

Figure 2 provides more detailed information about the number of complaints received from January to March 2020, in comparison to the previous four quarters.

Provider type	Jan-Mar 2020	Oct-Dec 2019	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019
 Retailer	3,457	3,764	4,105	4,127	4,879
Network	368	235	202	222	257
Exempt retailer	14	18	9	28	35
Not allocated	101	80	100	56	89
<b>Total</b>	<b>3,940</b>	<b>4,097</b>	<b>4,416</b>	<b>4,433</b>	<b>5,260</b>
 Retailer	658	755	898	835	1,052
Network	31	42	40	39	47
Exempt retailer	0	1	0	1	2
Not allocated	8	12	11	6	7
<b>Total</b>	<b>697</b>	<b>810</b>	<b>949</b>	<b>881</b>	<b>1,108</b>
 Retailer	129	118	142	116	124
Network	85	65	65	73	84
Not allocated	24	17	25	25	15
<b>Total</b>	<b>238</b>	<b>200</b>	<b>232</b>	<b>214</b>	<b>223</b>
 Non-energy/Non-water	22	20	9	23	6
<b>Grand total</b>	<b>4,897</b>	<b>5,127</b>	<b>5,606</b>	<b>5,551</b>	<b>6,597</b>





# Top 10 issues

January - March 2020

**Figure 3: Top 10 issues for this quarter and previous quarters**

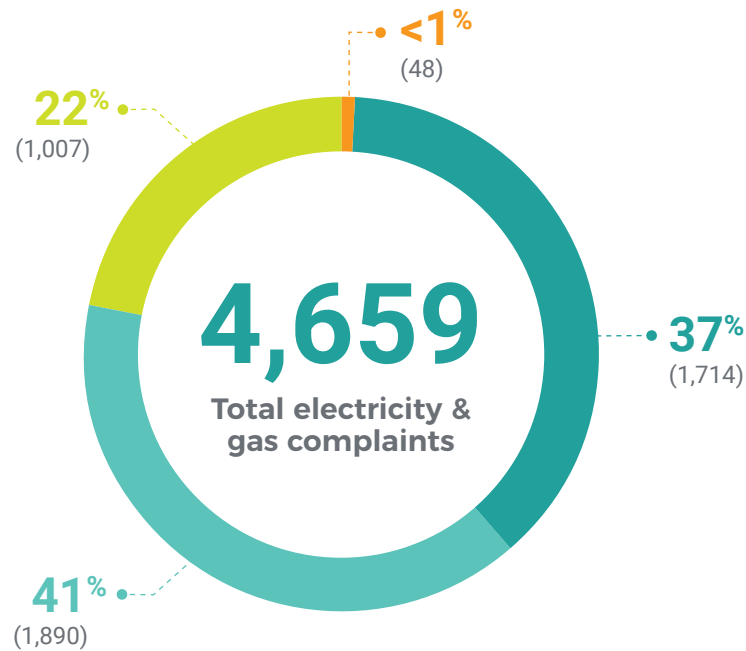
Primary and secondary issue	Jan-Mar 2020	Oct-Dec 2019	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019
<b>1</b> High, disputed	1,455	1,862	1,731	1,587	1,875
<b>2</b> Poor service	726	1,079	1,113	1,130	1,494
<b>3</b> Estimation, meter access/not read	434	513	412	443	555
<b>4</b> Payment difficulties, current/arrears	387	407	451	548	470
<b>5</b> Opening/closing accounts	385	466	513	449	574
<b>6</b> Failure to respond	309	415	404	530	800
<b>7</b> Incorrect advice/information	305	382	388	343	433
<b>8</b> Energy/water	208	189	176	144	177
<b>9</b> Backbill	205	192	217	201	247
<b>10</b> Collection, Credit rating	184	210	307	245	246
<b>Total number of issues per quarter</b>	<b>8,618</b>	<b>10,138</b>	<b>10,217</b>	<b>10,799</b>	<b>12,727</b>

● Billing   
 ● Customer service   
 ● Credit   
 ● General



# Energy

Figure 4: Electricity and gas complaints by case category







# Retailers not adhering to Hardship Guideline

EWON continues to monitor the effectiveness of retailer affordability policies developed in response to the AER's Hardship Guideline released last year. While there have been some improvements over the previous quarter, there is still an unacceptable number of vulnerable customers not being given the assistance required by the guideline. In particular, retailers are failing to refer customers to affordability programs even when their vulnerability has been identified. This is especially concerning when a customer has been disconnected for non-payment.

There are also unacceptable barriers being placed on vulnerable customers prior to them being reconnected or put on an affordable payment plan. We have also seen cases where customers are excluded from an affordability program or have had a payment plan cancelled unreasonably.

Finally, we have also observed automated processes triggering disconnections without recognition of customer circumstances. For example, if a customer is making regular payments on their account they should not be disconnected, even if they are not on a formal payment plan.

## Failure to refer to affordability program

### Failure to refer to affordability program or offer payment plan

A customer's electricity supply was disconnected with arrears of \$3,430. She asked to be reconnected but was told by her retailer that she needed to pay \$2,000 upfront, which she could not afford. She offered to pay \$500 then make fortnightly payments, but this was refused. She also said that a settlement was due on her property and that she could pay the full bill as soon as this was completed.

We contacted the retailer and arranged for reconnection. It agreed that a payment plan could be established, and that the customer should contact it within two weeks to negotiate the amount.

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### No referral to affordability program after failed payment plan

The customer contacted EWON after receiving a disconnection warning for arrears of \$422. She said she had phoned her retailer from a community agency where she had received a \$300 EAPA payment and, while she was offered a two-week extension, was still told to pay the full arrears or the disconnection would go ahead.

We contacted the retailer for information about the circumstances leading to the disconnection warning. It confirmed that the customer had failed two payment plans of \$72 per fortnight in September 2019. The customer's fortnightly usage was \$52. The customer had then made regular payments of \$50 but was not on a formal payment plan. The retailer agreed to defer the disconnection for four weeks and to have its affordability program staff contact the customer to discuss payment options.

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### Disconnected customer not referred to affordability program

The customer contacted EWON after his electricity was disconnected. He said that he had arrears of \$700 but couldn't afford to pay anything before his Centrelink payment commenced in three days' time. He said he had requested a payment plan, but the retailer had demanded full payment.

After speaking to us, the retailer agreed to reconnect the customer. It advised that the customer had not complied with a payment plan in August 2019 and had been offered a place in its affordability program in November 2019. The customer declined this offer because he had just started a job and could afford to pay \$200 per week. The retailer said the customer had made one payment and the plan was cancelled when he missed the next payment. We pointed out that the customer was now on New Start Allowance and had requested a \$70 per fortnight payment arrangement. The retailer agreed to this but also asked that the customer contact its affordability team to confirm the payment arrangement. We later confirmed that the customer was reconnected, provided with an EAPA referral and advice on reducing his energy consumption.



# Retailers not adhering to Hardship Guideline

## Customer refused proposed payment arrangement and no referral to affordability program

The customer advised us that a field officer had come to her home to disconnect the electricity. When she contacted her retailer, she was advised she had to pay \$400 to stop the disconnection. She told the retailer she did not get paid until the following week and could only afford \$60 per fortnight. She said her retailer had refused this request.

When we contacted the retailer, it suspended the disconnection. It informed us that the arrears were \$1,663 and that the customer had only been making sporadic payments. It also confirmed that the customer had not been placed on a payment plan or referred to its affordability program. It agreed to offer the customer an affordable payment plan and delay the disconnection for a further three weeks to allow the customer time to contact its affordability team. When EWON contacted the customer with this information she said that she had already received \$300 of EAPA. The customer thanked us for our help and acknowledged that she had three weeks to confirm a payment arrangement.

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## Customer under threat of disconnection not referred to affordability program

A customer approached EWON at an outreach event. She said that she had been on a payment plan with her retailer but after missing a payment, the retailer advised her she would be disconnected unless she paid the full amount she owed.

We immediately contacted the retailer which requested the customer talk to it directly. We escalated the matter and the retailer then placed a hold on the disconnection and agreed to re-establish a Centrelink payment plan of \$75 per fortnight on the arrears of \$464. It also emailed a copy of the customer's last bill to her so that she could seek EAPA at the outreach event.

## Unreasonable conditions placed on customers

### Full arrears required to suspend disconnection

A distressed customer contacted EWON after receiving a disconnection warning notice from her retailer. She said her father was on life support and disconnection would endanger his life. She had contacted her retailer and was advised that because she had missed a payment, she needed to pay the full arrears of approximately \$600 or face disconnection. Her payments were paid by direct debit, therefore she hadn't missed a payment. She had paid \$140 per fortnight. She said she registered for life support in December 2019, but the retailer could not find the form which meant she would need to take her father back to the doctor which would cost \$100.

When we contacted the retailer, it advised that the account was flagged for life support and was not at risk of disconnection. It said the confusion over the paperwork was related to the rebate, not the registration of life support equipment. It also stated the plan was cancelled due to miscommunication; its records indicated the plan was for \$154 per fortnight but the customer was only paying \$140. The records confirmed that the customer had paid consistently for a long time and the arrears were only \$516. The retailer confirmed its affordability team would look at the customer's plan and discuss a more affordable payment arrangement. It also explained that the disconnection warning was generated automatically, and that the customer was never at risk of disconnection. When we advised the customer of this, she was very relieved. We suggested she speak to the retailer's affordability team, ask about the life support rebate and discuss an affordable payment plan. She said that she would continue to pay \$140 until she had the discussion with the retailer.

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## Customer refused an extension on very small arrears

A customer contacted EWON after being refused an extension of time to pay a \$276 bill. He explained that he was an Uber driver who had gone into self-isolation due to the Coronavirus pandemic and had requested an extension until 10 April. The retailer's representative had insisted on payment by the due date and the customer thought they had been rude and dismissive. The customer said he had always paid his bills in full and on time.

The customer agreed to have the matter referred to the retailer at a higher level for resolution, knowing he could return to EWON if an agreed outcome could not be negotiated.



# Retailers not adhering to Hardship Guideline

## Unreasonable conditions for reconnection and payment plan

A customer contacted EWON with a financial counsellor after her supply was disconnected. She had been paying \$70 per fortnight on arrears of \$947 but when she contacted her retailer (with a financial counsellor from the Financial Rights Legal Centre) it refused reconnection and a further payment plan, unless she paid 70% of the arrears. The financial counsellor contacted us and advised that his assessment of the customer's finances indicated the most she could pay was \$70 per fortnight and her consumption was only \$48 per fortnight. He said it appeared that the last plan was cancelled after a payment was short \$10 which he had identified as a Centrepay error. He advised that he intended to raise the matter with the retailer's senior management, but the immediate priority was to get the customer reconnected as she was a single mother and supply was crucial.

We contacted the retailer and requested reconnection. We confirmed the customer owed \$947 and had been paying \$70 per fortnight for the last three months without missing a payment. The retailer said the customer's previous plan had been cancelled, which was why the disconnection had proceeded. We questioned why the reconnection and a new payment plan had not been established when the customer had phoned with a financial counsellor. The retailer agreed to reconnect the supply immediately and said it would investigate the other issues raised. The retailer's affordability team then contacted the customer and set up a \$70 per fortnight payment plan. It also offered her a \$100 customer service gesture, given that she had to come to EWON to get reconnected. The reconnection fee was also waived.

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## Unreasonable barriers for entry to affordability program

A customer received a disconnection warning notice but had been unable to negotiate a payment arrangement with his retailer. He was having difficulty paying after recently suffering a permanent injury but was making payments when he could to cover his arrears of around \$340. He told us his retailer was demanding he pay 80% of his arrears before it would lift the disconnection order.

We requested a hold on the disconnection and asked for the customer's payment history. The customer had made five payments in the previous two months totaling \$295 and his arrears were \$343. The retailer said the customer had failed two payment plans in 2019 and that its affordability team required him to pay 80% of what was owing and make an appointment with a financial counsellor before he could re-enter the affordability program.

The retailer agreed the issue should have been resolved at the contact centre level. It offered a \$101 credit and placed a hold on the account to allow time for the customer to call and arrange a payment plan. It was also identified that the customer was not receiving a rebate and asked that he provide the relevant details to claim it.

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# Retailers not adhering to Hardship Guideline

## Reconnection refused without upfront payment

A customer advised us that her electricity supply was disconnected by her retailer for non-payment and she owed about \$3,000. She had called the retailer and was told she had to pay \$1,500 for reconnection to occur. The customer said she was experiencing financial difficulties and couldn't pay this. She explained that she was a single parent with three children at home and another daughter in hospital.

When we contacted the retailer it initially requested the customer pay \$1,000 to be reconnected and obtain EAPA vouchers. It required the customer to attend financial counselling before it would put her on an affordable payment plan. We requested the customer's payment history and confirmed she had been paying \$75 a fortnight from October to December 2019. The retailer confirmed this plan had been discussed with its affordability team but the customer had not joined the affordability program. It said the customer had not responded to multiple calls in January 2020 so it would not change the requirements for reconnection. We emphasised the customer's circumstances, pointed to her recent regular payments and again requested reconnection. The only change in the retailer's position was to say that if the customer received EAPA by the next day, it would consider reconnection.

Given the customer's circumstances, recent regular payments, and willingness to join the affordability program, we escalated the matter. A senior manager agreed to reconnect the customer if she joined its affordability program and agreed to pay \$100 per week towards her arrears. When the reconnection order was still not raised, we called our original retailer contact who insisted that the customer had to make a payment of \$100 upfront and join the affordability program before reconnection. We pointed out that this was not the resolution arrived at with the senior manager and requested reconnection without an upfront payment. The reconnection was then actioned, but when we spoke to the retailer it said that the reconnection was a one-time courtesy and that if the customer missed a payment she could be disconnected and not reconnected. It advised that the arrears had been reduced to \$2,907 by applying pay on time discounts.

## Excluded from affordability program

### Exclusion from affordability program

A customer advised EWON she had not adhered to a payment plan and had arranged a new payment plan with her retailer to start on 18 February 2020. She was then contacted by her retailer on 14 February and informed she had missed her first payment and had to pay 75% of her arrears to avoid disconnection. She said she could not afford this as she currently owed around \$2,400.

We contacted the retailer seeking the customer's payment details and information about her disconnection status. It confirmed that no service order for disconnection had been issued and that a hold would be placed on the account. It confirmed that customer owed \$2,413. The customer's payment history showed that she made semi-regular payments that were often late and that the payment plan established in October 2019 had been stopped. A new plan had been established in late January 2020 but, as the first payment of the new plan has been missed, that plan was cancelled. The retailer offered to contact the customer and set up a new payment plan. The customer was satisfied with this outcome.

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## Customer removed from affordability program after relocating and opening new account

A customer advised EWON that four years ago she experienced domestic violence which led to a high energy debt. She had been paying this off through the retailer's affordability program at \$61 per week but could no longer afford that amount. She said that when she moved, she was taken off the program and the retailer advised her that as it she had a new account, the previous arrangements were cancelled even though the debt had been transferred to the new account. She wanted to be put on the program again and to be given an affordable payment plan.

The customer's payment history confirmed she had made 26 payments of \$61 dollars since August 2019. It also identified that there was a \$70 credit left on the old account. The retailer said that it would transfer the credit to the new account and waive the remaining \$1,256 in arrears. When we told the customer this, she said that with the previous debt waived, she no longer needed to be in the affordability program. We suggested she follow up with the retailer if she had payment difficulties again.



# Retailers not adhering to Hardship Guideline

## Automated process issues

### Customer disconnected despite making regular payments

A customer rang EWON after being disconnected. She said that she thought she was on a payment plan of \$100 per fortnight and had only spoken to her retailer four days before. She was seeking reconnection and an affordable payment plan.

The retailer confirmed that a reconnection order had already been requested. It said the customer had arrears of \$2,304 and had been placed on its affordability program in late October 2019. The customer's second payment had been five days late which led to the plan being cancelled. Despite this, the customer continued to pay \$100 every fortnight. The retailer said that it had tried to communicate with the customer about the failed payment plan, but she had not responded. After the customer received a disconnection warning she had contacted the retailer and it agreed to suspend the disconnection and reinstate her payment plan through the affordability program.

The retailer explained that the disconnection cancellation was initially rejected by the distributor and it only accepted the order after the disconnection had been completed. The retailer acknowledged that the customer had been making regular payments and that it should have been more diligent in following up the disconnection order cancellation. It agreed to credit the customer's account with \$150 in recognition of this. It also asked us to tell the customer that if she remained consistent in her payments and maintained communication, it would consider matching her payments. We advised the customer about this and provided her with an EAPA referral.

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### Customer denied an affordable payment plan

A customer contacted EWON saying he was on a permanent disability support pension and had a payment plan of \$45 per fortnight, with \$41 in credit on his account. He said that he received a notice from his retailer advising the plan was changing and he would need to increase his fortnightly payment to \$61. He contacted his retailer and said the increased payment would financially disadvantage him. He was advised that a computer system generated the new payment amount and he needed to accept the increase his payments or the payment plan would be cancelled. The customer said the system did not consider his financial situation and he did not think the retailer's response was fair or reasonable.

The customer agreed to have the matter referred to the retailer at a higher level for resolution, knowing he could return to EWON if an agreed outcome could not be negotiated.

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### Customer refused reduction in payment instalment

A customer contacted EWON seeking assistance to renegotiate an affordable payment plan. She said she had been paying her retailer \$200 per fortnight on arrears of \$4,500 and had advised it she could no longer afford the amount. It refused her request on the basis that her current weekly consumption was \$104 per week. The customer said her latest bill stated that her daily consumption was \$7.34 per day which was just over \$50 per week.

The customer agreed to have the matter referred to the retailer at a higher level for resolution, knowing she could return to EWON if an agreed outcome could not be negotiated.

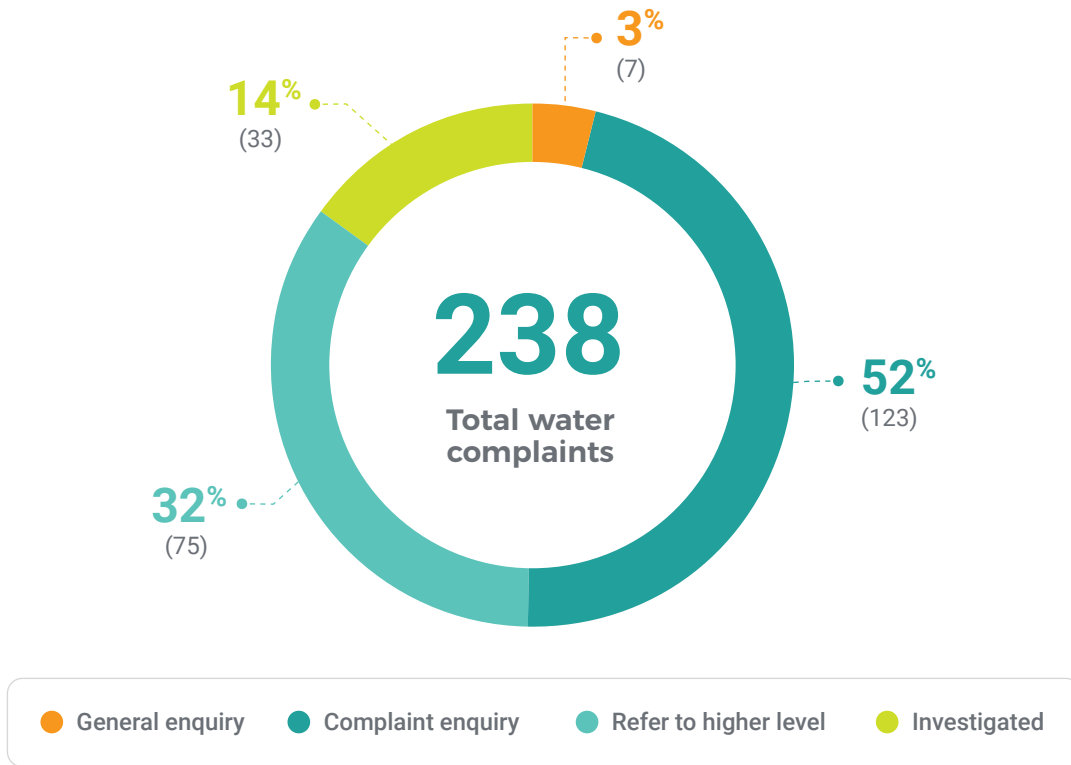


# Water

The number of water complaints received this quarter (238) increased by 19% compared to last quarter (200) and by 2.0% compared to the corresponding period in 2019 (204).

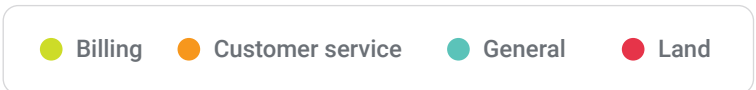
High bills continue to be the biggest issue for water customers who contact us. Other complaints about water providers relate to customer service and property damage, as seen in Figure 5 below.

**Figure 5: Water complaints**



**Figure 6: Top 5 water issues**

Primary and secondary issue	Jan-Mar 2020	Oct-Dec 2019	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019
<b>1</b> High, disputed	44	42	50	38	40
<b>2</b> Poor service	33	38	34	29	35
<b>3</b> Energy/water	32	30	31	28	26
<b>4</b> Failure to respond	28	33	29	33	29
<b>5</b> Property damage/restoration	17	17	17	20	19
<b>Total number of issues per quarter</b>	<b>154</b>	<b>160</b>	<b>161</b>	<b>148</b>	<b>149</b>





# Water issues

## Unsafe heritage-listed tree leads to several complaints to EWON

A customer contacted EWON in December 2019 regarding an unsafe tree encroaching on his property from an adjacent water provider facility. He had previously contacted us twice about this issue.

He initially called us in June 2019, concerned that the work the provider had done to trim the unsafe tree was insufficient to resolve the danger. The customer followed up with the provider but was advised it considered the matter resolved. He considered the provider's customer service to be poor and agreed to be referred to the provider at a higher level to try and resolve the complaint. We then closed the case.

The second contact from the customer concerned a visit by the provider to the customer's property to discuss the complaint, following EWON's earlier referral. The provider told the customer it would review the issue and produce a report for the customer by mid-November 2019. The provider advised that if the report found the tree could not be removed or managed the customer would need to approach his local council. The customer expressed further concern about the tree and his safety.

The customer returned to EWON for a third time as the provider had not made contact. He sought our assistance to find out about the outcome of the provider's site visit.

We attempted to contact the provider in December 2019 but did not receive a response. The customer expressed frustration at this and noted the six-month delay in having his complaint addressed.

The provider finally contacted the customer in January and informed him of the scheduled date for work on the unsafe tree. The provider explained to us that fire bans throughout December and January led to delays in carrying out the tree trimming work. After receiving this information, we finalised the case.

The customer later got in touch with us to provide additional information. He confirmed the provider had undertaken the work, but he considered that the tree was not trimmed sufficiently. When he followed up the provider, it advised him the tree was heritage listed. In light of this we referred the customer to his local council to follow up.

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## Customer's non-compliant water disconnection lifted

A customer contacted EWON in mid-January 2020 as his water supply had been completely disconnected by his provider. The customer advised that even the minimum water supply required under customer connection contracts was not provided.

The customer told us he had received a water restriction notice dated 22 November 2019 for \$410. However, this notice did not have any date of effect. He did not pay his last water bill because he was on a holiday. He noted his phone was reachable during this time but the provider did not attempt to call him.

The customer advised he would pay \$410 on 16 January 2020. His provider advised him his water supply would be restored on that basis and that he would be charged a reconnection fee.

The customer asked EWON to assist with restoring his water supply, investigate whether the alleged full water disconnection was compliant and assess the fairness of being charged a reconnection fee.

Our investigation found the customer's water had been disconnected by a contractor. The provider's system did not indicate whether the customer's premises was disconnected or restricted. The provider confirmed that the order affecting the customer's water supply was cancelled when he entered into a payment arrangement. There was also confusion on the provider's part between two properties for which the customer held water accounts. It was found that the disconnection was applied to the wrong address.

Our investigation also found the water supply disconnection was non-compliant because a reminder notice wasn't issued and owing to it being a complete disconnection rather than a restriction of supply.

The provider agreed to reconnect the water supply as quickly as possible. It also offered a \$500 goodwill gesture to the customer in recognition of the water disconnection and an additional \$80 goodwill gesture in recognition of the inconvenience and non-compliance of the disconnection.

The provider also agreed to waive any disconnection and reconnection fees. The customer accepted this as resolution of his complaint.



# Water issues

## **Rebate for extended water supply interruption not offered as the provider was not at fault**

A customer contacted EWON regarding a planned interruption that went on longer than he had been advised it would. His water service was restored approximately a day and a half after the specified planned interruption timeframe. He spoke to his water provider to apply for a rebate as set out in the customer contract.

The water provider advised the customer it would not be providing a rebate as it claimed that a pump in the customer's building had not been switched on. We initially referred the customer to his provider at a higher level to try and resolve the complaint, but he returned to us after receiving an initial call from his provider. During the call he received no contact details for follow up and had not been in contact with the provider since the phone call.

The customer asked us to investigate if he should receive a rebate, and to review the provider's customer service.

The provider gave us records to demonstrate it had restored supply to the building – its responsibility – within the contracted timeframes. As such, it did not consider the customer eligible for a rebate.

We found the provider's actions were reasonable. When it received a report there was no water service to the customer's premises, it dispatched a technician to find the cause. The provider determined the issue to be the building's isolation valve, which had not been reopened as required when the water supply was restored following the planned interruption. Reopening of the isolation valve was the responsibility of the building manager, not the provider, as it is beyond the water main connection to the building.

We communicated this information to the customer on the phone and in writing. The customer said he would contact his building management and the complaint was closed.

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## **Uncertainty about water metering arrangement following property subdivision**

A customer contacted EWON to assist with a water meter-related issue. The customer requested a connection meter for his new property in November 2019 but his water provider did not respond. The water meter attached to his property was registered to his block but measured usage for the adjacent property. He claimed to have a bill for his neighbour's water usage. He believed this occurred because his property was on newly subdivided land.

The customer advised that the construction of his house at the property could not progress until the meter was installed.

We contacted the provider and alerted it to the outstanding issue. The provider confirmed that the existing meter had been reassigned to the neighbouring property and that there had been a halt to billing-related collections activity on the account. The provider said the property appeared to be subdivided from a larger property with one meter and that the customer may require his own separately metered water supply.

We relayed this information to the customer and advised him the provider would inspect the property to determine the routing of the water supply and how the meter was recording it. We stressed that the provider needed to coordinate a site visit with the customer.

The customer agreed to resolve the issue directly with the provider. We gave the provider the customer's contact details and closed the complaint.





# Embedded networks

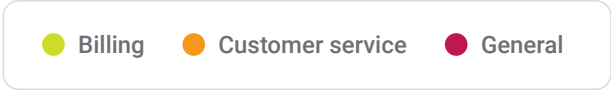
This quarter EWON opened 91 complaints and closed 87 complaints from customers whose electricity or gas is supplied through an embedded network.

**Figure 7: Cases opened and closed**



**Figure 8: Top 10 embedded network issues**

Primary and secondary issue	Jan-Mar 2020
1 High, disputed	23
2 Poor service	16
3 Failure to respond	9
4 Format	8
5 Opening/closing account	8
6 Energy/water	7
7 Delay	7
8 Error, other	6
9 Error, payment/deduction	4
10 Tariff, feed-in	4
<b>Total number of issues per quarter</b>	<b>92</b>





# Embedded networks

## Unbundled energy services impact energy affordability

In our recent submission to the Australian Energy Market Commission's review of consumer protections in an evolving market, EWON noted that energy is becoming increasingly fragmented in its delivery. Previously a customer could open one electricity and/or gas account, now customers are often required to open accounts for multiple services. The rise of embedded networks has seen a corresponding increase in separate billing for services such as air conditioning, hot water and recycled water. All of these, despite their main input costs being energy, are not covered by the National Energy Customer Framework. Yet, depending on a customer's circumstances, each is an essential service.

The following case studies show how the unbundling of energy services can also affect energy affordability. For each unbundled service there are potentially extra fees, supply charges and retail costs. Critically, these new services also impact on the number of people who can access rebates and government financial assistance programs. As the first case study demonstrates, the decision to establish a hot water embedded network in a building that is purpose built for social housing tenants, means vulnerable tenants cannot access emergency financial assistance for their hot water consumption – which is a substantial part of many residential customers' gas bills. We are also concerned that as the number of unbundled energy services expand, the benefits all customers receive from rebates, and financial assistance programs, for core energy services will decline.

### Refer to higher level

A customer who lives in a residential complex managed by a community housing provider contacted us. The building was purpose built for social housing tenancies, and the energy services in the building are provided by an authorised energy retailer that specialises in embedded network services. The customer complained that Service NSW advised him that he was not eligible for the NSW Energy Accounts Payment Assistance (EAPA) scheme because the energy retailer charges him for hot water in cents per litre, rather than the megajoules of gas consumed by the hot water meter. The customer also complained to us that he requires a CPAP machine and he was unable to obtain a rebate for the use of this life support device.

We provided the customer with detailed information about his eligibility for rebates. He was happy to be referred back to the retailer to have his complaint resolved at a higher level, knowing he could return to us if an agreed outcome could not be negotiated.

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### Level 2 investigation

A customer contacted EWON through a Mandarin interpreter. They had recently moved out of an apartment in a residential complex established as an embedded network. The customer contacted us about a bill for \$1,753.76 for air conditioning services they received for the billing period 17 July 2018 to 31 March 2019. The customer contacted the embedded network retailer and was told that the bill was based on actual meter data. The customer disputed using over \$200 a month for air conditioning.

We contacted the retailer to obtain further information about the billing of the customer's account. The retailer advised us that the disputed bill related to centralised services, including air conditioning and potable hot water heating services. The retailer noted that both the air conditioning service and hot water services were metered to enable the customer's bills to account for the amount of gas or electricity used for the heating and cooling. The retailer conducted a further review of the customer's billing and identified that the customer was overcharged for air conditioning services by 192kWh, or approximately \$40. The retailer offered to credit the customer's account with \$50 to resolve the complaint. The customer accepted the credit as an outcome to the complaint.

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### Complaint enquiry

A customer contacted EWON through our online complaint form. The customer advised that when they moved into an apartment in a residential building established as an embedded network in April 2019, the real estate agent did not explain that hot water was provided as a separate service. The customer complained that they were paying high rent and were receiving electricity bills of around \$120 month. The customer noted that they were surprised to receive an additional bill for hot water services for over \$100 a month, when they also had to pay the real estate agent for water usage charges.

We attempted to contact the customer by phone and email but received no further contact so the complaint was closed.



# Embedded networks

## Payment difficulties

Many grid connected customers who are disconnected for non-payment do not reconnect their energy supply with their current retailer, but instead switch to a new provider. This is often not an option for embedded network customers, as they do not have access to retail competition. This places additional pressure on customers facing financial difficulties, and their retailers, as an affordable payment arrangement must be agreed to for the customer to stay connected.

### Level 1 investigation

A customer contacted EWON to complain that her electricity supply was going to be disconnected for non-payment of her account. The customer lives in a residential complex serviced by an embedded electricity network. She had requested a payment extension until the end of the month but the retailer asked for \$600 be paid immediately to avoid disconnection. The customer advised us that she has been moving around, including leaving the country for a period, because of a domestic violence situation. She had asked the retailer for further assistance but this was declined. She said she found the retailer's staff showed no empathy and were rude to her.

We contacted the retailer to clarify the circumstances around the impending disconnection. The retailer advised us that the balance of the account was \$680 and the only payment made was \$200 in EAPA vouchers – this was despite the retailer advising the customer was not eligible for EAPA because she lived in an embedded network. The retailer offered the customer a \$200 credit as a goodwill gesture for the vouchers. It also agreed to suspend the disconnection, while noting that the customer had previously been referred to its affordability program and had failed to make any payments towards two separate payment plans.

We spoke to the customer and she advised that she had started to work again. She offered to make an upfront payment of \$200 and commit to \$200 per fortnight to pay the outstanding balance. The retailer agreed to discuss this arrangement with the customer. We confirmed this advice to the customer verbally and in writing and provided her with referrals to the retailer's affordability program.

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# Embedded networks

## Network and B2B issues for embedded network customers

Complaints about energy retail services make up the highest proportion of complaints to EWON. While we do not receive the same number of complaints about distributors and networks, these complaints can often be more complex and difficult to resolve. When problems do occur with distribution services, it can have a significant impact on customers' lives and property. These trends also apply to embedded networks.

### Complaint enquiry

A customer copied EWON into her email correspondence with her energy retailer. The customer advised that she lives in a residential complex with an embedded electricity network. She complained that for two years her entire building would lose power when the outside temperature exceeded 40 degrees. The customer also complained that the embedded network retailer's staff were rude and dismissive of the issue.

We contacted the customer to discuss the complaint. She advised us that when she contacted the retailer it said the unplanned outages were an issue with the building, and therefore not its responsibility. We explained to the customer that while unplanned outages could occur, we expect the network operator to investigate the issue, and provide an explanation for what caused the outage. We offered to refer the matter back to the embedded network retailer at a higher level for resolution. The customer chose to speak to the retailer again before escalating the matter to us.

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### Level 2 investigation

A customer who lived in an apartment within a residential complex with an embedded electricity network complained to us that she was left without power for five days due to an administrative issue between her energy retailer and the operator of the embedded network. The customer lodged a claim for \$5,000 worth of expenses due to the loss of electricity to her home. The customer's energy retailer responded with an offer to pay her \$550 for the outage, which the customer considered unreasonable. The retailer based its offer on the guaranteed service levels set by the NSW Government for licensed electricity distributors, where customers are eligible receive \$80 in compensation from their energy supplier if they suffer more than four, 4-hour outages in a year, or any outage of longer than 12 hours.

The retailer advised us that the loss of power to the premises was due to a meter fault and it had not been provided with access keys to the building when it took over responsibility for the metering from the developer. The retailer also advised that the customer had not provided any documentation to substantiate her claim. We contacted the customer to ask if she could provide documents, such as receipts, to support her claim. The customer declined to provide any further documentation, and on that basis, we advised her that the retailer's offer of \$550 appeared to be fair and reasonable.

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