



22 September 2021

Australian Energy Regulator (Head Office)
Level 17 Casselden
2 Lonsdale Street
Melbourne VIC 3000

Email: ConsumerPolicy@aer.gov.au

Dear Australian Energy Regulator

Developing the Better Billing Guideline consultation

Thank you for the opportunity to comment on this consultation paper.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers. EWON receives and responds to complaints from customers about a range of issues relating to their energy and water bills. Our comments are informed by our investigations into these complaints, and through our community outreach and stakeholder engagement activities.

We have only responded to those questions in the consultation paper that align with issues customers raise with EWON, or with our organisation's operations as they relate to the consultation.

If you would like to discuss this matter further, please contact me or Rory Campbell, Manager Policy and Research, on (02) 8218 5266.

Yours sincerely

A handwritten signature in black ink that reads "Janine Young".

Janine Young
Ombudsman
Energy & Water Ombudsman NSW

Developing the Better Billing Guideline consultation

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers. EWON receives and responds to complaints from customers about a range of issues relating to their energy and water bills. Our comments are informed by our investigations into these complaints, and through our community outreach and stakeholder engagement activities.

EWON contributed to a previous Australian and New Zealand Energy and Water Ombudsman Network (ANZEWON) submission dated 22 October 2020, submitted in response to the Australian Energy Market Commission's (AEMC) consultation paper *Billing contents and billing requirements – RRC0036*. We understand that this submission was included in the literature review conducted by the Behavioural Economics Team of the Australian Government (BETA) in partnership with the Australian Energy Regulator (AER) before commencing focus group and survey research.

The previous ANZEWON submission remains representative of EWON's views on questions 2, 4, 5, 6 and 7. We have only responded to those questions in the current consultation paper where we wish to reiterate and highlight particular comments from the previous ANZEWON submission, in relation to the focus group and survey research that has since been conducted by BETA and the AER.

Question 1: What are the key insights from our consumer and behavioural research?

Customer diversity

ANZEWON's submission observed that on the 'understanding current billing' spectrum, customers who are highly engaged with the energy market are at one end, and CALD, elderly, non-digital and low literacy customers are at the other end. Customers are not homogeneous and would benefit from innovative solutions rather than a 'one size fits all' approach.

With BETA's research being based on an online survey, respondents were largely consumers with some level of digital literacy who spoke English as their first language. We support the AER's decision to also conduct focus groups with older groups and Culturally and Linguistically Diverse (CALD) groups to gain a better picture of different consumer needs, and encourage continued consideration of diverse customer perspectives.

Innovation

While there was not a substantial difference in overall comprehension levels for the four different bill types in BETA's research, there was reduced comprehension of information taken 'off-bill' in the email style format bill as the majority of respondents did not access the link. Given that the consumers responding to the online survey would have some level of digital literacy, this suggests that comprehension of 'off-bill' information could potentially be further reduced for consumers with more limited digital skills.

The ANZEWON submission discussed the potential consumer benefit of innovation and bill customisation in the use of digital platforms, but noted that this must be balanced with the fact that bills are the most significant regular opportunity for retailers to communicate information to customers. BETA's findings regarding 'off-bill' information point to the importance of balance in this area.



Question 3(a): What are the key opportunities to ensure energy bills are simple and easy to understand? (Includes consideration of 'nice to haves' and 'must haves'.)

Complaints impact

ANZEWON's submission provided a range of information about billing complaints which indicated that the issue of customer comprehension is particularly fraught in non-standard scenarios such as adjusted rebills of previous periods, backbills covering a longer than normal period and large accumulated debts due to financial difficulty. We advised that this may require special consideration to simplify energy bills and reduce bill confusion, by ensuring that bill content is clear and easy to understand especially when past errors are being addressed.

We note that the four bill types used in the research were based on a standard billing scenario. It would be beneficial to bear in mind the potential impact of non-standard billing scenarios, such as how factors like stress could impact the comprehension of a customer in financial difficulty viewing a bill that includes a large accumulated debt.

Seeking help

The four bill types used in the research included a phone number for customer enquiries/complaints to the retailer, as well as for customers seeking payment assistance, an interpreter service, a hearing impaired service or concession information. However, the four bill types did not include energy Ombudsman scheme contact details.

The *National Energy Retail Rules* (NERR) Sections 25(1)(s) to 25(1)(x) currently require retailers to provide details of where customers can obtain assistance, however they do not currently include a requirement to reference energy Ombudsman schemes. In the ANZEWON submission, the respective energy Ombudsman schemes endorsed the AEMC's suggestion that:

... putting additional information on bills, could help consumers navigate the energy market by accessing services. For example, information on Ombudsman schemes and the Australian Government's energy price comparison website, Energy Made Easy.¹

In 2020, EWON engaged Queen Margaret University Consumer Dispute Resolution Centre in Scotland to conduct an independent review of its operations. This review highlighted that consumer protections are a core responsibility of an Ombudsman, awareness amongst customers of their rights is paramount in the effective operation of the energy market and the responsibility lies with the retailer to communicate to customers about energy Ombudsman schemes². This recommendation for the inclusion of external dispute resolution (EDR) information on retailer bills also aligns with Australia-New Zealand Standard AS/NZS 10002 – Guidelines for Complaint Management in Organizations.

Information about retailer complaints processes, internal dispute resolution (IDR) and options for EDR are critical for consumer engagement and should be included in information provided with energy bills.

¹ AEMC Consultation paper Billing content and billing requirements, p8

² Energy and Water Ombudsman NSW Independent five year review, Queen Margaret University, p27



Energy Ombudsman scheme contact details are a 'must have'. In our previous submission we drew attention to a copy of a 'best practice' bill by a UK energy provider. It adopts transparent information in Plain English everything customers need to know, including information about internal and external dispute resolution options, in particular access to ombudsman services, and clear complaints information reporting.³

Enquiries

Enquiries about this submission should be directed to Janine Young, Ombudsman on (02) 8218 5256 or Rory Campbell, Manager Policy and Research, on (02) 8218 5266.

³ [Billing-contents-and-billing-requirements-RRC0036.pdf \(ewon.com.au\)](#), p9