

June 2025

Energy Consumer Policy

Department of Climate Change, Energy, the Environment and Water

Better Energy Customer Experiences

Joint Energy and Water Ombudsman Submission: Better Energy Customer Experiences Reform

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

The comments contained in this submission reflect the feedback of the Energy and Water Ombudsman Queensland (EWOQ), Energy & Water Ombudsman South Australia (EWOSA), Energy and Water Ombudsman Victoria (EWOV) and Energy & Water Ombudsman New South Wales (EWON). We are the industry-based external dispute resolution schemes for the energy and water industries in our respective states.

This submission sets out the issues we see as priorities for reform in the energy market, based on the issues consumers raise through their complaints and the operational challenges across our organisations as they relate to the review.

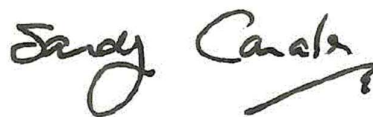
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Submission

Executive Summary

Australia's energy consumer protections frameworks must evolve to meet the demands of a rapidly transforming energy market. As households increasingly engage with new energy technologies, the complexity of energy services is growing and so too are the risks to consumers. The current frameworks, including the National Energy Customer Framework (NECF), are no longer sufficient to ensure fair, consistent and assessable protections across all market settings.

The rapid expansion of new energy products and services, such as consumer energy resources (CER), promises significant opportunities for emissions reduction, improved health outcomes and long-term consumer financial benefits, but also creates new risks for consumers. It is critical to establish clear consumer protections and accessible avenues for redress as the market continues to evolve so that these benefits can be realised and risks mitigated. Without confidence in the market and reliability of energy services, consumers may hesitate to engage with new technologies, undermining national energy policy objectives.

Energy ombudsman schemes play a vital role in this trust-building process. Our role as an external dispute resolution (EDR) scheme goes far beyond simply resolving complaints. We are part of the integrity network which helps ensure effectively functioning markets.¹ By providing accessible, fair and expert dispute resolution, energy and water ombudsman (EWOs) help markets function more effectively and equitably.

To support the goals of the Better Energy Customer Experiences reform, the EWOs highlight two priority areas that must guide the next phase of consumer protection reform:

1. **Strengthen consumer protections in a changing energy market.** As an immediate priority this should include establishing EDR for CER, closing protection gaps for embedded network customers, reforming NECF to include new energy services and addressing systemic issues in electricity metering.
2. **Improve fairness, accountability and support for vulnerable consumers** with the introduction of a principles-based obligation for providers in the energy market to act efficiently, honestly and fairly. Additionally, implementing the Australian Energy Regulator's (AER) payment difficulty reforms and improving access to energy entitlements via social services is also critical.

With over 60,000 complaints received last year across NSW, Victoria, Queensland and South Australia, EWOs are uniquely positioned to gather insights, identify systemic issues and drive improvements across the energy sector.

Ultimately, energy consumers don't think in terms of products, activities or services. They want affordable energy bills, reliable service and to trust that they will receive the expected benefits from any proposed investment they make in renewable technologies in their home. Consumers need a place to raise their concerns if that investment is not functioning as expected, for whatever reason.

¹ Dr Gavin McBurnie and Jane Williams, Energy and Water Ombudsman NSW Independent five-year review, 30 October 2019, p23

The Better Energy Customer Experiences (BECE) process presents a critical opportunity to modernise protections, reduce complexity and ensure all consumers, regardless of their location, technology or provider, can participate confidently in the energy transition.

Identifying further opportunities for consideration within the Terms of Reference

Question 1: In your view, which issues should be a priority? Which further issues should be included?

The terms of reference state that much of the focus of this review will be on evaluating whether the National Energy Customer Framework (NECF) remains fit for purpose given it is the primary national regulatory framework providing energy specific protections to consumers in the energy market.

We note consideration will also be given to other related legislation, frameworks and policy settings including the Australian Consumer Law, state and territory-based legislation, and the New Energy Technology Consumer Code (NETCC) to ensure appropriate problem definition and solution development.

This submission makes seven recommendations that establish what EWOs consider should be the main work priorities for this review. These recommendations are aimed at resolving the most significant consumer protection gaps we see that are currently impacting on consumer trust in the energy market.

Summary of energy ombudsman recommendations

Recommendation 1	Immediate priority	EWOs recommend government establishes an external dispute resolution jurisdiction for consumer energy resources to ensure effective consumer protections in the transitioning energy market.
Recommendation 2	High priority	EWOs recommend the remaining consumer protection gaps for customers in embedded networks are addressed, including extending the energy framework to include hot and chilled water services.
Recommendation 3	High priority	EWOs recommend the implementation of the AER's proposed reforms to the payment difficulty framework within NECF.
Recommendation 4	Further issue	EWOs recommend this review explore opportunities to support consumers to better access energy market entitlements through the social services system.
Recommendation 5	High priority	EWOs recommend government adopt and implement the AER's advice on reforming NECF to include new energy services.
Recommendation 6	High priority	EWOs recommend the introduction of an overarching consumer duty with a principles-based conduct obligation for providers in the energy market to act efficiently, honestly and fairly.
Recommendation 7	Further issue	EWOs recommend government addresses the systemic issues impacting on the current electricity metering framework.

Question 2: In light of changes occurring in the energy market, what gaps do you see in consumer protections that this process should focus on addressing?

2.1 Not all energy consumers can access fit for purpose, energy specific, external dispute resolution

Consumers are increasingly engaging directly with new energy technology products and services, including CER, or receiving energy services through complex provider arrangements such as embedded networks. However, many of these energy products and services fall outside the jurisdiction of existing ombudsman schemes, creating complex dispute pathways when things do go wrong.

Developing an effective, fit-for-purpose external dispute resolution (EDR) jurisdiction that reflects the realities of the current and future energy market is essential. This reform presents an opportunity to ensure all consumers, regardless of how they access energy are supported by fair and independent resolution of complaints. A strengthened EDR framework will not only protect consumers, but also support trust, accountability and confidence in the energy transition.

2.1.1 The energy transition has resulted in increasing barriers to effective EDR

Recent case studies 1, 2 and 3 (at **Appendix A**) detail the existing barriers between customers and access to free, fair and independent EDR.

- **Case study 1** illustrates how a market retail energy contract for both on-market energy and off-market energy, and the installation and lease of a rooftop solar system, are packaged or bundled together as a single service. In this case, different entities are providing the retail energy services and the installation and lease of the rooftop solar system. This means that the customer does not have a single clear pathway to resolve all disputes related to their packaged energy service.
- **Case study 2** illustrates how a single authorised energy retailer can provide a bundle (or package) of energy services to their customers, that includes both a market retail energy plan and the sale and installation of CER products and services. In this case the complaint was resolved, however, the energy retailer did dispute the Ombudsman's jurisdiction to resolve the part of the customer's dispute related the installation and sale of the CER at the premises.
- **Case study 3** illustrates how the sale and installation of CER products has become intertwined with traditional energy services, and why access to EDR for both energy services and the sale and installation of CER products need access to a single effective EDR pathway.

2.1.2 Fit for purpose EDR will help build consumer trust in the energy transition

Consumer uptake of CER is a vital component to realising the benefits of the broader energy system transformation and emissions reduction, while delivering consumers with long-term financial benefits.² Building and maintaining consumer trust in energy services is crucial to the success of the broader transition.

Currently, the consumer protection framework for CER is fractured and patchwork. Consumers are asked to resolve disputes through the Clean Energy Regulator, state consumer affairs agencies,

² AER, Options for reform of the National Energy Customer Framework, Review of consumer protections for future energy services, October 2022, p7

building commissioners, industry bodies like the New Energy Tech Consumer Code program, consumer tribunals, and energy ombudsman. All of these services offer different levels of accessibility and outcomes. It will be very difficult to maintain consumer trust in these products and services if they receive poor outcomes or services, and there is no clear pathway for EDR.

The AER reported that many stakeholders providing feedback to its review of consumer protections for future energy services agreed that:

- Providing accessible and low-cost dispute resolution for all energy services would help build consumer trust in the energy sector.³
- Reducing the complexity of complaints resolution and ensuring have consumers a single entity in their state to manage energy-related complaints should be a key objective.⁴

Our role as an EDR scheme goes far beyond simply resolving complaints and includes improving public trust in the energy sector. We are part of the integrity network which helps ensure effectively functioning markets.⁵

Using EWOs as the dispute body for CER has a range of other benefits, including:

- **Fair and reasonable jurisdiction** – the charters and constitutions under which EWOs operate empower us to consider what is fair and reasonable through the application of relevant laws, industry codes and good industry practice when resolving complaints. This includes, but is not limited to, Australian Consumer Law. This broad and flexible mandate allows EWOs to determine what is fair and reasonable in each case, drawing on established consumer protection principles.
- **Accountability** – our work is guided by, and we are accountable to the principles in the Commonwealth *Government's Benchmarks for Industry-based Customer Dispute Resolution*.
- **Cost and time effective dispute resolution services** – ombudsman schemes are a cost and time-effective way to resolve individual complaints when compared to formal legal or regulatory avenues. As the Australian Productivity Commission (Productivity Commission) has observed, Ombudsmen mediate outcomes between parties and conduct investigations where necessary, removing the need for legal representation.⁶
- **Industry feedback and improvement** – through our casework, EWOs are able to identify industry good practice as well as identify gaps and opportunities for improvement to products, services and dispute resolution practices among our members, and to communicate these through direct engagement with member businesses.
- **Systemic issues identification and response** – EWOs are able to provide early insights to regulators and policymakers around emerging trends and possible systemic issues arising in the market before they become larger issues in the community.

³ AER, Options for reform of the National Energy Customer Framework, Review of consumer protections for future energy services, October 2022, p9

⁴ AER, Options for reform of the National Energy Customer Framework, Review of consumer protections for future energy services, October 2022, p9

⁵ Dr Gavin McBurnie and Jane Williams, Energy and Water Ombudsman NSW Independent five-year review, 30 October 2019, p23

⁶ Productivity Commission, Access to Justice Inquiry Report, 2014, p. 11. As the National Inquiry noted in 2014, at that time, Ombudsman schemes had capacity to consider approximately 542,000 cases nationally requiring approximately \$481 million combined government and industry funding across all Ombudsman schemes. Tribunals had capacity to consider approximately 395,000 matters, required parties to pay registry and legal fees if represented and required approximately \$508 million in government funding support. Civil courts had capacity to consider approximately 673,393 matters, required payment of registry, costs and other legal fees and required approximately \$836 million government funding.

2.1.3 The scope of the new consumer framework proposed by the AER

The AER's advice to Energy Minister suggests broadening the definition of service provider within the NECF to include the provision of any energy service that:

- sells electricity to a consumer's premises
- unless exempted, on-sells or exports energy from an embedded network or manages the flow of electricity to and from an embedded network
- exports electricity from a consumer's premises
- controls, constrains, prevents or otherwise has a substantial impact on the flow of electricity to and from a consumer's premises.

We note the definition would not capture:

- Renewable energy products, such as the sale/retail and installation of rooftop solar panels, residential batteries, and residential electric vehicle (EV) charging infrastructure.
- The regulation of public EV charging (for example, at streetside, office building, shopping centres and service stations).

We have provided case studies 1-3 which illustrate how it is not so easy for consumers to separate products and services, when the outcomes for their investment in renewable energy does not meet expectations.

2.1.4 The scope needed for EDR to ensure consumers retain access to free, fair and independent ombudsman services

The uptake of CER products and engagement with new energy services has created a significantly more complex energy market for consumers. For example, many consumers now enter contracts with authorised energy retailers for both an energy plan and the sale installation of CER – such as rooftop solar panels, residential batteries, and residential EV charging infrastructure.

This issue is not new. Each state-based energy ombudsman already handles complaints about new energy services and CER products. However, the EDR journey for customers that purchase CER products (like rooftop solar, batteries and residential EV charging infrastructure) is still too fragmented.

This bundling or packaging of energy services and products has created challenges for free, fair and independent EDR. Providing a single simple pathway for dispute resolution for new energy services and CER products will go a long way in building and maintain consumer trust in the energy transition.

Some state jurisdictions are already actively considering how to expand ombudsman jurisdiction to effectively manage the consumer risks that come with the uptake of CER.⁷ However, not all state jurisdictions will move at the same speed on this issue. For example:

- EWOSA is managing a different industry landscape which would make it more challenging to have CER product manufacturers, installers and retailers as members. EWOSA would be able to adapt to meet the AER's proposed new consumer framework, which may result in third-party energy service providers which utilise CER to manipulate the way electricity is supplied to, exported from, stored and consumed at a premise, being members of their scheme.
- In contrast to the scope proposed by the AER, DEECA received submissions in response to its *CER Consumer Protections Review Directions Paper* recommending a broad definition of CER

⁷ Department of Climate Change, Energy, the Environment and Water, NSW Consumer Energy Strategy, September 2024, Action 25; Department of Energy Environment and Climate Action, Consumer Energy Resources (CER) Consumer Protections Review, Directions Paper, p49

to ensure end-to-end consumer protections through EDR. [EWOV's submission](#) highlighted the need to ensure the scope of the consumer framework extends to the purchase and installation of CER products (see *Directions for CER consumer protections reforms in Victoria* below).

EWOV outlined in the submissions the view that:

“...for an EDR scheme for CER to be effective, it requires end-to-end jurisdiction to consider the full scope of a consumer’s complaint. Where a part of the complaint (whether it be a particular installation, retail or distribution provider, or a particular product or service) falls outside of EWOV’s jurisdiction, this may result in an unsatisfactory outcome.

Further, it would be a frustrating and poor experience if customers remain limited to bringing one aspect of a complaint to EWOV (e.g. billing of a bundled service), only to be told that there may have been an issue with a different aspect (e.g. installation or marketing), requiring the customer to take that other aspect to a different forum. Alternatively, without all relevant parties within jurisdiction, an EWO may not have sufficient facts before it in order to properly reach any conclusion on liability.”

We have outlined a suggested approach that could expand the jurisdiction of energy ombudsman to CER nationally but also allow each state jurisdiction to adopt the change at a different pace.

As an immediate priority, there are also gaps in the consumer protection framework that could be strengthened where protections do not currently apply by extending a comprehensive EDR jurisdiction to include:

- bulk hot and chilled water in embedded networks
- small business customers in embedded networks
- electricity metering services.

2.1.5 Timeline and implementation considerations for new jurisdictions for EDR

EWOs suggest the Department of Climate Change, Energy, the Environment and Water (DCCEEW) consider our core three principles for expanding EDR in the transitioning market:

- consumer protections, including dispute resolution, should be provided where a product or service has the potential to impact the supply and use of energy.
- external dispute resolution is a baseline consumer protection. It supports innovation creating consumer trust and confidence in the market.
- providers should have proportionate financial accountability for the costs of external dispute resolution generated by poor consumer outcomes.

It is critical that ombudsman schemes are provided with both the appropriate jurisdiction for complaints, but also mechanisms to require all relevant providers to join our schemes. If we have jurisdiction to accept complaints, but the relevant entity is not a member of the scheme, it creates practical barriers to resolving complaints because the entities are:

- not bound by ombudsman determinations
- not required to comply with ombudsman dispute resolution procedures
- not required to pay for the cost of managing ombudsman complaints.

As state constituted bodies, each energy ombudsman has its own charter and constitution that governs membership and jurisdiction, which may require different mechanisms to effect these changes. EWOs welcome further engagement with the DCCEEW to explore aligned mechanisms to enable a CER jurisdiction.

Currently, not all state jurisdictions are ready to consider a new jurisdiction related to CER beyond any changes that are made to the authorisation and exemption framework under NECF.

To accommodate state jurisdictions wanting to move at different speeds, it is possible to create new membership requirements, expanding ombudsman scheme jurisdictions, via a staged rollout. For example, in 2018, the AER introduced the requirement for exempt entities with residential customers to join an ombudsman scheme. At that time not all energy ombudsmen were ready. To manage this, the amendment was designed to allow for a staged rollout of this membership requirement by making membership mandatory only when the ombudsman scheme was ready to take a new membership type:

1. An exempt seller must, ***if permitted by an energy ombudsman scheme:***
- a) be a member of, or subject to, an energy ombudsman scheme for each jurisdiction where it sells energy to exempt customers, and
 - b) comply with the requirements of that scheme

This allowed each state jurisdiction to go at their own speed for expanding energy ombudsman membership to exempt entities and embedded networks.

Recommendation		
Recommendation 1	Immediate priority	EWOs recommend government establishes an external dispute resolution jurisdiction for consumer energy resources to ensure effective consumer protections in the transitioning energy market.

2.2 Improved consumer protections are needed within embedded networks, including hot and chilled water services

At the time the NECF was introduced, the exemption framework aimed to capture situations other than where authorised energy retailers were selling energy for profit to residential and small business customers. Policy makers noted that the exemption framework would apply to situations such as residential parks, boarding houses, and landlords on-selling electricity to tenants.⁸

The exemption framework under NECF was never intended to support the rapid growth of residential embedded networks that would eventually cover hundreds of thousands of customers.

The regulation of embedded networks has been under constant review by multiple regulators since 2017, and some positive change has been achieved. The Essential Services Commission Victoria (ESCV) and the Victorian Government have also undertaken reform in this sector.

In part noting some of the recommendations in the AER’s *Draft Decision from their Review of the Exemptions Framework for Embedded Networks*, we believe priority should be given now to resolving outstanding issues bringing embedded networks under the existing NECF framework, including:

- extending the rules in NECF to gas and electricity embedded networks that sell metered hot or chilled water

⁸ The Hon. John Ajaka, Second Reading Speech, National Energy Retail Law (Adoption) Bill 2012, p12629; The Hon. J.D. HILL, House of Assembly, National Energy Retail Law (South Australia) Bill, Wednesday 27 October 2010, 1753

- correcting the consumer protection gaps in NECF for authorised energy retailers on-selling in embedded networks (such as no standing offers, no guarantee of supply and no deemed retail arrangements)
- increasing price protection and transparency
- establishing a customer relationship between embedded network customers and distribution network service providers (DNSPs)
- introducing consumer protections to ensure people living in apartments will benefit from consumer energy resources placed on common property.

2.2.1 Extending NECF to gas and electricity embedded networks that sell metered hot or chilled water

EWON's 2021 report on [hot water embedded networks](#) created awareness of the importance of hot water as an essential service, its regulation in NSW, and the need for residents to be covered by energy specific consumer protections.⁹

The Victorian government has already taken steps to address the gap in consumer protections for consumers in electricity and gas embedded networks and consumers of centralised hot water.¹⁰

The New South Wales Government has also committed to better regulating embedded networks selling metered hot water in embedded networks.¹¹

There are actions that the Commonwealth Government can take now to support the actions and commitments made by state jurisdictions. The first step would be to include gas and electricity embedded networks selling metered hot water in residential buildings within the NECF and/or the AER's exemption framework.

Energy ombudsman offices have also made separate submissions to the AER recommending that it create an exemption class available for gas hot water embedded networks. This would mean that there is a framework in place for state jurisdictions to leverage off, if they were to require greater regulation of entities selling metered hot water in NSW.¹²

EWON has disputed the AER's long standing position that bulk hot and chilled water are unlikely to be covered by the NECF. EWON considers that the selling arrangements within these embedded networks are more complex than the AER's policy maintains, and we have explained this position to the AER in multiple reports and submissions over the last four years.

2.2.2 The consumer protection gaps for authorised retailers on selling in embedded networks

Where an authorised retailer is on-selling to off-market customers within an embedded network, some of the fundamental consumer protections contained in the NECF do not apply. This issue was first highlighted through the Australian Energy Market Commission (AEMC) *Review of regulatory*

⁹ <https://www.ewon.com.au/page/publications-and-submissions/reports/spotlight-on/hot-water-embedded-networks>

¹⁰ <https://www.energy.vic.gov.au/about-energy/legislation/regulatory-reviews/the-embedded-networks-review>; General Exemption Order 2022, Victoria Government Gazette, No. G 39 Thursday 29 September 2022; Gas Embedded Networks General Exemption Order 2025, Victoria Government Gazette, No. S 69 Tuesday 25 February 2025;

¹¹ Independent Pricing and Regulatory Tribunal (IPART), Embedded Networks, Final Report, April 2024; Department of Climate Change, Energy, the Environment and Water, NSW Consumer Energy Strategy, September 2024, p54; [Embedded Network Action Plan – Improving outcomes for customers of embedded networks](#)

¹² <https://www.ewon.com.au/content/Document/Publications%20and%20submissions/Submissions/2022/EWON%20Submission%20-%20AER%20Draft%20Retail%20Exempt%20Guidelines%20-%20April%202022.pdf>

arrangements for embedded networks in 2017-18 and was recently considered by the AER in their Draft Decision.

These consumer protection gaps are caused by the definition and function of the designated retailer under the National Energy Retail Law (NERL) and the National Energy Retail Rules (NERR). For example, a designated retailer would provide these basic consumer protections for an energy consumer connected directly to the grid:

- the guarantee of supply
- the availability of standing offers
- deemed retail contracts for move-in and carry over customers.

Where an authorised energy retailer is on-selling to customers in an embedded network, there is no designated retailer function, and these consumer protections do not exist. We strongly recommend this gap is closed.

2.2.3 Price protection and transparency

Price protection, such as the Default Market Offer (DMO), must be extended to embedded network customers and there must be more transparency – such as prices for embedded networks published online.

The Australian Competition and Consumer Commission’s (ACCC) June 2024 report from its *Inquiry into the National Electricity Market* examined the billing outcomes for regular customers and a subset of embedded network customers that purchase electricity from authorised retailers.¹³ The report revealed that some embedded network customers generally pay lower bills and effective prices than regular customers. However, the report did not consider:

- the billing outcomes for embedded networks customers served by exempt sellers, or
- the total energy billing outcomes for embedded network customers that are billed by their retailer for services other than electricity (including hot water and air conditioning).

Independent Pricing and Regulatory Tribunal New South Wales (IPART NSW) has undertaken another detailed analysis of pricing in embedded networks which takes into account billing by exempt entities and the cost of other services such as centralised hot water services and air conditioning.¹⁴

2.2.4 Network tariffs and deemed connection contracts

Network tariffs have been introduced in NSW that are designed to better reflect the costs that embedded networks impose on networks, and therefore ensure that embedded network customers are making a fair contribution to recovering the cost of the networks.

This means that each individual embedded network customer will be paying a fairer amount for the network services received to the parent connection point for the embedded network.

This, however, highlights the problem that embedded network customers do not have equal rights to customer directly connected to the grid. Energy consumers connected directly to the grid benefit from a direct contractual relationship with their network service provider and are covered by some basic and fundamental consumer protections, such as:

- distributor service standards and guaranteed service level schemes
- fault reporting and correction
- provision of electricity information

¹³ ACCC, *Inquiry into the National Electricity Market*, 3 June 2024, p67

¹⁴ IPART, *The future of embedded networks in NSW*, April 2024

- notice of interruptions.

Despite paying pass through network costs, embedded network customers are excluded from deemed relationships with the local electricity network provider. **Case Study 4** illustrates the impact of this situation on embedded network customers.

2.2.5 Renewable energy in embedded networks and apartment buildings

Traditionally, the regulation of energy has been approached as a standalone problem. With the increasing reliance on household CER as a key part of our energy system, it has become clear that the consumer framework for energy can no longer be designed in isolation. With the emergence of CER, the policy settings for energy consumers have become intertwined with the policies connected to our homes.

This is possibly the starkest in embedded networks. The integration of CER and small-scale energy generation into new residential developments is now creating a new frontier for energy regulation. To illustrate this, a participant at IPART's stakeholder workshop on the future of embedded networks explained to the forum how the residents in their building had been locked out of the benefits of solar:

*'they are locked into a 20-year contract with the developer that allowed it to put solar panels on the roof of residents' building but residents do not share in the benefits. Residents are not able to install their own solar panels. They said that for their building, the entire owners corporation can collectively choose to buy out of the network, according to a buyout schedule, which is hundreds of thousands of dollars.'*¹⁵

Another recent example of this was recently reported in the media.¹⁶ If clearer regulations are not developed and rules about who must benefit from these deals are not developed, the divide between the households that can access CER, and those that can't, will widen.

Recommendation

Recommendation 2

High
priority

EWOs **recommend** that the consumer protection gaps for customers in embedded networks are addressed, including extending the energy framework to hot and chilled water services.

2.3. Improved consumer protections are needed for customers experiencing payment difficulties

2.3.1 Implementing a new payment difficulty framework

The AER has now published the findings from its review of payment difficulty protections in the NECF. EWOs have called for the introduction of a Payment Difficulty Framework (PDF) for NECF to create alignment with the now well-established PDF in Victoria.

We strongly recommend that the Commonwealth Government consider progressing the AER's recommendations as part of this reform, adopting the proposed changes wholesale.

¹⁵ IPART, Embedded networks stakeholder workshop: summary of proceedings, The future of embedded networks in NSW, 29 September 2023, p3

¹⁶ <https://www.smh.com.au/property/news/you-feel-like-darryl-kerrigan-of-the-castle-how-adam-got-charged-for-his-own-solar-power-20250402-p5logm.html>

2.3.2 Additional support for consumers in long-term payment difficulty

Both the Victorian and NECF framework are limited in terms of providing effective, sustained responses to consumers in long-term or chronic payment difficulty. For example, the temporary nature of supports in the context of payment difficulty assistance across frameworks in both jurisdictions (i.e. where payment plans are effectively limited to 2-year periods) do not adequately support these consumers.

EWOs recommend this reform process explores options for more targeted responses to consumers in long-term or chronic payment difficulty which will require coordination across both energy and social service systems.

For example, in the 2024-25 budget, the NSW Government announced it would provide support for consumers in long-term energy debt to reduce or eliminate their debts as part of the Energy Debt Relief Trial.¹⁷

Additional opportunities to establish stronger alignment between social service supports and the energy market include consideration of how Commonwealth concession card holders can more efficiently access state-based energy concessions and the progression of Centrepay reforms following previous consultation on Centrepay terms and policies.

This is the kind of action long called for by energy ombudsman,¹⁸ and recommended by reviews such as the AER's Game Changer.¹⁹

Recommendations

Recommendation 3	High priority	EWOs recommend the implementation of the AER's proposed reforms to the payment difficulty framework within NECF.
Recommendation 4	Further issue	EWOs recommend this review explore opportunities to support consumers to better access energy market entitlements through the social services system.

2.4. The National Energy Customer Framework (NECF) is no longer fit for purpose

2.4.1 The AER's proposed framework

We agree with the AER's finding that the current consumer protection framework for energy services is not fit for purpose. We support the AER's advice to the Energy Ministers to expand the scope of the NECF to capture new energy services and introducing principles-based regulation for new energy services, with a strong focus on consumer outcomes, while maintaining the existing prescriptive consumer protections for traditional energy retail services.

EWOs strongly support introducing an overarching consumer duty, such as a requirement that providers should ensure their conduct is efficient, honest and fair in relation to products and services.

However, the scope for the framework proposed by the AER is limited to services only – where those services are likely to impact on the essential energy supply of the home. The AER's proposal

¹⁷ <https://www.budget.nsw.gov.au/sites/default/files/2024-06/NSW-Budget-2024-25-overview-glossy-accessible.pdf>; https://gazette.nsw.gov.au/gazette/2024/12/2024-12_500-gazette.pdf

¹⁸ <https://www.ewon.com.au/page/publications-and-submissions/reports/spotlight-on/december-2020>

¹⁹ <https://www.aer.gov.au/system/files/2023-11/Game%20Changer%20Report%20-%20November%202023.pdf>

leaves CER products, like rooftop solar, batteries, and residential EV charging infrastructure out of the framework.

Leaving the retailing of CER products out of a new consumer framework leaves significant risk for consumers engaged in the energy transition. Again, case studies, 1, 2 and 3 provide an illustration of these risks. We strongly recommend that the Commonwealth Government consider how extending access to energy ombudsman services for consumers purchasing CER products and services may bridge these gaps.

Recommendation		
Recommendation 5	High priority	EWOs recommend government adopt and implement the AER’s advice on reforming NECF to include new energy services.

2.4.2 Support for an overarching consumer duty (or safeguard)

EWOs support the introduction of an overarching consumer duty (or consumer safeguard) on the basis that too much onus is being placed on consumers to navigate the energy market which is known to be complex and confusing.²⁰

The energy industry has a strong and respected culture around safety. A consumer safeguard should feed into this pre-existing and positive culture and this approach to safety must be leveraged to create a culture that also mitigates potential harms to consumers.

EWOs also support the analysis provided in the AER’s final advice to Energy Ministers relating to the many examples of principles-based regulation introduced into previously prescriptive frameworks in other sectors and other jurisdictions. This approach is already well established in the financial services sector in Australia where the duty to act efficiently, honestly and fairly has improved accountability and consumer outcomes. The *Corporations Act 2001* (Cth) establishes that financial services licensees must do all things necessary to ensure their services are provided efficiently, honestly and fairly. This conduct obligation is further explored in response to Question 8.

Recommendation		
Recommendation 6	High priority	EWOs recommend the introduction of an overarching consumer duty with a principles-based conduct obligation for providers in the energy market to act efficiently, honestly and fairly.

2.4.3 Implementation considerations

The AER has recognised that a broadening of the scope of the NECF to capture new energy services and the introduction of an overarching consumer duty requires an incremental approach. The AER has also identified that successful implementation of an overarching consumer duty would rely on a range of supporting elements, including:

- retaining the existing prescription-based approach for traditional energy retail services
- an appropriate market entry process to maintain regulatory oversight over new entrants into the market
- the development of an appropriate compliance and enforcement framework
- industry education and consumer information.

²⁰ EWOQ, EWOSA, EWOV & EWON, Submission to the terms of reference for the AEMC’s Electricity pricing for a consumer-driven future market review, August 2024, p2

As already noted, we also consider that extending energy specific external dispute resolution (EDR) to cover new energy services and products will be critical for the staged implementation of a new consumer framework.

2.5 The electricity metering framework under the National Energy Customer Framework

Great importance has been placed by policy makers and regulators on the role of smart meters for supporting a cost-effective decarbonisation of the energy market.

Smart meters are relied on to accelerate the energy transition through improved access to energy information and by facilitating the efficient integration of CER – such as solar photovoltaic (PV) systems, home batteries and EVs.

EWON has recently published a [report](#) on consumer issues we have identified through complaints related to smart electricity meters in NSW.²¹

Complaints to EWON strongly suggest consumers are not receiving the expected benefits of the retailer led smart meter rollout.

We strongly recommend that this Commonwealth review considers whether the current regulation of metering services under NECF is fit for purpose. If the benefits of smart meters are not flowing on to consumers, the money and time spent on a holistic reform of the consumer framework is unlikely to result in improved customer engagement or consumer trust in the energy market.

As part of this, we believe that metering service providers should be required to become Members of Ombudsman schemes. EWON's joint submissions to the AEMC's *Real-Time Data for Consumers* rule change process highlights some of the issues that arise for customers when metering problems occur, such as delays to meter testing, installation and the provision of metering data. These problems also contribute to complaints to our offices and can make complaints harder to resolve, with metering service providers not being members of Ombudsman schemes.

2.5.1 Consumer issues related to smart meters

As discussed above, EWON has recently released a report on the energy outcomes consumers are experiencing after the installation of a smart meter.²²

This report was not focused on the speed of the retailer led rollout of smart meters, but whether customers were actually benefiting from the smart meter once it was installed for better energy billing and better access to energy data. Complaints to EWON are showing that customers with smart meters continue to complain to EWON about:

- estimated bills
- billing delays
- backbills
- tariffs
- issues accessing data
- delayed disputed bill reviews by their energy retailer.

Smart meters are expected to deliver benefits to consumers and the energy market by improving access to energy data and better supporting the uptake of CER. We urge the Commonwealth government to consider this issue as part of this review, at least to understand:

²¹ <https://www.ewon.com.au/page/publications-and-submissions/reports/spotlight-on/metering-services>

²² <https://www.ewon.com.au/page/publications-and-submissions/reports/spotlight-on/metering-services>

1. Why complaints show that the expected benefits of smart meters are not being realised - for example, why estimated bills are still a significant feature of the energy market.
2. Whether the current commercial relationships between energy retailers and Metering Service Providers (MSPs) are capable of delivering equal outcomes for all customers.
3. Whether metering providers should be brought into the NECF, including key protections, such as development of a deemed customer contract, and MSPs being required to join an external dispute resolution scheme, as recommended by EWOs in our joint submissions on the AEMC's *Real Time Data for Consumers* rule change.

2.5.2 The impact of metering services and access to data for external dispute resolution

The report also notes that energy customers are also facing barriers to timely and effective external dispute resolution. Operational difficulties that occur between energy retailers and metering providers can impact on complaint outcomes, with delays on:

- obtaining electricity meter data during our investigations.
- obtaining further information about meter data that has been amended, estimated or that contains substituted readings.
- actions to correct tariff configurations at the electricity meter.
- meter reading checks, meter accuracy tests, and meter investigations, such as potential cross metering.

In Victoria, EWOV avoids many of the issues faced by EWOs in the NECF due to the rollout of Advanced Metering Infrastructure (AMI) smart meters by distribution businesses. However, EWOV is still required to source consumer data from their retailer, which is provided in different data formats and requires reformatting. Under current data access arrangements, EWOV is limited in accessing data from the consumers' most recent retailer, which can limit usage analysis, and may not enable comparison with previous years. Leveraging the Consumer Data Right to access usage data on a consumers' behalf could significantly reduce time required to conduct a technical review of key complaint facts and address these limitations.

Recommendation

Recommendation 7	Further issue	EWOs recommend government addresses the systemic issues impacting on the current electricity metering framework.
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Question 3: Are there opportunities to consider holistic reforms that can address a number of issues simultaneously?

The terms of reference state that the review process will consider opportunities to create holistic solutions that reflect the evolving market and changing consumer needs and preferences. We support this approach.

The two main opportunities for holistic reforms that could address a number of issues simultaneously are:

- ensuring that EDR is fit for purpose for CER and new energy services (**recommendations 1 & 2**)
- introduction of an overarching consumer duty with a principles-based conduct obligation for energy providers to act efficiently, honestly and fairly (**recommendation 6**).

Question 4: Are there particular views on the recommendations made by these reviews that we should consider in its assessment?

4.1 Updating the Regulatory Frameworks for Embedded Networks

We understand that the recommendations made by the AEMC to Energy Ministers following its review on *Updating the Regulatory Frameworks for Embedded Networks* was widely supported by stakeholders.

Unwinding the growth of an embedded network industry that occurred via the AER's exemption framework is not an easy task. The AEMC proposal focused on elevating residential embedded networks into NECF while ensuring that the scope of the exemption framework was limited to a much more specific set of circumstances.

Despite the fact these reforms were not adopted by Energy Ministers, they did address many of the existing consumer protection gaps in embedded networks.

4.2 An overarching consumer duty with a principles-based obligation for energy providers to act efficiently, honestly and fairly

The AER's final advice to Energy Ministers suggested that an overarching consumer duty was an option for reforming the NECF to support the regulation of new energy services, as well as to address existing issues in the framework. As suggested by the AER, this duty could be expressed as a broad principle so that it could be universally applied across all entities captured under the framework, both traditional energy supply contracts and also new energy services. The AER also suggested this duty could be supported by a set of consumer protection principles.

We strongly support the Introduction of an overarching consumer duty with a principles-based conduct obligation for providers in the energy market to act efficiently, honestly and fairly.

Question 5: Are there aspects of state-based consumer regimes that may offer benefits if applied at a national level?

5.1 Embedded networks

We would recommend that this review take into consideration:

- The *Gas Embedded Networks General Exemption Order 2025* and the *Gas Embedded Networks General Exemption Order 2025* in Victoria.
- The NSW [Embedded Network Action Plan](#).
- The Independent Pricing and Regulatory Tribunal's NSW (IPART) report on the [Future of Embedded Networks in NSW](#).

Among the new obligations, the Victorian Gas Embedded Networks General Exemption Order (GEN GEO) 2025 requires exempt distributors to provide consumers with details of how hot water service charges and/or unmetered gas charged are calculated and charged to the consumer.²³

²³ Gas GEO 2025, S7(e).

Embedded networks - Victorian specific settings

In response to the Embedded Network Review 2022, the Victorian Government committed to lifting consumer protections for consumers living in embedded networks. The first tranche of reforms has been implemented through the General Exemption Order 2022 (GEO 2022), banning new embedded networks with ten or more customers unless they meet a renewable energy condition. In the second phase of reforms, the Victorian Government has outlined its intent to progress further protections including:

- transitioning new and existing embedded networks into Victoria's licensing framework,
- strengthening consumer protections, so embedded network customers have the same or very similar protections as other Victorians
- enabling access to competitive retail market offers so customers living in embedded networks can choose their retailer
- ensuring appropriate regulatory oversight.

The GEN GEO 2025 establishes new requirements for existing embedded networks already supplying gas, including an obligation to become a member of EWOV. New embedded networks are now required to seek a licence or special exemption, and when the GEN GEO 2025 expires in 2031, all distributors of gas in embedded networks will be required to seek a licence.

5.2 Consumer protections and dispute resolution for new energy services and EDR

We would recommend that this review take into consideration:

- DEECA's [Consumer energy resources \(CER\) consumer protections review](#).
- The [Victorian Energy Upgrades strategic review](#).
- Victoria's [Gas Substitution Roadmap](#).
- The NSW Government's [Consumer Energy Strategy](#).

Directions for CER consumer protections reforms in Victoria

In Victoria, DEECA has consulted on consumer protections for CER. Central to this approach was a proposal to require CER providers to participate in a licensing and/or exemptions scheme, leveraging the existing energy framework, and establishing appropriate program and reporting requirements.

DEECA proposed these obligations could also be set out in a dedicated Code of Practice for CER providers, which could be a mandatory Code developed and administered by the ESC in Victoria, who already administer similar industry codes such as the Energy Retail Code of Practice and the Electricity Distribution Code of Practice.

DEECA also proposed the customers should have access to free and independent dispute resolution via EWOV, given existing jurisdiction and expertise. This was strongly supported in submissions from both industry and consumer advocates.

Relevant to these BECE reforms, many stakeholders expressed the need for alignment with potential future national reform, to avoid unnecessary regulatory burden, and to prevent duplication or contradiction of existing protections.

5.3 The payment difficulty framework

We would recommend that this review take into consideration:

- In Victoria the ESC is reviewing the [Energy Retail Code of Practice](#) which includes consideration of further support consumers experiencing vulnerability.
- The ESC is currently undertaking a [review of the Energy Retail Code of Practice](#) (ERCoP), which sets out the PDF in Victoria, to which EWOV has provided a [submission](#). The ESC is adopting a staged approach to consultation which includes proposals to improve supports for consumers experiencing payment difficulties such as automatic switching to the best offer and actions to lower costs for consumers on legacy contracts who are not engaged with their retailer.
- The BECE reform similarly provides the opportunity to strengthen NECF protections further in line with Victoria's Code and the directions of their state-based reform. This would not only improve outcomes for consumers in payment difficulty, it would ensure a more consistent set of obligations across jurisdictions for industry.

Considering consumer protections in light of future energy services

Question 6: Do you agree with the AER's risk analysis regarding new energy products and services and their conclusions that certain types of services should be captured under the NECF? Why/why not?

EWOs welcome the AER's risk analysis relating to new energy services, identifying key themes of contracts, information provision, performance of services, control of assets, payment difficulty, dispute resolution and service provider conduct.

While the AER's recommendation to expand NECF to include new energy services is positive, we consider the exclusion of products from the definition of CER carries a risk of poor consumer outcomes – particularly where products and services are being bundled or packaged together by energy providers.

The AER's advice to Energy Ministers suggests broadening the definition of service provider within the NECF to include the provision of any energy service that:

- sells electricity to a consumer's premises
- unless exempted, on-sells or exports energy from an embedded network or manages the flow of electricity to and from an embedded network
- exports electricity from a consumer's premises
- controls, constrains, prevents or otherwise has a substantial impact on the flow of electricity to and from a consumer's premises.

We note the definition would not capture:

- Renewable energy products, such as the sale/retail and installation of rooftop solar panels, residential batteries, and residential EV charging infrastructure.
- The regulation of public EV charging (for example, at streetside, office building, shopping centres and service stations).

In our view, the AER's proposed exclusion of new energy products from a future consumer protection framework creates significant risks of harm for consumers engaged in the energy transition. EWOs continue to observe cases reflecting many of the harms identified in the AER's risk

analysis, as outlined in case studies (at **Appendix A**) and more broadly in our submissions to the AER and to the AEMC's *Unlocking CER benefits through flexible trading* rule change.

Question 7: Do you have any further comments or feedback on the primary findings from the AER's review? Are there issues covered by the AER's review that you think require further exploration and research as part of this process?

As we have explored throughout this submission:

- We are concerned that the jurisdiction and the existing membership base of energy ombudsman schemes are not currently fit-for-purpose to support the implementation of a new consumer framework.
- We are strongly supportive of the AER's advice that includes the introduction an overarching consumer duty with a principles-based obligation for energy providers to act efficiently, honestly and fairly.

Question 8: What factors should inform preliminary consideration of the potential for an overarching consumer duty?

We strongly support the introduction of an overarching consumer duty or conduct obligation as the foundation of a modern consumer protection framework. Energy ombudsman offices support the introduction of a requirement for energy providers to act efficiently, honestly and fairly in all dealings with consumers. A broad conduct obligation provides a consistent, enforceable standard that applies across all services and engagement.

This type of consumer duty is particularly important in the rapidly evolving energy market. As new technologies and services emerge (such as bundled energy plans, bi-directional energy flows and behind-the-meter products), gaps in existing regulations will continue to grow. Legislation and regulations alone are not sufficiently dynamic to respond to rapid changes. A principles-based duty ensures providers remain accountable for consumer outcomes, even across areas of new technology that are not currently regulated, making regulatory frameworks more adaptive and flexible.

An overarching consumer duty also complements existing consumer protections, including more prescriptive legislation and regulation, by establishing a clear benchmark for good conduct and providing guidance in areas where regulations may be unclear. Adopting a hybrid approach to regulation ensures regulatory frameworks are better placed to deal with the full range of risks and conduct in the dynamic energy market.

This approach is already well established in the financial services sector in Australia where the duty to act efficiently, honestly and fairly have improved accountability and consumer outcomes. The *Corporations Act 2001* (Cth) establishes that financial services licensees must do all things necessary to ensure their services are provided efficiently, honestly and fairly. This conduct obligation:

- requires consideration of not only contractual terms, relevant codes or statutory obligations, but also the consumer's individual circumstances and the adequacy of the service provided²⁴
- is not limited to one aspect of the service provided but requires consideration of competency and appropriateness at every stage of the consumer/licensee relationship, and

²⁴ *ASIC v AGM Markets Pty Ltd* (in liquidation) (no.4) [2020] FCA 1499.

- does not require perfection, it allows for errors or mistakes.²⁵ However, when an error or known issues arises, the obligation requires doing what is necessary in the circumstances to minimise consumer harm where it is fair and reasonable to do so. It requires an underlying notion of ethical decision making.²⁶

The implementation of overarching conduct obligation is relatively straightforward compared to alternative approaches. Drawing directly from the framing in the *Corporations Act 2001* (Cth) would not require significant reworking for its inclusion in the appropriate instrument. Adopting this approach would allow for regulators to draw on the substantial body of jurisprudence already developed in the context of financial services to support the introduction of an equivalent duty in the energy sector.

8.1 Supporting existing consumer protections

This overarching obligation could improve outcomes for retail consumers in vulnerable circumstances, such as those experiencing financial hardship. For example, both the AEMC and the ESCV are considering reforms to automatically switch consumers in payment difficulty to their retailer's best offer. Introducing a conduct obligation to act efficiently, honestly and fairly could assist with achieving the intent of the proposed reforms. It would restrict retailers from switching consumers to inappropriate offers, such as where a lower rate has a short expiry or where behaviour change is required to deliver the promised lower bill and is unlikely, or has not been properly explained.

Case Study 5 highlights an example where a consumer was disconnected from their energy supply after significant arrears accrued. This was due in part to an automatic payment through Centrepay that was not sufficient to cover ongoing usage due to rising underlying rates. In this context, a conduct obligation would provide guidance to proactively seek to switch the consumer to a more appropriate and sustainable tariff before further debt accrued. The conduct obligation would also prompt the retailer to consider whether indicators such as Centrepay payment arrangements might signal some limited capacity to pay, and whether disconnection was appropriate.

8.2 Addressing the growing complexity in transitioning markets

An overarching conduct obligation is also crucial for a fit-for-purpose consumer protection regime that includes CER, to address the added complexity arising from bundled products and services, bidirectional energy flows, and interaction of new products or services with a consumer's ongoing supply to the premises.

In the context of this growing complexity, there is heightened risk of poor purchase decisions and outcomes for consumers. Where consumer benefit is unclear, or performance of CER is ambiguous, consumers may determine not installing CER presents as the safest option (i.e. stay with the status quo). Moreover, both the risk of poor outcomes and harmful consequences increases with the value of the purchase and its potential to impact access to supply.

In this context, an overarching conduct obligation helps to build consumer confidence in CER by embedding a broad coverage consumer protection and placing a reasonable onus on providers to ensure that their interests are balanced with consumers' needs.

Recommendation

Recommendation 6

High
priority

EWOs **recommend** the introduction of an overarching consumer duty with a principles-based conduct obligation for providers in the energy market to act efficiently, honestly and fairly.

²⁵ *ASIC v Commonwealth Bank of Australia* [2022] FCA 1422.

²⁶ *ASIC v Avestra Asset Management Ltd (in Liquidation)* [2017] FCA 497.

Conclusion

Australia is at a pivotal stage in its energy transition. As the market rapidly evolves with the growth of CER and increasingly complex models for the provision of energy services, it is critical that consumer protection frameworks are dynamic enough to keep pace.

The current regulatory landscape, including the NECF, is no longer sufficient to ensure that all consumers, regardless of how they access energy, are treated fairly, have equitable access to redress for complaints and are protected from emerging risks.

EWO schemes are uniquely positioned to support this transition with our direct insights into consumer experiences and systemic market issues. We play a key role in maintaining trust, fairness and accountability in the energy market. To ensure the long-term success of the BECE reform, it is essential to prioritise establishing a comprehensive EDR jurisdiction, particularly for CER, introduce a consumer duty requiring providers to act efficiently, honestly and fairly, and harmonise protections for those experiencing payment difficulties.

We look forward to engaging closely with DCCEEW throughout the BECE reform and would be pleased to provide further inputs and information as the reform program progresses.

Attachment – case studies

Case study 1: Bundled / packaged energy plan that included a solar lease and early termination fee

The product

The bundled energy product included:

- free installation of a rooftop solar system that continues to be owned by a third-party solar retailer
- a lease agreement for the rooftop solar system with the third-party solar retailer
- an energy contract with the energy retailer that includes:
 - a retail tariff for electricity imported from the grid to the premises
 - an off-market retail tariff for the electricity generated by the rooftop solar panels
 - no feed-in tariff for the energy exported from the premises to the grid
- a metering service provider (MSP) would install additional electricity metering to enable energy data that covered energy used from the grid, energy exported to the grid, and energy generated and used from the rooftop solar system.
- the third-party solar retailer would receive payments for any electricity exported from the premises to the grid.
- If the solar lease agreement is terminated by the customer before the term of the contract, the customer would no longer have access to the solar panels at the premises and the electricity meter reconfigured to a gross solar export tariff.

The complaint

A customer agreed to an energy plan that was bundled with the installation and lease of a rooftop solar system. A few years later, the customer complained to the energy ombudsman scheme that he had received notification of a price increase to his energy rates. When he entered the contract he believed the energy prices on his contract were fixed, but his energy retailer advised him that he had agreed to variable rates. The customer wanted to switch energy retailers but was worried about the implications of switching retailers before the five-year lease agreement for the rooftop solar system ended.

The customer's access to external dispute resolution (EDR)

Bundled energy product	Solar retailer	Authorised energy retailer
	non-member of energy ombudsman	energy ombudsman member
Marketing, sales & customer service		✓
Installation and performance	✗	
Solar lease	✗	
Energy generated by solar system	✗	
Energy billing		✓
Retail energy plan		✓

Case study 2: Bundled / packaged energy plan that included sale and installation of a residential battery

The product

The bundled energy service included:

- sale and installation of a discounted residential battery attached to an existing rooftop solar system at the customer's premises
- a five-year Virtual Power Plant (VPP) contract that includes remote access and control of the residential battery
- a requirement for the customer to accept market retail contract for electricity supply from the same energy retailer for the life of the VPP contract
- an early termination exit fee applied that was based on the discount provided on the sale of the residential battery.

The complaint

A customer purchased a residential battery directly from their energy retailer two years before making a complaint. Sometime after the installation, she noticed that her electricity bills had increased, not decreased as expected. The customer complained to her energy retailer and the installer was called back twice to check the system. On the third visit the installer became angry and aggressive towards the customer and did not show up for the fourth visit. The customer complained again to the energy retailer and requested removal of the battery.

The energy ombudsman referred the customer back to a more senior level at the energy retailer, but the complaint remained unresolved.

When the customer returned, the ombudsman requested further information from the retailer. The energy retailer initially requested the complaint be withdrawn due to the issue being outside the ombudsman's jurisdiction. However, the ombudsman continued the investigation, and the complaint was resolved with the following outcome:

- the battery manufacturer attended his premises and rectified a fault with the installation of the battery
- the energy retailer advised the customer that she was not connected to the VPP as he had switched to another provider before this had occurred
- a fee of \$7,095 was payable for the residential battery installed by the retailer and the customer was offered a payment plan to complete payment.
- the retailer waived the exit fee of \$3,500 for the bundled contract (reflecting the initial discount on the battery).

The customer's access to external dispute resolution (EDR)

Bundled energy product	Authorised energy retailer Energy ombudsman member
Marketing, sales & customer service	✓
Sale and installation of CER	(disputed by member but resolved)
Battery/VPP contract	(disputed by member but resolved)
Performance of the battery	(disputed by member but resolved)
Energy billing	✓
Retail energy plan	✓

Case study 3: Customer complains about solar marketing which led to an energy account opened in his name

The product

Authorised energy retailer A was using door to door marketing to:

- sell the installation of rooftop solar and battery systems.
- the retailer was also participating in **retailer B's** referral program which paid commissions to solar retailers for signing customers up to **retailer B's** retail market contract and Virtual Power Plant (VPP) program.

Authorised energy retailer B

- offered a market retail energy contract for customers with solar and batteries that included a VPP.
- also provided a referral program for solar and battery retailers to encourage customers to accept a market retail contract for its VPP program.

The complaint

A customer was elderly and suffered from multiple health conditions and disabilities. The customer did not use email and relied on family to manage his energy accounts.

Authorised energy retailer A used door to door marketing to approach the customer and sell the installation of a rooftop solar and battery system. The marketer used the customer's phone to set up an email address for the customer and wrote down the password for the email account. The marketer then used the email address to create an energy account for the customer with **Authorised energy retailer B**.

The customer's daughter noted that the customer had never used email before. The customer was under the impression that once he had solar and a battery, he wouldn't get electricity bills, so did not expect to receive a bill. The customer had not noticed the bills that were sent to his new email account on his phone.

Due to the unpaid electricity bills the customer was eventually disconnected, despite the customer's daughter making a payment close to the disconnection date.

After EWON's investigation, the customer was reconnected, the disconnection fees waived, and a credit provided to his account for the wrongful disconnection.

EWON then raised a systemic issue investigation to obtain more information from **Retailer B** about the marketing of the solar and battery system, and the creation of the customer's email address and electricity account.

Retailer B advised the ombudsman that third party solar retailers were not allowed to assist customers to sign up to its energy plan. After the ombudsman investigation, it had identified two further accounts where **retailer A** had possibly assisted customers to open an energy account. **Retailer B** advised the Ombudsman that it had suspended **retailer A's** participation in the solar and battery referral program until it could demonstrate compliance with the program rules.

The customer's access to external dispute resolution (EDR)

Bundled energy product	Energy retailer A energy ombudsman member	Energy retailer B energy ombudsman member
Door to door marketing of CER	✗	
Installation and performance of CER	✗	
Referral program for solar and battery retailers		✓
Market retail contract (energy)		✓
Virtual Power Plant (VPP)		✓
Billing dispute and disconnection		✓

Case study 4: Embedded network customer unable to claim compensation for losses after 8-day power failure

In July 2020 a customer complained to EWON that he had experienced a power outage due to a transformer failure within the broader electricity network, which affected many customers in the area. The outage lasted eight days. The customer contacted the distributor and requested it provide an electricity generator for his residential building so that residents could run some appliances. The distributor's customer service representative told the customer he could submit a claim for compensation for food wastage if the outage lasted several days. After the power was restored, the customer submitted a claim to the distributor. The claim was declined because the customer lived in an embedded network. EWON advised the customer that as he was not covered by a customer connection contract with the distributor, he could only make a claim to his embedded network operator.

The customer returned to EWON after making the claim for losses caused by the unplanned outage to the embedded network operator. The embedded network operator had also declined the customer's claim. EWON referred the customer's complaint to the embedded network operator at a higher level. The embedded network operator provided EWON with the following reasons why the claim could not be taken further:

- The electricity outage was caused by the fault at the network substation and not within the embedded network, so the incident was outside the control of the embedded network.
- The embedded network operator did make a group claim on behalf of the customers within the embedded network, but the claim was declined by the distributor.
- An individual claim could not be made on behalf of the customer to the distributor as the incident was outside the regulated reporting period.

EWON contacted the embedded network provider to obtain more information about the handling of the customer's claim. The embedded network provider confirmed that the claim was initially rejected because the cause of the outage was an electrical storm, and the operator could not make a claim to the distributor on behalf of the affected residents. This was due to the nature of the connection contract between the distributor and the embedded network operator. The embedded network operator did offer to provide the customer with a credit of \$150 due to the lack of information provided in response to the customer's initial claim.

The customer complained to EWON again in November 2020. The customer advised that the network transformer that was replaced nine months earlier caught fire and caused a second electricity outage event in the building. The customer made a claim for \$400 due to food spoilage and was again referred by the embedded network operator to make the claim directly to the distributor. EWON referred the matter to a higher level and the embedded network operator contacted the customer and apologised for providing incorrect information. The embedded network operator offered to include the customer's claim in the group claim it was making to the distributor following the event.

EWON contacted the embedded network operator again to follow up on the outcome of the customer's claim. They advised that an explanation for the network event had not been received from the distributor. The embedded network operator offered the customer a credit of \$150 due to the customer service issues he experienced following the event. The embedded network operator also agreed to support the customer's claim to the distributor and to seek reasons for any decision. The customer accepted this outcome to the complaint about the embedded network operator.

The customer again returned to EWON when his claim to the distributor was declined on the basis that he was an embedded network customer. EWON obtained the claim information from the embedded network operator and reviewed the customer contract for both the embedded network operator and the distributor. EWON provided the customer with additional information and acknowledged that the customer was in a situation where they were unable to claim further for unplanned network outages.

Case Study 5: Automatic Centrepay payments masking price increases for consumer in payment difficulty

Alyssa* contacted EWOV in April 2024 after being disconnected due to gas account arrears of almost \$2,000. Alyssa told EWOV she was in financial hardship, living on income support and struggling to afford daily costs, and had a \$50 fortnightly automatic payment via Centrepay set up for several years.

Alyssa had contacted her retailer to query why she had been disconnected despite believing she was on a payment plan. Alyssa reported that her retailer advised that her usage was high and she would need to increase the payments to almost \$300, which she had previously told the retailer she could not afford. Following EWOV's referral to her retailer, the gas was reconnected, but Alyssa advised us she wanted EWOV to investigate the payment difficulty assistance available to her, including whether concessions had been applied and if she was eligible for a Utility Relief Grant (URG), and the reasons for the high bill.

As part of our investigation, the retailer confirmed Alyssa was on a \$50 per fortnight Centrepay arrangement, concessions had been applied since 2014 and she had last received URGs in September 2021, so was eligible to apply again. The retailer had sent multiple collections notices and generic information about payment difficulty support available, but Alyssa had not responded. The retailer told us it did not have any records of hardship indicators or Alyssa's limited capacity to pay. The retailer acknowledged that they faced challenges with engaging with this consumer, and considered EWOV's intervention a good opportunity to reset the relationship.

We also found that Alyssa had signed up with her retailer in 2014, originally on a plan with a 15% discount. A technical review found that Alyssa had been billed correctly, and that the gas rates had increased by approximately 40% from 2022 to 2024. The retailer showed us the best offer notices it had sent, which varied in showing estimated savings of between \$90 to \$430. Alyssa's consumption had decreased through 2023 to 2024, but due to the price increases, the payments were not covering ongoing usage which led to the arrears accruing.

Through EWOV's conciliation of this complaint, we explained the findings of our investigation to Alyssa, and advised her the retailer offered to assist her to apply for URGs and engage with her to set up suitable payment difficulty assistance.