
Media release

1 April 2019

New energy Hardship Guideline a positive step in addressing retailer affordability support

The Energy & Water Ombudsman NSW (EWON) welcomes the release of Australian Energy Regulator's (AER) *Customer Hardship Policy Guideline* on Friday 29 March 2019.

"The Guideline is a positive step in improving energy retailer support for customers experiencing energy affordability issues," Energy & Water Ombudsman NSW, Janine Young said.

In submissions to the AER and Australian Energy Market Commission to inform the development of the new Hardship Guideline and the accompanying rule change, EWON identified a range of issues with retailer affordability support.

"Customers have not been receiving consistent, reliable support from energy retailers, despite all retailers being required to have affordability programs. Many retailers have improved their policies, but the accessibility and deliverables of all affordability programs fall short," Ms Young explained.

The Guideline also seeks to address concerning trends such as a fall in the number of customers accessing retailer affordability programs, while customer energy debt increases.

Over the past ten years, the cost of energy has increased well beyond Consumer Price Index and wage growth, and payment difficulties, debt and disconnection of supply are now the norm for many consumers. In 2017/2018 complaints to EWON relating to energy affordability increased by 12% and were present in 21% of all complaints. According to the AER, 37,565 households had their electricity or gas disconnected last financial year, up 14% on 2016/2017.

Ms Young hopes that the new Guideline will help ensure retailers take individual customer circumstances into account and affordability support will be equal regardless of the retailer. But she says retailers need to do more than just update their policy.

"Changes to policies must be accompanied by behavioural and process change by energy retailers that ensures frontline staff know when to refer customers for affordability support."

The Guideline requires retailers to have steps in place to help customers prevent and manage debt; actively engage them throughout their affordability program experience; provide them with clear, consistent and transparent information about their rights and retailers' responsibilities. Retailers now have two months to submit their updated policies to the AER for approval.

The Guideline recognises that energy affordability is a key issue for many people. As such, the term 'hardship' should be replaced with 'affordability', as EWON has been calling for for some time.

To view EWON's submissions, visit www.ewon.com.au.

To request an interview with the Ombudsman, contact: Jacqui Heywood, Communications Officer, EWON, 0426 822 341 / jacquelineh@ewon.com.au.