



APPROACH STATEMENT

EWON's approach to backbilling

EWON's role

The Energy & Water Ombudsman NSW (EWON) is the industry-based Ombudsman scheme which provides all NSW energy and some water customers with independent, free, informal dispute resolution services.

We work towards achieving fair and reasonable complaint outcomes for all parties, provide leading customer service and influence energy and water public policy. We are not a consumer advocate, nor do we represent industry.

We achieve outcomes for complaints based on laws, codes and regulations, good industry practice and by considering the individual circumstances of each complaint and parties to the complaint. This may include consideration of prior complaint outcomes, independent legal, technical or regulatory advice, and where they exist, special customer circumstances. Position and Approach Statements provide both customers and industry information on how we consider specific complaint issues.

Backbilling

Energy retailers can send a backbill to a customer to recover an amount undercharged for past energy usage. Regulatory requirements for backbilling by energy retailers are set out in the National Energy Retail Rules (NERR). For more information and details on what backbilling is, related rules and common scenarios, please refer to our [backbilling factsheet](#).

Receiving unexpected and often substantial past usage charges often imposes financial burdens on customers. Additionally, undercharging complicates customers' ability to accurately monitor their consumption patterns. Inaccurate billing affects customers' understanding of the true cost of their usage, thereby inhibiting their capacity to adjust their usage pattern in response to actual costs.

EWON's approach

When a customer presents a complaint after receiving a backbill from their energy retailer, EWON will determine if the recovery of the undercharges complies with the NERR. We will investigate:

- > when the customer was notified of the undercharge
- > the circumstances that led to the backbill being generated
- > if the backbill was received within the regulated nine-month recovery time limit (in circumstances when that applies)
- > whether the undercharged amount is legally recoverable by the retailer.

EWON reviews the energy retailer's calculation of a backbill to ensure it is compliant by:

- > identifying the date a customer received notice of the undercharge
- > using this date to calculate a date nine months prior that the provider can recover from
- > using that date to find how much of the backbill is recoverable by the retailer.

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EWON will determine the cost per day from the original invoice by dividing the total dollar amount by the number of days in the billing period. This daily rate will be compared to the amended invoice using the same methodology. The difference between the original daily rate and the amended daily rate will represent the undercharged daily amount. EWON will then identify the number of days that fall outside the recovery limit and calculate the recoverable amount based on the number of days within the limit.

A backbill will only be calculated for relevant circumstances, ensuring fairness and compliance with the regulations.

In circumstances where the undercharge is not the fault of the energy retailer, the backbilling rules do not apply. An example of this is where a customer has not provided access to their electricity/gas meter, despite the retailer advising the customer that the meter is not accessible to the meter reader.

In circumstances where an energy retailer is of the view that an undercharge was due to a customer's error, such as not providing access to read the meter, EWON will require the retailer to substantiate that access was refused. This includes copies of any advice the retailer has sent to the customer regarding access and/or records of phone calls made to and from the customer. If the customer acts upon the first request for access immediately, the backbilling limit of nine months applies.

In circumstances where a landlord only can access the meter, the customer is not breaching their contract or the NERR. This applies if the customer has taken all reasonable steps to have the landlord provide access.

In circumstances where a customer has closed their energy account, the rules on backbilling still apply ie a retailer can seek payment for unpaid past energy usage.

Where a customer advises EWON that they are experiencing financial challenges as result of receiving a backbill, or other extenuating circumstances are evident, EWON will take those circumstances into account when establishing a fair and reasonable outcome. The outcome of EWON's investigation in these circumstances may also identify that a [goodwill gesture](#) should be considered by the energy retailer.

EWON offers factsheets on other relevant topics, including:

- > [estimated bills](#)
- > [moving in and out of a property](#)
- > [difficulty paying bills](#)
- > [EWON's complaint process](#)