



Energy & Water  
Ombudsman NSW

# EWON Insights

## Complaints Analysis Quarterly Report

1 July 2018 - 30 September 2018



Energy & Water  
Ombudsman NSW

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# Introduction



**7,225**  
COMPLAINTS RECEIVED  
(up from 6,816 last quarter)

▲ **6%**

increase in complaints compared with last quarter

▲ **2%**

increase in complaints compared with the same period last year

## Complaint environment

The rising complaints trend we reported in our 2017/2018 Annual Report continued in the first quarter of the 2018/2019 financial year.

In 2017/2018 we received 26,416 complaints, a 12% increase over the prior year. From July to September 2018 we received 7,225 complaints, a 6% increase on the previous quarter and a 1.8% increase compared to the same period in 2017.

The 6% increase was largely a result of failed 'return to higher level' (RHL) complaints – these are complaints which we refer to retailers' specialist complaints teams for resolution. The RHL process is designed to afford providers a final opportunity to resolve complaints directly with their customers and as a result, restore customer confidence in their service.

Disappointingly, customers are now increasingly returning to us dissatisfied with the outcome of the referral process. We often then resolve these complaints within a couple of days via our conciliation process which begs the question, if we could resolve the complaint so quickly, why did it need our involvement?

To help address this, we are strengthening our focus on assisting our members to improve their internal dispute resolution processes and how they respond to the complaints we refer to them. Initiatives include a webinar we hosted in November 2018 to remind our existing members, and educate new members, about the fundamentals of good complaint handling – and the importance of reviewing their current complaints management processes.

## Themes of this report

This quarter we focused on default listing, back billing and disconnections associated with transfers in error. These issues are particularly stressful for customers because of their consequences. They impact customer ability to obtain credit or loan approval or to establish the most affordable

energy contract. Customer detriment is compounded when the default listing is incorrectly applied by a provider and its response to removing the listing is slow or inadequate.

When addressing complaints, we also remind members that it is important that poor customer service, as well as the impacts of incorrect default listings and disconnections, are redressed. This requires the error to be fixed, prompt reconnection and a monetary payment, quite often referred to as a customer service gesture, to be made. Customer service gestures, aligned with the impact of the error, also acknowledge the inconvenience and stress a provider's mistake has caused. And they also restore the confidence of the customer. Too often redress such as this is overlooked when providers respond to referred complaints and EWON complaints. I challenge providers to consider this when reviewing their complaints processes.

We have also included information in this report about the EWON Exempt Entity and Water Industry Competition Act (WICA) Operational Advisory Group. This Group was established in June 2018 to give exempt entities and small water providers a voice within EWON, during this time of growth in our membership.

We welcome feedback about this report. For further information, or to discuss any aspect of it, please contact my office. Contact details are on the cover of this report.

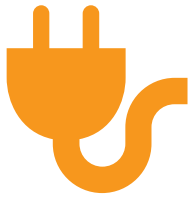
**Janine Young | Ombudsman**  
Energy and Water Ombudsman NSW





# Complaint Activity

July - September 2018



⬆️ 7%

increase in electricity complaints compared with last quarter



⬆️ 4%

increase in gas complaints compared with last quarter



⬇️ 5%

drop in water complaints compared with last quarter



## ELECTRICITY

The 5,449 electricity retail complaints represent an increase of 10.4 % when compared with the first quarter 2017/2018, when there were 4,979 complaints. This is an 8.9% increase from last quarter's count of 5,050 complaints. The 232 distribution cases opened is a slight decrease when compared with 269 in the same quarter last year and 253 in April - June 2018. Overall electricity complaints increased by 7.5%, 5,820 this quarter compared to 5,414 in the corresponding 2017 quarter. There was a 7.2% increase compared to the previous quarter.



## GAS

The number of gas retail complaints received this quarter (1,075) decreased by 15.4% in comparison to the corresponding period in 2017 (1,271) but increased slightly compared with April - June 2018 (1,047). The numbers of gas distribution complaints (79) fell by 46.6% in comparison to the equivalent period last year (148) but increased (16.2%) compared to last quarter (68). Overall, gas complaints (1,168) decreased by 18.4%, compared to 1,431 in July - September 2017 and increased by 3.6% when compared to 1,127 complaints last quarter. A key feature is the significant decrease in complaints about delays in new connections.



## WATER

The number of water complaints received this quarter (224) decreased by 3% compared to the corresponding period in 2017 (231) and by 5.1% compared to last quarter (236). High bills were the largest driver of water complaints.



## EXEMPT ENTITIES

EWON received 52 complaints from customers of exempt entities this quarter compared to 49 in the same quarter in 2017 and 22 last quarter. Most of these were electricity related (47).



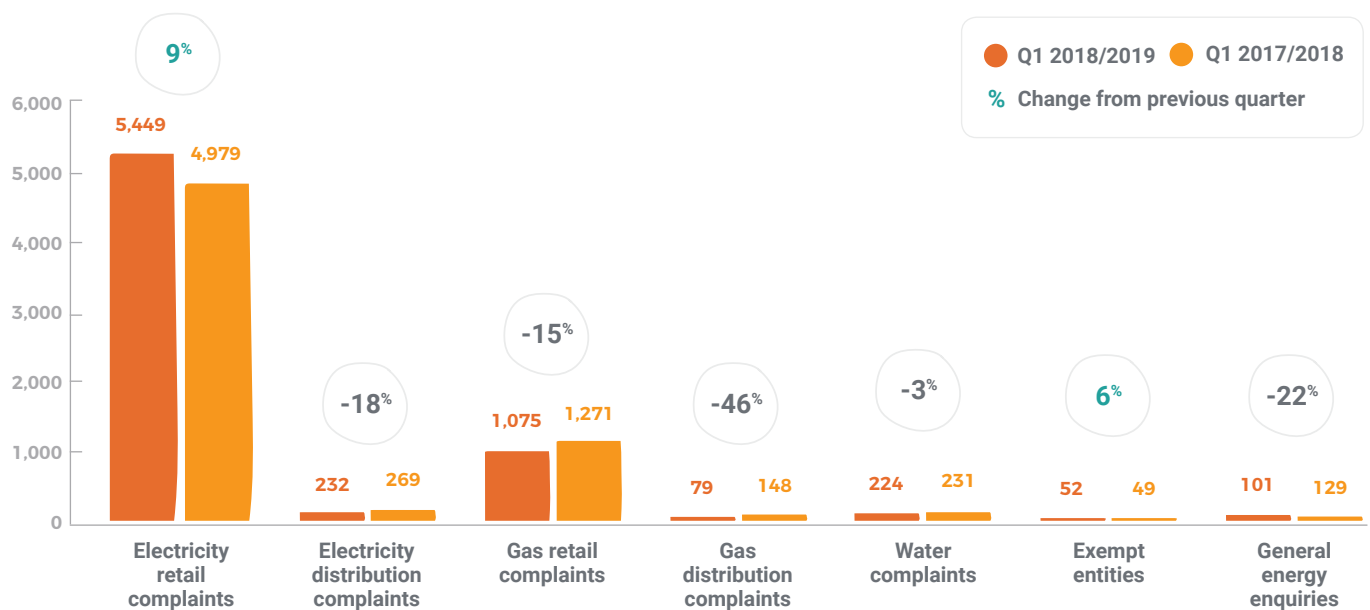
# Complaint activity

## Customer complaint issues

### Complaint activity overview

Complaints received by EWON this quarter increased slightly to 7,225 complaints to the same period in 2017 (7,097) and went up 6% from the previous quarter (6,816). There were 389 additional complaints about electricity and 41 complaints about gas. There were 12 fewer complaints about water compared to the previous quarter.

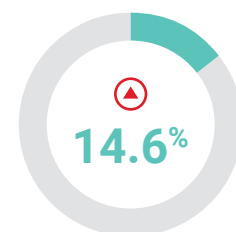
FIGURE #1: Complaint activity



### Customer complaint issues

High bill complaints numbered 2,274, up from 1,958 last quarter, and continue to be the biggest complaint issue, representing 14.6% of all issues raised this quarter. Complaints about customer service continued to remain high. Payment difficulties (599) rose slightly this quarter and were similar in comparison to the same quarter last year (594). Delays in the installation of digital meters were again in the top ten issues for customers coming to EWON. Unfortunately, the number of complaints about this issue only dropped by 35, to 329 complaints from 364.

The new issue in the top ten is credit rating. There has been an increase in customers and/or advocates approaching EWON to complain about default listing. Complaints increased from 264 in the same quarter in 2017, to 328 in this quarter. We provide examples of these complaints in the case studies.



#### HIGH BILLS

This issue accounted for 2,274 complaints







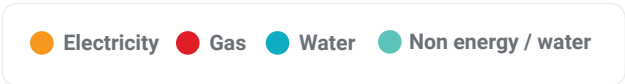
# Complaint activity

## Customer complaint issues

**FIGURE #2: Files opened July - September 2018, including previous quarters**

Table 1 provides more detailed information about the number of complaints received from July to September 2018, in comparison to the previous three quarters and the corresponding period in 2017.

Provider type	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017	Jul-Sept 2017
 Retailer	5,449	5,050	4,247	4,965	4,979
Distributor	232	253	203	232	269
General enquiry	92	107	74	61	121
Exempt retailer	47	47	20	25	45
<b>Total</b>	<b>5,820</b>	<b>5,431</b>	<b>4,544</b>	<b>5,283</b>	<b>5,414</b>
 Retailer	1,075	1,047	890	1,299	1,271
Distributor	79	68	43	81	148
General enquiry	9	11	2	3	8
Exempt retailer	5	1	2	3	4
<b>Total</b>	<b>1,168</b>	<b>1,127</b>	<b>937</b>	<b>1,386</b>	<b>1,431</b>
 Retailer	146	165	98	137	165
Distributor	6	53	61	47	54
General enquiry	14	18	7	11	11
Exempt retailer	0	0	0	0	1
<b>Total</b>	<b>224</b>	<b>236</b>	<b>166</b>	<b>195</b>	<b>231</b>
 Non-energy/water general enquiry	13	24	21	28	7
<b>Grand total</b>	<b>7,225</b>	<b>6,818</b>	<b>5,668</b>	<b>6,892</b>	<b>7,083</b>





# Top 10 issues

July - September 2018

FIGURE #3: Top 10 issues for this quarter

Primary & secondary issue	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017
<b>1</b> High, disputed	2,274	1,958	1,782	2,464	1,915
<b>2</b> Poor service	1,857	1,595	1,367	1,577	1,612
<b>3</b> Failure to respond	1,018	1,122	1,097	1,197	1,108
<b>4</b> Opening/closing account	680	662	560	558	550
<b>5</b> Payment difficulties, current/ arrears	599	580	449	609	594
<b>6</b> Estimation, meter access/not read	561	554	564	609	581
<b>7</b> Failure to consult/inform	520	431	479	398	320
<b>8</b> Incorrect advice/information	518	480	624	569	628
<b>9</b> Delay	329	364	190	97	222
<b>10</b> Collection, credit rating	328	300	276	221	264
<b>Total number of issues per quarter</b>	<b>15,551</b>	<b>14,630</b>	<b>12,847</b>	<b>14,768</b>	<b>14,630</b>

● Billing    
 ● Customer Service    
 ● Credit    
 ● Digital meter exchange



# Energy issues

## Credit default listing

Credit default listings have serious short and long-term consequences for the individual listed, including restricted access to loans and credit. Customers often only find out about a listing when a loan application is denied. EWON also receives complaints from customers who are unable to access market contracts for energy because of a listing, as they are then only offered the more expensive standing offer.

The consumer protections in the Privacy Act 1988, the Credit Reporting Code and Australian Securities and Investments Commission (ASIC) and Australian Competition and Consumer Commission (ACCC) Debt Collection Guidelines require certain procedures to be followed before a default can be listed. These protections include a requirement that

a listing is over \$150 and the customer must have been sent a notice informing them of an overdue payment, a further written notice advising that the customer will be default listed. These notices must be sent to the customer's last known address. A further protection requires a retailer to give serious consideration to a customer's financial position, including requests for financial assistance, before default listing.

The following case studies, illustrate the many complaints to EWON about credit default listings. Some retailers seem to regard the Privacy Act and Credit Reporting Code as secondary to, and therefore less important than, energy specific legislation.

### Default listings after moving house

A significant number of EWON complaints about default listings relate to final bills after the customer has either moved supply address or has transferred their account. If the final bill or notice of potential listing was not sent to the last known address, the customer was not provided the opportunity to pay. With e-mail becoming the preferred communication channel it is important that, before listing a debt, a retailer have processes in place to ensure all required notices were emailed or sent to the last known point of contact.

Although meeting their obligations under the National Energy Customer Framework, these complaints show some retailers

do not also meet Credit Reporting Code obligations. Section 9.1 of the Code requires retailers to consider hardship requests from all individuals, not just existing customers, before listing a default listing.

Where a customer is disputing a bill, either directly with the provider or through an EWON complaint, it seems obvious that the disputed amount should not be default listed. Yet, as these related case studies show, this still occurs.

Finally, where a customer has asked for a listing to be lifted and the retailer agrees to this request, it should be standard procedure to ensure that all listings associated with that default are lifted. This does not always occur.



## CASE STUDY

### DEFAULT LISTING

#### Customer listed for incorrect amount and notices sent to wrong address

A customer discovered that he had been default listed in 2016 for \$1,500. He said that he had moved to a new house and closed his account but that his retailer continued to charge him. He then provided evidence that he had moved so his retailer said it would charge the new occupant and that he should disregard the bill. When the customer discovered the default listing, he paid the default amount, but he disputed the amount and considered the default non-complaint. This matter was referred to the retailer at a higher level. The customer returned to EWON as he was unable to resolve his complaint.

An EWON investigation established that a combined gas and electricity debt had been sold to a collection agency which had then default listed the customer. It was also established that the retailer had not updated the customer's address as requested by the customer, and that the debt sold to the collection agency had been for the wrong amount. On this basis the retailer agreed to request the collection agency lift the default. It was also agreed that the collection agency would refund the customer \$218, the difference between what the customer paid and the correct amount of the arrears.

[VIEW MORE CASE STUDIES](#)





# Energy issues

## Credit default listing

### Credit repair agents

In 2012 EWON completed a survey of customers represented by credit repair agents and undertook a mystery shopper research project into credit repair agents. This report, *Consumers' use and experience of 'credit repair' agents*<sup>1</sup> highlighted common consumer circumstances and practices by agents that are concerning to EWON including lack of consumer awareness of free ombudsman schemes, misleading conduct and high fees. In February 2016, a communique issued by 40 representatives from consumer advocacy organisations, industry associations, ombudsman schemes, government agencies and regulators called for

greater regulation of credit repair agents. In April 2017, a review conducted by Federal Treasury recommended that agents should be members of, and bound by, the Australian Financial Complaints Authority, which began operating on 1 November 2018.

In 2017-2018 approximately one in five complaints about default listing were bought to EWON by credit repair agents. Unfortunately, despite the recommendations for greater regulation and accountability, reform has been slow and some of the behaviours identified in 2012 are still apparent.



### CASE STUDY

#### DEFAULT LISTING

#### Listing not lifted from all sites and payment plan refused

An advocate informed EWON that a customer had moved from his previous address and had attempted to arrange a payment plan for the final gas and electricity bills. His request for a \$25 per fortnight payment plan was refused and he was told that the minimum the retailer would accept was \$130 per fortnight. The customer was then default listed in December 2016 and the advocate was unable to resolve the complaint. This complaint was referred to the retailer at a higher level.

The advocate then returned to EWON as the complaint remained unresolved. When EWON investigated this complaint, the retailer confirmed that the customer

had requested a payment arrangement 15 days after the account was closed but that the retailer's hardship arrangements did not apply to closed accounts. It was also confirmed that the customer had contacted the retailer in June 2017 to complain about the default listing and that the retailer had undertaken an internal investigation and promised to lift the listings. This had occurred for the electricity account but not for the gas account. Given that the customer's circumstances were the same for both accounts, the retailer agreed to lift the default listing on the gas account.

The advocate was a credit repair agent.

Credit repair agents are paid, often substantial sums, by customers to assist in remove credit listings. Unfortunately, many of these agents simply approach EWON to utilise our free services. Any customer who has an advocate act on their behalf is required to grant the advocate authority to act.

In the case of credit repair agents, we insist that the authority to act informs the customer of EWON's free service, a practice not always followed by agents. When this happens we deal with the customer directly, by which time the customer may have already paid thousands of dollars to the agent.

<sup>1</sup> Credit Repair Report



# Energy issues

## Backbilling

The National Energy Retail Rules (NERR) allow retailers to recover undercharged amounts from customers.

Bills issued under this rule are commonly called backbills. Rule 30 of the NERR provides several consumer protections alongside the right of retailers to recover undercharging. The first protection is that if the undercharging was not the customer's fault, the retailer can only recover nine months of the undercharging. The rule then requires the amount to be recovered to be stated as a separate item in a special bill or on the next bill, along with an explanation of the charge. Finally, the rule requires the retailer to offer the customer time to pay over a period nominated by the customer. The repayment period nominated by the customer cannot be for longer than the period of the undercharge, up to a maximum of 12 months.

Many of the complaints we receive about backbills are resolved by EWON providing a simple explanation of the retailer's and the customer's rights and responsibilities

when an undercharge has occurred. EWON receives some complaints where retailers' billing systems have issued bills for a period of longer than nine months in breach of Rule 30 (2) (a). A more common complaint is from customers who have not been offered time to pay as required by Rule 30 (2) (d).

When customers are rebilled to recover undercharging, a simple statement that the amount is owed and payable does not constitute a satisfactory explanation. Further, the practice of issuing withdrawal bills along with new bills can be extremely confusing which is at odds with Rule 30 (2) (c), which requires clear and precise information.

Another complaint about backbilling that has appeared in recent years is that some retailers are telling customers that their pay on time discount will only apply if the undercharge is paid immediately. If the undercharge was not due to the customer's actions, this is inappropriate.



### CASE STUDY

#### BILLING

### Backbilling beyond the nine month limit

A customer regularly paid her gas bills, which were always around \$500, then received a bill for \$3,810 with no explanation. She contacted the retailer and received three different explanations.

She was first told it was because of previous estimations, then it was because the meter reader was unable to gain access, and finally that it was because the meter was faulty and had to be replaced. This did not make sense to her as there was access to the meter and the meter had been replaced two years before. She requested a better explanation of the high bill and received an account reconciliation. However, there were so many reversals and reissues that she was unable to understand it. She then received warnings of collection

action, despite still disputing the bill. At this point she approached EWON.

An EWON investigation established that the distributor had been providing estimated reads for the removed meter and that the retailer then backbilled once an actual read had occurred. The retailer initially offered a customer service gesture of \$2,000 on arrears of \$4,688 and 12 months to pay the balance. EWON requested details of how much of these arrears were beyond the nine months period allowed under the rules. Rather than do a full review of the billing, the retailer offered to waive \$4,240, which reduced the customer's arrears to \$448. The customer accepted the retailer's offer.

[VIEW MORE CASE STUDIES](#)



# Energy issues

## No time to pay



### CASE STUDY

#### BILLING

### No initial payment plan offered

Rule 30 (2) (d) of the NERR requires retailers to offer customers who are backbilled time to pay over a period nominated by the customer, up to a maximum of 12 months.

A customer advised EWON that he received a very high electricity bill for \$2,500. He said that when he contacted the retailer, he was told that it was a catch up bill because the meter had not been read for two years and that the bill was payable immediately. The customer believed there was no reason for two years of estimated bills and considered it unfair that he was not given any additional time to pay the high bill. The complaint was referred to the retailer at a higher level. The customer returned to EWON as the retailer insisted

that the bill was correct, due to a lack of access to the meter, and had offered a payment plan. The customer disputed the lack of access.

When EWON investigated, the retailer said that the backbill was appropriate and that it was able to bill the whole amount because its records indicated a locked gate had prevented the meter being read. The retailer offered to reduce the bill by \$1,000 in lieu of further investigation. The customer was unhappy with this offer and requested that the retailer include a 30% discount because he had always paid his bills on time. The retailer increased its offer to \$1,500, which the customer accepted.



### CASE STUDY

#### BILLING

### Due date on backbills

Issuing a backbill with a short due date hides from the customer their right to pay the arrears over a period equivalent to the period of the undercharging as required by Rule 30 (2) (d) of the NERR.

In June 2018 the customer received a bill for July to September 2017 with a payment due date of 9 July 2018. She contacted the retailer as she could not pay this amount and wanted an explanation of the bill. She could not understand the reason for the backbill so she contacted EWON for her complaint to be investigated.

The retailer responded to EWON's request for information indicating that it had rebilled the customer

to take into account unbilled usage. The retailer said that it had already reduced the arrears to allow for the nine month limit. The retailer offered a further \$250 credit to acknowledge that the customer did not have the opportunity to reduce her consumption due to the lack of accurate billing. EWON informed the customer that the billing was correct, and of the retailer's offer. The customer accepted this and also accepted a referral to the retailer's hardship program to negotiate a payment plan. EWON also provided information on Energy Account Payment Assistance and financial counselling services.

[VIEW MORE CASE STUDIES](#)



# Energy issues

## Disconnections for reasons other than non-payment

Disconnections can occur for these reasons:

- transfers in error
- delayed transfers for new occupants
- failure to open an account.

The following case studies illustrate the impact on the customer when an error, either on their part or on the part of a retailer, occurs. Once an error is identified, the key to a positive outcome is listening to the customer and quickly offering an appropriate solution.



### CASE STUDY

#### BILLING

#### No account opened

Customers do not always understand that it's their responsibility to open an account and to pay for energy consumed.

A welfare worker, acting as the customer's advocate, contacted EWON as the customer had been disconnected. The customer, an elderly lady, had not opened an account as she thought it was being paid through her pension.

The advocate had assisted the customer to establish an account and arrange reconnection. On a Thursday the advocate said that the retailer had informed her that the reconnection would not occur until the

following Monday. The customer was 70 years old, and the welfare agency offered to pay for an after hours reconnection. The retailer declined this offer. The advocate came to EWON seeking assistance to get the customer reconnected.

EWON contacted the retailer which responded by ensuring that the distributor reconnected the customer the next day. Considering the customer's circumstances, the retailer offered to only bill the customer from the reconnection date.

[VIEW MORE CASE STUDIES](#)



# Energy issues

## Recompense for poor customer service

Retailers are quick to acknowledge that poor customer service contributes to a customer's dissatisfaction when it comes to resolving complaints. A simple customer service gesture can go a long way to addressing this.



### CASE STUDY

#### BILLING

### Poor customer service results in a very large bill

A customer advised EWON that she had been having difficulty with her retailer regarding her small business electricity account. She had moved into a new site in late 2014 and contacted a retailer to open an account. However, despite many calls to request an account, it was not opened. The retailer advised on many occasions it needed to finalise an account for the previous occupant, but did not do this, so the customer was required to re-start the process. She received no bill or notice of any kind before her account was eventually opened in late 2017.

Due to the delay, the initial bill was over \$80,000. The customer requested a 12 month payment arrangement to pay off the debt and considered it should be reduced as the retailer was responsible for the delay. She also believed the retailer had shown poor customer service in not establishing an account for her and not billing her for such a long time.

The retailer did not agree to an extended plan and demanded payment in full within six months. The customer said attempting to pay the bill in that timeframe would cause her business to close. The matter was referred to the retailer at a higher level. The customer returned to EWON as the retailer still required a weekly payment of \$4,100 which she could not afford.

An EWON investigation established that the billing was correct and that the customer consumed over 100MWh per annum, hence the backbilling provisions did not apply. EWON noted that there had been significant customer service issues for nearly four years.

Following escalation of the investigation, the retailer acknowledged these issues and, as a goodwill gesture, agreed to credit the customer's account for \$43,503. This left a small outstanding balance as the customer had been paying \$1,000 per week during the dispute.

[VIEW MORE CASE STUDIES](#)

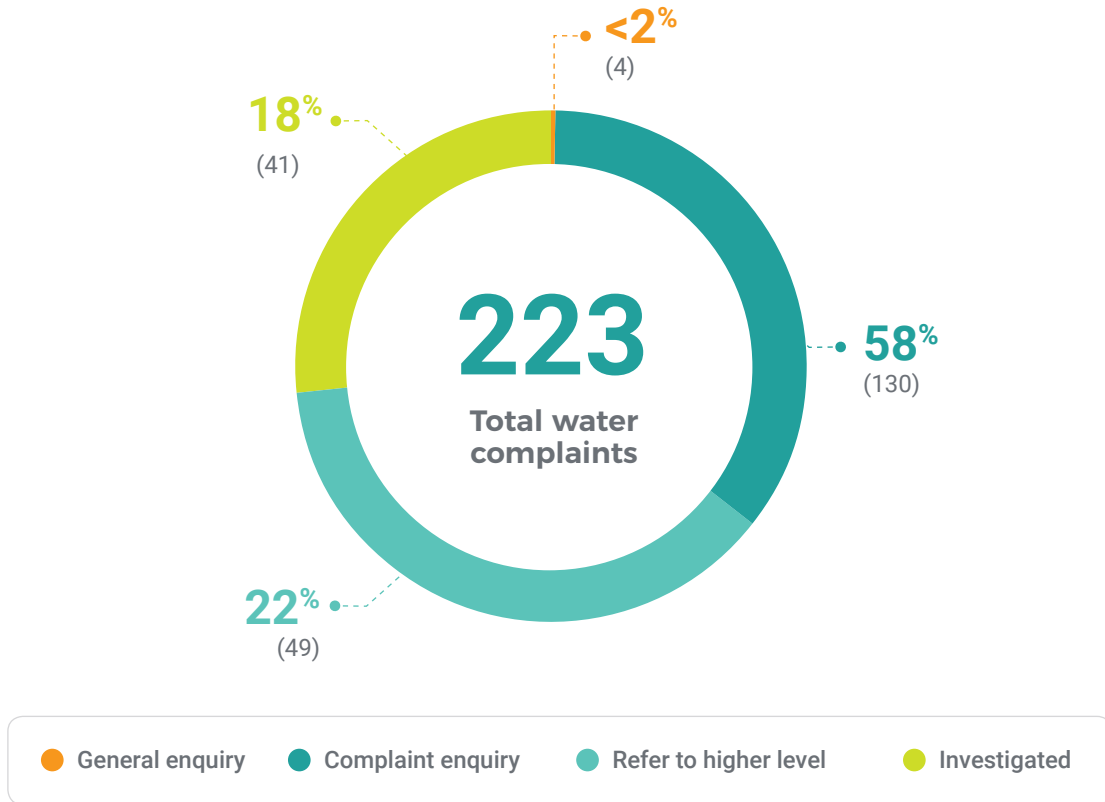


# Water

Water complaints decreased to 223. This is down from 229 in the same period in 2017, and by 5.1% compared to last quarter (236). High bills continue to be the most common complaint issue for water customers.

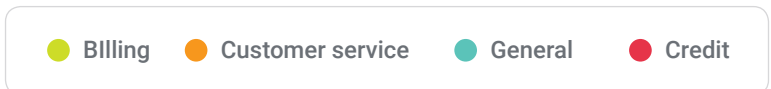
Other key issues relate to customer service and customers experiencing financial hardship or payment difficulties, as can be seen in Figure 6 below.

**FIGURE #5: Water complaints**



**FIGURE #6: Top 5 water issues**

Primary & secondary issue	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017	Jan-Mar 2017
<b>1</b> High, disputed	45	57	51	52	56
<b>2</b> Poor service	43	49	38	27	34
<b>3</b> Failure to respond	29	28	25	21	27
<b>4</b> General energy/water	26	38	14	28	23
<b>5</b> Payment difficulties, current/arrears	22	11	10	17	12
<b>Total number of issues per quarter</b>	<b>165</b>	<b>240</b>	<b>138</b>	<b>145</b>	<b>152</b>





# Water issues



## CASE STUDY

LAND

### Ongoing sewerage overflows caused by the provider's sewerage main on the customer's property

**A solution to the reoccurring overflow incidents was only identified after the customer made repeated complaints over a long period of time.**

After the customer moved into the property in 2014, blockages occurred in the sewerage main which caused manholes on his property to overflow and sewerage to flood under his house.

The overflow incidents resulted in strong odours in his home and the customer considered them to be a health risk.

The water provider responded by rectifying each overflow incident, but the customer complained to EWON in 2017 seeking a permanent solution. We referred the complaint to a higher level at the water provider.

The customer returned to EWON in January 2018 after another overflow incident. The customer told EWON that he was unwilling to pay his latest water bill until the issue was resolved.

EWON contacted the provider to request further information about the work undertaken to date. The provider noted that the pipes had been installed in 1966 and there had been six overflow incidents in the last two and a half years. The provider had attended the

property several times and found the overflows were caused by tree roots. The customer had been granted the full rebate allowed under the customer contract for reoccurring sewer overflow incidents.

Following EWON's initial contact, there were significant delays obtaining further updates from the provider about the work that had been performed at the property and the suspected causes of the overflows. The provider eventually attended the property again to identify any further blockages that could be causing the overflows. After further inspections, the provider advised EWON that the design of the sewerage manholes on the property appeared to be contributing to the overflow problem.

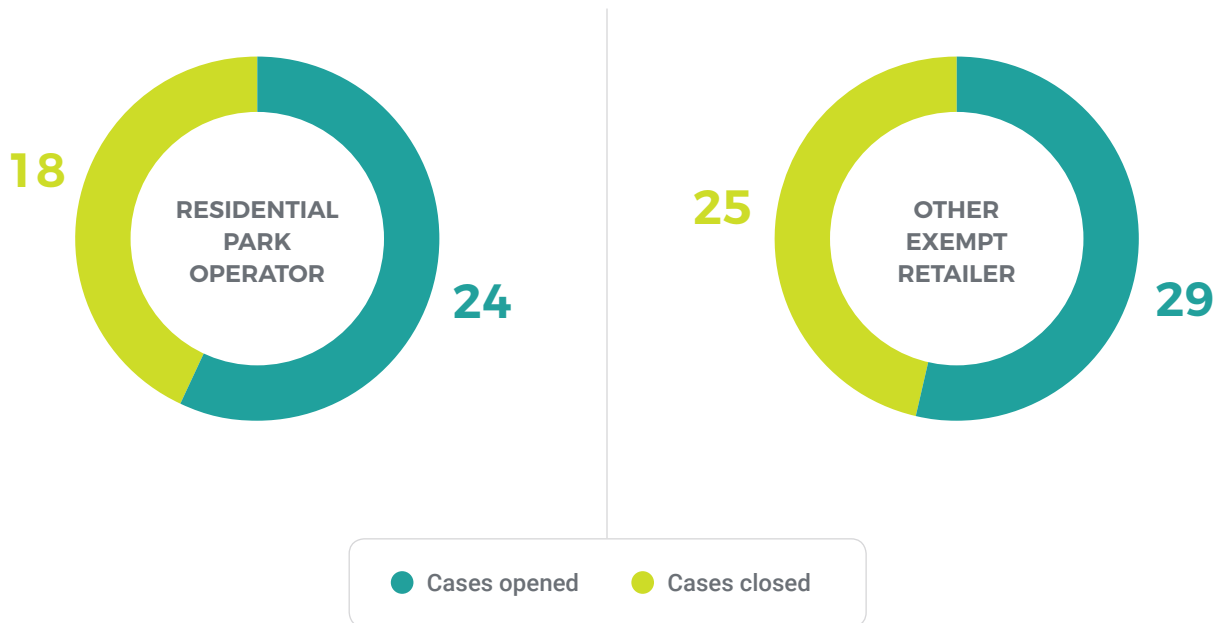
Eight months after the customer complained to EWON, a further sewerage overflow event occurred. Following this event, the provider responded quickly to seal the sewer manholes on the customer's property and identified further work to be done clearing blockages and relining parts of the sewer main. The customer was satisfied with the provider's most recent response and paid the outstanding charges.

[VIEW MORE CASE STUDIES](#)



# Exempt entities

FIGURE #7: Cases opened and closed



## Residential parks

Residential park residents complained about issues such as:

- high bills
- energy prices charged by residential park operators
- network / connection / metering problems
- price increases
- calculation of Service Availability Charges (SAC) by residential park operators
- backbilling of energy accounts
- life support requirements
- payment difficulties / affordability.



## Other exempt entities

Customers of other exempt retailers (including eight business customers) complained about issues including:

- access to retail competition
- energy prices set by the exempt retailer
- brownfield conversions
- backbills and billing delays
- application of pay-on-time discounts
- payment difficulties
- disconnection and impending disconnection for non-payment.





# Exempt entities

## Exempt entity and WICA Operational Advisory Group

EWON established the Exempt Entity and Water Industry Competition Act (WICA) Operational Advisory Group (OAG) in accordance with changes to the EWON Constitution in June 2018. To cater for the expansion of our jurisdiction, the aim of the OAG is to provide exempt entities and small water providers with a voice within EWON and ensure the smooth entry of this new group of EWON members.

There have been two meetings of the OAG to date. At the first meeting attendees discussed themes to be explored at future meetings. Each attendee shared information about how their organisation operates and their expectations of participating in the OAG.

The focus of the second meeting was for EWON to share information about the types of complaints we receive about embedded networks and timeframes for finalising outcomes. We also shared details about EWON’s complaint reduction initiatives and information about membership applications. These were all themes suggested by the Group at the first meeting.

The OAG has agreed Terms of Reference which set out its role. These are to provide advice to EWON based on participants’ knowledge of embedded networks, exempt entities and water provider issues, and on their experience working with embedded network customers. Currently there are 15 organisations represented on the OAG:

- authorised retailers operating embedded networks
- specialist billing agents
- a large operator of residential apartment buildings
- a large operator of over 55s residential parks
- the Caravan and Camping Industry Association NSW.

The next meeting is scheduled for December 2018 when we will discuss the benefits of membership, how EWON manages complaints and EWON’s funding model.

### CASE STUDY

#### DISCONNECTION

### Tenant disconnected for non-payment in a residential building with an embedded network

A customer contacted EWON on 20 September 2018 after the electricity supply to her home was disconnected for non-payment. The customer was a tenant and advised EWON that she owed about \$1,300 on her electricity account. The customer and her partner moved into the property in May 2018 and began to have payment difficulties in June 2018. The customer noted that she had previously been on a payment plan and her most recent payment had been \$20 on 7 September 2018.

The customer had been in hospital receiving treatment for cancer and was not able to make a further payment. The customer advised EWON that she could afford to commit to a payment plan of \$20 a week. She did not have access to government concessions or rebates. EWON contacted the exempt entity that operates the embedded electricity network in the building. The

exempt entity confirmed the customer had an overdue balance of \$958.35. The exempt entity’s records indicated that the customer had been offered two payment plans prior to disconnection and had missed two payments on the second payment plan. The entity requested that the customer pay \$300 upfront and agree to an ongoing payment plan as a condition of reconnection. The exempt entity also noted that a \$20 per week plan was not enough to meet the customer’s ongoing consumption and that it could not accept Energy Account Payment Assistance vouchers.

The customer advised EWON that she could afford to make an upfront payment of \$20 and commit to a payment plan of \$20 a week. The customer was reconnected on that basis. EWON referred the customer to financial counselling services and the Cancer Council NSW for assistance.

[VIEW MORE CASE STUDIES](#)



# Stakeholder engagement

## Members

Meetings	Staff involved
Exempt entity and WICA Operational Advisory Group	Ombudsman, Manager Governance, and Member Liaison Officer
Member induction	General Manager Governance, Awareness & Policy, General Manager Investigations, Investigations Managers, Manager Policy & Research, Manager Governance, Member Liaison Officers
EnergyAustralia	Ombudsman / General Manager Investigations / Investigations Managers and Investigations Officers
AGL	Investigations Managers and Investigations Officers
Ausgrid	Ombudsman and Manager Policy & Research
Jemena	Manager Policy & Research
amaysim	Ombudsman / General Manager Investigations
Essential Energy	Ombudsman
Momentum	Ombudsman
Alinta Energy	Ombudsman
Origin	Ombudsman / General Manager Investigations
1st Energy	Ombudsman / Manager Policy & Research, and Policy Officer
Dodo Power & Gas	Ombudsman
Red Energy	Ombudsman
Simply Energy	Ombudsman
Sydney Water	Ombudsman



# Stakeholder engagement

## Government and other stakeholders

Meetings	Staff involved
Australian Energy Market Commission	Ombudsman and Manager Policy & Research / General Manager Governance, Awareness & Policy, Manager Policy & Research, and Manager Governance
Australian Energy Regulator	General Manager Governance, Awareness & Policy, Manager Policy & Research, and Manager Governance
Office of Environment & Heritage (NSW)	Ombudsman / Manager Policy & Research
Justice NSW	Ombudsman
Community Housing Industry Association	Ombudsman and General Manager Governance, Awareness & Policy
Department of Communications and the Arts - Consumer Safeguard Review	Ombudsman
Energy Consumers Australia	Ombudsman and Manager Policy & Research
Commonwealth Ombudsman	Ombudsman, General Manager Governance, Awareness & Policy, and Manager Policy & Research
Arc Energy	Ombudsman
Fair Trading NSW	Ombudsman, General Manager Governance, Awareness & Policy, Manager Policy & Research, and Senior Policy Officer
Consumer Affairs Victoria	Ombudsman
Energy and Water Ombudsman Queensland	Ombudsman
Energy and Water Ombudsman Victoria	General Manager Governance, Awareness & Policy, Manager Governance, Manager Policy & Research, and Manager Communications & Outreach
Council of Australia Governments (COAG)	Ombudsman
Public Interest Advisory Centre	Manager Policy & Research
University of Wollongong	Ombudsman
Telecommunications Industry Ombudsman	Ombudsman and General Manager Governance, Awareness & Policy
Service NSW	General Manager Governance, Awareness & Policy, Manager Policy & Research, Manager Communications & Outreach, and Community Engagement Officer
Tenants Union	General Manager Governance, Awareness & Policy and Senior Policy Officer



# Outreach events

July 2018



● General outreach events    ● Aboriginal & Torres Strait Islander events



# Outreach events

August 2018



● General outreach events

● Aboriginal & Torres Strait Islander events



# Outreach events

September 2018



● General outreach events

● Aboriginal & Torres Strait Islander events

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# Credit default listing

## No final bill

**The failure to provide a final bill to the customer's email address appears to be in breach of the Credit Reporting Code 9.3 (d).**

An advocate for a customer informed EWON that the customer had been default listed in October 2016 for \$454. This was referred to the retailer at a higher level. The advocate returned to EWON as they had been unable to resolve the matter.

EWON investigated the complaint and was able to establish that the retailer had sent the final bill by mail, not to the customer's email address. The retailer had received this bill as returned mail and was therefore made aware that the customer had not received the final bill. On this basis the retailer agreed to lift the default listing within 10 days.

The advocate was a credit repair agent.

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## No final bills or section 21D notice

**The retailer had not sent either the final bills or the section 21 D notices to the customers last known address in breach of the Credit Reporting Code 9.3 (d).**

A customer said that she had moved out of her home in June 2017 and had provided an updated email address for the delivery of her final bills for both electricity and gas. The bills did not arrive, and the customer said that she contacted the retailer requesting the final bills. She was later contacted by a collection agency which informed her that the retailer had default listed her for unpaid accounts. She immediately paid \$984 and contacted the retailer. It informed her that the final bills were sent but that the emails bounced back. It also confirmed that the final bills and the default notices were not sent to the updated e-mail address. At this point she came to EWON. The complaints were referred to the retailer at a higher level. The customer returned to EWON, seeking assistance as the retailer claimed that the default listing was correct.

EWON investigated the complaints and established that the customer had provided an updated email address but that it had not been applied to the customer's account. The retailer agreed to remove both default listings within 10 days.

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## Final bill sent to incorrect address

**The retailer sent the final bill to the supply address despite the customer providing her new address.**

The customer advised that she had separated from her husband and left the family home in 2016. She contacted her retailer and established a new account, although the old account remained in her name. She then received bills on at least three occasions for her old address at her new home. Each time she received these bills she said that she contacted her retailer, it apologised and said that the problem would be fixed. She then moved again and closed her account. She discovered that she had been default listed by a collection agency when she applied for a loan. She contacted the collection agency as she had not been advised of the listing. She said that the agency had as her contact details the address and phone number of her ex-husband who had remained in the family home. This matter was referred to the retailer at a higher level. The customer returned to EWON after her retailer disputed her account of events.

The EWON investigation established that the customer had not closed the account, despite moving out of the supply address, and as such was responsible for paying incurred charges. However, the default notice had been sent to the original supply address, even though the customer had provided her new address. The retailer agreed to lift the default listing within seven days.





# Credit default listing

## Listing for small final bill

**A customer provided an email address before closing his account but was default listed for a debt of \$154.**

An advocate informed EWON that a customer had been default listed for \$154 in 2017. The customer closed his account in late 2016 and provided an email address. The customer did not recall receiving any correspondence from his retailer or a collection agency. The advocate said that the retailer had been unable to provide evidence that notices had been sent to the email address, which was the last known address.

This complaint was referred to the retailer at a higher level, with the customer's agreement, knowing he could return to EWON if an agreed outcome could not be negotiated.

The advocate was a credit repair agent.

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## Listing for small final bill

**A customer was default listed over a debt of 40 cents.**

A customer had changed address in May 2017 and opened a new account with the same retailer. She was later contacted by a collection agency which said she had an outstanding debt of \$150.40 for a period between May and June 2017. The customer paid the collection agency and then requested the retailer to lift the default listing. The retailer refused.

This complaint was referred to the retailer at a higher level, knowing she could return to EWON if an agreed outcome could not be negotiated.

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## Customer refused a payment arrangement

**If a retailer agrees to lift a default listing it should ensure that it is withdrawn from all listing sites.**

An advocate informed EWON that a customer had been default listed for \$898 in July 2015. The customer tried to negotiate a payment plan however the retailer refused when the customer would not accept a direct debit arrangement. The complaint was referred to the retailer at a higher level. The advocate then returned to EWON as the complaint was not resolved.

EWON investigated the complaint and the retailer indicated that the listing had been lifted. Further investigation established that while one default listing had been lifted, there was a further listing with another agency. The retailer agreed to lift the outstanding default listing.

The advocate was a credit repair agent.

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## Customer on a payment plan default listed

**If a customer has a payment plan in place, one missed payment should not trigger a default.**

A customer moved address and transferred her accounts. She had made payment arrangements for both the electricity and gas accounts of \$45 per week, against arrears of around \$400 for each account. The customer told EWON that she had missed one payment due to financial difficulty and the retailer had default listed both debts. She contacted the retailer and they advised she continue the repayments but they would not lift the default listings.

These complaints were referred to the retailer at a higher level, knowing she could return to EWON if an agreed outcome could not be negotiated.



# Credit default listing

## Default listing for small arrears while customer was in hardship

**The Credit Code requires a request for hardship support to be considered prior to listing.**

A customer advised that his retailer placed a default on his credit file in 2016 for an outstanding electricity account of \$200. He said during that time he had surgery and experienced financial hardship. He advised that he spoke to the retailer who said the outstanding bill was payable. He had since paid the outstanding debt and was seeking the removal of the default listing on compassionate grounds; however, the retailer declined this request.

This complaint was referred to the retailer at a higher level, knowing he could return to EWON if an agreed outcome could not be negotiated.

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## Default listing while bill disputed

**Disputed bills should not be default listed until a related complaint is resolved.**

A customer had a solar water heater installed and noticed she was receiving very high bills which she disputed with her retailer. She changed retailer and continued to dispute the bills. She was contacted by a collection agency and paid the outstanding arrears to resolve the matter but discovered that she had been default listed in April 2017. She said that she had not been notified of the default listing by either the retailer or the collection agency. She also said that despite numerous contact with the retailer she was not offered a payment arrangement for the disputed bill. The customer refused a referral to the retailer and requested an investigation by EWON.

EWON's investigation identified that the retailer had default listed the customer while the bill was in dispute. On this basis the retailer said that it would lift the listing.

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## Default listing while bill disputed

**The listing occurred while the customer was disputing the bill.**

A customer received two very large bills totalling \$2,267 when his historic consumption had been around \$800. As his consumption patterns had not changed, he disputed the bills. He said that the retailer acknowledged the bills were not consistent with his usage history and agreed to investigate further. He was then advised that the billing was correct and the debt was default listed. He continued to dispute the debt. This complaint was referred to the retailer at a higher level. The customer returned to EWON as the retailer had contacted him and indicated that the bill was payable. He agreed to a payment arrangement, however, he disputed the default listing as he considered it had occurred while the bill was in dispute with the retailer.

EWON began an investigation and requested past billing history from the retailer, as well as details of the default listing. The retailer responded with the information that the two disputed bills were significantly higher than previous years usage and that the customer had been paying regularly since the previous EWON referral. On this basis the retailer reduced the disputed bills to the previous usage level and agreed to lift the default listing. This resolution resulted in a \$1,467 credit being applied to the customer's account, leaving arrears of \$490 and a six month payment plan in place.

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## Second listing not lifted

**A retailer should check all listings if it has agreed to lift a default.**

An advocate returned to EWON as the retailer had not lifted a default listing as agreed to in a previous EWON case. This resolution had been arrived at in late March 2018 and the customer was still listed at the end of May 2018. Initially, the retailer told EWON that its records showed that the default had been lifted by the end of March 2018 as agreed. EWON then contacted the advocate who provided evidence that the listing was still current with a different agency. This information was provided to the retailer which immediately lifted the second listing.

The advocate was a credit repair agent.



# Credit default listing

## Disconnection threats

**Threats of disconnection for non-payment are inappropriate when the bill is a backbill and the customer was not afforded their right to nominate the repayment period.**

A customer advised he received an electricity bill for \$1,200, which was higher than expected as previous bills had been approximately \$400. He paid \$600 but could not afford to pay the full amount. He called his retailer who advised him that it had previously been sending him estimated bills, and the current bill was a backbill to reconcile undercharging since the last actual read in December 2017. The customer said the retailer only gave him a short period of time to pay the bill. He was unable to pay the full bill and then received an overdue notice for \$600, stating his power would be disconnected if it was not paid. He said that he could afford to pay \$100 per fortnight. He also advised the Low Household Income Rebate was not being applied to his bills despite having provided his concession card details.

This complaint was referred to the retailer at a higher level, knowing he could return to EWON if an agreed outcome could not be negotiated.

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## Retailer refusing a payment plan request

**Backbills should not be issued with a 13 day due by date. In this complaint the customer had sought information about his rights under the rules and the retailer refused to provide an equivalent time to pay.**

A customer advised that his retailer had not sent an electricity bill for nine months. He said he had contacted the retailer on several occasions and eventually received backbills for nine months' usage which were due within 13 days after the issue date. He contacted the retailer again to discuss the bill and during the conversation, he advised he had sought advice about backbills from EWON. He requested a payment plan offering an equivalent amount of time to pay which was refused as he had made a complaint to EWON.

This complaint was referred to the retailer at a higher level, knowing he could return to EWON if an agreed outcome could not be negotiated.

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## Error in default listing has serious consequences

**The customer and the retailer had resolved the complaint about the default listing which had been made in error. The further error in only lifting the listing from one site could have caused the customer to lose his deposit on a house purchase.**

A customer had been default listed for an address that he had not lived in. He contacted the retailer and it was identified that it had incorrectly opened an account for the wrong address. The retailer agreed to lift the default listing by 26 June 2018 but that had not occurred. This complaint was referred to the retailer at a higher level. The customer then contacted EWON five days later as he had put a deposit on a house and settlement was due in a week's time and this would be in jeopardy if the listing was not lifted.

The customer returned to EWON the next day as the retailer had contacted him to explain that it had lifted the default from only one agency and that the second listing would be lifted in two days' time. The customer was satisfied with this explanation and agreed that the complaint was resolved.



# Credit repair agents

## Incorrect authority to act

**EWON requires credit repair agents to provide an authority to act which clearly informs the customer that EWON is a free service. This was not provided so EWON liaised directly with the customer.**

An advocate informed EWON that a customer had been default listed for \$898 in July 2015. The customer tried to negotiate a payment plan on her final bill but the retailer refused when the customer would not accept a direct debit arrangement. The advocate indicated that it was unable to get a resolution from the retailer. The complaint was referred to the retailer at a higher level. The advocate then returned to EWON as the complaint was not resolved.

EWON investigated the complaint and the retailer indicated that the listing had been lifted already. Further investigation established that while one default listing had been lifted, there was a further listing with another agency. The retailer agreed to lift the outstanding default listing.

In this complaint the advocate was a credit repair agent. EWON identified that the authority to act provided by the credit repair agent did not acknowledge that EWON was a free service. In resolving the complaint EWON dealt directly with the customer and not the credit repair agent.

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## Customer paying for a free service

**Despite the significant problems the customer had experienced, the retailer refused to establish an affordable payment arrangement prior to the default listing. The final bills were not issued to the customer's last known address in breach of the Credit Reporting Code 9.3 (d). The customer had paid the credit repair agent \$3,500 before she was made aware that EWON provided a free service.**

An advocate contacted EWON and said that a customer had been default listed in June 2017 for \$742 owing on her gas account and in May 2017 for \$177 on her electricity account. The customer had provided a forwarding address when she moved in January 2017.

The house that she moved to was destroyed by Cyclone Debbie in March 2017 and the customer then attempted to negotiate a payment plan which was rejected by the retailer. The advocate had raised the matter with the retailer but received no response. These complaints were referred to the retailer at a higher level. The advocate then returned to EWON as these complaints were not resolved.

An EWON investigation found that the customer tried to establish a payment plan after her house was destroyed by the cyclone and that her proposal for the gas account was rejected without any alternative being offered by the retailer. It was also identified that the final bills had been sent to the wrong email address, despite the customer providing the correct address. After noting that the final bill was not issued correctly and considering the customer's circumstances, both default listings were lifted.

The advocate was a credit repair agent. When EWON first contacted the customer and explained that we were a free service, the customer indicated that this information was not provided to her by the credit repair agent. She said that, so far, she had paid the agent \$3,500 and was not happy with the service. She requested that the credit repair agent be removed as her advocate.

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## Error in default listing has serious consequences

**EWON does not work with agents who do not provide evidence that they have informed a customer that EWON is a free service.**

In this complaint the credit repair agent contacted EWON seeking the outcome of a previous complaint. The agent was informed that, as the authority to act had not acknowledged that EWON was a free service, the result of the previous complaint had been directly communicated to the customer. The outcome of the previous case had been that the customer's default listing had been lifted and the credit repair agent may have been seeking this information to collect further fees from the customer.



# Backbilling

## Unauthorised consumption

**The customer had originally failed to open an account under extenuating circumstances which the retailer recognised after discussions with EWON. On this basis the retailer rebilled the customer in line with NERR Rule 30 (2) (a).**

A customer approached EWON at a Bring your Bill day with an interpreter as she did not speak English. The customer moved into the supply address in 2016 but did not understand that she needed to open an electricity account. She received a disconnection notice in April 2018 and contacted the retailer, which told her that she owed \$6,224. She then established a payment plan of \$1,500 immediately and \$265 per fortnight. She explained that her husband received Newstart and they had six children. The customer wanted EWON to review the backbilling as they could not afford the repayments.

EWON investigated the complaint and it was established that the retailer did send appropriate notices in 2016 and there was no further attempt at contact until 2018. Given that the customer did not speak English, did not understand her obligation to open an account and that there was no contact between 2016 and 2018, the retailer agreed to only backbill nine months. This reduced the backbill to \$1,504 and the customer agreed to a repayment plan of \$128 per fortnight.

## Backbilled for more than three years

**Not only had the retailer backbilled the small business customer for more than three years in breach of NERR Rule 30 (2) (a), it also refused to allow the customer to repay the arrears over 12 months as required by Rule 30 (2) (d) (ii).**

A small business customer, received a bill in June 2017 for a period from April 2014 to June 2017 for \$84,895. This bill was for a second meter that the customer was unaware of, nor had he received any bills for consumption on this meter until the backbill arrived. He acknowledged he had consumed the electricity but could not afford that amount. He offered to pay \$42,000 over three years but the retailer would only accept \$60,000, to be paid within six months.

In response to EWON's investigation, the retailer acknowledged that under the NERR it was only able to backbill nine months. The retailer said that it would reduce the bill by more than \$75,000, leaving arrears of \$8,511. The customer was extremely pleased with this outcome and agreed to contact the retailer to arrange payment of the outstanding arrears.

## Backbilling beyond the nine month limit

**A customer had her meter changed and then received a very high bill. She contacted the retailer and was told that her previous meter was faulty and that the high bill was a catch-up for underbilling. She felt that the bill was still high and contacted EWON.**

An EWON investigation established that the retailer had billed for undercharges dating back to 2016. As a result, the retailer credited the customer's account \$1,600 to reduce the backbilling to the nine month limit. It then reissued the disputed invoices and the customer paid \$808 leaving a zero balance.

## Backbilling beyond the nine month limit

**In this complaint, not only was the backbill for 13 months, the customer was not given time to pay.**

A customer told EWON that she had received a bill for the period 13 April 2017 to 11 July 2018 with a letter stating that his previous billing had been incorrect. When he contacted the retailer, it explained that there had been an error on its part. The customer said the retailer told him that, as he had used the energy, he needed to pay the bill. EWON explained the rules concerning backbilling, including the nine month limit and his right for a period to pay. The customer accepted a referral back to the retailer for resolution on this basis.

This complaint was referred to the retailer at a higher level, knowing she could return to EWON if an agreed outcome could not be negotiated.



# Backbilling

## Backbilling beyond the nine month limit

**While this complaint was not investigated, based on the customer's information, it appears this retailer acknowledged the backbill was caused by an error on its part, and it still issued a backbill for 13 months.**

A customer received a bill in July 2018 for the period 20 April 2017 to 1 June 2018 for \$1,700. He called his retailer to question this and was told that there had been an error in its system and it had been unable to issue a bill. He was concerned about the accuracy of this backbill and that he could not afford it. After EWON explained the rules concerning backbilling, including the nine month limit and his right for a period to pay, the customer accepted a referral back to the retailer for resolution on this basis.

This complaint was referred to the retailer at a higher level, knowing she could return to EWON if an agreed outcome could not be negotiated.

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## Backbilled for more than three years

**The retailer argued that NERR Rule 30 only applied to the difference that the customer had paid on the wrong meter and the amount owed from the reading of the correct meter. While EWON accepted the retailer's position, the customer was adamant that once the wrong account was closed, all that she paid should have been refunded and when the new account was opened the nine month protection should have been applied.**

A customer came to EWON in May 2018 and said she had been advised by her retailer that her account had been incorrectly set up on her neighbours' meter. She said that the retailer told her that it would refund all her payments since 2015 and then backbill her for nine months on her actual meter. She was also told there would be no direct debit until the situation has been worked out. She was then direct debited \$866. She wanted EWON to check the backbilling for accuracy. This complaint was referred to the retailer at a higher level and the customer returned to EWON as the retailer was now requiring her to pay for the correct meter backbilled to 2015.

When EWON investigated, the retailer said that it had applied the \$1,115 paid on the wrong meter to the customer's account. It also said that it considered that the undercharging provisions of the NERR only applied to the difference between the amount the customer had paid on the wrong meter and the charges related to the billing on the correct meter. Therefore, it had applied a credit of \$386 to comply with the nine month restriction on recovering undercharges.

The retailer also applied a 26% discount to the arrears. It agreed that the information provided by the retailer initially (that it would only backbill the customer for nine months) was misleading and set up a false expectation. In recompense, the retailer offered to waive the current bill of \$213. This left the customer with a zero balance. The customer was not happy with this outcome as she had done nothing wrong and still felt that the nine month rule should apply to the full amount charged on the new meter, however she reluctantly accepted the resolution. She did however indicate that she was unhappy with the service from the retailer and would seriously consider changing retailers.

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## Use of pay on time discount to avoid time to pay requirement

**Rule 30 (2) (d) of the NERR requires retailers to offer customers who are backbilled time to pay over a period nominated by the customer. As this complaint highlights, some customers feel pressured to pay immediately otherwise they can miss out on the pay on time discount.**

A customer received an electricity catch-up bill from his retailer for approximately \$1,000. It advised him that this was a catch-up bill as it had undercharged the customer for the past nine months, however it did not discuss backbilling provisions or offer a billing review. He considered he had no time to dispute the bill as the pay on time discount only applies when a bill is paid within 48 hours.

The customer wanted to report the retailer's business practices as he considered it unreasonable. He did not want an EWON investigation at this stage as he was prepared to dispute the billing directly with the retailer.



# Backbilling

## Confusing information

**Rule 30 (2) (c), requires clear and precise information be sent to customer during the rebilling.**

A customer experienced a delay in billing, then received a bill with a letter indicating that due to a difficulty he would receive further multiple bills for his records. He understood that the letter meant he did not have to pay those. He paid the first bill and then received a further bill in the form of a reminder notice for \$616. When he contacted his retailer, it said that the bill was payable with no explanation. He considered it was unreasonable that he was required to pay seven months consumption at once as this would cause him financial difficulty.

This matter was referred to the retailer at a higher level. The customer returned as the retailer insisted that the bill was payable. The customer believed that the wording of the letter “these bills are sent for your reference only and don’t need to be paid” was being ignored.

In response to EWON’s investigation the retailer said that the backbills were issued due to a delay in receiving meter data after the installation of a new meter. The letter indicating that other bills did not need to be paid should have been accompanied with a combined bill for the delayed invoices. The retailer acknowledged that this was a customer service issue, however considered that the bills were payable. The retailer offered the customer a credit of \$166, reducing the outstanding arrears to \$450 and also provided a two month extension to pay. The retailer also identified that the customer was on a standing offer and requested that the customer make contact so a better market offer could be provided.



# Disconnections for reasons other than non-payment

## Energy broker error resulted in disconnection threat

**This potential disconnection occurred because an energy broker provided the wrong details to the retailer.**

A customer moved and attempted to open a new electricity account through a broker. She then received a disconnection warning and came to EWON.

EWON investigated and established that the energy broker had provided the wrong email address and when the retailer tried to contact the customer it was advised that the person it contacted did not live in Australia, and the account was closed. The retailer reinstated the account with the correct details and said it would contact the customer to discuss a payment arrangement for the arrears.

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## New account not opened

**Disconnection did not eventuate, however the customer could easily have ignored the disconnection warning as it was not from his preferred retailer.**

A customer moved in and opened an account with his preferred retailer. Five months later he received a disconnection warning notice from another retailer. He did not want to set up an account with that retailer, so he approached EWON for assistance.

EWON contacted the retailer which had issued the disconnection warning. It said that it owned the site and there had not been a transfer request. Our investigation established that the preferred retailer had not completed a transfer and had not notified the customer. EWON opened a linked complaint with the customer's preferred retailer and facilitated an immediate transfer which ended the disconnection threat. The customer was informed that he needed to pay the arrears for consumption from his move in date through to the transfer date. The customer was satisfied with this outcome.

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## Disconnection through no fault of customer

**Retailers should not use disconnection, or the threat of disconnection, to sign up new customers.**

A customer's gas supply was disconnected by the retailer that owned the site even though she believed she had an account with another retailer. The incumbent retailer told her that the only way to be reconnected was to open an account with it and arrange to pay the arrears.

The customer did this but approached EWON as the retailer told her that it would take up to five days to reconnect. Further she did not think it fair that she had to pay disconnection and reconnection fees because her retailer had not set up an account.

EWON contacted the incumbent retailer which agreed to facilitate an immediate reconnection and waive the fees.

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## Account opened for wrong meter

**While the customer's preferred retailer provided a credit to the customer in recognition of its error, it failed to retrospectively transfer the customer's account. The disconnecting retailer demonstrated a high level of customer service in waiving the consumption that had occurred, given that it had not made any error.**

A customer's electricity was disconnected which surprised him as he had just paid the bill early. He established that the disconnection had been requested by a retailer that he did not have an account with.

EWON investigated complaints with both retailers. It was established that the customer's retailer had opened his account on the wrong meter. The retailer agreed to immediately transfer the correct meter and to refund the customer the money paid on the wrong meter. It also provided a \$150 credit for the inconvenience that was caused by the incorrect transfer.

The disconnecting retailer arranged reconnection and said that it would accept a retrospective transfer. However, the customer's preferred retailer refused a retrospective transfer, so the incumbent retailer waived charges of \$1,004 as the error was not the customer's fault.





# Disconnections for reasons other than non-payment

## Transfer in error disconnection

**A customer had his electricity disconnected by a retailer that he was not with, but had been sending letters to a person unknown to him to his address. He contacted EWON seeking to be reconnected.**

EWON opened an investigation and the disconnecting retailer acknowledged that its customer had provided the wrong address. This customer had then closed the account and requested a final read, which had resulted in the supply being disconnected. The customer was reconnected, and a transfer arranged. The retailer did not charge the customer for the period that it held the site.

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## Disconnection attempt associated with transfer error correction

**When a transfer in error is identified, it is important that all customers involved are transferred back to their original accounts correctly.**

A customer's account was transferred in error. She arranged with her retailer to correct this and was assured that this had been done. She then discovered her distributor was about to disconnect her. She immediately rang her retailer which confirmed that her account was not in arrears and that it had not requested disconnection. She provided this information to the field officer. She was then informed that the disconnection had been requested by her retailer for a 'dear occupant' account. The disconnection did not proceed, and she approached EWON to establish how a disconnection order had been raised. to address the incorrect information and to complain about poor customer service.

This complaint was referred to the retailer at a higher level, knowing she could return to EWON if an agreed outcome could not be negotiated.

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## Apparent failure to rectify transfer error correctly

**If an account is transferred in error, the retailer does not have explicit informed consent and does not have the right to bill the customer.**

A customer's account had been transferred in error and she contacted both retailers to resolve the issue. She said that she had been advised that a retrospective transfer would be arranged. She was then disconnected by the retailer that had transferred her. She arranged reconnection and changed retailers. She was now receiving 'dear customer notices' for arrears and for a reconnection fee. She was seeking EWON's assistance to have the original transfer reviewed and for the retailer to stop sending bills she did not believe were hers.

This complaint was referred to the retailer at a higher level, knowing she could return to EWON if an agreed outcome could not be negotiated.



# Poor customer service

## Rebate dispute

**The eventual customer service offer left the customer in a much better position than originally requested.**

An advocate called on behalf of her father about a retailer failing to apply the Low Income Household Rebate to his account. She had opened the account in 2015 and had supplied the relevant details. She said that she recently identified that the rebate had not been applied so she contacted the retailer. She said that the retailer acknowledged that it had made a mistake but that it would only backdate the rebate for 12 months. This matter was referred to the retailer at a higher level. The customer returned to EWON as the retailer refused to reimburse anything further than 12 months.

EWON investigated the complaint and the retailer responded to an information request saying that there was no record of a request for a concession when the account was opened, however it would offer a \$250 customer service payment. This information was provided to the advocate, however she was adamant that she had provided the details.

EWON then requested the account details and identified that the customer's chosen form of payment was through Centrepay. EWON pointed out that this implied that the retailer knew the customer was on government income support and therefore eligible for the rebate. The retailer then offered a further customer service gesture of \$990. This was significantly more than the customer would have received had the rebate been backdated to 2015 and the customer accepted this offer.

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## Direct debiting

**Direct debiting an account for more than an agreed amount causes significant problems for customers who have other financial commitments. Where a customer requests a refund, this should be actioned by the retailer immediately.**

A customer had a payment arrangement of \$108 per fortnight. She contacted her retailer after receiving a bill for \$794 to ensure that direct debit would continue for the agreed amount, rather than for the full arrears. However, \$794 was then debited from her account leaving her unable to pay her rent.

She contacted her retailer saying that she had not agreed to this debit, but it said that as a direct debit arrangement had been entered into, it had her consent. She requested a refund and the retailer refunded \$266 with no explanation about how it arrived at this amount. The customer then approached EWON for assistance.

EWON began an immediate investigation because the customer had still not been able to pay her rent. The retailer pointed out that it had refunded a further \$108 but recognised the situation that its actions had left the customer in. It offered to deposit a customer service gesture of \$529 to the customer's bank account. This left the customer's account in credit and her original payment plan was restored.

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## Disconnection

**A customer moved into a house in February 2018 and opened an electricity and gas account. While she received a gas bill she never received an electricity bill. In early July, her electricity was disconnected so she contacted her retailer to find out why this had occurred without any warning. Its explanation was that it did not have an address to send bills or notices to.**

The retailer said that it would reconnect immediately but that she had to pay for this. She approached EWON as she did not think she should pay for a reconnection when the disconnection was not her fault. She also said she wanted a customer service gesture for being disconnected.

When EWON contacted the retailer, it identified that the customer's account had not been established correctly and that the disconnection had been for vacant possession. The retailer offered to apply a 32% discount for a year starting from when the customer moved in which resulted in a \$120 credit to be added to her account. It also offered a further \$250 credit in acknowledgement of poor customer service. This reduced the customer's arrears to \$142.



# Poor customer service

## Meter not installed

**A customer accepted an offer for a new net meter in November 2017 to be installed within 30 days. He had contacted the retailer regularly and on each occasion was told that it would be installed when the team were in his area. In June 2018 he again contacted his retailer which said that it would take up to 30 days and that it would send him a letter confirming this. No letter arrived, and no meter was installed so he contacted EWON.**

The complaint was referred to the retailer at a higher level. He returned to EWON dissatisfied with the retailer's response as it again said that it would take 30 days and did not provide a firm date for installation. At this point, he had been waiting eight months and he was not gaining the benefit of his solar generation.

When EWON contacted the retailer, it provided a date for the meter installation and offered a \$500 customer service payment. The customer accepted this offer despite being of the view that he had lost around \$1,000 due to the delay in installing the meter.

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## Faulty meter

**A customer received a bill for \$6,669, which he considered high as his normal bill was around \$400. He spoke to a neighbour who worked for a distributor who pointed out that his meter had an error message on the screen. He then contacted his retailer which told him that it would replace the meter and then rebill him based upon new meter readings.**

The retailer then direct debited him for the entire \$6,669. It returned the money when he complained, and the account was put on hold, however he approached EWON to get confirmation of when the meter would be replaced and his bill recalculated.

The retailer at first indicated that the meter had been replaced and that it would offer a customer service gesture by waiving the rebilled account, which came to \$157. EWON checked MSATS and established that the records did not reflect a meter exchange. The retailer then confirmed that the meter exchange would occur the next day and increased the customer service gesture to a total of \$250.

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## New meter delay

**A customer applied for a new meter with her retailer well in advance as it needed to be installed before she could move into her home. An NMI was assigned in December 2017. She was then given a number of installation dates, but the meter was not installed.**

On the first installation date no reason was given. On the second date she was told there was insufficient signal for a remote access meter. A new work order was booked and three dates for installation had been given but they were also not met. No explanation for the delay had been given and she felt greatly inconvenienced, as she had been staying with family while waiting for the meter to be installed.

EWON began an investigation and after lengthy discussion with the retailer and a meter provider, a meter was installed 20 days later. The customer sought a customer service payment for her inconvenience and the retailer offered \$250. She was unhappy with this amount and, when EWON contacted the retailer, it said that it would not increase the amount unless the customer provided substantiation of costs. The customer was not prepared to further engage with the retailer.



# Water

## Substantial delay surrendering a Water Access Licence

**The customer complained they had cancelled a Water Access Licence but continued to receive bills. Neither the provider or the customer had records which confirmed the licence had been cancelled.**

A customer complained to EWON that she did not understand why she was receiving bills from her water provider for an unregistered minimum water management charge. The customer advised that her property was not connected to the water provider's network and she obtained water from her own tanks. The customer had sent an email to the provider cancelling her water account and received no response. The customer then received another bill and called the provider to complain. The provider told the customer that it had not received her correspondence and that she must send it again and pay the current bill. The customer wanted the account cancelled and the current bill reviewed.

EWON referred the complaint to a higher level at the provider. The customer returned to EWON because the complaint remained unresolved and she received a new letter from the provider requesting she pay an increased amount owing on her water account.

The provider advised EWON that the customer purchased the property with an attached water licence which attracted water entitlement charges. The provider was aware that the customer considered she cancelled the licence on 10 March 2017, but it had no record of receiving this correspondence. The customer provided a copy of the notice to the provider, but the provider considered the customer was still liable for charges up to May 2018.

The customer provided EWON with a copy of the notice that she sent to the provider in March 2018. The provider noted that the customer's email appeared to have been sent to an incorrect email address and therefore the cancellation notice was not received. EWON provided the customer with a Water Access Licence surrender form and the provider offered to backdate the cancellation to 1 July 2017 once the surrender form was received.

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## Water restriction for non-payment of account

**The provider did not appropriately consider the customer's situation when negotiating payment of the account. The customer's partner had asked for a payment arrangement based on what she could afford, and this was refused by the provider.**

The water supply to a customer's property was restricted on 12 July 2018 for non-payment of a debt of \$1,110.27. The customer had been in a mental health facility receiving treatment for 10 weeks between May 2018 and July 2018. The customer's partner had contacted the water provider in May 2018 to request a payment arrangement of \$20 a fortnight but had been told that she had to pay at least \$50 a fortnight.

The customer's partner told the provider they would have the money to pay the account in full within a week, as they had requested early release of their superannuation. However, the provider refused to lift the restriction. The customer's partner received a government carer's payment and had six children, two with significant health issues. The family had high medical bills and ongoing visits to hospital.

EWON contacted the provider which advised it last spoke to the customer in April 2018. The provider's records showed that the customer advised them at this time that his superannuation would be released within two weeks and he agreed to a payment plan of \$50 a fortnight. The last payment made towards the account was \$100 on 29 March 2018. The customer had also received \$300 towards his account through the Payment Assistance Scheme in November 2017. The provider advised it would lift the restriction if the customer could provide confirmation that he would be receiving early release of superannuation. The customer's partner provided the information and the water restriction was lifted the same day.



# Water

## 12 month delay responding to the customer request to remove an easement

A customer contacted the water provider to request that an unused easement be removed. The water provider attended the premises on 10 April 2017 and advised the customer that it could remove the easement and said it would send the customer paperwork to confirm removal. The customer followed up with the provider for several months, but the paperwork was not received.

EWON referred the complaint to a higher level at the provider. The customer returned to EWON after the provider advised her that the matter would need to be reviewed. The customer was concerned that this was the same answer she had received over the last several months. EWON contacted the water provider in May 2018. The water provider notified EWON on 12 June 2018 that the release of the easement had been approved and documents had been sent to the customer to sign. The provider waived all fees and costs of removing the easement due to the 12 month delay responding to the customer's request.

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## Water restriction for non-payment of account

A customer complained to EWON that he had received a notice from his water provider warning that his water supply would be restricted if his water account balance of over \$1,800 remained unpaid. The customer also advised EWON that he was in the process of selling his house and that he received a pension. The customer had contacted the water provider to make a payment arrangement, but he was unable to pay the requested \$425 instalments and could only afford to make fortnightly payment of \$100.

EWON contacted the provider to see if a more affordable payment arrangement could be offered. The provider proposed that the customer make an upfront payment of \$200 and then agree to subsequent fortnightly payments of \$100. The customer contacted the water provider directly and agreed to the payment plan. EWON confirmed this arrangement with the customer and provider and organised a referral to the Payment Assistance Scheme.

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## Water restriction for non-payment of account

The customer clearly communicated that he had experienced a loss of income and that he was transitioning into casual work. The provider was unwilling to discuss what the customer could afford to pay, requiring the customer to pay a prescribed amount of \$35 a fortnight to avoid the supply being restricted.

The customer's water supply was restricted on 13 August 2018 due to arrears of \$574.62. The customer had experienced a loss of income because his insurance payments for a back injury had stopped, but he had recently returned to casual work. The customer advised EWON that he had previously been on a payment plan with the water provider and could afford to pay \$50 the next day and then \$25 a fortnight.

EWON contacted the water provider which advised that the customer had been making fortnightly payments on his account up to December 2017. The most recent payment had been \$80.00 in May 2018. The provider advised that once a customer has been restricted they are required to pay the debt in full or make an upfront payment of half the amount owing.

The provider advised that if the customer cannot afford to pay the debt, they are referred to a community agency to access the Payment Assistance Scheme and to get assistance negotiating a payment plan. EWON advised the provider that the customer had an appointment to see a community agency and would be able to make a payment of \$50 the next day. The provider agreed to lift the restriction and advised that the customer would need to agree to a payment plan of at least \$35 a fortnight to stay on supply.



# Water

## Shame around accessing financial assistance

**The customer had never experienced financial difficulties before and was reluctant to ask for assistance. The provider's records clearly showed the customer had attempted to engage to address the debt.**

A customer contacted EWON after his water supply was restricted on 27 August 2018 due to arrears of about \$500. The customer advised EWON that he had suffered a workplace injury which had required back surgery. The customer had contacted the water provider in January 2018 to request an extension to pay the account but was unable to keep up with his payments. The customer had been receiving workers compensation payments which were on hold due to an appeal. The customer had two children living with him and had no money available to make a payment on the account. The customer was reluctant to access financial assistance as he had never previously needed any kind of help.

EWON contacted the provider which advised that the restriction was due to \$517.01 owing on the account. The provider had received a payment of \$100 from the customer within the last week. The provider had spoken to the customer a week prior, when he refused a referral to a community agency to access the Payment Assistance Scheme. EWON spoke to the customer again and he agreed to make an appointment with a community agency to access payment assistance. The provider agreed to lift the restriction on this basis.

# Exempt entities

## Small business within an embedded network seeks access to retail competition due to price increases from their exempt seller

**The customer engaged with an authorised retailer to access a more affordable energy plan. The preferred retailer was willing to discuss the customer's request but was unable to provide a quote because the customer did not have a National Meter Identifier (NMI). In an embedded network, an Embedded Network Manager (ENM) provides market interface services to retail customers, such as acquiring a NMI for their meter connection point.**

*The AER Electricity Network Service Provider - Registration Exemption Guideline* does not require an exempt embedded network with 29 or fewer small customers to appoint an ENM until after the small customer has entered a market retail contract with their preferred retailer. This means that a customer without a NMI cannot access an alternative competitive energy offer.

A customer advised EWON that she operated a coffee shop within a shopping centre established as an embedded network. The customer complained that her energy bills had continued to increase despite her success in reducing the business's energy consumption. The customer had shopped around for a better energy plan and contacted her preferred retailer about transferring her energy account. The preferred retailer explained that they would need to offer her a plan based on energy charges, and her network charges would continue to be billed by the embedded network. The preferred retailer could not provide the customer with a quote or energy plan offer because the customer did not have an NMI.

EWON referred the customer to the *(Retail) Exempt Selling Guideline* published by the Australian Energy Regulator (AER) and the consumer protections relating to pricing in that guideline. EWON also provided the customer with a summary of the process established by the exemption guidelines for accessing retail competition. EWON also confirmed that the exempt retailer was not breaching the condition related to pricing contained in the Exempt Selling Guideline.