

4 November 2005

Ms Alison George
Regulatory Analyst
Essential Services Commission
Level 2, 35 Spring Street
MELBOURNE VIC 3000

Dear Ms George

Re: Draft Decision – Disclosure of Price and Service Information by Energy Retailers – Disclosure in Writing

Thank you for the opportunity to provide comment on the Essential Service Commission's (ESC's) *Draft Decision – Disclosure of Price and Service Information by Energy Retailers – Disclosure in Writing* (September 2005) ('the draft decision'). Thank you also for the consideration given to EWOV's earlier submission, dated 29 July 2005, on internet-based product disclosure.

EWOV welcomes and supports the ESC's September 2005 draft decision. The provision of written information – on request and with contract information – that is presented in a simple and comparable format will be of assistance to customers who do not routinely use the internet. In particular, it will be of use to elderly and low-income consumers for whom inappropriate choices about energy plans and retailers can have distressing results.

EWOV specifically supports the decision that this information be provided at the point of contracting. This is a point at which some consumers are particularly vulnerable and are relying on the representations of salespersons. It is obvious from the cases that come to my office that many consumers switch energy retailer in response to a marketing approach, rather than as a result of the consumer shopping around. Although EWOV has seen some good checklists and disclosure statements used by some energy retailers, there is a clear benefit from objective information being provided to consumers when they are approached by salespeople.

EWOV notes that some retailers have opposed the proposal for disclosure in writing on the grounds that they have developed quoting processes which they regard as adequate to protect the interests of consumers and as a source of competitive advantage. EWOV appreciates this point but suggests the easiest way for these energy retailers to comply with the proposed requirements will be to produce single sheets containing the requisite information and to leave their quoting processes unchanged.

EWOV notes that the draft decision has not adopted its suggestion of widening the group of customers who stand to benefit from this initiative. However, the advantages of consistency with the current internet-based disclosure requirements are appreciated.

The draft decision represents a reasoned balance between the interests of consumers and energy retailers. It should contribute to the efficiency of the marketplace by enhancing the level of useful information that is available to consumers.

I trust the above comments are helpful. Should you require any clarification or expansion, please do not hesitate to contact Stephen Gatford, Manager Public Affairs and Policy, on (03) 9649 7599.

Yours sincerely

Fiona McLeod
Energy and Water Ombudsman (Victoria)