



# Res ONLINE



ENERGY AND WATER  
OMBUDSMAN  
Victoria **Listen Assist Resolve**

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# THE OMBUDSMAN'S VIEW

## Checking in on the Assisted Referral process

The [feature article](#) in this issue of *Res Online* provides the latest customer feedback on our Assisted Referral process. Delivering a success rate of 82% in the October to December 2015 quarter, Assisted Referral continues to resolve many of the complaints EWOV receives quickly and effectively. This higher level referral process also plays an important role in reconnecting companies with their customers, providing valuable opportunities to build goodwill. We continue to see widespread support for the process from both customers and scheme participants.

## Incorporating Victoria's amended energy laws into EWOV's work

The Victorian Government has amended the state's energy laws to expand protections for customers. The *Energy Legislation Amendment (Consumer Protection) Act* came into effect on 1 January 2016, resulting in some amendments to the *Electricity Industry Act 2000*, *Gas Industry Act 2001* and *Essential Services Commission Act 2001*. Included in the changes are aspects of the Wrongful Disconnection Payment (WDP), early termination (or exit) fees, and contracts and tariffs for renewable energy (typically solar) customers. We've briefed EWOV staff on the changes and updated our case handling documentation. We've also updated our customer fact sheets. There's [more information](#), with useful links, on our website.



**Cynthia Gebert**

Energy and Water Ombudsman (Victoria)

Delivering a success rate of 82% in the October to December 2015 quarter, Assisted Referral continues to resolve many of the complaints EWOV receives.



**Cynthia Gebert**

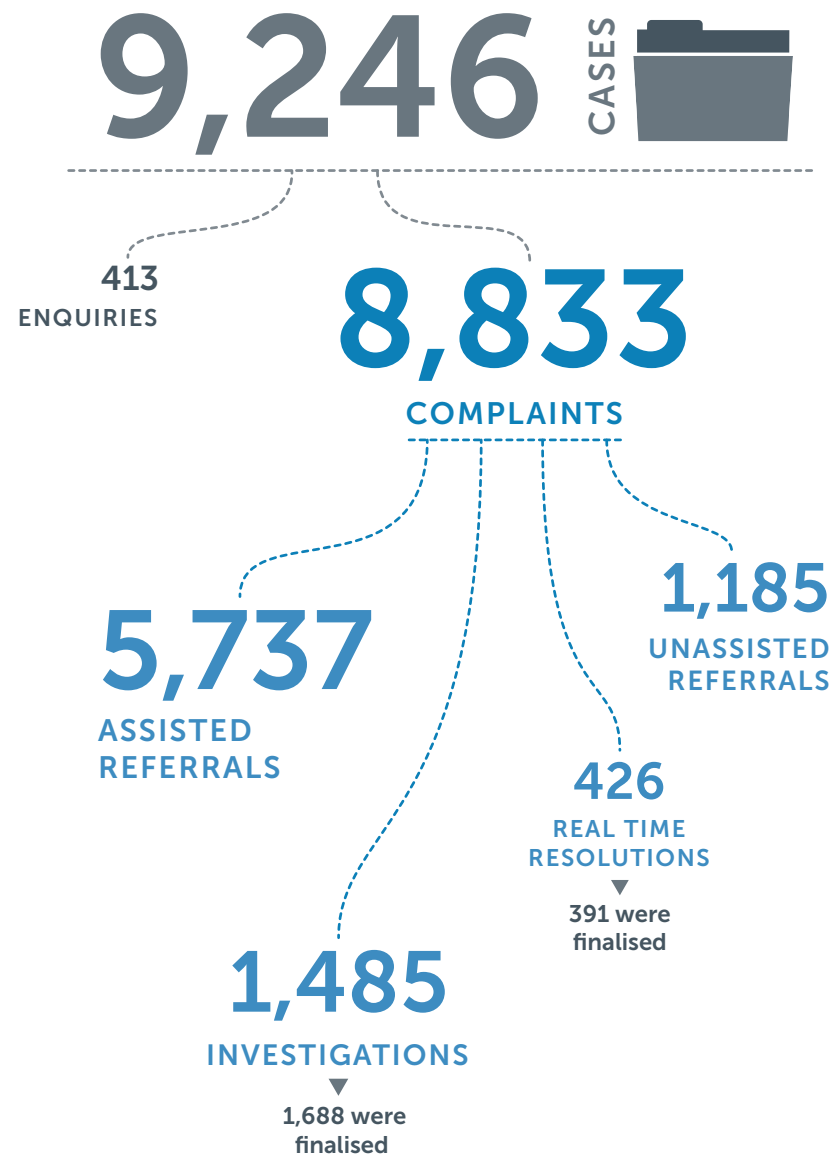
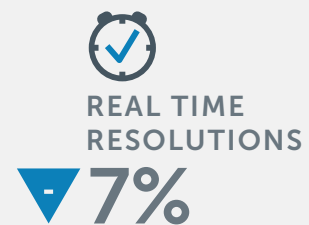
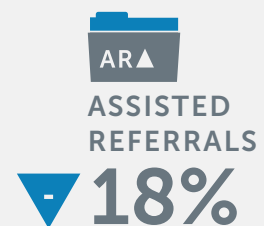
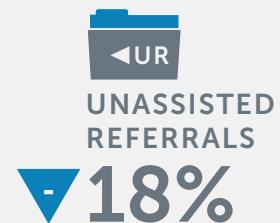
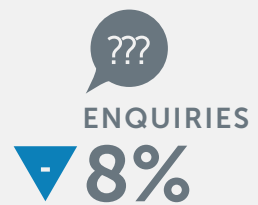
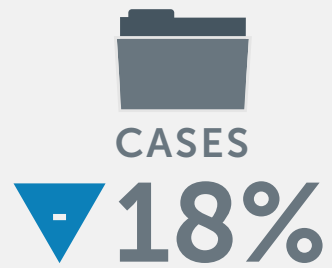
Energy and Water Ombudsman (Victoria)

If you have any feedback about *Res Online*, please contact Matt Helme, EWOV's Research and Communications Manager at: [rct.ewov@ewov.com.au](mailto:rct.ewov@ewov.com.au).

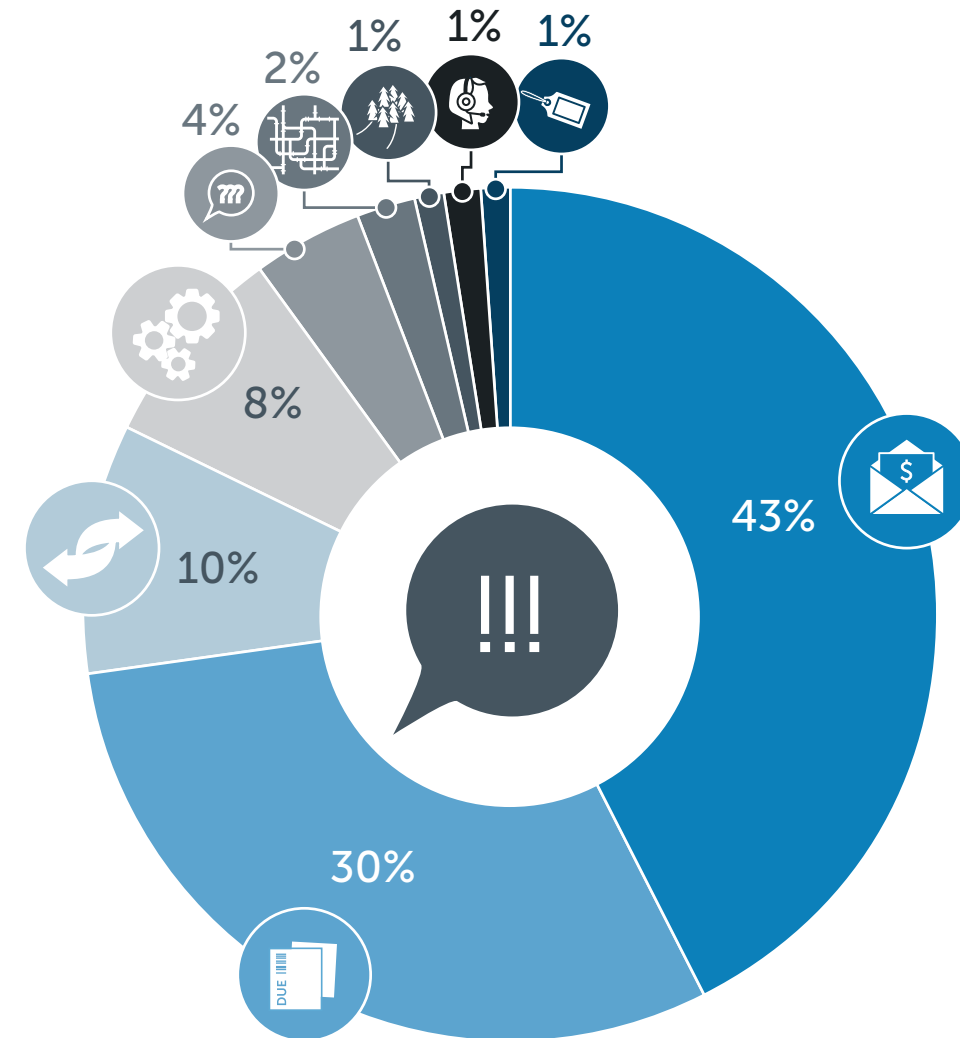
# THE BIG PICTURE

OCTOBER - DECEMBER 2015

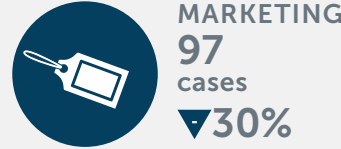
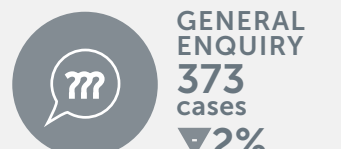
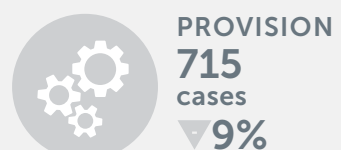
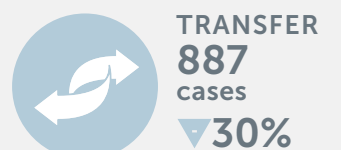
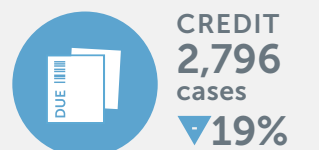
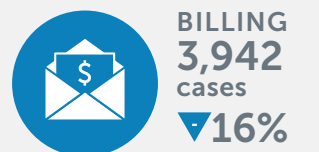
Compared to last  
quarter:



The issues customers complained about

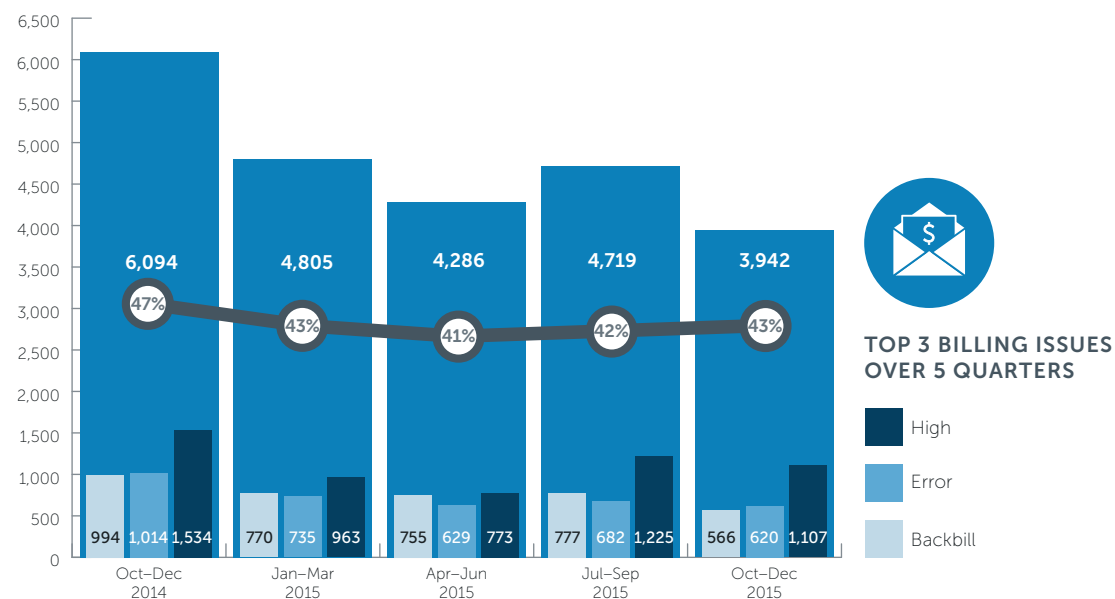


Compared to last  
quarter:



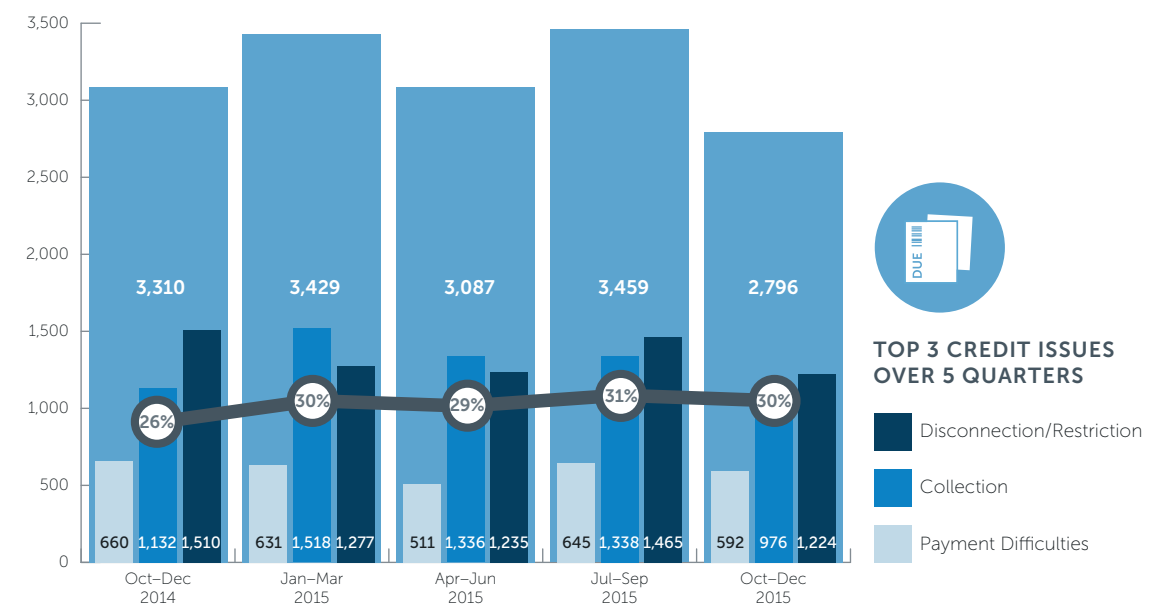
Billing cases

Number of Billing cases % of overall cases



Credit cases

Number of Credit cases % of overall cases



# CHECKING IN ON THE ASSISTED REFERRAL PROCESS

## The power of reconnection

**Assisted Referral continues to be a successful means for managing and resolving the majority of EWOV complaints quickly and effectively — reconnecting customers and scheme participants for a positive outcome.**

In the October to December 2015 quarter, we registered 5,737 complaints as Assisted Referrals. 4,689 of these complaints were resolved at this level, without the need for further EWOV involvement through either Real Time Resolution or Investigation. That's an 82% success rate.

Our surveying of customers shows a high level of satisfaction with the Assisted Referral process.

In our October to December 2015 customer satisfaction survey, 749 respondents had their complaint handled as an Assisted Referral:

- 64% electricity customers, 28% gas, 7% water and 1% bulk hot water
- 93% residential customers, 5% business, 1% government and 1% not-for-profit.

83% of these customers rated their experience with the Assisted Referral process as excellent (51%) or good (32%).

And most of them considered that EWOV handled their complaint independently (86%) and fairly (86%).

On the flip side, some customers have told us they felt obliged to accept the resolution offer put forward by their energy or water company. That's not the case. So, in explaining the Assisted Referral process to customers, we stress that they can return to EWOV for further assistance if the Assisted Referral doesn't resolve the problem for them.



## ASSISTED REFERRAL: HOW IT WORKS

Sometimes, even though the customer speaks with someone at their energy or water company's contact centre, their complaint remains unresolved. In these cases, the complaint is handled as an Assisted Referral. This means it's referred to a designated higher level contact within the company. EWOV makes this referral after providing the customer with some information about their rights and responsibilities, relevant to their complaint.

Assisted Referral enables companies and customers to reconnect, building goodwill and customer confidence in their company's capacity to resolve any future problems. Undertaken effectively, Assisted Referral can successfully and significantly reduce the number of complaints which need to go through to Real Time Resolution and Investigation.

## Recent resolution stories



### **Assisted Referral resolves a stressful, long-running issue involving a debt collection agency**

The customer rang EWOV in December 2015 on behalf of his wife, complaining about debt collection action for arrears they didn't owe. For two years, a debt collection agency acting for an energy retailer had been demanding \$120 from them, with the threat that non-payment would affect his wife's credit rating. At times, the debt collection agency representatives were intimidating and unprofessional. The customer said that neither he nor his wife had any association with the energy retailer concerned, or any link to the property for which the debt was listed. He said he'd rung the energy retailer, to be told there was no debt owing. He asked for this to be confirmed in writing, but nothing was received. The customer contacted EWOV and we raised an Assisted Referral. This time, following discussions with the customer the same day, the energy retailer provided written confirmation that the debt had been withdrawn from debt collection, with no effect on his wife's credit rating. The customer accepted the retailer's offer of a cheque for \$250, in recognition of the inconvenience caused and the time taken to resolve the problem. The complaint was closed on this basis.

As part of our annual telephone survey of customers, we rang this customer about the resolution of his complaint through the Assisted Referral process. He said that the process delivered a swift resolution, with the retailer addressing his concerns. Importantly for him, he also had the opportunity to suggest that the company review its collection procedures, to avoid other customers being affected in the same way. He was very concerned about more vulnerable customers who may find themselves in a similar situation.

2015/34631

The customer said that neither he nor his wife had any association with the energy retailer concerned, or any link to the property for which the debt was listed.



### **Assisted Referral delivers a goodwill gesture for a long-term customer with a good payment history**

Having rung her water corporation to discuss a high water bill, the customer was advised to check for a leak at her property. She engaged a plumber who found a burst pipe in a wall cavity behind the toilet. The customer then applied for a payment under her water corporation's 'leak allowance' policy. The water corporation credited her account with \$254. Unhappy with this amount, the customer contacted EWOV seeking a higher credit on the basis of being a long-term customer. An Assisted Referral was raised the same day. The water corporation responded swiftly, offering an extra credit of \$157.30 to bring the billing into line with billing for the customer's usual consumption. The customer accepted the offer and the complaint was closed on this basis.

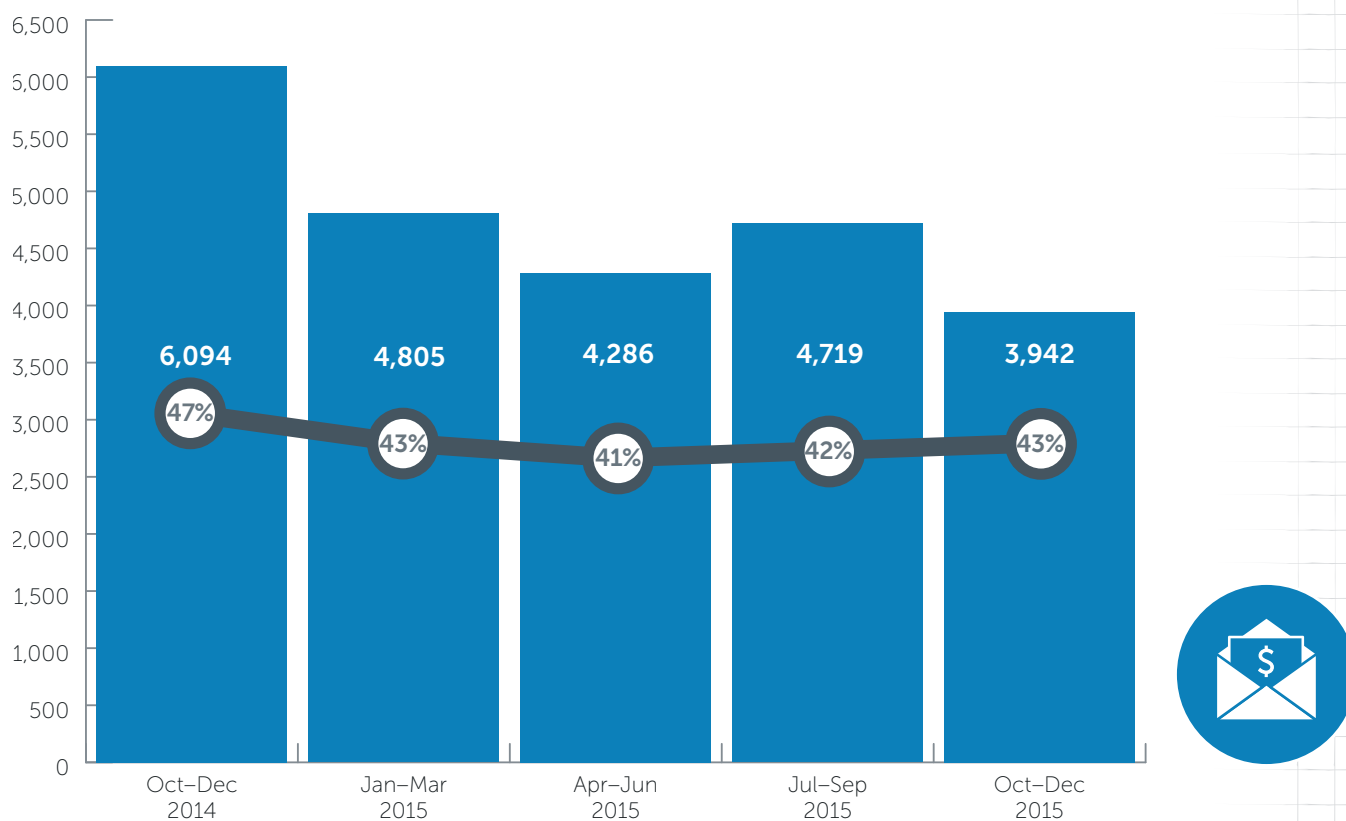
The water corporation said its offer was a goodwill gesture for a long-term customer with a good payment history. It acknowledged that a fair and reasonable offer at the Assisted Referral stage can prevent a complaint escalating to an Investigation.

As part of our annual telephone survey of customers, we rang this customer about the resolution of her complaint through the Assisted Referral process. She said she found the process easy to use, fast and efficient. She believed her complaint wouldn't have been resolved without EWOV's assistance. 2015/33195

**The water corporation said its offer was a goodwill gesture for a long-term customer with a good payment history.**

# BILLING

FIGURE 1  
Billing cases



COMPARED TO  
LAST QUARTER

**BILLING CASES**



**16%**



COMPARED TO  
THIS TIME LAST YEAR

**BILLING CASES**



**35%**





## CASE STUDY

### High bill after a sequence of different meter reading methods

*A high bill can often be tracked back to meter reading. In this case, a combination of estimated meter reading, customer self-reading and actual meter reading led to a high catch-up bill, which the customer disputed.*

The customer received an electricity bill of \$900.56 for the July to October 2015 quarter. Even though pay-on-time discounts reduced it to \$687.63, the customer thought this was still too high at almost three times his \$252.84 bill for the previous quarter. Dissatisfied with his electricity retailer's response, the customer contacted EWOV for assistance.

The electricity retailer responded to the customer through both our Assisted Referral and Real Time Resolution processes, but maintained its billing was correct. Unresolved, the complaint was escalated to an EWOV Investigation. In line with EWOV's *Payment of Undisputed Amounts Policy*, the customer agreed to pay \$500 towards the bill while his complaint was investigated.

Identifying some confusion around meter reading, we checked and confirmed that the meter at the customer's property was operating correctly within Australian Standards. We also checked and confirmed that the customer was being billed on the correct meter and tariff.

We reviewed the retailer's contact notes, and the customer's bills, contract and account reconciliation. From this, we found (in sequence) an estimated meter read, a self-read by the customer and then the actual meter read on which the recent high bill was calculated. It appeared that the customer's self-read may have been incorrect, so the bill issued after the actual meter read was higher than usual, because it included some catch-up consumption.

In late November 2015, while we were investigating his complaint, the customer switched to a different retailer and a final bill was sent to him in early December 2015.

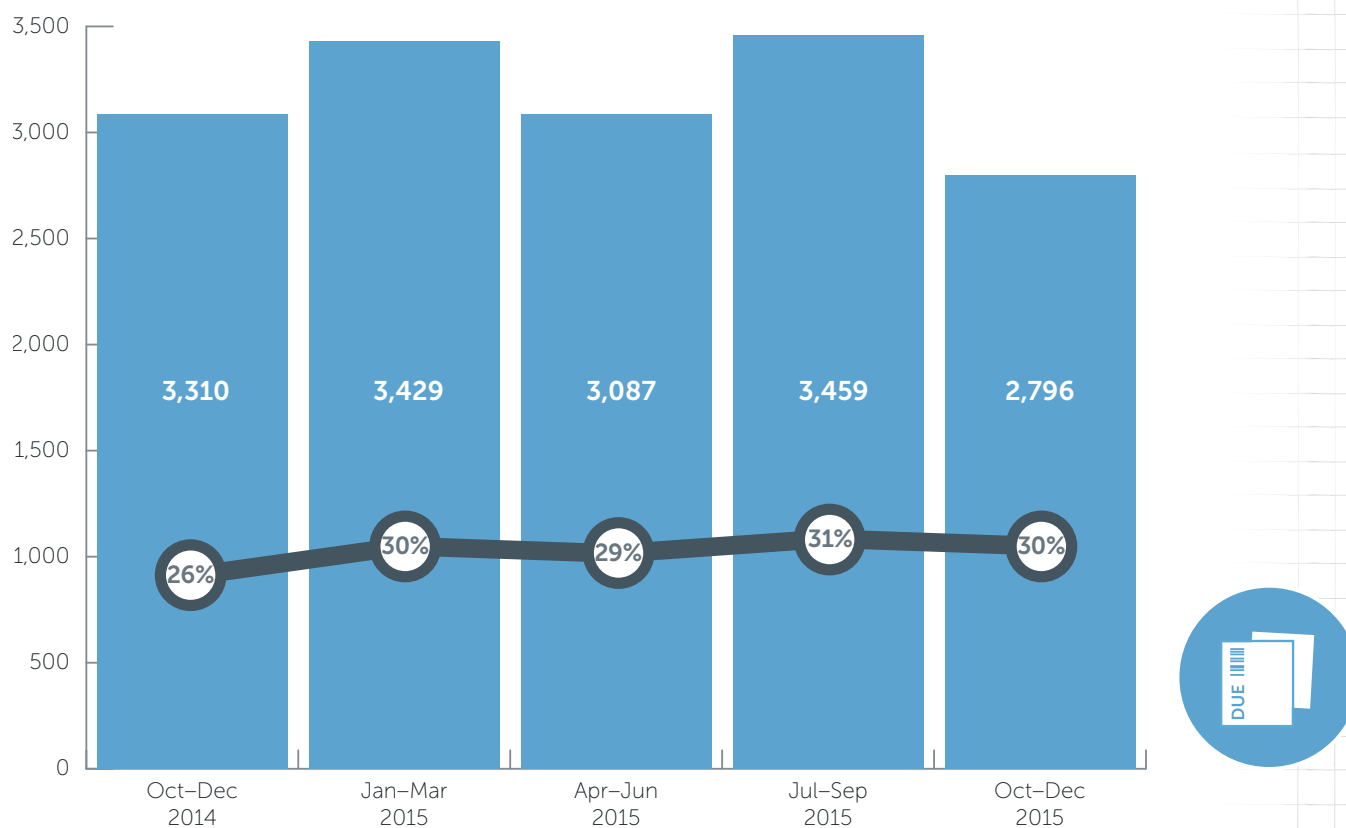
The electricity retailer applied \$250.57 in pay-on-time discounts to the customer's last two bills. This left him owing \$356.57, which the retailer gave him three months to pay. The retailer also advised him that if it wasn't paid by the due date, it would be subject to normal collection action. The customer accepted the outcome of EWOV's Investigation and the complaint was closed on this basis. 2015/31281

... we found (in sequence) an estimated meter read, a self-read by the customer and then the actual meter read on which the recent high bill was calculated.

# CREDIT

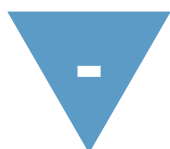
FIGURE 2

Credit cases



COMPARED TO  
LAST QUARTER

**CREDIT CASES**

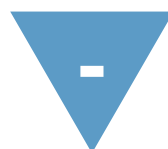


**19%**



COMPARED TO  
THIS TIME LAST YEAR

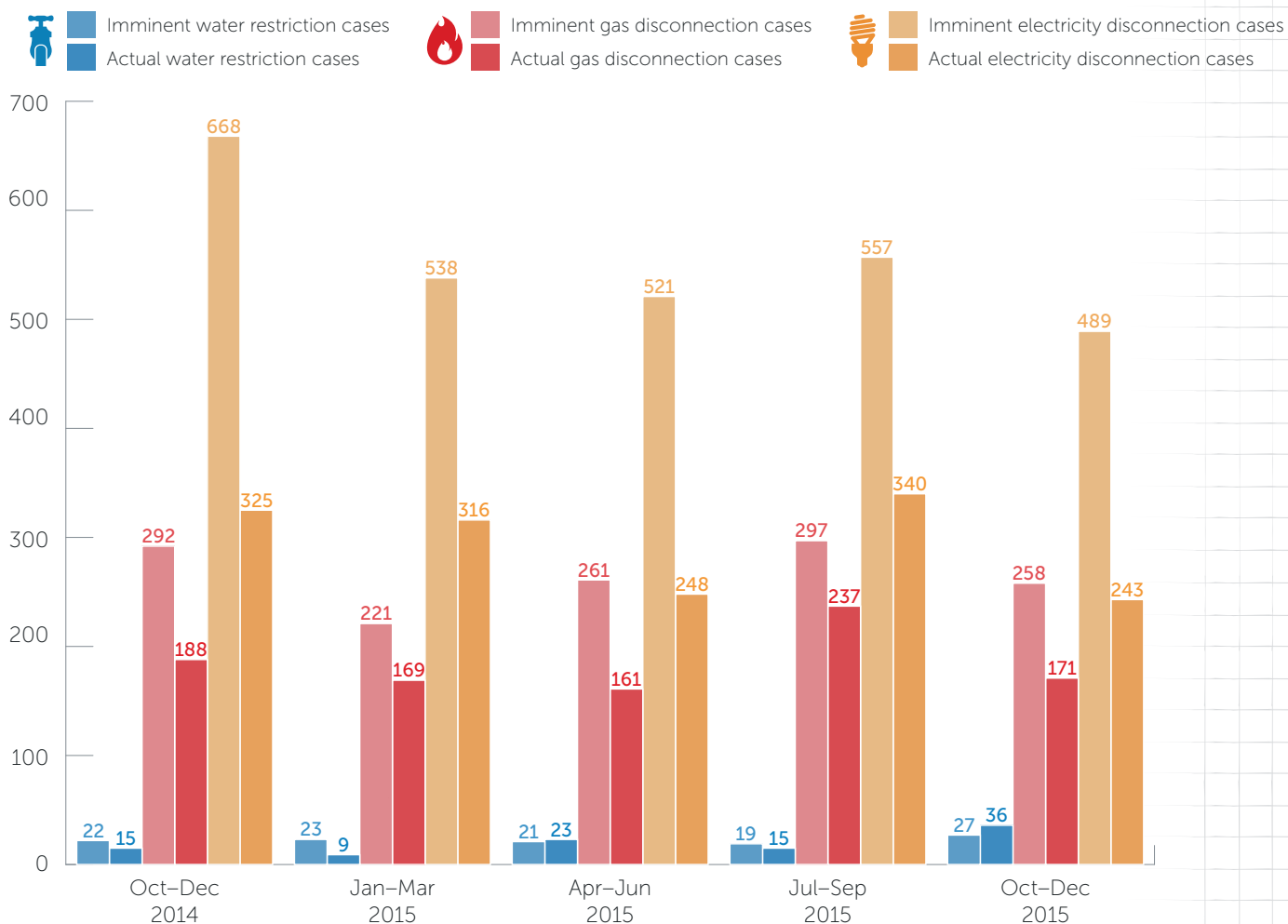
**CREDIT CASES**



**16%**

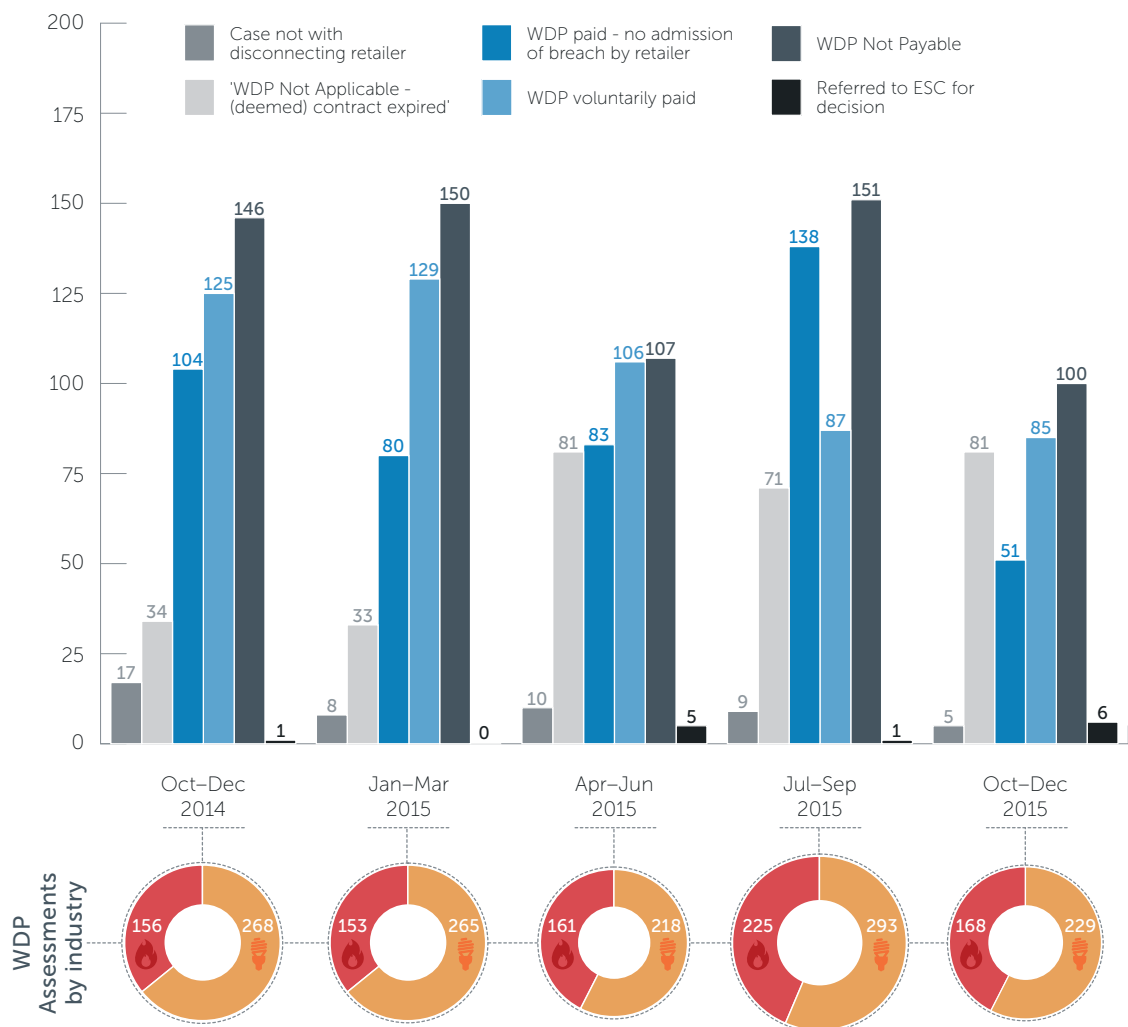
FIGURE 3

Credit-related disconnection and restriction cases



\*The disconnection data in this report does not include LPG Deliveries Stopped cases.

**FIGURE 4**  
**WDP outcomes**





## CASE STUDY

### Electricity disconnection and loss of food after address mix-up

*Changes to customer accounts can generate unforeseen problems. After this customer's solar power was installed and connected, her account was wrongly linked to another address. As a result, she didn't receive bills or other notices, and her supply was disconnected for non-payment while she was absent from the property.*

Arriving back from overseas in August 2015, the customer found the electricity disconnected at the property where she'd lived for 15 years. When she contacted her electricity retailer, she was told to ring another retailer which now held the property's billing rights. She did this and was told that wasn't the case. She went back to her long-time retailer and was told her supply would be reconnected within 12 hours, but this didn't happen.

Frustrated and seeking compensation for loss of food through the disconnection, the customer contacted EWOV. She said that since installing solar in April 2015, there had been no bills from her retailer. Because her complaint involved supply disconnection, and she'd made multiple contacts with the retailer, we opened an Investigation.

We reviewed the electricity retailer's contact notes and the customer's billing, solar contract and account reconciliation. We also checked the national electricity database (MSATS – the Market Settlement and Transfer Solution) to confirm the billing was for the correct address, meter number and tariff.

Our discussions with the retailer revealed that the wrong address was linked to the customer's account when she took up a new solar contract in April 2015. This was why the customer hadn't received any bills since that time. The retailer acknowledged the error, but couldn't explain it.

We reviewed the customer's substantiation of loss of food and put our assessment of fair and reasonable compensation to the retailer.

The retailer acknowledged that, because of the address error, the customer couldn't have received the correspondence it posted to her. It provided a letter of apology and an additional credit of \$350. With all adjustments, the customer's account was in credit for \$1,016.84. She was given the choice to have this paid to her by cheque. She accepted the outcome of our Investigation and the complaint was closed on this basis. 2015/28793

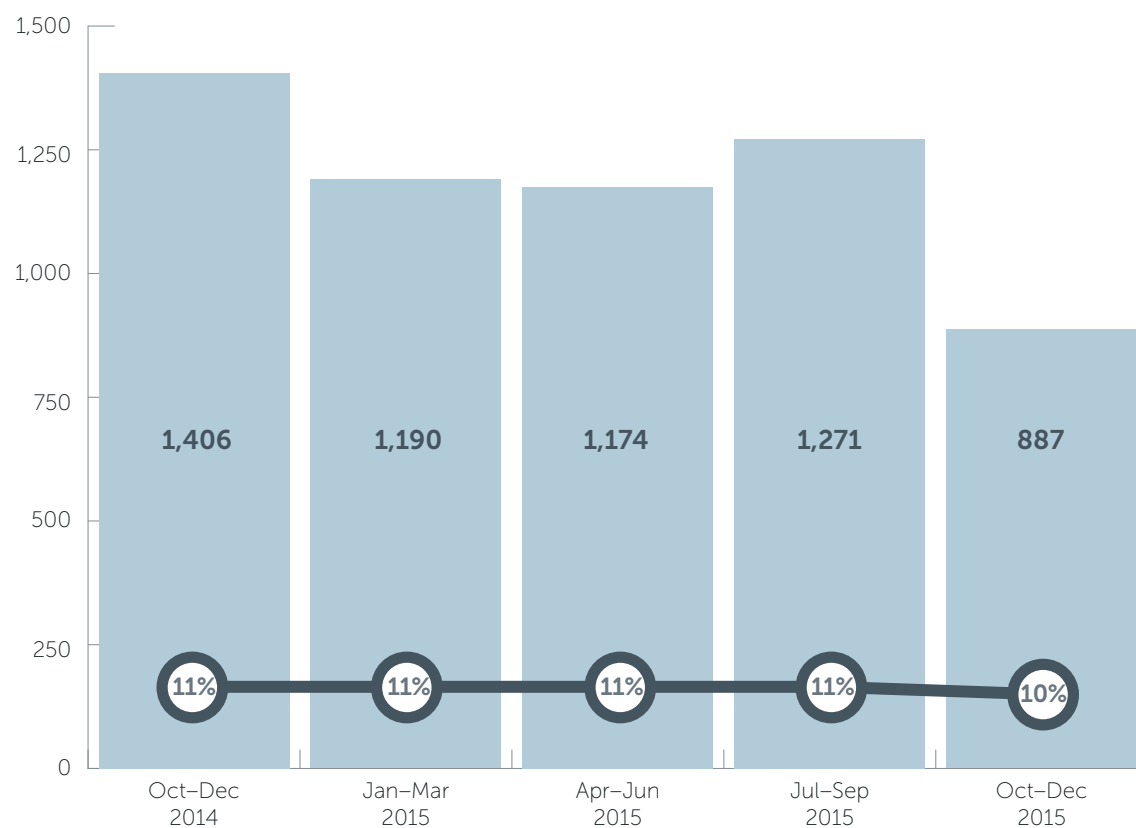
We undertook an Investigation into whether the disconnection of this customer's supply was in accordance with the provisions of the Energy Retail Code. The retailer acknowledged that it wasn't and provided her with a Wrongful Disconnection Payment of \$1,031.25. WDP/2015/1523

**Our discussions with the retailer revealed the wrong address was linked to the customer's account when she took up a new solar contract in April 2015.**

# TRANSFER

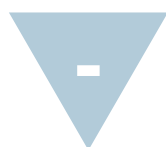
FIGURE 5

Transfer cases



COMPARED TO  
LAST QUARTER

**TRANSFER CASES**

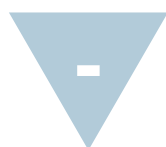


**30%**



COMPARED TO  
THIS TIME LAST YEAR

**TRANSFER CASES**



**37%**



## CASE STUDY

### Electricity disconnected after property's billing rights were transferred in error

*Incorrect information in the national electricity database (MSATS – the Market Settlement and Transfer Solution) and/or in company systems can be a source of billing and other problems, which may not come to light until supply is disconnected.*

Finding his supply disconnected in October 2015, the customer rang his electricity retailer. He was told his account had been transferred to another retailer, the one which disconnected his supply. The customer said he hadn't authorised any switch.

When he rang the disconnecting retailer, he was told that disconnection notices and other correspondence relating to the property had been sent out. But it also told him he wasn't on its system as a customer.

Having rung the local electricity distributor, he rang the disconnecting retailer back with the National Metering Identifier (NMI) for his property. This time he was told that the NMI he quoted was listed for his neighbour's property, another unit in the same block.

The disconnecting retailer arranged reconnection of the customer's supply the next day. It offered to set up an account for him, but it also wanted to backdate the unpaid usage charges. The customer didn't think this was fair because he'd paid his chosen retailer until November 2014. Unable to reach a resolution on the unpaid charges, he rang EWOV for help.

Given the supply disconnection and several attempts by the customer to resolve the complaint himself, we bypassed the Assisted Referral and Real Time Resolution processes and opened an Investigation. We found that, sometime after his neighbour requested connection in February 2014, the NMI for his unit was wrongly linked to the neighbour's unit. Using his local council rates notice, we confirmed the customer's address, meter identifier and tariff information was now correct in MSATS. We also checked that the disconnecting retailer now had the information correct in its system.

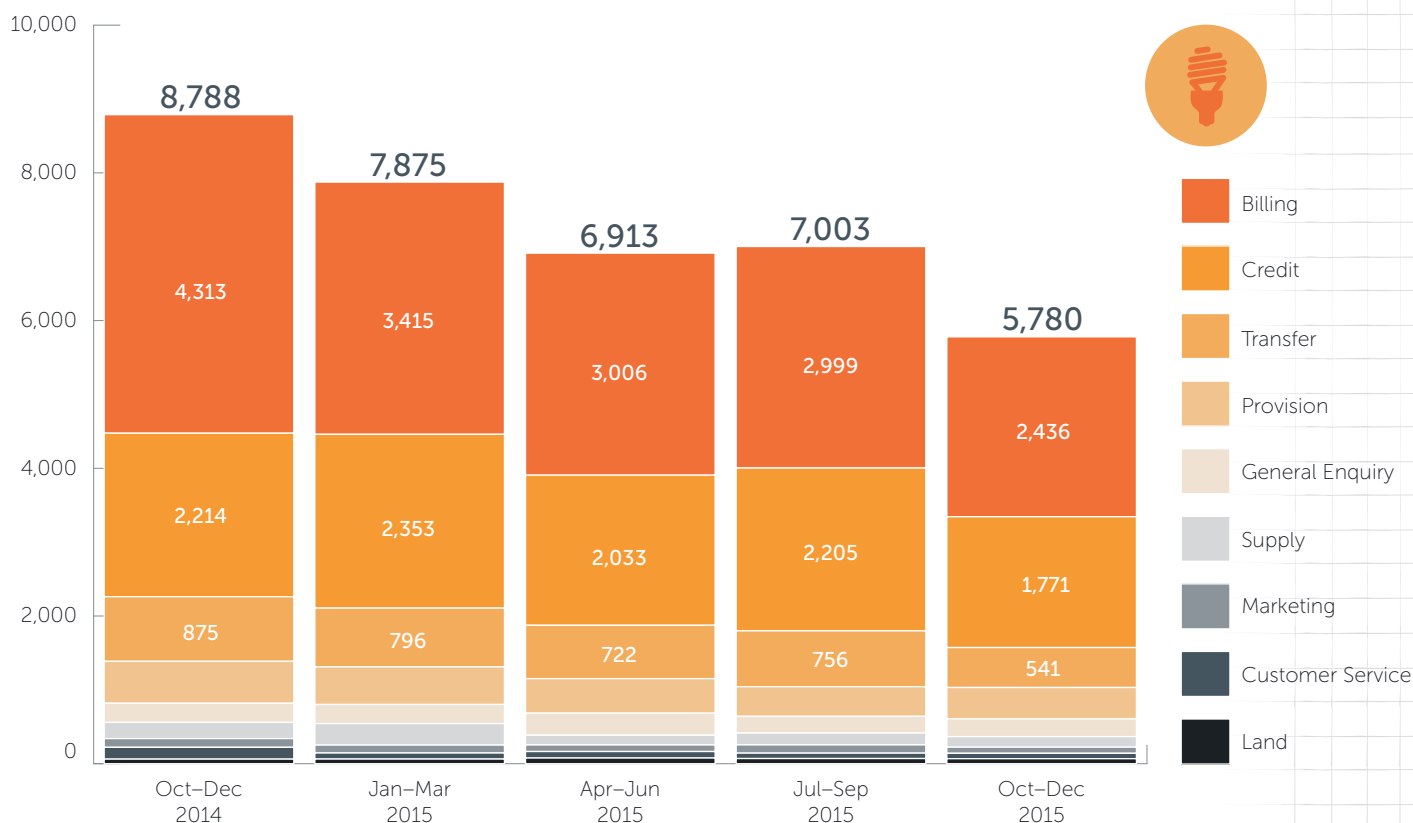
The disconnecting retailer acknowledged that the billing rights for the customer's property were transferred to it in error. It offered him another contract, this time with no backdating of the unpaid usage charges. The customer accepted the retailer's contract offer and the complaint was closed on this basis. 2015/29123

Our Investigation of whether the disconnection of the customer's supply was wrongful concluded that the deemed contract (under s39(7) of the Electricity Industry Act) between the customer and the disconnecting retailer commenced in February 2014 and came to an end 180 days later in November 2014. Because no contract existed between the customer and the retailer at the time of disconnection, a Wrongful Disconnection Payment (WDP) was not applicable. This was advised to the customer. WDP/2015/1501

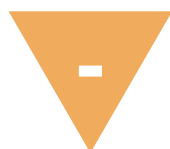
This time he was told that the NMI he quoted was listed for his neighbour's property, another unit in the same block.

# ELECTRICITY

FIGURE 6  
Electricity cases



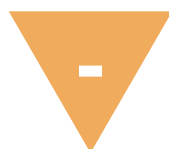
COMPARED TO  
LAST QUARTER  
**ELECTRICITY  
CASES**



**17%**



COMPARED TO  
THIS TIME LAST YEAR  
**ELECTRICITY  
CASES**

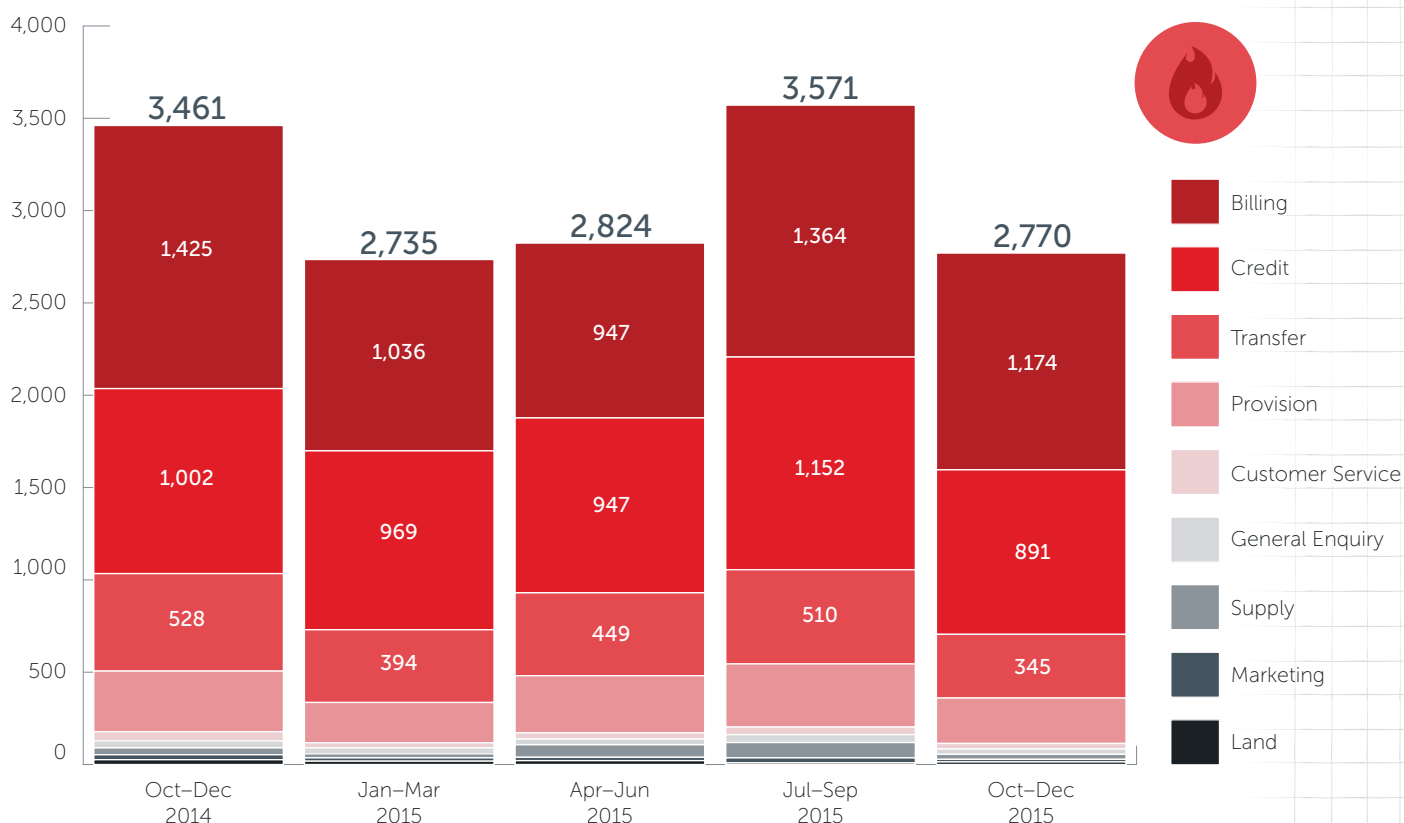


**34%**



# GAS

FIGURE 7  
Gas cases



COMPARED TO  
LAST QUARTER  
**GAS CASES**



**22%**



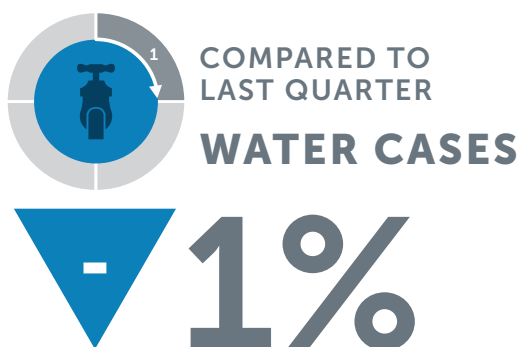
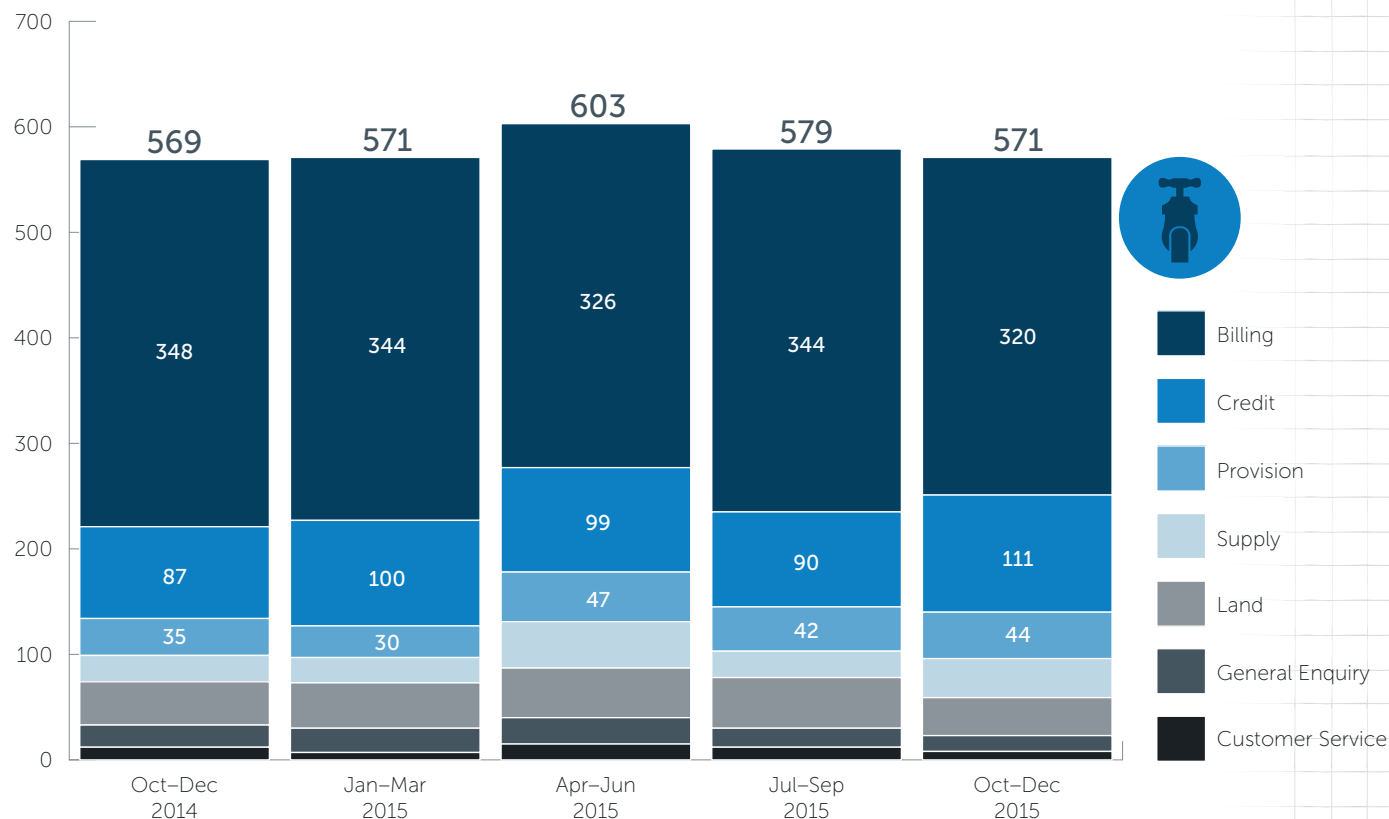
COMPARED TO  
THIS TIME LAST YEAR  
**GAS CASES**



**20%**

# WATER

FIGURE 8  
Water cases



# SYSTEMIC ISSUES

## Summary of systemic issue investigations opened and closed

### October to December 2015

	Energy	Water	LPG
Open/Under Investigation	3	1	0
Closed	6	3	0

#### Note:

Systemic issue investigations opened and closed during the above period that cannot yet be identified as being systemic haven't been included.

## Issues identified as systemic and closed

### October to December 2015

#### Energy

##### *Non-compliant reminder notices*

From one complaint to EWOV, we identified that an energy retailer had sent reminder notices that didn't comply with its obligations under clauses 108 and 109(2)(c) of the *Energy Retail Code*, or the terms and conditions of its retail contract. The non-compliance may have come about as a result of the harmonisation of the *Energy Retail Code*. The energy retailer confirmed that Wrongful Disconnection Payments would be made to 347 customers, who received the non-complaint reminder notices and subsequently had their supply disconnected. The regulator was notified. SI/2015/27

##### *Wrong feed-in tariff applied to accounts (1)*

An energy retailer advised EWOV that around 10,500 of its solar customers were incorrectly receiving the Premium Feed-in Tariff (PFiT) or the Transitional Feed-in Tariff (TFiT). It appeared that the wrong tariff was applied to these accounts when the meter was installed on the energy retailer's system. The retailer had written to affected customers notifying them of the error and had set up a dedicated contact number to answer queries. It said it would not seek to recover the overpayments. EWOV received nine related complaints. The regulator was notified. SI/2015/33

##### *Bulk hot water billing in mega joules rather than litres*

In one complaint lodged with EWOV, we identified that the customer's bulk hot water billing incorrectly stated the daily average usage in mega joules instead of litres. It appeared that this may be a broader issue with bulk hot water billing. The energy retailer said it was a display issue and the amount billed was correct. It said the issue was confined to 3,517 bulk hot water customers and would be corrected by March 2016. The regulator was notified. SI/2015/42

##### *Disconnection notices with short disconnection timeframes*

Two complaints to EWOV highlighted that disconnection notices with short disconnection timeframes were sent out by one energy retailer. This appeared to be an issue with the retailer's disconnection template. The retailer couldn't confirm whether all of the 285 customers who were sent the notice had their supply disconnected. However, it said that all customers who made contact after being disconnected would have received a Wrongful Disconnection Payment. The regulator was notified. SI/2015/51

### ***Customers sent other customers' account information***

An energy retailer alerted EWOV to a privacy incident. In late June 2015, it sent an email to a group of some 6,916 customers who held multiple accounts. The email advised that one of their accounts was in credit, while the other was in debit, and included an offer that the credit could be used to offset the debit. Due to an issue with the distribution of the emails, some customers received advices about the accounts of other customers. EWOV didn't receive any related complaints. The retailer confirmed that affected customers were sent an apology email and the Office of the Australian Information Commissioner was notified. In addition, an apology letter was sent to customers whose account information was incorrectly included in the emails issued. A complaint escalation process was put in place to assist customers who made contact about the issue. A process for quality-checking of all batch emails was set up and an internal audit review was also undertaken. The regulator was notified. SI/2015/48

### ***Wrong feed-in tariff applied to accounts (2)***

In four complaints to EWOV, customers entitled to a feed-in tariff were incorrectly receiving the Premium Feed-in Tariff (PFIT). The energy retailer acknowledged an issue affecting some 1,196 customers, related to how solar accounts were set up in its system. While the error favoured the customers, there was potential for future customer detriment if repayment of the extra credits was sought. This issue was related to SI/2014/49 — the latest instances were discovered through the initial audit. As it did with the previous systemic issue, the retailer undertook not to recover the overpayments. It said the system issue was corrected and its staff had been instructed how to ensure customers are placed on the correct feed-in tariff. The regulator was notified. SI/2015/55

## **Water**

### ***Different billing periods for different charges***

In one complaint to EWOV the customer's bill showed different billing periods for the Sewerage Disposal Charge and the Water Consumption Charge. The customer was billed on a shared meter. The water corporation advised that some 8,000 sites were affected. The properties were billed through a shared meter between July 2015 and September 2015. It said the meter had been fixed and the bills sent at the end of September 2015 showed the same billing period for usage and sewage disposal charges. The regulator wasn't notified. SI/2015/17

### ***Bills issued two weeks late***

A water corporation advised us that, due to a mailing house error, bills for some rural customers were issued two weeks late. It said the 4,442 affected customers received an SMS message advising of the delay. No complaints were received by EWOV about this issue. The water corporation advised that the mailing house had made changes to prevent a reoccurrence. The regulator wasn't notified. SI/2015/52

### ***Procedure for registering/declaring a property as a serviced property not followed***

One complaint to EWOV highlighted that a water corporation didn't follow the correct procedure under the *Water Act 1989* (sections 144 and 260) for registering/declaring a property as a serviced property. Specifically, it didn't take out a notice in a local paper. The water corporation advised it had changed its processes to ensure this notice was published in future. The regulator wasn't notified. SI/2015/45

# PUBLIC SUBMISSIONS MADE BY EWOV

## October to December 2015

### **AEMC 2015 – Strategic Priorities for Energy Market Development, Discussion Paper**

*Australian Energy Market Commission (AEMC)*

In responding to this AEMC discussion paper, we noted EWOV's broad agreement with the identified consumer-specific priorities – reviewing hardship and concessions policies, ensuring that vulnerable customers are not 'left behind', and making sure customers have the ability to effectively participate in an evolving energy market where new products, tariffs, services and technologies have the potential to rapidly change the way energy is sold and supplied. We also highlighted the importance of all customers (regardless of how their energy is supplied or sold) having access to free, fair and independent dispute resolution. And we drew on our case handling experience to comment on increasing energy costs and affordability issues, aspects of tariffs and Smart Meter-related technologies, and customer participation in the energy market.

[EWOV's submission online](#)

### **AEMC draft rule determination – new arrangements for embedded networks**

*In our submission to this AEMC consultation, we noted that even though embedded networks (also known as exempt sellers) aren't participants in the EWOV scheme, we do receive complaints from their customers. We mostly provide these customers with general information and if applicable refer them to Consumer Affairs Victoria. Our submission drew on the exempt seller cases received by EWOV over the last two years to make comment on consumer protections, in particular dispute resolution and customer choice.*

[EWOV's submission online](#)

### **AEMC Approach paper – 2016 Retail Competition Review**

*Australian Energy Market Commission (AEMC)*

EWOV's submission supported the broad approach for the AEMC's 2016 retail competition review and, in particular, welcomed the focus on addressing barriers to effective engagement with competitive markets for vulnerable customers. We drew on the findings in two 2015 EWOV reports – one on affordability and the other on customer service – to highlight issues that contribute to differences between the experience of vulnerable customers in retail energy markets and the experience of other customers.

[EWOV's submission online](#)

### **Draft AER (Retail) Exempt Selling Guideline September 2015**

*Australian Energy Regulator (AER)*

Our submission supported the observations and commentary made in the submission of the Energy & Water Ombudsman NSW.

[EWOV's submission online](#)

# GLOSSARY

If you would like to know more about EWOV's issue and complaint terminology, visit our [website](#) for a complete glossary.