

# DUAL FUEL

Dual fuel cases are those where the customer's complaint isn't specifically related to either electricity or natural gas.

A customer may, for example, be complaining about the general conduct of a salesperson selling a dual fuel (electricity and natural gas) contract.

Where a customer has a dual fuel contract, but their issue is specific to either electricity or natural gas, we take the case as electricity or natural gas, not dual fuel.

EWOV introduced the dual fuel case type in January 2003, to provide for equitable case handling charges for energy retailers, clear and fair reporting of issues arising from the marketing of dual fuels, and efficient case handling.

At 1 July 2007, six energy retailers operating in Victoria offered dual fuel.

## 2006/07 DUAL FUEL CASES

- ➔ **429 dual fuel cases**, up 45%
- 18% enquiries and 82% complaints
- Most commonly — energy marketing



# DUAL FUEL CONTINUED

Figure 24: How many dual fuel cases did EWOV receive and finalise in 2006/07?

	Overall cases		Enquiries	Total Complaints	Complaints				
	2006/07	2005/06			full investigations finalised	complaints received for full investigation	complaints referred to higher-level contact	complaints referred to provider	referred <sup>o</sup> elsewhere and other complaints
<b>DUAL FUEL</b>									
AGL Sales	53	21	11	42	10	8	24	7	3
Australian Power & Gas *	0	-	0	0	0	0	0	0	0
EA-IPR Retail Partnership #	62	29	6	56	2	2	41	7	6
Origin Energy	38	8	10	28	12	10	11	6	1
TRUenergy	143	217	11	132	47	48	57	24	3
Victoria Electricity	115	20	25	90	16	18	47	15	10
Non provider specific	18	1	14	4	-	-	-	1	3
<b>TOTALS</b>	<b>429</b>	<b>296</b>	<b>77</b>	<b>352</b>	<b>87</b>	<b>86</b>	<b>180</b>	<b>60</b>	<b>26</b>

**NOTES:**

Reflects data run at 24 July 2007. Some of the complaints which were fully investigated and finalised were received prior to July 2006.

<sup>o</sup> 3 complaints were referred elsewhere. 23 other complaint issues did not require referral or investigation.

\* Australian Power & Gas joined EWOV as a natural gas retail scheme participant on 19 April 2007 and has since offered dual fuel.

# Since 1 August 2007, EA-IPR Retail Partnership has been known as Simply Energy.

Figure 25: How are dual fuel cases trending? What issues arise most commonly?

### Case trends

	2003 - 2004	2004 - 2005	2005 - 2006	2006 - 2007
Dual fuel	238	529	296	429

### Most common issues

Dual fuel overall (total of 518 issues)		%
Retail Competition > Marketing	169	33
Retail Competition > Transfer	153	30
Billing > High	25	5
Credit > Payment Plan	23	4
Credit > Arrears	18	3

NOTE: Some cases raised more than one issue.

Figure 26: On average, how much time did EWOV spend on each type of dual fuel case?

	minutes
Enquiries	9
Complaints referred to provider	14
Complaints referred to higher-level contact	23
Complaints referred elsewhere	13
Investigated complaints closed at Level 1	176
Investigated complaints closed at Level 2	159

**Figure 27: How did EWOV finalise dual fuel enquiries?**

		%
Provided general information and referred to provider	25	32
Provided general information	47	61
Referred to a Regulator	1	1
Referred to another Ombudsman	1	1
Referred to Government/MP	2	3
Referred elsewhere	1	1
<b>Total</b>	<b>77</b>	<b>100</b>

**Figure 28: On average, how long did it take to close the dual fuel complaints EWOV fully investigated?**

Retail	minutes
AGL Sales	53
EA-IPR Retail Partnership	6
Origin Energy	18
TRUenergy	45
Victoria Electricity	14
<b>Retail average</b>	<b>36</b>

**NOTES:**

2 dual fuel investigations were upgraded to Level 2 during this period. List excludes scheme participants for whom no full investigations were finalised by EWOV in 2006-07. Some of the complaints which were fully investigated and finalised were received prior to July 2006.

Case complexity contributes to the time taken to close a case. EWOV's seeking of technical or legal advice and delays in customer action/replies may also have an effect.

Case closure times may also be affected by factors internal to the provider, such as the time required for field testing and site inspections, and its resourcing for complaint handling.

**Figure 29: How many dual fuel complaints were fully investigated and closed within 28, 60 and 90 days?**

	Total	%
Within 28 days	49	56
Within 60 days	75	86
Within 90 days	79	91
Above 90 days	8	9
<b>Total</b>	<b>87</b>	<b>100</b>

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### Final bill confusion

When Mr A decided to switch his dual fuel account to another energy retailer, his existing energy retailer sent him a final bill. Mr A thought the bill was too high. When he rang the retailer, the contact centre representative wasn't able to explain how the charges had been calculated. He'd also written to the retailer asking for an explanation, but hadn't received a reply.

Responding to our investigation, the energy retailer said Mr A had originally been paying \$155 a month for gas and electricity. This had been increased to \$190 a month after September 2006.

It confirmed that the gas component of Mr A's account had been closed at 11 January 2007 with a nil balance. This was because the credit balance of \$82.97 had been refunded to his daughter's credit card — as the most recent payment had been made by her on the card. Mr A initially said he hadn't received this refund, but his daughter confirmed it had been credited to her credit card.

The retailer said the electricity component of Mr A's account was closed at 3 April 2007 with \$311.82 outstanding.

We reviewed the account history the retailer provided and, in particular, the reconciliation table showing Mr A's gas and electricity bills and the payments which had been made on his account. We found that the outstanding amount of \$311.82 included an additional bill Mr A hadn't considered.

In resolution of the case, the retailer waived \$111.82 of Mr A's final bill. Mr A agreed to pay the balance of \$200.

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The finalisation of dual fuel accounts depends on obtaining final readings of both the gas and electricity meters. As it's sometimes hard for customers to check outstanding balances, a reconciliation table showing bills issued and payments made can be a useful tool. In this case, had the dual fuel retailer's staff provided the customer with a clear explanation at the outset, if it had promptly replied to his correspondence, or if it had taken steps to assure itself that he understood the basis of his final bill, it may well have been able to avoid the complaint escalating to EWOV.

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### Energy contract and switching confuse elderly customer

Ms Q, an elderly customer, had become confused about her electricity and gas arrangements. After signing a dual fuel contract with a new energy retailer, she'd received bills from both the new retailer and her previous retailer.

She said she'd twice called the new retailer to cancel the contract and she wanted to go back to her previous retailer. Despite this, she wasn't sure that would happen. She said the new retailer had also told her there would be a cancellation fee for terminating the contract, so she may be better off staying with it.

When we contacted Ms Q's new retailer about her concerns, it said she'd agreed to sign up and it was also aware she'd looked into transferring to a third retailer.

We pointed out the difficulties Ms Q said she had in understanding the contract and transfer process, and sought the new retailer's agreement to her accounts being transferred retrospectively back to her original retailer. We also requested that any fees be waived.

The new retailer responded to our approach and Ms Q was retrospectively transferred back to the original retailer for both gas and electricity, with no termination fees. The new retailer also apologised for the inconvenience she'd been caused and made a customer service payment of \$50.

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The processes around energy contracts, switching retailers and the transfer process can be quite confusing. It's essential that marketers are very clear in their customer communications, especially those directed at the elderly. All of the potential repercussions of the contract and the switch of retailer should be clearly outlined and the customer's understanding of this should be checked. Best practice may be to phone all elderly customers after door-to-door or phone sales, to check their understanding.

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## NOTE:

Case studies are provided to demonstrate the range of complaints received, and the outcomes achieved through EWOV investigation. Initials used have no relevance to the name of the actual customer who lodged the complaint.