



resolutionbulletin12

Highlights from Resolution 27

April 2009

HOW MANY CASES DID EWOV RECEIVE AND FINALISE FROM JULY – DECEMBER 2008?

(ALL CASES, ENQUIRIES AND COMPLAINTS)

	OVERALL CASES	ENQUIRIES	TOTAL COMPLAINTS	COMPLAINTS				
				investigations finalised	complaints received for investigation	complaints referred to higher-level contact**	complaints referred to company	referred elsewhere and other complaints^^
Electricity	11,771	655	11,116	2,251	2,230	6,074	2,268	544
Natural gas	4,941	188	4,753	922	990	2,780	842	141
LPG	75	14	61	10	6	36	15	4
Dual fuel	173	7	166	41	33	99	31	3
Water	750	84	666	115	81	323	186	76
Other industry/non industry related	175	175	-	-	-	-	-	-
Total	17,885	1,123	16,762	3,339	3,340	9,312	3,342	768

Reflects data run at 20 January 2009

** 5,252 of the 9,312 complaints referred back to a higher-level contact would have been investigated, but for an interim process of offering customers a final opportunity for direct resolution.

^^ 306 complaints were referred elsewhere—to another Ombudsman (e.g. as the customer lived interstate), to a regulator (e.g. to the Essential Services Commission's website for detailed code information), to Government (e.g. about a water company's price increases) or to other bodies (e.g. to a body corporate). 462 other complaint issues didn't require referral or investigation (e.g. some customers wish to register marketing/transfer complaints with EWOV but don't seek referral or investigation).

SNAPSHOT: JULY – DECEMBER 2008

(comparisons are with Jan – June 2008)

- 17,885 cases overall, up 12%
 - electricity up 8%; gas up 29%; dual fuel down 25%; water down 5%
- 16,762 complaints overall, up 14%
 - 3,340 complaints received for investigation, up 3 cases (would have been up 17%, but for an interim process of offering customers a final opportunity for direct resolution)
 - 9,312 complaints referred to companies' higher level contacts, up 16%
 - 3,342 complaints referred to companies' contact centres, up 26%
- 3,339 investigations finalised, up 13%
- 48% billing, 14% customer service, 14% transfer, 12% credit
 - 13,431 billing issues, up 28%
 - 3,931 customer service issues, up 144%
 - 3,926 transfer issues, up 36%
 - 3,260 credit issues, up 30%
- \$1,131,973 for customers in billing adjustments, fee waivers, payments in recognition of customer service issues, guaranteed service level (GSL) payments and debt reductions/waivers
- Scheme participant conference focused on customer service

ROOM FOR IMPROVEMENT IN A COMPLEX AND CHANGING ENVIRONMENT

Victoria's energy and water industries operate in complex, changing environments. In this context, it's vital that internal dispute resolution (IDR) processes work as well as they possibly can — our data indicates companies can do better — that there's much room for improvement.

For some time, we've been looking closely at three things — as 'health indicators' of how IDR is going:

- the proportion of EWOV cases that qualify for investigation — these are the cases where the customer has spoken with the company twice or more before contacting us — this was up to 48% of cases from July – December 2008
- trends in cases where customers state they've had multiple contacts with the company before contacting us — in about 40% of cases received from July – December 2008, the company had 3 or more contact opportunities to resolve the complaint — in almost 6% of cases, the customer said they'd contacted the company 10 or more times
- the reasons customers give when we ask them why they needed to contact us — over 2007/08, 9% said they'd had no response, or a delayed response, from the company — another 9% said they felt the company wasn't taking their complaint seriously.

Against this background, we've been looking more closely at the issue of customer service as it arises in EWOV cases — and the disconnect between the 'promise' and the 'delivery'. Read the full story in *Resolution 27*.

Resolution Bulletin is a summary of matters raised in Resolution, the six-monthly report of the Energy and Water Ombudsman (Victoria) (EWOV). If you'd like a copy of *Resolution 27*, please contact us, or you can download it from our website (www.ewov.com.au). If you're reading someone else's copy of *Resolution Bulletin*, and you'd like to be on our mailing list, please contact Candyce Presland, Community Liaison Administrator, on 1800 500 509.

WDP PAYABLE—CODE REQUIREMENTS NOT FOLLOWED

Ms T rang EWOV after her electricity supply was disconnected. She said she'd arranged a payment plan of \$50 a week — but her electricity had been disconnected the day before the first payment was due. When she rang the electricity retailer, she discovered the disconnection was for arrears of \$998 — the retailer wanted \$691 before it would reconnect.

The retailer advised us that Ms T's original payment plan of February 2008 was set at \$20 a week — an estimate, because it had no history of her usage. In April 2008, it had written to Ms T advising her that the \$20 wasn't enough to cover her arrears and her ongoing usage — it changed the plan to \$80 and asked her to make contact to discuss this. In June 2008, Ms T rang and asked for the \$80 to be reduced to \$50.

The retailer said it now found that Ms T's request hadn't been recorded, so no \$50 plan was set up. It also recognised that the \$80 plan was set up without Ms T's consent or reference to her capacity to pay. The *Energy Retail Code* requires retailers to offer two payment plans in the 12 months prior to disconnection. Acknowledging this requirement, the retailer voluntarily made a wrongful disconnection payment (WDP) of \$282.81.

We agreed with the retailer's assessment that a WDP applied in this case. We also concluded that the retailer didn't appear to have taken the opportunity to assess Ms T's capacity to pay or provide information about assistance available to her — as required under the *Energy Retail Code*. In addition, because the \$50 plan hadn't been set up, disconnection occurred sooner than if hardship assistance had been offered to her.

Through this investigation, the retailer also discovered that Ms T been charged a connection fee which, as a concession card holder, she was entitled to have waived. It waived the fee, reversed the disconnection fee she'd been charged, updated her concession details and offered to place her in its hardship programme — to provide ongoing support for her account management.

The Energy Retail Code requires an energy retailer to follow certain procedures before it disconnects supply for non-payment of arrears.

You'll find other recent electricity, gas, dual fuel and water case studies in *Resolution 27*.

SYSTEMIC ISSUES

In *Resolution 27*, you'll find information on systemic issues we raised with the Essential Services Commission in the second half of 2008. An example follows.

Finding out which retailer has property billing rights

Cases show some customers have been inconvenienced by not being able to find out which retailer holds the billing rights for their property — we've found that distributors tend not to give this information to customers, citing privacy reasons because it's retailer information. Some customers who can't get this information from energy companies contact us — it's likely that others don't, resulting in further inconvenience to them. We're able to obtain the information from the National Electricity Market Management Company (NEMMCO) and provide it to customers on request. It appears that the 'privacy' argument put forward by energy distributors may be flawed — the *Privacy Act 1988* (Cth) contains ten National Privacy Principles that regulate how private sector organisations with annual revenues over \$3 million should handle personal information — 'personal information' is defined as information or an opinion, whether true or not, about an individual whose identity is apparent, or can reasonably be ascertained from it. We've raised this issue with the Australian Energy Regulator (AER), which now has regulatory responsibility for energy distribution.

ISSUES TRENDS

JULY – DEC 2008 VS JAN – JUNE 2008

Wrongful disconnection payment (WDP)

- 50 WDPs made by retailers in cases we investigated, down from 72

Actual disconnection for account arrears

- 153 electricity cases, down 13%
- 201 natural gas cases, up 24%

Transfer (switching energy retailer)

- 2,304 electricity cases, up 28%
- 1,125 natural gas cases, up 49%
- 22% transfer without consent
- 20% contract terms

Energy marketing

- 743 electricity cases, up 62%
- 174 natural gas cases, up 142%
- 54% misleading marketing
- 21% pressure sales

EWOV can help if you have a problem with an electricity, gas or water company which you can't resolve directly with that company. Our services are free and available to everyone.

Freecall: 1800 500 509

Calls from restricted phone services — ring 12550 (Telstra reverse charges) and quote (03) 9649 7599 — EWOV will accept the reverse charges and the call cost.

Calls from mobile phones may attract charges — we can ring you back.

Freefax: 1800 500 549

Interpreter service: 131 450

National Relay Service: 133 677

Email: ewovinfo@ewov.com.au

Website: www.ewov.com.au

Postal address: GPO Box 469 Melbourne 3001

EWOV's mission is to receive, investigate and facilitate the resolution of complaints between consumers of electricity, gas and water services in Victoria and EWOV scheme participants.