



resolutionbulletin

Highlights from Resolution 28 (May 2010)

HOW MANY CASES DID EWOV RECEIVE AND FINALISE FROM JULY – DECEMBER 2009?

(ALL CASES, ENQUIRIES AND COMPLAINTS)

	OVERALL CASES	ENQUIRIES [^]	TOTAL COMPLAINTS	COMPLAINTS*			
				investigations finalised	investigated complaints	assisted referrals	unassisted referrals
Electricity	13,644	1,637	12,007	2,626	2,604	6,101	3,302
Natural gas	5,338	288	5,050	1,140	1,167	2,670	1,213
LPG	64	14	50	8	12	12	26
Dual fuel	199	7	192	41	48	104	40
Water	1,075	225	850	126	141	304	405
Other industry/non industry related	322	322	-	-	-	-	-
Total	20,642	2,493	18,149	3,941	3,972	9,191	4,986

Reflects data run at 13 January 2010

[^] An **enquiry** is a request from a customer for general information.

* A **complaint** is an expression of dissatisfaction regarding a policy, practice or customer service performance of an energy or water company, which is part of the EWOV scheme, where a response or resolution is explicitly or implicitly expected. If the customer hasn't spoken with the company about their complaint, we generally refer them back to its contact centre. If the customer has spoken once with someone at the contact centre, we usually refer them to a higher-level contact at the company. We investigate complaints that remain unresolved following two or more contacts, unless the customer opts to give the company another opportunity for direct resolution.

1,744 investigations were received as Stage One complaints and 2,228 investigations were received as Stage Two complaints.

The Glossary on page 47 includes an explanation of our complaint categories.

SNAPSHOT: JULY – DECEMBER 2009

CASELOADS REMAIN HIGH

	Compared with July – Dec 2008	Compared with Jan – June 2009
Cases	up 15%	down < 1%
Total complaints	up 8%	down 6%
Investigated complaints	up 19%	up 1%

CASES BY INDUSTRY

- 66% electricity
- 26% gas
- 5% water

MOST COMMON ISSUES

- 44% billing
- 14% customer service
- 13% transfer
- 13% credit

OUTCOMES ACHIEVED

- 91% of cases closed within 28 days
- 91% of investigated complaints conciliated
- 1,067 payment plans negotiated
- 1,536 apologies by companies
- \$1,508,809 in billing adjustments, fee waivers, payments in recognition of customer service issues, guaranteed service level payments and debt reductions/waivers

FROM THE OMBUDSMAN

EWOV's high caseloads continued into the second half of 2009, with complaints well up on those for 2008. Disillusioned with the action or inaction of their company, more customers opted for an independent EWOV investigation.

Investigated complaints were up 19% to 3,972—the highest for any six-month period so far.

A range of strategies helped us deal with the increase. 1,744 of the 3,972 investigated complaints were identified, by us or the company, as able to be resolved quickly. Under a new 'Stage One' process, we negotiated resolution of these complaints with the company, rather than move to a full investigation. This delivered benefits for both customers and companies—customers appreciated the speedy, conciliatory handling of their complaint and company complaint teams were freed up to concentrate on more complex EWOV investigations.

A further 4,959 customers had a complaint which qualified for investigation by EWOV, because they'd already had at least two contacts with their company—but they opted to give the company another opportunity for direct resolution, through our 'assisted referral' process. Positively, mid-2009 surveying of customers whose complaint was handled through an assisted referral showed 95% satisfaction with the process.

Clearly, however, many customers were not well served when they contacted their company directly. Dissatisfaction remained high and customers turned to us for assistance which they should have been able to get from the company itself.

More in *Resolution 28*

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 28* 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 send your request to publications@ewov.com.au

MOST COMMON ISSUES

Billing remained the most common source of complaint (44% of all issues). Billing errors, high bills and backbills topped the list for electricity and gas customers. For water customers, it was fees and charges, and high bills.

Customer service followed at 14% of all issues, mostly about poor service and failure to respond.

Transfer (the process of changing from one electricity or gas retailer to another) accounted for 13% of issues—most commonly about contract terms.

Credit also accounted for 13% of issues. Disconnection of energy supply is a common credit sub-issue. Cases about the actual disconnection of electricity for account arrears continue to increase and are now at levels similar to those in the second half of 2004, when the wrongful disconnection payment was introduced. We received 629 of these cases (309 electricity and 320 natural gas).

EMERGING ISSUES

Some new issues emerged as more customers installed solar photovoltaic (PV) systems and smart meters began to roll out across Victoria.

From July to December 2009, we recorded 73 **smart meter cases**—11 of these were received for investigation. The early 2010 trend is to an increasing number of cases. We think this is due to media coverage of the rollout and customers receiving their first bills after installation of the new smart meter. We recorded 62 cases in January 2010 alone—although most callers were seeking general information and only 3 complaints required investigation.

From July to December 2009, we received 393 **solar cases**. We investigated 93 of these. Customers raised a range of billing problems, including no feed-in or buyback credits noted on bills, solar generation charged rather than credited, higher than expected bills after installation of their solar PV system, billing delays and additional account charges. We're also seeing more complaints about delays in installing solar-capable meters.

There's more about all of these issues in *Resolution 28*.

ONE OF THE SYSTEMIC ISSUES

Refundable advances sought before other options

Having signed up with a door-to-door energy salesperson, one customer found his first bill included a request for a cash deposit of \$150. His retailer had told him that, under the *Energy Retail Code*, it was allowed to request a refundable advance and, while this wasn't mentioned in the original contract information, it was in the fine print of another document sent to him.

The customer told us he'd provided the sales representative with all required identification and didn't have arrears with a previous energy retailer. We alerted the ESC to this practice.

A subsequent ESC audit of the retailer's procedures found that door-to-door customers weren't being told a credit check may be performed or that a refundable advance might be required. In contravention of the code, customers with no credit rating were being treated in the same way as those with an unsatisfactory credit rating.

In addition, the retailer was relying on the policies and procedures of its third party collection agencies to ensure its own compliance with the code—but those contracts didn't specifically require these agencies to comply with relevant guidelines or the retailer to monitor that compliance.

The ESC directed that the retailer not request or take refundable advances from customers until it had satisfied the ESC that its processes complied with the requirements of clause 8.1(a) of the code.

In *Resolution 28*, you'll find other systemic issues identified by EWOV in the second half of 2009.

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

We receive, investigate and facilitate the resolution of complaints involving consumers of energy and water services in Victoria and scheme participants.