

July 2018 Issue

# EWOV Connect

A newsletter linking the  
Energy and Water Ombudsman (Victoria) (EWOV)  
with community agencies

"We have expanded our jurisdiction and from 1 July 2018 we are an approved dispute resolution service for customers of embedded networks."



## Message from the Ombudsman

Welcome to the July 2018 edition of *Connect*, our publication written just for you, our financial counsellors and community workers. As I write this, I am keenly aware that winter has arrived – it is dark early, the temperature has seriously dropped and colds and coughs seem unavoidable. Fortunately, we have lots of interesting news and updates for you!

In exciting news, we have expanded our jurisdiction and from 1 July 2018 we are an approved dispute resolution service for customers of embedded networks (such as residential parks, retirement villages, shopping centres and some apartment complexes). Read more on [page 4](#).

In this edition of *Connect*, we note the welcome increase to the Utility Relief Grants Scheme cap and refresh what URGS is and how you can help your clients apply. We also take a look at our newly released [Affordability Report](#) that highlights the affordability hotspots around Victoria. We put a spotlight on cases involving gambling-related debt and review changes to our position statement on default listing and debt collection.

We are always looking for ways to improve *Connect*. If you have any story ideas or your organisation would like to be featured in the next edition, please let me know!



**Cynthia Gebert**  
Energy and Water Ombudsman (Victoria)

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### Connect is an online publication...

and is available for download from EWOV's website: [ewov.com.au](http://ewov.com.au)

### Did this copy of EWOV *Connect* come second-hand?

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(03) 8672 4460 or  
[admin-assistance@ewov.com.au](mailto:admin-assistance@ewov.com.au)



## Increase to the Utility Relief Grant Scheme Cap

As part of the recent budget announcements, the Victorian Government has advised that the Utility Relief Grant Scheme (URGS) cap will increase from \$500 to \$650 for claims assessed from 1 July 2018. This is the first time the cap has been increased since 2006. Given the increase in utility costs since this time, it is a very welcome increase.

### URGS – A Refresher

#### What

The URGS and the Non-mains Utility Relief Grant Scheme (NURGS) provide assistance for residential customers who are unable to pay their utility bills due to a temporary financial crisis. The amount they can apply for is based on how much is owed on the account and is capped at a maximum of \$650 for each utility (electricity, gas and water).

#### Why

URGS is intended to assist low-income households suffering a short-term (within last 12 months) financial crisis who are unable to pay for a current electricity, gas, water or LPG bill and who are at risk of disconnection, restriction of supply, or non-supply of LPG bottles.

URGS is also available to eligible customers who experience difficulties paying for other non-mains sources such as LPG, diesel and petrol (for a generator), heating oil, firewood, metered electricity from an embedded network and carted water.

#### When

Customers can apply for URGS once every two years.

#### How

Customers can apply for URGS by contacting their gas, electricity or water company. The company will check the eligibility criteria and send the customer an application form to submit. If approved, URGS will be applied directly to the electricity, gas or water account(s) as a credit.

#### Eligibility Criteria

Generally, the customer needs to have one of the following concession cards:

- Pensioner Concession Card
- Health Care Card
- DVA Gold Card.

There are special conditions for non-concession card households. If a customer does not have a concession card but they are registered with the utility company's hardship program and their household's income is equal or less than the equivalent to the Commonwealth maximum income rate for part-age pensioners, they may still be eligible for URGS.

The customer will also need to demonstrate that unexpected hardship has left them seriously short of money so that they cannot pay their utility bills without assistance and risk disconnection or non-supply. Customers must also meet one of the following criteria:

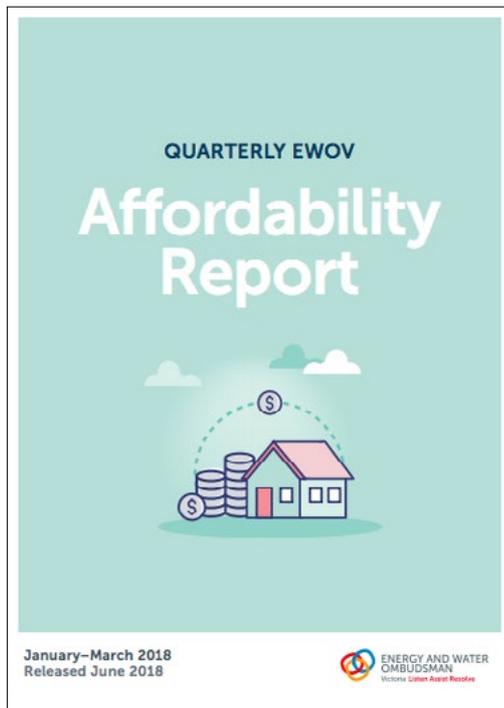
- a significant increase in usage
- a recent decrease in income
- high unexpected expenses on essential items
- the cost of shelter is more than 30% of the household income
- the cost of utility usage is more than 10% of the household income.

You can find more information on the Victorian Government Department of Health and Human Services website: <https://services.dhhs.vic.gov.au/utility-relief-grant-scheme>.

## Snapshot:

### Findings of latest Affordability Report

We released our latest Affordability Report on 5 June 2018. Credit cases rose 3% overall in the January 2018 – March 2018 quarter as compared to the last quarter. We received 2,067 affordability-related cases (including disconnection, restriction, payment difficulties and credit collection).



This edition featured a spotlight on affordability case hotspots in different parts of Victoria. With the exception of Melton, each of the top five hotspots is ranked by the [Australian Bureau of Statistics](#) as among the 40% most disadvantaged municipalities in Victoria.

The top five hotspots for credit cases overall were:

1. Latrobe
2. Greater Shepparton
3. Wodonga
4. Pyrenees
5. Melton

The report also featured several case studies including:

- a customer living in public housing and on a disability pension who had his bill smoothing payment plans repeatedly cancelled and reinstated, causing confusion and concern
- a customer with gas and electricity arrears of more than \$7,000 threatened with disconnection due to irregular payment history and level of debt
- a customer who disputed a default listing that she was not aware of until she applied for a personal loan.

You can find out more and read the entire report here:

[Affordability Report.](#)

## Embedded networks

**Do you have a client in a residential park, apartment or retirement village who gets their gas or electricity supplied via an embedded network? EWOV might be able to help!**

EWOV has long held the view that all Victorian energy customers should be afforded the same consumer protections, including access to an independent dispute resolution scheme. Since 2015, we have actively participated in government and regulatory consultations around improving protections for electricity customers in embedded networks.

EWOV is very pleased to announce that from 1 July 2018, customers in embedded networks will have access to our dispute resolution services. Residents of residential parks, apartment buildings, retirement villages and shopping centres can now come to EWOV for energy-related dispute resolution. However, the embedded network must have joined EWOV as a member before we can register cases in relation to it. This is now a requirement they must satisfy in order to sell electricity to customers.

Based on the enquiries we have received from embedded network customers in the past, we are expecting most complaints to be about billing, credit issues and transfer (or lack of ability to transfer).

One of our early priority is working with our members to build their understanding of dispute resolution in the energy and water industries. At the same time, we'll be working to raise awareness among embedded network customers of their rights and responsibilities.



We have appointed a new Member Liaison Officer, **John Graham**, to be the 'go-to person' for embedded networks. If you want to know if a particular embedded network has joined EWOV, you can search our website or call 1800 500 509.

## Spotlight on:

### Gambling Debt and Gambler's Help

We wanted to put a spotlight on an issue that your clients may face: gambling addiction and debts related to gambling. Customers do not always advise EWOV of all their personal circumstances and struggles that may contribute to large debts, including electricity, gas and water bills left unpaid for long periods of time. Similarly to cases involving family violence, the more detail we have, the better equipped we are to have a frank discussion with the electricity, gas or water company. EWOV handles every case on its own merits and details like this really do matter. They can influence the type of outcomes offered and achieved. We also refer customers affected by gambling (their own or someone else's) to Gambler's Help on: 1800 858 858 or [www.gamblershelp.com.au](http://www.gamblershelp.com.au).

#### Case study:

2018/864

##### The Issue

Mr A contacted EWOV in relation to a default listing against his name. He advised he believed this default is due to his ex-wife not paying the household gas bills because she was using the money to fund a secret gambling addiction. The default was listed in 2014. Mr A advised he was not aware of the debt and default listing until he applied for a loan in 2017. EWOV raised an Assisted Referral, however, this did not resolve the dispute. Mr A contacted EWOV again and we commenced an Investigation.

##### The Investigation

EWOV requested Mr A's billing, payment history and contact notes as well as copies of credit collection and default warning notices. EWOV requested that Mr A provide a copy of his credit report. EWOV reviewed this information and discussed the case further with the company. EWOV also

Below are two examples of cases where a gambling addiction was disclosed to us. The first involves an unpaid gas bill which lead to a default listing the customer was not aware of because his ex-wife was secretly using bill money to fund a gambling addiction. The second case involves a customer who developed a gambling addiction after the death of her spouse and faced imminent disconnection as she had accrued a debt of almost \$12,000 for her gas and electricity accounts.

noted that Mr A was on the company's hardship program and had a billing dispute that had not been finalised prior to the closure of the account. The company agreed that the default may have been listed in error on this basis.

##### The Outcome

The company agreed to arrange for the default listing to be removed within 14 days. In light of the customer's circumstances, it also waived the debt of \$1,989.87.

Mr A was happy with this outcome and the case was closed.

## Case study:

*2018/8152 and 2018/8153*

### The Issue

Ms C contacted EWOV to advise she had received a notice that her gas and electricity accounts would be disconnected due to unpaid arrears of nearly \$8,000 for electricity and more than \$4,000 for gas. She told EWOV that she developed a gambling addiction following the death of her spouse. This addiction clouded her judgement and this is the reason bills remained unpaid and the debt accrued. Ms C contacted her company but it did not accept her request for a payment plan. It advised she was required to pay 50% of the account balance upfront to avoid disconnection. Dissatisfied, she contacted EWOV and we used our discretion to bypass the Assisted Referral process and commence an investigation.

### The Investigation

EWOV requested Ms C's account and payment history, bills, meter reads and customer contact notes from the company. EWOV noted Ms C's electricity account balance was \$7,541.93 and her gas account balance was \$4,385.36. EWOV reviewed her account history and observed that she had previously been removed from the hardship program on two occasions. We also noted that a Utility Relief Grant Scheme (URGS) payment had never been applied to either account. EWOV also discussed Ms C's special circumstances with the company.

### The Outcome

The company accepted Ms C back onto its hardship program. Ms C agreed to an initial payment plan of \$250 per week for electricity and \$150 for gas as this was the amount she advised she could afford to pay. The company also agreed to assess her for eligibility for Utility Relief Grant Scheme (URGS) for both accounts. Ms C agreed to engage with a financial counsellor if requested by the hardship team. The company also placed Ms C on its internal 'vulnerable customer' register which means she won't be taken off the hardship program and will be assigned a personal case manager who will contact her regularly.

Ms C was happy with this outcome and the case was closed.

# Updated Credit Collection and Default Listing Position Statement

Close to one in ten EWOV cases is about debt collection or a default listing, putting this among the top three complaint issues each year since 2014–15. We've updated our [position statement](#) on these cases, taking into account recent advice from the Office of the Australian Information Commissioner (OAIC). The revised position statement contains new information about our approach to timely action on debt, customer actions and circumstances, and what happens when a payment arrangement is made and then broken.

**"EWOV expects that providers will list a default reasonably promptly – within 12 months of when the debt falls 60 days overdue and a default listing becomes possible."**

## Timely default listings

Because default listings in particular can have serious consequences for customers who seek credit in the future, EWOV expects that providers will list a default reasonably promptly – within 12 months of when the debt falls 60 days overdue and a default listing becomes possible. Generally, we'll require a default listing to be removed if it hasn't been made within this 12-month timeframe.

## Customer actions and circumstances

EWOV will consider any action the customer took to prevent the debt issue, such as providing a forwarding address or following up with the provider.

We will also take into account any major adversity flowing from the collection action or default listing. Thus, while EWOV won't typically require a provider to remove a default that was listed correctly, we may consider this appropriate in some cases, such as where the customer has experienced family violence.

## When a payment arrangement is made and broken

Sometimes, after a provider has given a customer the required notices of its intention to list a default, the customer and provider will agree to a payment arrangement. The customer may then default on that payment arrangement.

New notices must be sent before a default is listed if:

- the payment arrangement amounts to a variation or change to the original contract
- the provider tells the customer, in phone calls or correspondence, that it will not enforce its rights against the original payment terms.

However, the original notices are sufficient if the provider made it clear, when making the payment arrangement, that it will maintain its rights to take action against the original payment terms.

## EWOV in the Community

EWOV has been busy in the community in the last six months with events, presentations and other outreach work.

Please contact Sarah Wright via email:

[sarah.wright@ewov.com.au](mailto:sarah.wright@ewov.com.au) or phone on (03) 8672 4265

if you would like us to come and visit you or participate in your event. EWOV is also particularly keen to get involved with more Indigenous community events.

- **AMES Australia – 24 January 2018**

With the assistance of a translator, the Ombudsman presented to a group of new migrants about EWOV's role in resolving disputes and how we can help.

- **Greater Dandenong Sustainability Festival – 4 March 2018**

As part of the Sustainability Festival, we held an information stall where members of the public could collect EWOV show bags, information resources and speak to our staff about their energy and water issues.

- **Day at the Zoo – 22 March 2018**

EWOV joined City West Water, Victoria Police, the Melbourne Metropolitan Fire Brigade, South East Water, Yarra Valley Water, Ambulance Victoria and many other like-minded essential service organisations for a Day at the Zoo. Presented by the Victorian Multicultural Commission, this event was celebrating its tenth year and is a celebration of Cultural Diversity Week. More than 1,200 adult students studying English as an additional language were invited to enjoy a day out at the zoo and an opportunity to talk to organisations that can help them integrate into the community and improve their health and financial situation.

- **Australian Vietnamese Women's Association - Green Sustainable Lifestyle + Solar Showcase Information Session – 18 April 2018**

Hosted by the Australian Vietnamese Women's Association, this event showcased sustainable living practices and information about solar photovoltaic systems. EWOV had an information stand and provided advice and resources to approximately 100 local Vietnamese community members.

- **Refuge of Hope – 18 April 2018**

Refuge of Hope is a non-profit organisation in partnership with Scanlon Foundation. Its mission is to assist the wellbeing of immigrants, refugees and international students from Latin America living in Melbourne. EWOV staff attended the Refuge of Hope to assist in preparing food parcels for those in need. EWOV's Ombudsman discussed energy and water issues with attendees.

- **Modern Ageing Forum – 3 May 2018**

Manningham Council organised a wide-ranging event to help people age well in the modern world. The event included presentations on identifying elder abuse and exploring housing options and technology that assist with independent living. Dementia Australia also presented an interactive session to help people identify and cope with memory problems. EWOV provided information on how we help Victorian consumers.

- **Senior Citizens Reference Group – 9 May 2018**

EWOV presented to a number of seniors groups and clubs at this event, organised by Manningham Council. The meeting was an opportunity for various organisations to exchange ideas and information, and for EWOV to explain how we can help.

- **Bring Your Bills Day - Flemington – 20 June 2018**

Flemington and Kensington Legal Centre and Moonee Valley Legal Service teamed up to hold a Bring Your Bills Day. It was an opportunity for local members of the community to come and talk to a number of different organisations, such as Centrelink, VicRoads, lawyers, financial counsellors, City West Water and local councils directly. EWOV reviewed customers' bills, provided advice and raised cases on site.

- **Western Integrated Family Violence Committee – 21 June 2018**

The Ombudsman spoke to members of the Western Integrated Family Violence Committee. Cynthia explained how EWOV can help people in family violence circumstances, and how they should engage with us.



Australian Vietnamese Women's Association



Bring Your Bills Day - Flemington



Refuge of Hope



Modern Ageing Forum



Day at the Zoo