



ENERGY AND WATER OMBUDSMAN

Victoria **Listen Assist Resolve**

Marketing and Transfer Report

1 July 2013 to 30 September 2013

Released 31 October 2013



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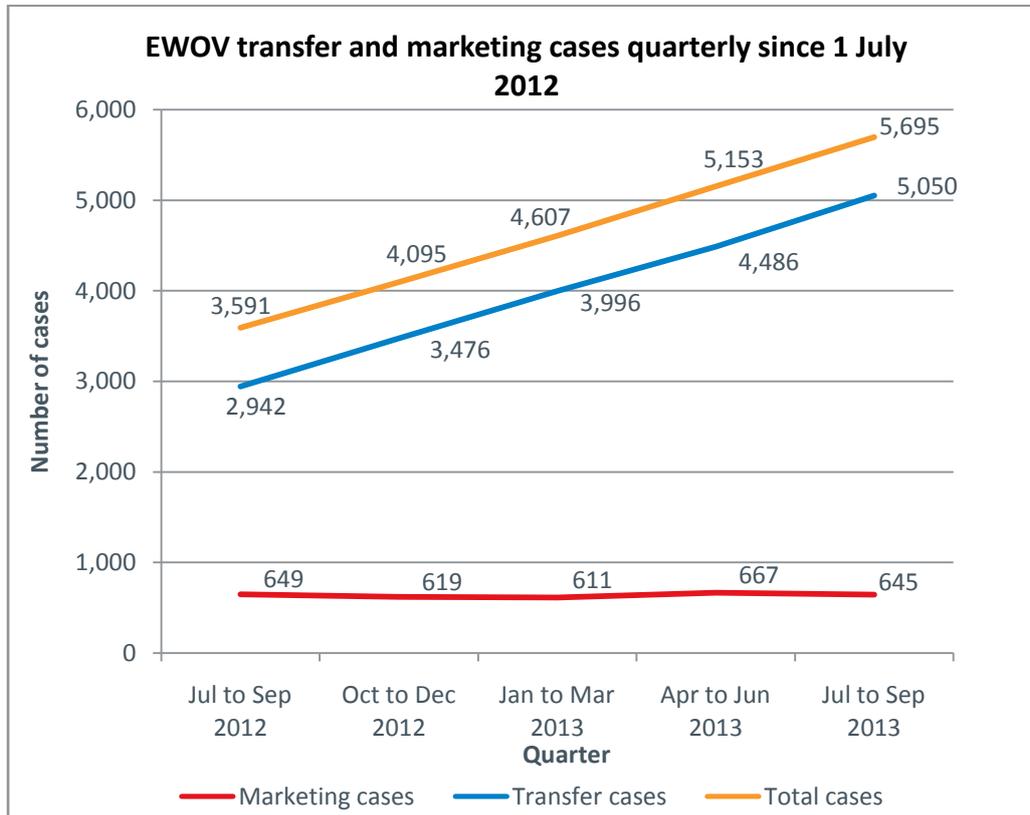
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1. Marketing and transfer overview

Cases Overall

This graph shows the number of EWOV marketing and transfer cases for each quarter since 1 July 2012.



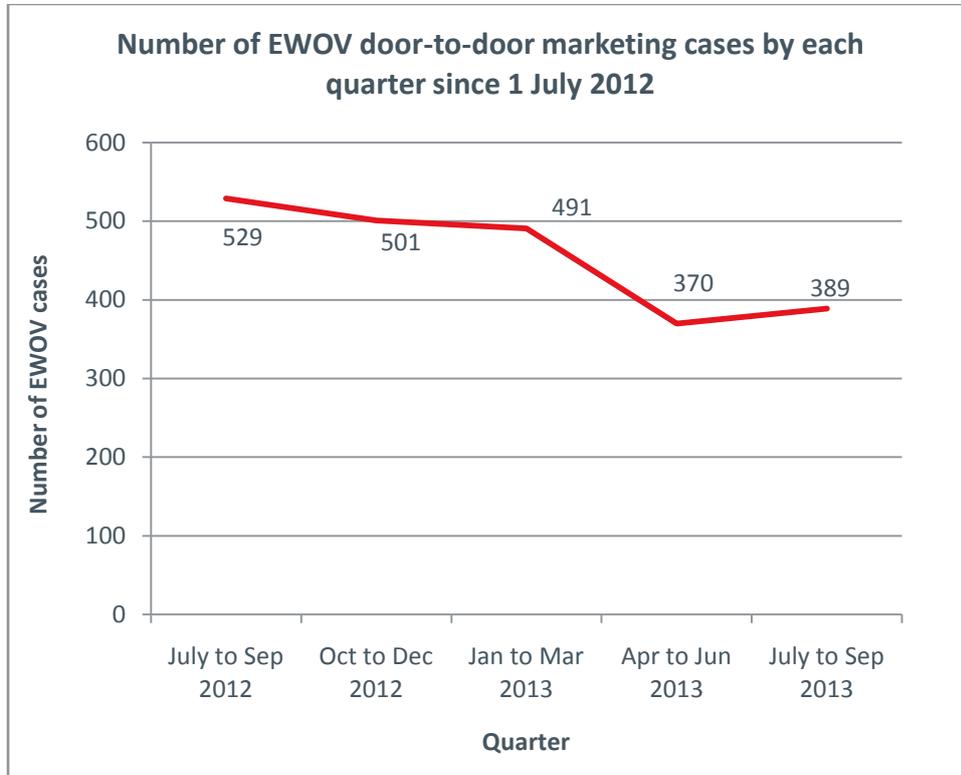
A 3% decrease in marketing cases

There was a 3% decrease in the number of EWOV marketing cases received in the July 2013 to September 2013 quarter, compared to the previous quarter. EWOV received 645 marketing cases this reporting period, compared to 667 cases in the April 2013 to June 2013 quarter – 22 fewer cases.

In February 2013, two large retailers separately decided to end door-to-door energy marketing in Victoria by the end of March 2013. On 19 June 2013, a further retailer similarly announced that it would stop residential door-to-door energy marketing by 30 September 2013. Despite these large energy retailers withdrawing from door-to-door marketing, EWOV has not observed a decline in marketing cases and complaints about door-to-door sales.

A 5% increase in door-to-door marketing cases

This graph shows the number of EWOV door-to-door marketing cases for each quarter since 1 July 2012.



During this quarter, EWOV experienced a 5% increase in door-to-door marketing cases relative to the April 2013 to June 2013 quarter – an increase of 19 cases.

The 25% drop in door-to-door marketing case numbers last quarter was likely driven by the two large energy retailers ceasing door-to-door marketing activity during that period. However, based on an increase in EWOV marketing complaints about medium-sized and smaller energy retailers, it appears that these companies may have perceived the larger retailers' decisions as an opportunity to be more active in the door-to-door energy sales market. This is examined further in the report on page 10.

A 13% increase in transfer cases

There continues to be considerable growth in EWOV transfer cases. The July 2013 to September 2013 quarter is the fifth consecutive quarter where there was a significant rise in the number of transfer cases – an increase of 564 cases (13%), from 4,486 to 5,050 cases. This growth equates to a 72% increase in the last 12 months.

Retailer and issue-related trends related to the continued increase in transfer cases are examined later in the report on page 10.

Retailer trends

The quarterly change in each retailer's case numbers

The table below shows the marketing and transfer quarterly case numbers for each Victorian energy retailer since 1 July 2012. For the purpose of comparison, the numbers in italics represent the number of marketing and transfer cases excluding the four additional transfer issue categories first examined in the January 2013 to March 2013 reporting quarter¹.

Retailer	July to September 2012	October to December 2012	January to March 2013	April to June 2013	July to September 2013
Retailer 1	-	-	-	0	3
Retailer 2	5	0	8	6	8
Retailer 3	23	20	41	50	50
Retailer 4	122	88	127	130	132
Retailer 5	260	261	351	447	542
Retailer 6	72	78	50	56	45
Retailer 7	6	41	67	111	176
Retailer 8	25	29	77	60	103
Retailer 9	666	655	1,465	1,818	1,907
Retailer 10	386	381	366	355	345
Retailer 11	119	302	330	433	330
Retailer 12	7	13	22	64	82
Retailer 13	12	15	44	19	31
Retailer 14	169	192	393	422	662
Retailer 15	288	302	576	626	711
Retailer 16	377	299	625	471	465
Retailer 17	-	-	-	-	1
Retailer 18	0	0	0	10	44
Not allocated	47	46	63	75	58
Total	2,585	2,726	4,607	5,153	5,695

¹ The transfer issue categories previously excluded were transfer delay, transfer billing, transfer objection and site ownership issue categories.

Retailer 9 had the most cases – 1,907 cases

For the sixth consecutive reporting quarter, Retailer 9 generated the highest number of EWOV marketing and transfer cases. From July 2013 to September 2013, it had 1,907 marketing and transfer cases, which was a 5% increase in cases compared to the previous quarter – from 1,818 to 1,907 cases, an increase of 89 cases.

This growth was mainly caused by Retailer 9 receiving a high number of customer complaints about transfer issues, particularly the following:

- Transfer delays – 400 cases, a 22% increase on last quarter
- Transfer billing – 388 cases, a 52% increase on last quarter
- Transfer contract terms – 330 cases, a 32% increase on last quarter.

Retailer 9 had a total of 1,836 transfer-related cases, which is 36% of all EWOV transfer cases received in the July 2013 to September 2013 quarter.

As detailed in previous EWOV Marketing and Transfer Reports, Retailer 9's billing system upgrade and billing-related issues continued to generate high customer demand for its contact centre, contributing to the large number of complaints to EWOV, particularly about transfer delays and associated billing problems.

Transfer cases make up 96% of Retailer 9's total EWOV marketing and transfer cases for this quarter. In contrast, it experienced a 111% decrease in marketing cases this quarter, likely a result of its decision to stop door-to-door marketing. Its marketing cases fell from 150 cases in the previous quarter to 71 cases between July 2013 and September 2013.

A significant increase in Retailer 14 cases

This quarter, Retailer 14 marketing and transfer cases grew by 57% compared to April 2013 to June 2013, from 422 cases to 662 cases - an increase of 240 cases. This growth was most prominent in two EWOV issue categories – transfer without consent and transfer cooling-off rights.

In July 2013 to September 2013, the number of Retailer 14 transfer without consent cases increased from 52 to 128 cases – a quarterly increase of 76 cases (146%). EWOV did not identify any primary cause for this increase, rather we found that customers believed they did not give their informed consent to a contract for different reasons, for example, a transfer occurring after a discussion with a telesales agent and non-English speakers entering a contract during door-to-door marketing. This case increase may be a consequence of more marketing activity by Retailer 14 during this reporting period.

In July 2013 to September 2013, the number of Retailer 14 transfer cooling-off rights cases increased from 30 to 66 cases – an overall increase of 36 cases (120%). Most customers complained about Retailer 14 not carrying through with the customer's contract cancellation request during the 10-day cooling-off period after entering into a contract. This

resulted in customers remaining with Retailer 14 and then facing the payment of a termination fee to release them from the contract. Also, a significant minority of customers were unhappy that they did not receive a Retailer 14 'Welcome 'Pack' after entering the contract and therefore were unable to make the cooling-off cancellation request in the correct format and within the period permitted.

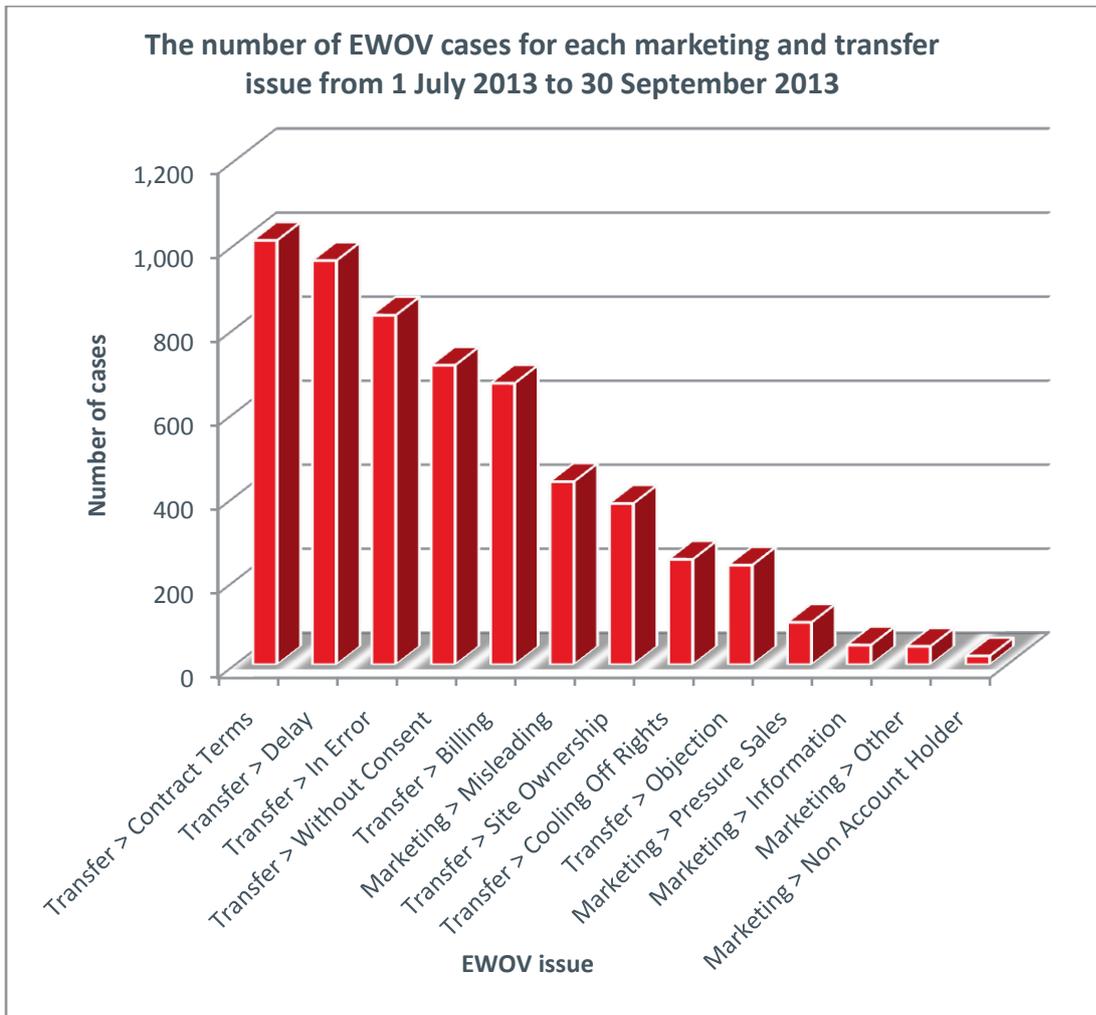
Compared to the July 2012 to September 2012 quarter, the number of Retailer 14 transfer and marketing cases has grown by 163% over the last 12 months, from 252 to 662 cases.

EWOV is monitoring these matters as potential systemic issues.

EWOV issue trends

The number of cases for each issue category

The below bar chart shows the number of EWOV cases for each marketing and transfer issue from 1 July 2013 to 30 September 2013.



An increase in misleading marketing cases

This quarter there was a 19% increase in misleading marketing cases relative to the April to July 2013 quarter, from 366 to 435 cases, a gain of 69 cases. This growth was largely driven by an increase in cases from Retailer 5 and Retailer 14.

These two retailers accounted for 39% of all misleading marketing cases received by EWOV between July 2013 and September 2013 – 170 of the 435 total cases. Retailer 5 received 94 cases and Retailer 14 received 76 cases. This increase may be a reflection of more marketing by these two retailers.

In analysing EWOV's cases, it appears that these customers felt they were misled by door-to-door marketers into entering a contract with the assurance that their bills would be cheaper and then later discovered that this is not true. This was mainly because of a lower discount or a higher tariff rate being applied to their bill, than what they believed was offered at the time of marketing. Some Retailer 5 customers also complained that a \$50 rebate promised at the time of marketing was not applied to their first bill.

In analysing EWOV misleading marketing cases, we also received complaints about marketing conduct at shopping centre kiosks by sales agents representing Retailer 14.

EWOV has informed Retailer 5 and Retailer 14 about these misleading marketing issues and is currently monitoring them as possible systemic issues.

The continued increase in transfer cases

As indicated in EWOV's previous Marketing and Transfer Reports, there continued to be an ongoing increase in the number of customer complaints about transfer issues. This quarter, EWOV received 5,050 transfer-related cases compared to 4,486 cases between April 2013 and June 2013. This is a quarterly increase of 564 cases (13%). When compared to the July to September 2012 quarter, there was a 72% increase in transfer cases over the last 12 months, from 2,942 to 5,050 – an increase of 2,108 cases.

Retailer 9 billing-related issues are the primary driver for the growth in EWOV transfer cases. This quarter, 36% of EWOV transfer cases concerned Retailer 9 – 1,836 transfer cases from a total of 5,050.

At an issue level, from July 2013 to September 2013, EWOV also experienced the following quarterly case increases:

- Transfer billing – 41% increase (196 more cases)
- Transfer delay – 26% increase (201 more cases)
- Transfer contract terms – 14% increase (120 more cases).

As highlighted in previous Marketing and Transfer Reports, there is a direct relationship between these issue categories, where a transfer delay causes billing and contract issues for a customer. System improvements in Retailer 9's transfer processes would help to reduce the number of these types of customer complaints. Further, the ongoing effects of its billing

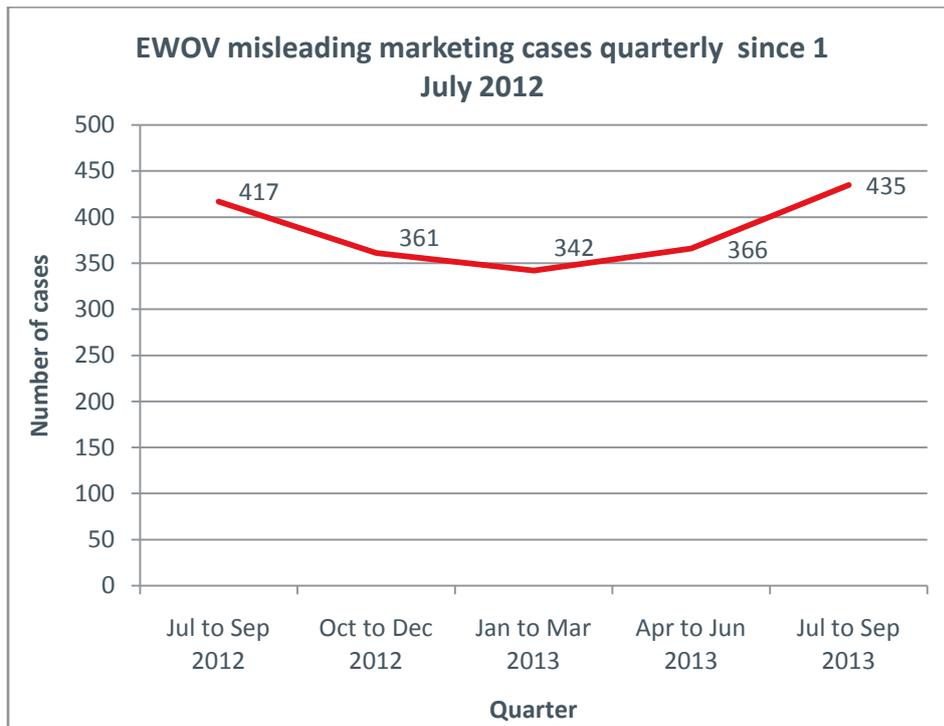
system upgrade and billing-related issues are still causing high customer demand for its contact centre, contributing to its large number of EWOV cases.



3. Marketing cases and customer stories

Misleading (435 cases)²

These are cases in which customers state that a marketer has provided them with misleading information. When customers then enter a contract, issues of consent and disputes about contract terms can arise.



There were 435 cases in this category, compared to 366 in the previous quarter. This is an increase of 69 cases (19%).

Retailer 5 had the most misleading marketing cases – 94 cases.

² Misleading sales conduct is prohibited by the *Australian Consumer Law*, sections 18, 29 and 151.

A customer's story



Confusion about a contract discount discussed during a door-to-door marketing visit

2013/39015 and 2013/39016

Retailer 14

Customer's statement

The customer agreed to transfer his gas and electricity accounts to Retailer 14 during a visit from a door-to-door marketer. He was advised that if he transferred to Retailer 14 he would receive a 70% discount on his bills. When the customer received his first bill he noticed that it only had a 14% discount. He contacted Retailer 14 several times to discuss the matter, however it advised that it could only increase the discount to 16%.

Dissatisfied with this outcome, the customer contacted EWOV and an Assisted Referral was raised. However, this did not settle the matter, so the complaint was resolved using EWOV's Real Time Resolution process.

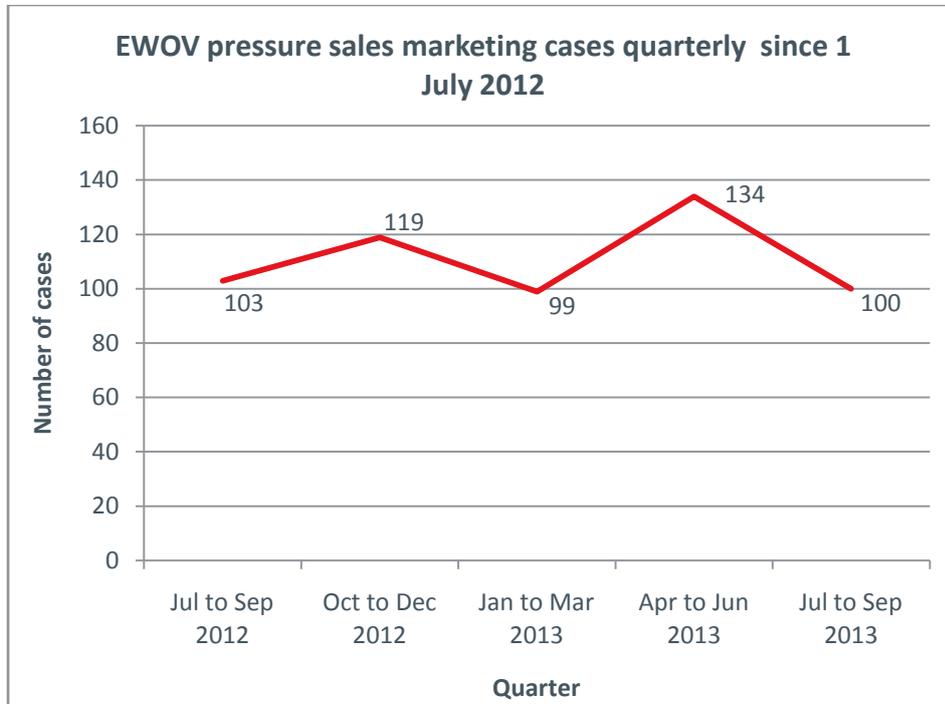
Outcome

Retailer 14 accepted the customer's advice that he was offered a 70% contract discount by the door-to-door salesperson, however it advised it could not honour this offer as it does not have any market contracts available with this discount.

Retailer 14 agreed to discount the customer's first gas and electricity bills by 70% and apply ongoing discounts of 25% on his electricity bills and 16% on his gas bills. EWOV confirmed that these discounts would apply in addition to the government concessions for which the customer was eligible. The 70% reduction on the first gas and electricity bills amounted to a credit of \$119.34 on the customer's gas account and \$267.50 on his electricity account. The customer was satisfied with this offer.

Pressure Sales (100 cases)³

These are cases in which customers state that they have been exposed to excessive sales pressure during the course of marketing contact. Where they agree to transfer the account, issues about explicit informed consent may also arise.



There were 100 cases in this category, compared to 134 in the previous quarter. This is a decrease of 34 cases (25%).

Retailer 5 had the most pressure sales cases – 20 cases.

³ Pressure sales techniques are prohibited by the *Australian Consumer Law*, sections 50 and 168.

A customer's story



A customer felt intimidated by a door-to-door marketer
2013/41506
Retailer 15

Customer's statement

The customer was visited by a door-to-door marketer from Retailer 15. She felt intimidated as the marketer did not leave her property when she asked him to. The customer contacted Retailer 15 to report this behaviour and it advised that it would note this in its system but would not take any further action.

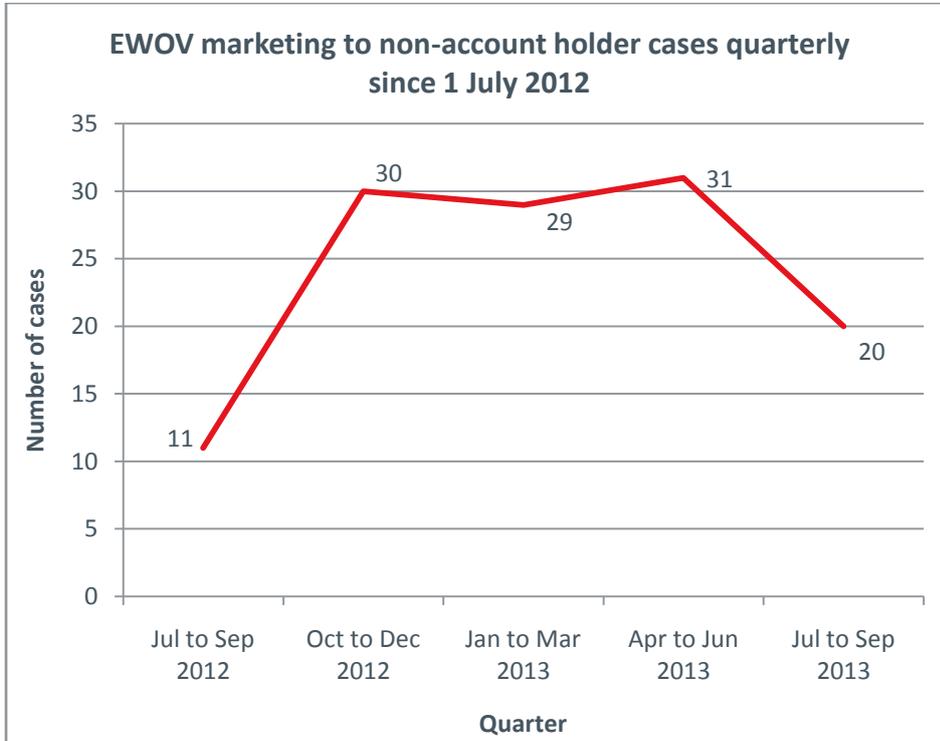
Dissatisfied with this response, the customer contacted EWOV and an Assisted Referral was raised. However, this did not resolve the matter, so the complaint was resolved using EWOV's Real Time Resolution process.

Outcome

Retailer 15 apologised for the behaviour of the door-to-door salesperson and provided feedback to its door-to-door department for training purposes. However, it advised that as the customer did not obtain the person's name or employee number it was not able to action her concerns directly with the marketer. The customer was satisfied with Retailer 15's response, however she felt she should also raise the matter with the local police.

Non-Account Holder (20 cases)⁴

In these cases, a marketer solicits someone who is not the account holder at the property. If a non-account holder agrees to switch to another retailer, the energy account is set up in their name. Often following this, the new retailer will then not discuss the transfer with the original account holder for reasons of privacy.



There were 20 cases in this category, compared to 31 in the previous quarter. This is a decrease of 11 cases (35%).

Retailer 5, Retailer 9 and Retailer 11 jointly had the most marketing to non-account holder cases – 4 cases each.

⁴ Clause 4.3 of the *Code of Conduct for Marketing Energy in Victoria* requires retailers to 'take reasonable steps to conduct contract negotiations with a person who has the authority to enter into a contract for electricity supplied to the actual site'. Cases involving marketing to non-account holders may also be logged at EWOV under Transfer > Without Consent and potentially other issue categories, so 20 cases is likely to be a minimum number.

A customer's story



**Door-to-door sales to the customer's non-account holder daughter
2013/39538
Retailer 11**

Customer's statement

The customer's daughter was visited by a door-to-door marketer from Retailer 11. She told the marketer that the electricity account was in her mother's name, however the representative advised her that she was able to transfer the account, so she signed the contract. Her mother subsequently contacted Retailer 11 to cancel the transfer, but the household continued to receive bills, including disconnection notices.

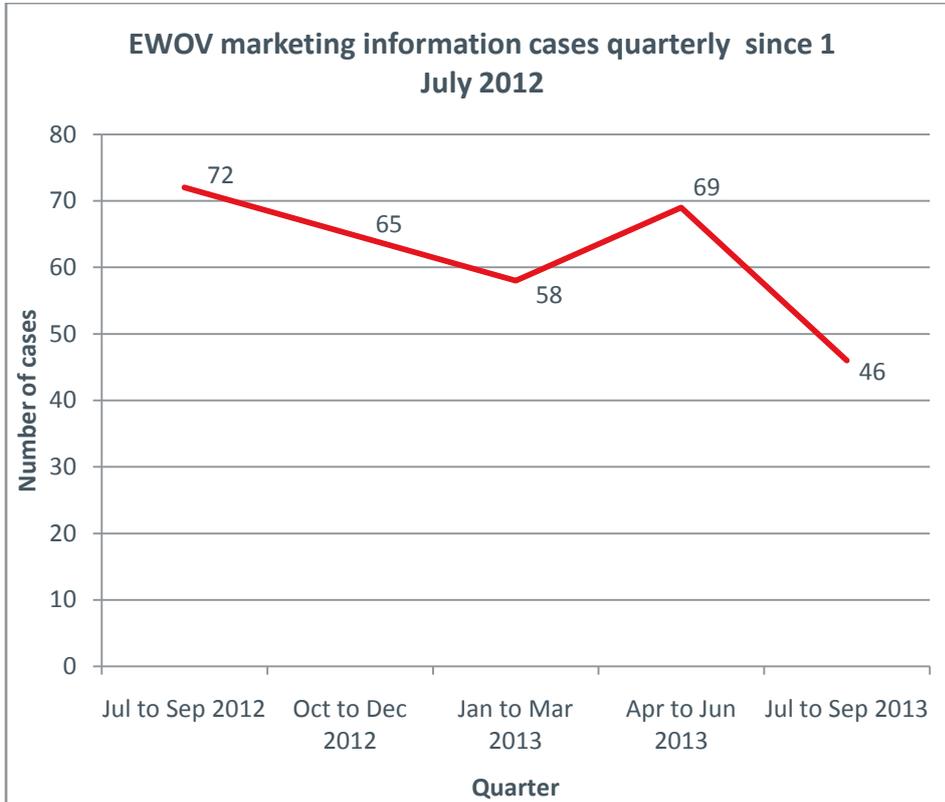
Dissatisfied, the customer contacted EWOV and an Assisted Referral was raised. However, this did not settle the matter, so the complaint was resolved using EWOV's Real Time Resolution process.

Outcome

Retailer 11 apologised for the inconvenience caused, cancelled all bills sent to the customer's household and initiated a full retrospective transfer to the customer's preferred retailer. It also confirmed that her electricity would not be disconnected.

Information (46 cases)⁵

These are cases in which customers state they have received marketing information which they do not understand, or believe is incorrect. Some examples include misinformation about contract terms (such as exit fees and contract discounts), or a customer not receiving an offer summary when requested.



There were 46 cases in this category, compared to 69 in the previous quarter. This is a decrease of 23 cases (33%).

Retailer 9 and Retailer 14 had the most marketing information cases – 8 cases each.

⁵ Misinformation, despite not being intended to mislead or deceive, may still be contrary to the *Australian Consumer Law*, sections 18, 29 and 151.

A customer's story



A retailer did not provide the \$50 credit offered by an energy switching website
2013/43776
Retailer 11

Customer's statement

The customer entered a new contract with Retailer 11 in the belief she would receive a \$200 credit on her first bill. In January 2013, she visited a commercial energy switching website to compare residential electricity offers. She decided to choose Retailer 11 because she was offered a \$50 credit as well as a \$150 promotional credit offer.

When she received her first Retailer 11 bill it included the website's \$150 credit, but not the \$50 credit offered by Retailer 11. She contacted Retailer 11 and it referred her back to the switching website, so she decided to contact EWOV for assistance.

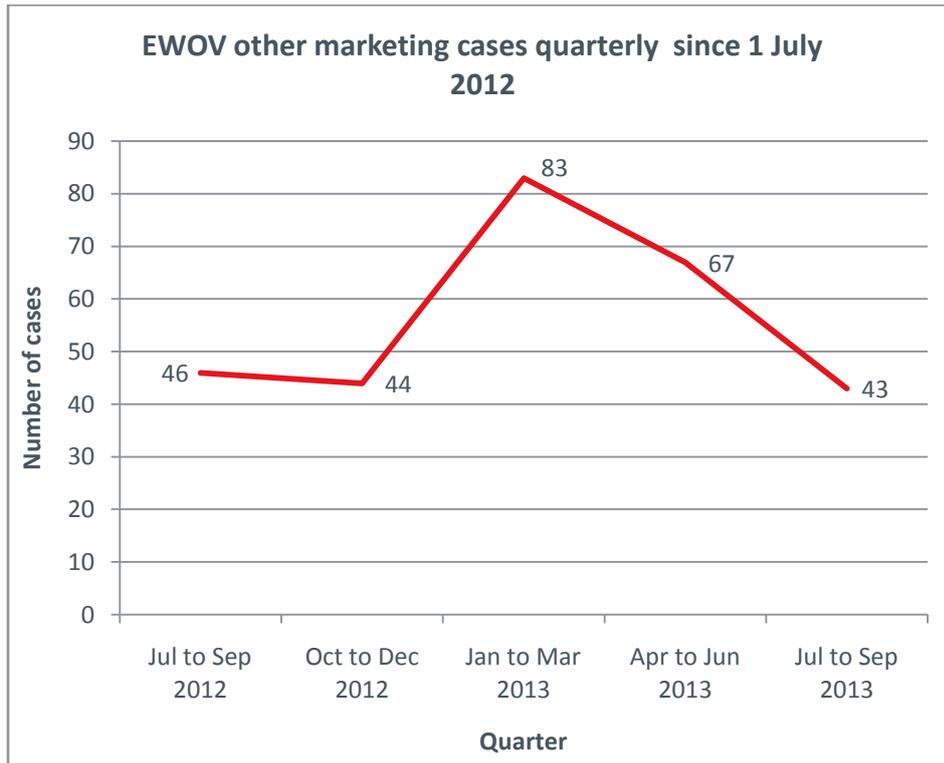
EWOV raised an Assisted Referral, however Retailer 11 did not contact the customer. The complaint was then resolved using EWOV's Real Time Resolution process.

Outcome

Retailer 11 apologised for the inconvenience caused to the customer and credited \$50 to her account.

Other (43 cases)⁶

These are cases in which customers state that they have been exposed to some form of marketing, yet the concerns they raise do not easily fit into the established issue categories. Most cases in this category are registered because customers have received unwanted and sometimes regular marketing from door-to-door or telephone salespeople. Sometimes the marketer is alleged to have ignored 'Do Not Knock' or 'No Canvassing' stickers, or has telephoned a customer who states they are listed on the 'Do Not Call Register'.



There were 43 cases in this category, compared to 67 in the previous quarter. This is a decrease of 24 cases (36%).

Retailer 14 had the most other marketing cases – 6 cases.

⁶ The regulation of unsolicited marketing activity, and obligations to cease such activity, is controlled under the *Australian Consumer Law*, Part 3-2, Division 2 and Part 4-2, Division 2.

A customer's story



**Telesales call to a customer listed on the 'Do Not Call' register
2013/37157
Retailer 18**

Customer's statement

The customer received telemarketing from Retailer 18 despite listing her number on the Australian Communications and Media Authority's 'Do Not Call' register.

Dissatisfied with receiving unwanted contact, the customer contacted EWOV and an Assisted Referral was raised. However, this did not resolve the matter, so the complaint was resolved using EWOV's Real Time Resolution process.

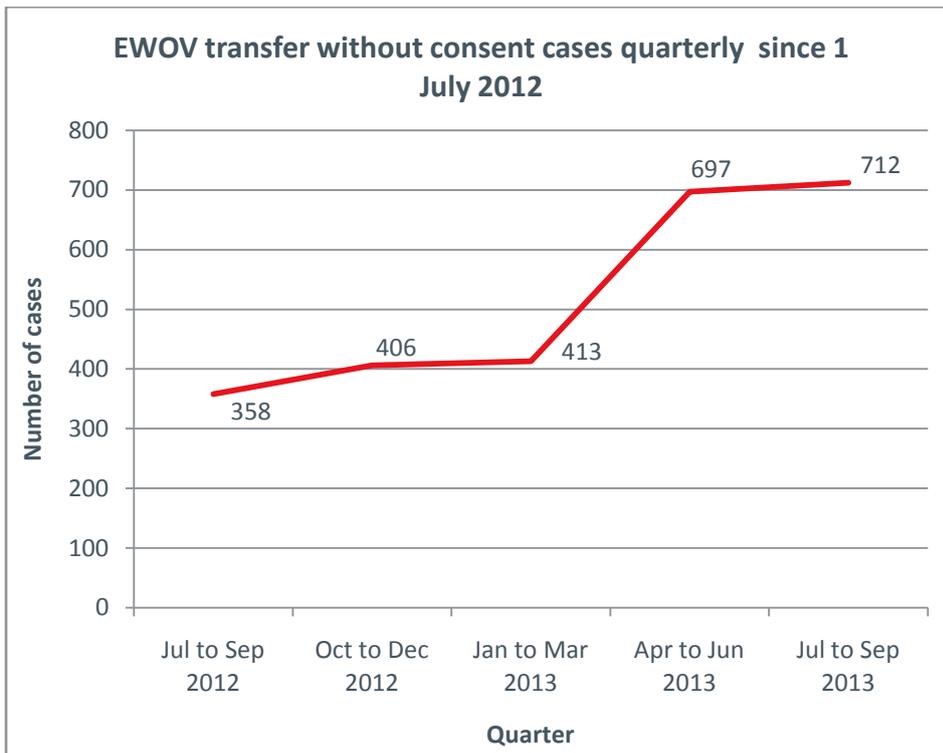
Outcome

Retailer 18 provided a written apology to the customer for contacting her while her phone number was listed on the 'Do Not Call' register. The customer obtained written confirmation that her number was correctly listed on the register until 2018.

3. Transfer cases and customer stories

Without Consent (712 cases)⁷

These are cases where the customer states that a retailer gained the billing rights for a property without having obtained their explicit informed consent. Depending on their existing contract, the customer may also find themselves liable for an exit fee.



There were 712 cases in this category, compared to 697 in the previous quarter. This is an increase of 15 cases (2%).

Retailer 9 had the most transfer without consent cases – 244 cases.

⁷ Sections 18, 20, 21, 29 and 151 of the *Australian Consumer Law* apply where a customer transfer occurs as result of intentionally misleading behaviour by a marketer.

A customer's story



A customer had her electricity account transferred after shopping centre marketing
2013/36499
Retailer 9

Customer's statement

Retailer 9 started debt collection against the customer after her electricity account was transferred to it without her agreement. In 2012, the customer spoke to a Retailer 9 representative in a shopping centre about energy offers, but she did not enter into a contract.

On 6 June 2013, she was contacted by Retailer 9 seeking payment of \$386.91. The customer informed Retailer 9 that she vacated the property in February 2013 and had never agreed to a contract with it. Retailer 9 advised that she was liable for the debt and must pay.

The customer contacted EWOV and an Investigation was opened.

Outcome

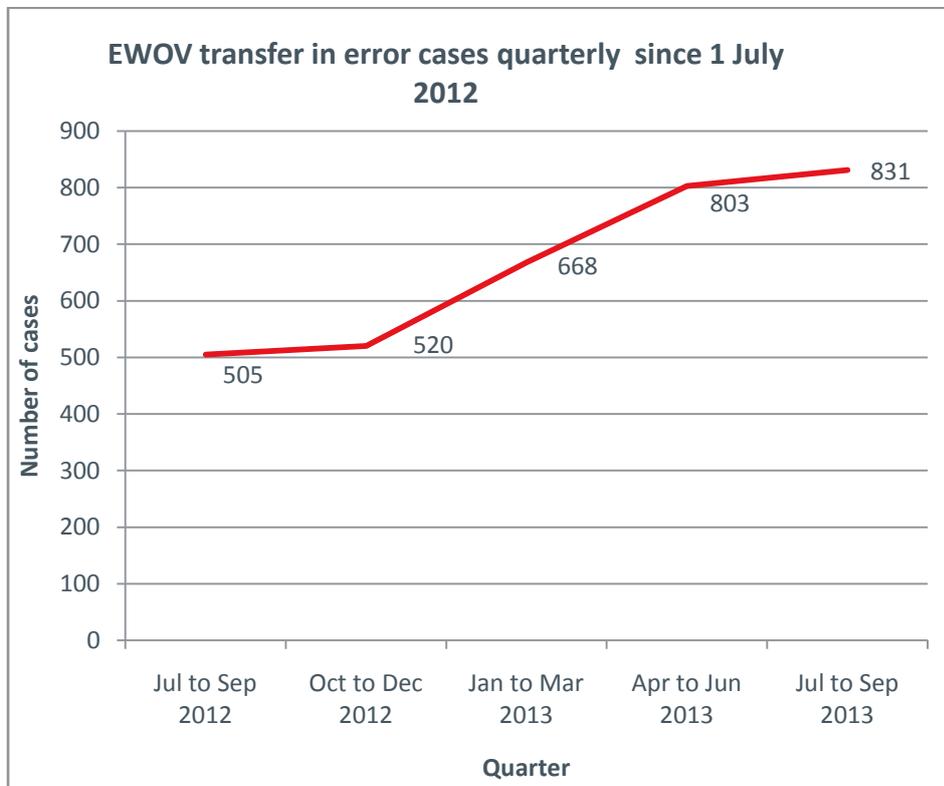
Retailer 9 apologised for its marketing behaviour and the inconvenience this matter caused the customer. It advised that the customer was signed to a contract by a marketer after she attended a shopping centre kiosk.

Retailer 9 cancelled the bills it had issued, closed the account and retrospectively transferred it to her preferred retailer. It confirmed that the customer would not receive any further debt collection activity. It also provided a direct contact should the customer have any further queries.

In Error (831 cases)⁸

Sometimes the billing rights to a customer's supply address are transferred between retailers in error. Retailer billing system problems, the use of incorrect meter details and customers quoting an address that does not correspond with the details in the transfer database (Market Settlement and Transfer Solution, 'MSATS') are the most common causes of transfer errors.

The resulting disruption to the customer's existing payment arrangements may cause them to fall into arrears. The new retailer sets up an 'unknown consumer' account and may send bills addressed to the 'Dear Occupier', but some customers do not respond because they do not believe they have an account with that retailer. Where this continues for a long time, the customer is at risk of disconnection by the new retailer for non-payment.



There were 831 cases in this category, compared to 803 in the previous quarter. This is an increase of 28 cases (3%).

Retailer 9 had the most transfer in error cases – 329 cases.

⁸ Clause 4.1(a)(1) of the *Electricity Customer Transfer Code 2007* states that a customer must be transferred in accordance with the CATS retail transfer procedures set out in MSATS.

A customer's story



A customer's electricity supply was transferred in error and then disconnected

2013/44594

Retailer 15

Customer's statement

The customer's electricity was disconnected on 1 August 2013. She had an electricity account with her preferred retailer for some time, however she had begun to receive letters from Retailer 15 addressed to 'test test'. She contacted her preferred retailer which advised that her electricity account had been transferred to Retailer 15 in December 2012. The customer was not aware of the transfer and had not entered into a new energy contract. Retailer 15 agreed to arrange the reconnection of her electricity supply, however it advised that she owed \$1,400 in unpaid bills.

The customer was dissatisfied with the transfer and Retailer 15's response, so she contacted EWOV. An Investigation was raised and the reconnection of supply was arranged on the same day.

Outcome

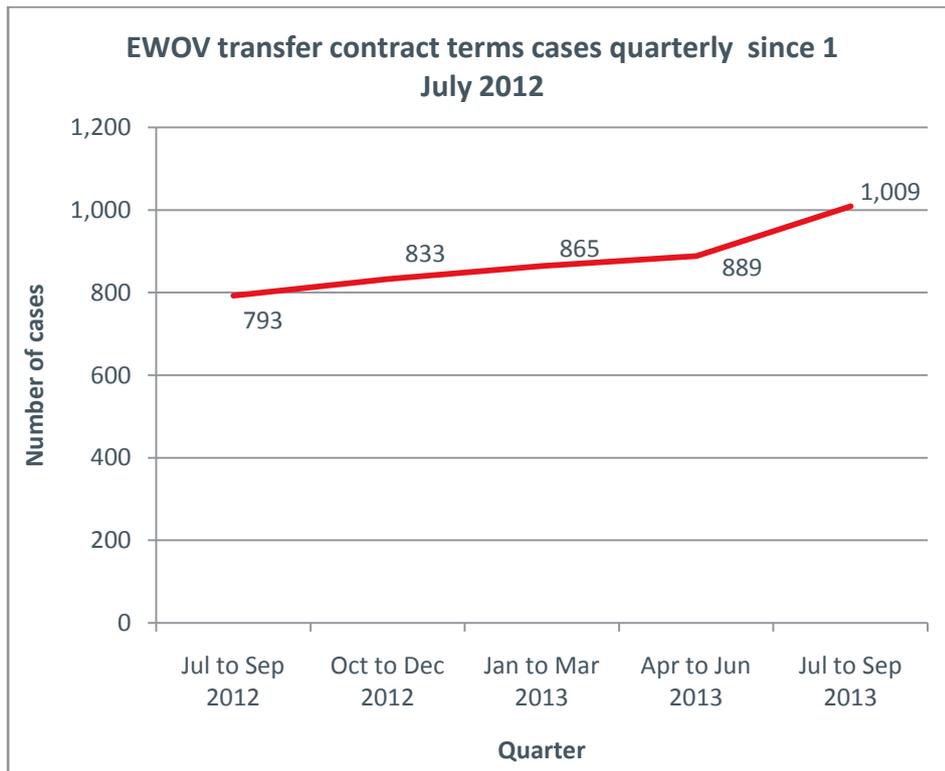
Retailer 15 apologised for the inconvenience caused by this matter. It advised that due to a training error, the customer's account was transferred to it and bills were issued in the name of 'test test'. Retailer 15 cancelled all charges for the six-month period the customer was billed and arranged a retrospective transfer to her preferred retailer from 1 May 2013. Retailer 15 also provided a direct contact for the customer should she have any other issues.

Additionally, EWOV assessed whether a Wrongful Disconnection Payment (WDP) was payable and found that Retailer 15's disconnection did not comply with the requirements of the *Energy Retail Code*. Retailer 15 paid the customer a WDP of \$281.08.

Contract Terms (1,009 cases)⁹

This is when customers question the terms of a contract and often involves concerns about termination fees. Failure by a marketer or retailer to draw attention to contract terms can lead to claims that there was no explicit informed consent from the customer when entering the contract.

Cases about termination fees often arise from other marketing and transfer complaints. For example, where a customer is misled into signing a contract and later finds that they will be charged an exit fee.



There were 1,009 cases in this category, compared to 889 in the previous quarter. This is an increase of 120 cases (14%).

Retailer 9 had the most contract term cases – 330 cases.

⁹ Unfair contract terms are regulated by the *Australian Consumer Law*, Part 2-3.

A customer's story



A customer believed he was offered a lower tariff rate and one-off account credit by his retailer's retention team

2013/45634

Retailer 15

Customer's statement

In May 2013, the customer decided to transfer his electricity supply from Retailer 15 to a different retailer. Retailer 15's retention team contacted him when it was notified of the transfer and offered him a single tariff rate of 21.16 cents/kWh and a one-off credit of \$100, if he cancelled the pending transfer to Retailer 8. The customer accepted Retailer 15's offer and contacted the other retailer to cancel the contract.

The customer subsequently received a bill from Retailer 15 for \$2,200 charged at a tariff rate of 29.14 cents/kWh. The customer calculated that he had been overcharged \$463, not including the \$100 credit that was offered. Retailer 15 advised the customer that it could not provide the tariff rate he said was quoted by its retention team. The customer told Retailer 15 that he would change retailers as soon as possible, but he believed it should honour the contract terms offered until the transfer took place.

Dissatisfied with his dealing with Retailer 15, the customer contacted EWOV and an Assisted Referral was raised. However, this did not finalise the matter, so the complaint was resolved using EWOV's Real Time Resolution process.

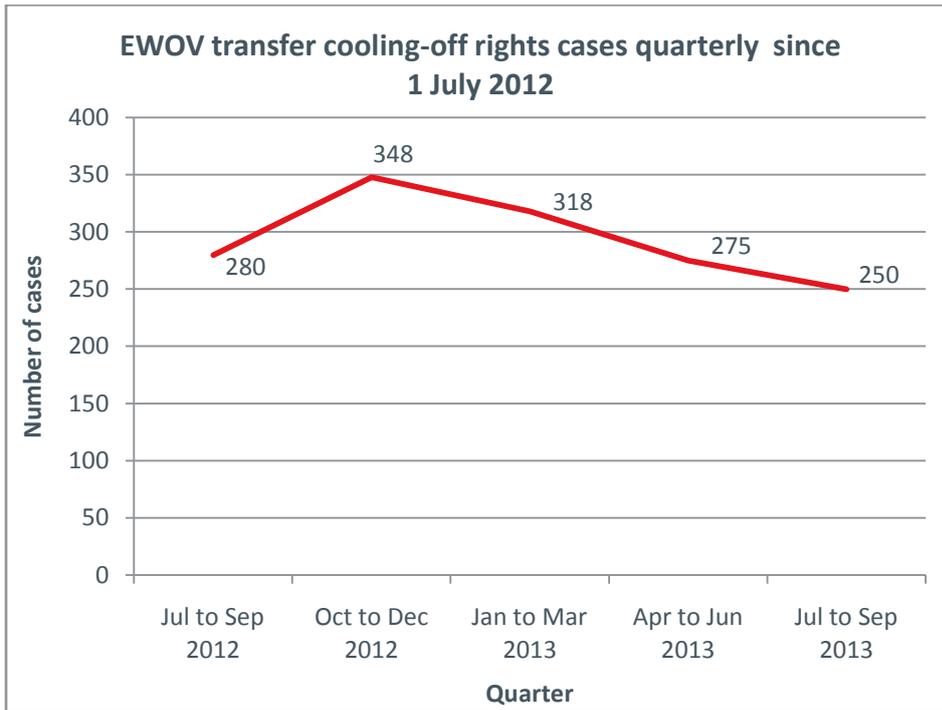
Outcome

Retailer 15 apologised for the inconvenience caused. Retailer 15 did not have a record of the conversation with the customer where it offered a tariff rate of 21.16 cents/kWh and a \$100 credit. It stated that this is not an offer it provides to customers.

However, it accepted the customer's view about what was discussed and applied a \$600 credit to the account to resolve the complaint. The customer had already arranged a transfer to a different retailer and Retailer 15 advised it would not apply any contract exit fees for the transfer. It also provided a direct contact should the customer have any further queries.

Cooling-off Rights (250 cases)¹⁰

These are cases where customers said they cancelled the contract within the ten-day cooling-off period, but the transfer took place anyway. These types of cases suggest systemic problems with a retailer's contract cancellation procedure and could be avoided with process and system improvements. It also includes those cases where a customer was not told, or was incorrectly advised, of the cooling-off rights at the time of entering the contract.



There were 250 cases in this category, compared to 275 in the previous six months. This is a decrease of 25 cases (9%).

Retailer 14 had the most cooling-off rights cases – 66 cases.

¹⁰ Cooling-off rights in relation to unsolicited consumer agreements are regulated by the *Australian Consumer Law*, Part 3-2, Division 2, Subdivision D.

A customer's story



A new electricity contract was not cancelled during the 10-day cooling-off period

2013/38989

Retailer 16

Customer's Statement

In January 2013, the customer contacted Retailer 16 to establish an electricity account with it. However, the customer then changed his mind and called Retailer 16 back to cancel the transfer within the 10-day cooling-off period. He established an account with another retailer instead and was receiving bills from it.

Later, the customer received a bill from Retailer 16 for the period of February 2013 to June 2013 for \$1,267. The customer then received disconnection warning notices for the outstanding amounts.

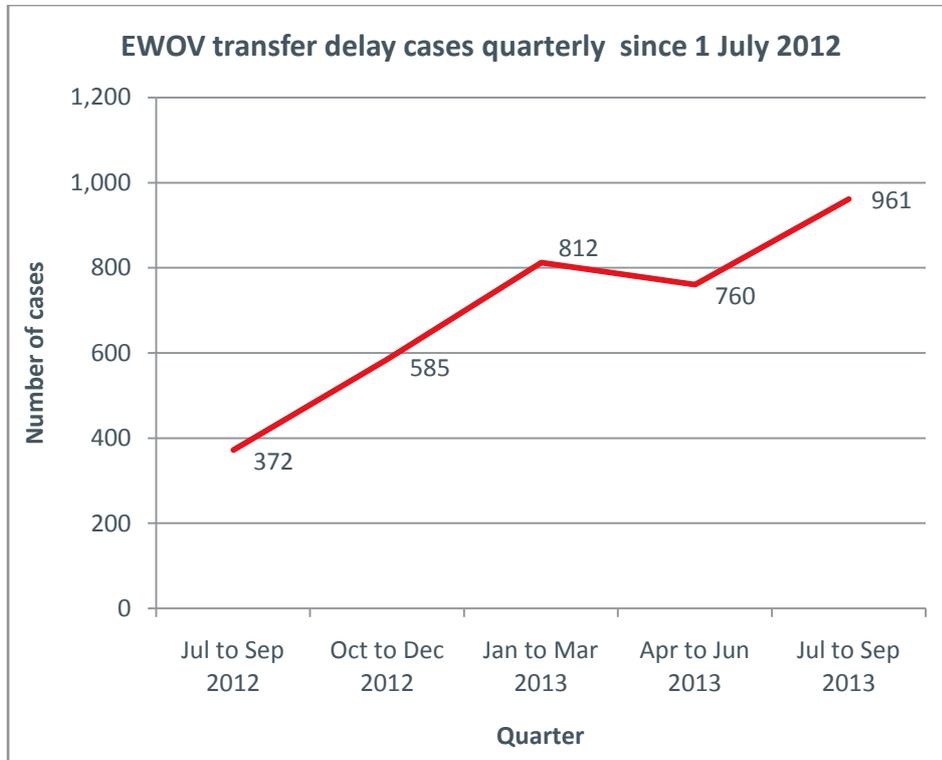
Dissatisfied with his dealing with Retailer 16, the customer contacted EWOV and an Assisted Referral was raised. However, this did not resolve the matter, so EWOV escalated it to an Investigation.

Outcome

Retailer 16 apologised for the inconvenience experienced by the customer. It confirmed that on 21 January 2013 the customer entered a contract and then on 30 January 2013 contacted Retailer 16 to cancel the transfer. This cancellation was within the 10-day cooling-off timeframe. Retailer 16 arranged to retrospectively transfer the customer's account to his preferred retailer from 25 April 2013, and cancelled the charges of \$766 for the period that the account could not be retrospectively transferred.

Transfer Delay (961 cases)

These are cases where there has been a delay in the electricity or gas transfer process. For example, where a customer is informed that the transfer will occur from the next scheduled meter read but instead receives another bill from their previous company.



There were 961 cases in this category, compared to 760 in the previous six months. This is an increase of 201 cases (26%).

Retailer 9 had the most transfer delay cases – 400 cases.

A customer's story



A customer experienced a delay in the transfer of her gas supply

2013/42379

Retailer 9

Customer's Statement

On 13 March 2013, the customer moved into a property and contacted Retailer 9 to establish a gas account. After four months she had not received a bill, so she contacted Retailer 9 and was informed that it was unable to obtain the billing rights to her property causing a delay in sending her a first bill. The customer had also received letters from another retailer addressed to 'Dear Occupier' and was concerned that her gas supply would be disconnected.

Dissatisfied with her dealings with Retailer 9, the customer contacted EWOV and an Assisted Referral was raised. However, this did not resolve the matter, so it was escalated to an Investigation.

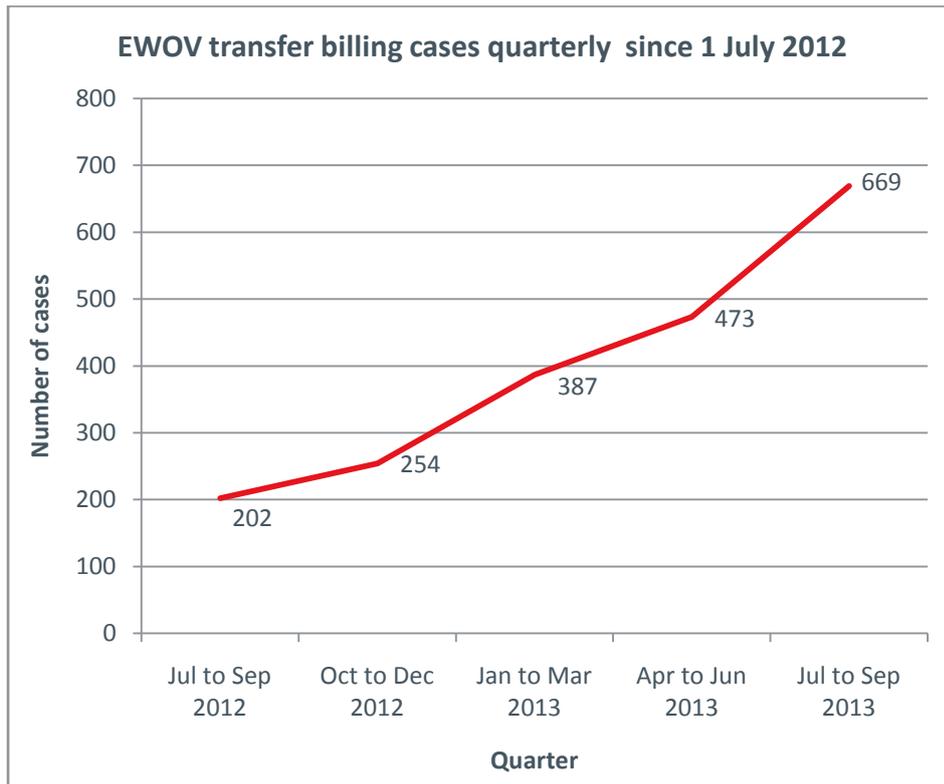
Outcome

Retailer 9 apologised for the inconvenience caused to the customer, and to recognise this, it applied a credit of \$73 to her account. Retailer 9 advised that there was a transfer delay due to the transfer request being rejected by another retailer. Retailer 9 raised a retrospective transfer request and gained the billing rights to the customer's property on 15 April 2013. It billed the customer, including a \$40 'pay on time' discount, and provided a six-month extension of time to pay the remaining balance of \$300.

Transfer Billing (669 cases)¹¹

These are cases where a billing issue has arisen out of the electricity or gas transfer process. This may include:

- a delay in receiving a first bill following a transfer to a new company
- a customer receiving bills from both their previous and new company
- a billing error related to the transfer.



There were 669 cases in this category, compared to 473 in the previous six months. This is an increase of 196 cases (41%).

Retailer 9 had the most transfer billing cases – 388 cases.

¹¹ Clause 4 of the *Electricity Customer Transfer Code 2007* states that transfers usually occur on the customer's next scheduled meter reading or on actual 'special' meter reads (where a fee may apply). The *VENCorp Retail Gas Market Rules* state that gas transfers usually occur on the customer's next scheduled meter reading.

A customer's story



A customer was billed at a higher tariff rate while waiting for a transfer to be completed

2013/39564

Retailer 9

Customer's Statement

In early 2013, the customer notified Retailer 9 that he was moving house and needed his electricity and gas accounts established at the new property. However, the customer received bills from another retailer addressed to 'Dear Customer'. This retailer advised the customer that he would have to pay the bills until the transfer to Retailer 9 was complete. Further, the retailer advised that it would not match any tariff rates quoted to the customer by Retailer 9 while he was waiting for the transfer.

Dissatisfied with the transfer delay and the higher tariff rates he was paying as a result, the customer contacted EWOV and an Assisted Referral was raised. However, the customer was not contacted by Retailer 9 in the required timeframes so the case was escalated to an Investigation.

Outcome

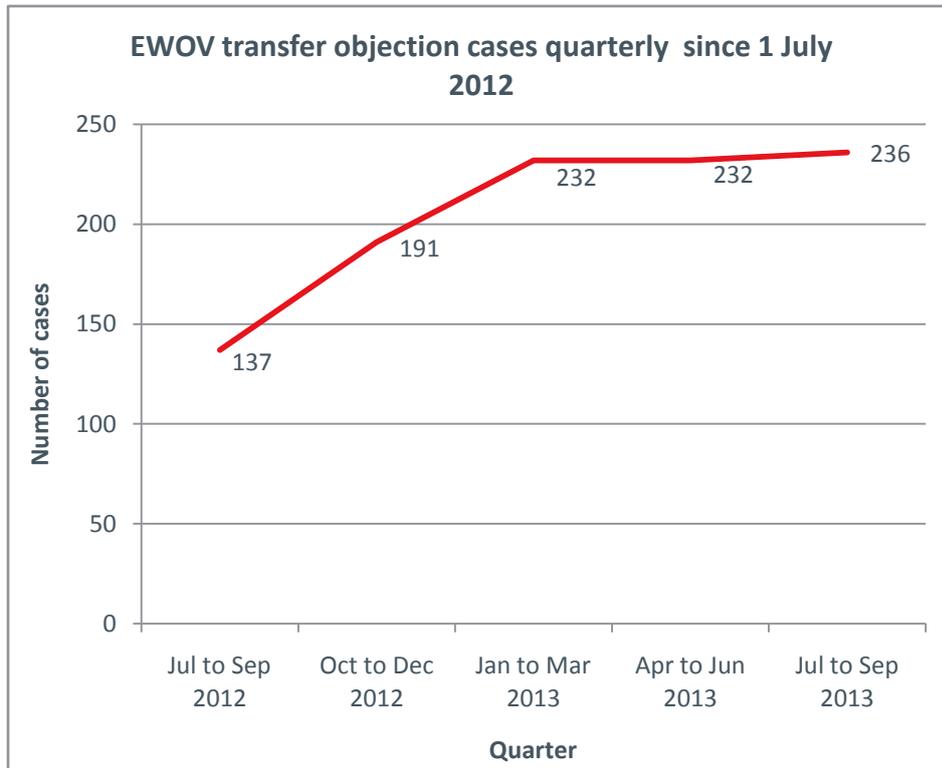
Retailer 9 apologised for the delay in establishing the customer's account at the new property. It applied a \$100 credit to the customer's account to recognise the difference resulting from the higher tariff rate paid to the other retailer. It also provided a direct contact should any further issues arise.

Transfer Objection (236 cases)¹²

These are cases where an energy retailer objects to the transfer of a customer's account – either to or from it. This may occur where:

- a customer's current retailer objects to the transfer of a customer away from it, usually because of an outstanding account balance
- the customer's new retailer objects to the transfer until a bond is paid as a security.

A transfer objection may also occur for technical reasons arising from the compatibility of meter data with a retailer's billing system.



There were 236 cases in this category, compared to 232 in the previous six months. This is an increase of 4 cases (2%).

Retailer 15 had the most transfer objection cases – 63 cases.

¹² Clause 5.1(b) of the *Electricity Customer Transfer Code 2007* states that a customer's current electricity retailer may object to a transfer if there is a 'certified debt', which is defined as more than \$200 overdue for more than 40 business days. Clause 4.3.1(c) of the *VENCorp Retail Gas Market Rules* states that a customer's current gas retailer may block a transfer to a different gas retailer if the customer has an 'aged debt', which is defined as more than \$100 overdue for more than 40 business days.

A customer's story



**Previous tenants' account arrears cause transfer problems for a customer
2013/51388
Retailer 15**

Customer's Statement

In October 2012, the customer contacted his preferred retailer to organise a new electricity connection before moving into his property. On 26 August 2013, his electricity supply was disconnected by Retailer 15. He spoke to Retailer 15 which advised that it had objected to transfer requests from the customer's preferred retailer as there was an outstanding debt on the account from a previous customer. This resulted in the billing rights to the property remaining with Retailer 15.

Unhappy with Retailer 15's disconnection and transfer objections, the customer contacted EWOV and an Investigation commenced.

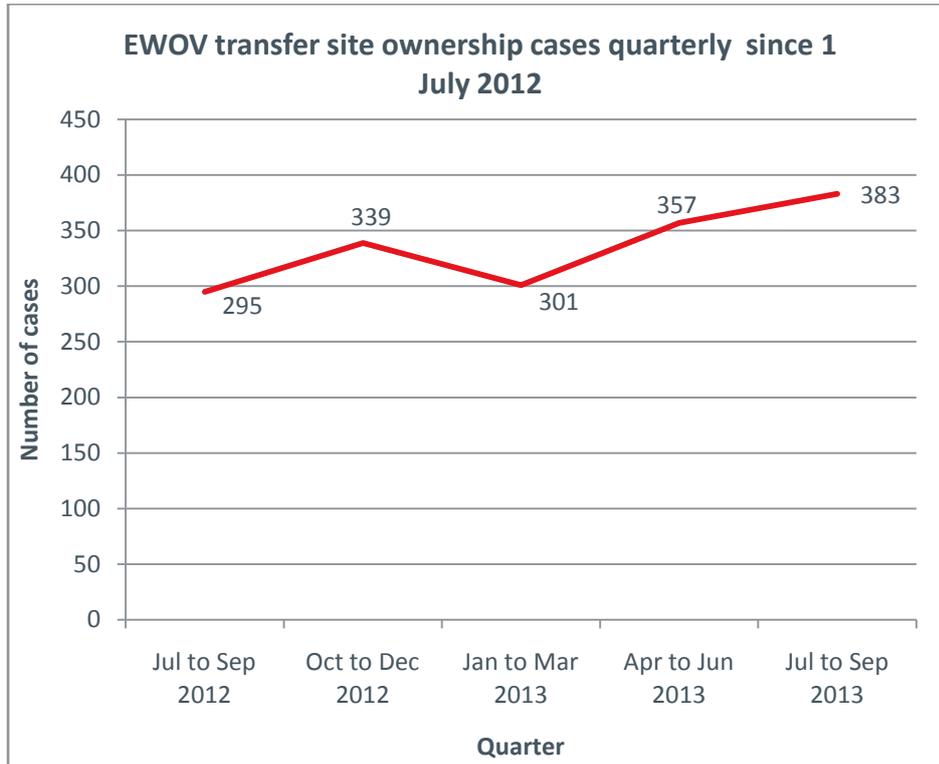
Outcome

Retailer 15 apologised for the inconvenience caused by the disconnection and its transfer objection. Retailer 15 objected to the transfer requests from the customer's preferred retailer because there was an outstanding debt on the account. However, this account and debt was not in the customer's name, but in the name of the previous occupant of the property. Retailer 15 accepted a transfer request and did not bill the customer for electricity used while he was at the property. The customer agreed to contact his preferred retailer by 1 October 2013 to set up an account.

Additionally, the customer's electricity supply was reconnected the same day that the customer contacted EWOV. EWOV investigated the circumstances leading up to the disconnection and found that under s39(7) of the *Electricity Industry Act*, there was a deemed contract between the customer and Retailer 15, which ended 180 days after it commenced, which was on 1 May 2013. Consequently, as no contract existed between the customer and Retailer 15 at the time of disconnection, WDP did not apply.

Site Ownership (383 cases)

These are cases where there is some confusion about which retailer has the right to bill for electricity or gas used at a property. This confusion may arise from issues related to the transfer process, such as incorrect or transposed meter details, and may lead to an inadvertent supply disconnection. Customers may contact EWOV because they do not know which company should be billing them.



There were 383 cases in this category, compared to 357 in the previous six months. This is an increase of 26 cases (7%).

Retailer 15 had the most site ownership cases – 81 cases.

A customer's story



Confusion between retailers about which company would reconnect the customer's electricity supply after it was wrongfully disconnected

2013/53800

Retailer 10

Customer's Statement

On 6 July 2013, the customer moved into a property and contacted his preferred retailer to set up an electricity account. About a month later, his electricity was disconnected. He contacted his distribution company which advised that there were no faults in the area. It recommended that he contact Retailer 10. The customer spoke to Retailer 10 and was told that because he is not their customer, it could not offer any assistance.

The following Monday, he contacted his preferred retailer and was told that it was unable to establish an electricity account when he requested and referred him to Retailer 10. The customer called Retailer 10 again and was asked to pay \$120 to have the electricity supply reconnected. Retailer 10 then called the customer back to inform him that it was unable to reconnect supply and he should ask a different company.

Acting on Retailer 10's advice, the customer contacted the second retailer, which advised that it would reconnect his electricity supply the next day. However, on the next day, it could not reconnect the electricity because the customer's preferred retailer already had a connection request in the system. The customer contacted his preferred retailer again and it withdrew its reconnection request. The second retailer then succeeded in reconnecting the electricity supply.

Dissatisfied with the confusion over which retailer disconnected his electricity and which would reconnect his supply, the customer contacted EWOV and an Investigation commenced.

Outcome

Retailer 10 confirmed that it made the request to disconnect the customer's property and apologised for the inconvenience caused to the customer. It had established an 'unknown consumer' account at the property.

Retailer 10 also confirmed that the customer was not responsible for any Retailer 10 bills and sent the customer a cheque for \$100 to recognise the inconvenience caused to him. A direct contact at Retailer 10 was also provided should the customer have any queries.

Additionally, EWOV found that the disconnection of the customer's electricity supply did not comply with the requirements of the *Energy Retail Code*. Accordingly, Retailer 10 paid the customer a Wrongful Disconnection Payment of \$703.13.

4. Putting this report in context

The following qualifications need to be taken into account when reviewing this report:

EWOV's analysis is hindered by its scope

EWOV can only look at the cases it receives. EWOV is not privy to the amount of marketing activity undertaken by each retailer during and prior to this reporting period. Also EWOV does not know about the efficiency of each retailer's internal complaint management procedures and the robustness of monitoring its marketers. This affects EWOV's ability to analyse trends and examine the 'bigger picture' cause of complaints.

Marketing and transfer issues are most often systemic in nature. However, not all customers complain to EWOV. As such, the marketing and transfer case issues received by EWOV should be viewed as indicative of wider dissatisfaction by a broader group of consumers.

Most cases are referred complaints

This report is based on data taken from enquiries and complaints. Complaints are categorised as Unassisted Referrals, Assisted Referrals, Real Time Resolution or Investigations. Please refer to the glossary on page 39 for definitions. The majority of cases in this report are referred complaints. EWOV does not investigate these matters and is limited to hearing only the customer's 'side of the story'.

Customers sometimes lodge more than one case

For example, if a customer states their electricity and gas supplies were transferred without their consent, EWOV will register an electricity case and a gas case. EWOV does this as the transfer systems are different and hence resolution timeframes and outcomes vary.

Customers may have complaints relating to more than one issue

Based on the customer's statement, EWOV sometimes registers two issues for the one case – for example, Marketing > Misleading and Transfer > Without Consent. As outlined above, EWOV staff register cases by fuel (electricity, gas, LPG or water) and case type (enquiry and complaint). While some issues can be interlinked, other issues may need to be investigated separately (for example, a transfer in error followed by a disconnection of supply due to an outstanding account). In addition, a customer may have issues with two different companies.



5. Glossary

Complaint

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.

Enquiry

An enquiry is a customer's request for general information (e.g. about the Smart Meter rollout). This information may be provided by EWOV or the customer may be referred to another agency.

Referred Complaint

EWOV does not know the outcome of these referred complaints, except where the referral does not resolve the issue for the customer and they come back to us. There are two types of referred complaints:

- Unassisted Referral – where a customer has not yet spoken with their company about their complaint and they are referred back to the company's contact centre.
- Assisted Referral – where a customer has spoken with someone at their company's contact centre about their complaint, but it remains unresolved and the matter is referred to a higher level complaint resolution officer at the company.

Real Time Resolution

EWOV's Real Time Resolution Team receive failed Assisted Referrals calls from customers and then work to resolve the complaint through customer education and direct negotiation with the customer and their company to reach a fair and reasonable outcome – all within a one-call approach.

Investigation

A complaint for investigation is registered where:

- an Assisted Referral has failed, as the matter remains unresolved, and the customer has recontacted EWOV, or
- the matter is complex and unlikely to be resolved as an Assisted Referral, or
- the company has requested an escalation to an investigation.

Not allocated

This case type is registered when a customer tells EWOV about their concern but it doesn't involve a scheme participant, or the customer doesn't know or tell us the company's name.