



ENERGY AND WATER OMBUDSMAN

Victoria **Listen Assist Resolve**

Marketing and Transfer Report

1 July 2014 to 30 September 2014

Released October 2014



Contents

At a glance.....	4
Changed reporting framework	5
Overall trends.....	6
Marketing.....	11
Transfer	21
Context.....	34
Glossary.....	35



Tables and figures

Figure 1. Transfer and marketing cases by quarter	6
Table 1. Transfer and marketing cases by retailer	7
Figure 2. Retailer 8 transfer cases and marketing cases by quarter	8
Figure 3. Retailer 10 transfer cases and marketing cases by quarter	9
Figure 4. Marketing and transfer cases by issue	10
Figure 5. Door-to-door marketing cases by quarter	12
Figure 6. Misleading marketing cases by quarter	13
Figure 7. Pressure sales cases by quarter	15
Figure 8. Marketing information cases by quarter	17
Figure 9. Other marketing cases by quarter	19
Figure 10. Non-account holder marketing cases by quarter	20
Figure 11. Contract terms transfer cases by quarter	23
Figure 12. Transfer delay cases by quarter	24
Figure 13. Transfer in error cases by quarter	25
Figure 14. Site ownership cases by quarter	26
Figure 15. Transfer without consent cases by quarter	28
Figure 16. Transfer billing cases by quarter	30
Figure 17. Transfer cooling-off rights cases by quarter	32
Figure 18. Transfer objection cases by quarter	33

At a glance

In the July–September 2014 quarter

- EWOV received 2,093 total marketing and transfer cases
- EWOV received 1,873 transfer cases
- EWOV received 220 marketing cases
- Retailer 8 generated the most transfer cases – 24% of all transfer cases
- Retailer 10 generated the most marketing cases – 42% of all marketing cases
- Retailer 8 generated the most marketing and transfer cases combined
- Contract terms and delay were the most common transfer issues
- Misleading marketing and pressure sales were the most common marketing issues

Between the April–June 2014 and July–September 2014 quarters

- Total marketing and transfer cases remained stable (increase of 3 cases)
- Transfer cases decreased 1%
- Marketing cases increased 8%
- Door-to-door marketing cases decreased 4%



Changed reporting framework

For this *Marketing and Transfer Report*, EWOV has changed its reporting framework. This change affects the number of cases reported.

Each case that EWOV receives is categorised with a primary issue which falls into one of nine issue categories: billing, credit, customer service, general enquiry, land, marketing, provision, supply and transfer. If the customer's statement indicates that the enquiry or complaint is about more than one issue, EWOV may register a second (or even third) issue for the one case. For example, a case may be registered as both misleading marketing and transfer without consent.

In previous *Marketing and Transfer Reports*, we reported on both primary and lower level issues. For example, a case that was primarily about billing but included a secondary transfer issue was included in the report. For this report and future reports, however, EWOV has moved to reporting on cases by primary issue only. In other words, the report includes only those cases in which a marketing or transfer issue was the most important issue.¹ As well, any case that includes more than one marketing and transfer issue is reported only once – under its primary issue. This applies to all data in the report; we have calculated primary issue figures for earlier quarters as well as the current quarter in order to show trends over time.

The change to primary issue reporting brings the *Marketing and Transfer Report* framework into line with other major EWOV publications (*Res Online* and our *Annual Report*) and better reflects the root cause of complaints. Associated issues are still reflected in the report's case studies and considered, where significant, in our analyses of case trends.

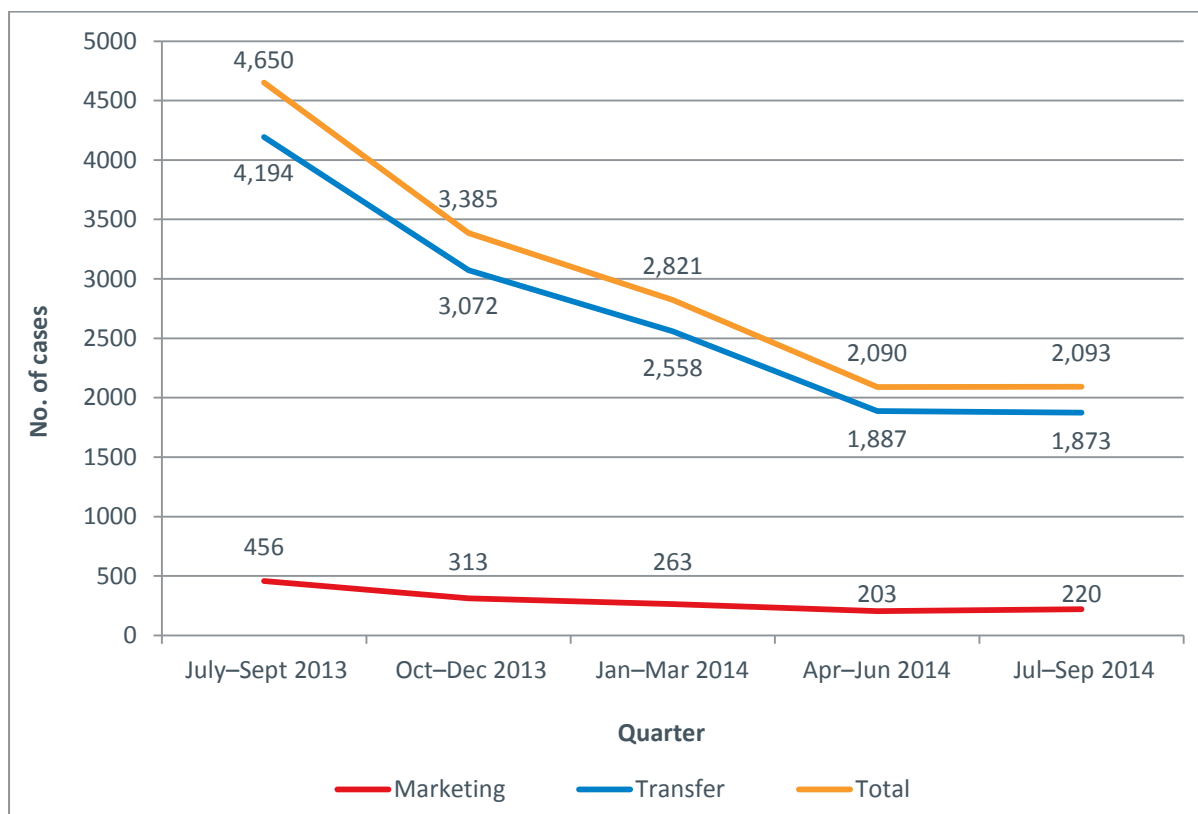
However, the new reporting framework also means that the data in this report and future reports is not comparable to previous reports. While trends remain broadly the same (in terms of growth and decline in case numbers and the spread of cases across different sub-issues and retailers), case numbers appear lower because of the exclusion of cases in which transfer or marketing is a secondary issue.

¹ Note, however, that case studies for this report may still be drawn from the wider pool of cases including a marketing or transfer issue.

Overall trends

Despite variation among issues and retailers, EWOV saw marketing and transfer cases remain stable overall in the July–September 2014 quarter. **Figure 1** shows marketing and transfer cases both separately and combined over the last five quarters.

Figure 1. Transfer and marketing cases by quarter, July–September 2013 to July–September 2014



Total marketing and transfer cases did not change significantly in July–September 2014, up only three cases compared to the previous quarter. In 2014, overall marketing and transfer cases in the July–September quarter dropped to just under half (45%) the number received during the same quarter in 2013.

Retailers

Table 1 breaks down this overall marketing and transfer case trend, showing case numbers for each retailer over the last five quarters.

Table 1. Transfer and marketing cases by retailer, July–September 2013 to July–September 2014

Retailer	Jul–Sep 2013	Oct–Dec 2013	Jan–Mar 2014	Apr–Jun 2014	Jul–Sep 2014
Retailer 8	1,722	973	572	421	481
Retailer 10	538	622	699	463	443
Retailer 18	360	329	310	309	377
Retailer 3	541	391	300	236	220
Retailer 20	254	173	141	116	166
Retailer 9	103	83	95	84	94
Retailer 17	138	65	62	65	61
Retailer 2	83	59	76	61	42
Retailer 1	24	28	40	41	41
Retailer 12	265	170	93	53	41
Retailer 11	37	44	69	61	39
Retailer 19	53	56	76	49	27
Not allocated	57	39	41	26	21
Retailer 16	0	3	2	12	14
Retailer 21	400	262	199	65	10
Retailer 15	0	0	1	3	6
Retailer 13	38	71	34	16	5
Retailer 6	0	2	5	2	2
Retailer 7	26	14	5	7	2
Retailer 14	1	0	0	0	1
Retailer 22	3	1	1	0	0
Retailer 5	7	0	0	0	0
Total	4,650	3,385	2,821	2,090	2,093

Table 1 shows that while overall marketing and transfer cases remained stable between the last two quarters, numbers increased markedly for some retailers. Of the larger retailers, Retailer 20 saw the largest percentage increase, up 43% to 166 cases, followed by Retailer 18 (up 22% to 377). Retailer 8's cases also increased by 14% to 481 cases. Cases decreased somewhat for two other retailers with fairly high case numbers: Retailer 10 (down 4%) and Retailer 3 (down 7%).

Retailer 8

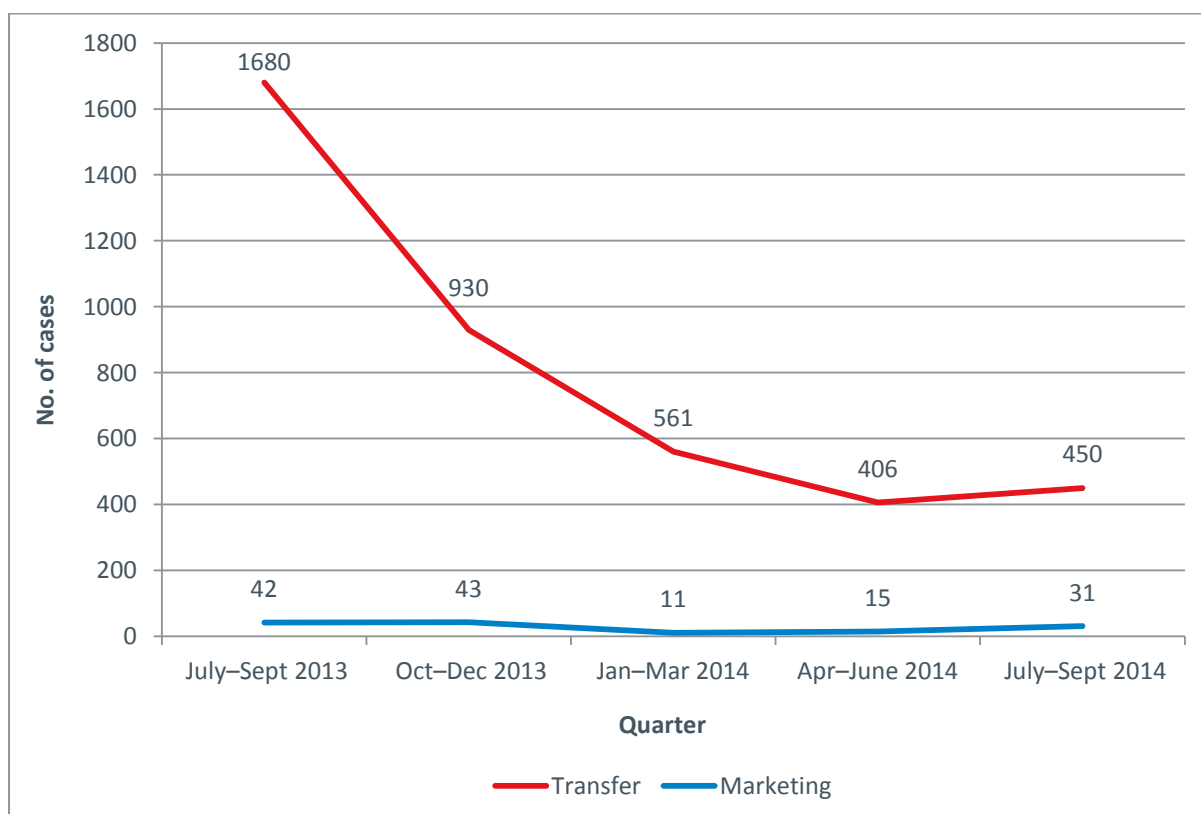
With a combined total of 481 cases, Retailer 8 had the most marketing and transfer cases in the July–September 2014 quarter, accounting for 24% of total transfer and 14% of total marketing cases.

The 14% (or 60 case) increase in Retailer 8 cases between the last two quarters can be partly attributed to a 48% increase in transfer delay cases, which rose from 61 cases in the April–June 2014 quarter to 90 in the last quarter. Although starting from low numbers in April–June 2014, Retailer 8 also saw a substantial increase in marketing cases over the last two quarters: marketing cases more than doubled (up 107%), largely driven by increases in misleading marketing and pressure sales cases.

Retailer 8's top three issues in the April–June 2014 quarter were transfer contract terms (93 cases), transfer delay (90 cases) and transfer in error (86 cases).

Although Retailer 8 cases are no longer trending downwards, they were nevertheless at much lower levels in the July–September 2014 quarter than during the same quarter in the previous year, as **Figure 2** shows.

Figure 2. Retailer 8 transfer cases and marketing cases by quarter, July–September 2013 to July–September 2014



Retailer 10

With 350 transfer and 93 marketing cases, Retailer 10 had the second-highest combined case total (443) in the July–September 2014 quarter. This is a decrease of 4% compared to the previous quarter, in which Retailer 10 had the highest overall cases of any retailer. **Figure 3** shows the Retailer 10 marketing and transfer case trend over the last five quarters.

Figure 3. Retailer 10 transfer cases and marketing cases by quarter, July–September 2013 to July–September 2014

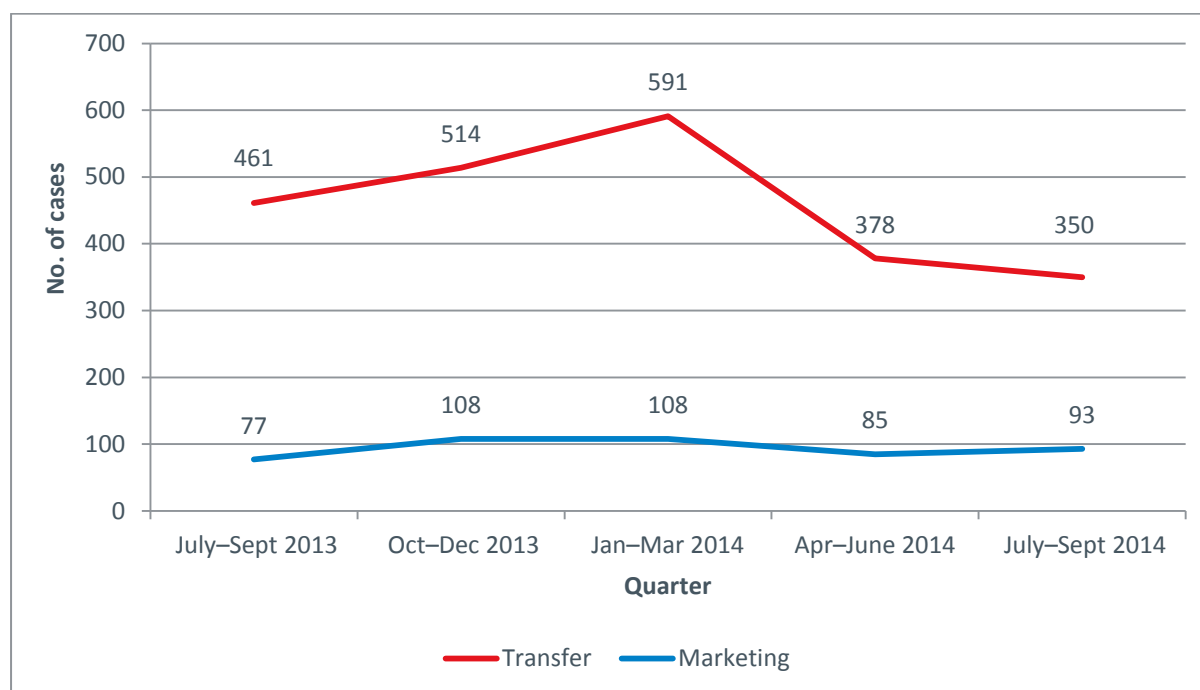


Figure 3 shows that Retailer 10 transfer cases decreased slightly (7%) between the last two quarters, driven in part by a continued drop in transfer without consent cases, which, in the July–September 2014 quarter, were down 62% from a peak of 184 cases in the January–March 2014 quarter. In contrast, marketing cases increased somewhat (9%) over the last two quarters, incorporating increases in misleading marketing, pressure sales and non-account holder cases.

Retailer 10's top three issues in the July–September 2014 quarter were transfer contract terms (72 cases), transfer without consent (70 cases) and transfer in error (62 cases).

Issues

Figure 4 shows the breakdown of issues in the marketing and transfer cases received during the quarter.

Figure 4. Marketing and transfer cases by issue, July–September 2014 quarter

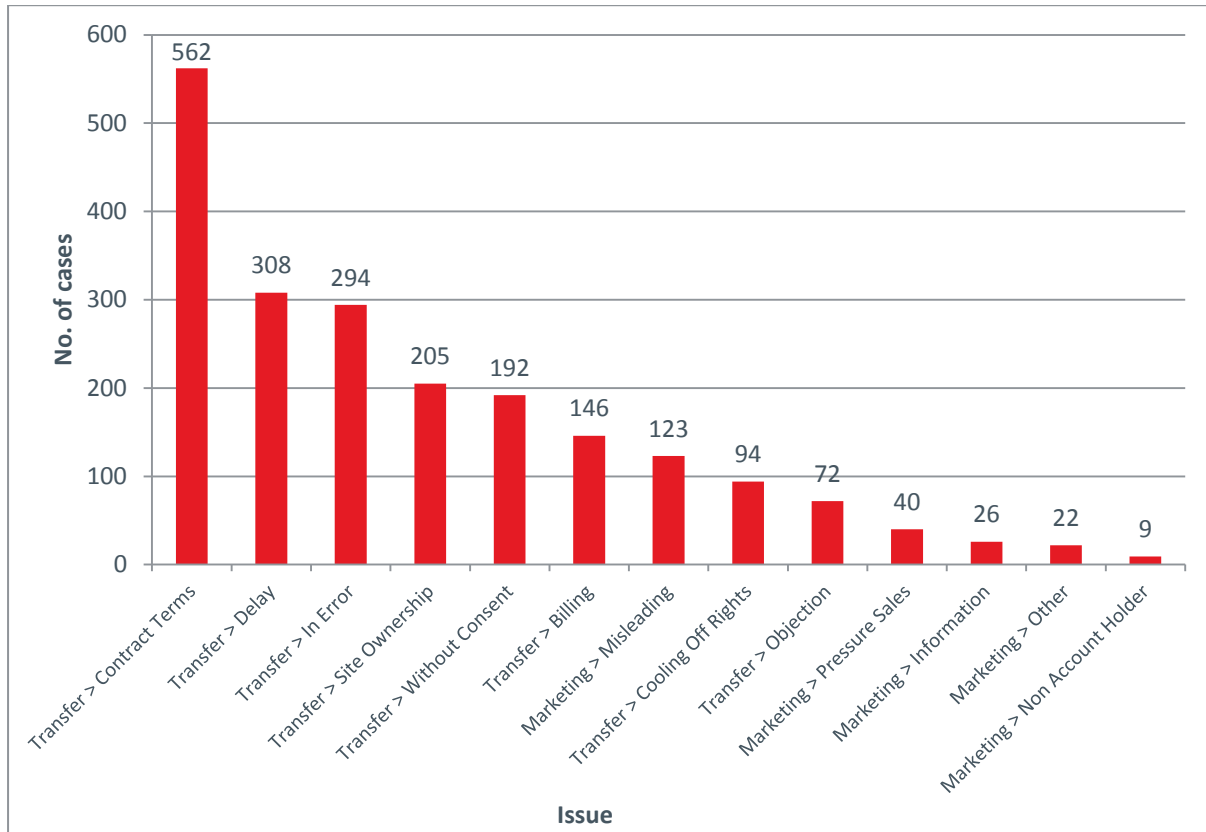


Figure 4 shows that contract terms while transferring retailer was by far the most common issue, making up more than one quarter (27%) of all marketing and transfer cases. Transfer delay (15%), transfer in error (14%), transfer site ownership (10%) and transfer without consent (9%) cases were also common. Misleading marketing was the most common marketing issue, comprising 56% of marketing cases and 6% of overall marketing and transfer cases.

While the overall issue order changed very little over the last two quarters, contract terms cases (the most common issue in each quarter since October–December 2013) increased markedly (17%) between April–June 2014 and July–September 2014.

Marketing

Marketing cases increased slightly between the April–June 2014 and July–September 2014 quarters, up 8% from 203 to 220 cases (**Figure 1** on page 6). This was a reversal of an ongoing downward trend throughout the preceding year.

Retailer trends

Between the last two quarters, marketing cases remained stable or decreased for a majority of retailers. Retailer 8, however, saw a jump in its marketing cases, up 107% from 15 to 31 cases. Retailer 20's cases also increased from a low base, up 60% from 10 to 16 cases.

Retailer 10

For the fourth quarter in a row, Retailer 10 had the most marketing cases of any retailer. With 93 cases in the July–September 2014 quarter, the retailer accounted for 42% of EWOV marketing cases. This was reflected across most marketing issues: Retailer 10 had the largest number of cases for all marketing issues except “other” marketing. Misleading marketing was the biggest issue, with Retailer 10 generating more than three times as many cases than any other retailer.

This quarter, a majority of Retailer 10's marketing cases concerned door-to-door marketing, although telephone marketing also made up a substantial proportion of cases. Customers complained about misleading sales representative claims, including:

- that they were representatives of government or the customer's current retailer
- that they were not attempting to sell anything or transfer the customer's account
- that they were investigating billing errors in the area, and/or that the customer's property had been “flagged”.

Several customers also complained of being given incorrect or misleading information about discounts, rates and fees.

Customers also complained of pressure sales tactics and aggressive or intimidating behaviour, such as sales representatives:

- refusing to leave the customer's home
- ignoring multiple indications that the customer was not interested
- demanding to see the customer's bills
- being rude, condescending, or physically threatening (one customer described a sales representative hitting her door when she said she was not interested).

Some cases concerned pressure sales to vulnerable consumers, including non-English speakers, elderly people and people with intellectual disabilities.

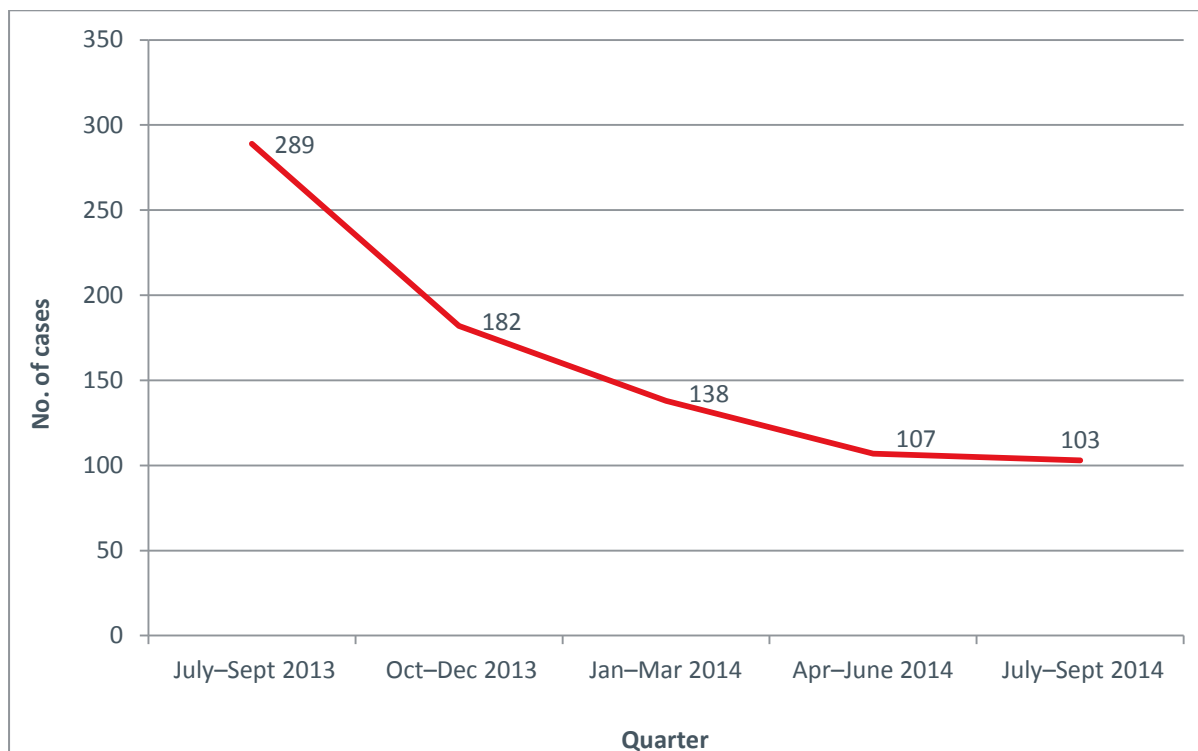
A substantial proportion of Retailer 10 marketing cases had an associated transfer issue – typically a transfer without consent or difficulty actioning cooling-off rights.

Concerningly, some customers who had attempted to resolve their complaint with Retailer 10 before contacting EWOV reported poor customer service (such as call centre staff refusing to allow the customer to speak with a manager) and misleading information. Customers said they were told, for example, that Retailer 10 was not responsible for the behaviour of its agents, and that nothing could be done about a transfer that the customer had not consented to.

Door-to-door marketing

Trends for specific marketing channels and issues reflect the overall stabilisation in marketing cases. **Figure 5** shows door-to-door marketing case numbers for the five quarters to July–September 2014.

Figure 5. Door-to-door marketing cases by quarter, July–September 2013 to July–September 2014



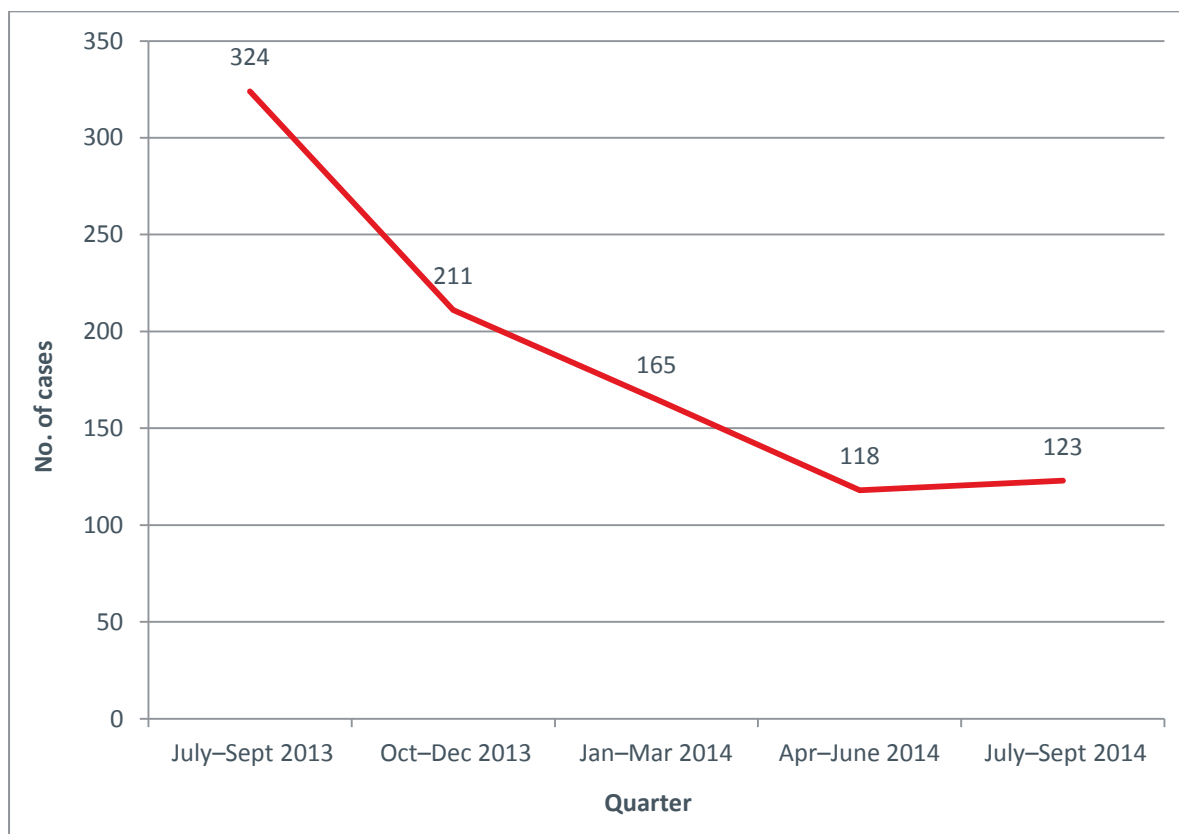
Door-to-door marketing cases decreased by 4 cases (4%) between the last two quarters. In the July–September 2014 quarter, receipt of door-to-door marketing cases was at only 36% of the level seen in the same quarter in 2013.

As noted in earlier *Marketing and Transfer Reports*, the drop-off in door-to-door marketing cases after mid-2013 can probably be attributed largely to three large retailers ceasing door-to-door marketing.

Misleading

Misleading marketing cases are cases in which a customer says that a sales agent has given them misleading information, often during a door-to-door or telephone marketing interaction. Should a customer enter a contract on the basis of this information, issues of informed consent and contract terms disputes can arise.

Figure 6. Misleading marketing cases by quarter, July–September 2013 to July–September 2014



During the July–September 2014 quarter, EWOV received 123 misleading marketing cases, a slight increase of 4% over the previous quarter.

With 60 cases, Retailer 10 continued to have by far the most misleading marketing cases, accounting for around half (49%) of total cases of this type. With 16 cases, Retailer 8 accounted for 13% of misleading marketing cases, followed by Retailer 20 with 10 cases, or 8%.



An elderly customer agreed to transfer his electricity and gas accounts due to misleading door-to-door marketing

2014/40601

Retailer 10

The issue

On 1 August 2014, the elderly customer received a visit from a Retailer 10 marketing representative. The customer was led to believe that the representative was from his existing provider, Retailer 20, and that it was increasing his discount. Not understanding that he was transferring his electricity and gas accounts to Retailer 10, the customer agreed to a new contract.

When the customer's daughter contacted Retailer 10 on his behalf during the cooling-off period, it said that it would cancel the transfers, but only the gas transfer was cancelled. She contacted EWOV on 8 September 2014, seeking cancellation of the electricity transfer.

We raised an Assisted Referral, but Retailer 10 did not make contact with the customer, so the case proceeded to Real Time Resolution.

The outcome

At Real Time Resolution, Retailer 10 confirmed that it had approved a retrospective transfer request from Retailer 20, and that the customer would not be billed by Retailer 10. It also offered to send the customer a Do Not Knock sticker to prevent future door-to-door marketing visits.

Pressure sales

Pressure sales cases are cases in which customers say they have been faced with excessive sales pressure during a marketing contact. Where the customer then agrees to transfer their account, issues of explicit informed consent can arise.

Figure 7. Pressure sales cases by quarter, July–September 2013 to July–September 2014

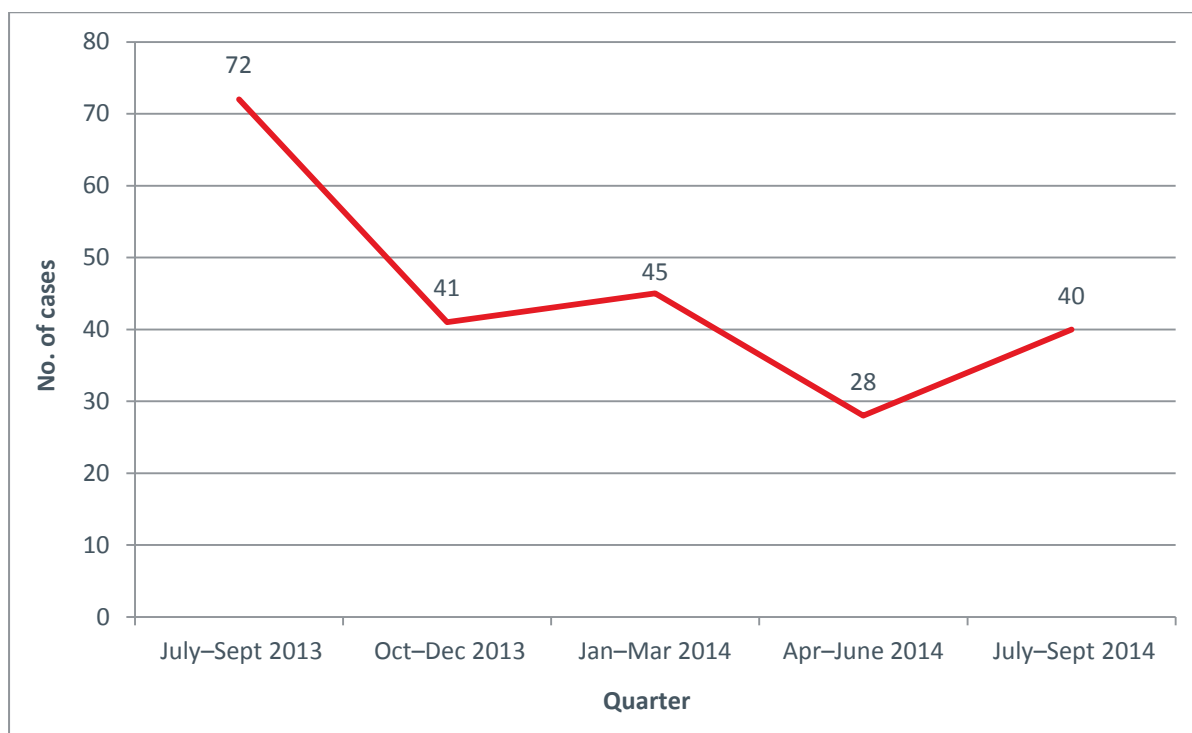


Figure 7 shows that after decreasing in the previous quarter, pressure sales cases rose 43% this quarter, largely due to case increases for Retailer 8, Retailer 18 and Retailer 3. Nevertheless, when compared with the same quarter in the previous year, pressure sales cases were much reduced, down 44% from 72 cases.

With 15 pressure sales cases, Retailer 10 was the biggest contributor, accounting for 38% of such cases this quarter.



A customer from a non-English speaking background feels pressured to agree to a transfer

2014/42130 and 2014/42133

Retailer 10

The issue

The customer, who spoke English as a second language, was visited at home by a Retailer 10 marketing representative on 5 April 2014. Feeling under pressure, she agreed to transfer both her electricity and gas accounts to Retailer 10, and gave oral consent for the transfer. The customer received a Welcome Pack, but did not understand its contents or her cooling-off rights.

The customer's representative contacted Retailer 10, explaining that the customer had not been able to provide explicit informed consent, and was seeking a retrospective transfer to her preferred company, Retailer 3. Retailer 10 advised that it had a recording of the customer consenting to the transfers, and that nothing could be done.

The customer's representative contacted EWOV, still seeking a retrospective transfer. We raised an Assisted Referral, but the customer recontacted us after Retailer 10 failed to respond to the customer within timeframes. The case proceeded to our Real Time Resolution process.

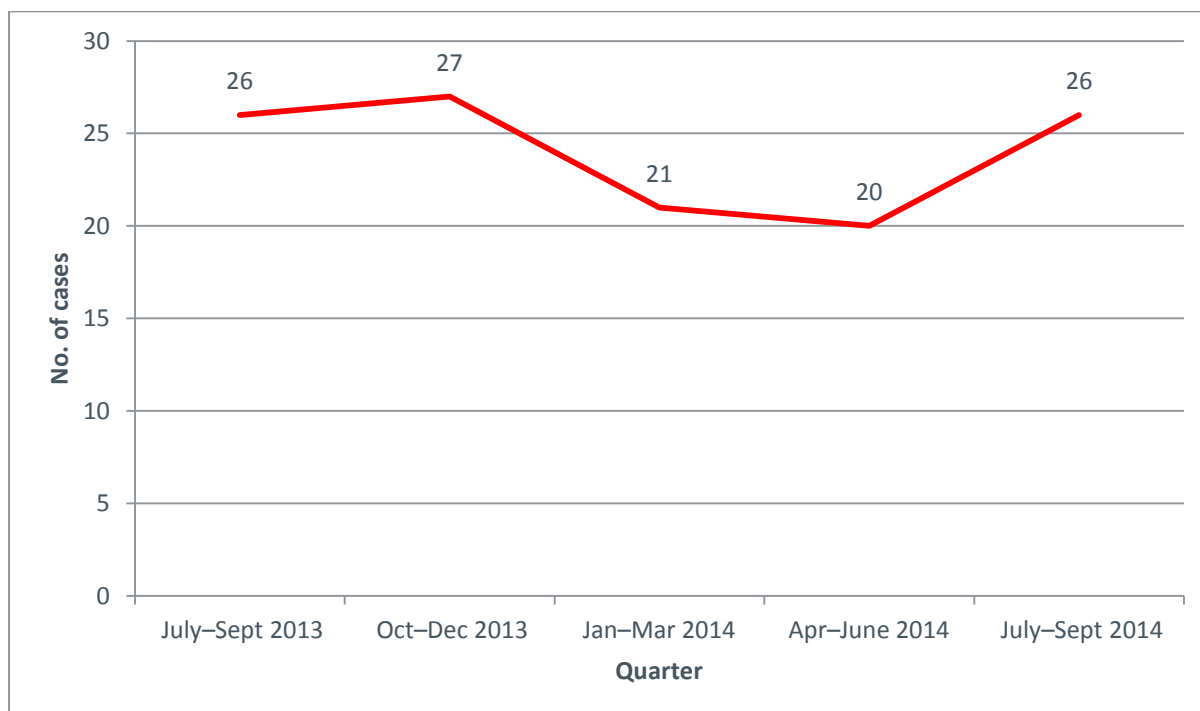
The outcome

EWOV contacted Retailer 10, which agreed to retrospectively transfer both the accounts back to Retailer 3 and refund the \$280.95 that the customer had paid on her Retailer 10 gas account. The customer was satisfied with this resolution, so the case was closed.

Information

In marketing information cases, customers say that they received marketing information (for example, about exit fees or discounts) that they do not understand or that they think is incorrect. Cases in which a customer says that they did not receive appropriate or requested information, such as an offer summary, are also included in this category.

Figure 8. Marketing information cases by quarter, July–September 2013 to July–September 2014



In the the July–September 2014 quarter, EWOV received 26 marketing information cases, up from 20 cases in the April–June 2014 quarter.

With 7 cases each, Retailer 10 and Retailer 9 had the most marketing information cases in the quarter.



A customer was dissatisfied after transferring on the basis of incorrect marketing information

2014/41978

Retailer 9

The issue

The customer contacted EWOV on 17 September 2014, dissatisfied about door-to-door marketing information and variation in contract terms for her electricity account.

In February 2014 the customer was approached by a door-to-door marketing representative, and agreed to transfer her electricity account to Retailer 9. When she received her first bill, she noticed that the tariff was different to that stated in the contract she had signed with the marketing representative. When the customer contacted Retailer 9 about the issue in July 2014, it told her that in March 2014 it had sent her a letter advising that the marketing representative had made a mistake in describing the offer. The customer, however, said that she had not received the letter. She re-contacted Retailer 9 in July 2014 requesting that it honour the contract agreed to, but the matter remained unresolved.

The customer contacted EWOV asking that Retailer 9 honour the contract. We raised an Assisted Referral, and at this stage, Retailer 9 agreed to waive the early termination fees should the customer transfer company. The customer, who said she would not have transferred to Retailer 9 had she been given correct information, felt this resolution was not sufficient. She re-contacted EWOV, seeking a credit for the total of \$419 in charges on her Retailer 9 bills. EWOV escalated the case to Real Time Resolution (RTR), while advising the customer that a full waiver of charges to date may not be a realistic expectation.

The outcome

During the RTR process, Retailer 9 acknowledged that the marketing representative had provided incorrect information about rates. It also offered to apply credits of \$41.00 on both the gas and electricity accounts in recognition of the error.

It also agreed to transfer the customer's account back to her original company, waiving the early termination fees of \$40.00 on each account and backdating the transfer to 7 May 2014 so that the customer would be billed by Retailer 9 for only one billing period. As the customer was satisfied with the proposed resolution, the case was closed.

Other

When customers are dissatisfied about exposure to some form of marketing, but their concerns do not fit within one of the specific marketing issues, the case is registered as “Other”. Most of the cases in this category concern unwanted and sometimes regular contact from door-to-door sales agents and telemarketers. Also included in this category are cases in which the customer says they had been marketed to despite displaying a “Do Not Knock” sticker or being listed on the Do Not Call Register.

Figure 9. Other marketing cases by quarter, July–September 2013 to July–September 2014

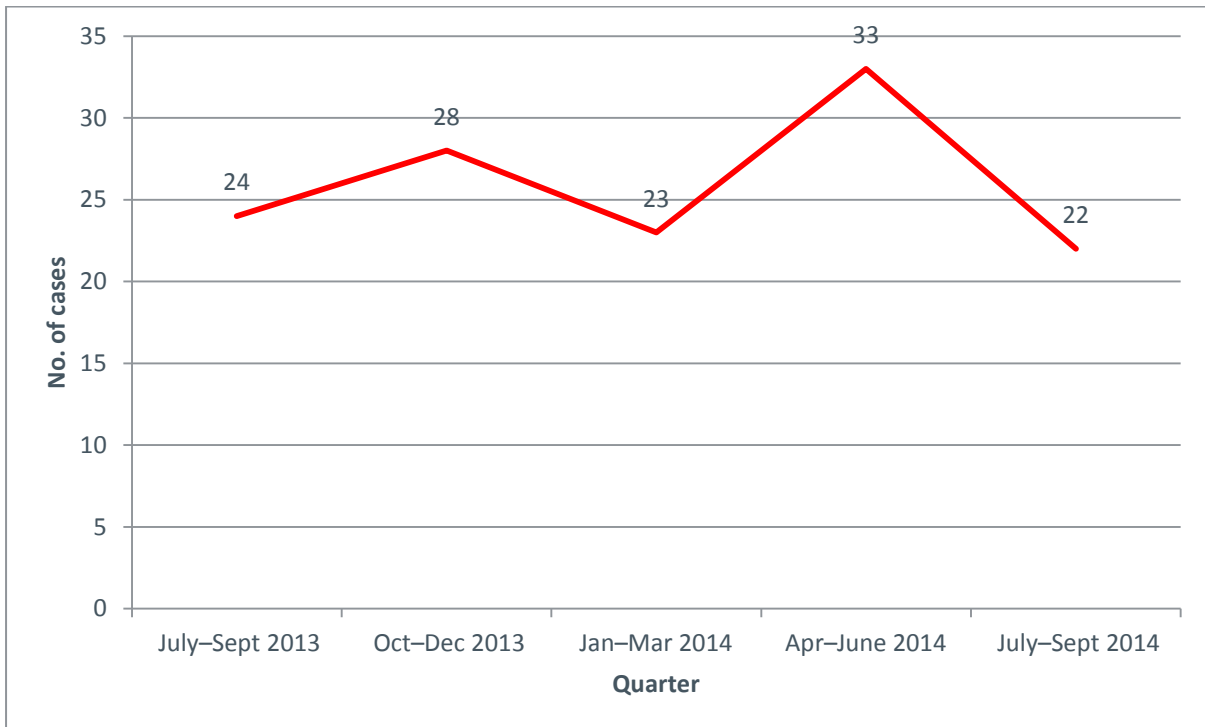


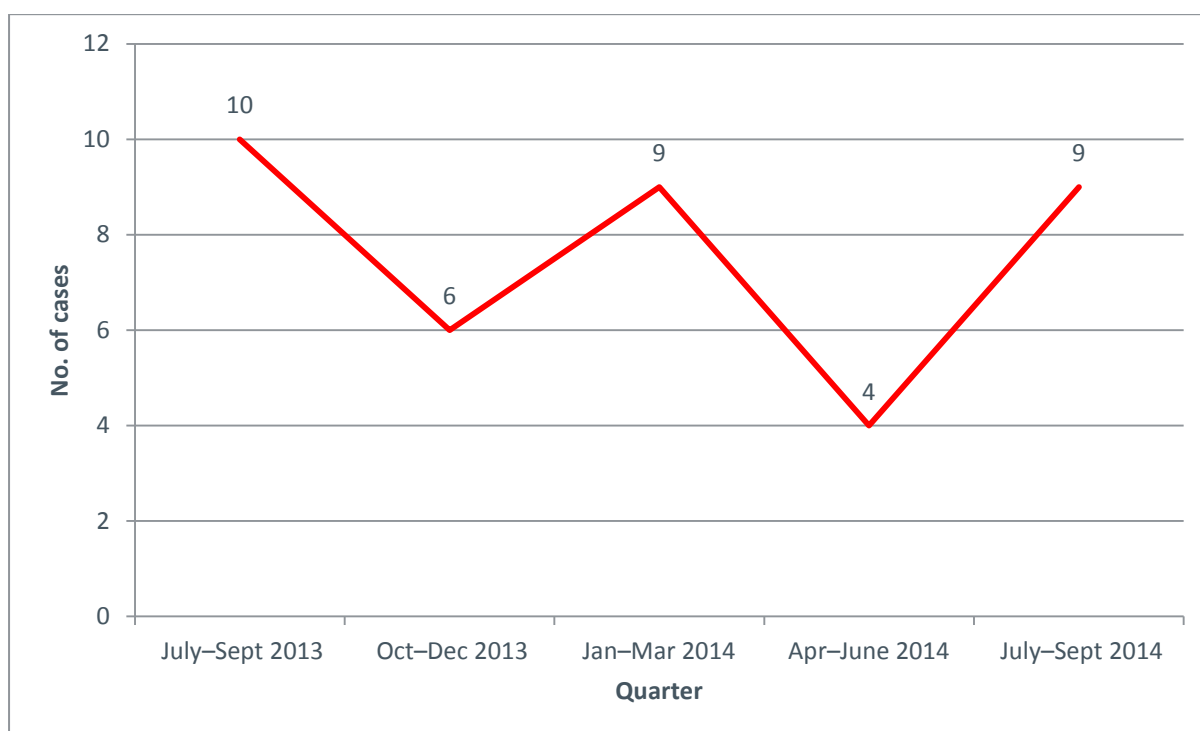
Figure 9 shows that following an increase in the previous quarter, other marketing cases fell by 33% in the July–September 2014 quarter.

With 7 cases, Retailer 8 had the most other marketing cases, followed by Retailer 10 with 5 cases.

Non-account holder

In non-account holder marketing cases, a sales agent solicits someone who is not the account holder at the property. Where the non-account holder agrees to transfer, a new energy account is set up in their name. Afterwards, the new retailer will often refuse to discuss the transfer with the original account holder for privacy reasons.

Figure 10. Non-account holder marketing cases by quarter, July–September 2013 to July–September 2014



EWOV received nine non-account holder cases in the July–September 2014 quarter. Two-thirds (6) of these were Retailer 10 cases.

Transfer

Transfer cases remained stable in the July–September 2014 quarter, decreasing by only four cases from the previous quarter, down to 1,873 (**Figure 1** on page 6).

Retailer trends

Although total transfer cases remained at the same level over the last two quarters, cases increased markedly for some individual retailers. Notably, Retailer 20 transfer cases increased by 42% to 150 cases, with this growth spread across most transfer issues. For Retailer 18, an increase in contract terms cases saw the retailer's overall transfer cases rise by 24% to 359. Case numbers also remained high for Retailer 8 and Retailer 10, which continued to generate the highest and second-highest number of transfer cases respectively.

Retailer 8

With 450 cases (an increase of 11% compared to the previous quarter), Retailer 8 continued to have the most transfer cases in the July–September 2014 quarter. Retailer 8 accounted for nearly a quarter (24%) of all transfer cases, and recorded the highest number of cases for the transfer issues billing, delay, error and site ownership. Retailer 8's high transfer case numbers mirror its high (but decreasing) EWOV case numbers overall.

Retailer 10

Retailer 10 transfer cases decreased between April–June 2014 and July–September 2014, down 7% to 350 cases. Nevertheless, it accounted for nearly one in five EWOV transfer cases (19%) during the quarter. As noted in the discussion of Retailer 10 marketing cases on page 11, a substantial proportion of the retailer's marketing cases also involve an associated transfer issue. Retailer 10 also continued to generate the highest number of cases for two transfer issues closely associated with marketing: transfer without consent (70 cases) and cooling-off rights (39 cases).

In most Retailer 10 transfer without consent cases, customers complained of having their electricity and/or gas accounts transferred after a telemarketing call or door-to-door marketing visit. Customers described explicitly declining a transfer, or agreeing only to receive further information, but nevertheless having their accounts transferred. In several cases, the transfer followed marketing to a non-account holder (who was often also vulnerable). In a smaller but still substantial proportion of cases, customers were unsure how the transfer had occurred because, they said, they hadn't received any marketing activity.

The transfer without consent had serious consequences for some customers. In some transfer without consent cases, customers had since received bills and were facing debt collection activity or, less commonly, imminent or actual disconnection. Billing delays and loss of concession discounts associated with retrospective transfers to the customer's preferred provider were also a source of concern for some customers.

In cooling-off rights cases, customers described agreeing to transfer during door-to-door, telemarketing or (less commonly) face-to-face shopping centre marketing, cancelling within the cooling-off period, and finding that the cancellation was either not actioned or explicitly declined. Some customers described instances of poor customer service when they attempted to resolve issues directly with the retailer, such as being hung up on, or being told that nothing could be done about the problem. As with transfer without consent cases, for some customers, the failure to action cooling-off rights led to debt collection activity or disconnection.



Contract terms

Contract terms transfer cases are cases in which the customer questions the terms of a contract. Where a customer has entered into a contract but the sales agent or retailer failed to draw attention to contract terms, issues of explicit informed consent can arise.

Often, contract terms cases involve concerns about termination fees. Cases about termination fees frequently arise from other marketing and transfer complaints. For example, a customer may complain that they were misled into signing a contract, later finding that they would be charged a termination fee if they left the new contract.

In July–September 2014, contract terms transfer cases were the most common transfer issue, as well as the most common marketing and transfer issue overall.

Figure 11. Contract terms transfer cases by quarter, July–September 2013 to July–September 2014

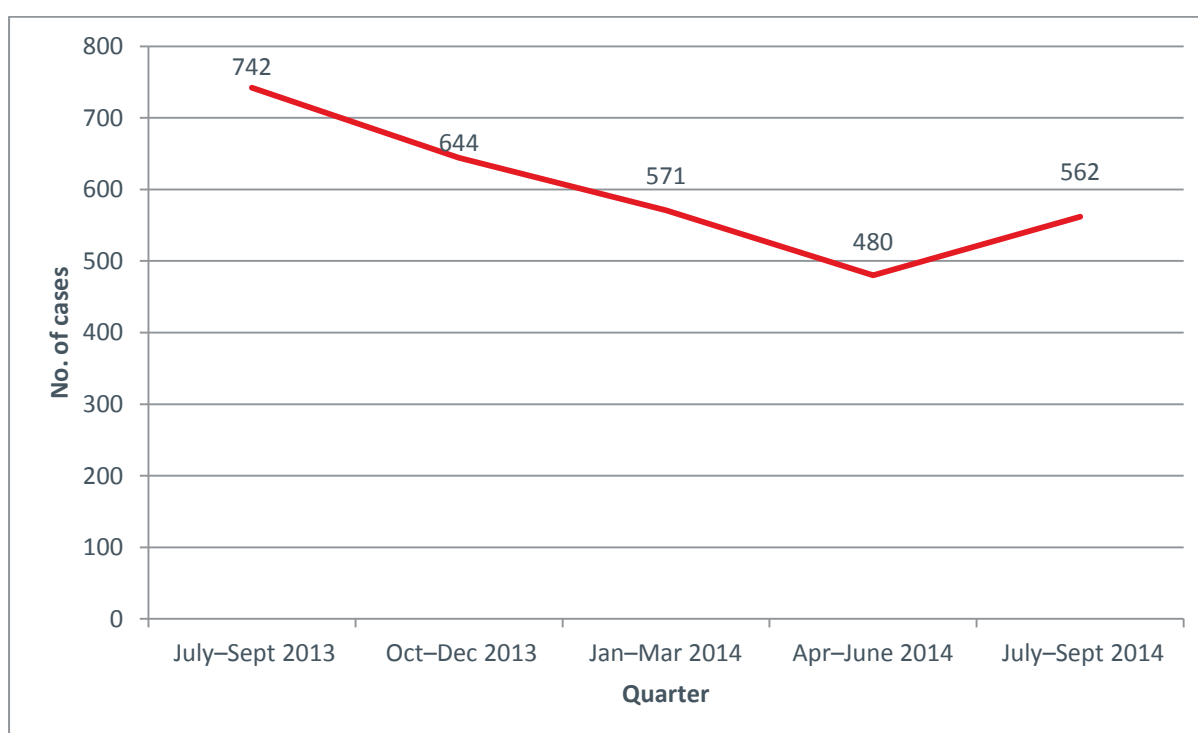


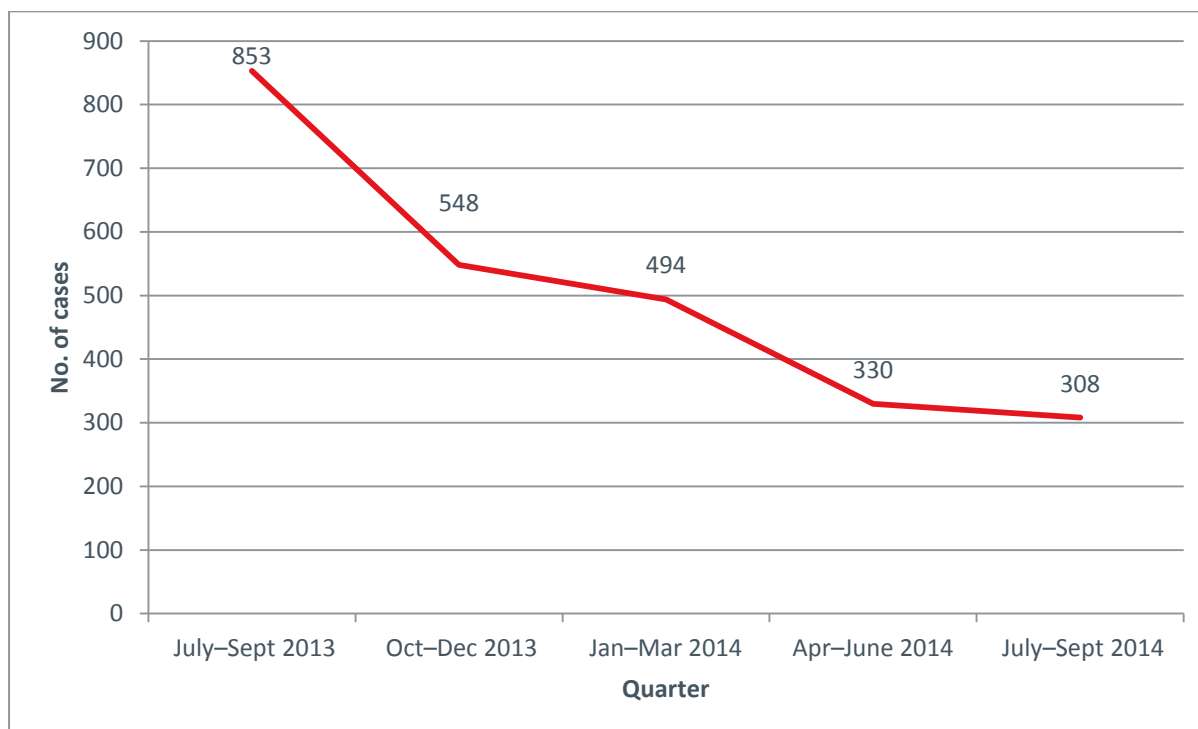
Figure 11 shows contract terms cases over the last five quarters, and illustrates that after decreasing over the previous four quarters, contract terms cases increased in July–September 2014. Compared to the previous quarter, contract terms cases were up 17% to 562 cases.

Continuing a trend from the April–June 2014 quarter, Retailer 18 had the most contract terms cases (163) in July–September 2014, followed by Retailer 8 with 93 cases and Retailer 10 with 72 cases. Most Retailer 18 contract terms cases related to termination fees, including termination fees charged when the customer transferred at around the time of contract expiry and renewal. Other cases centred around discounts and rates or difficulty obtaining information about contract terms.

Delay

Where there has been a delay in the electricity or gas transfer process, the case is registered as a transfer delay. For example, a customer might be told that their supply will be transferred at the next scheduled meter read, but instead continues to receive bills from their previous company.

Figure 12. Transfer delay cases by quarter, July–September 2013 to July–September 2014



In the July–September 2014 quarter, EWOV received 308 transfer delay cases, down 7% from the previous quarter, and down 64% compared to the July–September 2013 quarter.

Following a dramatic drop between the preceding two quarters, Retailer 8 transfer delay cases increased by 48% to 90 cases in the July–September 2014 quarter. The cause of this increase is not clear from a review of such cases. Retailer 8 recorded the most transfer delay cases this quarter, accounting for nearly one third (29%) of such cases.

With 63 cases, Retailer 3 was the second-largest contributor to overall transfer delay cases.

In error

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

Resultant disruption to a customer's existing payment arrangements can cause them to fall into arrears. Where a new retailer sets up an "unknown customer" account and sends "Dear Occupier" bills, customers may not respond because they do not believe they have an account with the new retailer. If this continues for a long time, the new retailer may disconnect the customer for non-payment.

Figure 13. Transfer in error cases by quarter, July–September 2013 to July–September 2014

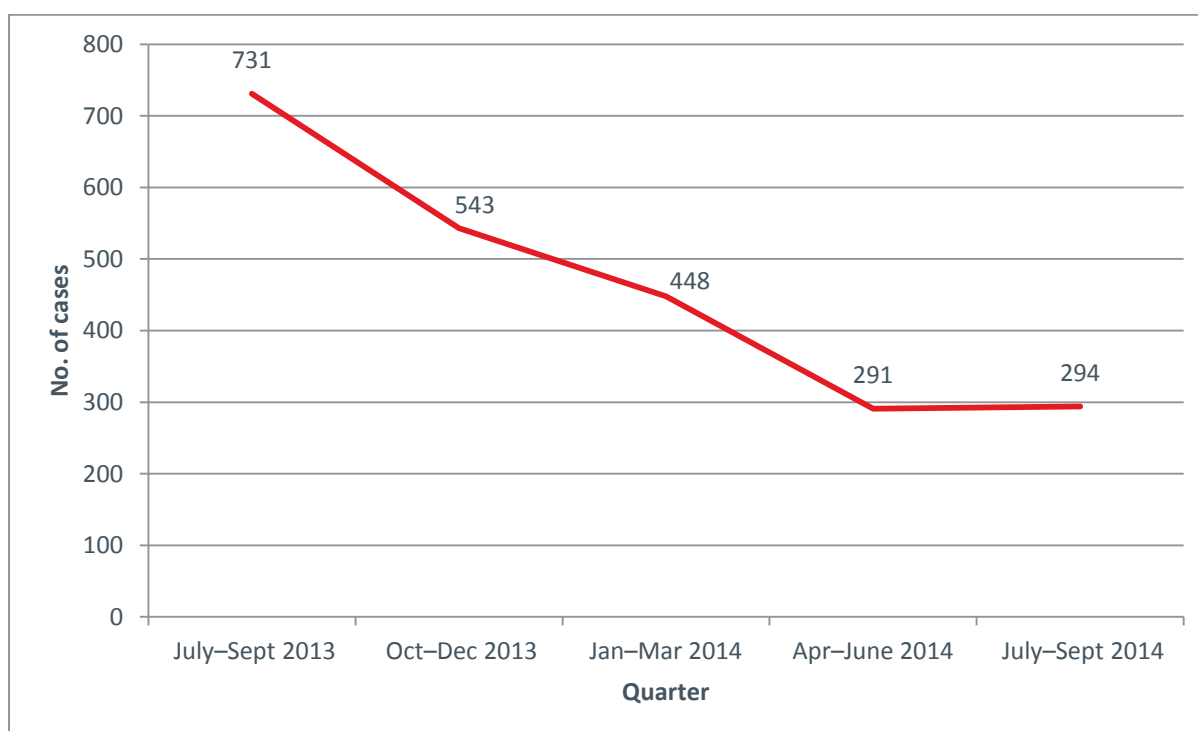


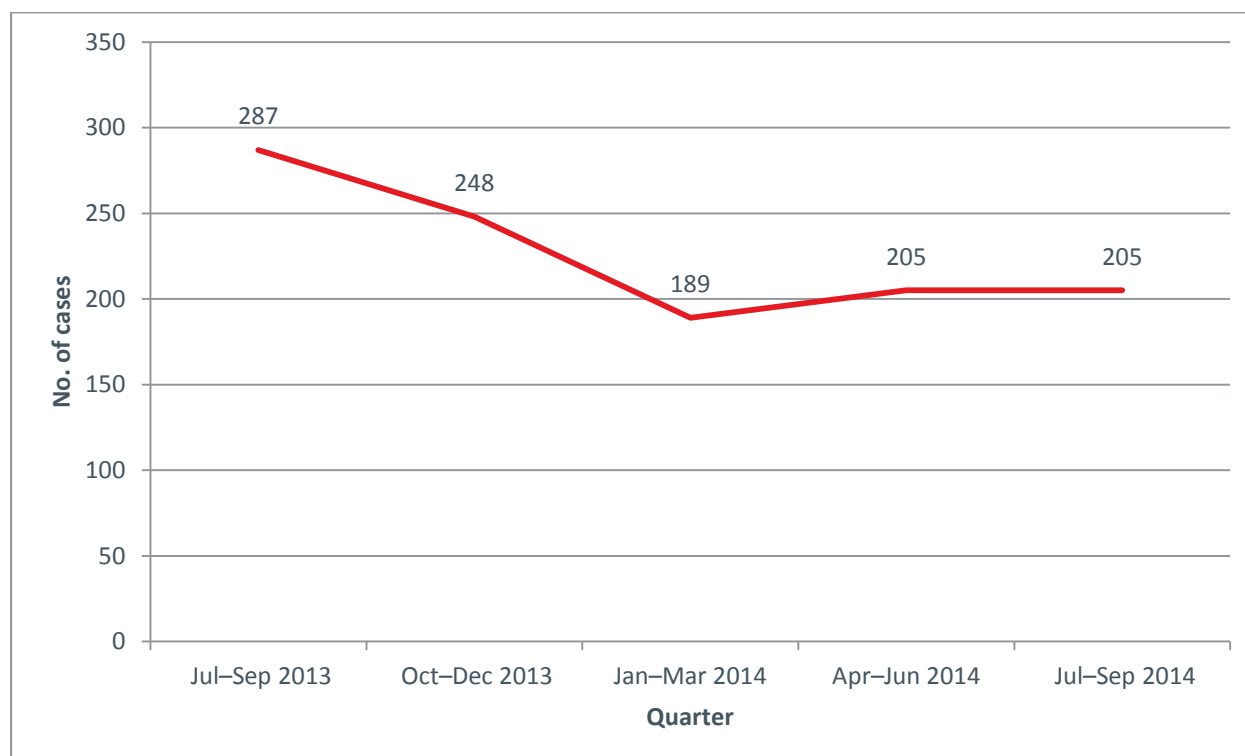
Figure 13 shows that transfer in error cases remained stable between the April–June 2014 and July–September 2014 quarters. EWOV received 294 transfer in error cases in the July–September 2014 quarter.

With 86 cases, Retailer 8 continued to have the most transfer in error cases. It accounted for 29% of cases of this type. With 62 cases, Retailer 10 was also a significant contributor to transfer in error cases.

Site ownership

A case is registered as a transfer site ownership case where there is confusion about which retailer has the right to bill for electricity or gas at a property. This confusion can be caused by issues in the transfer process, such as incorrect or transposed meter details. This can lead to an inadvertent supply disconnection, and customers may contact EWOV because they do not know which company should be billing them.

Figure 14. Site ownership cases by quarter, July–September 2013 to July–September 2014



Transfer site ownership cases also remained consistent between the last two quarters, with 205 cases received in the July–September 2014 quarter.

With 50 site ownership cases, Retailer 8 had the most cases for this issue, followed by Retailer 18 with 40 such cases.



**A customer's electricity supply was disconnected after she moved in to a new property
2014/41109
Retailer 8**

The issue

Before moving into a new property, the customer contacted Retailer 8 in late July 2014 to set up an electricity account. After the customer had moved in, however, supply was disconnected without warning on 10 September 2014.

The customer contacted Retailer 8 on the same day, and was told that the supply had been disconnected due to the previous occupant's debt. Retailer 8 said that it would reconnect the electricity by 5.00 pm that day.

The customer then contacted EWOV on 10 September 2014, dissatisfied with Retailer 8's response. She sought immediate re-connection and an explanation of why Retailer 8 had failed to set up an account in her name. Because the case involved disconnection of supply, we did not raise an Assisted Referral, instead escalating the case to Real Time Resolution.

The outcome

We contacted Retailer 8, which confirmed that it had raised a reconnection service order. Retailer 8 apologised for the inconvenience caused. It said that while it had a record of the customer seeking a gas quote in July 2014, it did not have any record of her seeking an electricity quote or setting up an electricity account.

Investigating the circumstances surrounding the disconnection, we found that the disconnecting retailer had in fact been Retailer 3.

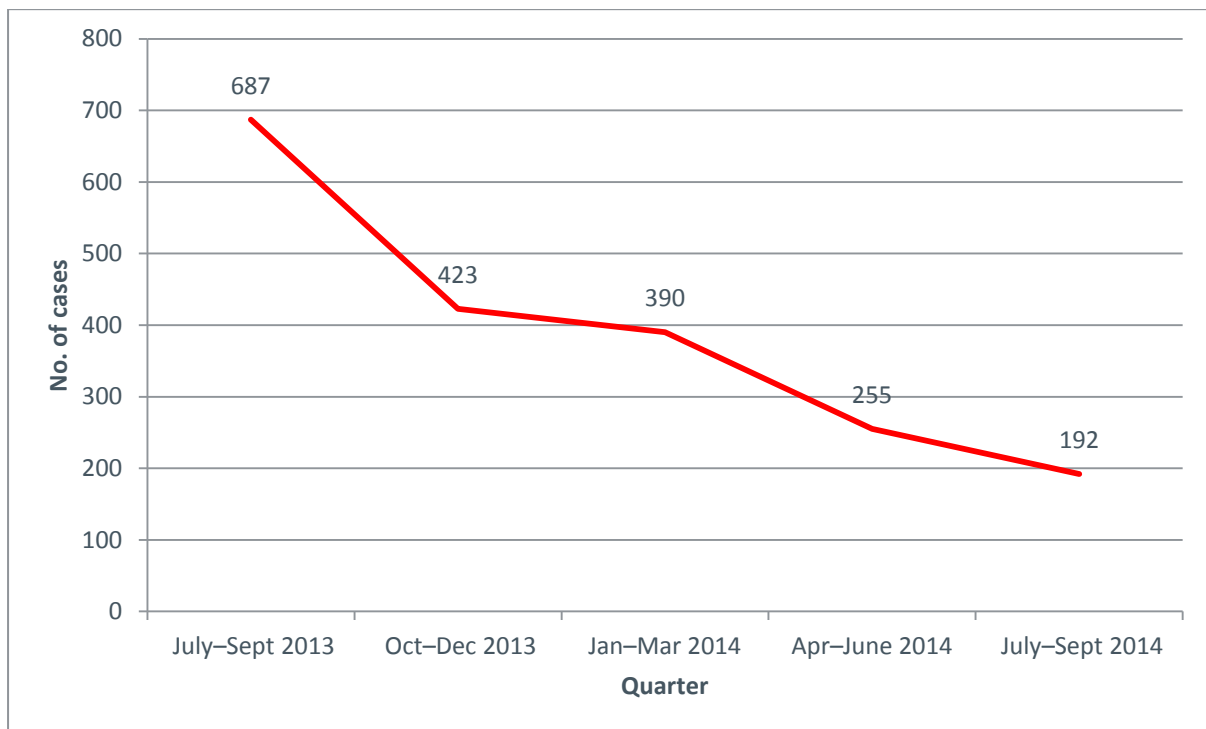
Retailer 8 established an electricity account in the customer's name from 10 September 2014, confirming that the customer would not be billed for any usage before that date. It applied a credit of \$89.59 to the customer's account in recognition of the inconvenience caused, covering the reconnection fee of \$39.59 and leaving the customer's account in credit \$50.00. The customer accepted Retailer 8's resolution and the case was closed.



Without consent

EWOV registers a transfer without consent case where a customer says that a retailer gained billing rights for their property without having obtained the customer's explicit informed consent. Depending on the terms of their original contract, the customer may find themselves also liable for a termination fee.

Figure 15. Transfer without consent cases by quarter, July–September 2013 to July–September 2014



As **Figure 15** shows, transfer without consent cases continued to decline, down 25% from the previous quarter to 192 cases in July–September 2014.

Although its cases decreased from 99 to 70 between the last two quarters, Retailer 10 continued to generate the most transfer without consent cases in the July–September 2014 quarter – about one third (36%) of all cases of this type (see analysis on pages 21). Retailer 8 was the next highest retailer, with 52 transfer without consent cases.



A retailer refused to waive termination fees following marketing to a non-account holder and transfer without consent
2014/37346 and 2014/37349
Retailer 10

The issue

While the customer was in hospital, her son was approached by a door-to-door marketing representative acting on behalf of Retailer 10. After being given misleading information and feeling under pressure, the customer's son showed his drivers licence to the marketing representative. Although he was not the account holder at the property, Retailer 10 gas and electricity accounts were then set up in the son's name. The customer said that the marketing representative also removed the "Do Not Knock" sticker that had been on the front of her property.

The customer contacted EWOV on 15 August 2014, seeking a transfer back to her original retailer and waiver of the Retailer 10 termination fees. After we raised an Assisted Referral, Retailer 10's higher level contact advised the customer that cancellation of the accounts would attract termination fees, and that bills to date would also need to be paid. Dissatisfied with Retailer 10's response, the customer returned to EWOV, and the case proceeded to our Real Time Resolution process.

The outcome

EWOV contacted the retailer, asking for its response to the customer's requested resolution, confirmation that it had since lost billing rights to the property, and copies of bills and account balances to date. Retailer 10 confirmed that it had lost billing rights to the property on 23 July 2014, and said that it would reissue final invoices with the termination fees of \$70.00 for electricity and \$20.00 for gas removed. It offered the customer a payment plan to pay the remaining \$125.55 gas and \$252.86 electricity account balances, and said that it would also apply a Prompt Payment Discount. The customer was satisfied with this resolution and the case was closed.

Billing

Transfer billing cases are cases in which a billing issue has arisen out of the electricity or gas transfer process. For example, after a transfer, there may be a delay before the customer receives their first bill. Alternatively, the customer might receive bills from both their previous and new company.

Figure 16. Transfer billing cases by quarter, July–September 2013 to July–September 2014

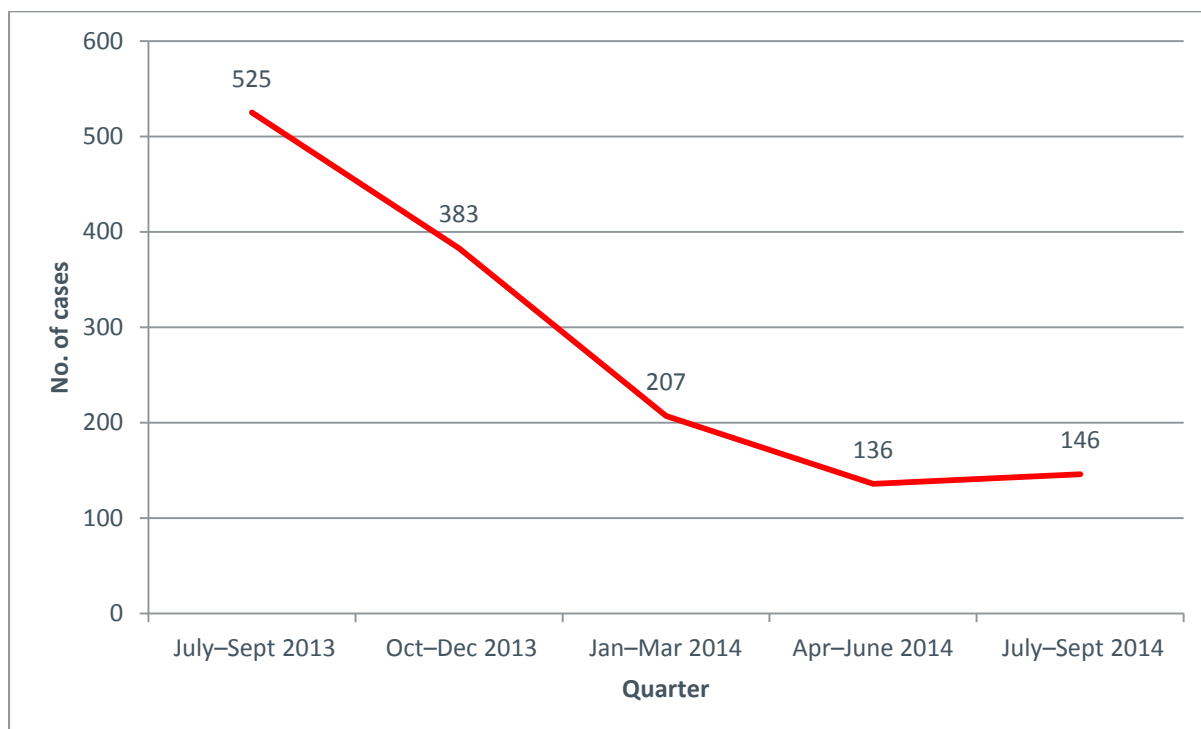


Figure 16 shows that EWOV received 146 transfer billing cases in the July–September 2014 quarter – a slight (7%) increase over the low of 136 cases in the previous quarter.

Retailer 8 had the most transfer billing cases. With 55 cases, it accounted for 38% of total transfer billing cases, and had more than twice as many such cases as any other retailer.



Customer received and paid multiple bills following a transfer delay
2014/35197
Retailer 18

The issue

The customer decided to transfer her electricity account to Retailer 20, agreeing to the transfer on 28 January 2014.

Despite agreeing to a new contract with Retailer 20, the customer continued to receive bills from Retailer 18, including a bill of \$324.97 on 16 April 2014. She contacted Retailer 18 in early July 2014, and it advised that the matter would be resolved. However, she then received a further bill from it for \$309.79. Although she had paid both the April and July bills, on 31 July 2014 she received another letter from Retailer 18 advising that there was \$0.79 outstanding on her account. The customer contacted EWOV on 1 August 2014, asking that Retailer 18 release billing rights to Retailer 20 and backdate the transfer to 1 July 2014.

We raised an Assisted Referral, and Retailer 18 contacted the customer, advising her that it would refund both the April and July bill payments (totalling \$634.76). It said that it had issued a cheque for the April bill refund, and would refund the July bill payment via EFT. When the customer did not receive the refund, she re-contacted EWOV, and the case proceeded to Real Time Resolution.

The outcome

Retailer 18 apologised for the inconvenience caused. It confirmed that the customer's electricity account had been transferred away from Retailer 18 on 27 March 2014. It said that it had arranged for a refund of the \$634.76 the customer had paid after Retailer 18 lost billing rights. Apologising for the inconvenience caused, it applied a credit of \$50.00, bringing the total refund amount to \$684.76. It provided a direct contact for the customer should she not receive the refund, or have any other concerns. The customer was satisfied with this outcome and the case was closed.

Cooling-off rights

In cooling-off rights cases, customers say that they cancelled a contract within the ten-day cooling-off period, but the transfer occurred nonetheless. Such cases suggest systemic problems with a retailer's contract cancellation procedure, and could be avoided with process and system improvements. Also included in this category are cases in which a customer entering a contract was not told, or was given incorrect information, about their cooling-off rights.

Figure 17. Transfer cooling-off rights cases by quarter, July–September 2013 to July–September 2014

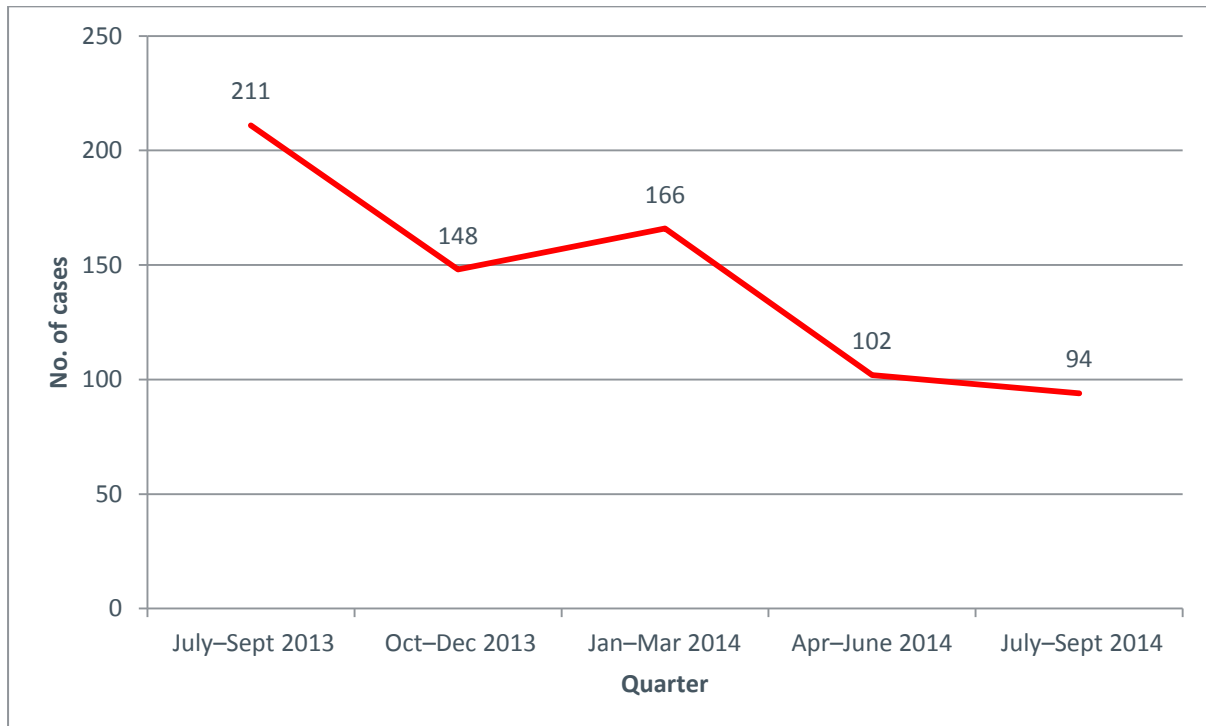


Figure 17 shows that following a large decrease between the January–March and April–June 2014 quarters, cooling-off rights cases decreased a further 8% this quarter.

With 39 cases, Retailer 10 continued to have the most cooling-off rights cases this quarter (see analysis on page 22), followed by Retailer 8 and Retailer 20 with 14 and 11 cases respectively.

Objection

When a customer contacts EWOV because an energy retailer has objected to a transfer either to or away from it, EWOV registers this as a transfer objection case. A retailer may object to a transfer away from it because of an outstanding account balance. Conversely, a retailer may object to a transfer to it until the customer has paid a bond as security. Retailers also object to transfers for technical reasons, such as incompatibility between meter data and billing systems.

Figure 18. Transfer objection cases by quarter, July–September 2013 to July–September 2014

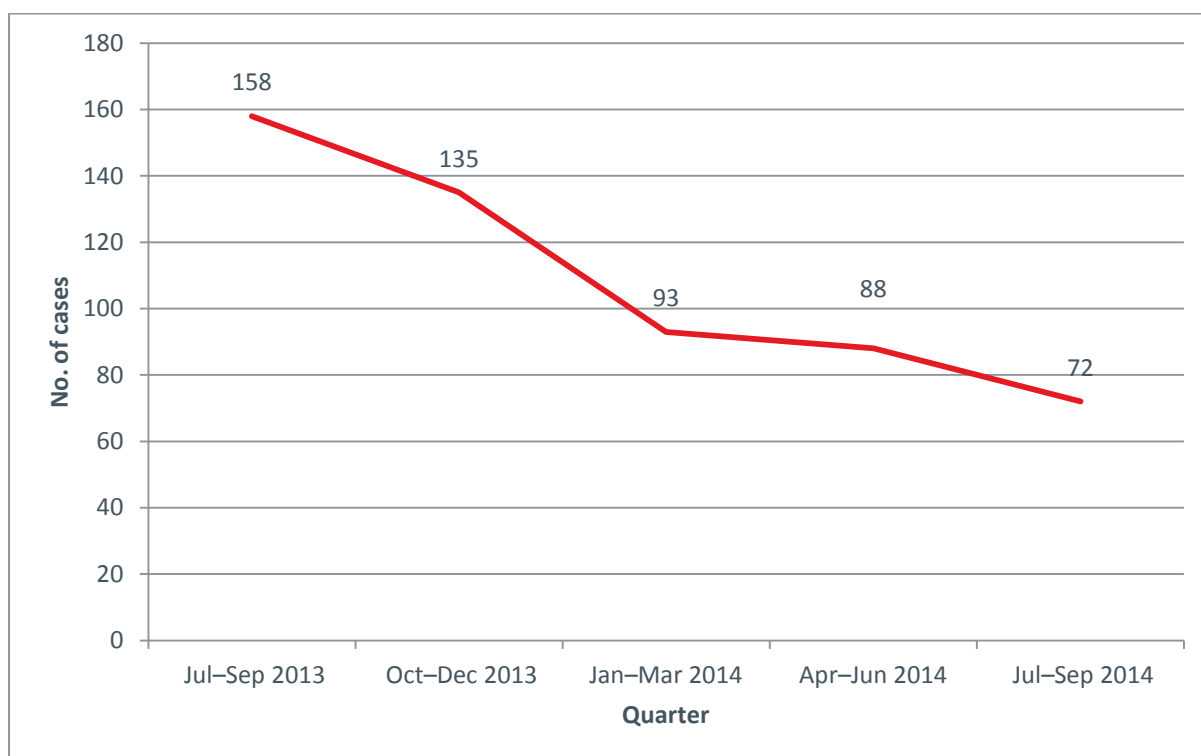


Figure 18 shows that transfer objection cases decreased by 18% between the April–June 2014 and July–September 2014 quarters, down to 72 cases.

With 16 cases, Retailer 18 had the most transfer objection cases, followed closely by Retailer 10 (13 cases) and Retailer 20 (12 cases).

Context

Readers of this report should take into account the following:

EWOV's analysis is limited by its scope

EWOV only examines the cases it receives, limiting our ability to analyse trends and their causes. For example, we do not always know how much marketing retailers are doing; nor do we know how effective each retailer's internal complaint procedures are.

Marketing and transfer issues are most often systemic in nature. However, not all customers complain to EWOV. As such, the marketing and transfer cases we receive should be seen as indicative of dissatisfaction among a larger group of consumers.

Most cases are Referred Complaints

This report is based on data taken from enquiries and complaints. Complaints are categorised as either Unassisted Referrals, Assisted Referrals, Real Time Resolutions or Investigations (see the Glossary on page 35). EWOV does not investigate Referred Complaints and is limited to hearing only the customer's 'side of the story'.

Customers sometimes re-contact EWOV

Customers sometimes re-contact EWOV because after a referral back to their company, their concerns remain unresolved. This can mean that EWOV registers an Assisted Referral after a previous Unassisted Referral, or an Investigation after a failed Assisted Referral or Real Time Resolution.

Customers sometimes lodge more than one case

For example, if a customer says that their electricity and gas accounts were transferred without their consent, EWOV will register both an electricity case and a gas case. We do this because differences between electricity and gas transfer systems cause resolution timeframes and outcomes to vary.

Customers' complaints may relate to more than one issue, fuel or company

Based on the customer's statement, EWOV sometimes registers two issues for the one case. For example, a case may be registered as both misleading marketing and transfer without consent. 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). EWOV also registers cases by fuel (electricity, gas, LPG or water) and case type (enquiry or complaint). In addition, a customer may have issues with two different companies.

Case data is subject to adjustment

EWOV sometimes reports the same measures in different publications. Data for these reports may be compiled on different dates, and in the meantime, some cases may have been re-opened, escalated or re-categorised as more information came to light. This can result in small variations in reported figures between different reports.



Glossary

Complaint

A complaint is an expression of dissatisfaction regarding a policy, practice or customer service performance of an energy or water company that 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 receives failed Assisted Referral calls from customers and then works to negotiate a fair and reasonable resolution of the complaint, typically within 24 hours.

Investigation

A complaint for investigation is registered where:

- an Assisted Referral or Real Time Resolution 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 by Real Time Resolution, or
- the provider has requested an escalation to an Investigation.

Not allocated

This case type is registered when a customer tells EWOV about their concern but it does not involve a Scheme Participant, or the customer does not know or tell us the company's name.

