



**REVIEW AGAINST  
THE NATIONAL BENCHMARKS FOR  
INDUSTRY BASED CUSTOMER DISPUTE RESOLUTION SCHEMES**

In December 2013, the Energy and Water Ombudsman (Victoria) Limited (EWOV) contracted CameronRalph Navigator to conduct an independent review of the EWOV Scheme to determine whether it complies with the Benchmarks for Industry Based Customer Dispute Resolution Schemes (the National Benchmarks). The National Benchmarks are:

- accessibility
- independence
- fairness
- accountability
- efficiency
- effectiveness

In June 2014 the EWOV Board received the final report of the independent review, which found that EWOV meets the National Benchmarks.

The Board is particularly pleased that the independent review found that EWOV is a highly successful and "professionally run external dispute resolution (EDR) scheme" in which staff appear to be highly engaged with their work and committed to continuous improvement.

The Board welcomes the recommendations contained in the independent review. The Board's preliminary response to each of the recommendations of the independent review is detailed below. It is a testament to the dedication and hard work of the EWOV team that these recommendations reflect a need for "subtle shifts in balance" rather than significant change.

**Hon Tony Staley AO**  
**Chairperson**  
**Energy and Water Ombudsman (Victoria) Board**

**EWOV'S BOARD RESPONSE TO THE  
INDEPENDENT REVIEW OF  
THE ENERGY AND WATER OMBUDSMAN (VICTORIA) LIMITED**

The framework for the Energy and Water Ombudsman (Victoria) (EWOV)'s operation is drawn from its Charter and Constitution, licence conditions for the electricity and gas industries, relevant water industry legislation, the liquefied petroleum gas (LPG) industry code and the National Benchmarks for Industry Based Customer Dispute Resolution Schemes<sup>1</sup> (the National Benchmarks).

Under the National Benchmarks, EWOV is required to undertake regular independent reviews of the scheme to determine whether EWOV complies with the National Benchmarks.

In late 2013, EWOV contracted CameronRalph Navigator to conduct this independent review. The independent review assessed EWOV against the benchmarks of:

- accessibility
- independence
- fairness
- accountability
- efficiency
- effectiveness

The EWOV Board welcomes the findings of the independent review. It provides valuable feedback about how the scheme should evolve and suggests areas for improvement.

The Board is particularly pleased to note that independent review found that EWOV is a professionally run scheme, with some considerable strengths including its standards of service.

The Board's response to each of the recommendations of the independent review is detailed below.

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<sup>1</sup> <http://www.anzoa.com.au/National%20Benchmarks.pdf>

Independent Review Recommendation	EWOV's Response
<p><b>1. Formalising of decision making with tighter criteria for investigating and clearer no-merit findings</b></p>	
<p><b>Recommendation 3</b></p> <p>EWOV should undertake a preliminary merits review of complaints that do not resolve through EWOV's early resolution processes and in appropriate cases refuse to escalate these to an investigation. This could be because EWOV considers that:</p> <ul style="list-style-type: none"> <li>• the customer has not provided information suggestive of fault on the part of the Scheme Participant;</li> <li>• the substance of the customer's concerns are not compensable – even if some minor inconvenience has been incurred by the customer;</li> <li>• the Scheme Participant has provided a reasonable response to the complaint; or</li> <li>• the Scheme Participant has made the customer an offer that seems to EWOV to be reasonable in the circumstances.</li> </ul>	<p>EWOV agrees that its process should effectively balance efficiency, accessibility, fairness and independence at all stages of EWOV's processes. EWOV will explore opportunities to improve the relative balance of these Benchmarks in early resolution processes and consider whether stricter criteria are required to be met before investigating a complaint.</p>
<p><b>Recommendation 4</b></p> <p>EWOV should:</p> <ul style="list-style-type: none"> <li>• Revise its <i>No Further Investigation Policy and Procedure</i> and <i>Fair and Reasonable Procedure</i> with a view to introducing a streamlined merits assessment process for less complex complaints that is able to be carried out as part of a Stage 2 investigation; and</li> <li>• Monitor trends in relation to repeat customers with a view to assessing whether EWOV's processes need fine-tuning to detect and address frivolous complaints.</li> </ul>	<p>EWOV's agrees with this recommendation and will review its No Further Investigation Policy and Procedure and Fair and Reasonable Procedure to ensure that efficient and fair resolution of complaints for all parties is achieved as early as possible.</p> <p>EWOV will continue to monitor trends of repeat customers and make necessary adjustments to EWOV's <i>Same Customer, Same Issue</i> policy as required to ensure that the accessibility of EWOV's processes is not be inappropriately taken advantage of.</p>

Independent Review Recommendation	EWOV's Response
<p><b>2. Working with Scheme Participants to achieve broad confidence in outcomes achieved where complainants are referred back to Scheme Participants</b></p>	
<p><b>Recommendation 1</b></p> <p>EWOV should consult with its stakeholders with a view to developing a holistic strategy to enable it to monitor the fairness and responsiveness of IDR outcomes. Ideally this should include:</p> <ul style="list-style-type: none"> <li>• Utilising experienced EWOV staff to undertake periodic telephone surveying of a sample of customers whose complaint concluded at the Unassisted Referral Stage – the aim should be for EWOV to find out whether the customer was satisfied with the outcome and also for EWOV to make its own assessment of the apparent fairness of the outcome; and</li> <li>• Working with Scheme Participants to develop a reporting framework whereby Scheme Participants provide regular (perhaps quarterly) data to EWOV about the number of complaints dealt with by their call centres and the percentages of those complaints by category of outcome eg. explanation only provided, bill error corrected, payment plan entered into, customer service gesture provided etc. (If, however, EWOV is not able to obtain Scheme Participant agreement to a reporting framework that provides sufficient assurance as to IDR outcomes, EWOV should consider introducing a follow up process for Unassisted Referrals so as to provide EWOV with case by case transparency as to outcomes.)</li> </ul>	<p>EWOV recognises that there is limited visibility into the responsiveness and fairness of Scheme Participant Internal Dispute Resolution (IDR) processes and that the fairness and responsiveness of IDR processes reflect on customer's perception of EWOV too. EWOV will work with stakeholders to develop an appropriate strategy that balances EWOV's interest in supporting effective IDR processes with the time and cost impacts on both EWOV and Scheme Participants.</p>
<p><b>Recommendation 2</b></p> <p>To ensure the quality of the Assisted Referral process:</p> <ul style="list-style-type: none"> <li>• EWOV should undertake periodic research projects to assess Assisted Referral outcomes for a sample of complaints and through these projects</li> </ul>	<p>EWOV agrees with this recommendation. EWOV recognises that the emphasis on early resolution processes is generally a positive experience for customers and Scheme Participants but that EWOV must be attune to the quality of the Assisted Referral process.</p>

Independent Review Recommendation	EWOV's Response
<p>compare the quality of experience and outcome of different Scheme Participant approaches;</p> <ul style="list-style-type: none"> <li>• If EWOV has concerns about a Scheme Participant's handling of Assisted Referrals, EWOV should engage with that Scheme Participant to try and address this; and</li> <li>• If necessary, EWOV should apply differential processes and escalation points (for example for complaints brought by less confident customers) for a Scheme Participant that despite EWOV's support has not managed to overcome the quality concerns (fairness and responsiveness) that have been identified.</li> </ul>	<p>EWOV will continue to build on its existing periodic review of samples of Assisted Referrals to test the quality of the Assisted Referral process.</p> <p>EWOV will also review both the documented policy and practical approach to the Assisted Referral process in circumstances where EWOV has concerns about the quality of a Scheme Participant's Assisted Referral process.</p>
<p><b>3. Working with Scheme Participants to contribute to preventing complaints from arising</b></p>	
<p><b>Recommendation 10</b></p> <p>EWOV should:</p> <ul style="list-style-type: none"> <li>• undertake enhanced analysis of its data with a view to identifying practices that lead to complaints;</li> <li>• work with Scheme Participants to try and address these practices; and</li> <li>• try to build upon the experiences and learnings of its inter-State counterparts in undertaking this work.</li> </ul>	<p>EWOV agrees with this recommendation. It is a priority in EWOV's 2014/2015 Annual Plan to improve EWOV's data interrogation to better understand issues and practices that drive complaints. EWOV will share its analysis and collaborate with Scheme Participants to minimise future complaints.</p> <p>EWOV will also work collaboratively with ANZEWON to advance this work.</p>
<p><b>4. Further enhancing of work in relation to disconnections and hardship matters</b></p>	
<p><b>Recommendation 5</b></p> <p>EWOV should undertake a study of financial hardship payment plans achieved through EWOV, with a view to increasing its understanding of the factors that promote a sustainable resolution to the financial hardship so that this knowledge can inform and improve EWOV's conciliation of financial hardship complaints.</p>	<p>EWOV agrees with this recommendation. EWOV aims to achieve a fair, reasonable and sustainable resolution of complaints where affordability issues and/or financial hardship is involved. Further research into the payment plans achieved through EWOV's process will increase EWOV's ability to deliver efficient, fair and sustainable outcomes.</p>

Independent Review Recommendation	EWOV's Response
<b>5. Monitoring impact of monetary jurisdiction</b>	
<p><b>Recommendation 9</b></p> <p>EWOV should periodically (say every five years) monitor the monetary limit by identifying the number of complaints involving a claim for more than the monetary limit. If the trend is to an increasing percentage of complaints, EWOV should increase the monetary limit to stabilise the situation.</p>	<p>EWOV agrees with this recommendation and will monitor complaint trends to ensure that EWOV's jurisdiction reflects the appropriate monetary limits.</p>
<b>6. Further enhancing EWOV's accountability and responsiveness to its stakeholders</b>	
<p><b>Recommendation 8</b></p> <p>In consultation with stakeholders and regulators, EWOV should review its public reporting with a view to providing more detail and analysis and enhancing the value to the sector and the community.</p>	<p>EWOV provides high quality public reporting. EWOV will consult with stakeholders about the additional detail and analysis required to increase the value of EWOV's reporting.</p>
<p><b>Recommendation 11</b></p> <p>EWOV should:</p> <ul style="list-style-type: none"> <li>• enhance its Feedback Form and provide a link on this webpage to its <i>Internal Complaints Handling Policy</i></li> <li>• log complaints about its performance, analyse trends and identify improvement opportunities and provide regular reporting to the Board.</li> </ul>	<p>EWOV agrees with this recommendation and will increase the visibility of its Feedback Form and <i>Internal Complaints Handling Policy</i>. EWOV will establish a more structured process for capturing, tracking and analysing feedback about its performance and report to EWOV's Board on key issues and trends and the remedial action taken to address these.</p>
<b>7. Other effectiveness issues</b>	
<p><b>Recommendation 6</b></p> <p>EWOV should consult with energy providers with a view to identifying complaint situations in which EWOV should raise a complaint with an energy distributor and so deal directly with the energy distributor (rather than dealing with them through the energy retailer) on the basis that the distributor is the party that is primarily responsible for the issue raised in the complaint.</p>	<p>EWOV agrees that the distributor/retailer information exchange directly impacts on the efficiency and perceived fairness of EWOV's service. EWOV will consult with both retailers and distributors to clarify the circumstances when a complaint will be registered against either the retailer or distributor and establish a framework to expedite information exchange when an EWOV complaint is open.</p>

Independent Review Recommendation	EWOV's Response
<p><b>Recommendation 7</b></p> <p>EWOV should seek to further engage its Scheme Participants in enhancing EWOV staff's industry knowledge by conducting sessions for them where they demonstrate and explain their systems to groups of EWOV staff.</p>	<p>EWOV accepts this recommendation. There is significant benefit in EWOV staff developing a more practical understanding of Scheme Participant's businesses and systems. The focus of these sessions in EWOV's formal learning and development program will be expanded.</p>