



ENERGY AND WATER
OMBUDSMAN
Victoria Listen Assist Resolve



Independent Review against Benchmarks for Industry Based Customer Dispute Resolution Scheme | Board Response

February 2020



BACKGROUND

In July 2019, the Energy and Water Ombudsman (Victoria) Limited (EWOV) contracted cameron.ralph.khoury to conduct an independent review of the EWOV Scheme to determine whether it complies with the Benchmarks for Industry Based Customer Dispute Resolution Schemes¹ (the CDR Benchmarks). The CDR Benchmarks are:

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

In February 2020, the EWOV Board received the final report of the independent review, which found that EWOV meets the CDR Benchmarks.

The EWOV Board is particularly pleased that the independent review found that EWOV “remains a professionally run external dispute resolution (EDR) scheme” and has the “strong support of both consumer organisations and Providers”.

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

The Board’s response to the recommendations is outlined below.



Paul Sheahan AM
Chairman
Energy and Water Ombudsman (Victoria) Limited Board

¹ <https://treasury.gov.au/publication/benchmarks-for-industry-based-customer-dispute-resolution>

RECOMMENDATIONS BY THEME

1. Redesign the investigation process to improve timeliness and quality of complaint resolution	
Recommendation 9	EWOV's response
<p>EWOV should redesign its investigation process to better triage complaints, reduce the reliance on shuttle exchange of information and revise the fair and reasonable procedures to facilitate no merits findings earlier in the process and more often.</p> <p>We recommend the following key elements be included in a redesigned investigation process:</p> <ol style="list-style-type: none"> a) Mandatory phone contact with customers (except where a customer states that contact by this means is not appropriate) at the start of an investigation to explain EWOV's role, clarify the issues in the complaint and determine the best resolution approach to adopt, given the issues involved. b) More active triage of complaints with simpler disputes to be fast tracked and those where conciliation is unlikely to result in an agreed outcome to be subject to an early fair offer assessment. c) Review and refine the current batch review process so that the EWOV uses the operational meetings with Provider s as an opportunity to resolve matters rather than being seen as part of the ongoing information exchange. d) Greater use of an early two-way conciliation complaint resolution conferences with both parties to reduce shuttle exchanges of information and facilitate resolution offers. 	<p>We support this recommendation. Customers and member companies should expect that we will work with them to reach a fair and reasonable outcome as quickly as possible. This doesn't mean that either party will always get what they want. However, they should feel confident that our process will be the right process to get their complaint resolved as quickly, independently and fairly as appropriate for their complaint.</p> <p>We accept that isn't always been the experience of EWOV and agree with the recommendation that we redesign our investigation process to improve the timeliness and quality of complaint resolution.</p> <p>We will explore the proposed elements as means to improve timeliness and quality and to ensure that we are able to respond to consumer and member companies' expectations of us, now and in the future.</p>



<p>e) Early fair offer assessment be conducted when it is clear a complaint cannot be resolved within a set timeframe.</p> <p>f) Design a more streamlined procedure for fair and reasonable assessments, while still meeting procedural fairness obligations.</p>	
<p>Recommendation 13</p>	<p>EWOV's response</p>
<p>EWOV should escalate more cases to Ombudsman Decision where there are:</p> <ul style="list-style-type: none"> • Different views among Providers about what the law, codes or good industry practice require, or • Where a “lead decision” would assist to provide clarity on how EWOV approaches certain complaint issues. 	<p>We support this recommendation. We acknowledge it is rare that the Ombudsman’s decision will be required. However, encourage the Ombudsman to escalate quickly where necessary.</p>
<p>Recommendation 2</p>	<p>EWOV's response</p>
<p>EWOV should more regularly publicly share its approach to good industry practice in resolving particular types of complaints to help inform all Providers about how they should approach complaints of a similar nature.</p>	<p>The overarching intent of this recommendation is to provide guidance on what EWOV considers to be good industry practice. This will provide clear signals to industry on expected levels of service and support timely case handling and the prevention of complaints.</p> <p>EWOV has a number of methods of sharing its view on good industry practice including its position statements, case studies as well as facilitating industry workshops and forums.</p> <p>We support this recommendation and see it as an important complement to EWOV’s current work in this area.</p>



Recommendation 12	EWOV's response
EWOV should take steps to increase the level and visibility of the technical and industry expertise it can draw upon by establishing a "panel" of experts able to be accessed as required.	We support this recommendation. We recognise that the confidence of our stakeholders in the technical expertise brought to our case handling is key to confidence in our role.
2. Work with Providers to achieve broad confidence in outcomes achieved where complaints are referred back to Providers.	
Recommendation 8	EWOV's response
EWOV should: a) better manage customer expectations at the registration and referral stage by providing clear factual information to customers on resolution options and outcomes for similar disputes b) implement periodic follow up of customers who have been through Unassisted and Assisted referral processes as part of its broader customer survey and assurance work, to ensure their complaints resulted in appropriate outcomes. c) publish comparative data by Provider on customers with Assisted Referrals that result in an investigation of their complaint. This will allow Providers to assess their performance on complaint resolution against their peers.	We support this recommendation and will implement the proposed changes. The recommendation provides a useful mechanism to build our confidence that our Unassisted and Assisted Referral processes produce fair and reasonable outcomes. Comparative data should also drive improved performance across industry, for the benefit of Victorian consumers.



Recommendation 3	EWOV's response
<p>EWOV should:</p> <ul style="list-style-type: none">a) when it receives a complaint, do more to check whether the Provider has informed the customer of their rights to bring their complaint to EWOVb) raise a systemic issue and report to the ESC for investigation and regulatory action when it identifies that a Provider is not informing its customers about their complaint rights to EWOV.	<p>We accept this recommendation. While in the short term this may increase complaints to EWOV, in the longer term we expect that this will reduce complaints to EWOV because members will necessarily need to improve the effectiveness of their internal complaint handling.</p>
3. Make changes to the Quality Assurance Framework to improve consistency of outcomes	
Recommendation 14	EWOV's response
<p>EWOV should make additional enhancements to its revised QA framework to ensure:</p> <ul style="list-style-type: none">a) it extends beyond the current individual-focussed approach to include thematic reviewsb) it keeps a strong focus on achieving consistency and fairness of outcomes. comparing cases with similar attributes and issues to determine that approaches across teams and individuals result in consistent outcomesc) it retains a strong focus on checking that its registration process identifies and supports vulnerable and disadvantaged consumersd) that QA includes consideration of any differences in outcomes between consumers with a representative and those without.	<p>We accept this recommendation.</p> <p>As noted by the Reviewers, we are reviewing our QA framework and piloting new approaches. The recommendations build on a number of initiatives being progressed. The remaining elements can be incorporated.</p>



Recommendation 7	EWOV's response
EWOV should capture how many, and why escalation requests from Providers result in a downgrade to a lower investigation stage. This is an important quality check to ensure EWOV's complaint upgrade policy is being appropriately applied.	We support this recommendation. It will provide a further source of feedback about our service and will supplement our customer surveys and QA framework as inputs into our continuous improvement and capability building initiatives.
4. Address scope of EWOV's current jurisdiction	
Recommendation 5	EWOV's response
EWOV should: a) with the regulator, consider an expansion to its jurisdiction to cover a wider range of energy disputes so that it is able to effectively cover most consumer complaints in the energy sector. b) review the current \$20,000 monetary cap at the same time as any new expanded jurisdiction is being put in place.	We accept that EWOV's jurisdiction is being challenged by changes in the energy and water markets. We support EWOV working with the relevant jurisdictional regulators and government departments, and interstate colleagues, to ensure our jurisdiction continues to be comprehensive and effective.
Recommendation 6	EWOV's response
To reduce confusion about the roles of the Ombudsman and regulator, EWOV should discuss with the ESC whether it would take responsibility for wrongful disconnection compliance investigations under its new approach on compliance and enforcement.	We don't accept this recommendation. We recognise the strong and important role that EWOV plays in this area and support this continuing.

5. Work more effectively with Providers and Regulators to prevent complaints arising

Recommendation 15

EWOV should improve its focus and increase resourcing for its systemic issues activities including:

- a) reviewing and updating its policy, procedures, training and compliance checking for systemic issues, and
- b) more actively engaging with, and referring matters to, the relevant regulators, particularly where a systemic issue highlights potential broader issues within a provider or in the sector.

EWOV's response

We agree with this recommendation. EWOV has a wealth of information and data available to identify trends and systemic issues and work with key stakeholders to reduce the occurrence of complaints.

6. Shift to a three-year strategic planning and budgetary cycle for enhanced capital expenditure planning and capability building

Recommendation 10

EWOV should:

- a) align its three-year strategic plan with a three-year budget forecast to provide the Board and management with greater capacity for capital improvement planning, skills acquisition and retention, and
- b) if necessary, seek relevant changes to its Constitution to allow for Board approval of annual budgets and funding to support a three-year budget cycle.

EWOV's response

We don't support this recommendation. EWOV is able to operate effectively with its current budgetary process. There was no compelling reason to change provided.



7. Update key internal complaint handling policy and procedures

Recommendation 17

EWOV should:

- a) update and substantially revise its internal complaints policy. The policy needs to be much clearer on the framework for how EWOV handles service complaints about EWOV.
- b) should develop a stand-alone management report on internal service complaints. This should include:
 - the total number of complaints by category
 - whether EWOV is meeting its internal complaint timeframes
 - the outcomes of complaint investigation, and
 - analysis of root causes and steps taken to rectify issues resulting in complaints
- c) report periodically to the EWOV Board on internal complaints
- d) report internal complaints in its Annual Report
- e) provide a link to the internal complaints handling policy in the 'contact us' link on its website.

EWOV's response

We agree with this recommendation. Improved capture of complaints and greater transparency of this information will help EWOV to continue to improve its own processes.



8. Provide more granular complaints data and improve reporting of its performance

Recommendation 16	EWOV's response
<p>EWOV should:</p> <ul style="list-style-type: none">a) improve its performance and complaint reporting in its Annual Report and other publications. This should encompass greater granularity and use of consistent data sets year on year relating to:<ul style="list-style-type: none">• customer and stakeholder satisfaction results• dispute handling timeframes including at all investigation stages• provider complaint numbers against each investigations stage• outcomes achievedb) work with the ESC and ANZEWON to agree a consistent approach to develop a simple comparative benchmark based on Provider complaint numbers received by the Ombudsman per fixed number of customers (100, 1,000 or 10,000)c) work more broadly with its ANZEWON counterparts and the ESC to promote nationally consistent complaints data reports for the energy and water sectors and Ombudsman schemesd) provide more detailed information about the socio-economic and demographic characteristics of customers bringing complaints to EWOVe) revamp its customer surveys applying consistent questions over time, analysing better real time data and publicly reporting enhanced insights to facilitate improvement action.	<p>We agree with this recommendation and the focus on accountability of EWOV and others. Improved granularity of complaints data and reporting of EWOV's performance will build confidence in both EWOV and the industry.</p> <p>We support the Ombudsman working with key external stakeholders to develop a consistent approach to comparative benchmarks of industry and Scheme performance, as well as sharing more information about the characteristics of customers that complain to EWOV.</p>

9. Strengthen efforts to increase awareness of its service, improve its accessibility and impact of its outreach activities

Recommendation 4	EWOV's response
<p>EWOV should enhance its awareness raising, accessibility and outreach activities by:</p> <ul style="list-style-type: none"> a) utilising the results of the Energy Consumers Australia bi-annual Energy Consumer Sentiment Survey to track progress on the impact its awareness raising initiatives b) reviewing its compliance with relevant website accessibility best practice standards and publicly reporting the action it is taking to address any weaknesses c) setting out more clearly on its website how it provides tailored support for customers with additional needs d) engaging with consumer organisations and community groups that represent vulnerable consumers to user test its publications and fact sheets to ensure they are accessible to those with special needs e) including in its community engagement schedule periodic joint activities with Providers, subject to ensuring arrangements for these events do not cause consumers to be confused about EWOV's role as an independent Ombudsman scheme. 	<p>We agree with all elements of this recommendation. Of note, EWOV is already scoping a new website and the relevant elements of this recommendation can be incorporated into this work.</p>



Recommendation 1	EWOV's response
<p>EWOV should:</p> <ul style="list-style-type: none">a) provide on its website a graphical flowchart of its complaint handling process including the different complaint pathways, key timeframes and a summary of key considerations at each stage of the complaint process.b) work with other members of ANZEWON to develop and publish a consistent dispute process flowchart to enable better comparisons of process steps and timeframes across all energy and water Ombudsman schemes.	<p>We agree with this recommendation. Improved communication of EWOV's complaint process will enhance the accessibility of EWOV's service.</p> <p>We recognise the benefit of consistency across energy and water schemes and support the Ombudsman to pursuing this.</p>
Recommendation 11	EWOV's response
<p>EWOV should</p> <ul style="list-style-type: none">a) define and publish a desired 'customer experience model'- what customers would want, need and expect to experience at each stage of the complaint process, andb) align aspects of its quality assurance framework, staff performance reviews and training, customer surveys and continuous improvement projects with the new customer experience model.	<p>We agree with this recommendation. It will provide greater clarity and support improved decision-making, planning and focus.</p>