

28th July 2023

Attention: The Manager,
Energy Demand and Efficiency Policy Branch
Department of Energy, Environment and Climate Action
PO Box 500 EAST MELBOURNE VIC 8002

By email: energy.upgrades@delwp.vic.gov.au

Consultation paper on banning telemarketing under the Victorian Energy Upgrades program

Thank you for the opportunity to respond to the Department of Energy, Environment and Climate Action's consultation on banning telemarketing under the Victorian Energy Upgrades program (VEU). We welcome the continued focus in addressing unsolicited sales and marketing of new energy technologies. Ensuring consumer trust in these technologies and the rollout of these new initiatives will be essential to the clean energy transition.

The Energy and Water Ombudsman Victoria (EWOV) provides free, independent redress to Victorian consumers by receiving and resolving energy and water complaints. We work to ensure fair and reasonable outcomes when energy and water problems arise.¹ We use our unique data insights about consumers' experiences of the Victorian energy and water markets to improve consumer and market outcomes, through our engagement with businesses, government, regulators and the wider community. Our work is guided by the principles in the Commonwealth Government's *Benchmarks for Industry-based Customer Dispute Resolution*.²

Though the VEU program and related government subsidies sit outside EWOV's jurisdiction, we receive a small number of complaints that highlight many of the issues raised in the consultation paper. Our data suggests there are instances where poor conduct of even a small number of providers may damage the reputation and social licence of the program. Other cases suggest clear and concerning misconduct arising from telemarketing and door-to-door sales.

EWOV supports the introduction of the ban on telemarketing and unsolicited sales and supports extending the ban to door-knocking to harmonise consumer protections across different providers of new energy technologies and programs in the market. The rollout of wholly government funded upgrades (e.g. shower heads or in-home energy monitoring devices) may have benefited from door-knocking. But our data suggests these door-knocking installations may also have been used as a means for lead generation, or even involved scam activities by a small number of providers. In the case of future government initiatives to roll out larger appliance subsidies or co-funded upgrades, there is clearer risk of pressure sales due to the higher dollar value of these initiatives - as has been the case in solar door-to-door sales,

¹ See Clause 5.1 of EWOV's Charter: <https://www.ewov.com.au/files/ewov-charter.pdf>

² See EWOV's website: <https://www.ewov.com.au/about/who-we-are/our-principles>

As more Victorians seek to improve the energy efficiency of their homes, through upgrading inefficient heating, cooling or cooking appliances, or switching from gas to electric appliances, ensuring that consumers have a clear pathway and free access to an experienced, independent complaints and dispute resolution body is increasingly important in the transitioning energy market. This will be an important consideration as further regulatory and legislative framework updates are considered.

EWOV's decades-long experience as the Victorian energy ombudsman scheme means EWOV can play an important role in ensuring consumers have trust and confidence in the evolving market, and that fair and reasonable outcomes are reached when problems arise.

Evidence of poor conduct from telemarketers

EWOV has received a number of complaints from consumers reporting they continue to receive persistent, unwanted marketing calls - despite appeals to be requests to be taken off any call list and joining the "Do not call" register. One complainant reported receiving approximately 50 calls from telemarketers engaging in unsolicited marketing of VEU appliances and upgrades. Other complaints imply they may have at one point expressed interest in the VEU program and provided their contact details to a VEU accredited company, but subsequently requested they be removed from call lists, and now receive numerous unsolicited marketing calls. Another complainant we are aware of reported being told there was nothing they could do to prevent further unwanted calls. Complainants report frustration at these calls with some characterising these calls as harassment.

EWOV's complaint data contains at least one example where VEU telemarketers call consumers outside of Victoria – EWOV received one complaint from New South Wales who received repeated unsolicited calls. It is unclear from the complaints how the complainants' details were obtained.

EWOV has received a number of complaints that may breach the VEU code of conduct from telemarketers – particularly relating to telemarketers failing providing details about their company, which may reflect lead generation activity. Other cases indicate telemarketers identifying themselves as calling from "Victorian Energy Saver" rather than an accredited provider under the scheme.

There may be a case to extend the definition of telemarketing to include contacts via text. EWOV has received a complaint where a provider contacted a consumer by text, offering to change over their hot water service under a government initiative with an incentive of a \$100 gift voucher. The consumer complained that they had signed up, but the company did not provide the voucher. Although one complaint, it may signal a system failure and potential for wider harm if this practice is misleading marketing indicative of lead generation.

Problems with door-knocking and possible lead generation

EWOV has received a number of complaints which indicate door-to-door sales people are engaging in poor practices with the potential to breach trust in the sector and confidence in government initiatives like this one. For example, EWOV received a complaint about a VEU rep engaging in door knocking despite clear "do not knock" stickers. In another case, a complainant reported a door-to-door rep tried to install an in-home monitoring device – but ultimately they left this in the letter box as it wasn't operational. The complainant was frustrated at what they felt was a waste of government money.

While the roll-out of in-home energy monitoring devices program may have benefited through doorknocking, EWOV's complaints data suggests doorknocking may be used for lead generation. A group of complaints indicate unwanted telemarketing calls have commenced only after installation of the device. This suggests consumer details collected at the point of installation may have been accessed or shared with another third party for lead generation, beyond their initial agreed use-case.

Other cases suggest door-to-door salespeople or reps are potentially engaging in harmful or concerning behaviour. EWOV received a complaint about VEU upgrades not delivered, where a provider approached the complainant via doorknocking, to arrange the installation of free adapters on exhaust pipes at the property. The complainant provided details and a time to attend, however subsequent documents provided indicated the works were already complete when no work was conducted. This suggests fraudulent activity.

These cases indicate potential breaches and potentially fraudulent activity – and suggest extending the ban on telemarketing should be extended to doorknocking.

Evidence of pressure tactics relating to install of in-home monitoring devices

Our complaints data indicates a range of issues with the rollout of certain in-home monitoring devices, including examples of providers installing these devices without the express consent of residents. One complainant, a tenant, reported two men turned up at her property one day and said they were sent to install an in-home monitoring device. The complaint was raised after the complainant called her retailer and landlord who informed the complainant they had not ordered the device. The complainant is particularly concerned about her privacy because her name, address, NMI and phone number have been collected.

Another complainant calling on behalf of their parents indicated a telemarketer not only ignored the request not to install an in-home monitoring devices, but arrived at the complainant's parents address uninvited to install the device the next day. It is unclear how the telemarketer obtained the home address. The complainant flagged their intention to follow up with the Australian Federal Police.

A third complainant called EWOV to ask who they could raise a scam complaint with. The complainant was contacted by a provider who advised they also had his name, email, and address, and would be attending his property to install a device on his smart meter. The complainant had not requested this device be installed, but the provider attended his property to install the device anyway. The complainant requested the installer provide identification, which looked "home-made". The complainant requested the device be removed from his smart meter.

In these three cases, consumer details were collected without their express consent. Providers also attended properties to install these devices without explicit consent. While these cases may be exceptions rather than more widespread, they indicate significant misconduct and may materially significantly undermine confidence in similar future government initiatives.

We hope this submission will assist the Department in the important task of considering how best to support trust and confidence in the transitioning energy market. If you would like to discuss any aspect of our submission, please do not hesitate to contact me, Bronwen Jennings (Assistant Ombudsman – Insights & Engagement) at bronwen.jennings@ewov.com.au or Ben Martin Hobbs (Policy Insights & Engagement Manager) at ben.martinhobbs@ewov.com.au.

Yours sincerely



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