

Telling customers about

External Dispute Resolution

Findings of the joint Energy & Water Ombudsman initiative to promote improvement in the promotion of dispute resolution.



Ombudsman overview

External dispute resolution (EDR) enables consumers access to free, fair and independent dispute resolution. It contributes to building consumer confidence and trust in the energy and water sectors.

The Energy and Water Ombudsman of New South Wales (EWON), Queensland (EWOQ), South Australia (EWOSA) and Victoria (EWOV) have jointly worked with our members for the past two years reinforcing their obligation to inform their customers of their right to access our services.

We are encouraged by actions of some members who meet or exceed their regulatory obligations and current energy/water sector best practice¹ with respect to their promotion of our services.

However, the majority of energy and water companies need to do more to not only meet regulatory and complaint handling standards, but to also build confidence and trust in their internal dispute resolution (IDR) processes through promotion of energy and water ombudsman services. Critically this needs to occur at the time their customers first raise complaints and also when complaints are resolved and finalised.

Call out for member action

This review identified that overall, Energy and Water Ombudsman (EWO) members are not adequately promoting their IDR processes and as part of that, promotion of EDR and awareness of EWO Schemes.

Consumers are faced with ongoing significant energy and water affordability challenges and increasingly complicated energy and water markets. At the same time energy and water companies state they want more customer engagement.

Therefore, promotion of IDR and access to EWO Schemes and EDR is more important than ever. Reflecting this environment, we encourage all members to be leaders in this space and proactively implement current energy and water sector best practice. As a minimum, members should:

- Provide detailed information about member IDR processes on their websites as a precursor to provision of detailed and accurate information about EDR, and the role and contact information for EWO Schemes.

- Inform customers about EWOs when customers are initially lodging complaints. This builds customer trust by reassuring them that the member will look to resolve the complaint directly with the customer.
- Directly inform customers of their right to contact an EWO Schemes when members are advising the customer of the complaint outcome.

This approach will improve consumer trust and confidence in internal dispute resolution processes and consumer complaint experiences overall.

¹ This report reference current energy/water sector best practice. This is based on what this review identified. Actual best practice for promoting IDR/EDR/EWO schemes would be for all energy and water companies to align practices with the Australian Standard and Australian Securities & Investments Commission Regulatory Guide 271 – Internal dispute resolution applicable to finance and insurance sectors. The EWO Schemes will work with energy regulators to adopt this standard.

About this report

EWON, EWOQ, EWOSA and EWOV have worked together to engage with members so that they effectively promote their IDR processes and equally, promote our services.

This involved:

- Creating and sharing relevant resources including:
 - **Joint Guidance** which provides details of minimum requirements and best practice standards that energy and water companies should adopt to promote EDR;²
 - **Best Practice Examples** which identify real examples of member websites that illustrate current industry best practice; and
 - **A Self-Assessment Scorecard** designed to aid members identify the areas they need to improve.³
- Hosting a webinar in which representatives from each EWO Scheme outlined relevant obligations across our jurisdictions.

- Engaging with stakeholders from other sectors such as the Australian Financial Complaints Authority to inform understanding of other sector EDR promotion best practice.
- Engaging with and seeking support from the Australian Energy Regulator (AER) and the Energy Charter.
- Directly engaging with members.

This project commenced in April 2022 and direct engagement with members commenced in December 2023. At this time the EWO Schemes reviewed the EDR practices of 28 members including:

- energy retailers who are members of all EWO schemes;
- energy networks (state-based); and
- water retailers/networks (state based).

The review assessed whether members were meeting minimum compliance requirements⁴ through to current energy/

water sector best practice in how they were promoting EWO Schemes and EDR on;

- websites;
- bills - given the introduction of the Better Billing Guideline from October 2023, which required EWON, EWOQ and EWOSA contact information to be included on page 1 from this time;
- disconnection/restriction warning notices; and
- in complaint policies and procedures.

We also invited members to share additional documentation and/or internal resources that demonstrated how they promoted IDR, EDR and EWO Schemes.

Improvement requirements were directed towards members with recommendations about how they should update their relevant processes, practices, policies and/or approaches.

Review outcome

The review identified that most members assessed met minimum standards – however to build consumer confidence and trust in their IDR and brand, and awareness of EWO Schemes, we identified opportunities for improvement.

In summary, these are:

- addressing errors ie incomplete and/or inaccurate information about the availability of EDR and/or EWO Schemes;
- accessibility of referral information ie often information about EDR and/or EWO Schemes is difficult to find; and/or
- referral information provision ie including relevant EDR and/or EWO Schemes information in key correspondence and resources, such as complaint resolution emails / letters, call centre scripts, complaint handling processes.

The three key issues were presented differently across members depending on the nature and form of members' communication and engagement with consumers.

Websites

The majority of member websites complied with minimum standard requirements⁵, but lacked key information including:

- not stating that EWO Schemes are free and independent;
- not having standalone complaint sections on their websites e.g. complaint information being contained only on 'contact us' or 'feedback' pages;
- not having complaints and dispute resolution policies on their website;
- complaints information being difficult to find ie not being included as a direct link on member website home pages;
- only including partial EWO Scheme information ie phone numbers but not websites or email information;
- no or poor search functionality ie search based on key words including

'complaint', 'dispute' or 'ombudsman' not generating EWO Scheme information; and

- lack of accessibility ie EWO Scheme information being in PDF documents linked to websites rather than on websites themselves.

Positively a few members have adopted approaches which could currently be considered as current energy/water sector best practice by having:

- IDR, EDR and EWO Scheme information prominently positioned; and
- EWO Scheme information including their role and the fact they are free, fair and independent.

Adopting this approach means that consumers can access relevant information simply and efficiently. Equally, it sends a message of trust and confidence in the member's service.

² The guidance aligns with relevant regulatory frameworks, standards and requirements e.g. the AS 10002:2022.

³ We note that these minimum requirements are based on jurisdictions other than Victoria.

⁴ Reflecting different obligations in Victoria, to avoid confusion, our assessment of compliance requirements was primarily focused on consistent requirements in the jurisdictions of New South Wales, Queensland and South Australia i.e. obligations in the *National Energy Retail Law*, the *National Energy Retail Rules*, the *Better Bills Guideline* etc...

⁵ 89% of the members EWOQ assessed and 78% of the members EWON assessed met minimum standard requirement.

Complaint policies and procedures

The review looked at how EWO Schemes were referenced in complaint policies and procedures and the accessibility of those policies and procedures. In the majority of cases, the review found that members were:

- missing relevant information ie that EWO Schemes are free and independent and how EWO Schemes can help consumers resolve complaints;
- including inaccurate information about when consumers can seek assistance from EWO Schemes ie that consumers can only seek ombudsman assistance after raising a complaint with a member;
- not including clear information about when members will refer consumers to the EWO Schemes; and
- providing inaccessible information ie having required information in PDF documents.

While information on websites and in policies and procedures is vital, it requires a consumer to go looking for it when they need. The more impactful promotion comes from generating active consumer awareness of EWOs, including direct referral, in times of need. This is when customers are lodging complaints and when their energy and water provider is finalising that complaint, whether they are satisfied or not with the outcome. For this, we assessed member promotion on disconnection/restriction notices, complaint communication and contact centre call and webchat scripts.

Bills

Review of inclusion of EWO information on bills was focused on the October 2023 requirement in the AER's *Better Bills Guideline (Version 2)* (the **Guideline**) for energy retailers to include a telephone number for the relevant Ombudsman as part of tier 1 information on the first page of a consumer's electricity bill. Our review identified only one member who was not meeting that requirement, and they addressed it in response to the issue being identified.

While the Guideline is not in effect in Victoria, we identified a very small number of retailers who proactively decided to include EWOV's contact details on the front page of bills as a good practice approach. We would encourage all retailers to take up that approach.

Disconnection/restriction notices

Review of inclusion of EWO scheme information on disconnection/restriction notices identified compliance by all members included in the review. Positively some members were including details of our role, how we can assist and that we are free and independent. One member included detailed information, website link and phone information – making EWOs easily accessible to customers via two channels. Many did not meet this standard. Others included EWO Scheme information in a way that was not prominent ie text was not bold or located in its own section of the disconnection notice.

Additional documentation and internal resources

The review invited members to share additional documentation and/or internal resources that further demonstrated how they promoted EDR and EWO Schemes. Nine of 28 members provided additional information.

While appreciated, most information did not meet current energy/water sector best practice::

- relevant documents did not include any EDR or EWO Scheme information ie distributor planned interruption notices;
- insufficient information about EDR or EWO Schemes ie not including any information about the role of the EWO Schemes; and
- inadequate information ie stating in a complaint resolution letter that consumers are entitled to contact the relevant ombudsman whose details are available on the member's websites rather than having the information in the letter.

Positively, one member shared induction training material that included detailed information about the relevant ombudsman including its roles and jurisdiction.

Review responses

Targeted recommendations were provided to all relevant members during the review. These focused on addressing minimum standard requirement issues and encouraged current energy/water sector best practice.

In response to recommendations, some members implemented all recommendations and others partially implemented recommendations or committed to doing so ie when websites were being updated.

A small number of members did not respond to our recommendations or chose not to adopt them.

Next steps

We will continue to engage with members and other stakeholders to drive improvements in member promotion of EDR and EWO Schemes. This will involve continuing to encourage all members to improve promotion of IDR and EDR/EWO Schemes.

In addition, during FY25 we will continue to work collaboratively on initiatives aligned with this work including:

- engaging with members where we identify through our complaints work that members are not appropriately promoting EWOs; and
- engaging with key stakeholders such as the AER and the ESC with the aim of adoption of ASIC Regulatory Guide 271 – Internal dispute resolution.