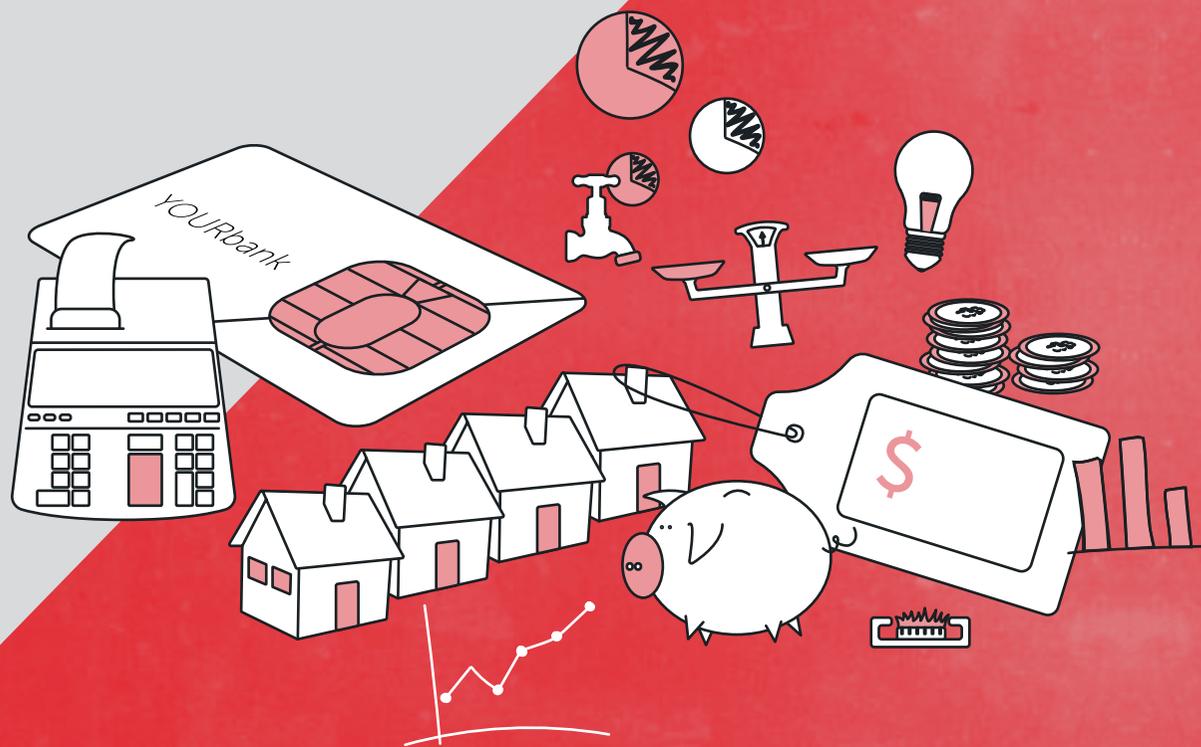




# ENERGY AND WATER OMBUDSMAN

Victoria **Listen Assist Resolve**

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QUARTERLY EWOV

# AFFORDABILITY REPORT

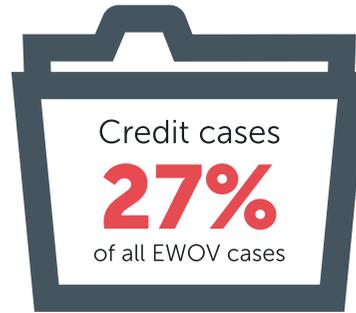


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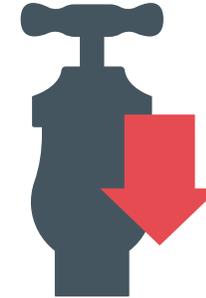
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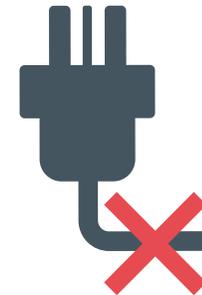
Credit cases as a proportion of EWOV's total work **dropped 3 percentage points** compared to the April to June 2016 quarter – the **lowest proportion in over five quarters.**



### WATER CREDIT CASES

compared to last quarter

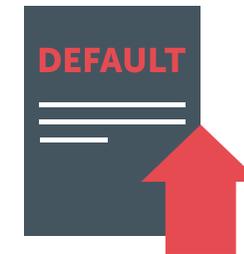
Credit cases **down 28%**  
(the lowest number in over five quarters)  
Restriction cases **down 42%**



### DISCONNECTON CASES

compared to last quarter

Gas **up 5%**  
Electricity **down 3%**



### CREDIT DEFAULT CASES:

compared to last quarter

**Up 5%**



# AFFORDABILITY: THE BIG PICTURE

Affordability issues, such as payment difficulties, debt collection and disconnection/restriction, mostly fall within EWOV's 'credit' category of cases.

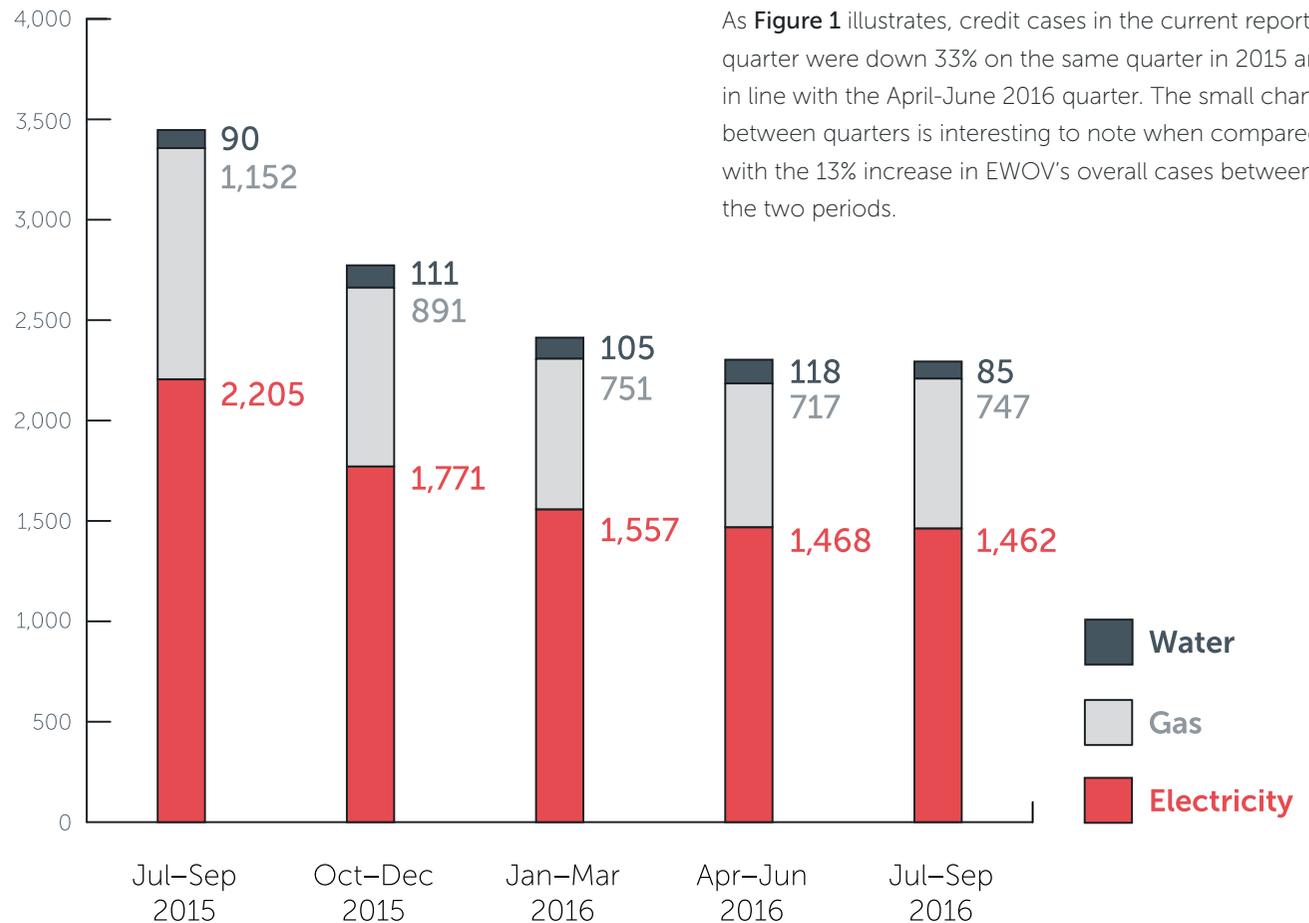
EWOV's credit cases were stable in the July-September 2016 quarter compared to the April-June 2016 quarter, recording a small decrease of seven cases. However, compared to the last quarter, a 28% decrease was seen in the volume of water credit cases received, while electricity only decreased by six cases and gas increased by 4% (30 cases).

## Revised outcomes reporting

In this report and in future *Affordability Reports*, EWOV has changed the way outcome types (e.g. referral to hardship program) are measured. We now compare the outcomes against the total number of Real Time Resolutions and Investigations resolved in a particular credit issue. This provides a more appropriate representation of the outcomes achieved when handling complaints via RTR and as Investigations.

We also now include more details about the outcomes from EWOV's Wrongful Disconnection Payment (WDP) assessments.

**FIGURE 1.**  
**Electricity, gas and water credit cases received by quarter, July–September 2015 to July–September 2016**



## Cases

In the July-September 2016 quarter, EWOV registered 2,309 credit cases. **Figure 1** shows trends in electricity, gas and water credit cases over the last five quarters.

As **Figure 1** illustrates, credit cases in the current reporting quarter were down 33% on the same quarter in 2015 and in line with the April-June 2016 quarter. The small change between quarters is interesting to note when compared with the 13% increase in EWOV's overall cases between the two periods.

**Note:** We also received **2 LPG** cases and **13 Dual Fuel** cases in this reporting period, which have not been included in this graph.



Over the last few years, EWOV has seen credit-related cases consistently make up about 30% of our total work. However, **Table 1** shows a three percentage point decrease to 27% was recorded this reporting period. This is encouraging and EWOV will continue to monitor this trend in future Affordability Reports.

### Case receipt

**Figure 2** shows how EWOV handled the 2,309 credit cases received this quarter<sup>1</sup>.

In the July-September 2016 quarter, the number of cases handled at each stage remained fairly consistent with the previous four quarters, however, there was a small decrease in Assisted Referrals (from 64% to 63%) and a small increase in RTRs (3% to 4%). 22% of cases required an Investigation, the same proportion as last quarter.

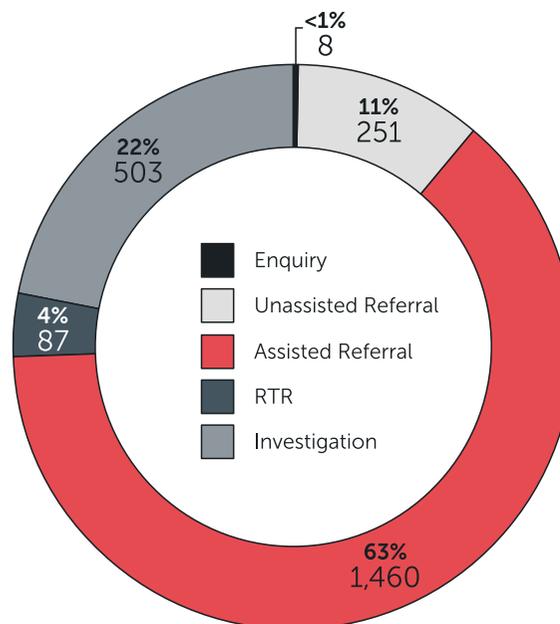
**TABLE 1.**

**Credit cases as a percentage of total EWOV cases, July–September 2015 to July–September 2016**

	JUL–SEP 2015	OCT–DEC 2015	JAN–MAR 2016	APR–JUN 16	JUL–SEP 2016
<b>Credit cases</b>	3,459	2,796	2,435	2,316	2,309
<b>Total cases</b>	11,275	9,246	8,162	7,697	8,698
<b>%</b>	31%	30%	30%	30%	27%

**FIGURE 2.**

**Case stage, credit cases received July–September 2016 quarter**



<sup>1</sup> Some cases move through different case stages before a resolution is reached.



## PAYMENT DIFFICULTIES

'Payment difficulties' is one of three credit sub-issues, and includes cases in which a customer contacts EWOV about account arrears, payment plans (either existing or requested) or difficulty paying current or previous bills<sup>2</sup>. Payment difficulties is often a secondary issue in EWOV imminent and actual disconnection/restriction cases, but we also receive cases that are mainly about payment difficulties with no disconnection activity involved.

During the July-September 2016 quarter, we received 448 payment difficulties cases, up 6% from 424 cases in the previous quarter. **Figure 3** shows the trends in payment difficulties cases over the last five quarters.

Compared with the April-June 2016 quarter, dual fuel payment difficulties cases this quarter increased the most (up 60%), from a small base of 5 cases, followed by water (up 15%), gas (up 9%) and electricity (up 2%). However, when comparing the latest quarter with the same quarter in 2015, payment difficulty cases are down by 31%.

As previously reported and as demonstrated in Figure 3, water payment difficulties cases had been increasing between July 2015 and March 2016. Encouragingly, there was a 23% drop in the April-June 2016 quarter but cases this quarter are 53% higher than the same period in 2015 (from a low base of 15 cases). However, as illustrated, energy-related payment difficulty cases make up 95% of EWOV's work in this area.

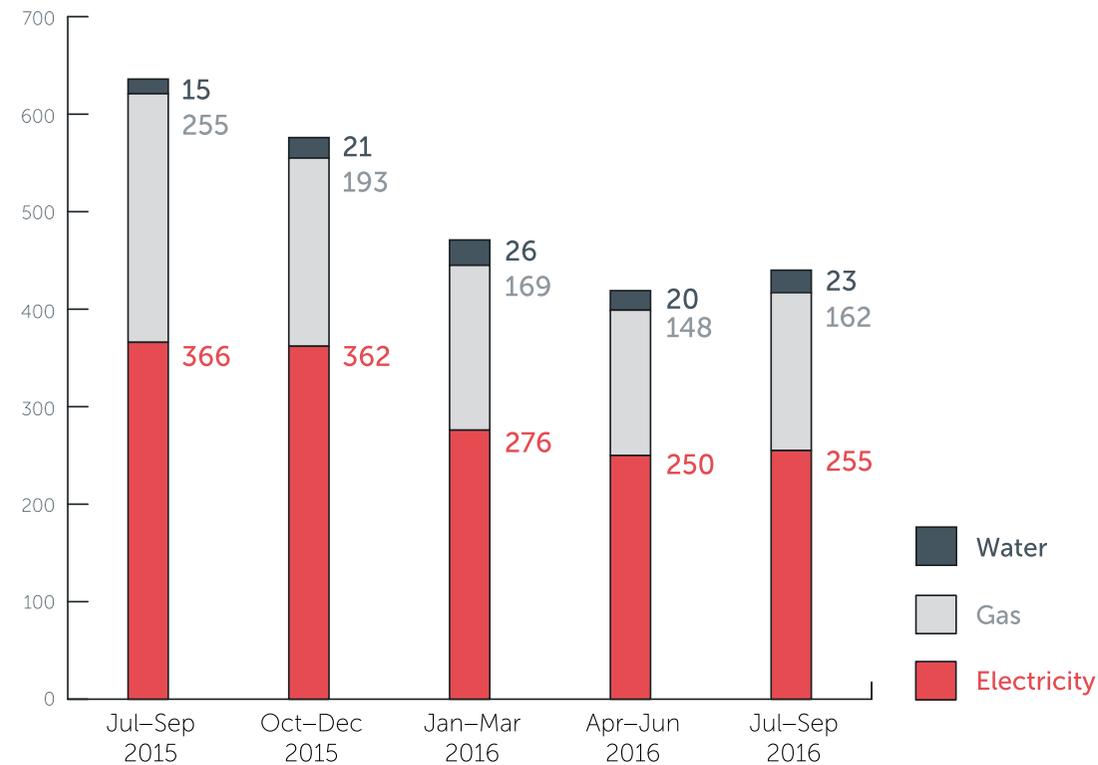
<sup>2</sup> Refer to the Glossary on page 22 for a list of payment difficulties sub-issues.

Over the five quarters from 1 July 2015 to 30 September 2016, gas payment difficulty cases had the most substantial drop, falling by 36% from 255 cases to 162 cases.

The most common issue raised in payment difficulty cases involved customers who needed a more affordable instalment payment plan. Most of these customers advised that they could not afford the payment plan requested or suggested by their company.

**FIGURE 3.**

**Electricity, gas and water payment difficulties cases received by quarter, July-September 2015 to July-September 2016**



**Note:** We also received 8 Dual Fuel cases in this reporting period, which have not been included in this graph.



It is important to note that most of EWOV's payment difficulties cases were handled as Unassisted Referrals or Assisted Referrals and were not investigated by EWOV. In the current reporting period, 370 cases (83%) were handled as Referrals.

This data suggests to us that these Referrals and companies' dispute resolution processes usually work well to resolve customer concerns about payment difficulties. However, there were still 78 cases that typically involved more complex payment difficulties, often with many thousands of dollars of debt, which required further involvement by EWOV through our RTR or Investigation processes.

**Figure 4** shows the breakdown of payment difficulties cases by sub-issues this quarter.

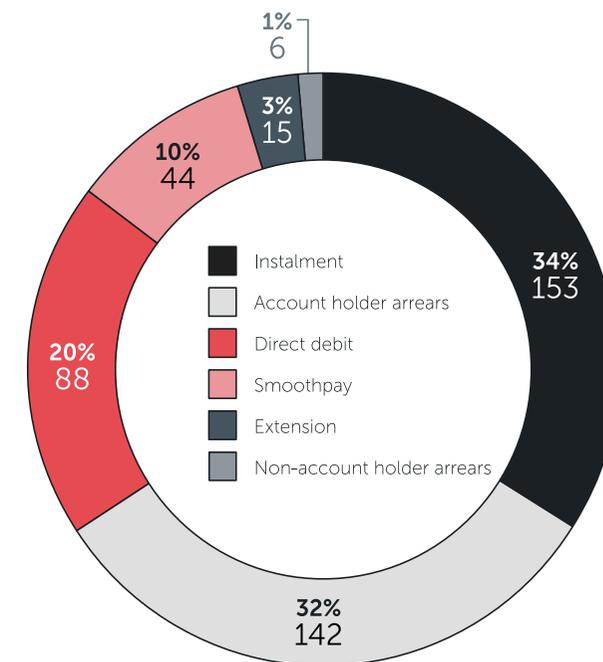
Payment plan instalment cases were again the number one sub-issue – making up 34% this quarter – after dropping to the second most raised sub-issue last quarter. Account holder arrears issues dropped from the first to the second biggest source of customer complaint within the payment difficulties Credit sub-issue. These accounted for 31% of all payment difficulties cases (down from 36% last quarter). Payment plan extension cases were up 36% but from a low base of 11 cases last quarter and direct debit cases went up 54% compared to last quarter with 56 cases.

These trends continue to indicate to EWOV that customers and companies are experiencing initial difficulty resolving payment problems, usually related to the large amounts of debt that are sometimes coupled with high usage. This can create challenges with reaching payment plan agreements that are affordable and sustainable for both customers and companies.

EWOV often sees complaints reach the Investigation stage in cases where customers have agreed to a payment plan that is not affordable – usually proposed by their company – and instances where customers have not been able to meet the payment plan terms. Sometimes these customers have had several failed payment plan arrangements. By this stage, customers generally have several accumulated bills contributing to the account balance.

**FIGURE 4.**

**Payment difficulties cases received by sub-issue, July–September 2016 quarter**





## Outcomes

During the July-September 2016 quarter, EWOV resolved 78 payment difficulties complaints – down 20% from 97 complaints last quarter – at RTR or Investigation.

### In the current reporting period:

- EWOV helped negotiate payment plans for 68% of customers
- 65% of all customers were referred to their company's hardship program for assistance – 12% had previously been excluded prior to contacting EWOV
- 29% received a customer service gesture
- 8% received either a partial or full debt waiver.

TABLE 2.

### Selected outcomes, closed payment difficulties complaints, July–September 2016

OUTCOME	NO.	%
Payment plan	53	68
Referral to hardship team	51	65
Customer service gesture	23	29
Payment extension	1	1
Billing adjustment	1	1
Fee waiver	1	1
Debt waiver (partial)	3	4
Debt waiver (full)	3	4



## Case study

***A customer in hardship with high energy consumption could not negotiate affordable payment plans for her electricity and gas accounts following the loss of employment – 2016/11776 and 2016/11778***

### The issue

Ms S had lost her job in 2014 and encountered problems with paying her bills, including her electricity and gas accounts. A short time later, Ms S contacted her energy retailer and arranged a \$50 per fortnight payment plan. Around this time, Ms S had boarders renting out a couple of rooms in the house she owned, which contributed to higher than usual energy usage. Ms S was unable to maintain the payment plan due to a sustained period of being unemployed. She found a new job which paid her on a monthly basis so she contacted her energy retailer again to arrange a new payment plan. However, the energy retailer would not allow her to pay her energy accounts by instalments and referred her to a financial counsellor. Ms S contacted a financial counsellor for assistance and then recontacted her retailer. The retailer offered her a payment plan of \$300 per month for the electricity account and \$200 per month for the gas account. She told her retailer that these amounts were not affordable. However, the retailer advised that three payment arrangements on its hardship program had failed.

Ms S was dissatisfied with her retailer's payment assistance so she contacted EWOV on 2 June 2016 and an Assisted Referral was raised. However, due to the nature of the complaints, the retailer requested that EWOV raise an Investigation.



### The Investigation

EWOV reviewed the contact notes, billing history, meter reads and an account reconciliation. We checked to ensure that relevant concessions and the Utility Relief Grant Scheme (URGS) payments had been applied to the electricity and gas accounts.

We also asked Ms S to participate in an energy audit and financial assessment to help Ms S better understand her household's energy usage and costs, and to see what payment plan arrangements with her retailer would be affordable and sustainable over the longer term.

While EWOV was investigating, Ms S made regular \$50 fortnightly payments towards both accounts.

### EWOV's financial assessment

EWOV's financial assessment found:

- Ms S was spending 67% of her income on mortgage repayments due to batch-up payments. We recommended that Ms S contact her bank or MoneyHelp to see if these repayments could be made more affordable.
- Ms S was likely eligible for URGS again as it had been more than two years since her last application.
- Ms S had a small budget surplus each month and no other debts besides the mortgage, so \$100 per month towards each account was affordable.

### EWOV's energy audit

The energy audit found that Ms S had made considerable efforts to reduce energy usage at her property, and the results were starting to show by way of lower energy bills. While we concluded that it may be difficult for Ms S to further reduce consumption, some small changes could be made, including:

- minimising the use of the 30-year old wall air conditioning unit that was in poor condition



- setting the gas heating thermostat to between 18-20 degrees Celsius
- turning appliances off completely when they are not in use. For example computers.

EWOV discussed the results of the assessments with Ms S and sent her a summary of the energy audit including the approximate running costs of each major electrical appliance to help her better understand how these impact her bills.

### **The outcome**

The retailer confirmed that the account balances were less than at the commencement of the Investigations as Ms S had made regular payments while EWOV investigated. The retailer agreed to the monthly payment plans suggested following EWOV's financial assessment. The three-month payment plans would be \$110 for the electricity and \$90 for the gas. At the end of the three-month period, Ms S will need to contact her retailer and ask for its hardship team to review the payment plan.

Based on the estimated electricity and gas usage and latest bills, Ms S' payment plan was covering her ongoing usage and also reducing the account balances. Ms S was satisfied with the outcome and the cases were closed.



## DISCONNECTION AND RESTRICTION

EWOV's 'disconnection/restriction' cases relate to electricity and gas disconnection or restriction of water supply for non-payment<sup>3</sup>. Disconnection/restriction cases are categorised as either 'imminent', where the company has warned of impending disconnection or restriction or, where the disconnection/restriction has occurred, as 'actual'.

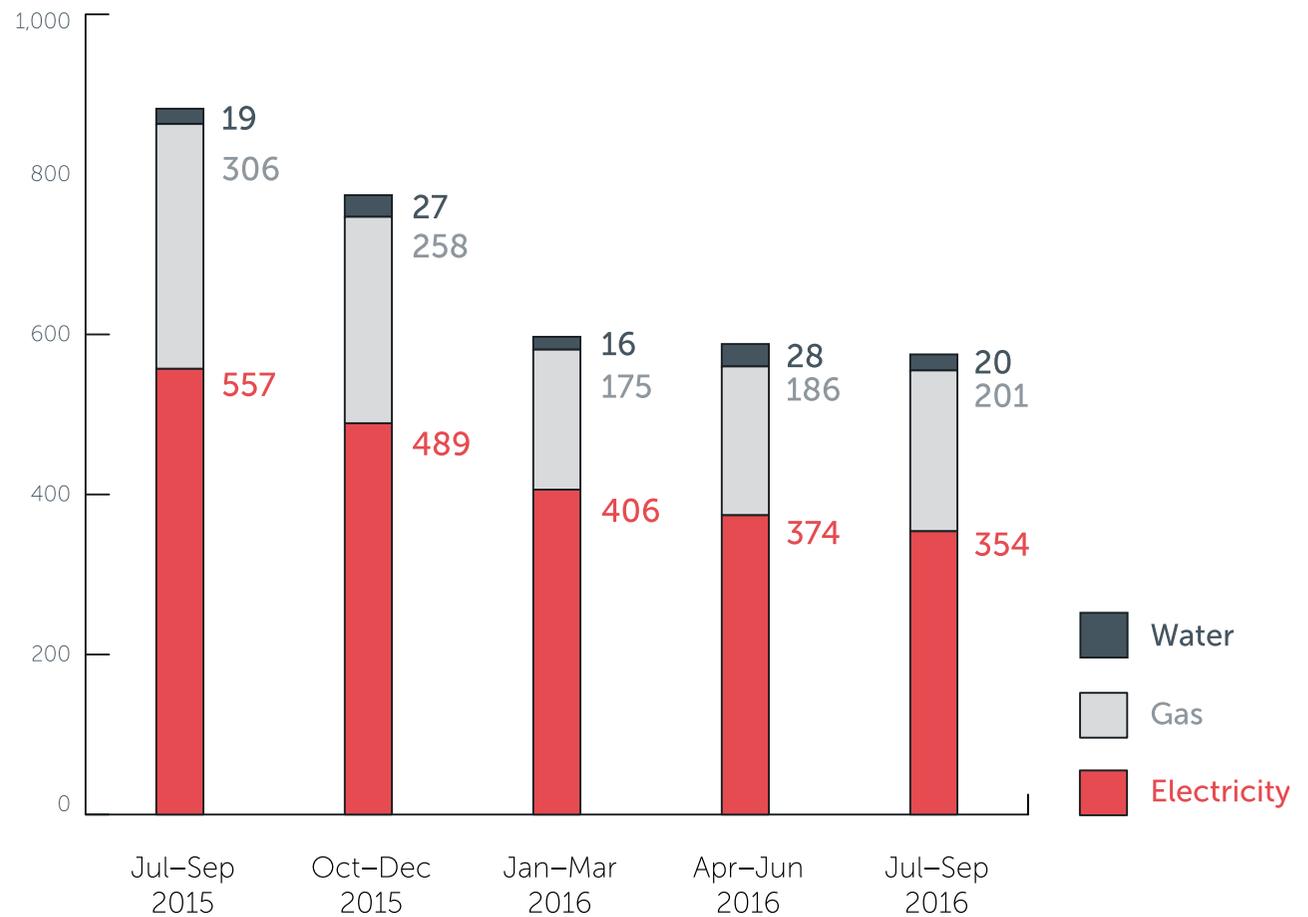
### Imminent disconnection/restriction

EWOV registered 576 imminent disconnection/restriction cases in the July-September 2016 quarter; this was a small decrease of 2% compared to the previous quarter and 35% less than the 882 cases we received in the same period in 2015. Electricity cases were down 5% compared to the April-June 2016 quarter, gas was up 8% and water decreased by 29%.

Figure 5 shows trends in electricity, gas and water imminent disconnection/restriction cases over five quarters.

FIGURE 5.

Electricity, gas and water imminent disconnection/restriction cases received by quarter, July-September 2015 to July-September 2016



**Note:** We also received 1 LPG case in this reporting period, which has not been included in this graph.

<sup>3</sup> The equivalent process for LPG is the stopping of deliveries. These cases are received in low volumes and are listed below each graph.

### Actual disconnection/restriction

During the July-September 2016 quarter, EWOV registered 277 actual disconnection/restriction cases, down 3% on the last quarter and 53% less than the same period in 2015. Actual electricity disconnection cases made up 60% of all cases received for this sub-issue while gas actual disconnections made up 38%. This tells us that a slightly higher proportion of gas customers have their supply disconnected than those who are threatened with disconnection.

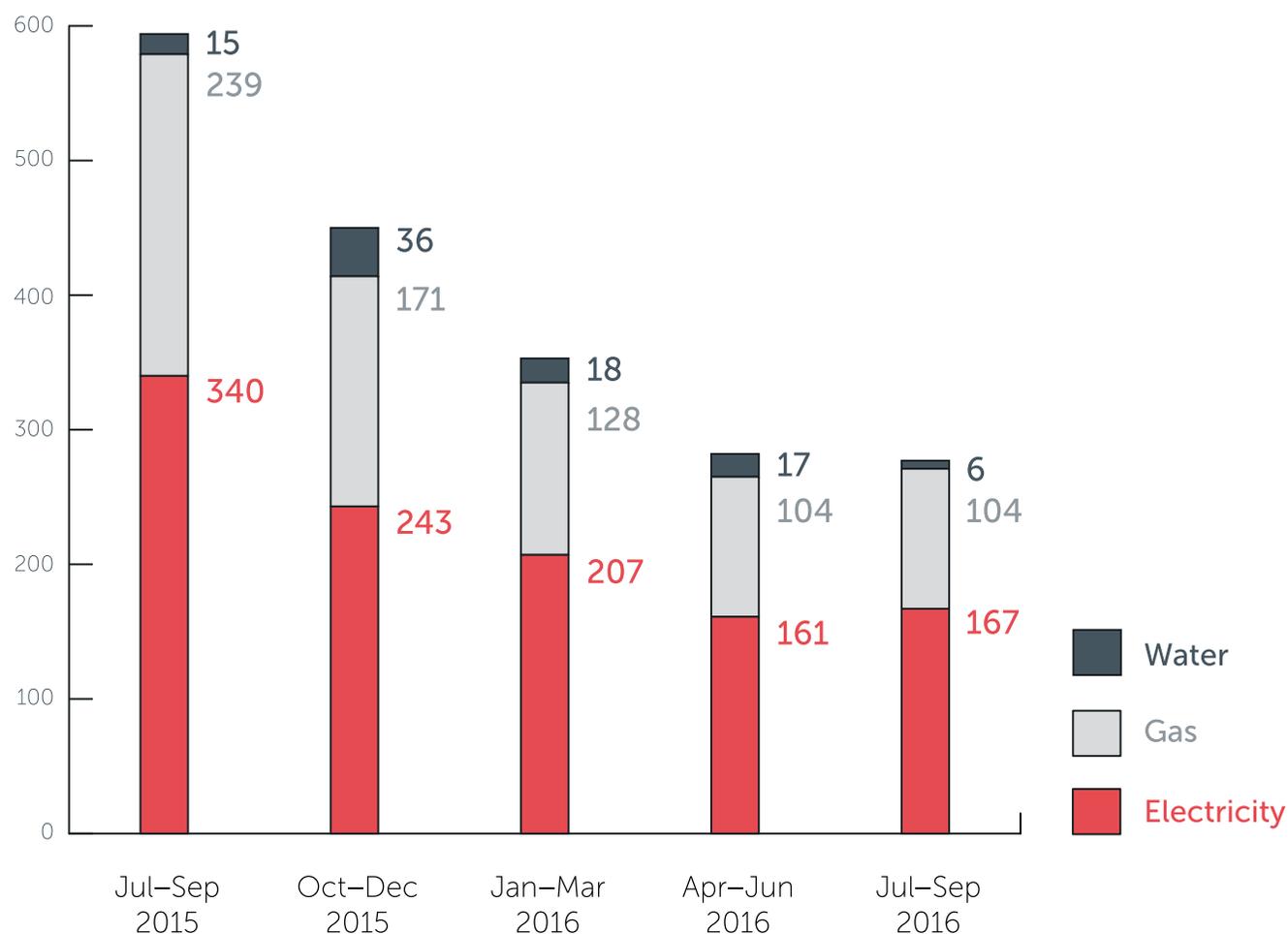
Figure 6 shows trends in actual disconnection/restriction cases between the July-September 2015 to July-September 2016 quarters.

### Water restrictions

Following previous decreases in actual water restriction cases, encouragingly, EWOV has continued to see a decline with this category. This quarter, water restriction cases only made up 2% of all disconnection/restriction cases and decreased by 65% compared to the April-June 2016 quarter and are down 60% on the same quarter in 2015.

FIGURE 6.

Electricity, gas and water actual disconnection/restriction cases by quarter, July–September 2015 to July–September 2016



Note: We did not receive any LPG cases in this reporting period.

## Outcomes

During the July-September 2016 quarter, we closed 321 actual and imminent disconnection/restriction complaints at RTR or Investigation, an increase of 13% on the previous quarter. We also completed 371 Wrongful Disconnection Payment (WDP) assessments<sup>4</sup>.

### Wrongful Disconnection Payment

In actual disconnection cases, EWOV has a role assessing whether a WDP is payable. The WDP was introduced by the Victorian Government in 2004, with the aim of reducing wrongful energy disconnections. Where a retailer is found to have disconnected a customer's supply without complying with the terms and conditions of their contract, the retailer must make a payment to the customer of \$500 per day (or part thereof), capped at \$3,500 if the customer does not contact the retailer within 14 days of the disconnection occurring<sup>5</sup>.

Figure 7 shows the outcomes of the 371 WDP assessments we completed in the July-September 2016 quarter.

<sup>4</sup> These figures differ because WDP assessments are only conducted for actual energy disconnection cases, and because WDP assessments are conducted separately from the investigation of the associated complaint, and may be completed either before or after the Investigation itself is closed.

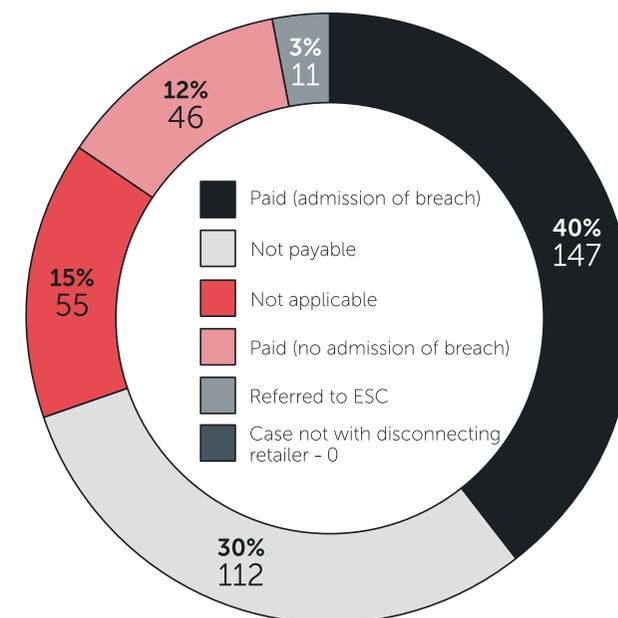
<sup>5</sup> Pursuant to the *Energy Legislation Amendment (Consumer Protection) Act 2015*, for energy disconnections from 1 January 2016, the WDP amount is \$500 a day (or part thereof) and capped at \$3,500 if the customer doesn't make contact with the retailer within 14 days. For disconnections that occurred prior to 1 January 2016, the WDP amount is \$250 a day (or part thereof), capped at \$3,500 if the customer doesn't make contact with the retailer within 14 days. See [http://www.austlii.edu.au/au/legis/vic/num\\_act/elapa201549o2015552/](http://www.austlii.edu.au/au/legis/vic/num_act/elapa201549o2015552/)

A payment was made to a customer in 52% (193 cases) of EWOV's WDP assessments, up four percentage points compared to the last quarter. In 40% of WDP assessments, the energy retailer accepted EWOV's assessment that a regulatory breach had occurred and a WDP was payable – up two percentage points from the April-June 2016 quarter. In a further 12% of cases, the retailer agreed to make a payment equivalent to the WDP without admitting any regulatory breach. This was up one percentage point compared with the previous quarter.

For most of the remaining WDP assessments, a WDP was either not payable because the retailer had complied with the requirements of the *Energy Retail Code* (30%, up five percentage points on last quarter), or because WDP was not applicable (15%, down five percentage points on last quarter). In this reporting period, 11 WDP cases were referred to the Essential Services Commission for a decision.

FIGURE 7.

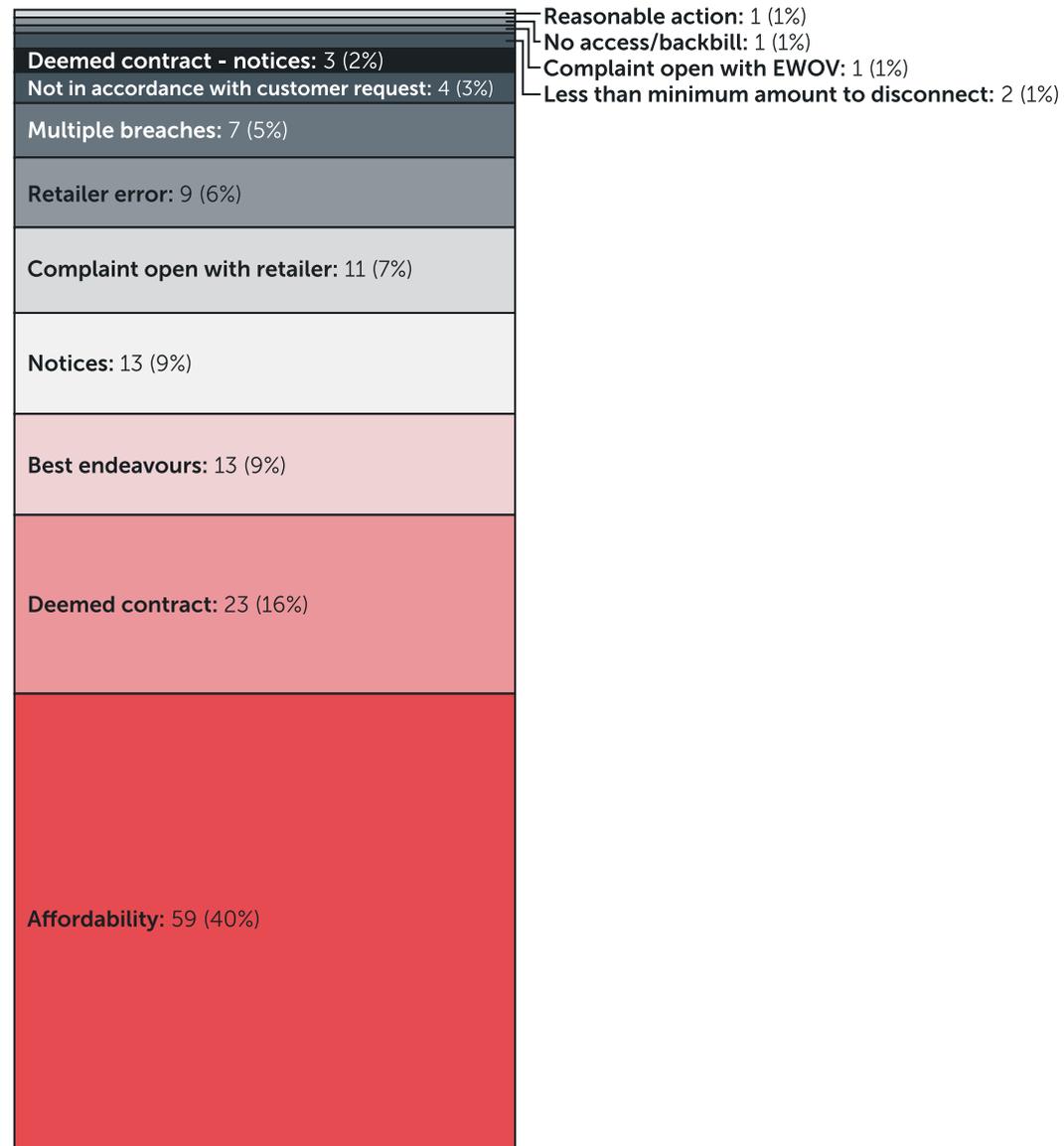
Wrongful Disconnection Payment assessment outcomes, July-September 2016 quarter



**FIGURE 8.**

The number of WDP compliance breaches and the percentage of total payable WDPs in the July–September 2016 quarter

Figure 8 shows the regulatory breaches that resulted in WDPs being paid to customers.





### Other payments and waivers

**Table 3** shows other payments and waivers offered as part of the resolution in the 321 disconnection/restriction RTR and Investigation cases closed during the July–September 2016 quarter. These are separate (and potentially in addition) to any WDPs that were paid to customers. As reported, a WDP was paid in 52% of Investigations this quarter.

In 26% of closed RTR and Investigation cases, a retailer made a payment to its customer to recognise a customer service issue, up five percentage points on last quarter. This was the most common payment outcome. One or more fees were waived in 9% of cases, billing was adjusted in 12% of cases – and in 7% of cases, customers’ debt was either fully or partially waived.

**TABLE 3.**  
Payments and waivers, closed disconnection/  
restriction complaints, July–September 2016 quarter

OUTCOME	NO.	%
Customer service gesture	85	26
Guaranteed Service Level payment	3	1
Billing adjustment	39	12
Fee waiver	30	9
Debt waiver (partial)	10	3
Debt waiver (full)	12	4

### Payment plans and extensions

**Table 4** shows payment plan and extension outcomes for the 321 actual disconnection/restriction RTR and Investigation cases resolved during the July–September 2016 quarter.

In the current quarter, a payment plan or extension was agreed in 60% of closed RTR and Investigation cases, down by two percentage points compared to the April–June 2016 quarter. A payment plan covering both arrears and ongoing consumption was the most common outcome (21%) and in many cases EWOV helped the customer and their company to negotiate a payment plan that covered consumption only (17%) or just the account arrears (11%). 4% of customers had a stepped payment plan established as part of the resolution of their complaint.

**TABLE 4.**  
Payment plans and extensions, closed disconnection/  
restriction complaints, July–September 2016 quarter

OUTCOME	NO.	%
Payment plan for arrears and consumption	69	21
Payment extension for arrears	23	7
Payment plan for consumption only	54	17
Payment plan for arrears only	34	11
Stepped payment plan	14	4
None/not applicable	120	37

The range of payment plans demonstrates the flexibility of outcomes that can be achieved during RTR or Investigation by EWOV, as each case is treated on its own merits. Each customer has different circumstances to consider, and customers have varying levels of capacity to pay.



### Hardship program participation

As part of the outcome, many customers were placed onto their company's hardship program (sometimes after they were previously excluded). This occurred in 36% of cases involving disconnection/restriction which were resolved at RTR and Investigation, down eight percentage points compared to the previous quarter.

At the time of contacting EWOV, 6% of customers were already in their company's hardship program, which was an increase of two percentage points on last quarter. Although 6% represents only 18 cases where customers were on the company's hardship program, it is a concern that they were threatened with, or had their supply disconnected or restricted. Only 2% of customers had been excluded from their company's hardship program – the same result as last quarter.



## Case study

***A customer in hardship had her gas disconnected after she did not receive the disconnection warning notice due to being in hospital – 2016/20363 and WDP/2016/858***

### The issue

Ms M had been having payment difficulties while experiencing health issues that resulted in her being hospitalised. After not being able to pay her gas account, Ms M's retailer disconnected the gas supply. Ms M made an appointment with a financial counsellor for assistance with her bills and the disconnection. Ms M and her financial counsellor contacted the retailer on three occasions to try and get the gas supply reconnected, a payment plan established and to have an application for the Utility Relief Grant Scheme (URGS) sent to her. However, the retailer did not offer assistance that Ms M or her financial counsellor were satisfied with in light of her special circumstances. Ms M contacted EWOV on 15 September 2016 and we bypassed the Assisted Referral process for an Investigation because of the actual disconnection of gas supply.

### The Investigation

EWOV asked the retailer to reconnect the gas supply in line with our case handling processes. We also reviewed the contact notes, billing history, meter reads and conducted an account reconciliation. We checked to ensure that relevant concessions and the Utility Relief Grant Scheme (URGS) payments had been applied to the electricity and gas accounts. This found that Ms M had not had URGS since March 2014 and therefore was potentially eligible again for this Victorian Government grant.



### The Outcome

The retailer confirmed that Ms M's combined electricity and gas account balance was \$1,632.47 in debt. It offered a payment plan of \$50 per fortnight for three months, after which time a review would be completed of Ms M's ongoing usage and payments. The retailer arranged for its hardship team to contact Ms M within five business days to issue the URGS application forms and to explain what other assistance was available on its hardship program.

### Wrongful Disconnection Payment Outcome

EWOV also completed a review of the circumstances leading up to the disconnection of Ms M's gas. Our review found that the retailer did not offer all of the assistance required by the Energy Retail Code for customers experiencing financial hardship. Specifically, the retailer did not offer Ms M a payment plan in the 12 months prior to disconnection. This resulted in a WDP payment being applied to Ms M's account (\$500 per day or pro-rata for part thereof). This payment was capped at \$3,500 as Ms M did not contact the retailer within 14 days of the disconnection occurring. After application of \$3,500 WDP, the current account balance was \$1,867.53 in credit.



## DEBT COLLECTION AND CREDIT DEFAULT LISTINGS

EWOV's 'collection' sub-issue category includes cases about debt collection agency activity and credit default listings related to account arrears. In the July-September 2016 quarter, EWOV received 1,008 cases, down 1% from 1,019 recorded in the previous quarter.

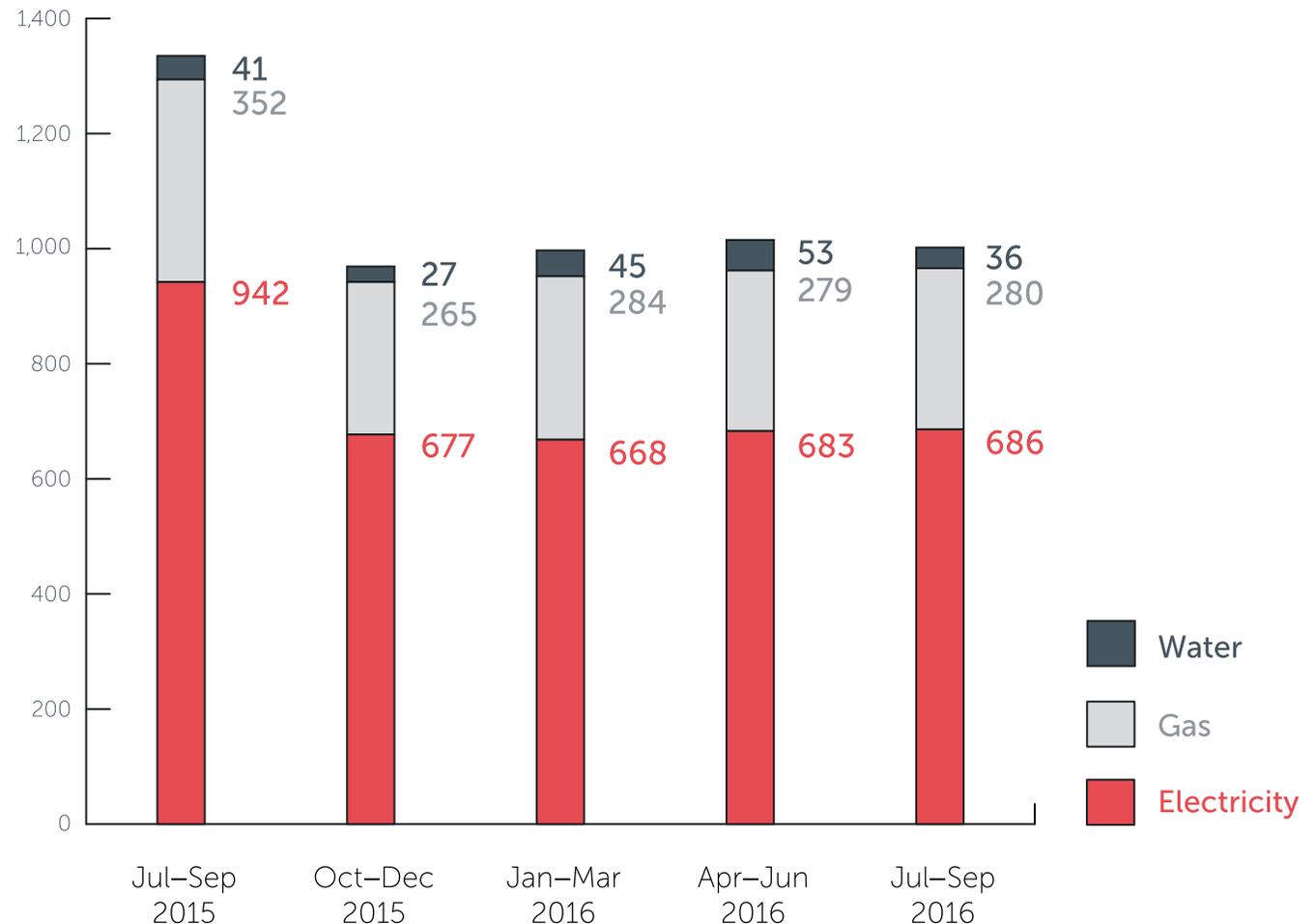
### New credit collection sub-issue

In July 2016, EWOV added a new credit collection issue category: retailer debt collection. This helps differentiate between third-party debt collection cases and companies' internal debt collection cases.

Figure 9 shows trends in collection cases over the last five quarters. As illustrated, EWOV collection cases have been stable for the last four quarters. Encouragingly, the number of cases received this quarter is 25% less than in the same quarter in 2015 when we received 1,338 cases.

FIGURE 9.

Electricity, gas and water collection cases received by quarter, July–September 2015 to July–September 2016

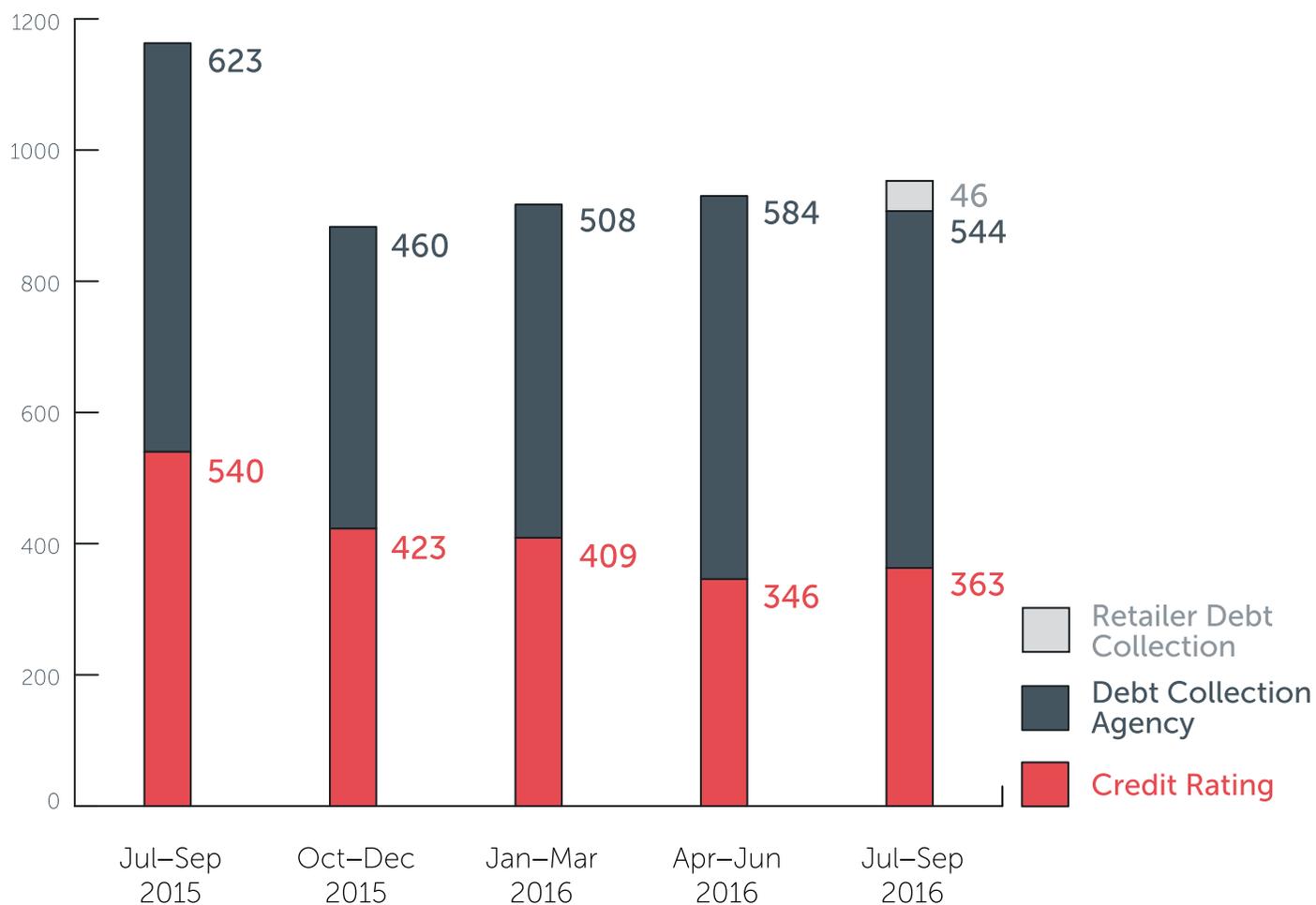


Note: We also received 5 Dual Fuel cases in this reporting period, which have not been included in this graph.

Most collection cases concern credit default listings, debt collection agency activity or retailer debt collection activity. EWOV also has an 'other' sub-issue category to capture any collection cases that do not fall into the more specific sub-issue categories. **Figure 10** shows trends for these three sub-issues between 1 July 2015 and 30 September 2016. We also received 55 collection cases that had the sub-issue 'Other'.

**FIGURE 10.**

**Debt collection and credit rating cases received by quarter, July–September 2015 to July–September 2016**





## Outcomes

During the July-September 2016 quarter, we closed 204 collection complaints at RTR or Investigation – 10 fewer cases than last quarter. **Table 5** shows some of the outcomes agreed as part of the resolution of these complaints.

**TABLE 5.**  
**Selected outcomes, closed collection complaints,**  
**July–September 2016 quarter**

OUTCOME	NO.	%
Written confirmation that credit rating not affected	97	48
Removal of default listing	61	63
Customer service gesture	36	18
Debt waiver (full)	48	24
Debt waiver (partial)	6	3
Payment plan	21	10
Payment extension	20	10
Referral to hardship program	7	3

Of the 204 credit collection cases, 97 involved customers' credit ratings being affected. Of these 97 defaults, 63% were removed as part of the resolution of the complaint. In most instances, the default is removed because EWOV's Investigation found that the default was incorrectly listed. However, in some circumstances where it is less clear if the correct process was followed prior to listing the default, the company may offer to remove it to help facilitate the resolution of the complaint. EWOV has observed for a sustained period a fairly consistent volume of credit defaults being incorrectly listed by companies, which is a concern for EWOV due to the potentially large detrimental impact that it has on customers. An incorrect listing on customers' credit files can wrongly prevent them from accessing finance and can even affect a customer's ability to change energy retailer or enter a new phone contract.

Customers who complain to EWOV about incorrect default listings are often seeking written confirmation that their credit rating has not been wrongly affected by an overdue bill or debt. This written confirmation was provided in 48% of cases.

A payment to recognise customer service issues was applicable in 18% of cases, the same result as the previous quarter. In 24% of cases, the customer's debt was waived in full (up from 17% last quarter) and 3% of customers had their debt partially waived – the same result as last quarter.



## Case study

### *Electricity and gas credit defaults listed on customer's credit file following extenuating circumstances – 2016/10271 and 2016/10287*

#### The issue

Ms D was dissatisfied with her electricity and gas retailer about two payment defaults that were placed on her credit file for a property she lived in during 2012. She only discovered the defaults existed in 2016 after applying for a loan which was rejected by her bank due to the defaults. Ms D obtained a copy of her credit file report and contacted the energy retailer about the defaults to advise that she had paid the amounts in full in 2012. However, the retailer's records showed that the amounts were paid after the defaults were listed. Ms D did not recall receiving any notifications or warnings about the imminent default listings. However, at the time, her husband was experiencing a serious illness and she had a personal assistant who was meant to be managing their accounts and making payments. As soon as Ms D became aware of the overdue electricity and gas accounts, she paid the balances in full. Ms D's attempt to resolve the matter directly with the retailer did not work as it maintained that the defaults had been listed correctly in line with the relevant laws and codes.

Dissatisfied with the retailer's response and that it did not take her special circumstances into account, Ms D contacted EWOV on 14 May 2016 and an Assisted Referral was raised. However, Ms D was not satisfied with the information provided by the retailer so she recontacted EWOV on 6 June 2016 and an Investigation was raised.

#### The Investigation

EWOV reviewed the contact notes, billing history, bills and collection notices issued, meter reads and an account reconciliation. We also checked the national electricity database to make sure that the retailer held the billing rights for the period the defaulted debt related to.



#### The outcome

The retailer agreed to remove both the electricity and gas default listings, even though it believed they were listed correctly, due to Ms D's extenuating circumstances and because she had paid the balances in full as soon as she became aware of them. Ms D was satisfied with the outcomes and the cases were closed.



## CONTEXT

### Reporting is based on primary issue

Each case that EWOV receives is categorised with a primary issue which falls in one of the nine issue categories.<sup>6</sup> Where the case involves multiple issues – for example, an imminent disconnection and a billing error – we will also record a secondary (and sometimes tertiary) issue.

Figures in this report are based on primary issue, except where otherwise specified. In other words, this report focuses on cases in which credit is the most important issue. The total number of cases with a credit component will be higher than the number given in this report. Most notably, cases that are primarily about billing issues also have a secondary credit component are not included in this report. Imminent and actual disconnection cases are the exception to this pattern – because of the gravity of disconnection, it is always identified as the primary issue.

### Dual fuel cases are excluded from some charts

Because we receive very few dual fuel cases, they have been excluded from those charts in the report which show electricity, gas and water cases. Dual fuel cases are, however, included in case totals.

### 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, not all customers who have their energy or water disconnected/restricted will report this to EWOV. This means that both the total number of disconnections/restrictions will be higher than EWOV case numbers, and that EWOV disconnection/restriction cases may not be representative of all disconnections/restrictions in terms of causes, customer circumstances and so on.

### 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 23). EWOV does not investigate Referred Complaints and is limited to hearing only the customer's "side of the story".

Another consequence of the Referred Complaints process is that generally, EWOV does not know what resolution was agreed between the company and the customer. Therefore, all discussion of outcomes in this report relates only to complaints resolved at Real Time Resolution or Investigation.

### Customers sometimes recontact EWOV

Customers sometimes recontact 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 is having difficulty paying both their electricity and gas accounts, EWOV will register a case for each fuel type.

### Customers may have complaints relating 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 Credit>Payment Difficulties and Billing>High. While some issues can be interlinked, other issues may need to be investigated separately. EWOV also registers cases by fuel (electricity, gas, LPG or water) and case type (enquiry, Assisted Referral and so on). Customers may have complaints relating to more than one issue, fuel or company.

<sup>6</sup> These are: billing, credit, customer service, general enquiry, land, marketing, provision, supply and transfer.



## 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.

### Payment difficulties

Payment difficulties cases include the following sub-issues:

- Arrears>Account Holder
- Arrears>Non Account Holder
- Payment Plan>Direct Debit
- Payment Plan>Extension
- Payment Plan>Instalment
- Payment Plan>Lump Sum
- Payment Plan>Smooth Pay.

### Disconnection/Restriction

Disconnection/restriction cases include the following sub-issues:

- Arrears>Actual
- Arrears>Imminent.

EWOV also has equivalent sub-issues for LPG customers:

- Deliveries Stopped>Arrears>Actual
- Deliveries Stopped>Arrears>Imminent.

In this report, LPG deliveries stopped cases are included in disconnection/restriction figures.

### Collection

Collection cases include the following sub-issues:

- Collection>Credit Rating
- Collection>Debt Collection Agency
- Collection>Other
- Collection>Refundable Advance.