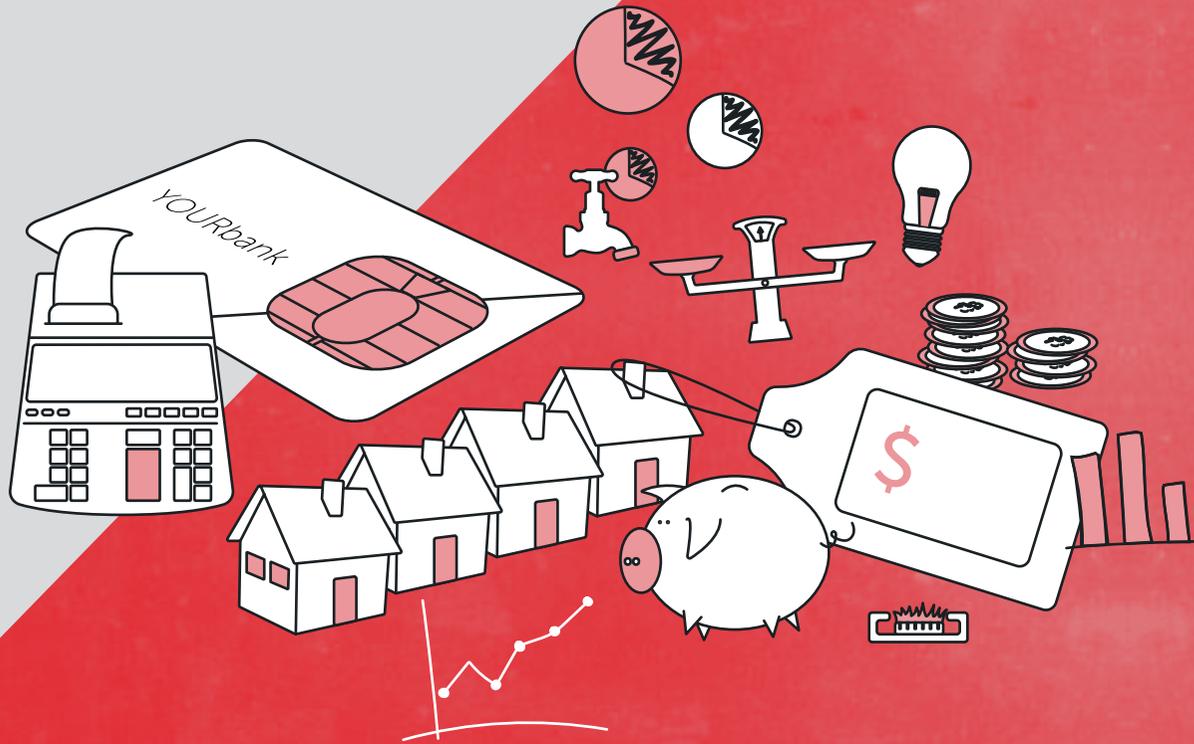




ENERGY AND WATER  
OMBUDSMAN

Victoria **Listen Assist Resolve**



QUARTERLY EWOV

# AFFORDABILITY REPORT

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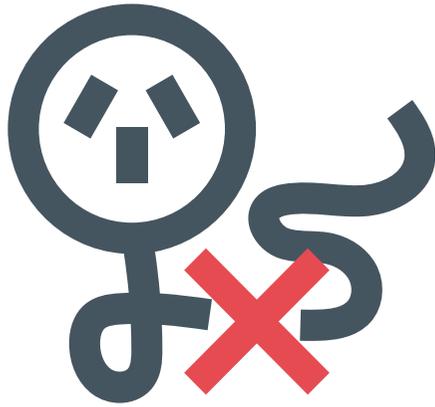
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# CREDIT CASES OVERALL



**↑24%**

## ACTUAL ENERGY DISCONNECTION AND WATER RESTRICTION CASES

up 24% compared to last quarter, driven primarily by a 44% increase in electricity disconnection complaints.



compared to last quarter, but 12% lower than the same time in 2016.



**60%**

## WRONGFUL DISCONNECTION PAYMENTS (WDP)

WDPs were paid to 60% of customers who had an assessment of their energy disconnection finalised, up 9 percentage points compared to last quarter.

## 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 up 5% in the January-March-2017 quarter compared to the October-December 2016 quarter. This increase was largely attributed to increases in both imminent and actual energy disconnection and water restriction cases.

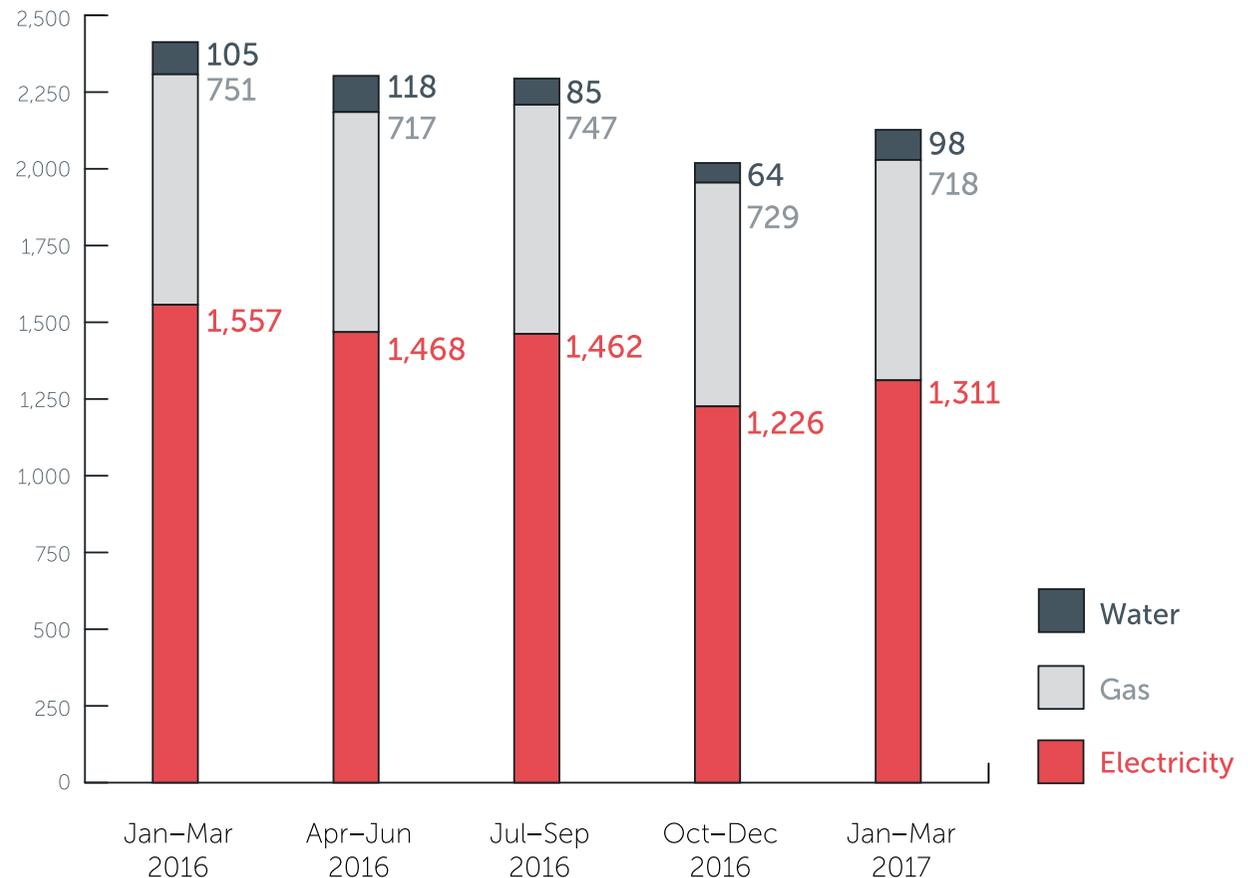
### Cases

In the January-March 2017 quarter, EWOV registered 2,137 credit cases. Figure 1 shows trends in electricity, gas and water credit cases over the last five quarters.

As **Figure 1** shows, credit cases in the current reporting quarter were down 12% on the same quarter in 2016 and up slightly from the October-December 2016 quarter. The largest increase in raw numbers was seen in electricity cases which were up 7% from 1,226 last quarter to 1,311 this quarter. We explore the drivers behind this increase further in this report.

**FIGURE 1.**

**Electricity, gas and water credit cases received by quarter, January–March 2016 to January–March 2017**



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

Over the last few years, EWOV credit-related cases have regularly recorded about 30% of our total work. The October-December 2016 quarter bucked this trend with credit cases making up 24% of our total work. However, this quarter we have seen credit cases increase by two percentage points to 26%, as a proportion of our total work.

### Case receipt

Figure 2 shows how EWOV handled the 2,137 credit cases received this quarter<sup>1</sup>.

In the January-March 2017 quarter, the volume of cases handled at each stage changed slightly compared with the previous four quarters. There was a 12% increase in Investigations compared with last quarter, which could be due to the suspension of the RTR process from 7 January 2017. It could also demonstrate EWOV is receiving more complex payment difficulties complaints. Assisted Referrals also increased 6% to 1,348 cases this reporting period from 1,278 cases in the previous quarter, again due to the.

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

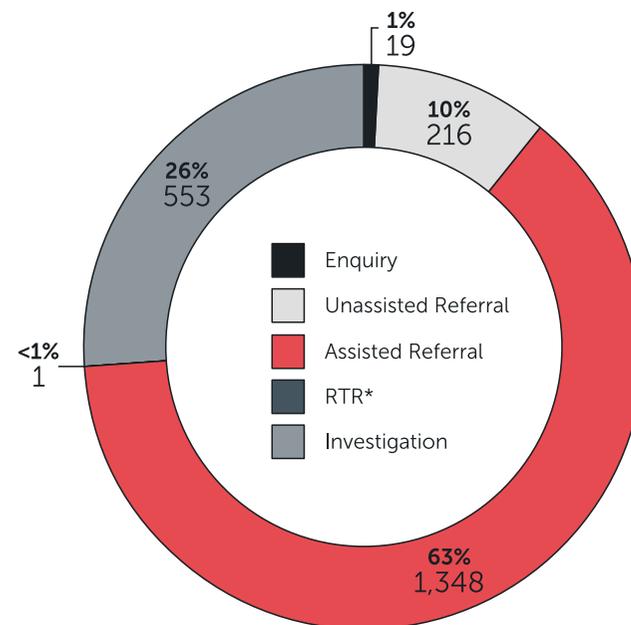
TABLE 1.

Credit cases as a percentage of total EWOV cases, January–March 2016 to January–March 2017

	JAN–MAR 2016	APR–JUN 16	JUL–SEP 2016	OCT–DEC 2016	JAN–MAR 2017
<b>Credit cases</b>	2,435	2,316	2,309	2,031	2,137
<b>Total cases</b>	8,162	7,697	8,698	8,392	8,072
<b>%</b>	30%	30%	27%	24%	26%

FIGURE 2.

Case stage, credit cases received January–March 2017 quarter



\*RTR was put on hold from 9 January 2017. This has resulted in a large drop in RTR cases.

## 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.

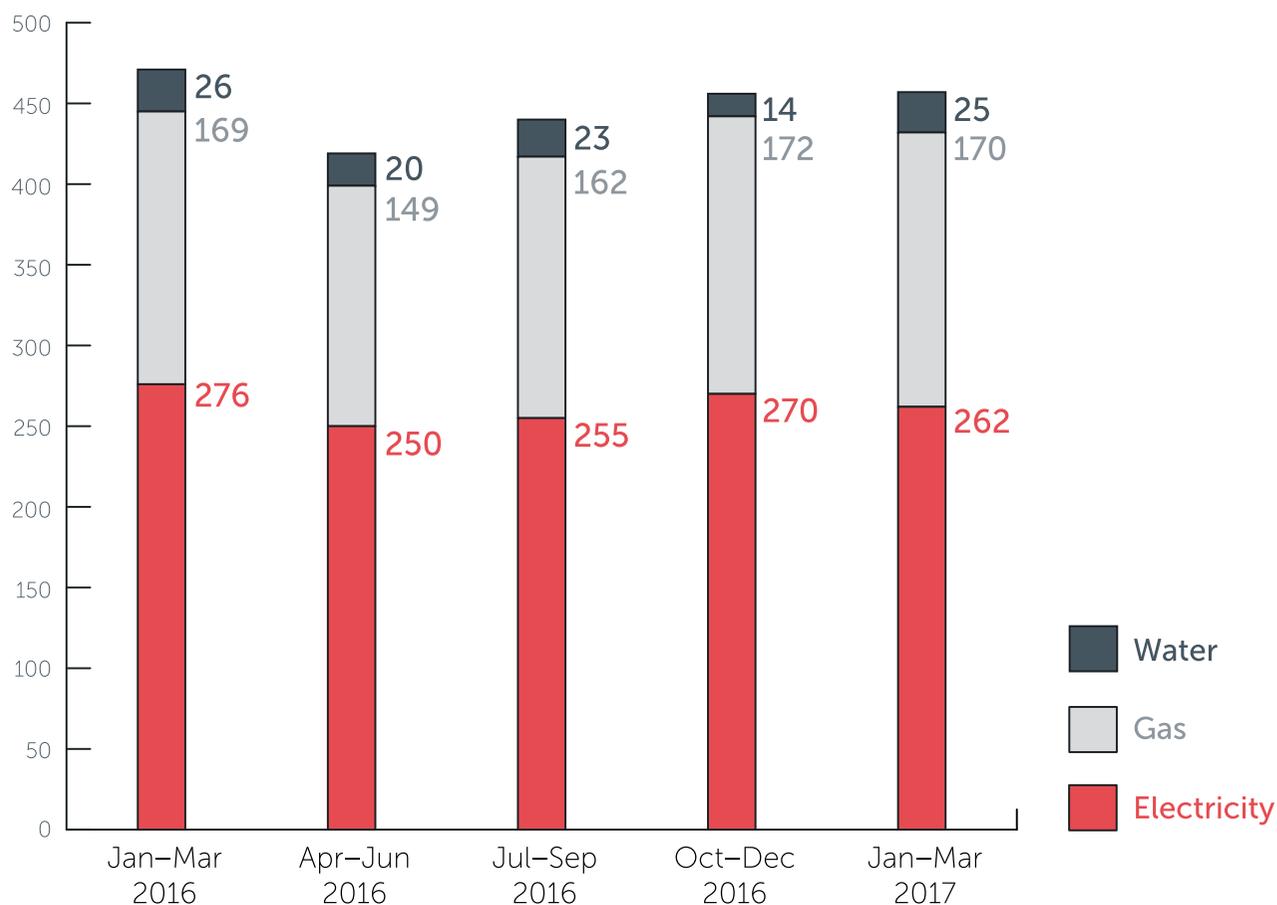
During the January-March 2017 quarter, we received 459 payment difficulties cases, exactly the same number as in the October-December 2016 quarter. However, as the following graph shows, the split between electricity, gas, water and LPG cases was different. Compared with the same period in 2016, payment difficulties cases were down 3%. **Figure 3** illustrates the trends in payment difficulties cases over the last five quarters.

The following changes in utility type payment difficulties cases were observed this reporting period:

- Water increased by 79% to 25 cases from a low base 14 cases – this was the highest figure since the same quarter in 2016 when 26 water payment difficulties cases were registered.
- Gas and electricity payment difficulties cases both reduced by small amounts (2% and 3%, respectively)

**FIGURE 3.**

**Electricity, gas and water payment difficulties cases received by quarter, January–March 2016 to January–March 2017**



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

<sup>2</sup> Refer to the Glossary on page 21 for a list of payment difficulties sub-issues.

Overall, cases have remained fairly consistent over the five quarters with no significant variation observed. This indicates that customers are still experiencing issues negotiating affordable payment plans and extensions with their energy and water companies. Electricity payment difficulties cases had the largest drop in raw numbers over the five quarters, falling by 5% from 276 cases to 262 cases.

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, 377 cases (82%) were handled as Referrals, up three percentage points on the previous quarter.

The split in EWOV's case levels indicates that these Referrals and company's dispute resolution processes generally work well to resolve customer concerns about payment difficulties. However, there were 82 cases which required further involvement by EWOV by way of Investigations, generally due to the added complexity involved with resolving complaints which involved higher levels of debt and gaps between customers' capacity to pay and their ongoing usage.

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

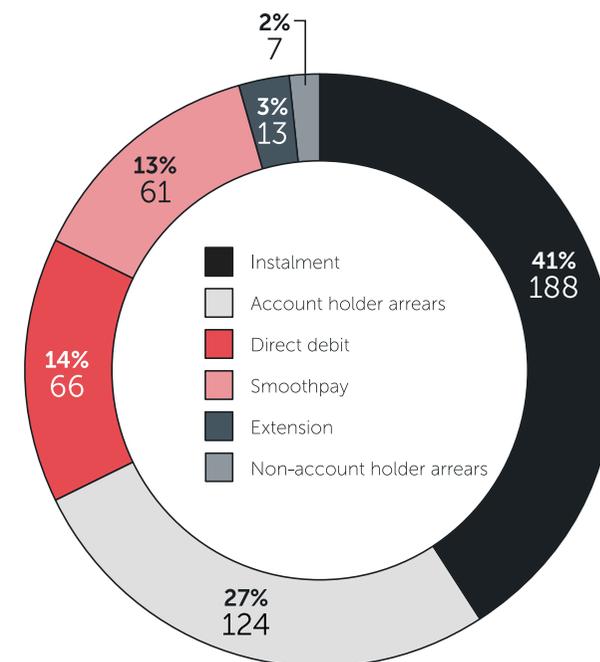
The top payment difficulties issue again this quarter were instalment payment plans, which were generally registered by customers who needed more affordable instalment payment plans (41%, up seven percentage points on last quarter). A large proportion of these customers advised that they could not afford the payment plan requested by their company or had agreed to an unaffordable payment plan to stop debt collection or disconnection activity, only to fail the payment arrangement later on. These unaffordable payment plans usually covered both ongoing consumption and account arrears.

The second highest issue this quarter was account arrears. These cases generally involved large debts and finalised accounts where customers sometimes owed thousands of dollars. These complaints accounted for 27% of all payment difficulties cases (down four percentage points on the previous quarter).

This reporting period, smoothpay cases recorded the same result as last quarter with 61 cases and accounted for 13% of overall payment difficulties cases.

FIGURE 4.

Payment difficulties cases received by sub-issue, January–March 2017 quarter



These trends continue to indicate to EWOV that customers and companies are experiencing initial difficulty resolving payment issues, particularly in instances where instalment plans are designed to cover both high ongoing usage and large account arrears. These situations can make it difficult for customers to be able to afford payment plans proposed by companies.

EWOV often sees complaints reach the Investigation stage in cases where customers have agreed to a payment plan that is not affordable and in instances where customers owe large debts. Some of these customers have previously been assisted on company hardship programs, but have usually not been able to maintain the levels of payment or contact needed to continue on hardship programs. Additionally, sometimes these customers have had several failed payment plan arrangements and have received imminent disconnection warnings. By this point, customers generally have several accumulated bills contributing to the account balance and need EWOV to investigate to help reach a fair and reasonable outcome.

## Outcomes

During the January-March 2017 quarter, EWOV resolved 82 payment difficulties complaints – down 16% from 97 complaints last quarter – at Investigation. As noted in last quarter’s report, the outcome types (e.g. referral to hardship program) are now measured against the total number of cases resolved rather than the number of total outcomes for payment difficulties Investigations.

### In the current reporting period:

- Payment plans were negotiated in 80% of cases and payment extensions in 1% of cases
- 52% of all customers were referred to their company’s hardship program for assistance – of these, 4% had previously been excluded prior to contacting EWOV
- 22% received a customer service gesture
- 12% received either a partial or full debt waiver.

TABLE 2.

### Selected outcomes, closed payment difficulties Investigations, January–March 2017

OUTCOME	NO.	%
Payment plan	66	80
Referral to hardship program	43	52
Customer service gesture	18	22
Payment extension	1	1
Billing adjustment	2	2
Fee waiver	3	4
Debt waiver (partial)	5	6
Debt waiver (full)	5	6



## Case study

***Mr O was experiencing payment difficulties and had his water supply restricted after bills went unpaid – 2017/2490***

### The Issue

Mr O moved into his property in May 2015 and had not been able to make payments towards his water account due to extenuating personal reasons. In December 2016, his water supply was restricted by his water company due to non-payment. He contacted his water company and was advised that he owed approximately \$2,800. It requested that he pay \$250 to have the water restriction removed. However, Mr O could not afford to make the \$250 payment. Mr O said that he believed that a significant portion of the debt owing originated from his former partner's water account at a previous address where they both lived. He asked his water company to send him the application form for the Utility Relief Grant Scheme (URGS). Following this, Mr O contacted EWOV for assistance and due to the complexity of the complaint, we registered it as an Investigation.

### The Investigation

As part of the Investigation, EWOV requested the water company remove the water restriction device fitted to the meter at Mr O's property. We requested copies of contact notes, bills, an account reconciliation, and details of contact prior to the restriction been applied.

EWOV has a role in assessing whether water company complied with the requirements of the Water Hardship Guaranteed Service Level (GSL) prior to restricting a customer's supply or commencing legal action. In this matter, EWOV found that the water company did follow the correct process and made multiple attempts to engage Mr O and ascertain what hardship assistance it could provide him. Therefore, the GSL payment was not applicable.

### The Outcome

The water company confirmed that an amount of \$1,557.85 was transferred from Mr O's previous property that was a joint account. As there was another party listed and as a gesture of goodwill, the water company reduced this amount by half, which equated to a reduction of \$778.95 off the account balance. Additionally, the water company offered to assist Mr O manage the account on its hardship program and with applying for URGS. It also offered a \$50 per fortnight payment plan for 12 months. As a gesture of goodwill, the water company offered to waive the remaining \$778.90 (from the old property) if Mr O successfully completed the 12-month payment plan. Mr O was also provided with a higher-level contact in case he experienced any unforeseen issues with maintaining the payment plan. Mr O was satisfied and the case was 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'.

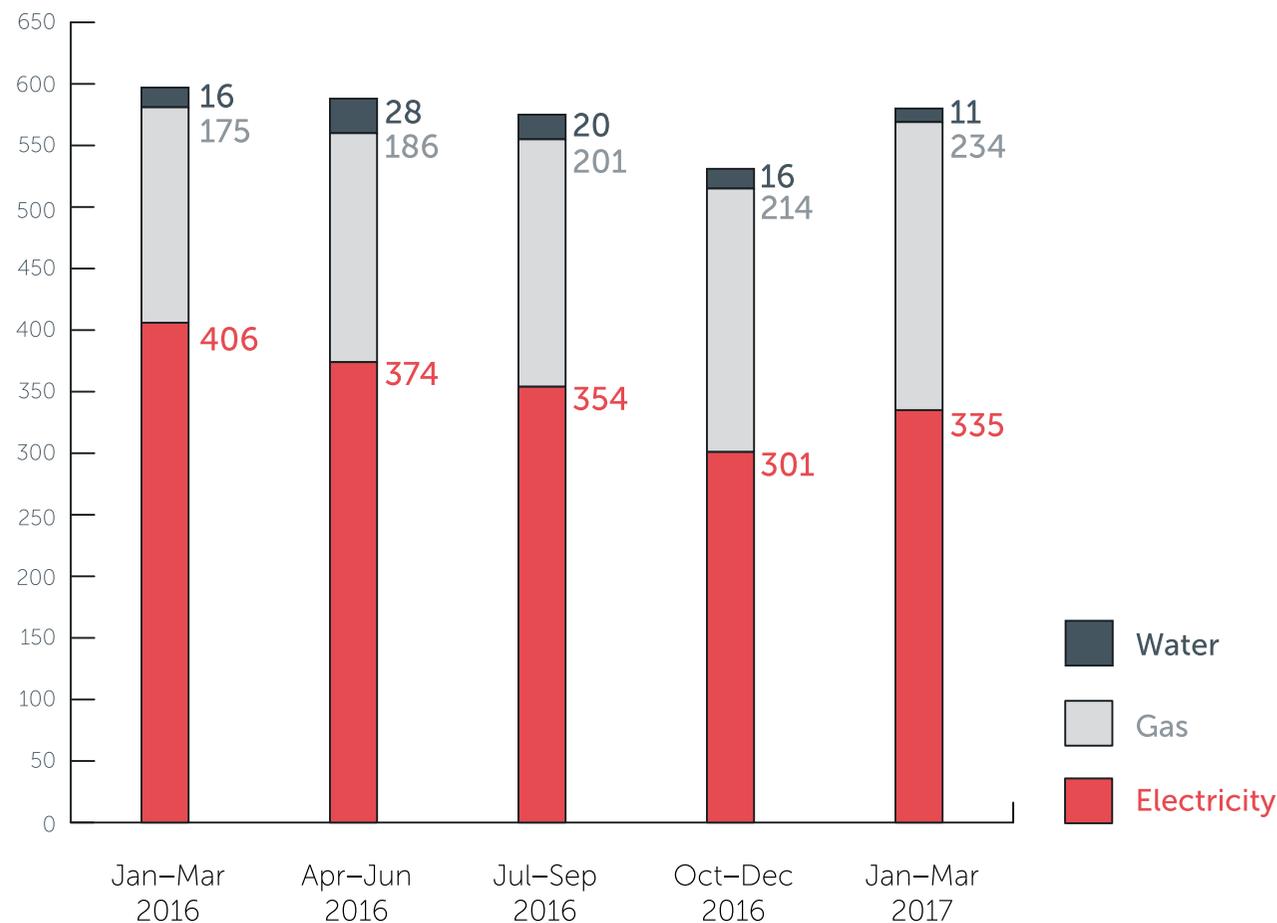
### Imminent disconnection/restriction

EWOV registered 581 imminent disconnection/restriction cases in the January-March 2017 quarter (up 9% from last quarter) but 3% less than the 602 cases received in the same period in 2016. Electricity cases were up 11% compared to the October-December 2016 quarter, gas was up 9% and water decreased by 31% (from a low base of 16 cases).

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, January–March 2016 to January–March 2017



Note: We received 1 LPG case in this reporting period.

<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

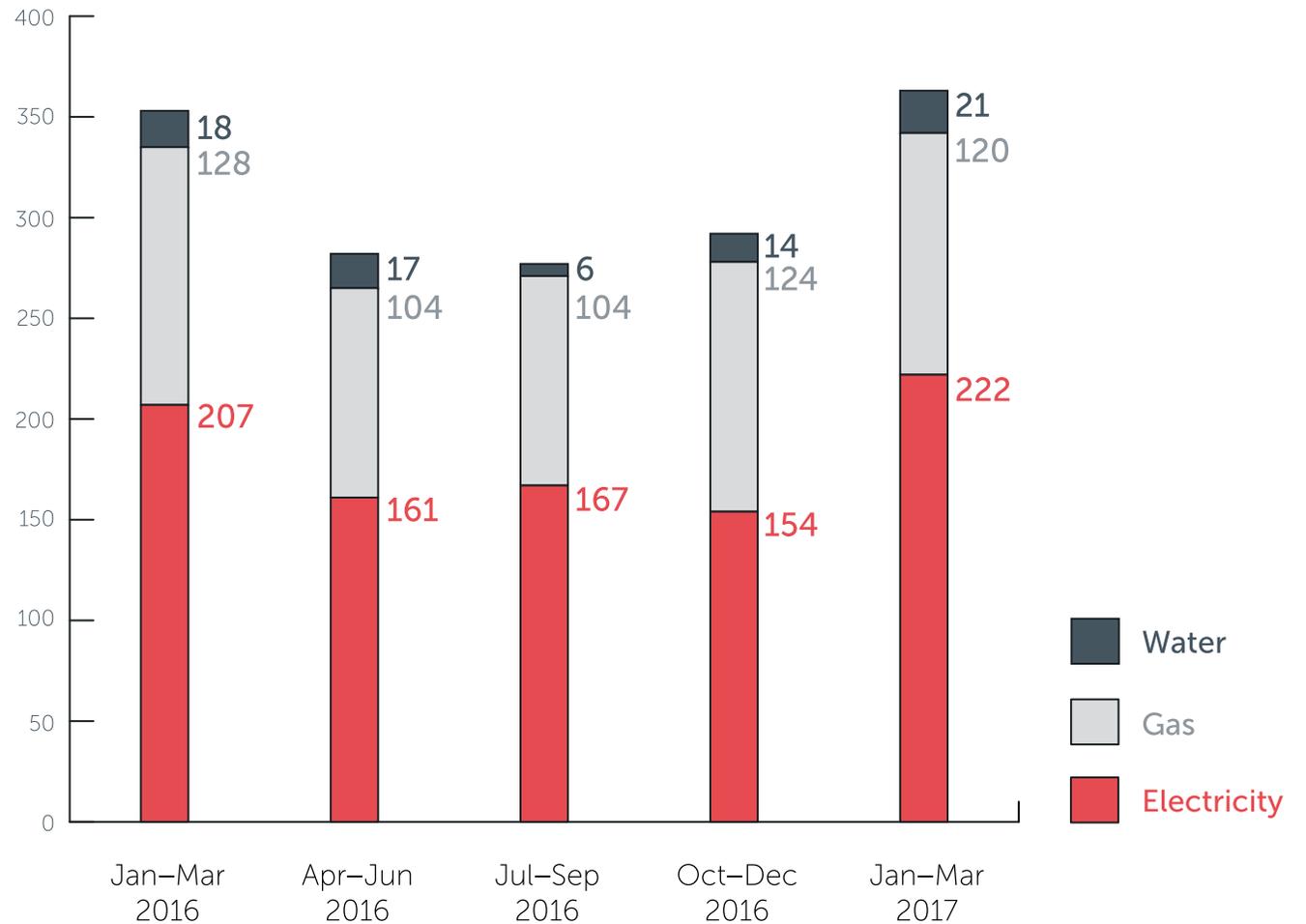
During the January–March 2017 quarter, EWOV registered 363 actual disconnection/restriction cases, up 24% from the 292 cases registered in the last quarter.

When compared to the same period in 2016, actual disconnection cases were up slightly by 3%. Energy companies again made up the majority of the actual disconnection cases (94%) of all the cases received for this sub-issue. Electricity cases increased the most compared to the previous quarter (44%) and were up 7% on the same period in 2016. However, gas disconnections were down 3% compared to last quarter and 6% from the same time last time year. Water restriction cases increased by 50% – following a 133% increase in the October–December 2016 quarter – to 21 cases compared to the last quarter. Compared to the same time in 2016, water restrictions were up 17%. Although, these increases were from low bases where water restrictions only make up 6% of the total work for EWOV in this sub-issue.

Figure 6 shows trends in actual disconnection/restriction cases between the January–March 2016 to January–March 2017 quarters.

FIGURE 6.

Electricity, gas and water actual disconnection/restriction cases by quarter, January–March 2016 to January–March 2017



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

## Outcomes

During the January–March 2017 quarter, we closed 330 actual and imminent disconnection/restriction complaints at RTR or Investigation, an increase of 20% compared to the previous quarter. EWOV also finalised 257 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>.

<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/).

Figure 7 shows the outcomes of the 257 WDP assessments we completed in the January–March 2017 quarter.

A payment was made to a customer in 60% (153 cases) of EWOV’s WDP assessments, up nine percentage points compared to the October–December 2016 quarter. However, this was down six percentage points compared to the same period in 2016 where 66% of customers received a WDP. In 33% of WDP assessments, the energy retailer accepted EWOV’s assessment that a regulatory breach had occurred and a WDP was payable – the same result as the previous quarter. In a further 26% of cases, the retailer agreed to make a payment equivalent to the WDP without admitting any regulatory breach. This was up nine percentage points compared with the October–December 2016 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* (26%, down three percentage points from last quarter), or because WDP was not applicable (11%, down five percentage points from the previous quarter). In this reporting period, two WDP cases were referred to the Essential Services Commission for a decision – a decrease of 12 referrals compared to the October–December 2016 quarter.

FIGURE 7.

Wrongful Disconnection Payment assessment outcomes, January–March 2017

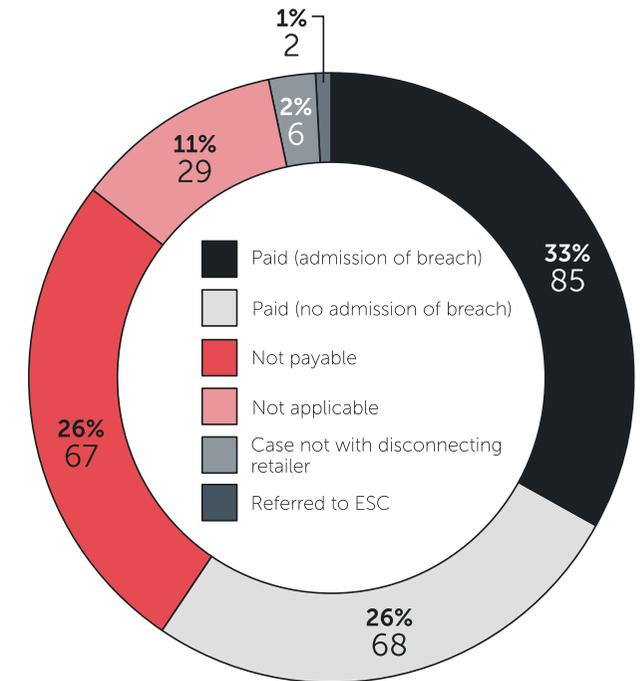


FIGURE 8.

The number of WDP compliance breaches and the percentage of total payable WDPs in the January–March 2017 quarter

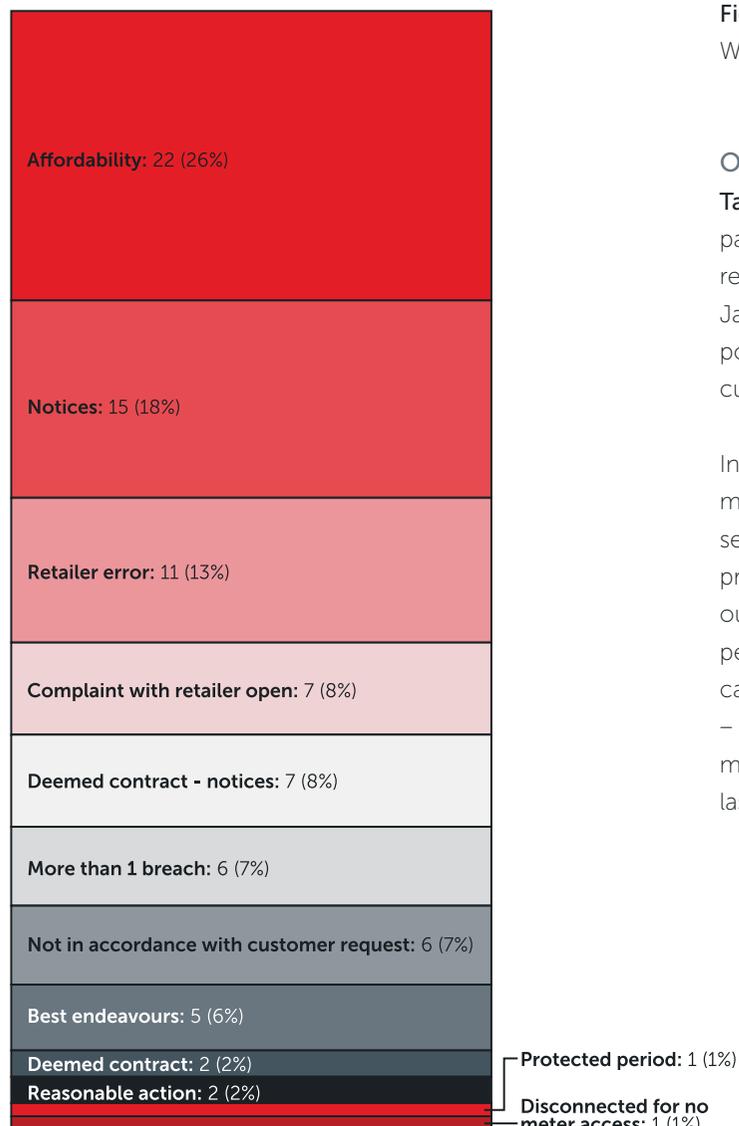


Figure 8 shows the regulatory breaches that resulted in WDPs being paid to customers.

### Other payments and waivers

Table 3 shows other payments and waivers offered as part of the resolution in the 330 actual disconnection/restriction RTR and Investigation cases closed during the January–March 2017 quarter. These are separate (and potentially in addition) to any WDPs that were paid to customers.

In 22% of closed RTR and Investigation cases, a retailer made a payment to its customer to recognise a customer service issue, down five percentage points from the previous quarter. This was the most common payment outcome. Billing was adjusted in 12% of cases – up one percentage point from the previous quarter. In 7% of cases, customers’ debt was either fully or partially waived – down three percentage points from last quarter. One or more fees were waived in 5% of cases, the same result as last quarter.

TABLE 3.

Payments and waivers, closed disconnection/restriction complaints, January–March 2017 quarter

OUTCOME	NO.	%
Referral to hardship program	163	49
Customer service gesture	72	22
Billing adjustment	39	12
Fee waiver	17	5
Debt waiver (partial)	13	4
Debt waiver (full)	9	3
Guaranteed Service Level payment	7	2

## Payment plans and hardship programs

Table 4 shows payment plan and extension outcomes for the 330 actual disconnection/restriction RTR and Investigation cases resolved during the January-March 2017 quarter.

**TABLE 4.**  
**Payment plans and extensions, closed disconnection/restriction complaints, January–March 2017 quarter**

OUTCOME	NO.	%
Payment plan for arrears and consumption	75	23
Payment plan for consumption only	66	20
Payment plan for arrears only	56	17
Payment extension for arrears	29	9
Stepped payment plan	13	4

In the current reporting period, a payment plan or extension was agreed in 72% of closed imminent and actual RTR and Investigation cases – up 12 percentage points from last quarter. A payment plan covering both arrears and ongoing consumption was the most common outcome (23%) and in some cases EWOV helped the customer and their company to negotiate a payment plan that covered consumption only (20%) or just the account arrears (17%). 4% of customers had a stepped payment plan established as part of the resolution of their complaint.

The different types of payment plans negotiated demonstrates EWOV’s tailored approach to handling complaints on a case-by-case basis. Additionally, we take into account each customer’s different circumstances and varying levels of capacity to pay to help attain an outcome that matches the merits of the complaint.

## Hardship program participation

Nearly half of all customers were placed on their company’s hardship program (sometimes after they were previously excluded) as an outcome to their complaint. This occurred in 49% of cases involving imminent and actual disconnection/restriction which were resolved at RTR and Investigation, up 10 percentage points compared to the October-December 2016 quarter.

At the time of contacting EWOV, 6% of customers were already accessing their company’s hardship program, up one percentage point from last quarter. Although 6% represents only 20 cases where customers were registered with their company’s hardship program, it is a concern that they were threatened with, or had their, supply disconnected or restricted. A further 5% of customers had been excluded from their company’s hardship program – the same result as the previous quarter.



## Case study

***Mr C was disconnected for non-payment but experienced a lengthy delay getting the electricity re-energised – 2017/298 and WDP/2017/7***

### The issue

Mr C was dissatisfied with his electricity retailer following an actual disconnection of supply due to an outstanding bill that totalled about \$750. Mr C had been experiencing payment difficulties prior to the disconnection and had previously successfully completed hardship payment plans. Following the disconnection, he paid the account balance of approximately \$750 in full and phoned his retailer to have the supply re-energised. However, there were delays with restoring the electricity, so Mr C contacted EWOV for assistance. By this stage, Mr C had lost about \$300 of perishable food in his fridge and freezer. Due to the number of contacts Mr C had already had with his retailer, and because he had been disconnected, EWOV bypassed the Assisted Referral process and lodged an Investigation.

### The Investigation

EWOV requested documentation and information from the retailer including contact notes, meter data, copies of bills, reminder and disconnection notices, an account reconciliation, and details of the previous hardship assistance offered to Mr C.

### Wrongful Disconnection Payment (WDP) Assessment

EWOV assessed the circumstances leading up to the disconnection of Mr C's electricity supply and found that the retailer did not follow the correct process. Specifically, it did not use its best endeavours to contact Mr C in the month prior to the disconnection, as required by clause 111(1)(e) of the *Energy Retail Code*. This resulted in a WDP of \$500 per day (pro-rata) being applied to Mr C's account, which totalled \$4,686.11. The amount was not limited to \$3,500 as outlined in section 40B of the *Electricity Industry Act*, as Mr C contacted his retailer within 14 days of the disconnection.

### The Outcome

In addition to the WDP credit of \$4,686.11, Mr C's retailer also apologised for the inconvenience caused. Mr C's retailer had issued a final bill, as he had transferred to a new retailer, and confirmed that it would direct credit the \$4,686.11 into Mr C's bank account. Mr C was satisfied with the outcome and the case was closed.

## 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 January-March 2017 quarter, EWOV received 734 cases, a 2% reduction from 749 cases recorded in the October-December 2016 quarter.

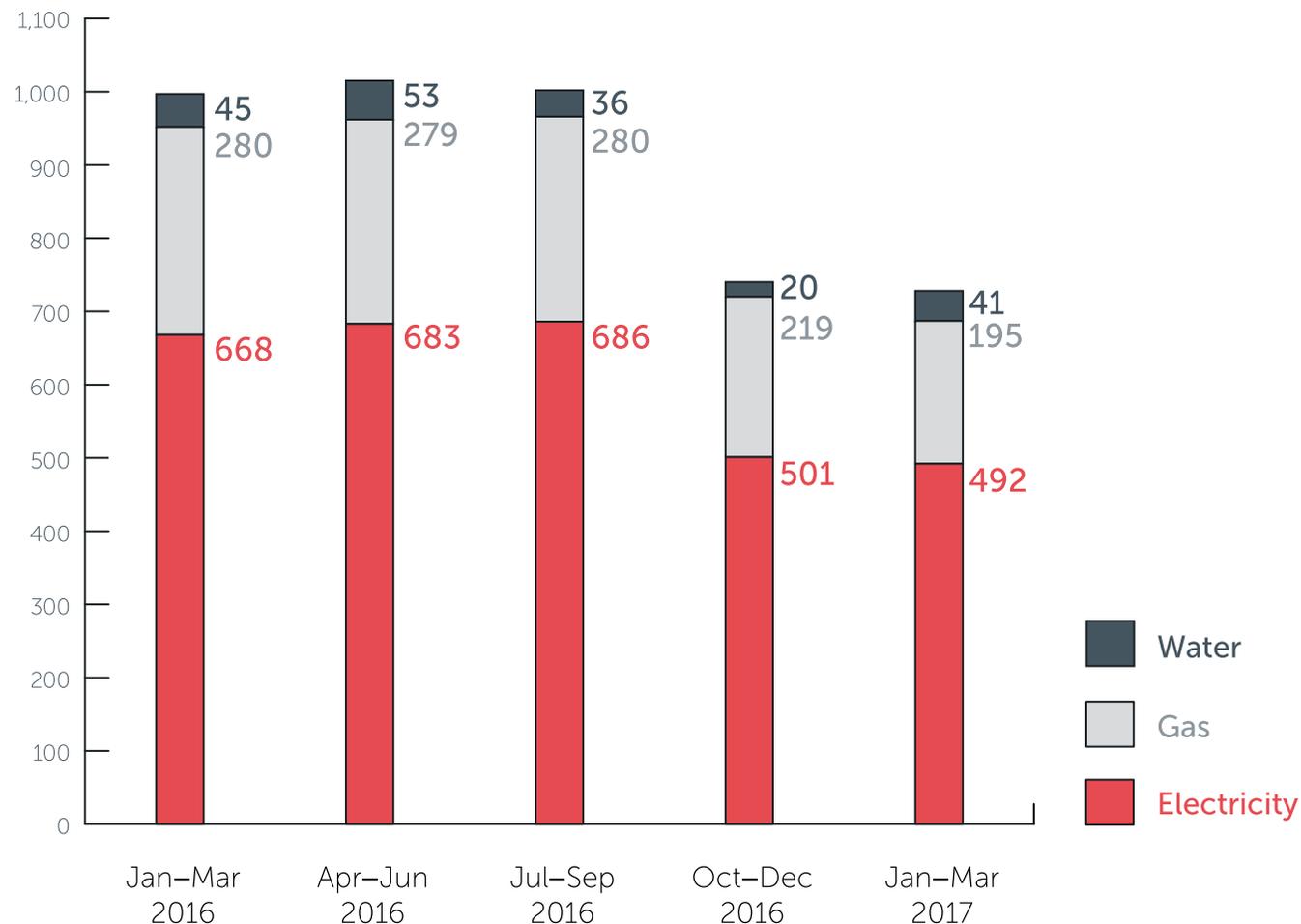
### New credit collection sub-issue

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

Figure 9 shows trends in collection cases over the last five quarters. As illustrated, EWOV collection cases were fairly consistent between the October-December 2015 quarter and the July-September 2016 quarter, before dropping 26% in the October-December 2016 quarter and then another 2% this quarter. Compared with the January-March 2016 quarter, cases were down 27% this quarter.

FIGURE 9.

Electricity, gas and water collection cases received by quarter, January–March 2016 to January–March 2017

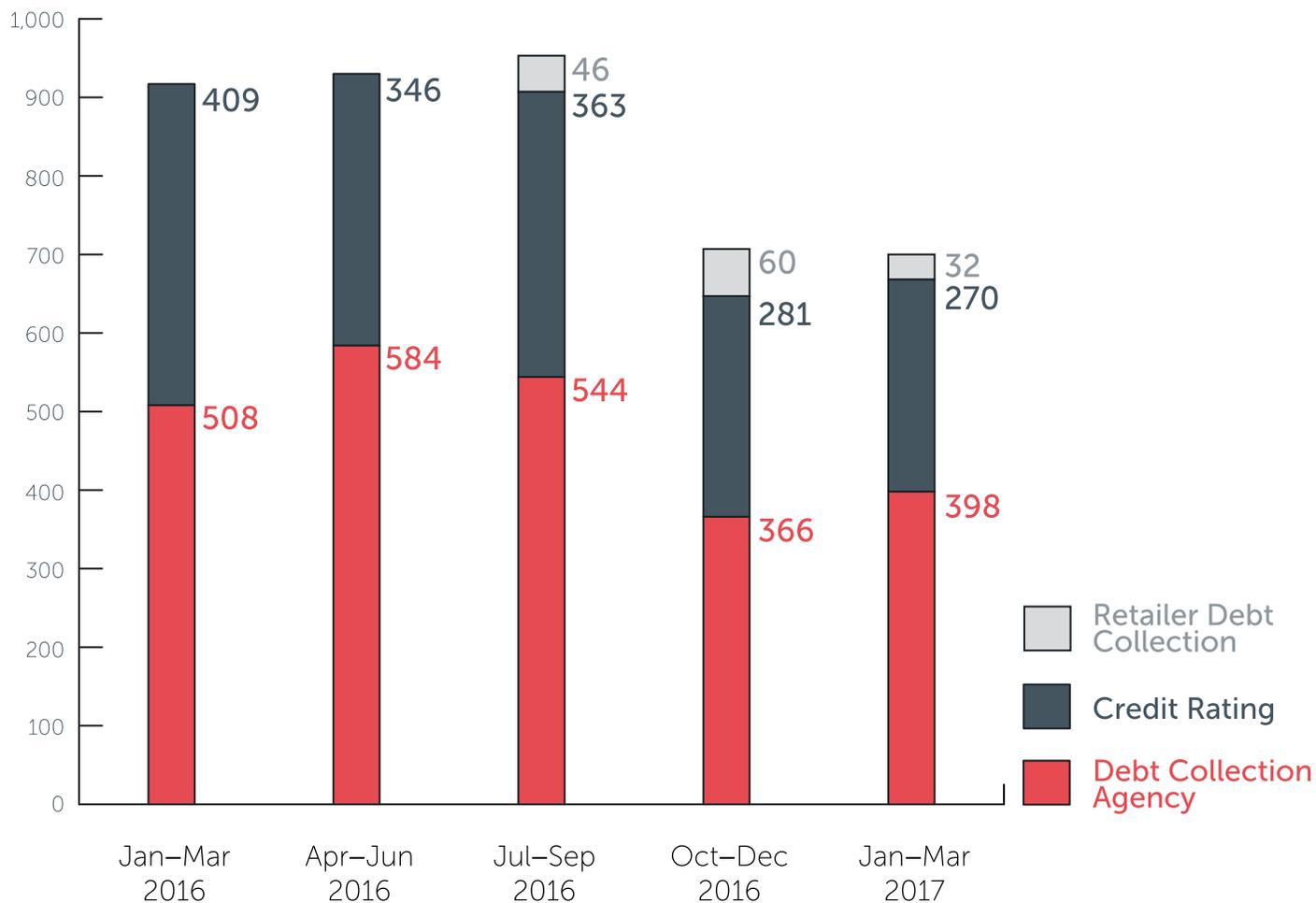


Note: We also received 3 Dual Fuel cases and 3 LPG cases in this reporting period, which have not been included in this graph.

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 January 2016 and 31 March 2017.

**FIGURE 10.**

**Debt collection and credit rating cases received by quarter, January–March 2016 to January–March 2017**



## Outcomes

During the January–March 2017 quarter, we closed 113 collection Investigations – 27 less cases than last quarter.

**Table 5** shows some of the outcomes agreed as part of the resolution of these Investigations.

**TABLE 5.**  
**Selected outcomes, closed collection Investigations, January–March 2017**

OUTCOME	NO.	%
Written confirmation that credit rating not affected	53	47
Removal of default listing	31	27
Customer service gesture	20	18
Debt waiver (full)	17	15
Payment plan	17	15
Payment extension	14	12
Referral to hardship program	9	8
Debt waiver (partial)	5	4

Of the 113 credit collection resolutions, 53 involved customers' credit ratings being affected. Of these 53 defaults, 58% (31 cases) were removed as part of the resolution of the complaint – down 21 percentage points from the previous quarter. In most instances, the default is removed because EWOV's Investigation found that the default was not listed correctly. 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 seen the trend of a high number 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.

A payment to recognise customer service issues was made in 18% of cases, down one percentage point compared with the previous quarter. In 15% of cases, the customer's debt was waived in full (down from 19% last quarter) and 4% of customers had their debt partially waived – down two percentage points from last quarter.



## Case study

***Ms T was in hardship and applied for government assistance prior to having a default listing made on her credit file after moving out of a property – 2017/4181***

### The issue

Ms T was dissatisfied with her electricity retailer regarding a default listing that was placed on her credit file following her vacating a property in June 2016. Ms T believed that she had contacted the retailer at the time of moving out to organise a final meter read and to provide her forwarding mailing address. She contacted the retailer several times following moving out to ask for the final bill and was advised it was sent to the address she moved out of. The address was eventually updated to Ms T's new address. Following this, Ms T received a letter which advised that she would be defaulted for an amount of \$1,146.87.

Ms T disputed this amount as she believed that she had been making fortnightly payments of \$80 towards the account prior to moving out. The retailer advised her that it had not received payments towards the account since April 2016. Also, Ms T had applied for the Utility Relief Grant Scheme (URGS) and had been approved for approximately \$335, leaving about \$812 owing. Ms T phoned the retailer on 20 February 2017 and asked it to investigate the final account balance. However, this did not resolve the issue so Ms T contacted EWOV and an Assisted Referral was raised. The retailer sent a letter to Ms T as it could not contact her by phone. Ms T unsuccessfully tried contacting it back several times, so she recontacted EWOV and the matter progressed to an Investigation.

### The Investigation

EWOV requested contacts notes, copies of bills, an account reconciliation and asked the retailer to demonstrate how it had complied with relevant laws and codes prior to listing the default on Ms T's credit file. EWOV reviewed Ms T's payment history and confirmed that Ms T's recollection of \$80 per fortnight payments towards the account were not reflected in the account reconciliation. EWOV discussed this with Ms T and requested her to send us payment receipts for any missing payments. EWOV did not receive the requested documentation.

### The outcome

The electricity retailer agreed to remove the credit default due to the successful URGS application. It also provided a payment plan of \$50 per fortnight, which Ms T said was affordable for her. Ms T was satisfied with the outcome and the case was 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 21). 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

RTR was suspended on 9 January 2017.

## 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.