

Autumn 2014 Issue

EWOV Connect

Quarterly newsletter linking the
Energy and Water Ombudsman (Victoria) (EWOV)
with community agencies



**ENERGY AND WATER
OMBUDSMAN**
Victoria **Listen Assist Resolve**

EWOV opened in May 1996. By 28 February 2014, we had assisted almost 460,000 energy and water customers, most of them residential.



Connect is an online publication...

and is available for download from EWOV's website: EWOV.com.au

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Did this copy of EWOV Connect come second-hand?

You can sign up for your own copy by contacting Kathryn Graham, Research and Communications Administration Support Officer on (03) 8672 4277 or at:

kathryn.graham@ewov.com.au

Message from the Ombudsman



For over a decade now, EWOV has joined with other EDR schemes in sponsoring an annual External Dispute Resolution (EDR) Forum to help financial counsellors understand more about EDR and how schemes such as EWOV work. The program for the 2014 EDR Forum will present insights into the world of EDR as it is today and where it is heading, as well as practical tips to help you

in your day-to-day work with clients. There's more about the EDR Forum program in this issue of EWOV Connect. I'll be taking part in the Ombudsman panel and hope to see you there.

You're also invited to register your organisation's interest in taking part in an Open Day at EWOV. This is a great opportunity to take a look behind the scenes at how EWOV does what it does. Read more about how you can do that.

Cynthia Gebert
Energy and Water Ombudsman
(Victoria)

Community interview

Loretta O'Neill is the Community Engagement Officer at the Victorian Aboriginal Legal Service (VALS) and the co-ordinator of the VALS 'Wills and Bills Days'. We recently asked her about this community information initiative.

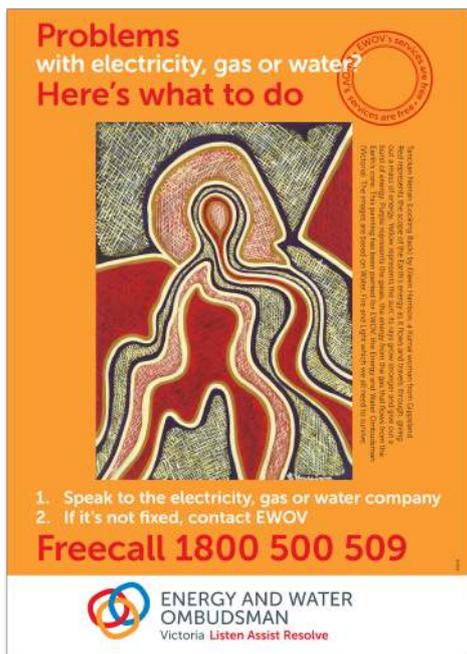
How do 'Wills and Bills' days help the Indigenous community?

These events are really important for the Aboriginal Community to access agencies that can help their ongoing debt problems or the beginning of financial setback. Speaking face-to-face with people from agencies allows community members to not feel uncomfortable talking about their financial problems, and better understand the alternative payment plans that can be offered. A major barrier for these customers contacting agencies by phone is lack of phone credit to do this, or feeling intimidated. When they are able to sit down and talk to people face-to-face, this is a far more friendly option and provides better outcomes.

What energy and water problems are Indigenous people facing?

Financial hardship and high bills.

How long have you worked at VALS? 10 years.



What is the best part of your job? Being able to bring practical solutions to the Aboriginal Community, in the form of 'Wills and Bills Days' and other events, which can take some of the stress out of their lives.

What is the best way to keep Indigenous clients engaged? Face-to-face contact is the best strategy.



Community initiatives take advice to the people

February 2014 saw us take part in two Wills and Bills Days organised by the Victorian Aboriginal Legal Service (VALS). These events give consumers instant, face-to-face advice on all sorts of topics. Naturally, the EWOV team was there to address any electricity, gas or water-related concerns. Also taking part were representatives from:

- Consumer Affairs Victoria
- Births Deaths Marriages
- City West Water
- Victorian Civil and Administrative Tribunal
- Department of Justice
- Uniting Care Bridges
- Foster Care
- Children's Koori Court
- Dispute Settlement Centre Victoria
- Centrelink
- Victorian Equal Opportunities
- Housing for the Aged Action Group
- The Sheriff's Office



Is there someone in the community sector you would like us to interview for EWOV Connect? Let us know via Matt Helme, EWOV's Research and Communications Manager: matt.helme@ewov.com.au



EWOV open days

During April 2014, we'll hold three EWOV Open Days for financial counsellors and emergency workers from the Financial & Consumer Rights Council and Emergency Relief Victoria.

As well as learning more about how EWOV handles complaints, attendees will have an office tour and the opportunity to listen in on phone calls with our Intake Officers and the Real Time Resolution Team. They will also take part in Q&A sessions with our hardship subject matter experts and a Senior Conciliator.

We'll hold further EWOV Open Days throughout 2014. If your organisation would like to take part in one, please contact Kathryn Graham at EWOV on (03) 8672 4277 or kathryn.graham@ewov.com.au

2014 EDR Forum

We're proud to continue EWOV's sponsorship of the annual External Dispute Resolution (EDR) Forum.

Planned around the theme of Opportunities for Connection, this year's EDR Forum will take place on Thursday 22 May 2014 at the Pulman Hotel in Albert Park, Melbourne.

The keynote address will be delivered by Phil Khoury of Cameron Ralph Navigator, who has conducted 13 independent reviews of nine EDR schemes in Australia and overseas. He'll draw on this experience to talk about how EDR has evolved and where it is heading.

There will also be an Ombudsman panel, an interactive 'jigsaw' session to help you get the most out of EDR and an interactive complex case studies session.

The Forum will finish with a behavioural economics look at how people under stress can make decisions that magnify problems, why this happens and how it can be avoided.

Registration is open to EDR schemes and financial counsellors only. You can use this link to register: www.regonline.com.au/fca2014

(This year's EDR forum is) planned around the theme of Opportunities for Connection.



New on the EWOV website

New under 'Hot topics'

How is the price of electricity and gas calculated in Victoria? In Victoria, energy prices aren't regulated. Energy retailers provide a standard contract with set terms and conditions, and they set their own prices. They can also offer a market contract, which varies terms and conditions, including price. Customers are free to choose a retailer and a market contract that suits their needs.

The Essential Services Commission oversees compliance and performance reporting by energy businesses, and issues energy distribution and retail licences. It also provides information to consumers about the evolving energy market and the choices they have.

The Australian Energy Regulator has no role in the setting of retail energy prices, but it does regulate network costs. For electricity, this involves setting the revenues and prices that network businesses can earn from transporting electricity to customers. For gas, it approves prices for access to pipelines.

What's EWOV's role? We can't investigate the setting of prices and tariffs. But we can investigate whether a bill is accurate, based on the customer's contract terms and meter read data.

Read more on this [hot topic](#).

New under 'Fact sheets'

Bulk hot water – information for residential bulk hot water customers. 'Bulk hot water' is water that's centrally heated (usually by gas) and delivered to a number of customers in a multi-dwelling property. Bulk hot water systems are large storage hot water units which can hold thousands of litres of hot water. They're used in place of individual hot water systems. A Master Gas Meter measures how much gas is used in the property as a whole, and each occupant of the property has a bulk hot water meter that records their share of the overall gas used.

Customers can't choose the energy retailer that provides their bulk hot water, but the owners' corporation or building management can make a decision to switch the master account, together with the accounts for individual occupants.

Customers in this situation will most likely receive two gas bills — one for their bulk hot water and another for their gas cooking and heating appliances. Those bills may come from different gas retailers. In both cases, customer rights and responsibilities are covered by the Energy Retail Code.

What's EWOV's role?

- The bulk hot water issues we can deal with include billing (high, estimated), credit (payment difficulties), disconnection (for debt), transfer (delay in setting up an account), provision (meter fault) and supply (unplanned outage).

- We can't deal with most issues related to the bulk hot water storage system or heating equipment, or about switching to a new retailer. We also can't deal with a complaint about an owners' corporation or building management, because they aren't participants in the EWOV scheme.

Read or download the full [bulk hot water fact sheet](#). Check out all of the [EWOV fact sheets](#) – there are now 23.



New under 'Weekly case study'

Each week we add a case study on a current issue to the EWOV website. Here's a recent example in which the customer was wrongly pursued for an electricity debt.

The customer complained about being contacted by a debt collection agency, acting on behalf of an electricity retailer. The agency was seeking \$689.22 for an overdue bill. The customer said she'd never had an account with the retailer and believed the account (set up in her maiden name) was set up fraudulently. She said that, when she contacted the retailer, she was told the account shouldn't have been in her name and the debt had been sent to the debt collection agency in a different name. The retailer couldn't explain why she was being contacted by the collection agency.

Frustrated with the retailer's response to her complaint, the customer contacted EWOV and an Assisted Referral was raised. When the retailer didn't contact the customer within the required timeframe, we opened an Investigation.

Contacted by us, the electricity retailer said the debt related to three accounts in the customer's maiden name, which had been written-off and sold to a debt collection agency in 2008. It said the customer's date of birth and licence number on file confirmed her identity. Our review of the retailer's file notes showed that these accounts had previously been in another person's name.

The customer confirmed that the previous account holder was her ex-partner, but said she'd never lived at the addresses in question and had never agreed to her name being put on the accounts. Our further investigation established that the customer's ex-partner put the accounts in her name the day they separated. The customer provided a copy of her driver's licence to prove that the details on the electricity retailer's file were incorrect. The retailer confirmed these licence details were different to those on its file.

The retailer apologised to the customer for the debt collection activity. It acknowledged that she wasn't responsible for the debt and arranged for it to be withdrawn from the debt collection agency. It also confirmed that the customer hadn't been default-listed and her credit rating hadn't been affected by this matter. A retailer direct contact was provided in case she had any further concerns about the situation. The customer was satisfied with this outcome. 2013/32362

[Read more of the weekly case studies on our website](#)



EWOV's service is free

Some customers are paying a credit repair agency to lodge their complaint with EWOV. Commonly, the customer is in financial hardship and the complaint is about a default listing.

Customers don't have to pay to lodge a complaint with us

Customers don't have to be represented by anyone else

While customers can choose to be represented and pay someone for that representation, they don't have to. EWOV's dispute resolution service (and those of other Ombudsman offices) is free to customers and doesn't require the involvement of a third party.

When customers are deciding whether or not to use a credit repair agency, it's very important that they read through the terms and conditions of any contract they may be asked to sign. Some credit agency contracts include a clause that imposes a fee, if the customer doesn't allow the credit repair agency to act on their behalf.

What does this mean for you?

Some of your clients may not understand how credit repair agencies work and the fees involved. And, they may not understand that EWOV's services are free and easy to access. You can help by taking opportunities to explain these things in your day-to-day work with them.

One customer's story:



Third party fee already paid by the time he became aware that EWOV's services are free

The customer was dissatisfied when he discovered that, in September 2011, his electricity retailer had placed a default listing for \$1,661 on his credit file. He said he'd moved out of the property in 2011 and hadn't received a bill or overdue notice for this amount. He also said that, in his view, such a high bill wouldn't match his usage at the property. The customer said he contacted the retailer for more information, but was told the default listing had been placed on his file correctly and it wouldn't be removed. A credit repair agency engaged by the customer contacted EWOV on his behalf and an Assisted Referral back to the retailer was raised. When this didn't resolve the complaint, we opened an Investigation. At this point, we contacted the customer directly, to inform him of EWOV's free dispute resolution service, and that he could choose to represent himself rather than use the credit repair agency. The customer said he hadn't realised this but, as he had already paid the fee to the credit repair agency and it was handling a few different matters for him, he chose to continue to have it act on his behalf. When we reviewed the customer's billing history, we found that the bill for which he was default-listed had been cancelled and reissued three times.

As he had already paid the fee to the credit repair agency... he chose to continue to have it act on his behalf.

Last issued in May 2011, it was a backbill for usage from December 2008 to December 2010, with a pay-by date 16 days after it was issued. Importantly, the customer had moved out of the property by the time the bill was issued and had advised the retailer of this. In short, the customer had not received the bill and had no knowledge of the debt. The retailer agreed that the default listing wasn't in accordance with the Credit Reporting Code of Conduct. It apologised to the customer, waived the debt and arranged for the default listing to be removed from the customer's credit file within two weeks. The customer was satisfied with this outcome. 2013/61265



Highlights from Res Online 6

*Our latest quarterly e-newsletter
(released in February 2014)*

Res Online provides transparent and timely information on case and issues trends (by industry, industry sector and company). It's available in full on our [website](#).

Feature article: Customers should be able to switch energy retailer quickly, easily and without problems

Retail competition in electricity and gas is founded on the premise that customers are able to agree to a contract that meets their residential or business needs, with the retailer of their choice. Having done that, they can then switch to their new retailer easily and quickly. Thousands of customers lodge transfer complaints with EWOV each year. Their experiences highlight that the transfer process—the process that underpins and facilitates customers switching retailers—doesn't always work properly.

What goes wrong?

Customers report the following problems, and sometimes a combination of several of them:

- Delayed billing from their new electricity and/or gas retailer, resulting in a higher than expected amount and for a period longer than their usual billing period.
- Difficulty paying the delayed, often high bill.
- Their account being switched to another energy retailer without their knowledge.
- Unexplained 'dear occupier' letters from a retailer they don't recognise as theirs, which they often admit they ignore.

- Threatened disconnection of supply for non-payment, and sometimes actual disconnection.
- Disruption to the payment arrangements they've set up for their account.
- Confusion about which retailer is supposed to be billing them.
- Significant inconvenience from having to make multiple calls to their preferred retailer, the other retailer and EWOV, to sort the problem out.
- An objection lodged against their transfer because of their own or a previous occupant's arrears.

What does this mean for you?

Among other things, transfer problems can lead to customer confusion, threatened or actual disconnection and payment difficulties. Understanding some of the problems and how they arise can help you help your clients. Our [transfer feature article](#) includes:

- examples of meter reading and meter data problems, which lead to transfer delays (with two case studies)
- examples of how transfer in error occurs (with two case studies)
- how transfer objections arise (with two case studies).

Also in Res Online 6

Billing continued to top the list of customer complaints. In the October to December 2013 quarter, it was raised by 11,345 customers, up 10% from 10,344 customers in the October to December 2012 quarter.

By industry, the top three billing issues were:

- Electricity – high bill, back bill, billing error
- Gas – billing error, high bill, back bill
- Water – high bill, fees and charges, billing error

More about the billing cases on our [website](#).

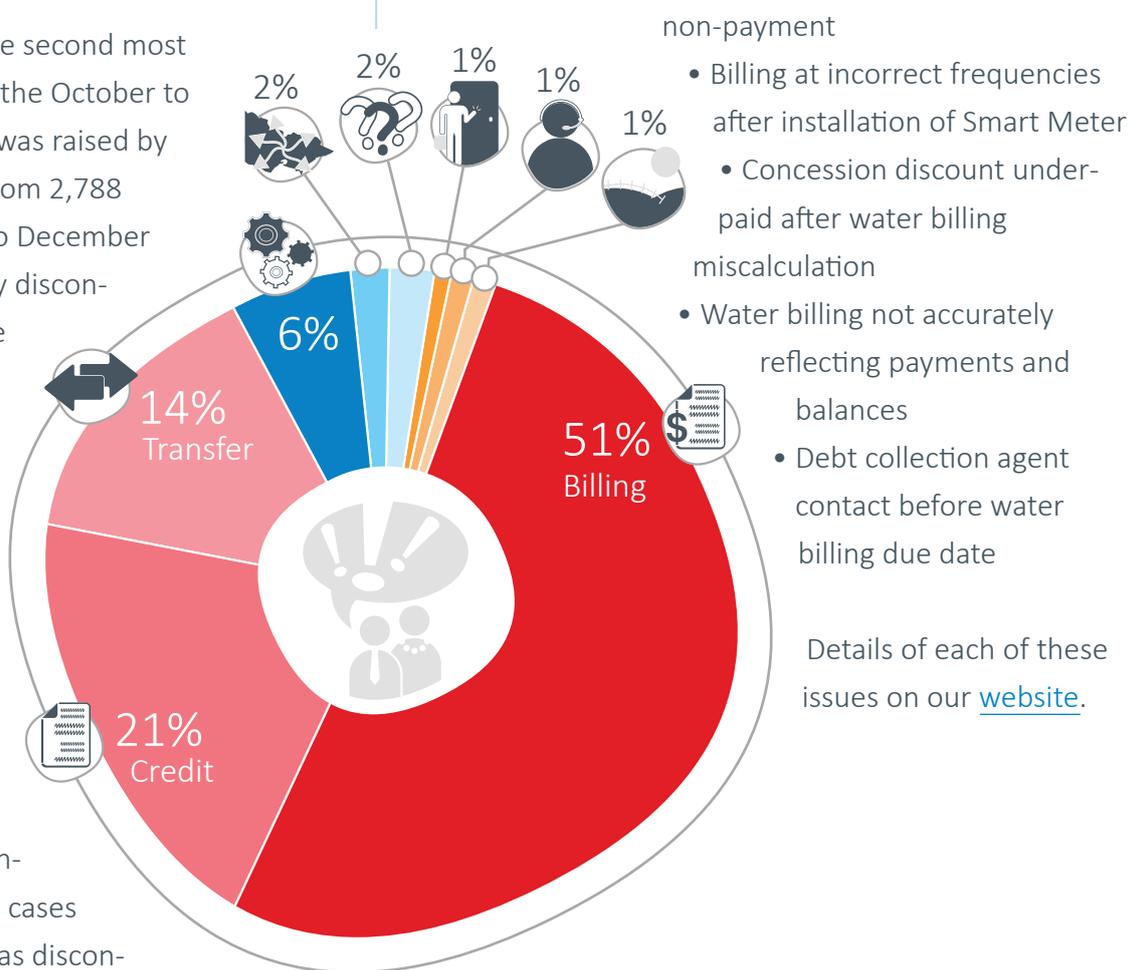
Credit followed billing as the second most complained about issue. In the October to December 2013 quarter, it was raised by 4,709 customers, up 69% from 2,788 customers in the October to December 2012 quarter. Energy supply disconnection continued to be the most common credit issue overall:

- Electricity – 431 cases about actual supply disconnection (up 59%) and 1,151 cases about imminent electricity disconnection (up 77%).
- Natural gas – 327 cases about actual supply disconnection (up 42%) and 486 cases about imminent natural gas disconnection (up 51%).

More about the credit cases on our [website](#).

Systemic issues investigations closed by EWOV in the October to December 2013 quarter

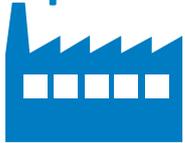
- Application of prompt payment discounts to solar accounts
- Application of concession to solar accounts
- Transfer of energy account without customer consent
- Mobile read devices gathering data in watt hours rather than kilowatt hours
- Incorrect tariff allocation
- Automated phone call messages sent in wrong order
- Incorrect pay-by date on disconnection notices
- Incorrect time frames in disconnection notices for non-payment



- Billing at incorrect frequencies after installation of Smart Meter
- Concession discount under-paid after water billing miscalculation
- Water billing not accurately reflecting payments and balances
- Debt collection agent contact before water billing due date

Details of each of these issues on our [website](#).

Comparing the recent performance of energy retailers



From the Essential Services Commission (ESC)'s: *Energy Retailers Comparative Performance Report – Customer Service* (revised January 2014)

The [full report](#) is available on the ESC's website.

Financial hardship programs

- In 2012-13, 24,356 residential electricity and gas customers accessed retailers' financial hardship programs, 29% more than in the previous year.
- The average days of participation in hardship programs dropped from 504 days in 2011-12 to 382 days in 2012-13.
- Of the customers who exited programs, 59% left because they didn't comply with the program's requirements, up from 48% in 2011-12.

Utility Relief Grant Scheme (URGS)

Electricity

- There were 14,211 electricity utility relief grants approved in 2012-13.
- The total grant value for the year was \$6.35 million, up from \$5.17 million in 2011-12.
- 90% of applications were approved.
- The average grant amount was \$447.

Gas

- There were 9,146 gas utility relief grants approved in 2012-13.
- The total grant value was \$3.85 million, up from \$3.08 million in 2011-12.
- 88% of applications were approved.
- The average grant amount was \$421.

Disconnections

Electricity

- Electricity disconnections increased by 6% in 2012-13, up to an average of 1.07 per 100 customers.
- 25,254 residential customers were disconnected for non-payment in 2012-2013.
- Neighbourhood Energy disconnected the highest ratio of customers (2.52 per 100 customers), followed by AGL (2.17 per 100 customers).
- Simply Energy decreased its disconnection rate significantly from 2.07 per 100 customers in 2011-12 to 1.21 per 100 customers in 2012-13.

Gas

- Gas disconnections fell 17% in 2012-13, down to an average of 0.90 per 100 customers.
- 16,979 residential customers were disconnected for non-payment in 2012-13.
- Australian Power & Gas disconnected the highest ratio of customers (2.36 per 100 customers), followed by AGL (1.71 per 100 customers).
- Simply Energy decreased its disconnection rate markedly from 2.07 per 100 customers in 2011-12 to 1.33 per 100 customers in 2012-13.

Complaints

- The total number of complaints (gas and electricity) to retailers rose 55%, from 153,302 in 2011-12 to 237,933 in 2012-13.
- 62% of complaints related to billing, 22% were classified as 'other' and 10% related to transfer issues.
- EnergyAustralia's complaints more than tripled, due to problems with its new billing system. It had 81,618 complaints in 2012-13, up from 24,092 in 2011-12.