

Autumn 2015 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 2015, we had closed over 547,069 energy and water customer cases, 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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Message from the Ombudsman



EWOV has seen a significant increase in the amount of cases registered with our office about debt collection. In addition to this, the disconnection of energy supply remains the most common issue investigated by us. Together with recent news that the Essential Services Commission is commencing an inquiry into the financial hardship programs of energy retailers, we thought it timely to

provide a refresher on the necessary steps a company must take before disconnecting a customer's energy or restricting water supply, and ways in which you can work with clients to avoid supply disconnections and restrictions.

In the first of a series of **Ask the Ombudsman** articles, Sue Fraser from Kildonan UnitingCare questions me on issues facing many of her clients as well as how EWOV contributes value to the financial counselling and community sector, and how we can assist customers facing energy debt.

Also, in this autumn 2015 edition of **Connect**, EWOV's work in the community continues, with an overview of our activities for the quarter on [page 8](#). I would also like to remind readers about our highly successful Open Days. Please feel free to contact us if you would like to participate in one of these sessions designed for financial counsellors and community agencies.

Hope to see you at EWOV soon.

Cynthia Gebert
Energy and Water Ombudsman (Victoria)

We thought it timely to provide a refresher on the necessary steps a company must take before disconnecting a customer's energy or restricting water supply.

Did this copy of EWOV Connect come second-hand?

You can sign up for your own copy by contacting EWOV's Administration Team on (03) 8672 4460 or at:

Admin-Assistance@ewov.com.au

Disconnections and restrictions: tips, hints and checklists for fin-cos

Energy and water companies need to follow a series of steps before disconnecting a customer from their electricity, gas or water supply due to non-payment. This includes making best endeavours to contact the account holder via several different methods on separate dates. Here's a basic timeline of what should occur before supply is disconnected or restricted.

- 1. Initial Bill:** The bill must clearly state the payment date and provide options for making payment i.e by phone, online, BPay or in person at an Australia Post branch.
- 2. Reminder Notice:** If payment is not made, a reminder notice must be issued with a new pay-by date seven business days (six for energy retailers) from the date of issue.
- 3. Disconnection Warning Notice:** This must provide a new pay-by date (of at least seven business days for water or six business days for energy) from issue date and warn of pending disconnection or restriction if payment is not received. Details of the retailer's hardship assistance program and EWOV's contact details must also be included.
- 4. Contact:** A company must attempt to contact a customer at least once for energy and on multiple and non-consecutive dates a minimum of twice for water, via phone, fax, or by personal visit to the supply address.

Disconnection or restriction of supply can be a very distressing situation for customers, but there are ways to help avoid it plus important customer protections to be aware of.

When EWOV receives contact from a customer (or financial counsellor on behalf of a customer) who has been taken off supply, a reconnection or de-restriction

request is sent to the company. We have a **Same Day Reconnection Policy** which requires all companies to reconnect or de-restrict a customer's supply on the same day that the complaint is raised with our office.

However, before we would raise a complaint and seek reconnection, we need a customer to contact the company at least once to request reconnection or de-restriction. There must also be safe and clear access to the meter for reconnection or de-restriction (no locked gates, dogs, etc). The disconnection or restriction cannot have been for health or safety reasons, as this may require a longer investigation. We cannot guarantee the same-day reconnection or de-restriction in this situation. Equally there may be extenuating circumstances that could prevent same day reconnection.

EWOV will later assess each case separately and on its individual merits.

Where possible, it is helpful that your client is home at the time of the reconnection or de-restriction. Someone over the age of 18 should be present for a gas reconnection and the mains switch should be in the 'off' position for an electricity reconnection. Having a remotely accessible Smart Meter at the property may result in a faster electricity reconnection with no need for access to be provided. After the reconnection has been completed, EWOV will commence an Investigation, assessing the circumstances surrounding the disconnection or restriction and will examine any underlying affordability issues.



In the interest of public health and safety, as it is an essential service, the Essential Services Commission (ESC) ruled that the water supply at a customer's property may never be disconnected entirely, only restricted to a trickle.

So what steps can you take to help your client prevent a disconnection or restriction occurring?

- **Be aware:** Encourage your client to know the cycle of their utility bills and be aware of when the next one falls due. Electricity bills are generally sent once every three months, gas bills once every two months and water bills once every three months.
- **Get in early:** If your client knows they have a utility bill coming up and are in a tight financial situation, they should contact their company as quickly as possible to request a payment plan or payment extension.
- **Be realistic:** Don't agree to a payment plan that cannot be maintained. Be realistic with the amount that the client can regularly repay to avoid missing payments or late payments.
- **Update your details:** Does your energy or water company know the clients most up-to-date contact details? Make it easy for companies to warn them of upcoming disconnections or restrictions by making sure the most recent phone number and mailing address details are listed.
- **Know your options:** Energy and water companies offer a range of hardship assistance programs. Be sure to speak with your company about what program could best assist your client's situation, be it temporary or ongoing.

Disconnections and restrictions are not allowed:

- On Friday, weekends or the day before a public holiday.
- Between 20 December and 31 December (for electricity and gas).
- If someone in the household depends on life support equipment and this has been noted with the retailer or distributor.

- If a Utility Relief Grant payment has been applied for and a decision is pending.
- If there is an open and unresolved Investigation registered with EWOV.
- If the amount owed is less than \$120 excluding GST for energy, and \$200 for water.

Wrongful Disconnection Payment (WDP) and Water Guaranteed Service Level (GSL) payments.

If a company fails to carry out any of the required steps prior to disconnecting or restricting a customer's supply, it may result in the account holder receiving a WDP for energy disconnection or a GSL for water restriction.

The WDP is \$250 a day, or part thereof, and is calculated from the date and time of disconnection to the date and time of reconnection. However, if a customer does not contact the energy company within 14 days of the disconnection, then the WDP will be capped at a maximum of \$3,500.

Water customers may be eligible for a GSL payment of \$300 if their water corporation did not comply with all of the rules prior to restricting water supply.

WDP and water GSL assessments are made by EWOV, separate to the Investigation. WDP cases are sometimes referred to the ESC for a decision to be made, and water GSL assessments may be referred to the regulator also when further guidance is needed.

Ask the Ombudsman



Sue Fraser, Senior Manager, Enterprise Partnerships and Development, at Kildonan UnitingCare, heads up a team of trainers and consultants who work across multiple industries to achieve better outcomes for consumers. Kildonan's website is www.kildonan.org.au

We gave Sue the opportunity to ask Cynthia Gebert, Energy and Water Ombudsman (Victoria), a few questions about our process and the issues affecting financial counsellors and their clients. Here's what she wanted to know.

EWOV's two Affordability Reports so far have revealed alarming increases in payment difficulties relating to gas. Kildonan is concerned this is just the start of a major issue in Victoria, given the average Victorian household uses between three and five times more gas than households in SA, NSW or Qld due to heating requirements. We know energy retailers have long-term supply contracts in place and the impact of wholesale gas price hikes will take several years to work its way to customers. How can we mitigate this ticking time bomb?

Heating a household is essential during Victorian winters and the inevitable rise in gas prices, expected over the next few years, is very concerning for my office also. Industry, government and the community sector all need to be taking steps to protect the consumers most likely to be affected.

Creating better access and awareness of energy retailer hardship assistance program, educating clients on efficient and effective heating appliance use and encouraging customers to shop around for a better energy deal are all steps that can help reduce bill-shock and avoid energy debt.

Financial counsellors and customers alike can assess retailer gas contract comparisons at yourchoice.vic.gov.au, which may lead to greater discounts, off-peak tariffs or lower overall rates which in the long-term can benefit customers greatly.

In the meantime, careful consideration and action to counter energy affordability must remain on the social agenda which will require collaboration between all the sectors.

The State Government in February announced a review into hardship practices of energy retailers after a record number of disconnections. What do you think the review will reveal and how can retailers reduce their disconnection rates? I note EWOV has awarded Wrongful Disconnection Payments to more than half of their energy disconnection cases in July-Sept 2014.

Retailer responsibility prior to disconnecting a customer's energy supply is quite clear and provides a well established framework for customer protection.

The fact that my office undertakes a substantial number of WDP assessments after energy customers are disconnected, and finds that a payment is often required, means that some retailers are not following that framework (note that approximately a third of these assessments you have mentioned in the July-Sept 2014 period were made as a payment with no admission of breach). It is important to note also that EWOV can't award WDP - we can only assess whether it should be paid.

We have, however, reported in our quarterly February 2015 Res Online publication that there has been a small but consistent drop in energy disconnection cases to our office over the last year. However, I am always concerned about any energy disconnection case because of the significant effect it has on a household.

I see the Essential Services Commission's review as a great opportunity for energy retailers to reflect on the accessibility and effectiveness of their hardship programs. But I also see it as an opportunity for all stakeholders to consider more broadly what else needs to be done to create sustainable solutions for consumers experiencing financial hardship.

EWOV's March report "Can I speak with a manager?" about customers' experiences when attempting to resolve energy or water issues themselves revealed 76% of customers called their company more than three times before complaining to EWOV. What does this say about retailers' responsiveness and navigability in the event of a customer issue?

Our recent report suggests that some retailers may not be adequately equipped to handle the number of customers currently making contact with them and seeking escalation of their issue. The results of the report also told us that there are a large number of customers who were just seeking to be heard by their company, something that should be easily addressed on a single point of contact.

Continuous improvement in the industry is of great importance to all the energy and water companies that I have spoken with about the findings in the report, and we continue to work closely with our scheme participants to assist in this endeavour.

Does EWOV have a sense about how payday lenders are impacting on energy customers' debts?

Unfortunately, we don't have specific data on what portion of customer debts that come to our office can be attributed to pay-day lenders. We are however highly aware of this issue and we do caution customers who approach our office to be aware of the excessively high interest rates and repayment timeframes before obtaining these loans.

What percentage of cases come to EWOV through a financial counsellor and does it make any difference?

For the 2013-2014 financial year, EWOV registered 10,002 cases where the account holder was represented by someone other than themselves, with a great number of these being represented by a financial counsellor (please note we will be recording more details and specifics about this in the future). This represents 12% of all cases registered during that period.

Financial counsellors provide invaluable support to vulnerable customers. Having them represent a customer who might have otherwise been unable to navigate their way through what is sometimes a complicated and distressing situation makes our job easier to get the best and most sustainable outcome for all parties.

What strategies have you found most useful for spreading information in relation to your services, and what strategy do you use for consumer and community engagement?

We actively maintain a strong web presence and promote this widely. Our [website](#) contains a whole suite of support tools, including translated factsheets and videos designed for customers and financial counsellors to help resolve complaints directly with the company, and how to work with my office to make a complaint.

We use a number of means to share information with the community about the availability of our services.

We also seek to keep a strong community presence through Bring Your Bills Days and other opportunities to meet with consumers, community agencies and interested groups. We regularly visit community organisations and actively seek opportunities to engage with a whole range of groups including migrants/refugees, elderly, indigenous and other vulnerable consumers. We encourage any organisation that feels it may benefit from a visit from EWOV to get in contact.

In 2014, we launched EWOV Open Days. These provide community agencies and financial counsellors with the opportunity to visit our scheme, see firsthand how we manage cases and gain great insight into external dispute resolution. We receive great feedback from these sessions and welcome any interest.

EWOV Open Days

In April 2014, EWOV started hosting Open Days. Although originally intended for financial counsellors, we soon found that the sessions were also becoming popular with other EWOV stakeholders – the Essential Services Commission, Department of State Development, Business and Innovation, Consumer Affairs Victoria and the Department of Health and Human Services – all have participated and provided excellent feedback.

These exclusive sessions are designed to provide valuable information and previously unavailable access to EWOV including insight into our scheme, case handling processes and available customer resources. There are plenty of opportunities for Q&A with senior case handlers, subject matter experts, and coffee and cake are included!

Here’s just a few of the agencies that have participated in the 2014/2015 Open Day sessions:

- Kildonan Uniting Care
- Anglicare Victoria
- Consumer Action Law Centre and Money Help
- Vincentcare Victoria
- Good Shepherd Youth and Family Services
- Banyule Community Health
- Department of Health and Human Services
- Lentara Uniting Care
- Department of State Development, Business and Innovation (DSDBI)
- Salvation Army - Community Support Service
- St Vincent de Paul
- CamCare
- Casey North Community Information & Support Service
- Knox InfoLink
- Box Hill Citizen’s Advice Bureau
- Darebin Information Volunteers Support Service
- Consumer Affairs Victoria – Department of Justice
- Essential Services Commission



Keen to come along? The sessions are organised through the Research and Communications Team here at EWOV and we would love to see some new faces and have the opportunity to further inform the community sector about us. If your organisation is interested in participating in an Open Day, please contact RCT.ewov@ewov.com.au or call Steph on (03) 8672 4357.

The sessions are designed for a maximum of 12 attendees at a time and are tailored to the requirement of the each registered community agency.



Contact points for energy and water company hardship programs

Updated and correct as at March 2015

Company	Program name/Department	Phone
AGL Sales	Staying Connected	1300 659 925
Alinta Energy	Customer Advocacy Team	08 9486 3079
Barwon Water	Arrange and Save	1300 656 007
Click Energy	Hardship Program	1800 775 929
Central Highlands Water	Customer Assistance Department	1800 061 514
City West Water	Customer Management Department	131 691
Coliban Water	N/A	1300 363 200
Diamond Energy	Hardship Area	1300 838 009
Dodo Power and Gas	N/A	1300 374 757
East Gippsland Water	N/A	1300 720 700
EnergyAustralia	Energy Assist Program	1800 558 643
Gippsland Water	Hardship Team	1800 151 500
Goulburn-Valley Water	Hardship Policy	1300 360 007
Goulburn-Murray Rural Water	Revenue Assurance Area	1800 013 357
Grampians Wimmera Mallee Water	Customer Relations	1300 659 961
Lower Murray Water	N/A	03 5051 3400
Momentum Energy	Keeping Momentum	1300 415 375
Neighbourhood Energy	N/A	1300 764 860
North East Water	N/A	1300 361 633
Origin Energy	Power on Program (PoP)	132 461
Powerdirect	Staying Connected	1300 559 432
Red Energy	Customer Care Team	131 806
South East Water	N/A	131 851
South Gippsland Water	Customer Service Team	1300 851 636
Simply Energy	Bill Assist	1800 094 121
Lumo Energy	Energy Account Support	1800 989 321
Wannon Water	N/A	1300 926 666
Western Water	N/A	1800 093 558
Westernport Water	N/A	1300 720 711
Yarra Valley Water	Customer Support	131 721

EWOV in the Community

Spectrum Migrant Resource Centre – Financial Literacy Program

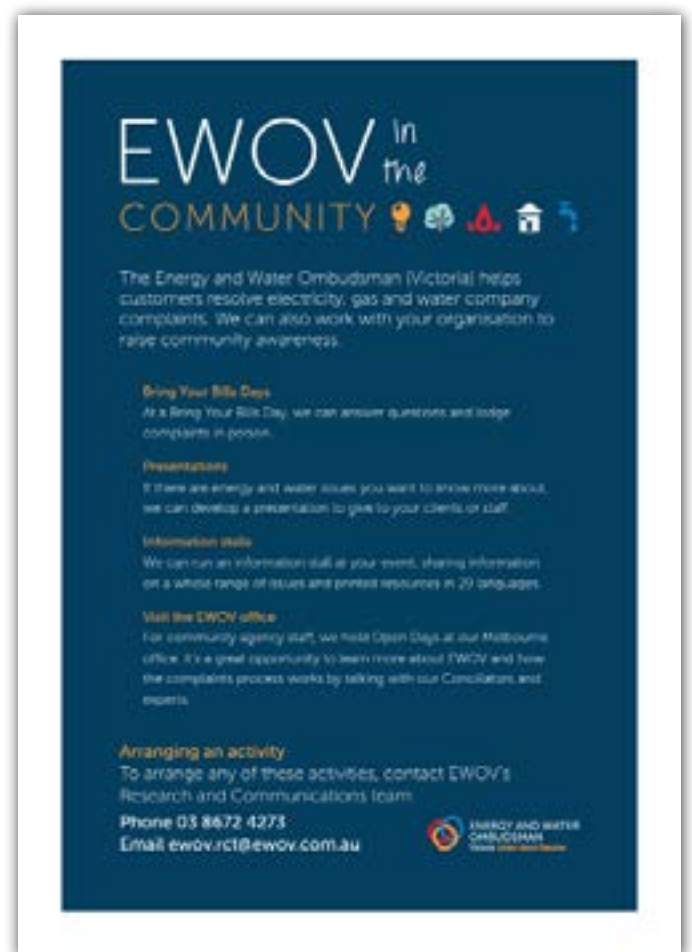
On 6 February 2015, EWOV attended a Financial Literacy Session hosted by Spectrum Migrant Resource Centre (SMRC). We presented to women of an Ethiopian and Eritrean speaking background on issues of energy efficiency, energy marketing, choosing an energy retailer and customer rights and responsibilities.

Bring Your Bills Days (BYBD)

BYBDs continue to be a regular on the EWOV community calendar. We sent two Conciliators to a BYBD at the Melton Community Hall on 20 February 2015. Good Shepherd organised a fantastic day with other organisations such as the Victorian Police, Victorian Legal Aid, Telecommunications Industry Ombudsman and many more.

EWOV is participating in a second BYBD for the year on 26 March 2015 at the Braybrook Community Hub, alongside lots of other great community organisations.

Keep an eye out on Twitter to see pictures from the event. You can follow us [@ewov](https://twitter.com/ewov).



EWOV Publication and Reports

The release of our second [Affordability Report](#) in February 2015 provided some interesting insight into trends in hardship cases. EWOV saw a pleasing 13% drop in credit cases in the October to December 2014 quarter. After falling each quarter over 2013-2014, credit cases increased slightly in the July to September 2014 quarter. Payment plan instalment cases rose by 35%, contrasting with decreases across most other credit sub-issues.

An analysis of customer experiences with energy and water company's internal dispute resolution practices was explored in EWOV's research paper titled '[Can I Speak with a Manager](#)'. Following five years of record complaint numbers, EWOV has seen case receipt slow significantly over the last two quarters. However, the paper found that overwhelmingly, development and improvement at the initial customer service level would greatly improve the complaint experience for many energy and water customers.

February 2015 [Res Online](#) revealed a decrease of 42% overall in EWOV cases compared to the October–December quarter in 2013. We also featured an interview with Greg Brown, Customer Service Manager, from Western Water about collaboration with the Department of Health and Human Services to assist Office of Housing tenants manage faulty water facilities in their homes.

[Weekly case studies](#) continue to feature on our website and are released every Friday. These provide useful examples of customer issues and outcomes achieved by EWOV. Also, EWOV's monthly website 'Hot Topic' offers further insight into common issues affecting energy and water customers. [January's](#) Hot Topic reviews the new Solar Feed-in Tariff while [February's](#) entry explains how to read a water bill with a downloadable and printable example.