

Connect - Spring 2019

September 2019

Message from the Ombudsman

Welcome to the September 2019 edition of Connect, our publication written for financial counsellors and community workers. In this issue, we update you about our:

- participation in Djirra's Sisters Day Out workshops
- case data showing higher rates of energy disconnections among customers who identified as Aboriginal or Torres Strait Islander
- community outreach and engagement pilot program
- resources that support the 1 July 2019 Victorian state government energy reforms.

Our latest issue of [ResOnline](#), published last month, shines a spotlight on the Payment Difficulty Framework and its impact so far on energy billing and credit cases. While overall case numbers were down by 14% in the April to June 2019 quarter compared to the previous quarter, we are still concerned that 72% of customers who should have been made aware of advice and assistance under the framework, told us they weren't.

We are always looking at ways to improve Connect. If you have any story ideas or your organisation would like to be featured in the next edition, please [let us know](#).



Cynthia Gebert
Energy and Water Ombudsman (Victoria)

Spotlight on Djirra

EWOV is proud to attend Djirra's Sisters Day Out® workshops across Victoria.

Preventing and addressing family violence is at the core of Djirra's work, and their programs support Aboriginal women's journeys to safety and wellbeing. Workshops are held across Victoria where Aboriginal women can support each other, enjoy a pampering session, get information about rights and options, and engage with available support services such as EWOV.

At these workshops, EWOV staff explain how we can help Aboriginal women resolve issues with their energy and water retailers. We also provide customers who are disengaged with their retailers the opportunity to speak directly with an EWOV Conciliator in a safe place, to facilitate a positive outcome.

Our participation in these events supports EWOV's strategic approach to outreach and engagement.



EWOV data

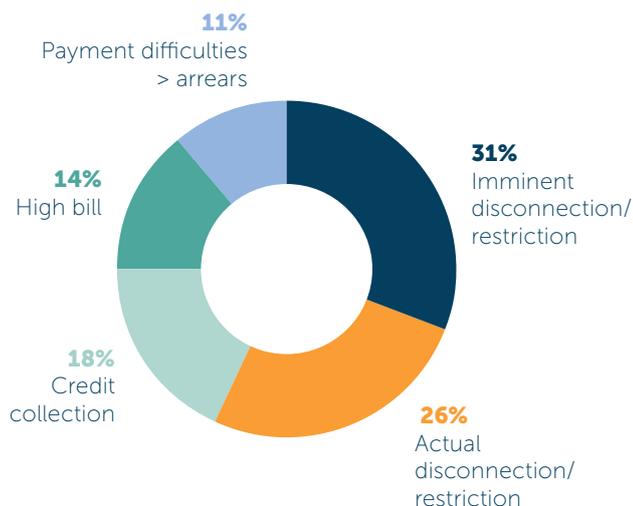
On 1 January 2019, EWOV started to ask customers whether they identified as Aboriginal or Torres Strait Islander people in order to better understand our customer base, and help us tailor our services.

In the six months from 1 January 2019 to 30 June 2019, 2% of customers who contacted EWOV identified as Aboriginal or Torres Strait Islander people.

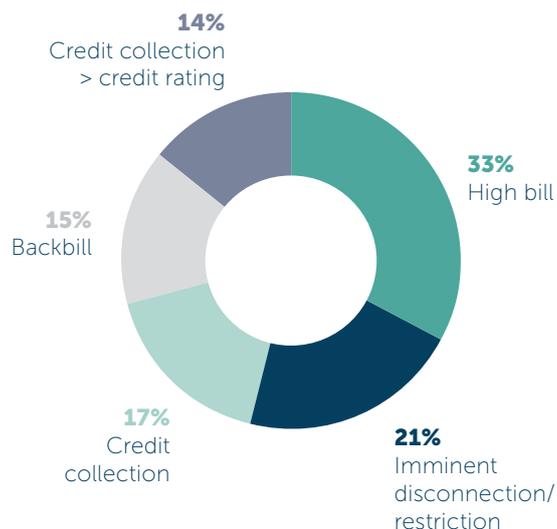
In this period, Aboriginal or Torres Strait Islander customers' case types and stages were similar to our overall case trends, however the primary issues they presented with were quite different. The top issues for Aboriginal or Torres Strait Islander customers were imminent or actual disconnection, whereas high billing was the top issue for those customers who did not identify as Aboriginal or Torres Strait Islander people.

This information reveals a particular vulnerability in this community, as disconnection and restriction from essential services impacts other areas of their lives. This also highlights the importance of customers staying connected with their water or energy retailer, as engaged customers are less likely to be disconnected.

Customers who identify as Aboriginal or Torres Strait Islander



Other customers



EWOV in the community

With our community outreach and engagement pilot program underway, we've recently held community roundtable events in Wyndham and Mildura. At these events we've learnt about the circumstances and difficulties facing many financially vulnerable customers in these regions, via the local agencies and community stakeholders[1] who attended.

What is clear to EWOV is that some issues relate to broad socio-economic concerns, and these issues are not necessarily specific to a particular region- -for example, financial capacity which is limited, given reliance on government support, such as pensions, disability support and Newstart. The cost of living, including paying rent, can leave these customers with very little left to cover food and basic necessities. Poor-quality housing stock further impacts customers who are tenants and unable to make their houses water or energy efficient.



The recently released [Australian Council of Social Service \(ACOSS\) report about Newstart and Youth Allowance](#) highlights the financial distress of people reliant on these allowances, with their survey revealing that 66% of respondents didn't use heating in winter and 64% couldn't afford to use cooling in summer. Others reported they had turned off the hot water system, only showered sporadically to save electricity, and no longer purchased food that requires refrigeration so the refrigerator could be turned off.

It is also clear from the work we are doing in these communities that the approach of some businesses can exacerbate the socio-economic welfare of customers. Including, for example:

- complex plans, tariffs, and pay on time discounts in the energy market
- inflexible processes for Utility Relief Grant scheme (URGs) applications which limit uptake
- marketing at shopping centres, particularly targeted at more vulnerable members of the community
- customers continually being advised by their retailer that they need to increase their payments, making payment plans unaffordable, and in some cases causing customers to go without other essentials such as food
- customers not being provided, or being charged for energy audits.

We will continue to highlight the types of issues we are presented with when working directly with the community, and will assist our scheme participants to better understand how their business activities impact specific customer groups. A greater understanding of these issues also supports EWOV from an operational perspective, as our staff expand their first-hand knowledge of our customers and the community. The lived experience of energy and water customers continues to inform our case handling, our policy work, and enables us to develop impactful community outreach activities.

[1] Good Shepherd, Anglicare, West Justice, Wyndham Community Education Centre, the Smith Family, the Ethnic Communities Council of Victoria and Melton Council attended our Wyndham community roundtable.

Mallee Family Care, Murray Mallee Community Legal Service, Haven Home Safe, Consumer Affairs Victoria, Rights and Information Advocacy Centre and St Vincent De Paul attended our Mildura community roundtable.

1 July 2019 reforms

In other news, the Victorian state government's energy reforms, introduced 1 July, now make it easier for customers to get a better deal on energy. These reforms are particularly important for low-income customers who struggle to engage with the retail energy market.

You can find out more about these changes:

- on the [EWOV website](#)
- on the [Essential Services Commission website](#)
- on the [Department of Environment, Land, Water and Planning website](#)
- as well as [changes to URGs](#)

We've also updated some of our fact sheets to reflect the 1 July changes:

- [High energy bills](#)
- [Moving into transitional housing?](#)
- [Switching energy plans](#)
- [What is a best offer?](#)



Case Studies

A vulnerable customer receives a Wrongful Disconnection Payment from his electricity retailer

Case study: WDP/2019/386 and 2019/13472

Mr A, who through his representative identified as an Aboriginal or Torres Strait Islander person, had his supply disconnected in July 2018 due to non-payment. However, because Mr A was living at an alternate address for several months, he only discovered that he had no electricity connection when he returned to his property in March 2019.

In July 2019, a community organisation representing Mr A lodged a complaint with EWOV about his disconnection.

EWOV launched an Investigation seeking to have Mr A's electricity supply reconnected and to waive his outstanding balance due to his circumstances of financial hardship, vulnerability and recent homelessness. After reconnecting Mr A's supply on 2 August 2019, the retailer waived his outstanding balance of \$876 in recognition of his difficult circumstances.

EWOV also opened a Wrongful Disconnection Payment (WDP) Investigation to determine if Mr A's disconnection had been in breach of the Energy Retail Code.

Our WDP Investigation revealed that the retailer had had no successful contact with Mr A between establishing his account and prior to disconnection. The retailer confirmed that the only phone number it had for Mr A had been confirmed as a wrong number in December 2017. Other than the disconnection warning notice, the only attempt at contacting Mr A about his imminent disconnection in July 2018 was via the phone number the retailer already knew to be incorrect.

EWOV determined that leaving a message on a known incorrect phone number about imminent disconnection did not demonstrate best endeavours to comply with the Energy Retail Code. Because it had not followed the law when disconnecting his supply, the retailer paid Mr A \$3,500. The Wrongful Disconnection Payment was capped at \$3,500 because Mr A did not make contact with the retailer within 14 days of his supply being disconnected.

Elder abuse victim unknowingly accrues energy debt

Case study: 2019/5202 and 2019/5203

Suffering from family violence in the form of elder abuse, Ms M turned to EWOV when she was contacted by an energy retailer demanding payment for debt.

Ms M had recently moved in with her son and daughter-in-law. Without her knowledge, her daughter-in-law had transferred the electricity and gas bills into Ms M's name in order to receive a pensioner concession. As such, Ms M was now liable for the debt that had accrued and was unable to pay.

Considering Ms M's vulnerability, EWOV immediately raised an Investigation and bypassed the Assisted Referral stage. We put Ms M in touch with the relevant elder abuse services, and phoned Senior Rights Victoria who agreed that they could help Ms M with housing, legal advice and advocacy.

During the Investigation, EWOV met with the energy retailer to discuss the case and find a solution for Ms M. The retailer acknowledged that as the accounts had been transferred without Ms M's consent, they would close the accounts in her name and continue to bill the address under a different name.

Upon closure of Ms M's accounts, she was left with a balance of \$188 for gas and \$407 for electricity. The retailer agreed to provide a credit of these amounts so that her account balances would be zero, enabling Ms M to regain independence and find suitable accommodation elsewhere. Satisfied with the outcome, Ms M's case was closed.