



Autumn 2012 issue

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EWOV opened in May 1996. By 31 December 2011, we had assisted over 310,000 energy and water customers, most of them residential.

We provide independent advice, information and referral regarding energy and water services.

We receive, investigate and facilitate the resolution of complaints involving customers and energy and water service companies in Victoria.

We identify, and where appropriate redress, systemic issues and refer these to energy and water companies and regulators.

We work with customer groups, industry and regulators to drive ongoing customer service improvement and to prevent complaints.

Message from the Ombudsman

As Fiona McLeod acknowledged in her parting *EWOV Connect* column, EWOV's working relationship with the community sector is very important.

Mutually beneficial—while respectful of EWOV's independence and impartiality—it's a relationship that goes right back to our scheme's beginnings in 1995.

Community agency networks have helped us build and maintain awareness of EWOV's dispute resolution services—among Victorians generally, and among potentially vulnerable and disadvantaged consumers in particular.

Community agency networks have also helped us better understand the day-to-day problems facing Victorian energy and water customers.

We're currently developing our 2012-13 community consultation strategy. One ongoing focus will be our engagement with community agencies on consumer awareness and energy and water issues. Another focus will be on building customer knowledge of energy and water issues—so that customers feel more confident about taking problems up with their companies directly.

For now, we hope you find the articles in this issue of *EWOV Connect* interesting and useful. As well as updates about some things EWOV is up to, we cover a number of issues we know you encounter regularly in your work with clients—[door-to-door energy marketing](#), [financial hardship](#) and [energy disconnection](#).

Cynthia Gebert
Energy and Water Ombudsman (Victoria)

Adapting to meet our operating challenges

EWOV 2.0

Over the last few months, we've thoroughly reviewed how we approach our work. Aspects including our case handling, resourcing, business systems and organisational structure have all been under the microscope. Essentially our aim is to deliver a more responsive, flexible and efficient EWOV.

To achieve this, we're:

- introducing more efficient and effective processes to help both the customers lodging complaints with us and the companies addressing those complaints
- increasing resolution by phone
- using best practice procedures and a streamlined, consistent approach
- creating a sustainable and flexible case handling model.

Example: making more of the Assisted Referral process

All customers who contact EWOV with a complaint—and who have already contacted their company's call centre—are now being provided with an Assisted Referral to a higher level contact at their company. After this referral, the company has three days to contact the customer and 21 days to reach a resolution.

The Assisted Referral process helps companies reconnect with customers to sort complaints out directly. Handled well, it has the potential to significantly reduce the number of complaint investigations EWOV needs to undertake. It's early days, but a marked drop in investigated complaints in the last quarter of 2011 was a positive sign. Scheme participants have told us they're keen to make the process work well. Our ongoing surveying of customers who have used the Assisted Referral process is positive.

What does this mean for you?

We expect these changes to deliver faster, better outcomes for you and your clients. We'd be interested to hear from you about how you find the Assisted Referral process working in practice. Feel free to let Greg Cromie, our General Manager Intake, know: greg.cromie@ewov.com.au

Major review of how EWOV goes about its work

Assisted Referrals to play a bigger role in complaint handling

Our new website will be up soon!

In the next issue of EWOV Connect you'll find an 'all you need to know' guide to the new site and how it can help you and your clients.

EWOV is still the place to lodge complaints about energy marketing

Energy Assured Limited's role is different to our role



Door-to-door energy marketing complaints

Role of Energy Assured Limited

[Energy Assured Limited](#) (EAL) is a self-regulated energy industry scheme set up to monitor and improve door-to-door marketing standards. EAL seeks to improve compliance by both energy retailers and energy marketing companies, promote consumer confidence in door-to-door sales, improve the customer experience and reduce complaints. Its role includes managing a Code of Practice: [Code summary](#) and [Code in full](#)

Membership of EAL is voluntary. The energy retailers that have signed up are AGL Sales, Australian Power & Gas, Lumo Energy, Momentum Energy, Origin Energy, Red Energy, Simply Energy and TRUenergy.

It's important to understand, however, that EAL is not an EWOV Scheme Participant and it's not a new dispute resolution body for customers.

There's no change to EWOV's complaint handling role

Resolution of marketing complaints still sits with EWOV. There is no change to the way we receive, investigate and resolve customers' door-to-door marketing complaints (or to our responsibility to highlight and report systemic issues to energy companies and regulators). EWOV has a [memorandum of understanding](#) with EAL to share information to help each of our organisations do our different jobs.

What does this mean in practice?

Complaints about door-to-door energy sales must first be made to the energy retailer concerned. That retailer must investigate the complaint and offer a resolution. If the customer isn't satisfied with the outcome, they can lodge a complaint with EWOV. As well as working towards a resolution to their individual complaint, if we believe a marketing issue is systemic we'll report it to the regulators.

If the retailer or marketing company is a member of EAL, they must provide a report to EAL. EAL should investigate whether there's been a [Code of Practice breach](#) and, if necessary, take action against the retailer (and/or the marketing company) and notify relevant regulators.

Each retailer must also advise regulators of the number and type of marketing complaints made against it and its sales representatives.

Improving energy market competition through consumer participation

A research report by the Consumer Utility Advocacy Centre (CUAC) released in March 2012

[Read the report and stakeholder comments on it](#)

What does this mean for you?

It's important to know that the process for clients with complaints about energy marketing hasn't changed. They still need to contact their retailer first. If the problem isn't resolved, they can contact EWOV. Positively, EAL is expected to bring more scrutiny of the behaviour of sales representatives and more action to discipline and remove the ones doing the wrong thing.

Working through financial hardship

It will come as no surprise that customer financial hardship is one of the most difficult issues we come across as we work to resolve energy and water complaints. We know it's also a difficult issue for our colleagues in other Ombudsman offices. Much is written about companies not doing the right thing by their customers. So, we thought we'd share with you some recent examples of companies trying to do the right thing—by working with customers in financial hardship towards resolutions that were sustainable for both parties.

Companies also want sustainable resolutions

Recent examples of companies trying to do the right thing

Customer story

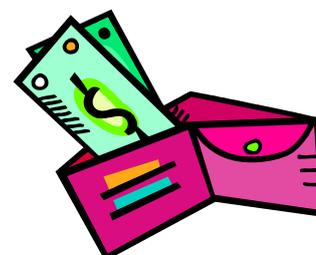
Water-saving measures pay off

A customer in long-term financial hardship complained to us about higher-than-expected water bills. When the bills were found to be correct, her water company paid for a plumber to visit the customer's home. The plumber identified a leak in the toilet and several other opportunities for water-saving.

The water company paid to replace the single flush toilet cistern with a dual flush one and the showerhead with a water efficient one. It also replaced the faulty washer on the cistern stop tap and several parts of pipes and taps to reduce water flow.

As part of the resolution of this complaint, we asked the customer to keep a water diary (before and after the plumber's work).

The entries showed that her water usage fell as a result of the various water-saving measures. The company also continued to help by including her in its hardship program and providing her with a 5:1 incentive payment plan—for every 5 instalments she paid on time, the water company would credit one. W/2011/2088



[... continued on page 5](#)

Study of the impacts for low-income households of rising energy prices

This study is investigating the impacts for low-income households from paying higher energy prices. The findings of the study—being undertaken by Dr Lynne Chester, a researcher from the University of Sydney—will be used to recommend policies to improve the circumstances of low-income Australian households.

The first phase of the study is a survey of low-income household energy use and affordability. [Read more about the study and the survey](#)

A sustainable resolution achieved by working with the customer's personal situation

Working through financial hardship continued

Customer story

Heating changes pay off

A customer in long-term financial hardship was using much more electricity than he could afford and had built up arrears of \$7,719.37. Our investigation included an energy audit. This showed that six electric heaters in the property the customer rented were using a daily average of 131 kWh and contributing to his total daily average of 145 kWh.

Because the customer had access to a lot of wood, a wood heater was assessed as the most economical way to heat the property. The customer's electricity retailer conceded that it hadn't fulfilled its obligation to assist the customer earlier—to help prevent arrears of this size. It offered to contribute \$1,000 towards the \$1,500 cost of the wood heater. The landlord agreed to contribute the remaining \$500. Because a wood heater with an extraction fan uses a maximum of 3 to 3.5 kWh a day, we calculated that the customer's electricity bills would drop to between \$40 and \$50 a fortnight, in line with his capacity to pay. He was also included in his electricity retailer's hardship program. C/2011/30048



What does this mean for you?

Energy and water companies know it's in their interests to have customers paying something regularly, even if it's being subsidised. They also know it's important for a customer's well-being to be working their financial issues out, even if that's happening slowly. There's an expectation that they'll help customers get back on track with their bills and manage their usage.

So, tell your clients to tell their company if they're having financial difficulties and ask for the help they're entitled to. Of course, they must also be prepared to work with the company towards a long-term solution, and this is sometimes where a resolution of this kind falls down. Having you reinforce to the customer the importance of doing their bit can go a long way to helping achieve a resolution that's sustainable all round.

A reminder about *Energy Hardship: A Guide for Agencies*. This is a free comprehensive kit, very useful for people working with energy customers experiencing financial hardship. More information on the Department of Primary Industries' website: <http://www.dpi.vic.gov.au/energy/electricity/your-bill/concessions-and-hardship/hardship>

Regulatory action on energy disconnection

Proposed \$300 minimum debt before energy disconnection

Legislation giving effect to the new National Energy Retail Law (Retail Law) passed both houses of South Australian Parliament on 9 March 2011 and received Royal Assent on 17 March 2011. The Ministerial Council on Energy has agreed that jurisdictions will work toward a common target date of 1 July 2012 for commencement of the Retail Law and National Energy Retail Rules (Retail Rules) as part of the [National Energy Customer Framework](#) (NECF).

Under the Retail Rules (r. 116), a retailer can't disconnect a customer for non-payment where the amount owing is less than an amount approved by the Australian Energy Regulator (AER)—and the customer has agreed to repay that amount. The AER is currently considering the amount that should be approved as the minimum amount owing on a customer's bill before disconnection for non-payment—\$300 has been suggested. The AER has published a consultation letter to stakeholders, seeking views on that amount and other considerations. [More](#)

Obligations to customers: Disconnection and Reconnection

The Victorian [Energy Retail Code](#) sets out the rights and obligations of residential and small business energy customers. In late 2009, the Essential Services Commission (ESC) reviewed the statutory Wrongful Disconnection Payment provisions. In their submissions to the ESC's draft report on this, energy retailers raised concerns that certain regulatory obligations left them open to potential claims of wrongful disconnection despite their best endeavours to engage with customers to avoid disconnection action. The ESC undertook to review the relevant obligations to ensure that retailers were able to comply.

In February 2012, the ESC released its [Final Decision](#) on amending the *Energy Retail Code* and the *Electricity Distribution Code*. There are eight parts to this Decision, summarised on pages 41–44.

In short though, energy retailers:

- are no longer required to offer a second payment plan in writing when a customer does not engage with the retailer
- no longer has an absolute obligation to organise reconnection
- must now pass on a customer's reconnection request to the distributor within one hour (for advanced meters)
- cannot require a lump sum payment before providing a Utility Relief Grant form.

*While preparing its Draft Decision on disconnection and reconnection provisions under the Energy Retail Code, the ESC separately received a report entitled **Customers of Water and Energy Providers in financial hardship: a Consumer Perspective**, from Hall and Partners/Open Mind. The ESC circulated this May 2011 report to stakeholders and placed it on the [ESC website](#).*

AER proposes \$300 as a minimum amount before energy disconnection

ESC's Final Decision on Disconnection & Reconnection

Raising awareness in all parts of the Victorian community is an ongoing priority for us

Building community awareness

Among refugee communities

We continue to take part in the 'Bring your ...' events organised by the Footscray Community Legal Centre, most recently a 'Bring Your Bank Accounts Day', attended by over 50 members of the community. Although the day was aimed at bank accounts, many people wanted to raise their energy and water issues! We assisted some 15 people, mainly from the Burmese community, with around 30 complaints.

Among seniors in regional areas

We joined staff from Consumer Affairs Victoria (CAV) and the Telecommunications Industry Ombudsman in presenting to CAV's Community Forum in Wonthaggi. The audience was mostly seniors who showed a very keen interest in energy and water issues, especially solar issues.

Among young people

With the Energy & Water Ombudsman NSW, Telecommunications Industry Ombudsman, Financial Ombudsman Service and Public Transport Ombudsman, EWOV is funding and promoting a postcard campaign aimed at raising awareness of Ombudsman services among young people, especially tertiary students. The project is being run under the banner of the Australian and New Zealand Ombudsman Association (ANZOA). Some 60,000 Avant Card postcards are being distributed at venues in and around university and TAFE campuses in Sydney and Melbourne over the busy start-of-semester period. While the postcards are mainly meant to be picked up and read by people at the venues where they're displayed, because they are postcards they have great potential to reach a secondary audience.

More information at: http://www.anzoa.com.au/speak_up



What does this mean for you?

If you'd like some copies of the ANZOA postcard to distribute to people who visit your agency, Connie Fragale, EWOV Administration Support Officer: connie.fragale@ewov.com.au can help.

Who deals with Smart Meter issues?

Smart Meters are still making news and, not surprisingly, we are receiving lots of customer calls.

Here's a reminder of what EWOV can and can't investigate when it comes to Smart Meters.

YES to:

- Billing issues following the installation of a Smart Meter
- Customer service issues during the Smart Meter installation process
- Problems with the meter exchange



NO to:

- The decision to install Smart Meters –because it is a government decision
- The Smart Meter charge—although we can provide information and investigate whether the charge was correctly applied

There's lots more information about Smart Meters on the [Smart Meters](#) website of the Department of Primary Industries.

Link to our [Smart Meter Basics](#) fact sheet

Links to [all EWOV fact sheets](#)

If you'd like to learn more about Ombudsmen and Ombudsman practice ...

The 2012 Conference of the Australian and New Zealand Ombudsman Association (ANZOA) will be held from 30 April to 2 May 2012 in Melbourne

[More on the ANZOA website](#)

EWOV essentials

We can help with electricity, gas (natural and LPG) and water problems that can't be resolved directly with an electricity, gas or water company. Our services are free and available to everyone.

What kinds of problems?

- the provision and supply of a service (or the failure to provide or supply it)
- billing
- credit and payment services
- disconnections and restrictions
- refundable advances (security deposits)
- land and property issues

How do we resolve problems?

Most things can be sorted out through discussion and agreement. In a small number of cases, the Ombudsman makes a final decision—just like an umpire. Decisions are binding on energy and water companies and may include awards of up to \$20,000 or, if all parties agree, up to \$50,000. Read more on our website: www.ewov.com.au

Freecall 1800 500 509

If the phone service is restricted—ring 12550 (Telstra reverse charges) and quote this number: (03) 8672 4460—we'll accept the reverse charges and the call cost. Calls from mobile phones may attract charges — we can ring you back.

Free fax: 1800 500 549

Interpreter service: 131 450

National Relay Service: 133 677

Email: ewovinfo@ewov.com.au

Online complaint form: <http://www.ewov.com.au/GotaProblem/Complaint-form.aspx>

Website: www.ewov.com.au

Post: GPO Box 469 Melbourne Vic 3001