



Summer 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 30 November 2014, we had closed over 530,000 energy and water customer cases, most of them residential.



**Connect is an
online publication...**

and is available for
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ewov.com.au

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(03) 8672 4460 or at:

Admin-Assistance@ewov.com.au

Message from the Ombudsman



It's December; the weather is heating up, the Christmas decorations have come out and 2014 is drawing to a close. It's been a big year for EWOV. We received our 500,000th case in May 2014, and registered a record 84,758 cases in 2013-14. While we've seen a pleasing drop in overall complaint levels since then, affordability issues are making up an increasing share of our work. See the article on page 5 for more on affordability trends.

The EWOV office will be closed from 5.00 pm on Wednesday 24 December 2014, and will re-open at 8.30 am on Monday 5 January 2015. You can still call us and leave a voicemail – we'll have a couple of staff checking messages and following up any urgent complaints. We'll respond to matters that aren't urgent when the office re-opens in the New Year.

I know how busy financial counsellors and other community workers are, so thank you for taking the time to read *Connect* in 2014. From me and the rest of the EWOV team, have a very Merry Christmas and rejuvenating holiday break!

Cynthia Gebert
Energy and Water Ombudsman (Victoria)

**While we've seen
a pleasing drop
in complaints,
affordability issues
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Getting help with credit default listings

When a customer doesn't make payment on a debt, credit providers (including energy and water companies) can ask credit reporting agencies to record the default on the customer's credit report. This can make it difficult for the customer to get loans or other services in future.

While complaints to EWOV about most other issues are decreasing, more and more customers are coming to us for help with credit default listings. In the three months from July to September 2014, for example, we received around 500 credit default listing cases – 10% more than in the previous quarter.

Credit repair companies – help or hindrance?

Sometimes, customers who are worried about their credit reports instead seek help from "credit repair", "credit fix" or "debt solution" companies, which claim to be able to improve a customer's credit report, often charging high fees for the service. After a recent tip-off from the Ombudsman in New South Wales, we reviewed our records and found several identical default listing complaints, which were based on a template supplied by a credit repair company. The company was obtaining a copy of the customer's credit report and referring them to various Ombudsmen services – but only after customers had paid a \$1,100 upfront fee.

It's not necessary to pay a credit repair company for these services. Customers are entitled to a copy of their credit report at no charge, and the services of EWOV and other Ombudsmen are free. What's more, credit repair companies can't guarantee that default listings will be removed, since this always depends on the merits of the case.

How we handle default listing complaints

In default listing cases, customers typically tell us that they think the listing has been made in error, without warning, or without the company offering them any hardship assistance beforehand. Often, the debt is for an old account that the customer thought they had paid.

When we're investigating complaints about credit default listings, we check whether:

- the debt belongs to the customer
- the amount listed is correct
- and the company followed the rules for listing a default.

If there's a problem, we ask the company to have the listing removed.

It's not necessary to pay a credit repair company; the services of EWOV and other Ombudsmen are free.



Tips

- Consumers are entitled to a free copy of their credit report.
- EWOV, the [Telecommunications Industry Ombudsman](#), the [Financial Ombudsman Service](#) and the [Credit Ombudsman Service](#) can all investigate default listing complaints – free of charge.
- Visit ASIC's [Moneysmart website](#) for more information, including instructions on how to get a free credit report and how to check and correct wrong listings.

Meet CUAC's Karl Barratt

Karl Barratt is the EnergyInfoHub Community Participation Coordinator at the Consumer Utilities Advocacy Centre (CUAC). We asked him about his work and the ins and outs of consumer education on energy.

Can you tell us a bit about CUAC and your role there?

CUAC advocates for fair, affordable and accessible energy and water utilities. I'm basically the outreach arm of the organisation – my role is about providing independent, expert information to help disadvantaged households gain control and confidence in managing their bills.

What are some of the challenges and issues you've come across in your outreach work with consumers?

Something that comes through is that there's a lot of distrust and confusion surrounding all things energy. The best thing is seeing these lightbulb moments where people go, "Here's this thing I have to use every day, but no-one's ever taken the time to explain to me how it works. Now I understand it, and I feel more in control." We get some really excellent feedback from people.

There are also a lot of myths about energy that we need to counteract. On saving energy, for example, people often focus on things like turning the lights off or turning appliances off at the wall, but really most of our costs come down to heating and cooling. There's a lot you could say, but we try to break it down and stick to the most simple and effective advice. For example, we focus on three simple things you can do to save money: shopping around for a better deal, saving energy around the home and making sure your concessions are in place. Another thing we've noticed, particularly outside of metropolitan Melbourne, is that people aren't always aware that the Ombudsman exists, that it's free, and that they're there to help and get the job done. We give people accurate, easy-to-understand information, and then each person takes this home and shares it with family or friends, so it multiplies.

What do you see as the biggest area of need when it comes to educating consumers about energy?

People really want that one-on-one, tailored advice. Since the demise of the Home Energy Saver Scheme, which provided in-home energy visits, there aren't as many places to go for that kind of help, and financial counsellors have really been left "holding the energy baby". One of the things we have been doing to help is running sessions with financial counsellors to build their skills and knowledge in the area.

When we run community information sessions, we invite people to bring their bills along, and at the end of the session we spend some time going over them. That's also been really helpful.

What's next on the agenda for you?

In 2015 we'll be running training with neighbourhood houses and libraries, showing workers how to help people to use the Victorian Government energy price comparator, My Power Planner, to find and compare electricity deals. These places are great environments to reach consumers who might need that tailored help, including concession cardholders and people from diverse cultural and linguistic backgrounds. They mightn't have access to a computer at home, but they can go to the library or the neighbourhood house, use the computers there, and get that individual support to save money on their bills.

Since the demise of the Home Energy Saver Scheme... financial counsellors have really been left "holding the energy baby".

If you'd like to arrange a training session for your organisation, contact Karl on (03) 9639 7600 or email: karl.barratt@cuac.org.au



Dealing with debt collectors

Dealing with debt collectors when times are tough can be stressful. While businesses do have a legal right to collect money owed to them, debt collectors can't mislead, harass, coerce or act unconscionably towards consumers.

At EWOV, we often hear from customers who have energy or water complaints about debt collection agency activity. Although we can only deal with the parts of a complaint that are about the energy or water company, there is other information and help available for consumers dealing with debt collectors.

The Australian Competition and Consumer Commission (ACCC) has just released a revised consumer guide on debt collection. [Dealing with debt collectors: Your rights and responsibilities](#) is available on the ACCC website and includes practical information about:

- Getting to work out a budget, negotiate a repayment plan, apply for hardship or better understand financial and legal options.
- What to do when contacted by a debt collector.
- Inappropriate debt collector behaviour.
- How to dispute old debts, incorrect debt amounts and debts that aren't yours.



Community awareness of EWOV

In September 2014, we surveyed 1,003 Victorians about their awareness of EWOV. Here's some of what we found out:

- Unprompted, one in two Victorians say they know about EWOV. With a little prompting, 65% say they're aware of our service.
- Awareness of EWOV is highest among older Victorians and people on higher incomes.
- Since our previous survey in 2009, community organisations, financial counsellors and the internet have become more important sources of community awareness of EWOV.
- Only 26% of Victorians know that EWOV is a free service.



EWOV's service is free, and we want to get the word out – especially to vulnerable consumers. You can help us raise awareness by sharing this information with your clients.

Introducing the *Affordability Report*

Because we know that energy and water affordability is a big issue for the community, we've introduced a new *Affordability Report*. The new quarterly report takes a detailed look at EWOV cases about affordability issues like payment difficulties, disconnection/restriction and debt collection.

The first *Affordability Report*, just released, deals with the July–September 2014 quarter. We found that:

- **Affordability issues are making up an increasing share of EWOV's work:** Credit cases now make up nearly one in four EWOV cases, up from one in five at the same time last year.
- **More payment difficulties cases came to EWOV in the last quarter – especially from gas customers:** Payment difficulties cases increased 13% between the last two quarters, with the biggest increase (30%) in gas cases.
- **Energy companies aren't always taking the required steps before disconnecting:** A Wrongful Disconnection Payment was paid in just over half of the actual energy disconnection cases we closed in the quarter.
- **While total EWOV cases have dropped since last year, credit rating cases remained stable:** We received 2% more default listing cases in the July–September 2014 quarter than during the same quarter the previous year.

For more, check out the full [Affordability Report](#) on the EWOV website.

 Connect subscribers will receive the Affordability Report automatically. Not yet a subscriber? Sign up by emailing rct.ewov@ewov.com.au.

New resources available now

Reading energy bills

Energy bills have a lot of useful information on them, but they can be confusing. To help, we've created a sample energy bill with an explanation of different items and pointers on what to look out for.

Although all energy bills must include certain information, each company uses its own language and layout. Fortunately, many companies have tutorials, videos or an explanation of their own bills on their websites, so we've also pulled together a handy list of links to this company-specific information.



Want a PDF copy of our sample bill to use with your clients or community? Email us at rct.ewov@ewov.com.au.

 Check out the [Reading Your Energy Bill](#) Hot Topic on the EWOV website.

EWOV in the Community flyer

You might recently have found our new *EWOV in the Community* flyer in your letterbox. We developed the flyer to let community organisations know about the types of activities we can help with.

If you'd like some copies of the flyer to share among your networks, just drop us a line at rct.ewov@ewov.com.au.



EWOV in the COMMUNITY



The Energy and Water Ombudsman (Victoria) helps customers resolve electricity, gas and water company complaints. We can also work with your organisation to raise community awareness.

Bring Your Bills Days

At a Bring Your Bills Day, we can answer questions and lodge complaints in person.

Presentations

If there are energy and water issues you want to know more about, we can develop a presentation to give to your clients or staff.

Information stalls

We can run an information stall at your event, sharing information on a whole range of issues and printed resources in 29 languages.

Visit the EWOV office

For community agency staff, we hold Open Days at our Melbourne office. It's a great opportunity to learn more about EWOV and how the complaints process works by talking with our Conciliators and experts.

Arranging an activity

To arrange any of these activities, contact EWOV's Research and Communications team.

Phone 03 8672 4273

Email ewov.rct@ewov.com.au

