



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

Detect

MAY 2021

Issue 01

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I am very pleased to present EWOV's Detect, the first issue of what will become an ongoing series.

Detect will provide short, sharp reports highlighting systemic issues that we have identified through our case-work, customer surveys and/or data analysis.

We hope to work more effectively with our Scheme Participants (SPs) and regulators to address systemic issues in the energy and water sectors. Through joint action and awareness, we can all work to improve business practices and processes, and build consumer trust.

In this first edition of Detect we focus on two systemic issues where SPs may be failing to provide appropriate assistance and/or information to customers. We highlight these issues to assist businesses in addressing systemic breakdowns in processes, procedures or approach, and in supporting their customers through this difficult time.

Cynthia Gebert
The Ombudsman

SPECIFICALLY, WE URGE BUSINESSES TO:

1. Ensure they are actively assisting eligible customers to access their Utility Relief Grants Scheme (URGS) entitlements; and
2. Ensure they are actively promoting EWOV's service through the required and relevant communication channels.

We trust you find Detect useful and we look forward to working together to improve the energy and water sector, for all Victorians.

Are retailers doing everything they can to assist customers to access URGS entitlements?

EWOV consistently receives cases where eligible customers have not been assessed for an URGS payment by their energy retailer; or have requested an URGS payment but have not received the necessary assistance from their retailer to obtain it. The prevalence of these issues in our case handling suggests a systemic failure to provide URGS across the sector, with some providers failing to do this more than others.

Feedback from community sector stakeholders at EWOV outreach and engagement events regularly suggests that clients of financial counsellors are also experiencing this issue. Anecdotally, the problem seems to be particularly acute for culturally and linguistically diverse (CALD) with limited English language skills, and may indicate a need for improved translation and interpreter services across the sector.

Retailers will be aware that since 1 October 2020, they have been required to assist customers to fill out the online URGS application form over the phone and lodge the form online on behalf of the customer, unless the customer requests otherwise.¹

This is an ongoing, permanent requirement that was introduced in 2020 along with a number of temporary support measures, in response to the coronavirus pandemic.

Retailers seeking further guidance on how to assist customers (including in situations where they're unable to complete the URGS application over the phone), should consult the ESC's guidelines, at *Supporting Customers through the Coronavirus Pandemic: Final Decision – Appendix B: Guideline: Supporting utility relief grant applications*.²

Recurrent URGS-related issues observed by EWOV include:

- Eligible customers not being made aware of their URGS entitlements. In some cases, this may reflect a misconception that customers require a concession card to be eligible for URGS - which is incorrect. Relevant staff should revisit URGS eligibility requirements on the Victorian Government website, [here](#).
- URGS forms being physically mailed out to customers, but not arriving until the application deadline on the form has expired.
- Customers repeatedly requesting to be sent an URGS form which never arrives.
- CALD customers not being provided with interpreter services to assist them in having an URGS form filled out over the phone.
- Customers being advised that their maximum entitlement is \$650 in a two-year period, even though they live in a single fuel dwelling (i.e. the maximum entitlement is \$1,300).

¹ Essential Services Commission, *Supporting Customers through the Coronavirus Pandemic: Final Decision – Appendix B: Guideline: Supporting utility relief grant applications, clause 3.2 (2020): 60*. <https://www.esc.vic.gov.au/electricity-and-gas/inquiries-studies-and-reviews/supporting-energy-customers-through-coronavirus-pandemic-2020>

² <https://www.esc.vic.gov.au/electricity-and-gas/inquiries-studies-and-reviews/supporting-energy-customers-through-coronavirus-pandemic-2020>

Shelley*

Case Study 01

Shelley contacted EWOV via phone in October 2020. She was upset because she was in arrears on both her electricity and gas accounts, but had not received URGS forms despite having requested them from her retailer on multiple occasions. Shelley receives a Disability Support Pension, and was in genuine need of the support payments.

At the same time, she was receiving debt collection notices from her retailer and was worried she may be disconnected.

In response to Shelley's complaint, we provided her with an Assisted Referral requesting that her retailer provide her with the requested URGS forms and cease debt collection activity while they were processed.

In late November 2020, (following the Assisted Referral), Shelley contacted EWOV to advise that she had received a call from her retailer - who had said it would send her the URGS applications. Yet again though, the forms never arrived and the retailer did not call again. Shelley requested a callback, and the matter escalated to Investigation.

In early December, Shelley advised that the URGS application forms had finally arrived - but the expiry date on them had already passed. At the time, Shelley owed \$414.86 on her electricity account and \$342.33 for gas. She hadn't made payment for some time because she had been waiting for the requested URGS forms to arrive. Shelley advised that she was happy to make ongoing payments towards future usage, but did not want to make any payments towards the arrears as she felt they should be covered by the URGS payments.

Through conciliation, Shelley's retailer advised that Department of Fairness, Families and Housing (DFFH) had agreed to keep Shelley's URGS applications open until it received the completed forms, even though

the dates had expired. The retailer offered to place both of Shelley's accounts on hold until DFFH had processed the applications. It further advised that could take up to 8 weeks.

Shelley accepted that resolution, and the case was closed.

However, in February 2021, Shelley was back with a new complaint. Despite the promises made by her retailer, the URGS payments still hadn't been applied to her accounts. Shelley now owed \$550.59 for electricity and \$480.96 for gas.

By this stage, Shelley had been struggling to get her URGS entitlements through her retailer since April 2020. Shelley advised that she had received no recent contact from her retailer other than it sending her regular bills. She was disgruntled and wanted it to waive her debt, and then to transfer away to a new retailer.

In response, the retailer had advised Shelley that it would not waive her debts.

We opened a new case.

Ultimately, Shelley's issue was resolved by her retailer undertaking to send her out yet more URGS forms - and ensuring that this time, she would have more than enough time to lodge them prior to expiry. In the meantime, the retailer agreed to place both accounts on hold for six months to allow for the URGS payments to be approved by DFFH.

Shelley agreed to pay in full any amount on either account that exceeded the URGS payments, once they were processed. She was further advised that if she did not then debt collection activity may occur, including disconnection.

Ultimately, by the time Shelley's issue was resolved her retailer had generated two sets of unnecessary complaint handling fees. This was a poor outcome considering Shelley had a clear entitlement to the URGS from the beginning, and the support payments she was seeking would clear her arrears.

**NOTE: Customer name changed for de-identification purposes. Customer names have been changed in all case studies throughout this report.*

RECOMMENDATIONS

Retailers should consider whether they are providing the required service to customers eligible for URGS, and should be particularly conscious of whether interpreter services are available when required.

- Specifically, retailers should note they are now required to assist customers to fill the URGS application form out over the phone and lodge it on their behalf, unless the customer requests otherwise.
- Retailers should consider whether frontline staff are fully aware of the requirements around helping customers to access URGS payments and also ensure staff are knowledgeable regarding the details of the financial assistance available through the URGS.

URGS AND THE PAYMENT DIFFICULTY FRAMEWORK (PDF)

URGS is a key measure of the broader PDF. If used well, it can help to prevent customers from accruing unmanageable debt. This can prevent unnecessary distress for customers, and also generate better outcomes for retailers.

The case study below shows how a failure to apply PDF measures, (including an URGS payment), resulted in a poor financial outcome.

Kevin*

Case Study 02

BACKGROUND AND CUSTOMER CIRCUMSTANCES

Kevin contacted EWOV via phone in December 2020. At the time, he was experiencing financial difficulty due to being a bankrupt, and surviving on Centrelink payments which only covered his rent and food.

Between establishing an account in February 2019 and December 2020, Kevin made just one payment on his electricity and gas accounts, in April 2019. In July 2019, the retailer and Kevin agreed to a fortnightly payment plan of \$45 for four months, but no other applicable PDF measures were offered at that time. The payment plan was cancelled in August 2019.

Despite not offering practical assistance, not applying a valid concession or issuing an URGS form, in December 2020, the retailer disconnected Kevin's electricity.

Following disconnection on 10 December 2020, Kevin spoke with the retailer and advised that he had mental health issues and would have no money until early January 2021.

Kevin was told to either pay \$1,000 immediately to be reconnected, or alternatively to transfer away and the retailer would waive his debt.

It was at that point that Kevin rang us.

KEVIN'S RESOLUTION

In resolving Kevin's case, his retailer advised that his outstanding balance was \$3,062.60.

To resolve the complaint, Kevin's retailer offered to:

- issue an URGS application, advising Kevin that he would need to complete the application and submit it to DFFH before the application expiry
- review Kevin's tariff and identify a cheaper plan, which he could switch to if he agreed
- apply missed pay-on-time discounts to the value of \$791.99
- waive Kevin's balance if he changed retailer.

Following a number of rejections and with EWOV's assistance, Kevin was eventually able to find an alternative retailer to take over his electricity and gas accounts.

His retailer then agreed to waive all amounts owing across his electricity and gas accounts at the time of closing the EWOV complaint.

Ultimately, the retailer waived in excess of \$3,000.

Ultimately, Kevin did not receive his PDF entitlements even after he came to EWOV as the retailer chose to waive arrears and disassociate with him rather than apply the PDF.

This was a good result for Kevin, but had the PDF been appropriately applied earlier it may have prevented several months of distress and the retailer may not have been left out-of-pocket.

**NOTE: Customer name changed for de-identification purposes. Customer names have been changed in all case studies throughout this report.*

Are retailers adequately promoting EWOV's service to customers, including through their websites?

EWOV conducts monthly customer surveys to gain insights into both our own process, and the customer experience of the broader retail utilities market. Since January 2020 we have asked customers who have returned via our Assisted Referral (AR) process:

'If you remained dissatisfied with the outcome of the referral, did your provider let you know you could return to EWOV?'

The average proportion of customers who answered 'No' since January 2020 sits at 39%, with some months registering as high as 45%.³

It is of great concern to us that around 40% of customers who receive an unsatisfactory response from their retailer following an AR are not advised by their retailer that they have the right to return to EWOV. While some customers may be aware without being told, many others are not.

Under the Energy Retail Code energy retailers in Victoria are required to promote the availability of EWOV's service at numerous key contact points. These include through their call centre staff⁴, specialist complaints teams⁵, mandatory notices⁶, and on their websites.

In addition, at EWOV we seek to achieve best practice standards as defined by [Key Practices for Industry-based Customer Dispute Resolution](#)⁸, a document released by Federal Treasury to provide additional detail regarding their [Benchmarks for Industry-based Consumer Dispute Resolution](#).

Through our own efforts to meet the above Benchmarks, (and in line with ERC requirements), we periodically assess information that Members are providing to customers about our scheme.

RETAILER WEBSITES ENERGY RETAIL CODE CLAUSE 56(1)(B)

Under clause 56(1)(b) of the ERC, retailers are required to publish summary of the rights, entitlements and obligations of small customers on their website - including the contact details for the relevant energy ombudsman (i.e. for EWOV).

We recently reviewed 41 retailer websites to find links and/or contact details for EWOV.

Two retailers completely omitted information regarding EWOV, and were therefore in breach of clause 56(1)(b).

In addition, several other retailer websites failed to meet best practice standards, and did not provide clear, accessible and readily understandable information about EWOV.

A number of websites were difficult to navigate, and/or did not include a 'search' function. EWOV's contact information was sometimes 'hidden' in PDF attachments, or within obscure parts of websites.

In one review we were unable to locate our contact information, so we anonymously raised a query with the retailer through their web-chat service. In responding to the query, two of the retailers' own staff were also unable to locate the information.

We then raised a systemic issue investigation, during which the retailer located the information hidden within a PDF document and agreed to relocate it for ease of access.

We will continue to monitor the information that SPs are providing about our service, and proactively seek to ensure that it is comprehensive, clear and accessible. It is important that customers know they have access to a free and independent dispute resolution service in the energy and water sectors, as this serves to promote consumer confidence and trust in the market.

RECOMMENDATIONS

SPs should assess whether they are meeting their regulatory obligations to provide customers with information about EWOV, and whether they are doing so in a manner that meets best practice standards.

- Specifically, SPs should check to ensure that all required customer communication pieces (such as websites and mandatory notices) present customers with comprehensive, clear and accessible information about EWOV. This information should advise customers that they have a right to bring their complaint to our service if they're not satisfied with the outcome reached with their SP.
- Retailers should consider whether frontline contact centre staff are fully aware of EWOV's role in the energy and water sector, and ensure they are advising customers of the availability of EWOV's service when appropriate.

³ Registered in July 2020, ⁴ eg. Energy Retail Code s64(1)(e), ⁵ eg. Energy Retail Code s29(7), ⁶ eg. Energy Retail Code s110(2)(f),

⁷ Energy Retail Code s56(1)(b), ⁸ Particularly: 1.4 The office [i.e. EWOV] requires participating organisations [i.e. Members] to inform customers about the office. This may include providing information at the point of service (for example, in displays or brochure stands), in contracts, codes of practice and customer service charters, on websites and in newsletters and correspondence forwarded to customers,

⁹ The retailers whose websites we reviewed are listed on our own website as "electricity retail" members, and can be found here: <https://www.ewov.com.au/members/find-a-member#electricity-retail>.



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