



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

Detect

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Issue 02

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Welcome to this edition of EWOV's Detect, where we aim to focus industry and key stakeholders on trends we identify through our systemic issues work.

Insights are drawn from complaints data, customer stories and our outreach and engagement work.

An area of focus in this report are the solar complaints that fall in our jurisdiction because the complaint relates to the conduct of an EWOV scheme participant, such as an energy retail or distribution business. Our review of these complaints highlights the ongoing complexity of installing solar and other technologies. Our recently released [Victorian Energy and Water Ombudsman Investigation of Consumer Experiences \(VOICES\)](#) report, explores this in more detail. It is important to note the impact of these complaints, regardless of where they arise in the supply chain, on consumers' trust and confidence in the energy sector as a whole. Through our investigations we have identified initial opportunities necessary to overcome these challenges for customers.

We also explore the impact of poor customer service, systems and processes across a range of complaints we receive. Making it easy for customers to engage with their energy and water companies is more important now than ever given the ongoing nature of the global pandemic. Customer service, systems or processes failures leave customers facing barriers to effectively engaging with their energy or water company and instead they raise complaints with us.

The issues detected through our case handling provide a great opportunity for the sector to consider what it can do to reduce the occurrence of complaints.

Could retailers do more to make sure solar customers are not left in the dark?

The energy sector as a whole is responsible for the trust and confidence of customers required to ensure ongoing engagement in energy products and services. When we receive complaints about emerging technologies, such as solar and batteries, we can investigate these where they relate to an existing scheme participant. We recently released a report [VOICES](#) which highlights the issues customers face when their complaint doesn't sit with one of these businesses, and it falls out of EWOV's jurisdiction.

For those in jurisdiction, EWOV receives a steady flow of complaints regarding solar. The latter half of the 2020-2021 financial year saw the volume of solar related complaints surpass the same financial year's monthly average on three occasions.

In particular, from January to March 2021 EWOV saw more solar related complaints than each of the three previous quarters. Across the financial year of 2020-2021 approximately 75% of these cases fall into EWOV's jurisdiction and relate to feed-in tariff and supply upgrade delays.

The remaining 25% of solar cases which sit outside EWOV's jurisdiction primarily relate to the installation, but also grid connection, finance and product quality. Again, as outlined in VOICES, EWOV is currently exploring how we can assist customers through this phase of their solar journey including exploring how our jurisdiction could be expanded.

Given the complexity of the process for selecting solar products and having them installed, combined with the number of parties involved, it is apparent that customers carry a significant burden to realise their goals*, such as:

- **Retail tariffs:** The most common complaint regarding solar relates to the tariff. Once a solar system is installed it may be necessary for a customer's electricity metering and supply rates to change. However, under the Electricity Industry Act 2000 retailers are required to provide solar customers access to the same tariffs and terms and conditions as non-solar customers. Retailers are ideally placed to check the tariff and have further obligations under the *Payment Difficulty Framework (PDF)* to conduct tariff reviews.
- **Supply upgrade delays:** Supply upgrade delay is another common complaint. Where responsibility may lie with one of the multiple players involved in the solar upgrade process, retailers have a responsibility to help customers with the product they are selling or installing. The retailer's involvement presents a real opportunity to educate and inform customers about their options and improve customer relations. At the point of approval customers need to be made aware of potential changes to their electricity rates, what peak and off-peak pricing means and what happens to excess feed-in tariff credits, just as a few examples.
- **High bills:** High bills are often a shock for solar customers, with retailers overlooking the opportunity to adequately explain billing. Customers may have been promised life changing savings from their solar retailers or installers once solar is up and running. The exaggeration may not have come from the energy retailer, but managing customer expectations is in the retailers' best interests. Scheme participants could take the opportunity to assess and advise whether the customer has begun using an increased amount of electricity or whether the time of use is a factor. The provision of information as outlined above becomes relevant here, as any change in tariff may have a knock on effect on customer billing, highlighting the importance of managing expectations early on to avoid future complaints.

* EWOV VOICES Report August 2021

Lynne*

Case Study 01

LYNNE HAD SOLAR INSTALLED AT HOME IN 2017 AND WAS OF THE UNDERSTANDING THAT ALL OF THE NECESSARY PAPERWORK PROVIDED TO THE ENERGY RETAILER HAD BEEN FORWARDED TO THE DISTRIBUTOR.

In December 2020, after reviewing a bill Lynne discovered that their solar panels had not been connected to the grid.

Despite the energy retailer confirming having received the paperwork, did not pursue the process following one failed phone call to discuss the matter with Lynne in 2017.

When Lynne contacted the retailer in 2020, it was unable to find the relevant paperwork and so requested new paperwork, which Lynne provided the next day, at a further cost to Lynne of \$550.

The meter was configured for solar within the next two weeks.

The retailer offered to cover the cost of the new paperwork and a further \$148 for the delay covering the missed solar credits.

Lynne was not satisfied and contacted EWOV via phone in May 2021.

Lynne believed that the missed solar credits from 2017 to 2021 were in the region of \$1,500.

Through EWOV a conciliated outcome was achieved. In recognition of the delay in completing the solar connection, the missed solar credits and cost of supplying new paperwork, the retailer applied just over \$2,000 to Lynne's electricity account.

At the time of the EWOV complaint, the retailer was aware that Lynne had solar panels at her property for over three years. The retailer was aware that Lynne was interested in having her meter configured for solar. The retailer remained Lynne's energy provider between 2017 and 2021.

Given the complexity of the solar installation process, it is incumbent on each participant in the process to ensure the customer has sufficient information about their rights and obligations to make an informed decision. In this instance, it is clear that Lynne was unaware of what was required in relation to meter reconfiguration for solar, despite the retailer having the paperwork and knowing what was required. This is symptomatic of many complaints EWOV receives and presents an opportunity for the energy retailer to improve its processes and avoid customer dissatisfaction.

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

RECOMMENDATIONS

To maintain trust and confidence across the energy sector, it is important to recognise that customers installing or owning a solar system are unlikely to have accessed, or been able to access, the relevant information to ensure a seamless connection to the network. Combined with this, information is often complex and technical, and the multiple parties involved in the process have different methods of communicating and different priorities for what they communicate.

Both energy retail and distribution businesses have an opportunity to improve the process for customers, with retailers in particular having knowledge and visibility across the process to completion. This can be achieved by way of the provision of accurate information early on and reviewing the steps taken at various checkpoints, whilst keeping the customer well informed.

- Retailers and distribution businesses should consider whether staff are fully aware of the process regarding solar and are knowledgeable about the correct paperwork required and the complexity that customers are facing.
- Retailers should consider a method of monitoring accounts where solar is being installed and in which it has received relevant paperwork, which triggers reminders should the process have not have progressed or reached completion by certain timeframes.
- Ensure (in line with the Essential Services Commission's recent guidance note) any retail plan offered to a non-renewable energy customer must also be offered to a renewable energy customer on the same tariffs, terms and conditions.

¹ <https://www.esc.vic.gov.au/electricity-and-gas/codes-guidelines-and-policies/energy-retail-code/guidance-note-9-2021-solar-discrimination>

Customer Service, Systems and Processes: customers come to EWOV to complain because the customer service, systems and processes of scheme participants lets them down

While the majority of EWOV's cases received in 2021 relate to billing and credit there has been an underlying theme which bears mention. **Customers are coming to us as a result of their complaints not being dealt with sufficiently by their company. Often this is a simple breakdown in customer service.**

With the exception of January this year, every month of the calendar year 2021 has seen an increased amount of complaints regarding customer service when compared to the same month in 2020.

CUSTOMER SERVICE : GENERAL APPROACH TO CUSTOMERS UNDERMINES CUSTOMER ENTITLEMENTS.

This is presenting itself in a number of ways as customers struggle to have their entitlements met, such as:

- Utility Relief Grant Scheme (URGS) applications not being provided to customers despite requests
- Final bills not being issued on request
- Calls being terminated, or customers not receiving call backs
- Occupier accounts being disconnected, despite customers attempting to establish an account in their name.

These issues can be managed with effective and straight forward customer service to ensure customers are able to access their rights and entitlements.

The following case study highlights the issues that arise when the *Payment Difficulty Framework* (PDF) is not delivered in its entirety, and when the customer service approach further impacts the customer outcome.

Bethany* Case Study 02

AS A RESULT OF THE COVID-19 PANDEMIC, BETHANY'S WORKING HOURS WERE REDUCED FROM FIVE TO TWO DAYS PER WEEK. CONSEQUENTLY, BETHANY WAS UNABLE TO MAKE PAYMENTS TO THEIR UTILITY BILLS OR COMMIT TO A PAYMENT ARRANGEMENT.

Bethany contacted their energy retailer to update it on their circumstances, request more time to pay and enquire about URGS. At the time of contact, Bethany's accounts were \$517 and \$1,749 in arrears across gas and electricity respectively.

The retailer advised that URGS had been applied within the last two years and offered to put the account on hold for one month. The retailer noted that the customer must contact it to arrange a payment schedule or it may result in disconnection.

During the call Bethany stated that the gas bill was too high. The response was simply that the bills were not too bad and that the customer appeared to be keeping the bills down. The retailer did not take the opportunity to review the bills or discuss the customer's plan or tariff.

At no point was the customer asked whether one month was a reasonable time in which to put the account on hold and the customer was left to contemplate disconnection should they be unable to commit to something by the next bill.

The retailer did offer a financial counsellor, which the customer declined. At this point the retailer made enquiries as to whether the customer had a mortgage and suggested that they should contact their superannuation fund directly to make a withdrawal to pay the energy bills.

Bethany then approached EWOV in June 2021, seeking an explanation as to why they were advised to withdraw money from their superannuation and for Bethany's account to be put on hold for two months until a time when Bethany anticipated having more work and then would enter into a payment plan.

As a result of our Investigation the retailer undertook to put the account on hold until August 2021 and apologised for the inappropriate advice. This resolved Bethany's issue. The retailer further offered two customer service gestures of \$250.

Ultimately the retailer could have avoided an EWOV complaint if it had asked more questions of the customer regarding time to pay and placed the account on hold for six months. This example demonstrates the impact of poor customer service and the positive role the PDF can have in assisting customers, when applied in its entirety.

SYSTEMS : ENSURING THE SUPPORT AVAILABLE IS REACHING THOSE WHO NEED IT MOST.

The function of EWOV's systemic issues investigations is to reduce the occurrence of complaints, through working with scheme participants and policy makers and regulators, to improve processes.

When considering if an issue has the potential to be systemic, EWOV contemplates whether one customer's headache could be another customer's concern. This does not always mean that the issue will affect the masses.

EWOV often finds cases in which very few feel the impact, but that impact may have great consequences or detriment on those few. One example of this is as follows.

The Department of Family, Fairness and Housing (DFFH) introduced a privacy measure to protect people who experience family violence by hiding their postcode from systems accessing customer information. The consequence of this is that when a retailer attempts to validate a customer's concession details via the Centrelink Confirmation eServices (CCeS) the concession fails validation.

As per the *Energy Concession Guidelines* retailers have an obligation to verify concession eligibility at least once per quarter, **unless otherwise agreed to in writing that this frequency can be varied.** It is this variation that provides an opportunity for retailers to think outside the box and work with customers more directly.

Over the past 18 months EWOV has received a number of complaints from particularly vulnerable customers affected by this process. Vulnerabilities such as terminal illness, physical impairment and survivors of domestic violence who wish their whereabouts to remain confidential have all presented through our cases.

The complaints all related to customers seeking a reduction to the frequency in which they were expected to attend a Centrelink office in person and obtain a "Confirmation of Concession Entitlement" (CoCE) or paper validation, when the very act of doing this may be very difficult or jeopardise their safety.

The complaints we receive relate to retailers failing to offer to reduce the frequency, despite the guidelines affording an opportunity to ensure that those affected get all the support they are entitled to.

A proactive and empathetic approach would prevent complaints. This could involve identifying impacted customers at the earliest opportunity. It is perhaps insufficient to simply provide customers with information on how to submit the CoCE and frequency at which they need to do so, without asking the question as to whether this is possible.

The type of customers affected are some of Victoria's most vulnerable and placing an expectation on them to ask for something where is not a readily available option is an area in which all retailers should seek to reach best practice.

PROCESSES : COMPLAINTS INVOLVING CUSTOMERS AFFECTED BY FAMILY VIOLENCE ARE ON THE INCREASE - SNAPSHOT

During 2021 EWOV has seen an increase in complaints from customers affected by family violence.

In these cases, where the customer is usually represented by a financial counsellor, we have been advised that the customers are facing difficulty trying to resolve matters directly with the scheme participants— either they are asking for evidence when they shouldn't or not providing the minimum assistance.

Since 1 January to 30 June 2021, we have received a total of 73 cases relating to domestic or family violence. This was 53 individual customers. For context, the same period in 2020 we had 46 cases and in 2019 32 cases.

EWOV has received multiple complaints including:

- A case in which a retailer refused to listen to call recordings of accounts being set up by an abusive partner in the victim's names and multiple requests for a statutory declaration.
- A victim made a request to have their name removed from accounts held in joint names only to be told that they needed to talk to their partner first, which resulted in the domestic issue escalating.

- One retailer refused to provide any assistance noting that its family violence policy did not apply to a closed account. The debt was subsequently sold to a mercantile agent, which default listed the customer.
- One retailer allegedly sent the victim's new address to the abusive party.

As of 1 January 2020 the energy retail industry have been required to expand their capability relating to family violence. These provisions were brought in for water businesses in 2017. The changes were implemented to provide customers affected by family violence with an entitlement to safe, supportive and flexible assistance from their energy retailer in managing their personal and financial security.

RECOMMENDATIONS

Refining customer service to ensure staff are listening to a customer's needs or concerns, combined with processes and systems that integrate the diversity of customer needs, are critical to ensuring that customers are adequately receiving their entitlements.

The following tips may provide tangible steps for businesses to improve overall customer service, processes and systems based on the issues raised above:

- Ensure that frontline staff are fully aware of the requirements of the PDF and other entitlements, are applying these and have the contact details of relevant agencies to support customers experiencing broader issues. This would enable the issue to be resolved directly with the customer, without them raising a complaint with EWOV.
- Ensure customers are able to access their entitlements without impediment. Customers

don't necessarily, and should not need to, know of their entitlements. It is a regulatory requirement that businesses provide these. It is not sufficient to expect the customer to know or ask.

- Empower staff to work with customers to reach a sustainable outcome.
- Revise the training and approach of staff specific to those customers affected by family violence including removing the request for unnecessary documentary evidence that can further endanger customers (disclosures or information requests could jeopardise their very safety).



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