

Ombudsman's Overview

Ombudsman's Overview - A Closer Look at Water Issues

With water cases remaining relatively low, at around 4% of all EWOV cases on average annually, we usually find EWOV's reports focussing more on energy issues. However, with quite a lot happening in the Victorian water industry over the past year or so—regulatory price reviews, new business plans, legislative changes, a price freeze arising from over-collection of payments related to the Wonthaggi desalination plant and the expansion of the hardship guaranteed service level—we thought it timely to use this issue of *Res Online* to take a closer look at water cases, issues and developments.

Looking back, water was the third industry to come under EWOV's jurisdiction. Its inclusion from April 2001 more than doubled the number of EWOV scheme participants—adding three metropolitan water retailers, one metropolitan water wholesaler, 15 regional urban water businesses and five rural water businesses—all State Government-owned, with diverse operations. Early on, billing emerged as the most common water issue overall, as is the case with electricity and gas. Supply emerged as the most common issue requiring EWOV investigation. Water also delivered a level of complexity we hadn't, at that time, experienced with electricity and gas. Some of the more complex water complaints involved broader community issues, such as water quality for townships and consultation prior to the introduction of new town sewerage schemes. Interestingly a decade or so down the track, the complexity of energy complaints (electricity in particular) seems to have caught up, especially around metering and tariffs.

We're very aware that water bills are being held lower than they would otherwise be—the price freeze implemented by the Essential Services Commission following the over-collection of desalination plant payments is estimated to have lowered bills by about \$72 million over the six months to December 2012. With the desalination plant 'refund' process likely to be finalised by 2013-14 and price increases from regulatory reviews on the way, we're anticipating that water cases about billing and affordability are likely to increase.

As well as the water feature, this issue of *Res Online* includes cases, issues, trends, case studies, systemic issues and EWOV policy submissions for the October to December 2012 quarter.

If you'd like to suggest something for a future issue of *Res Online*, please make contact with Matt Helme, EWOV's Research and Communications Manager, at ewovinfo@ewov.com.au



Cynthia Gebert

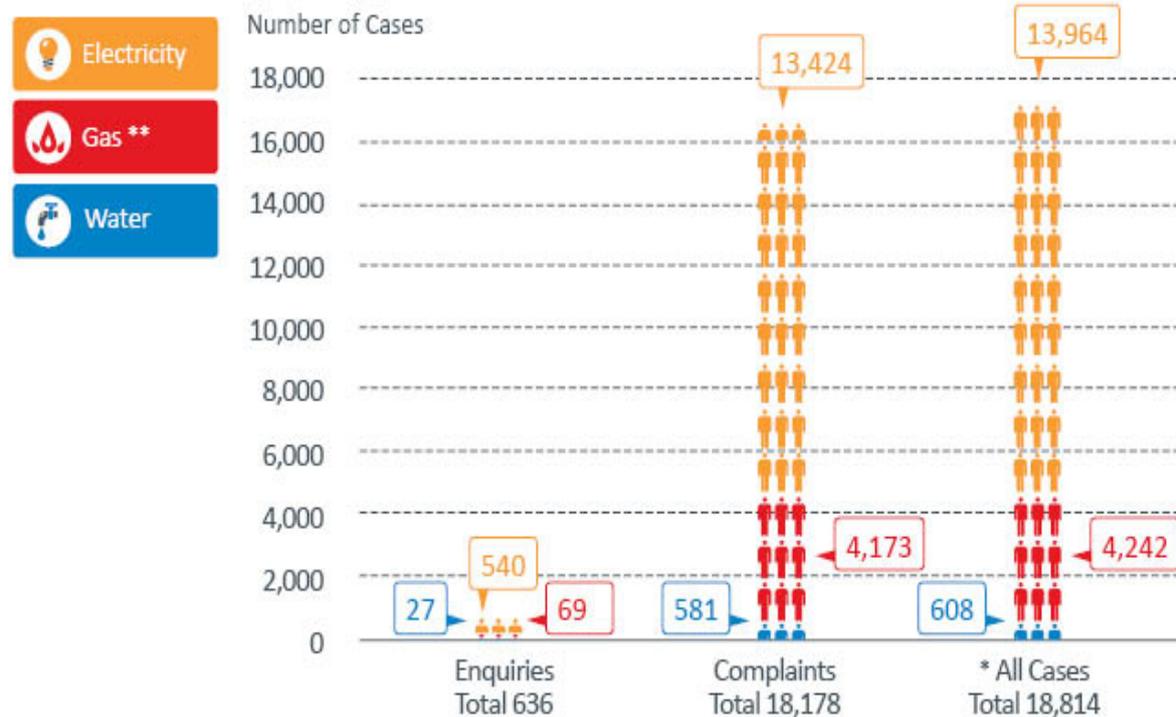
Energy and Water Ombudsman (Victoria)

Cases, Complaints, Enquiries - a Snapshot

Cases, Complaints and Enquiries: Snapshot

1 October 2012 to 31 December 2012

CASES CUSTOMERS LODGED



* This does not include 91 Dual Fuel and 82 other industry complaints

** Gas includes Natural Gas and LPG cases

Overall

- 18,987 cases lodged with EWOV
- 18,282 complaints and 705 enquiries
- 2,469 investigated complaints
- 12,767 assisted referrals
- 3,046 unassisted referrals
- 1,985 complaint investigations finalised

Electricity

- 13,964 cases lodged with EWOV by electricity customers
- 13,424 complaints and 540 enquiries
- 1,804 investigated complaints
- 9,326 assisted referrals
- 2,294 unassisted referrals

- 1,404 complaint investigations finalised

Gas - Natural Gas and Liquefied Petroleum Gas (LPG)

- 4,242 cases lodged with EWOV by gas customers
- 4,173 complaints and 69 enquiries
- 605 investigated complaints
- 2,988 assisted referrals
- 580 unassisted referrals
- 520 complaint investigations finalised

Water

- 608 cases lodged with EWOV by water customers
- 581 complaints and 27 enquiries
- 52 investigated complaints
- 379 assisted referrals
- 150 unassisted referrals
- 55 complaint investigations finalised

Trends

Trends

Case trends from 1 October 2012 to 31 December 2012.

QUARTERLY CASE TRENDS

ELECTRICITY	GAS	WATER
ELECTRICITY OVERALL Billing ----- 57% Credit----- 13% Transfer----- 12%	GAS OVERALL Billing ----- 46% Transfer----- 22% Credit----- 21%	WATER OVERALL Billing ----- 65% Credit----- 9% Land ----- 8%
ELECTRICITY RETAIL SECTOR Billing – high ----- 16% Billing – delay ----- 10% Billing – tariff----- 9%	NATURAL GAS RETAIL SECTOR Billing – high ----- 16% Credit – disconnection -- 13% Billing – error----- 9%	METROPOLITAN RETAIL WATER SECTOR Billing – high ----- 32% Billing – fees and charges 11% Billing – error----- 10%
ELECTRICITY DISTRIBUTION SECTOR Provision – existing connection ----- 50% Supply – off supply (unplanned) ----- 10% Supply – off supply (planned)----- 8%	NATURAL GAS DISTRIBUTION SECTOR Provision – existing connection ----- 27% Supply - off supply (unplanned) ----- 11% Provision – new connection ----- 9%	METROPOLITAN WHOLESALE WATER SECTOR Land – other ----- 29% Land – network assets – 24% Customer Service - incorrect advice/information ---- 19%
	LPG (LIQUEFIED PETROLEUM GAS) RETAIL SECTOR Credit – collection----- 19% Billing – price of LPG -- 14% Billing – fees and charges 8%	REGIONAL URBAN WATER SECTOR Billing – high ----- 22% Billing – fees and charges ----- 13% Provision – new connection ----- 9%
		RURAL WATER SECTOR Billing – fees and charges ----- 15% Provision – new connection ----- 15% Supply – water licensing 15%
		RURAL URBAN WATER SECTOR Billing – fees and charges ----- 17% Billing – error ----- 13% Billing – high ----- 13%

Please refer to company individual line graph for more details

Case Trends

1 October 2012 to 31 December 2012 compared with 1 October 2011 to 31 December 2011

Overall

- cases up 20%
- complaints up 20%
- enquiries up 21%
- investigated complaints up 2%
- assisted referrals up 31%
- unassisted referrals up 1%

Electricity

- cases up 19%
- complaints up 19%
- enquiries up 27%
- investigated complaints up 5%
- assisted referrals up 29%
- unassisted referrals down 1%

Gas - Natural Gas and Liquefied Petroleum Gas (LPG)

- cases up 24%
- complaints up 24%
- enquiries up 10%
- investigated complaints down 3%
- assisted referrals up 35%
- unassisted referrals up 8%

Water

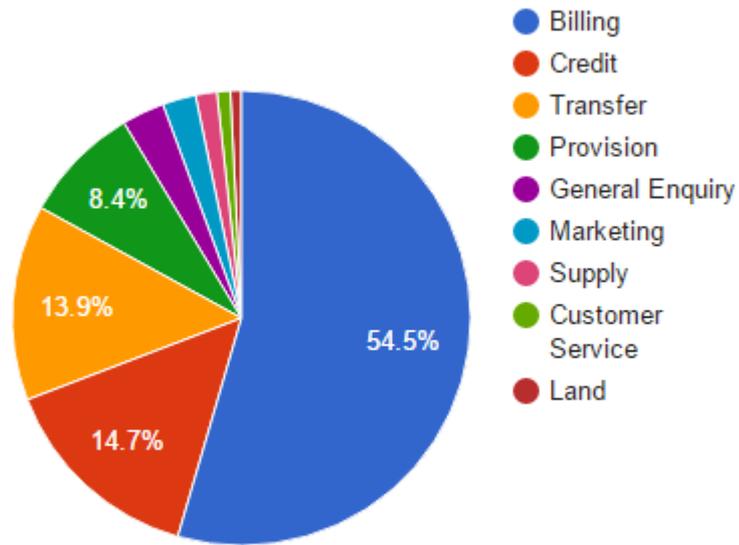
- cases up 13%
- complaints up 12%
- enquiries up 35%
- investigated complaints down 38%
- assisted referrals up 33%
- unassisted referrals up one case

Most Common Issues

Most Common Issues Overall

1 October 2012 to 31 December 2012

The issues customers complained about



Click on the following links for most common issues in more details

[Billing](#)

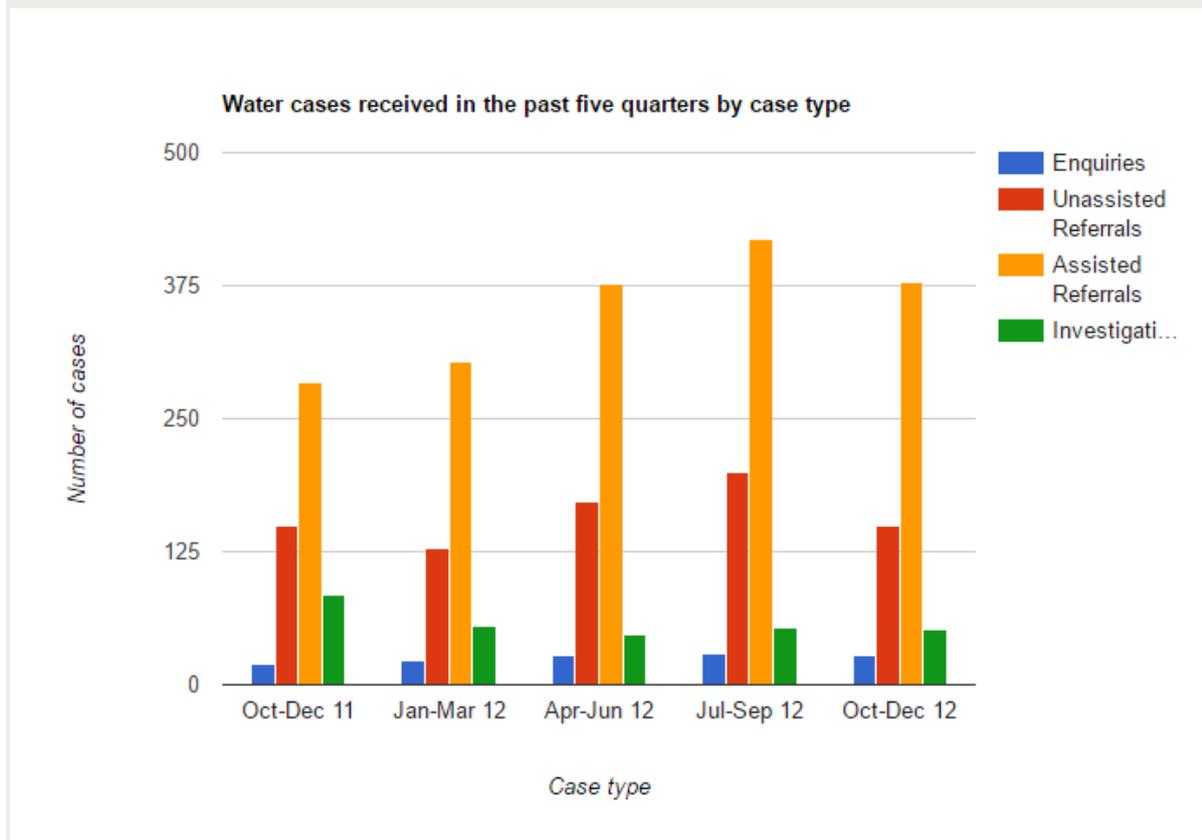
[Credit](#)

[Transfer](#)

A Closer Look at Water Issues

As Ombudsman, Cynthia Gebert, notes in her overview to this issue of *Res Online*, the much higher volume of electricity and gas cases received by EWOV means we tend to report more on energy issues. Because Victoria's water industry has been quite a busy space over the past year or so, we thought it timely to gather together some of that information—about cases, trends, common issues, customer experiences and industry developments—into this 'water feature'. We hope you find the updates informative.

Water case trends



Trends in water cases overall

The graph above shows that, in the October to December 2012 quarter, EWOV received 13% more water cases than it did a year earlier in the October to December 2011 quarter. However, cases for the October to December 2012 quarter were down from those for the April to June 2012 and July to September 2012 quarters. We attribute the mid-2012 case increases to a combination of media coverage and bill inserts relating to the desalination plant refunds.

Trends in water complaints

The proportion of cases requiring investigation by EWOV continues to be significantly lower in water than in both electricity and gas. In the October to December 2012 quarter, only 8% of water Billing cases and 4% of water Credit cases required investigation by EWOV—compared with 15% of electricity Billing cases and 20% of electricity Credit cases, and 13% of gas Billing cases and 25% of gas Credit cases. In general, we attribute this to better handling by water corporations of the complaints we refer back to them for direct resolution with the customer.

- Unassisted Referrals in the October to December 2012 quarter were up one case on the October to December 2011 quarter, but down 25% from the July to September 2012 quarter.
- Assisted Referrals in the October to December 2012 quarter were up 33% on the October to December 2011 quarter, but down 10% on July to September 2012 quarter.
- Investigated complaints in the October to December 2012 quarter were down 38% on October to December 2011 quarter and down one complaint on July to September 2012 quarter.

Most common water issues

Billing has consistently been the top water issue, just as it has been in electricity and gas. In the October to December 2012 quarter, billing accounted for 65% of all water issues raised with EWOV. High bill continued to be the most common sub-issue, followed by fees and charges. The prevalence of high bill as the issue water customers complain about most is also a trend common in the electricity and gas industries and was the subject of our [Res Online 3 feature](#). While all sorts of things can contribute to high bills, a high water bill is often associated with a water leak—these complaints (with their associated issues around who is responsible for paying) are more prone to requiring an EWOV investigation. As the following case studies illustrate, sometimes responsibility for repairs lies with the water corporation and sometimes it lies with the customer.

Case Study:

Addressing high bill concerns with a water savings offer (2012/47048)

The customer was concerned about persistently high water bills of over \$300, which she believed were too high for her usage. She said her water corporation had told her the bills were based on actual meter readings. It had also asked her to complete a cross-check test, which it said confirmed her billing was in line with the property's usage. Still concerned that she was being overcharged, the customer contacted EWOV seeking an independent investigation of whether her property was capable of using the amount of water recorded on the meter.

Responding to our investigation, the water corporation advised the property was using some 960 litres of water a day. It confirmed the water meter had been tested and found to be operating within Australian Standards. We arranged a meeting with the customer and a representative of the water corporation at the property. A water leak test at that time revealed no leaks. However, the customer's single flush toilet was found to be using about 10 litres with each flush.

To assist resolution of the complaint, the water corporation offered to cover the cost of installing a dual-flush toilet. The customer was satisfied with this outcome and agreed to pay the arrears of \$222.55.

About water leak allowances

Most water corporations offer some kind of leak allowance for customers with genuine unexplained high usage--usually on a case-by-case one-off basis. The [Guideline for Unexplained High Usage and Undetected Leak Enquiries](#) was developed by the Victorian Water Industry Association to bring a consistent approach to industry practice in these cases. It sets out the obligations of customers and water corporations, and provides a minimum standard for the calculation of an allowance for leaks and unexplained high usage. Generally, at the water corporation's discretion, customers can receive one allowance every five years, per property. Under the guideline, the maximum allowance is \$1,000. From our experience, the contentious issue is likely to be whether the leak was 'detected' (that is, obvious—such as a leaking hot water system or running toilet) or 'undetected' (that is, the customer couldn't have found it without

assistance—such as a leaking underground pipe). Both ‘detected’ and ‘undetected’ are defined in the guideline.

Case Study:

Application of high usage and undetected leak guidelines (2011/1866)

After a water leak under the driveway of the customer’s property was fixed by his landlord’s plumber, the customer received a bill for \$955.25. On the basis that his quarterly water bills were usually \$40 to \$50, he contacted the water corporation to complain. Responding to his complaint, the water corporation reduced the bill by \$662.50, to \$292.65. This represented a reduction of 75% on water consumption and sewage disposal charges, the maximum reduction available under the water corporation’s leak allowance policy. Not satisfied with this outcome, the customer lodged a complaint with EWOV.

Our investigation included a review of the high bill, the application of the leak allowance and industry practice. We found that the water corporation had offered a good level of customer service (including a four-month payment plan for the balance) and had applied relevant industry guidelines correctly.

We advised the customer that the waiver of 75% (for tenants) was in line with the Victorian Water industry’s Guideline for Unexplained High Usage and Undetected Leak Enquiries and with industry practice. We also provided him with information on his option, through the Victorian Civil and Administrative Tribunal (VCAT) and the Tenants Union of Victoria, to seek reimbursement from his landlord of the extra amount he had to pay.

Case Study:

Unexplained water bill almost four times the usual (2012/40958)

The customer was unhappy about receiving a water bill of \$755, when her usual bills were around \$200. The water corporation couldn’t explain the high bill and her plumber couldn’t detect any leaks. The situation was complicated by the fact that she lived in an apartment complex where the one meter was shared by multiple units.

As part of our investigation of the customer’s complaint, we conducted leak and volume tests at the property. No leaks were detected and the meter was found to be operating correctly. The water corporation recalculated her bill in line with the Victorian water industry’s Guideline for Unexplained High Usage and Undetected Leak Enquiries—but it couldn’t explain the higher usage for the three-month period.

A total of \$293 was credited to the customer’s account, including a customer service payment of \$50. This reduced her balance to \$461, which she was offered extra time to pay. The water corporation assisted further by providing her with information on how she could apply to have the units at the apartment complex separately metered.

‘Fees and charges’ continues to be the second most common water issue. As well as connection fees, this issues category includes the application of service charges to vacant blocks and for separately occupied properties (where one meter supplies several separately occupied

properties with each property attracting the service charges). Water service charges can be particularly hard for customers to understand, partly because who is responsible for paying them is not always clear. To help, we've prepared two charges on water bills fact sheets for residential customers. These are on our website—one [for customers of regional urban water corporations](#) and one [for customers of metropolitan water corporations](#). We've also prepared a [Common water issues customer video](#).

Case Study:

Water billing issue leaves tenant at risk of supply restriction (2012/46166)

A property owner received a bill of \$3,502.10 for three years' water consumption at her rental property. When she rang to have the bill sent to the tenant, she was told she had to pay it because she hadn't provided the water corporation with her tenant's details. She said she was told it was the landlord's responsibility to establish an account in the tenant's name, and that she would have to recover usage charges from her tenant as the legislation prevented the water corporation from billing the tenant directly. She said she was directed to the Victorian Civil and Administrative Tribunal (VCAT) for further assistance. She said she was also told that what she thought was a backbill was actually accumulated usage and service charges since she bought the property in 2008.

Our investigation, including a review of laws and codes, satisfied us that the water corporation could in fact charge the property owner for usage in this instance. Despite that, the water corporation apologised for the inconvenience caused and credited her account with \$1,567 to remove all usage charges and undertook to send her an amended bill. It said that it would, in future, bill her tenant for usage charges and bill her for the service charges only.

Recent Victorian Water Industry Developments

Wonthaggi desalination plant 'refunds'

In July 2012, the Essential Services Commission (ESC) issued a report titled Monitoring the return of the unrequired desalination payments, which explained that in 2011-12, due to construction delays, Melbourne Water and four other water corporations—City West Water, South East Water, Yarra Valley Water and Western Water—collected more payments than required from customers to cover costs relating to the Wonthaggi desalination plant. From 1 July 2012, these water corporations began refunding money to customers through a 12-month price freeze. Over the six months to December 2012, the price freeze lowered metropolitan customer bills by about \$72 million. The water corporations have also refunded \$50,000 via applications from customers with special circumstances. Based on typical water consumption, the water corporations estimate that \$179 million less will be paid by customers in 2012-13. The ESC estimates that in addition to the price freeze, \$110 million will need to be returned to customers via rebates on bills. The rebate will be calculated based on previous water consumption. The four water corporations started providing bill rebates from March 2013 and EWOV is now receiving customer calls about this process. The ESC has said it will complete an audit after June 2013 to ensure that all unrequired desalination payments have been returned, including adjustments for interest. If the returns are insufficient, the water corporations will provide further bill reductions in 2013-14.

Hardship-related guaranteed service level (GSL) for water

From 1 July 2012, the hardship-related guaranteed service level (GSL) scheme was extended to all urban retail water corporations. The GSL is defined as:
Restricting the water supply of, or taking legal action against, a residential customer prior to

taking reasonable endeavours (as defined by the ESC) to contact the customer and provide information about help that is available if the customer is experiencing difficulties paying. Breach of this Water Code requirement by a water corporation generates a fixed \$300 payment to the affected customer. Assessment of whether a GSL payment applies in a particular case can be made by the water corporation—or, if the corporation and its customer cannot agree, it can be made by EWOV. The water corporation can decide whether to make the GSL payment directly to the customer or pay it through a rebate on the customer's bill. The ESC will be reporting data about payment of the GSL from 2013-14.

Case Study:

Water restriction and guaranteed service level (GSL) assessment (2012/34613)

About a month before he contacted EWOV, supply to the customer's property was restricted when he didn't pay a water bill in the name of a previous housemate. After he contacted the local water corporation, the debt was transferred to his name, a payment plan was arranged and his supply was derestricted. Some two months later, he received a registered post letter advising his supply would be restricted again. The customer said that when he contacted his bank, he discovered payments hadn't been taken out, but no explanation was given. He said he contacted the water corporation and re-established the payment plan. Despite that, he came home to find his water restricted again without warning. He said that this time the water corporation told him he couldn't make ongoing direct debit payments by credit card—even though he'd twice before arranged to pay his bills in this way. When he agreed to pay the full amount by B-Pay, his supply was derestricted. Dissatisfied at his supply being restricted twice, the customer lodged a complaint with EWOV.

Our investigation of his complaint included an assessment against the provisions of the water industry hardship-related guaranteed service level (GSL) scheme. Our assessment of the circumstances leading up to the supply restrictions was that the water corporation's actions met Water Code requirements, so a GSL payment wasn't applicable. The water corporation recognised the inconvenience caused by waiving interest of \$35.46 on the customer's account.

All Victorian water corporations now operating under the same legislation

As a result of the [Water Amendment \(Governance and Other Reforms\) Act 2012](#) (the Governance Act) passed by Parliament on 29 March 2012, all water corporations in Victoria have been under the same legislation (the [Water Act 1989](#)) since 1 July 2012. In announcing the change, the Department of Sustainability and Environment (DSE) [advised](#) that the Governance Act established a more uniform and improved governance and operational framework.

Water Price Review 2013-18: 2013 Water Plans

Every three to five years, the ESC undertakes a price review that authorises Victorian water prices and service standards for the next few years. In October 2012, the water corporations submitted their water plans to the ESC for the 2013-18 period. These set out the prices that each corporation proposed to charge for their water, sewerage and other related services for the five-year period starting 1 July 2013, as well as the levels of service promised to customers. The ESC has assessed the water plans against principles set out in the Water Industry Regulatory Order. The ESC's Draft Decisions on the water plans for the [regional urban water corporations](#), the [rural water corporations](#) and the [greater metropolitan water corporations](#) are currently out for consultation.

More information:

- This ESC [2013 Water Price Review general fact sheet](#) explains the price review process.
- ESC's fact sheet 1 – [Regional Water Price Review – What impact will the price increases have on my household bill?](#)

Water performance reports

The [latest performance report on Victoria's urban water corporations](#) was published in December 2012. The summary performance overview for 2011-12 addresses the areas of household consumption, household bills, hardship, customer complaints, network reliability, water quality, environmental performance and major projects. The urban water corporations are required to report performance information against the indicators and definitions outlined in the ESC's performance reporting framework. The data provided by the water corporations is independently audited for accuracy and reliability. The water corporations also have the opportunity to comment on their own performance.

EWOV Public Submissions

Public Policy Submissions Made by EWOV - October 2012 to December 2012

EWOV made four submissions in the last quarter of 2012—all as part of the consultation processes of national regulators.

Australian Energy Market Commission (AEMC)

In September 2012, the AEMC issued its **Draft Report – Power of choice – giving consumers options in the way they use electricity**. EWOV welcomed the report's recommendations, particularly around protections for vulnerable consumers to ensure they aren't financially 'worse-off' under a flexible pricing regime. In particular, we supported AEMC proposals:

- to give vulnerable consumers the option of remaining on a flat tariff/rate
- to establish new government programs that provide targeted advice and assistance to consumers about moving to flexible pricing
- for state government review of concession schemes
- for delivery of simple information to all consumers to help them understand and respond to the pricing changes
- that the transition to flexible pricing be gradual and focused on large energy users first.

[Full EWOV submission](#)

In November 2012, the AEMC released its **Options paper – NEM financial market resilience**. The AEMC specifically invited comment on a range of options for mitigating the financial risks caused by the failure of a large electricity retailer. Addressing the revised cost recovery arrangements for the Retailer of Last Resort (RoLR) regime, EWOV expressed concerns about the potential effects on residential customers, particularly those in financial hardship. We supported a fixed cost recovery fee set by the regulator—rather than one based on actual incurred costs—as a means of mitigating some customer dissatisfaction and complaints. We also supported assistance to help customers in financial hardship meet the cost of the fee.

[Full EWOV submission](#)

Australian Competition & Consumer Commission (ACCC)

In November 2012, Energy Assured Limited (EAL) applied to the ACCC to vary its authorisations to enable its [Code of Practice](#) to be amended to clarify how it applies to energy marketers providing a comparator service (comparators). When selling door-to-door, comparators can represent more than one energy retailer at one time. EAL considered that the Code of Practice, as drafted, created some compliance interpretation and operational ambiguities. EWOV supported the inclusion of comparators in the EAL scheme, because this type of sales practice should meet the same standards and be subject to the same oversight as other door-to-door energy marketing methods. We believe the key public benefit of this will be the disciplining and potential de-registration of individual door-to-door marketers who are found to have engaged in conduct prohibited under the Code of Practice.

[Full EWOV submission](#)

Australian Energy Regulator (AER)

In December 2012, we responded to the opportunity to comment on the AER's Customer Consultation Paper - Victorian Gas Access Arrangement Review. EWOV's comments focused on the potential impact of an increase in gas transmission or distribution charges on the number of affordability cases lodged with the scheme. We supported our comments with gas affordability case statistics from 2009 to 2012.

[Full EWOV submission](#)

Case & Complaint Terminology

We use the overall term 'case' for all customer contacts with EWOV. Each case is registered and classified as either an enquiry (a request for information) or a complaint (an expression of dissatisfaction).

When a customer contacts us with an enquiry, we provide them with general information and, usually, we also refer them to their energy or water company. Sometimes we refer them to another body, such as a regulator or a government department.

We define a complaint as an expression of dissatisfaction regarding a policy, practice or customer service performance of an energy or water company, where a response or resolution is explicitly or implicitly expected. A complaint may initially be referred back to the contact centre or someone higher up at the electricity, gas or water company.

Unassisted Referral

After providing an overview of the customer's rights and responsibilities, we refer the customer to their energy or water company's call centre. This is because the customer hasn't had any contact with their company.

Assisted Referral

After providing an overview of the customer's rights and responsibilities, we refer the customer to a higher level contact within their energy or water company. This gives the company a final opportunity for direct resolution at a higher level before we open a complaint investigation.

Investigated Complaint

Where the customer's complaint remains unresolved after referral to the company, or where the issues raised in the complaint are complex or point to an immediate need, we open an investigation. By seeking further information from both the company and the customer, and from other sources as necessary, we form an impartial view of what has happened and help the parties reach an agreed resolution.

Binding Decision

Where a complaint remains unresolved after investigation, the Ombudsman may make a Binding Decision.

Systemic Issues Update

Systemic Issues Investigations Closed by EWOV 1 October 2012 to 31 December 2012

Energy

Confusing meter reading terminology (SI/2012/3)

In January 2012, one case lodged with EWOV highlighted customer confusion round an energy retailer's billing and the terminology it was using for actual and estimated meter reads—the term 'ordinary' was being used for actual reads and 'substitute' for estimated reads. We contacted the energy retailer about the issue and advised it of the billing requirements under the Energy Retail Code. When the retailer declined to amend its billing to avoid the confusion, we notified the Essential Services Commission (ESC). The energy retailer advised the ESC that its billing system didn't permit a terminology change, but work scheduled for the end of December 2012 would make that possible.

Contracts set up without customer consent (SI/2012/50)

In early June 2012, the ESC notified us that an energy retailer had identified eight sales representatives (five from Victoria) who fraudulently set up a large number of contracts without customer consent. It appeared that the fraudulent conduct may have occurred during the verbal recording process. EWOV received seven cases about this issue, which we understand affected some 628 customers. The energy retailer said it had reported the breach to Energy Assured Limited (EAL) and had contacted all affected customers to arrange a transfer to their preferred retailer and billing waivers as necessary. Because the energy retailer wasn't willing to actively participate in our systemic issues investigation process, we formally referred the issue back to the ESC. While we consider the energy retailer took appropriate steps to resolve this issue, it's disappointing it wasn't more transparent with EWOV about the investigation process and outcome.

Credit card phone payments not processed (SI/2012/65)

In early July 2012, a customer told EWOV that a credit card phone payment to his account hadn't been processed, despite a receipt number being issued. His energy retailer confirmed a processing error, where automated payments made over the phone for a specific day weren't successfully processed by its financial institution. Having identified the issue, the energy retailer said it contacted the 1,303 affected customers, apologised and asked them to pay again. We consider the energy retailer took appropriate steps to resolve this issue, although it was disappointing that it took the retailer two months to discover the error. We advised the ESC.

Customers in hardship not identified (SI/2012/77)

From two cases received by EWOV in August 2012, we identified instances where an energy retailer didn't fulfill its obligation to identify customers in hardship prior to supply disconnection. The energy retailer confirmed that all customer-interacting staff had since undergone training on customer hardship indicators and the process of proactively referring customers to its hardship team when additional assistance is required. While we consider the energy retailer took appropriate steps to resolve this issue, we will be continuing to monitor this situation for any further occurrences. We advised the ESC.

Double-billing of final accounts (SI/2012/85)

In late August 2012, two cases received by EWOV highlighted instances of an energy retailer sending customers a final bill then, shortly afterwards, sending them another bill seeking an additional payment. This was confusing for the affected customers, who believed they'd received and/or paid the final bill. The energy retailer said that because its billing system didn't always recognise the final meter read data, sometimes both a final bill and the standard quarterly bill were issued. It said it had worked through the issue with affected customers and that a billing

system upgrade in October 2012 had resolved the problem. We consider the energy retailer took appropriate steps to resolve this issue. We advised the ESC.

Billing cycle changes without customer consent (SI/2012/86)

In early September 2012, the ESC alerted us that an energy retailer appeared to have changed its billing from quarterly to monthly without obtaining customers' explicit informed consent. EWOV received seven cases related to the issue. This turned out to be a regulatory issue which required action on a large scale, given the accounts of tens of thousands of customers had been affected without their explicit informed consent. Because of that we formally referred the systemic issues investigation back to the ESC.

Energy account transferred without consent after contact with telecommunications store (SI/2012/87)

Six cases lodged with EWOV around mid-September 2012 highlighted that some customers who'd agreed to receive information from a telecommunications store, which was marketing the services of a particular energy retailer, had their energy account transferred to that retailer without their consent. The energy retailer concerned confirmed its relationship with the telecommunications store. It said that it had since strengthened the required sign-up process—where previously, the salesperson could enter the whole transaction online, customers are now required to provide identification and physically sign the agreement. We consider the energy retailer took appropriate steps to resolve this issue, although we believe the combination of telecommunications and energy services offered by one store raises new complexities. We advised both the ESC and the Telecommunication Industry Ombudsman of the issue.

Backbilling of consumption charges (SI/2012/91)

In mid-September 2012, four EWOV cases revealed that an energy retailer contacted a specific group of rural customers advising that bills sent to them previously didn't include consumption charges, and these charges would be backbilled on their future bills. The energy retailer confirmed a billing system issue meant consumption charges hadn't been applied to the accounts of some 530 customers. It said that, by 31 December 2012, all affected customers would be rebilled—up to a maximum of nine months in line with the Energy Retail Code—and offered extended time to pay. EWOV considers that the energy retailer took appropriate steps to resolve this issue. We advised the ESC.

Wrongful disconnection payment applicable because EWOV's number wasn't provided (SI/2012/93)

From two cases received in mid-September 2012, we identified that a wrongful disconnection payment (WDP) was applicable because EWOV's telephone number wasn't on disconnection warning notices sent to 'unknown consumers' whose supply was subsequently disconnected. This is a requirement under section 28.3 of the Energy Retail Code. The energy retailer confirmed it had updated its disconnection warning notices to 'unknown consumers' to include our phone number. It provided us with a de-identified notice to verify this. We consider the energy retailer took appropriate steps to resolve this issue. We advised the ESC.

Customers suddenly on payment plans (SI/2012/96)

In mid-September 2012, four cases received by EWOV highlighted instances of customers having payment plans applied to their accounts without their knowledge or consent. The energy retailer confirmed the issue. It said that, to protect customer accounts from credit action when enquiries or complaints were being dealt with, its practice was to 'place' a long term payment plan on the account—the customer normally wouldn't notice this. However, after a recent billing system upgrade, customers in this situation received an automatically-generated letter confirming the payment plan. The retailer said a manual workaround would ensure no further such correspondence was issued. It also said it had notified its contact centre staff and affected customers. We consider the energy retailer took appropriate steps to resolve this issue, although it would have been beneficial for it to advise EWOV directly. We advised the ESC.

Delays in providing solar metering data (SI/2012/104)

One case received by EWOV in October 2012 alerted us that an energy distributor was experiencing delays in providing metering data for specific solar meter configurations, due to a

technical system issue. The distributor told us it had created a manual workaround for affected accounts, until a permanent fix could be devised. It said the issue would likely result in estimated reads in the interim for about 1,600 affected customers, rather than billing delays. We consider the energy distributor took appropriate steps to resolve this issue. We advised the ESC.

No notification of mid-year price rise (SI/2012/101)

In early October 2012, the ESC alerted us that an energy retailer hadn't notified some 55,000 new customers (nationally) about a mid-year price increase. The issue primarily affected customers whose first bill didn't reflect the pricing they agreed to when switching to the retailer. The retailer advised that a refund of \$716,939 had been distributed among 57,442 affected customers. Because the energy retailer wasn't willing to actively participate in our systemic issues investigation process, we formally referred the issue back to the ESC. While we consider the energy retailer took appropriate steps to resolve this issue, it's disappointing it wasn't more transparent with EWOV about the investigation process and outcome.

Sales company promoting offers that it couldn't deliver (SI/2012/117)

In November 2012, an energy retailer alerted us that a company selling solar photovoltaic (PV) systems had told 18 Victorian customers it could offer a feed-in tariff higher than what was currently available, because of its relationship with the retailer. The energy retailer advised it had no relationship with the solar PV company, so the company should not be marketing offers associated with its name. Both the energy retailer and the solar PV company contacted affected customers to clarify the offer and that there was no relationship between the two. We consider the energy retailer took appropriate steps to resolve this issue. We did not advise the ESC.

Water

Delays processing 'Notice of Disposal' cheques (SI/2012/97)

In early October 2012, a conveyancer alerted us that a water corporation was consistently experiencing delays processing 'Notice of Disposal' cheques following property settlements. She said the delays resulted in reminder notices being sent to her clients. EWOV also received seven cases related to this issue. The water corporation confirmed the delays, which had occurred since its billing system upgrade some two years earlier. It said some 1,200 customers had been affected, but a process change meant reminder notices would no longer be issued to customers while the cheque was being processed. It also said a permanent solution should be in place by the end of December 2012. We consider the water corporation took appropriate steps to resolve this issue. We didn't advise the Department of Sustainability and Environment (the regulator).

Recovery of sewerage undercharging (SI/2012/114)

In mid-November 2012, a water corporation alerted EWOV that it was recovering sewerage charges that hadn't been billed. Some 4,500 customers were affected. EWOV received two related cases. The water corporation advised that the undercharge went back to when the customers' accounts were established, some more than ten years earlier. It said the process issues leading to the error had since been addressed—affected customers would be billed by January 2013, the recovery of charges would be limited to 12 months, and customers would be given a payment extension and further time if required. We consider the water corporation took appropriate steps to resolve this issue. We advised the Department of Sustainability and Environment.

EWOV Issue Categories

We group issues into nine first level issues categories:

- Billing
- Credit
- Customer Service
- Land
- Marketing
- Provision
- Supply
- Transfer
- General Enquiry

Sub-issues in each category describe customer concerns in more detail. For example a billing case may be about fees and charges (second level) and, further, about a late payment fee (third level) and a transfer case may be about billing (second level) and, further, about double-billing (third level).

You'll find a full list of our issues and sub-issues categories [here](#).