

Ombudsman's Overview

Independent review of two key EWOV processes

Over the first few months of 2012, we implemented some major changes at EWOV. This process became known as EWOV 2.0. A priority for us in making the changes was to maintain the balance between efficiency gains and fair, reasonable and independent dispute resolution. Underpinning the changes were two processes, Assisted Referral and Real Time Resolution. Given the importance of these processes, we need to be sure they work as well as they can. The results of a recent independent review, which we commissioned, were extremely positive. The evaluation report describes EWOV's improved case handling processes as "a positive change, producing cost savings, efficiency benefits, an improved opportunity for scheme participants to manage customer relations and more timely outcomes for complainants." [Read more about this review](#)

Trends in complaint receipt and resolution

The January to March 2013 quarter delivered EWOV an overall 27% increase in Complaints (compared with Complaints for the same quarter in 2012). The increases were in all industries—24% more electricity Complaints, 42% more gas Complaints and 16% more water Complaints. In energy, the complaint increases also translated into more EWOV investigations—up 70% in electricity and up 89% in gas. Resourcing decisions by some energy companies had a noticeable effect on our complaint handling processes — especially whether we were able to resolve the complaint early on, using the Assisted Referral and Real Time Resolution processes, or whether it proceeded to an investigation. It's clear that some energy companies could be engaging much more effectively with our early resolution processes. [Read more about complaint trends](#)

Management changes

In early March 2013, we undertook a significant management restructure at EWOV, having decided that a new approach would help us maximise the benefits from a range of operational changes we'd made over the past year. One General Manager Operations now oversees the full operational and strategic requirements of all of our case handling and is responsible for the management of the scheme in my absence. Treasure Jennings was appointed to this position in May 2013. She brings the experience of a diverse career founded on the delivery of organisational effectiveness, through strategic and operational business delivery. She has also led organisational change programs in customer service and business settings, and has been a sought-after speaker on changing leadership paradigms, cultural change and business innovation. Treasure was most recently Director of Organisational Development and Learning for a commercially-oriented state-wide government authority.

Content suggestions

If you have some thoughts on possible content for future issues of Res Online, please feel free to let Matt Helme, EWOV's Research and Communications Manager know via ewovinfo@ewov.com.au

Cynthia Gebert

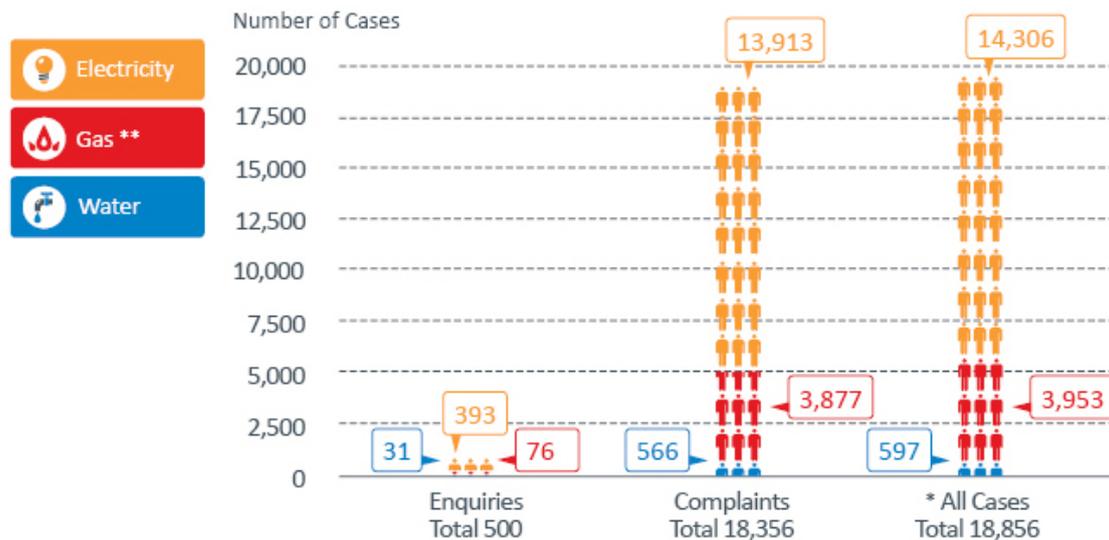
Energy and Water Ombudsman (Victoria)



Cases, Complaints, Enquiries - a Snapshot

Cases customers lodged from 1 January 2013 to 31 March 2013

CASES CUSTOMERS LODGED



* This does not include 82 Dual Fuel and 67 other industry cases

** Gas includes Natural Gas and LPG cases

Overall

- 19,005 cases lodged with EWOV
- 18,437 Complaints and 568 Enquiries
- 3,155 Investigated Complaints
- 12,484 Assisted Referrals
- 2,798 Unassisted Referrals
- 2,416 Investigations finalised

Gas (including LPG)

- 3,953 cases lodged with EWOV
- 3,877 Complaints and 76 Enquiries
- 679 Investigated Complaints
- 2,702 Assisted Referrals
- 496 Unassisted Referrals
- 542 Investigations finalised

Electricity

- 14,306 cases lodged with EWOV
- 13,913 Complaints and 393 Enquiries
- 2,411 Investigated Complaints
- 9,329 Assisted Referrals
- 2,173 Unassisted Referrals
- 1,830 Investigations finalised

Water

- 597 cases lodged with EWOV
- 566 Complaints and 31 Enquiries
- 56 Investigated Complaints
- 390 Assisted Referrals
- 120 Unassisted Referrals
- 35 Investigations finalised

Trends

Case trends by issue from 1 January 2013 to 31 March 2013

QUARTERLY CASE TRENDS



ELECTRICITY

ELECTRICITY OVERALL

Billing -----	55%
Credit-----	14%
Transfer-----	14%

ELECTRICITY RETAIL SECTOR

Billing – delay -----	11%
Billing – high -----	11%
Billing – tariff-----	10%

ELECTRICITY DISTRIBUTION SECTOR

Provision – existing connection -----	37%
Supply – off supply (unplanned) -----	18%
Supply – off supply (planned)-----	13%



GAS

GAS OVERALL

Billing -----	43%
Transfer-----	25%
Credit-----	23%

NATURAL GAS RETAIL SECTOR

Credit – disconnection--	13%
Billing – high -----	10%
Billing – error-----	8%

NATURAL GAS DISTRIBUTION SECTOR

Provision – existing connection -----	22%
Land - other -----	11%
Supply - quality -----	10%

LPG (LIQUEFIED PETROLEUM GAS) RETAIL SECTOR

Billing – fees and charges	21%
Billing – high -----	17%
Billing – error -----	17%



WATER

WATER OVERALL

Billing -----	61%
Credit-----	13%
Land -----	9%

METROPOLITAN RETAIL WATER SECTOR

Billing – high -----	28%
Billing – fees and charges	9%
Credit – collection -----	7%

METROPOLITAN WHOLESALE WATER SECTOR

Billing – fees and charges	36%
Land – other -----	21%
Land – network assets --	14%

REGIONAL URBAN WATER SECTOR

Billing – high -----	29%
Billing – fees and charges -----	20%
Credit – disconnection--	5%

RURAL WATER SECTOR

Billing – fees and charges -----	44%
Credit – payment difficulties-----	13%
Credit – collection -----	13%

RURAL URBAN WATER SECTOR

Billing – fees and charges -----	22%
Credit – collection -----	22%
Credit – payment difficulties-----	22%

Please refer to company individual line graph for more details

Case Trends

January to March 2013 quarter compared with January to March 2012 quarter

Overall

- Cases up 26%
- Complaints up 27%
- Enquiries up 5%
- Investigated Complaints up 72%
- Assisted Referrals up 24%
- Unassisted Referrals up 9%

Gas - Natural Gas and LPG

- Cases up 41%
- Complaints up 42%
- Enquiries up 25%
- Investigated Complaints up 89%
- Assisted Referrals up 35%
- Unassisted Referrals up 31%

Electricity

- Cases up 23%
- Complaints up 24%
- Enquiries up 1%
- Investigated Complaints up 70%
- Assisted Referrals up 20%
- Unassisted Referrals up 6%

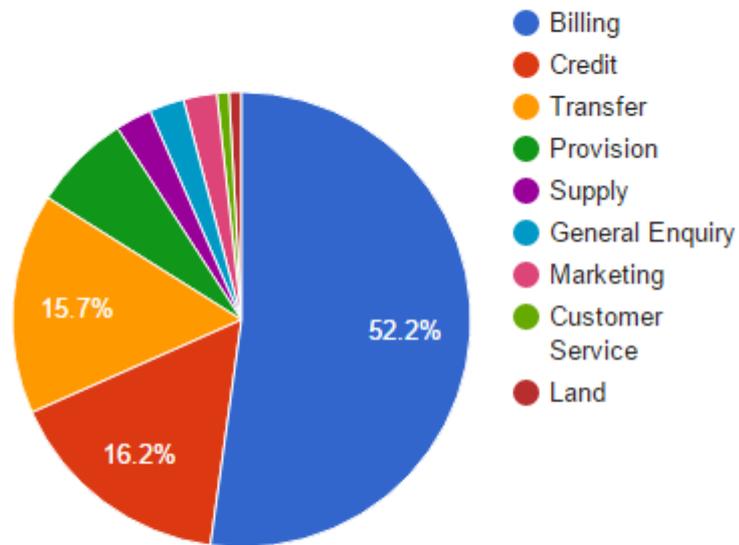
Water

- Cases up 17%
- Complaints up 16%
- Enquiries up 41%
- Investigated Complaints down 7%
- Assisted Referrals up 30%
- Unassisted Referrals down 6%

Most Common Issues

Most common issues (overall) from 1 January 2013 to 31 March 2013

The issues customers complained about



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

[Billing](#)

[Credit](#)

[Transfer](#)

EWOV's 'Fair and Reasonable' Review

A positive 'fair and reasonable' review for two EWOV processes

A recent independent review assessed that our Assisted Referral and Real Time Resolution processes are working well. Some suggested minor adjustments are being implemented as part of our continuous improvement process.

Through 2011/12, EWOV's capacity to deliver high quality external dispute resolution services was severely challenged by rising complaint volumes. As we reported in the 2012 Annual Report, this situation prompted a comprehensive operational review, the outcome of which was significant change to our processes, procedures and work practices (EWOV 2.0). Fine-tuning of the changes is ongoing, especially to ensure we're supporting vulnerable customers appropriately.

One of the EWOV 2.0 measures we introduced was an almost 100% Assisted Referral process. An Assisted Referral is registered where a customer has spoken with someone at their company's call centre about their complaint, but it remains unresolved. We record the details of the complaint, provide independent advice on the customer's rights and responsibilities, and arrange for a higher level complaint resolution officer at their energy or water company to contact them.

We also introduced a new Real Time Resolution process. Calls to us from customers about failed Assisted Referrals are referred to a Real Time Resolution Conciliator who then works to reach a fair and reasonable outcome, through customer education and direct negotiation with the customer and their company—all within a one-call approach.

A priority for us in implementing EWOV 2.0 was to ensure that efficiency gains from the changes were not to the detriment of fair, reasonable and independent dispute resolution. To assess how well this important balance is being maintained, in January 2013, we commissioned an independent review of the Assisted Referral and Real Time Resolution processes by consultants experienced in Ombudsman operations.

The reviewers met with our Intake Team Managers, Real Time Resolution Team Manager and Quality Assurance Manager. They reviewed relevant materials, including our Best Practice Procedures, template letters, the Quality Assurance Framework and customer survey results. They listened to a sample of customer calls that triggered Assisted Referral and Real Time Resolution processes, and conducted telephone interviews with 39 customers who'd been through the processes. They also met with five scheme participants and a leading consumer advocacy body to understand their perspectives on the processes.

The reviewers were satisfied that our Assisted Referral and Real Time Resolution processes are being carried out impartially. Evidence to this effect included our procedural guides being explicit about the need to maintain an impartial stance and the care taken by our staff (in telephone calls and correspondence) to maintain a neutral stance and to accept the customer's perspective without endorsing the complaint. While fairness of resolution outcomes was harder to assess definitively, the reviewers were confident the outcomes for the complaints they reviewed were within an acceptable range.

Overall, the reviewers found that our Assisted Referral and Real Time Resolution processes are "a positive change, producing cost savings, efficiency benefits, an improved opportunity for scheme participants to manage customer relations and more timely outcomes for complainants".

We're happy that what we're doing with Assisted Referrals and Real Time Resolution is working well, but we note the reviewers' advice that a few minor adjustments will help these processes

work even better. So, with an eye to continuous improvement, we're implementing a number of adjustments including the following:

- Inclusion in the Assisted Referral letters we send to customers of information on resources that are particularly relevant to the customer's complaint (e.g. EWOV fact sheets)
- Further use of the 'vulnerable customer exception' to Assisted Referrals where it's evident that the customer's English language skills, age, lack of technical knowledge or other factors would place them at an extra disadvantage, if they had to deal with the company without EWOV's direct involvement in the negotiations
- Clarification with scheme participants of the timeframes for Assisted Referrals—to ensure customers get the timely responses this process is intended to deliver
- Periodic research to assess whether the Assisted Referral process is continuing to deliver quality outcomes
- More transparency around what happens in the Real Time Resolution process—reporting, information, building industry knowledge.

The Real Time Resolution process aims to produce fair, reasonable and independent outcomes—for both customers and scheme participants. The following case studies illustrate how complaints are resolved quickly through the Real Time Resolution process.

Case Study: Customer's high bills concerns resolved through Real Time Resolution (2013/3177)

The customer contacted EWOV when she was unable to resolve an issue about a succession of three high electricity bills. We provided her with an Assisted Referral to a higher level complaint resolution officer within her electricity retailer. The customer returned to EWOV saying she'd received an initial call from the retailer, but no follow-up.

Contacted by one of our Real Time Resolution Conciliators, the retailer advised that an error on its part meant the customer wasn't billed for off-peak usage for three years from October 2009 to October 2012 (32,400 kWh, at a cost of approximately \$3,500). Having discovered its error, the retailer re-issued the customer's July 2012 bill to include off-peak usage for the April to June 2012 quarter. Her next two quarterly bills correctly included both peak and off-peak usage. This explained the three high bills the customer was concerned about. However, in reviewing the complaint, the retailer found that the final bill for the old meter at the customer's property had been estimated. When it was recalculated based on actual data, it came down from \$1,058.89 to \$380.38. Prompt payment discounts of \$211.48 were also applied, leaving the customer owing only \$176.50. She was satisfied with this outcome, resolving the complaint. Aware the customer's property had slab-heating, we informed her of its potential for high electricity consumption. She appreciated this advice, advising she'd have the slab heating checked and monitor her use of it.

Case Study: Customer's frustration with switching incentive resolved through Real Time Resolution (2012/59818)

The customer contacted EWOV frustrated that, despite several contacts with his new energy retailer, he still couldn't use the \$50 grocery card he received as an incentive to switch.

We raised an Assisted Referral to a higher level complaint resolution officer in his energy retailer. The customer recontacted EWOV when, despite being assured the card had been activated and was ready to use, it was again rejected at the supermarket. Tired of not being able to use the card, the customer wanted the retailer to send him a cheque for \$50 instead.

Contacted by one of our Real Time Resolution Conciliators, the retailer wasn't able to explain the problems the customer was having using the card. As an alternative to a cheque, it suggested an account credit of \$50 (which would be in addition to the customer service payment of \$25 the customer had already received for the initial delay in sending the card out). It said the full \$75 credit would appear on the customer's first bill. We conveyed this offer to the customer, who accepted it, resolving the complaint.

EWOV Public Submissions

Public Policy Submissions Made by EWOV - January 2013, February 2013, March 2013

We provided input to three public consultations—two undertaken by the Essential Services Commission and one by the Australian Competition & Consumer Commission.

Australian Competition & Consumer Commission (ACCC)

As part of its review of the *Debt Collection Guideline for Collectors and Creditors 2005*, the ACCC contacted us for insight into the experiences of energy and water customers. We were able to provide quarterly data on EWOV cases involving debt collection since October 2010, as well as some commentary about common debt collection activities and case studies. We advised the ACCC that most customers contacting us about debt collection complain about being referred to a debt collector, rather than the actual collection process. And there's often a previous unresolved billing dispute related to these complaints. We also advised that we sometimes receive cases where an energy account has been referred to debt collection, despite indications that the customer had a history of payment difficulties. We expressed our view that it would be better for retailers to actively engage with customers and provide early support through their hardship programs. [EWOV's submission](#)

Essential Services Commission (ESC)

We responded to a proposal, in the *ESC's Review of Energy Retail Performance Indicators*, to remove Wrongful Disconnection Complaint numbers from the indicators. In doing so, we suggested greater scrutiny of the WDP data being reported by energy retailers. We provided EWOV data showing a WDP was applicable in over half of the 1,364 investigations about actual disconnection that we completed in 2011-12. We contrasted this with data the energy retailers provided to the ESC for the years 2007-08 through to 2011-12, which showed WDPs payable as a decreasing proportion of total energy disconnections for those years. [EWOV's submission](#)

We supported the ESC's process of Harmonisation of Energy Retail Codes and Guidelines with the National Energy Customer Framework (NECF) on the basis of the same or a higher standard of consumer protection for Victorian energy consumers. In our submission, we highlighted inconsistencies between the two regimes in a number of areas. [EWOV's submission](#)

Case & Complaint Terminology

Complaint

A complaint is an expression of dissatisfaction regarding a policy, practice or customer service performance of an energy or water company which is part of the EWOV scheme, where a response or resolution is explicitly or implicitly expected.

Enquiry

An enquiry is a customer's request for general information (e.g. about the Smart Meter rollout). This information may be provided by EWOV or the customer may be referred to another agency.

Referred Complaint

EWOV does not know the outcome of these referred complaints, except where the referral does not resolve the issue for the customer and they come back to us. There are two types of referred complaints:

- Unassisted Referral – where a customer has not yet spoken with their company about their complaint and they are referred back to the company's contact centre.
- Assisted Referral – where a customer has spoken with someone at their company's contact centre about their complaint, but it remains unresolved and the matter is referred to a higher level complaint resolution officer at the company.

Real Time Resolution

EWOV's Real Time Resolution Team receive failed Assisted Referrals calls from customers and then work to resolve the complaint through customer education and direct negotiation with the customer and their company to reach a fair and reasonable outcome – all within a one-call approach.

Investigated Complaint

A complaint for investigation is registered where:

- an Assisted Referral has failed, as the matter remains unresolved, and the customer has recontacted EWOV, or
- the matter is complex and unlikely to be resolved as an Assisted Referral, or
- the company has requested an escalation to an investigation.

Batched Conciliation (previously Stage One Conciliation)

The batching process provides for the streamlined resolution of complaints where an outcome can be achieved quickly through immediate negotiation. Conciliators and companies can use this process where complaints are identified as being simple and easy to resolve, usually within 10 business days.

Not allocated

This case type is registered when a customer tells EWOV about their concern but it doesn't involve a scheme participant, or the customer doesn't know or tell us the company's name.

Systemic Issues Update

Systemic Issues Investigations Closed by EWOV - 1 January 2013 to 31 March 2013

Energy

Customers asked to complete paperwork again to continue receiving feed-in tariff (SI/2012/107)

From three EWOV cases, we detected that some customers who were already receiving a feed-in tariff had been asked to complete the application again to continue to receive the benefit. The energy retailer advised that due to a billing system migration, it couldn't identify which Standard Feed-in Tariff (SFIT) customers had completed the required paperwork, so it contacted all SFIT customers requesting them to confirm their eligibility for this tariff. The retailer said that no SFIT customer would lose their benefit if they didn't respond to the letter. It also said it hadn't anticipated the impact this letter would have. We understand 5,911 customers were affected. The Essential Services Commission (ESC) was advised. We consider the energy retailer took appropriate steps to resolve the issue, but could have better anticipated customer reaction to the letter.

Customers sent wrong Ombudsman contact information (SI/2012/124)

Some 1,832 interstate customers of one energy retailer were texted EWOV's contact information, instead of the contact information for the energy Ombudsman in their state. The energy retailer confirmed that our number was wrongly included in interstate templates for a particular stage of its internal dispute resolution process. It corrected the error. The regulator was advised. We consider the energy retailer took appropriate steps to resolve this issue.

Sales representative engaged in fraudulent door-to-door sales activity (SI/2012/111)

The ESC alerted EWOV that a sales agent marketing door-to-door for one energy retailer fraudulently established a significant number of contracts over a three-month period in late 2012. 34 customers were affected. All of the marketer's contracts were reviewed. Affected customers were contacted and their accounts retrospectively transferred to their preferred energy retailer. The energy retailer confirmed that the sales agent's employment was terminated. The fraud was reported to the ESC, Energy Assured Limited and the police. We consider the energy retailer took appropriate steps to resolve this issue.

Incorrect billing of some customers on time-of-use tariff (SI/2012/83)

One EWOV case highlighted incorrect billing of some customers on the time-of-use tariff. The energy retailer advised this was a known billing system issue, affecting some 93 customers with a specific meter configuration. It said a billing system change in March 2013 would address the problem. All affected customers would be re-billed to ensure they receive their appropriate tariff entitlements. The regulator was advised. We believe the energy retailer took appropriate steps to resolve this issue.

Extra solar credits applied to some accounts (SI/2012/63)

One EWOV case revealed that additional solar credits had been applied to a customer's account over four billing periods. The energy retailer said it was aware of the issue, affecting some 953 customers. It advised that a problem with its previous billing system meant it hadn't been able to apply the Standard Feed-in Tariff (SFIT) to customer accounts, so it had applied the Premium Feed-in Tariff (PFIT). The retailer said it had written to all affected customers advising that once the problem was addressed, they would receive SFIT credits, and it wouldn't seek to recover any overpayments. The regulator was advised. We believe the energy retailer took appropriate steps to resolve this issue, although there were significant delays in its response and resolution.

Wrong EWOV phone number in welcome packs (SI/2012/105)

Four EWOV cases revealed that in the welcome pack received by some 150,000 customers EWOV's phone number was wrong. The energy retailer corrected the error. The regulator was

advised. We believe the energy retailer took appropriate steps to resolve this issue.

Payment cards not received despite repeated customer requests (SI/2012/115)

Contacted about one EWOV case, an energy retailer acknowledged a possible systemic issue that meant customers requesting a payment card didn't receive it, despite some of them making numerous requests. The energy retailer advised that, following its billing system upgrade, it issued new payment cards to all customers who were using one. It then discovered a problem with the barcode on the new card, so it stopped sending them. While the problem was addressed, customers without a payment card were able to use their bill barcode for payments through Australia Post. New and correctly configured payment cards were subsequently issued to all existing cardholders. The regulator was advised. We believe that the energy retailer took appropriate steps to resolve this issue.

Customers missed out on prompt payment discount (SI/2012/94)

An energy retailer notified us that, due to a billing system upgrade, it hadn't applied the prompt payment discount to the accounts of some 14,924 customers. We received three cases about the issue. The problem affected a group of existing customers who had recently re-contracted with the retailer. The customers variously received an incorrect higher or lower discount. As a result, some customers received reminder notices when the retailer's billing system didn't recognise their payments. The retailer said it had put a hold on all affected accounts, and contacted customers to apologise and explain the issue. It said it didn't re-bill any customer who received a higher discount and would apply an additional discount to the accounts of customers who received a lower discount. A billing system fix was implemented in late January 2013. The regulator was advised. We believe the energy retailer took appropriate steps to resolve this matter, but note the significant number of affected customers.

Extra charges on some reminder and disconnection notices (SI/2012/95)

An energy retailer notified us that some reminder and disconnection notices wrongly included overdue, as well as current, charges. The retailer attributed the error to its billing system upgrade. We didn't receive any cases about this issue, but we understand 693 customers were affected. The energy retailer advised that no customer's supply was disconnected in error as a result of this incident, because it suspended all collection activity on the affected accounts until a permanent fix was put in place. The regulator was not advised. We believe the energy retailer took appropriate steps to resolve the issue.

Dealing with damage claims after severe overvoltage incident (SI/2013/14)

An energy distributor alerted us of a severe overvoltage incident affecting some 8,000 customers in a particular area. We subsequently received seven complaints that the distributor wouldn't pay claims arising from the incident. The distributor said it received some 2,600 claims and was working through them, on a case-by-case basis. Claims over \$5,000 were being referred to its insurer. It said most customers were satisfied with the resolutions offered, but some were dissatisfied that it didn't offer 'new for old' replacement for damaged items. The regulator was advised. We believe that the energy distributor took appropriate steps to resolve this issue. In our experience, it's common for customers to be dissatisfied that most insurers and energy distributors don't provide 'new for old' cover.

Errors in applying the Standard Feed-in Tariff (SI/2012/75)

Two cases received by EWOV revealed that, following a price rise, the customers were receiving the Standard Feed-in Tariff (SFiT) for less than what they were being charged for energy. This appeared to conflict with provisions in both the State Government's criteria for the SFiT and the retailer's Feed-In Agreement, where the SFiT rate should be equivalent to the tariff being charged. EWOV discussed this issue with the ESC and the (then) Department of Primary Industries. It was agreed that there was a potential conflict with existing agreements. The retailer confirmed that the SFiT was increased from 23.5c kWh to 28.83c kWh on 19 January 2013 to bring the SFiT above the tariff charged to customers. The change would not be retrospectively applied, although it would be reviewed with any future price rises. EWOV believe the energy retailer took appropriate steps to resolve this issue, although a more proactive and timely

approach should be considered for any future price rises.

Incorrect scaling factor applied to some Smart Meters (SI/2013/19)

An energy distributor notified us that some 1,200 Smart Meters installed in its distribution area had the incorrect scaling factor applied. This meant they were recording some 20% of actual usage only since the date of installation. The distributor advised it would be correcting the meters at the rate of 100 per week from 26 March 2013. Billing would be amended within the following two months to recover charges, in line with the provisions of the Energy Retail Code. It would also contact affected customers to apologise. The regulator was advised. We believe the energy distributor took appropriate steps to resolve this issue.

Wrong advice about non-approval of Transitional Feed-in tariff applications (SI/2013/23)

An energy retailer notified us that a group of 320 customers had been incorrectly sent a letter saying their application for the Transitional Feed-in Tariff (TFiT) had been declined, when it had been successful. The retailer advised that, as well as calling all affected customers, it sent a letter confirming their application was successful and apologised for the error. The regulator was advised. We believe the energy retailer took appropriate steps to resolve this issue.

Water

Due dates on bills hand-altered (SI/2013/7)

Through our case handling, we identified that bills sent to two customers of a water corporation had been hand-altered, with the due date crossed out and a new due date inserted. This raised concerns about the accuracy of the billing, as well as why an apparent incorrect due date had been printed on the bills. The water corporation confirmed that a staff member had manually adjusted due dates on bills for 15 customers. It said this wasn't standard business practice and it had addressed this issue with the staff member to ensure no re-occurrence. It confirmed that, despite the due dates being handwritten, the amended dates were correct in its billing system. The regulator wasn't advised. We believe the water corporation took appropriate steps to resolve this issue.

Water quality issues (SI/2013/13)

Through media reports we identified water quality issues affecting residents in a specific area following recent bushfire and storm activity. EWOV didn't receive any cases about this issue, but the water corporation advised the matter affected some 227 customers. Due to sediment in the water after bushfire and storm activity, for about a month, residents needed to boil their water during February/March 2013. Water was subsequently carted into the area and a new filtration plant was due to be operational by Easter. The regulator wasn't advised. We believe the water corporation took appropriate steps to resolve this issue.

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](#)