



# Res ONLINE



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

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# THE OMBUDSMAN'S VIEW

## Financial hardship complaints – the EWOV approach

With energy and water affordability in the spotlight, in this issue of *Res Online* we revisit the policy and procedures that underpin the independent approach EWOV takes to identifying and handling financial hardship complaints.

Starting with our assessment of the complexity of the complaint, we move through a structured process of information gathering, questioning, analysis, testing and negotiation. It's an approach with three fundamental aims—consistency of complaint handling, timely investigation, and an outcome that's sustainable for both the customer and their energy or water company.

Our [feature](#) article includes two detailed financial hardship case studies:

- "The complaint was closed because the customer wasn't acting in good faith."
- "A collaborative approach to some challenging customer circumstances."

## Welcome falls in EWOV cases

In the first quarter of 2015, EWOV cases continued their downwards trend. In particular we saw another fall in billing cases, especially energy cases around high bills. We believe the falls are indicative of service improvements by energy and water companies, and that the major billing system problems some energy retailers experienced over the past few years have now been addressed. [Read about the case numbers, issues and trends.](#)

## New General Manager Operations

At the beginning of February 2015, we welcomed Emma Olivier to EWOV as General Manager Operations. Emma brings a long background in consultancy, a sound understanding of high level industry issues, excellent stakeholder management skills and a passion for process improvement. We're pleased to have her on board.

We believe the falls are indicative of service improvements by energy and water companies



**Cynthia Gebert**  
Energy and Water Ombudsman (Victoria)

We hope you like our improved *Res Online* format and design style, which is now more intuitively structured and easier to navigate online. We've also enhanced its design by improving our graphs and charts and using five quarters of EWOV case data to help readers better understand our complaint trends.

If you have any feedback about our new design, please contact Matt Helme, EWOV's Research and Communications Manager at:

[rct.ewov@ewov.com.au](mailto:rct.ewov@ewov.com.au).

# THE BIG PICTURE

JANUARY—MARCH 2015

Compared to last quarter:



CASES

▼ 13%



ENQUIRIES

▲ 13%



UNASSISTED REFERRALS

▼ 14%



ASSISTED REFERRALS

▼ 13%



REAL TIME RESOLUTIONS

▼ 31%



INVESTIGATIONS

▼ 6%

11,285 CASES

484 ENQUIRIES

10,801 COMPLAINTS

6,838 ASSISTED REFERRALS

1,469 UNASSISTED REFERRALS

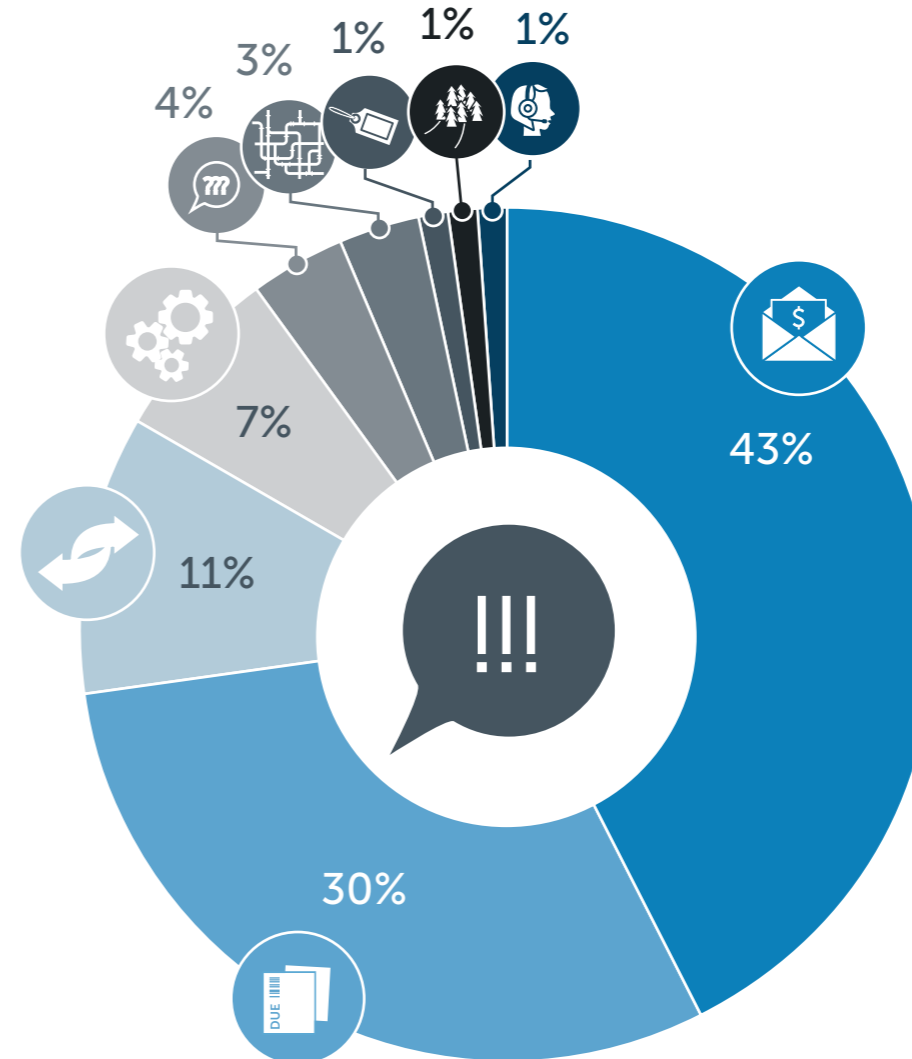
665 REAL TIME RESOLUTIONS

600 were finalised

1,829 INVESTIGATIONS

1,823 were finalised

## The issues customers complained about



Compared to last quarter:



BILLING 4,805 cases ▼21%



CREDIT 3,429 cases ▲4%



TRANSFER 1,190 cases ▼15%



PROVISION 757 cases ▼19%



GENERAL ENQUIRY 399 cases ▼1%



SUPPLY 337 cases ▲20%



MARKETING 125 cases ▼14%



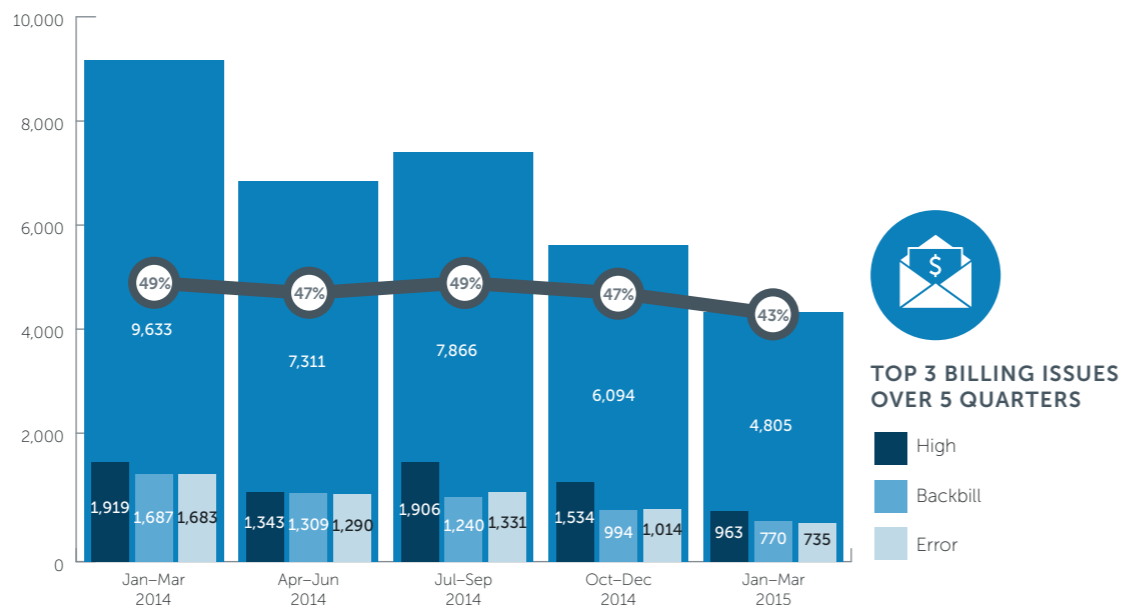
LAND 124 cases ▼4%



CUSTOMER SERVICE 119 cases ▼47%

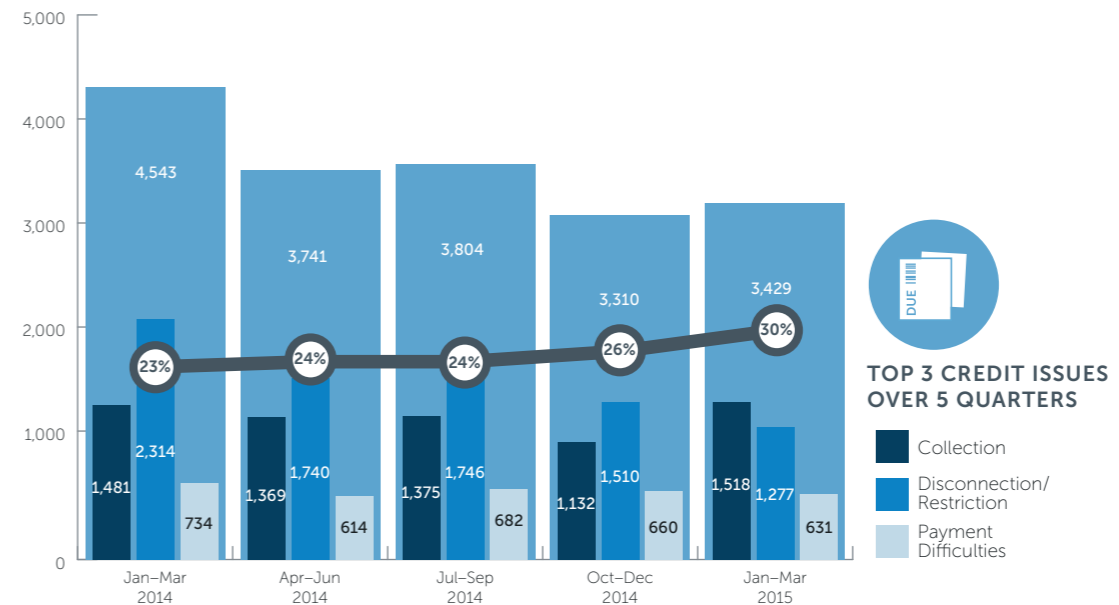
## Billing cases

Number of Billing cases % of overall cases



## Credit cases

Number of Credit cases % of overall cases



# FINANCIAL HARDSHIP COMPLAINTS – THE EWOV APPROACH

## *Fair and reasonable resolution for financial hardship complaints through a structured, independent, investigative approach*

- Consistency
- Timeliness
- Sustainability

Recent EWOV reports have focused on Credit complaints with financial hardship at their core. For some customers, financial hardship is temporary. For others, it's long-term and entrenched, reflecting a history of failed payment plans, debt collection action, and/or supply disconnection/restriction, or the possibility of it. Some of the financial hardship complaints made to EWOV can be resolved fairly quickly. Others require a detailed Investigation.

## Getting to the heart of the problem — assessing the complaint for complexity identifiers

The following are indicators for us of a financial hardship complaint that may be less complex and able to be resolved by a fair and reasonable offer from the company, without too much more assistance from EWOV:

- The customer can't pay a one-off high bill or backbill.
- The customer is seeking an affordable payment plan.
- The customer hasn't yet been on their company's hardship program.
- The customer is experiencing temporary or short term hardship.

A more complex financial hardship complaint will likely require EWOV's active involvement to deliver an outcome where the customer's ongoing usage will be managed and paid for, and their arrears addressed. Indicators for us that a financial hardship complaint is likely to be more complex are:

- The customer has a history of broken payment plans.
- The company has already attempted to provide hardship assistance.
- There's a history of supply disconnection (energy) or restriction (water) for non-payment.
- The customer has a history of contacting EWOV.
- The customer doesn't appear to be able to pay for their ongoing usage.
- The offer of resolution made by the company doesn't appear to be sustainable.
- The customer has an unmanageable level of account arrears.

## WHAT'S A 'FINANCIAL HARDSHIP' COMPLAINT?

EWOV uses the definition of financial hardship proposed by the Essential Services Commission (ESC) in its Review of Water Businesses' Hardship Policies (December 2006):

"A customer in hardship is someone who is identified either by themselves, the scheme participant, or an independent accredited financial counsellor as having the intention but not the financial capacity to make the required payments within the timeframe set out in the business's payment terms."

## Principles for our handling of financial hardship complaints

### Consistency

Shared expectations between EWOV and the companies, around consistent investigative processes and outcomes, increase the likelihood of achieving sustainable outcomes.

### Timeliness

Timely investigation reduces the opportunity for the customer's debt to build up further and helps rebuild the relationship between the company and their customer.

### Sustainability

Arriving at an outcome that's sustainable for the customer and for the company goes beyond questions of regulatory compliance, to include principles of best practice. Sometimes it will mean agreeing on a pathway to sustainability starting with a 'maintainable' outcome. Customers need to be able to manage and pay for the energy or water they're using. It's in the interests of energy and water companies to engage with their customers to help them do this.

## Our staff are experienced and trained to listen, question, analyse, challenge, and facilitate an agreed outcome

Sometimes, the customer's financial hardship is immediately evident; sometimes it's not. EWOV's Inbound Service staff are trained in questioning techniques that enable them to raise the issue of financial hardship with customers in a respectful way.

The EWOV Conciliators working with financial hardship complaints have completed our in-house hardship training and have appropriate conciliation experience. They're well-equipped to impartially gather information from the customer and their company, analyse it, question it, arrive at the facts of the complaint, identify a fair and reasonable resolution in the circumstances, and facilitate an agreed outcome.

## Understanding and balancing rights and responsibilities

Financial hardship complaints, especially more complex ones, can be coloured by misperceptions, fixed positions and emotion.

Customers have a right to energy and water as essential services. They also have responsibilities to understand and manage how they are using their energy or water supply, so they can meet the cost of their usage.

Energy and water companies have clear customer service responsibilities under industry codes, including the provision of appropriate hardship support to customers who need it. EWOV's recent report [A closer look at Affordability: An Ombudsman's perspective on energy and water hardship in Victoria](#) draws on our case experience to critically explore the performance of energy and water companies in this area.

As we work towards resolution, one of our aims is to help the customer and the company understand each other's point of view and appreciate their respective rights and responsibilities. We know that, if we can do this successfully, agreement on a sustainable outcome will be far more likely. We also expect both parties to be active participants in the resolution process and in maintaining the agreed outcome.

## Elements of our structured investigative approach

We critically analyse the company's response to our Investigation. This includes checking the accuracy of the customer's bills, reviewing their payment history, usage patterns and contact with the company, and assessing whether they're receiving concession entitlements.

We consider how the company responded when the customer contacted it directly with their complaint. Was the company's response appropriate in the circumstances? Did the company act in accordance with the applicable customer service code/s? Did its actions meet EWOV's 'fair and reasonable' test?

We review the company's hardship policy and its application to the customer.

We help the customer understand how they are using energy or water at their premises and how their usage compares to that of other customers in similar situations. We discuss short term and longer term actions they can take to manage their usage and reduce their bills.

A site visit can be particularly useful, especially when it includes an energy audit. We use EWOV's Technical Consultant to undertake this kind of audit and provide advice about how to reduce the gap between a customer's consumption and their capacity to pay. The results of any energy audit are communicated to both the customer and their company.

We may also seek an independent assessment of a customer's capacity to pay. In these cases, EWOV's in-house Financial Assessor will work with the customer, by phone or at their home, to understand their household income, expenditure and budget. They then provide us with an assessment of the customer's financial situation, whether their circumstances are likely to change, and a recommendation on an affordable and sustainable payment arrangement. The key findings of any financial assessment are communicated to the customer and the company.

We may assist the customer with their eligibility for government or community assistance schemes and we may also refer them to an appropriate community support group.

We support our Investigation with 29 tailored EWOV fact sheets—covering related issues such as high bills, payment difficulties, disconnection/restriction for debt, credit default listing and debt collection—and information we source from the energy and water companies and from agencies such as Sustainability Victoria.



## CASE STUDY

**The complaint was closed because the customer wasn't acting in good faith.**

*Despite two thorough EWOV Investigations, a sustainable outcome couldn't be facilitated—we closed the second Investigation because the customer wasn't participating in good faith in the resolution process (2014/13693 & 2014/45801)*

### Summary

The customer had a long history of multiple complaints about credit issues, including financial hardship, and customer service issues over several years and against several energy retailers. We undertook two Investigations of her most recent concerns. The customer's behaviour towards EWOV staff was often very challenging, with a focus on revisiting old complaints rather than moving forward with a sustainable resolution. We specifically addressed each of the concerns she raised. From our review of the customer's complaint history, we assessed that all of the issues she'd originally raised had been addressed by her retailer. Despite the information and assistance provided to her, the customer didn't make the agreed payments. A second Investigation of her further concerns was closed because of non-payment and because she wasn't providing the information necessary to help us arrive at a sustainable outcome for her and the retailer.

### EWOV's first Investigation

In March 2014, faced with imminent disconnection of her gas supply, the customer contacted EWOV. She complained she'd been removed from her retailer's hardship program after confusion about the amount she could afford to pay towards her gas costs. She said it was \$5 a month, but said her retailer maintained it was \$5 a fortnight. At this time she owed \$875.07.

### What we did

- We reviewed the customer's account history, contact notes, meter data and billing received. This confirmed that the billing was correct and highlighted the unsustainability of her \$5 a month payment plan. We recommended she seek the advice of a financial counsellor.
- We clarified aspects of the retailer's hardship program for her, in particular the support it offered and the expectations of customers participating in it.
- We helped her with further information about State and Federal Government concessions and assistance packages.
- We checked and confirmed that the retailer had met its obligations under the *Energy Retail Code*—this included multiple discussions with the customer in 2013 about the availability of financial counselling (which the retailer said she declined); an offer of energy efficiency advice in 2013; information on available concessions provided in 2013 and 2014; and information about a Utility Relief Grant and the Home Energy Saver Scheme.

### What the retailer did

- It confirmed its willingness to continue to provide hardship program support for the customer, including suspension of credit collection activity on her gas account and allocation of a case manager.
- It agreed to the payment plan of \$5 a month as a short-term measure, but with three-monthly reviews, because this was less than her current usage cost of \$40 a month. As part of these reviews, the retailer's expectation would be that the customer increase her payments, reduce her usage, or provide details of an appointment with an independent financial counsellor who could assess her financial situation.
- It confirmed that, under its hardship program, it would organise an in-house energy audit for the property.
- It addressed mail receipt difficulties the customer highlighted by helping her arrange to have her bills delivered by email.
- It provided two direct lines as additional contact options for her.
- It reviewed the concessions applied to the customer's account across 2013, finding she was eligible for \$88.57 in concessions but had actually been credited with \$103.32.
- It confirmed the customer owed \$1,336.24 at mid-August 2014.
- It increased a \$25 customer service payment, previously accepted by the customer, to \$100.

... the customer wasn't providing the information necessary to help us arrive at a sustainable outcome for her and the retailer.



## The customer's response

The customer was satisfied with these outcomes and the complaint was closed in August 2014.

## EWOV's second Investigation

In October 2014, the customer lodged a further complaint with us about the standard of service from the retailer's hardship team. She was seeking faster call-backs when she rang from her mobile phone and a direct phone number for a case manager. She specified contact by email or phone, but not post. She was still seeking to be placed on the retailer's hardship program, a payment plan and assistance to apply for a Utility Relief Grant. She said she hadn't been emailed an application form for the Utility Relief Grant and wanted compensation for this delay. She also complained about how EWOV had handled her concerns. At this time, the customer's arrears had increased to \$1,472.32.

## What we did

- We assessed that the customer was currently using around \$38 of gas a fortnight.
- We confirmed that her last payment of \$5 was in early October 2014.
- We checked on the process for sending out Utility Relief Grant forms.
- We discussed with the retailer the latest customer service issues she raised.
- We discussed EWOV's *Payment of Undisputed Amounts Policy* with the customer and wrote to her twice to request the agreed payments be made.

## What the retailer did

- The retailer acknowledged her request to send written communications to her email address, but said there were certain documents which couldn't be sent this way.
- It reconfirmed that it couldn't send the Utility Relief Grant form by email, but offered to send it by registered post to another person at another address she nominated.
- It offered a credit of 10% of her current arrears of \$1,472.32 (\$147.23, which would reduce her outstanding balance to \$1,325.09) in recognition of the delay in sending her the Utility Relief Grant application form.
- It advised that, given it was now three months after the \$5 a month payment plan had been agreed, it needed information from the customer's financial counsellor for the \$5 plan to continue. Failing this, it would be seeking \$25 a fortnight to help cover her ongoing usage and reduce her arrears.

## The customer's response

Despite requests and time extensions, the customer didn't provide any proof that she was making the \$5 a month payments. Neither did she provide the requested copy of an independent financial assessment prepared by a financial counsellor; or contact details of her financial counsellor so the retailer could discuss her financial circumstances and assess the most appropriate payment plan; or confirmation that she was willing to participate in an independent financial assessment by EWOV's Financial Assessor. She also hadn't provided the name and address of someone to whom the retailer could post the Utility Relief Grant application form for her.

## Investigation closed by EWOV

EWOV requires both customers and companies to actively participate in its resolution processes. In January 2015, we closed the complaint on the basis of the customer's non-participation in the resolution process, including non-payment of the agreed monthly amount.



## CASE STUDY

### A collaborative approach to some challenging customer circumstances.

*We used assessments from EWOV's Financial Assessor and Technical Consultant to work with the retailer and the customers' representative to arrive at a sustainable resolution. (2014/53100)*

We asked the customers to participate in a phone-based financial assessment with EWOV's Financial Assessor.

### Summary

After the customers' electricity account started to fall into arrears in mid-2011, they were assisted with a number of payment plans. By early December 2014, they owed just under \$2,500, were facing imminent disconnection of their electricity supply, and their most recent payment plan had been cancelled. Their retailer was asking for an amount they said they couldn't afford. A community worker acting for the customers lodged a complaint on their behalf. Working with him and the retailer, we were able to reach a sustainable resolution, which included setting up Centrepay payments to ensure the payment schedule was met.

### EWOV's Investigation

A community worker contacted EWOV on the customers' behalf, requesting hardship assistance and the backdating of concessions for which the customers were eligible. He explained the background to the complaint, including that continuing illness often prevented the customers leaving the house, making it difficult to pay bills. The customers' electricity arrears had started to build up in mid-2011. Since then they had been assisted with payment plans, which were reset after payments were missed. In late October 2014, the customers contacted their retailer to request information about a Utility Relief Grant. At that time, the retailer offered a payment plan of \$81 a fortnight, together with a one-off credit of \$500 to their electricity account if the plan was maintained for two years. It seemed that the customers hadn't responded to this offer.

By early December 2014, they owed just under \$2,500, and had received a phone message warning of imminent supply disconnection and a letter saying their payment plan had been cancelled. The retailer wanted them to increase their fortnightly payments to \$132. The customers said the most they could afford was \$50 a fortnight, but the retailer wouldn't accept this. The community worker was seeking agreement from the retailer to a payment plan of \$40 a fortnight and ongoing hardship assistance. He also said the customers were concerned that an energy audit hadn't been completed.

We assessed the complaint as complex and the retailer requested that we open an Investigation. In line with EWOV's *Payment of Undisputed Amounts Policy* we advised the customers' representative that their fortnightly payments must continue while our Investigation was underway.

### The retailer's response

- The retailer advised that it wouldn't accept the proposed payment plan of \$40 a fortnight, because the customers' average fortnightly usage was \$45. It said the customers already had a number of failed payment plans.
- However, in its review of the complaint, the retailer discovered that electricity concessions hadn't been applied to the account since April 2011. Application of the missing concessions resulted in an account credit of \$901, bringing the customers' outstanding balance down to \$1,592.
- The retailer also adjusted its previous payment plan offer to \$70 a fortnight, which it assessed would cover the customers' ongoing usage and help reduce their arrears.

### What we did

- We reviewed the customers' usage data as received from the retailer, and found that it reflected seasonal patterns which weren't unusually high (an average daily usage of 20 kWh).
- We asked the customers to participate in a phone-based financial assessment with EWOV's Financial Assessor. This showed they spent over half their pension on the mortgage and their financial position was unlikely to change in the future. The assessor recommended a payment plan of \$40 a fortnight, increasing to \$45 after several months to meet usage, as well providing the customers with energy efficiency advice.

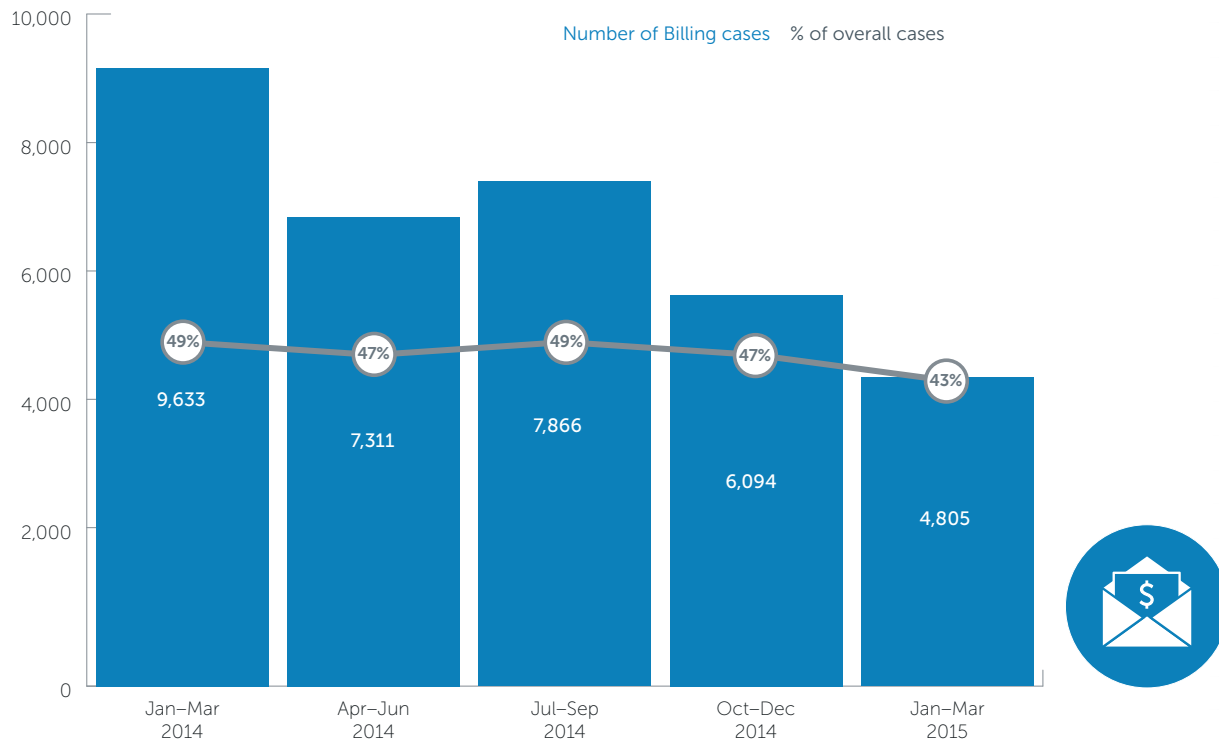
**We arranged for our Technical Consultant to conduct an energy audit and review the customers' usage data.**



- We arranged for our Technical Consultant to conduct an energy audit and review the customers' usage data. He noted that their usage was generally low. Based on their feedback, the two biggest contributors to their electricity bills were the television (which ran about eight hours a day) and the electric heater (which ran all night during winter). He recommended that the customers use a thermostat on the heater and reduce its operating times.
- We contacted three other energy retailers to seek advice on current good industry practice in situations of this type. Two retailers responded, each saying it would accept the customers' offered payment plan of \$50 a fortnight, with the expectation that the customers would be meeting their usage within six months. But this would be on the basis of quarterly reviews, no missed payments and the customers maintaining contact.
- We worked with the retailer and the customers' representative to arrive at a sustainable resolution. The customers' representative said he would ensure the customers understood the payment plan and would set up Centrepay payments to ensure the payment schedule of \$50 a fortnight was met. The retailer agreed to this as a short-term measure, with quarterly reviews to discuss the customers' usage and payments. Bringing forward its original incentive plan offer to the customers for maintaining payments for two years, the retailer credited their account with a one-off customer service payment of \$500, saying it would provide a further credit of \$50 a month provided the customers stuck to the payment plan. It said the customers would receive ongoing support under its hardship program, as well as energy efficiency advice, a direct contact in its hardship team, and an assessment of whether they were eligible for additional concessions.



With the parties in agreement, the complaint was closed.

# BILLING

FIGURE 1.  
Billing cases




**COMPARED TO  
LAST QUARTER  
BILLING CASES**  
 **21%**


**COMPARED TO  
THIS TIME LAST YEAR  
BILLING CASES**  
 **50%**



## CASE STUDY

### Unexpected payment woes due to wall heaters

*EWOV's assessment of two high bills for an occasional rental property confirmed that the billing was correct, the metering was accurate and the high bills were due to constant use of electric wall heaters during cold winter months (2015/1716)*

The customer occasionally rented out a family property, the electricity account for which was in her name. The rental period relating to this complaint was four months across winter in 2014. She contacted EWOV for help having received two successive quarterly bills of \$838 and \$1,700, each much higher than when the property wasn't rented.

The customer said the electricity retailer maintained that the meter readings had been checked and the charges were correct. She said she'd engaged an electrician who confirmed there were no faulty appliances at the property. She also said she'd offered to pay the percentage of the bill which she considered correct, but the retailer wouldn't accept her offer.

When the customer contacted EWOV in mid-January 2015, we registered the complaint as an Assisted Referral. At the request of the retailer, we escalated the complaint to an Investigation to give the retailer time to arrange a special meter test. We explained EWOV's *Payment of Undisputed Amounts Policy* to the customer, who agreed to make two payments of \$400 each, reflecting what she considered to be correct usage for the two periods.

To assist with our Investigation, the electricity retailer provided us with copies of all bills for the disputed periods, the meter data on which the billing was based and the property's billing information for the previous year.

We assessed the meter data and reconciled all reads with charged usage. This showed the billing was based on actual usage at the incident address. The meter test the retailer arranged as part of our Investigation of the complaint showed that the meter was operating within Australian Standards.

Our review of the billing information for the previous year revealed similar seasonal usage patterns. When we discussed this with the customer, she said the property was rented out for a similar period in 2013. She said she recalled the family member responsible for the property at that time mentioning an unusually high bill.

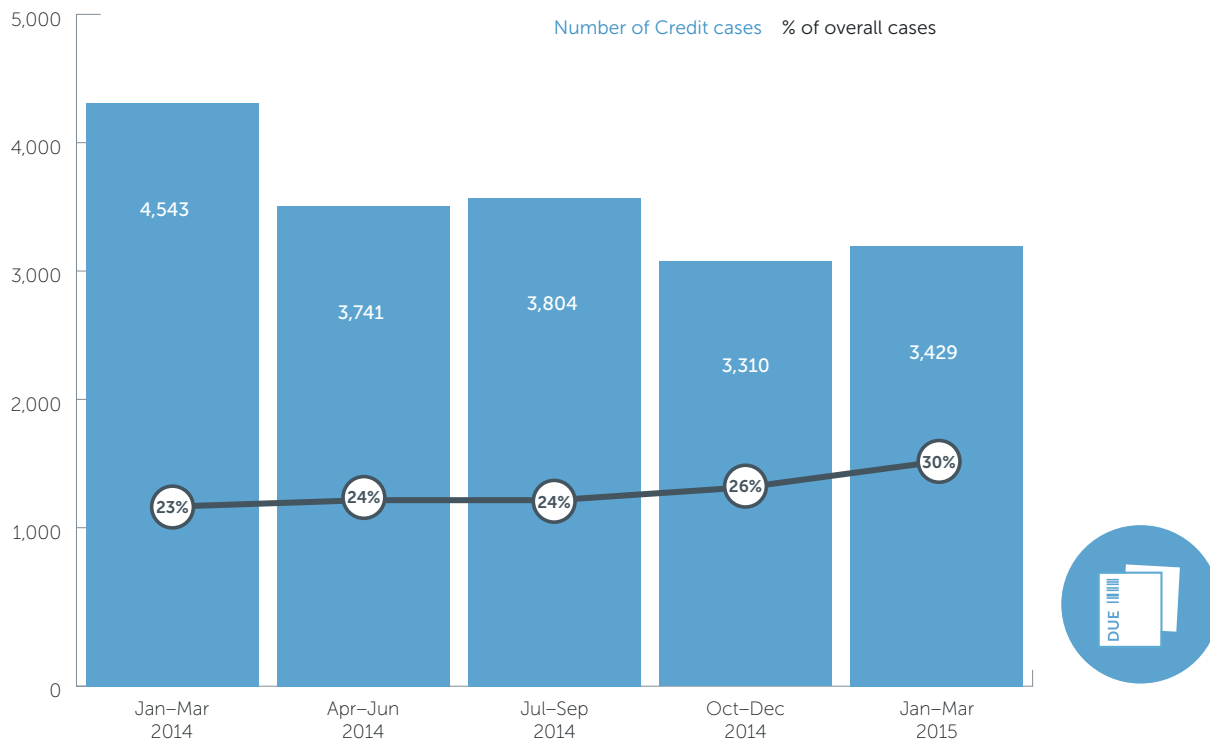
The property had three wall mounted panel heaters, as well as an electric hot water service. Information the customer obtained from the tenants during our Investigation suggested that the heaters were used constantly during the periods of the disputed bills as the winter had been very cold. We suggested the customer check usage by taking meter readings at the property herself. She did this and said she now thought the heaters were likely the reason for the high bills.



In resolution of the complaint, the retailer offered a \$200 account credit and gave the customer an extension of three months to clear the arrears. The customer was satisfied with the information provided and the retailer's offer. The complaint was closed on this basis.



We suggested the customer check usage by taking meter readings at the property herself. She did this and said she now thought the heaters were likely the reason for the high bills.

# CREDIT

FIGURE 2.  
Credit cases




**COMPARED TO  
LAST QUARTER**  
**CREDIT CASES**  
 **4%**


**COMPARED TO  
THIS TIME LAST YEAR**  
**CREDIT CASES**  
 **25%**

**FIGURE 3.**  
**Disconnection and restriction cases**

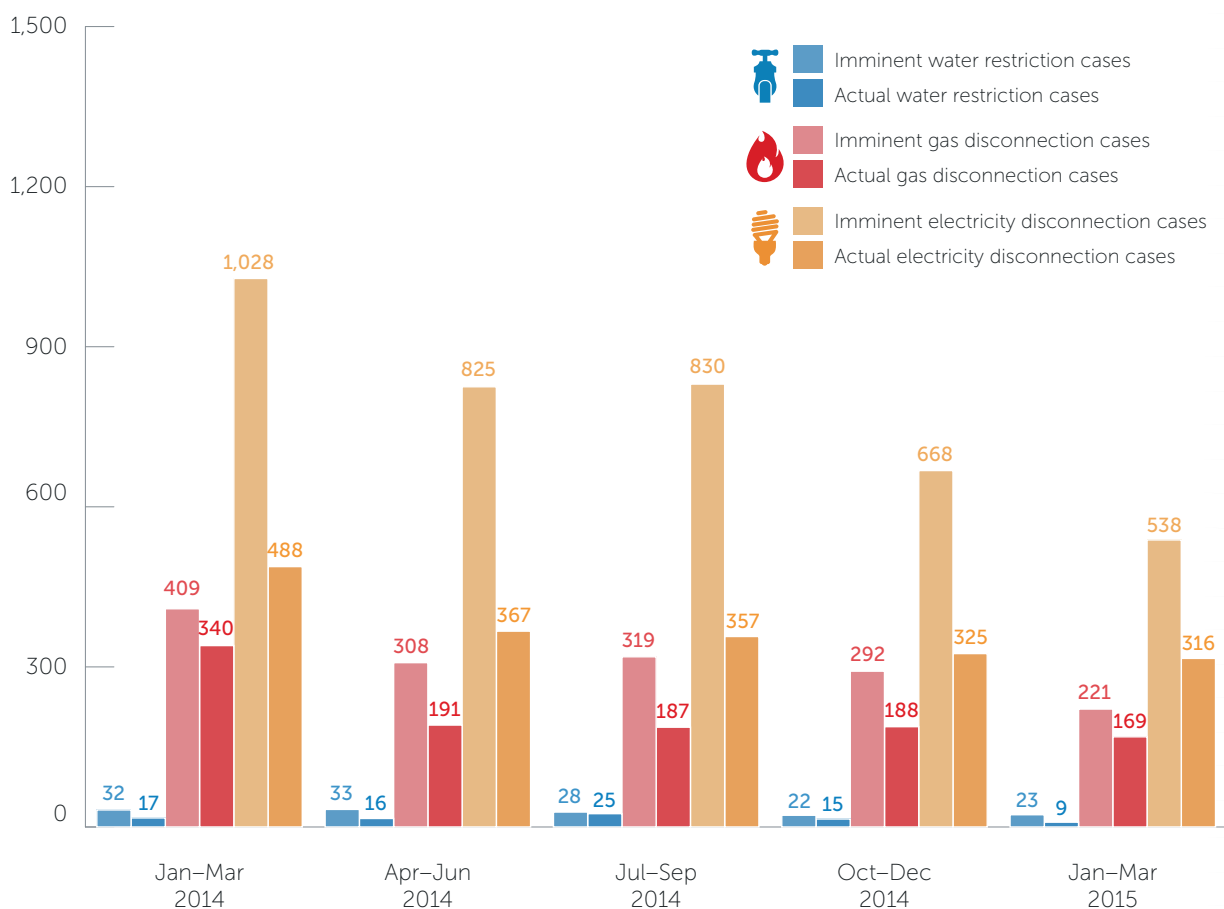
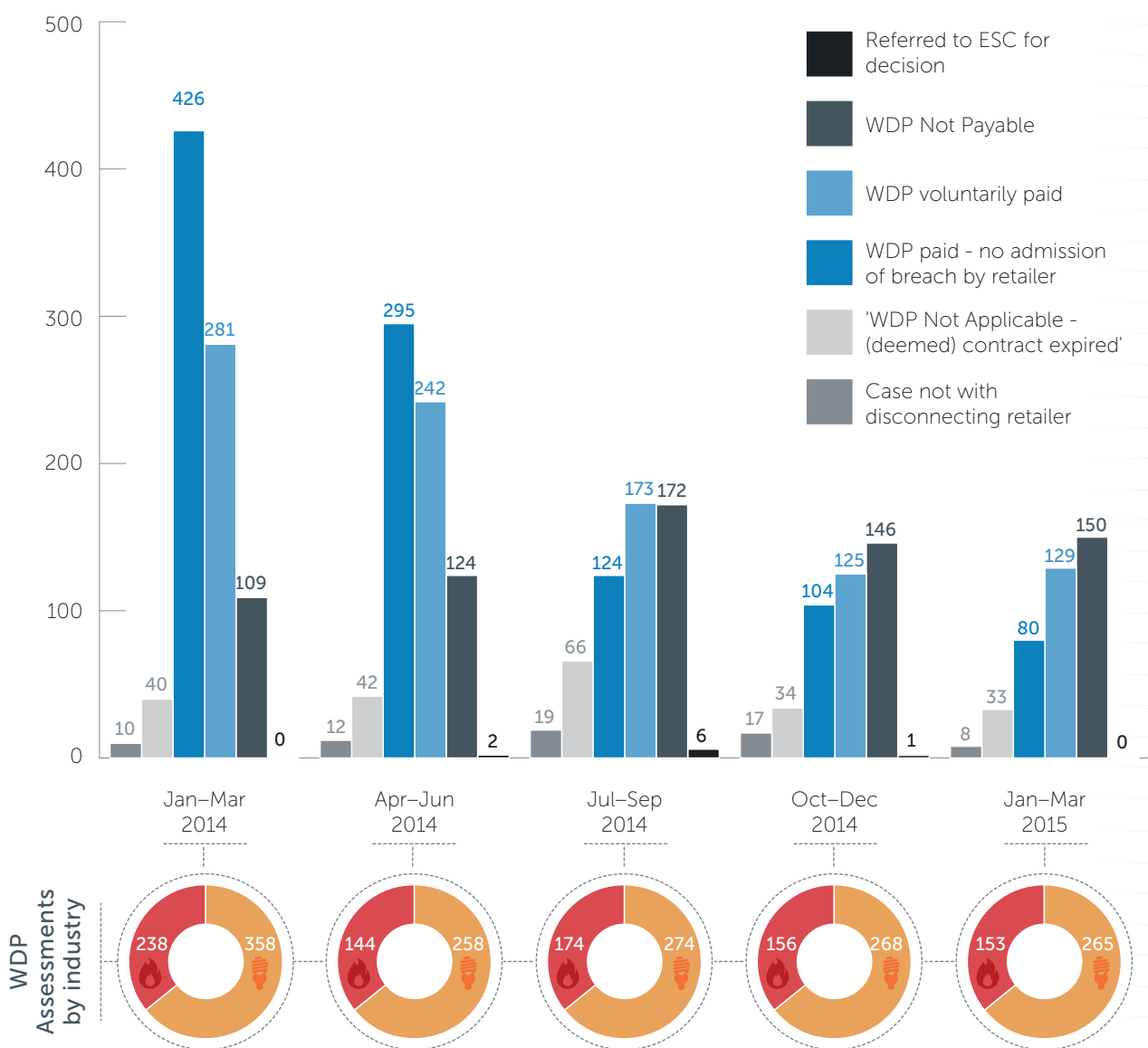


FIGURE 4.  
WDP outcomes







## CASE STUDY

### Don't pay a credit repair company when you don't have to—EWOV investigates default listing complaints independently and for free

*Default listings stay on a credit file for a set period of time (five or seven years, depending on the type of default). The listing can be removed before that time if it's been listed wrongly. EWOV can investigate whether the energy or water company met its obligations before listing a credit default and if it didn't, we can direct the company to remove it. EWOV is a free service and customers don't need to be represented by third parties to have credit default listings investigated. See our new [Credit Default Listings and Debt Collection fact sheet](#) for more information. (2015/6237)*

Through a credit repair company acting on his behalf, the customer lodged a complaint about a May 2010 default listing for \$360. The customer said his ex-partner put the account in his name without his authorisation. He said that he'd occupied another property since 2005 and wasn't responsible for the bill for the property in question. He said he wasn't aware of the debt and wasn't notified that he'd be default-listed. The credit repair company maintained the debt wasn't recoverable because it was now statute barred (too old to pursue) because of the *Limitations of Actions Act 1958 (Vic)*. Its view was that the listing should be removed. The water corporation wouldn't remove the listing. The complaint was escalated to an Investigation when an Assisted Referral didn't resolve it.

In relation to the customer's claim that his name was put on the account without his consent, the water corporation said his details and a signature were on the documentation provided when the account was opened in early November 2007. It said it matched a sample signature he provided to the one on the account documentation. On this basis, it believed it was entitled to hold the customer responsible for the debt. The customer agreed the signatures matched, but said his signature must have been forged.

In relation to the amount claimed and whether it could still be recovered, the water corporation confirmed it default listed the customer in May 2010 for \$360. It said an \$80 overdue bill that formed part of that debt was now statute barred, but it could still legally pursue \$280. It didn't accept the credit repair company's view that the whole listing should be removed, citing Veda's guidelines as not supporting that assessment.

Our Investigation included a review of the water corporation's notes of its contacts with the customer and the paperwork establishing the account. We concluded that the water corporation was entitled to rely on the establishment paperwork. We asked the customer to substantiate his claim that he was living somewhere else at the time, but he couldn't. We concluded that the account was set up correctly and the customer could be held responsible for the debt.

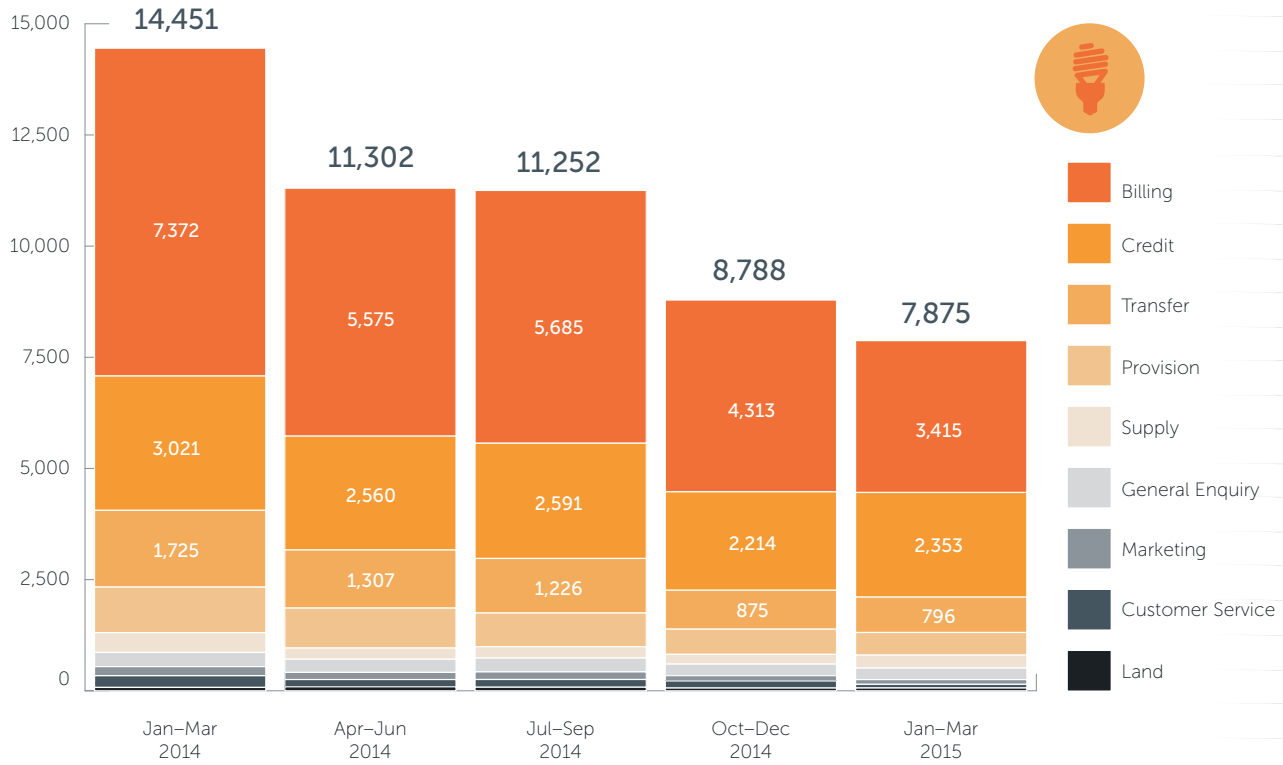
In assessing whether the debt was default listed correctly and was recoverable, we reviewed the *Credit Reporting Code of Conduct* and s18(8)(c) of the *Privacy Act 1988*. We concluded that the default listing was made correctly and the water corporation had complied with its legal obligations (such as sending warning notices and bills). We did not accept that grounds for the removal of the default listing had been established.

We advised the customer of our assessment that the water corporation could no longer legally pursue \$80 of the debt, but it could recover the remaining \$280. We suggested that he could either pay the \$280 (the default listing would be updated reflect that the debt was paid) or wait until the expiry of the five-year term of the default listing in May 2015. The customer was unhappy that the water corporation didn't agree to remove the default listing, but he accepted the outcome of our Investigation. The complaint was closed on this basis.

We did not accept that grounds for the removal of the default listing had been established.

# ELECTRICITY

FIGURE 5.  
Electricity cases



COMPARED TO  
LAST QUARTER

**ELECTRICITY  
CASES**

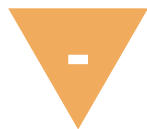


**10%**



COMPARED TO  
THIS TIME LAST YEAR

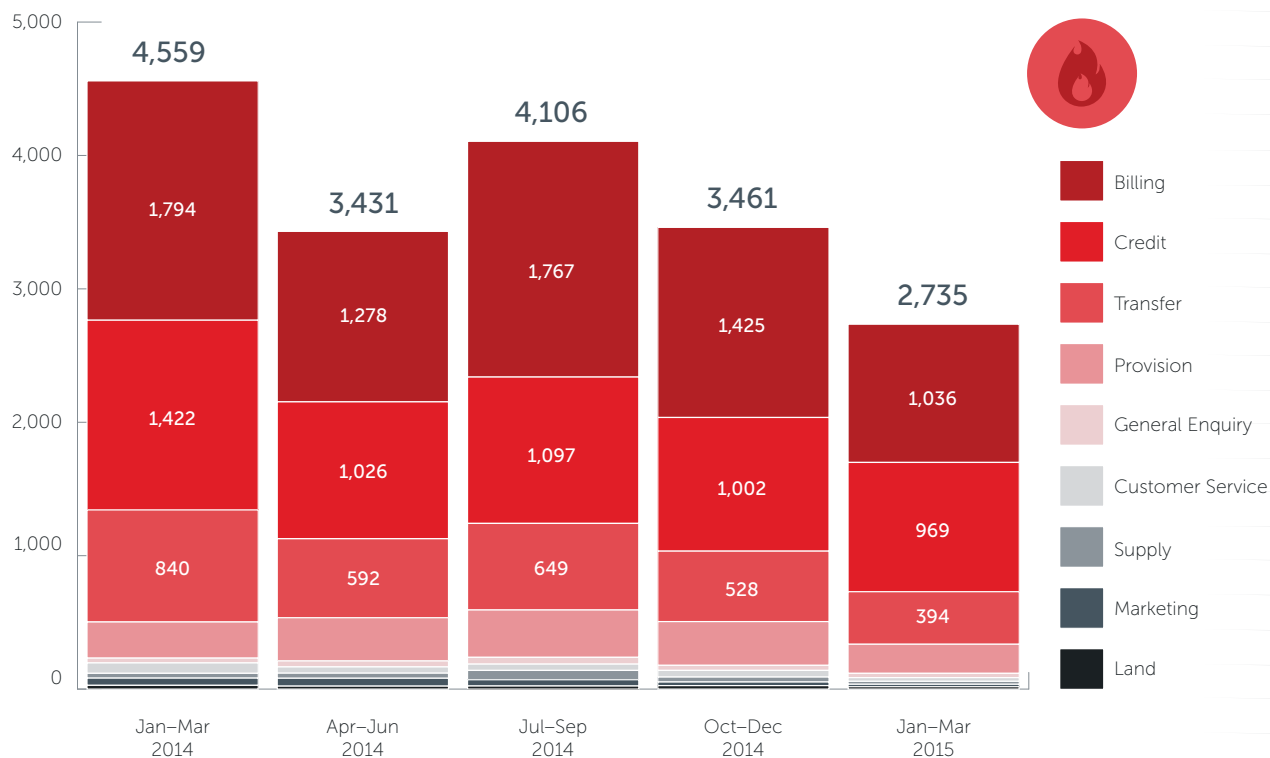
**ELECTRICITY  
CASES**



**46%**

# GAS

FIGURE 6.  
Gas cases




**COMPARED TO  
LAST QUARTER  
GAS CASES**

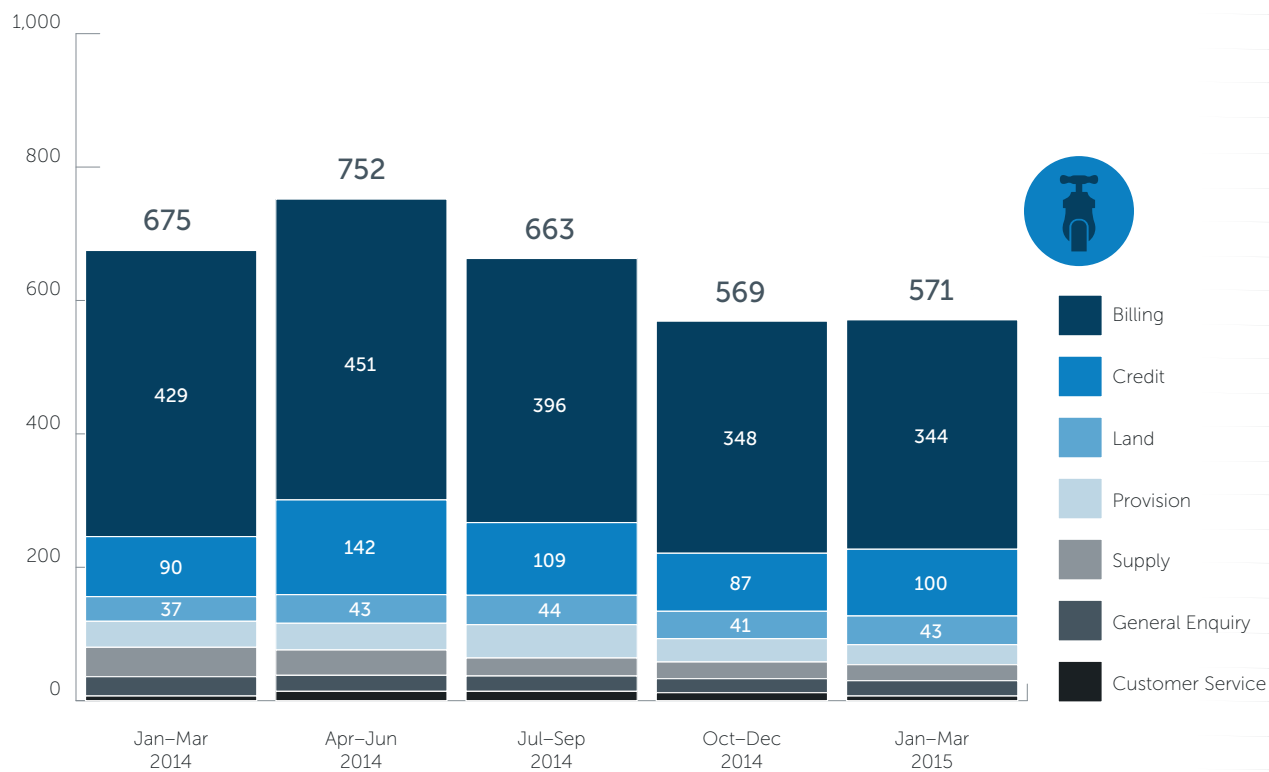
**- 21%**


**COMPARED TO  
THIS TIME LAST YEAR  
GAS CASES**

**- 40%**

# WATER

FIGURE 7.  
Water cases



**COMPARED TO LAST QUARTER**  
**WATER CASES**  
**2** CASES

**COMPARED TO THIS TIME LAST YEAR**  
**WATER CASES**  
**15%**

# SYSTEMIC ISSUES

## Energy

### **From quarterly billing to monthly billing without notice**

Two energy customers complained to EWOV about being moved from quarterly to monthly billing, despite not requesting a change. When we queried this with the energy retailer, it acknowledged a metering issue affecting around 4,000 customers. It said it may take some time to change the customer back to quarterly billing. The retailer said an issue with a specific metering configuration meant that, instead of being captured and held for quarterly billing, monthly billing was being issued automatically. It said the billing issue would be resolved by the end of March 2015. Affected customers would then be returned to quarterly billing. The regulator was notified. SI/2014/93

### **Confusing presentation of credits on bills**

Four complaints to EWOV highlighted customer confusion about the way that one-off credits had been reflected on their bills. From the way the information was presented, it looked as though the full credit hadn't been applied. The energy retailer acknowledged the issue, saying it emerged following a bill layout change. It said it was working on a quick solution, but couldn't provide a timeframe. It advised that, despite the bill layout confusion, customers were still receiving their full credit entitlements. The regulator was notified. We believe the energy retailer took appropriate steps to resolve this matter. SI/2014/74

### **Direct debit transactions not completed properly**

In one complaint to EWOV, the customer's bill was credited with a direct debit payment that wasn't actually taken from the customer's bank account. The energy retailer advised that in late December 2014, due to bank error, direct debit transactions for two days weren't taken from the bank accounts of some 9,335 customers. Despite this, the energy retailer's records and customer bills showed the payments had been made. The energy retailer sent either an SMS or letter to affected customers advising that the transaction hadn't been processed properly and would be reprocessed in two weeks' time. The regulator was notified. SI/2015/6

### **Inaccurate account reconciliations**

Two complaints to EWOV highlighted inaccurate reconciliation of customer accounts. When this was queried with the energy retailer, it advised that a changed process for generating manual account reconciliations (introduced in late 2014) wasn't communicated to all areas of the business. As a result, the account reconciliations for some customers were inaccurate. All areas of the business had since been provided with details of the new procedure. The regulator was notified. SI/2014/91

### **Absence of LPG price per litre on bills**

One complaint to EWOV showed that the customer's bill didn't specify the price he paid per litre for LPG. It did include the volume of LPG delivered and the final price, but the dissatisfied customer said the absence of the price per litre made it difficult to track price increases and reconcile bills. The energy retailer said it had received legal opinion, which confirmed it was complying with its obligations under the terms and conditions for the sale and supply of LPG. However, it acknowledged that, in not specifying the price per litre, it wasn't providing the best customer service. The retailer undertook to look into how its billing might be modified to include this, but couldn't provide a specific timeframe. SI/2014/83

### **Insufficient payment timeframes on reminder and disconnection notices**

In six complaints to EWOV we identified instances of an energy retailer not providing a sufficient payment timeframe on its reminder and disconnection notices. This led to Wrongful Disconnection Payments for affected customers. The energy retailer confirmed that a public holiday hadn't been factored into its disconnection notice timeframes. It said it had assessed and paid any applicable Wrongful Disconnection Payments, and had taken steps to ensure that State public holidays were accounted for in future. The regulator was notified. SI/2015/7

### **Staff wrongly imposing limits on customer acceptance to retailer's hardship program**

Two complaints to EWOV highlighted difficulties the customers had accessing their energy retailer's hardship program, because of what appeared to be very tight parameters around repeat hardship program assistance. The retailer said some staff appeared to have been taking a strict approach that wasn't in line with its hardship program policy. Staff had since been provided with refresher training to ensure customers are given the correct information. The regulator was notified. SI/2015/12

### **Double crediting of Australia Post payments**

In two complaints to EWOV the customers had received a letter from an energy retailer foreshadowing a debit adjustment to their account, due to an issue with the processing of payments made through Australia Post. A mistake by one of the retailer's staff meant that some 1,642 customers had their payment credited to their account twice. The retailer said it had written to all affected customers. The regulator was notified. SI/2015/18

## **Water**

### **Anticipating complaints about the placement of a pump station**

A water corporation alerted EWOV that the location of a new pump station may lead to complaints. After customer consultation, it had been agreed that the station would go underground, but during construction it discovered a large underground mains. This meant the pump station had to be installed above ground. The water corporation said vegetation would be used to minimise the visual impact. It said it had received few complaints, but would respond to any concerns raised. EWOV received one related case. SI/2014/96

### **Required information missing from final notices**

Five complaints to EWOV highlighted that a water corporation's final notice to customers didn't contain some information—on possible additional charges, EWOV contact details, and the availability of hardship assistance—required under clause 6.2 of the *Urban Water Businesses Customer Service Code*. The water corporation said the information may have been removed in its updating process, due to space limitations. It acted quickly to produce a new final notice effective immediately, which included the missing information. The regulator was notified. SI/2015/9

# PUBLIC SUBMISSIONS

## **AEMC Approach Paper – 2015 Retail Competition Review**

### ***Australian Energy Market Commission***

Our submission focused on three questions in the consultation paper relevant to EWOV's work. Addressing the question of customer satisfaction with service quality and value for money, we provided EWOV data on multiple contacts customers have with energy and water companies before customers contact us for assistance. On the question of customer satisfaction with the ease and speed of switching retailer, we provided EWOV case data showing a fall in cases about transfer (and transfer delay in particular), observing this may be an indication that transfers are progressing more easily and speedily. As to whether the number and nature of customer complaints provide evidence of any trends in the quality of customer outcomes, we highlighted a significant fall in cases to EWOV during 2014 and put forward some possible reasons for this. [Full submission on the EWOV website](#)

## **Demand Management Incentive Scheme Consultation Paper**

### ***Australian Energy Market Commission (AEMC)***

We made our comments on this AEMC consultation paper in the context of our understanding that the overall objective of the proposed rule change was to benefit electricity customers through lower prices, by incentivising electricity distributors to find innovative ways of reducing demand on the network. We provided EWOV case data back to 2009 to illustrate a correlation between price increases and affordability issues. We expressed support for innovations that allow customers to actively manage their usage, and therefore their bills, as a positive step for managing affordability issues. But we also expressed concerns that innovations such as demand management products will deliver different benefits and costs to different customers, so any introduction of them should be carefully managed around customer protections and customer education. [Full submission on the EWOV website](#)

## **New products and services in the electricity market – consultation on regulatory implications**

### ***Council of Australian Governments (COAG) Energy Market Reform Working Group***

We observed that the correlation we see between price increases and associated affordability issues, coupled with the falling costs of alternative energy supply arrangements, may encourage customers to consider switching from a 'traditional energy supply' to an 'alternative energy supply'. We discussed how these developments could have significant implications in areas such as customer/industry participant relationships, access to external dispute resolution, jurisdiction of energy ombudsmen and other statutory bodies, privacy of customer data and information, and existing consumer protections. [Full submission on the EWOV website](#)

## **Exposure Draft: Australian Small Business and Family Enterprise Ombudsman Bill 2015**

### ***The Treasury – Small Business, Competition and Consumer Policy Division***

While we welcomed the support for small businesses and family enterprises, we endorsed the submission of the Australian and New Zealand Ombudsman Association (ANZOA) that the proposed office is not an Ombudsman—that it doesn't fulfil the fundamental criterion of independence, does not have dispute resolution as its core purpose, and has a clear advocacy role. [Full submission on the EWOV website](#)

## **Shape our energy future together – Customer and Stakeholder Consultation Paper**

### ***United Energy***

This paper outlines United Energy's directions and priorities, related to the distributor's proposal for the 2016-2020 regulatory control period. EWOV's submission noted steady increases in cases related to United Energy since the 2009-10 financial year and provided high level complaint trend and issues data. We also highlighted the findings in EWOV's recent "Can I speak with a manager?" report on energy and water company performance in handling complaints. [Full submission on the EWOV website](#)

# GLOSSARY

If you would like to know more about EWOV's issue and complaint terminology, visit our [website](#) for a complete glossary.