

23 May 2025

Dear Retailer

Decision under section 37 of the Better Bills Guideline

The AER has decided to exercise its power under section 37 of the Better Bills Guideline (Version 2) (**the Guideline**) to require a class of retailers, being all retailers who re-use plan names, to include additional information in Tier 1 of their small customer bills that contain a negative better offer message.

This letter sets out the background, stakeholder feedback, reasons for our decision and our compliance expectations.

Background

The Guideline provides guidance to retailers on preparing and issuing bills that make it easy for small customers to understand billing information. The Guideline requires information which is defined as 'Tier 1 information' to be included on the front page of the bill.

Under section 37 of the Guideline, the AER may approve information as 'Tier 1 information' that is otherwise not defined as 'Tier 1 information'. To make such a decision, the AER has to be satisfied the information to be included will contribute to the Billing Objective. We also take into account other factors, such as the regulatory burden and the costs to consumers relevant to the potential benefits.

The Billing Objective is set out in subrule (3) of rule 25A of the National Energy Retail Rules. Under subclause (3)(c) and (c)(ii) of the Billing Objective:

The *“objective of a bill is to provide billing information that enables small customers to easily understand:*

- c) their energy consumption and production, and related costs and revenue, to assist with:*
 - ii. comparing their customer retail contract with other energy offers available to them...”*

Negative better offer messages and retailers re-using plan names

Under section 40(j) of the Guideline, a deemed better offer message is required Tier 1 information. Under sections 49 and 50 of the Guideline, a customer will receive a negative better offer message where the retailer's deemed better offer check calculates that the customer could be saving more than \$22 (inclusive of GST) annually if they were on another of the retailer's plans.

The AER understands that retailers re-using plan names is causing confusion and distrust for customers who receive a negative better offer message where that message states that the customer could save money on a plan with the same name as their current plan.

This has been raised by a number of stakeholders including:

- In a [CHOICE article](#) published on 19 June 2024,
- In the [ACCC's Inquiry into the National Electricity Market Report](#) published on 30 December 2024,
- In the [NSW Independent Pricing and Regulatory Tribunal's \(IPART\) Monitoring the NSW Retail Electricity Market Report](#) published on 24 November 2024, and
- In a [submission made by Federal Minister Bowen](#) to the AEMC's '[improving the ability to switch to a better offer rule change](#)'.

On 6 March 2025, Momentum Energy Pty Limited (**Momentum**) made an application to the AER requesting approval to include an additional message among Tier 1 information on its small customer bills. This additional message was proposed to be included on all small customer bills that have a negative better offer message which referred to a plan with the same name as the customer's current plan. The AER refused Momentum's application and on 23 May 2025, and made the decision under section 37 of the Guideline to which this letter applies, to ensure a consistent approach across all retailers who re-use plan names.

Stakeholder Feedback

The AER has engaged with a range of stakeholders on the additional Tier 1 information, including the Behavioural and Economics Team of the Australian Government (**BETA**), members of the AER's Customer Consultative Group (**CCG**), CHOICE, the ACCC and the Australian Energy Council (**AEC**).

The majority of stakeholders provided feedback which was supportive of the AER making a section 37 decision for retailers who re-use plan names.

Stakeholders were presented with 2 wording options for consideration and majority of stakeholders preferred the option the AER will require under this section 37 decision. Some of the reasons in support of this option were:

- it was clear the steps a customer should take and why,
- it provided an explanation and context for why the plan names were the same, and
- the language used may encourage customers to engage with their retailer.

Stakeholder feedback was incorporated to make the language of the additional Tier 1 information more active.

Some stakeholders suggested that a flexible approach was preferable. This is not an option as the additional Tier 1 information must be prescribed under a section 37 decision. This also ensures retailers will take a consistent approach.

Some stakeholders suggested that the message should only appear on negative better offer messages where the plan has the same name as the customer's current plan. We consider that wording the information so that it is appropriate to be included on all negative better

offer messages, will remove the need for retailers to implement additional logic in their billing systems and balances the regulatory costs with the need to give more clarity to customers.

We thank all stakeholders who provided feedback.

AER decision and reasons for decision

The AER has decided to exercise its power under section 37 of the Guideline to require a class of retailers, being all retailers who re-use plan names, to include additional information in Tier 1 of their small customer bills that contain a negative better offer message.

The AER considers the message will contribute to the achievement of the Billing Objective while minimising regulatory costs and addressing stakeholder concerns. Our reasons for decision are set out below.

Class of retailers

The required additional Tier 1 information **only applies to a class of retailers**, being all retailers who re-use plan names by creating newer versions of existing plans with the same name.

Retailers who do not re-use plan names are **not** required to include any additional information in Tier 1 of their small customer bills. Any retailer that starts to re-use plan names must include the additional information from that point on.

Required additional Tier 1 information

The following additional Tier 1 information is required to be included below all negative better offer messages on small customer bills:

If this plan has the same name as your current plan, you are on an older version of the plan which has different rates. You can still save money by switching to a newer version.

The additional Tier 1 information must be displayed directly below, but separately to, the better offer message, i.e. it must be a new paragraph following the existing better offer message text but must not be separated by a border. However, the additional Tier 1 information can be displayed within existing better offer elements/boxes within a retailer's bill template.

The additional Tier 1 information must be displayed below each negative better offer message where the customer is billed for more than one type of energy. For example, where a customer receives a negative better offer message for both electricity and gas, the retailer must include the message below each of the negative better offer messages.

Additional Tier 1 information contributes to the Billing Objective

The additional Tier 1 information should give more clarity to customers who receive a negative better offer message by explaining that if the plan has the same name, the customer can still save money by contacting the retailer to switch as they are on an older version of the plan.

Minimising regulatory burden and costs

Requiring retailers to implement additional logic in their billing systems so the additional Tier 1 information only appears on negative better offer messages for plans with the same name would add significant cost and delay implementation. We consider the approach of using wording that can be included on all negative better offer messages (which removes the need for retailers to implement additional logic in their billing systems) balances the regulatory costs with the need to give more clarity to customers in a timely manner.

Additionally, we consider that requiring only those retailers who re-use plan names to include the additional Tier 1 information further balances the regulatory burden with the need to give more clarity to customers, as it is a retailer's choice to re-use plan names.

Implementation

The class of retailers who are required to comply with this decision under section 37 of the Guideline must include the required additional Tier 1 information **within 3 months** of the date of this letter. This message should remain on bills until otherwise revised, including if other solutions are implemented as part of the [AER's upcoming review of retail guidelines](#).

We recommend that retailers include the additional Tier 1 information as soon as possible to assist with customer comprehension for those customers who receive a negative better offer message for a plan with the same name.

All retailers who are required to comply with this decision under section 37 of the Guideline must also email aerretailcompliance@aer.gov.au **within 10 business days** of the date of this letter to confirm that they are part of the class of retailers who re-use plan names.

Any retailer that starts to re-use plan names in future must also email aerretailcompliance@aer.gov.au **within 10 business days** of creating a duplicate plan to advise that they are part of the class of retailers who re-use plan names.

Retailers should consider gathering information on customer feedback and other data to support evaluation of the effectiveness of implementing the additional Tier 1 information to increase customer clarity. This information may be beneficial for retailers to provide to the AER and/or consider including in submissions made on upcoming consultations on AER guideline reviews. Any retailer feedback on the effectiveness of implementation in increasing customer clarity should be emailed to aerretailcompliance@aer.gov.au.

Yours sincerely

Justin Oliver
Deputy Chair
Australian Energy Regulator