



19 December 2025

Executive Director, DMO and Consumers
Australian Energy Regulator
Email: consumers@aer.gov.au

RE: Retail guidelines review consultation paper

I write on behalf of CHOICE in regards to the Retail guidelines review consultation paper. CHOICE endorses the joint submission made by the Justice and Equity Centre (JEC) and provides this submission in addition to it.

In May 2025, CHOICE lodged a designated complaint with the ACCC about a range of confusing and potentially misleading practices used by energy retailers, such as:¹

- Using identical plan names to represent different plans with different pricing;
- Using names and descriptions that refer to 'savings' for poor-value plans; and
- Prompts to switch plans (known as 'Better Offer' or 'Best Offer' messages) that refer to plans that do not appear to be available, or the customer is not eligible for.

As detailed in the complaint, the complexity of various plans, offers and contracts makes the process of comparing plans difficult, or impossible, for many households. Energy is an essential service, but our research found that the information that retailers provide is frequently inaccurate, incomplete or leads to overwhelm, creating unfair and unreasonable barriers to consumers getting a fair price.

Giving consumers more, or different, information is not enough to fix the underlying problems in the retail energy market. Disclosure can only do so much when most consumers do not

¹ CHOICE, 2025, [The Power of Confusion: CHOICE designated 'super' complaint on energy plans](#)

57 Carrington Road Marrickville NSW 2204

Phone 02 9577 3333 | Fax 02 9577 3377 | Email campaigns@choice.com.au | www.choice.com.au

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pay close attention to their bills, many have limited energy literacy and, most crucially, the market is designed to confuse.

CHOICE encourages the AER to take a principles-based approach to this review. The review should seek to address asymmetry of information between retailers and consumers, which will likely require a mix of both specific prescriptive changes to the guidelines and broader, principles-based obligations.

Recommendations:

1. The guidelines should include principles-based obligations for retailers to meet reasonable consumer expectations about how they name and describe their plans.
2. Compliance with the guidelines should be assessed with a greater focus on data and metrics that reflect the real-world outcomes they intend to achieve.
3. The guidelines should require that all charges are listed on bills and communications as inclusive of GST.
4. Clearer descriptions of demand tariffs and charges should be included on EME and on bills, with wording informed by consumer comprehension testing.
5. The guidelines should require better offer messages and Tier 1 information to be included in more locations, including emails and covering letters for bills, apps, renewal notices and benefit change notices.

The guidelines should be informed by consumer expectationsConsumer expectations for plan names

Plan naming practices are one notable example that we have identified where retailer practices often do not align with consumer expectations. It is reasonable, for example, for a consumer to assume that there is one version of a particular plan, with one set of rates, for their address at a time – and that any price variations for the life of their contract will be applied unilaterally for consumers on that same plan.

The widespread practice of retailers reusing identical plan names to refer to multiple plans

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does not meet these expectations, and this results in consumer confusion or frustration in a number of contexts. This includes, but is not limited to, better offer messages that refer to a plan with the same name as a consumer's current plan, as detailed in our designated complaint.

We also note that consumers can be confused by retailers using the same name for plans with different tariff types, such as when a customer applies to sign up to a specific offer with a retailer but is then placed on an offer with a different tariff structure (and different prices) to the one they applied for. IPART analysis of residential offers found that 48% of flat-rate offers available had the same name as time-of-use plans from the same retailer.²

In January 2025, CHOICE surveyed 2,060 members and supporters on their experiences with confusing and unfair energy pricing.³ Many respondents said that they find it difficult to understand the difference between various plans:

'When trying to compare plans, companies often use different names for the various tariffs and charges making it harder to compare. I have also found that Alinta sometimes uses one name for a tariff when looking on their website but a different name on the actual bill.'

'Plans do not disclose what type of tariff type they use when switching over to them. This can make it impossible to switch to better offers, due to being stuck on the wrong tariff type. Zero transparency.'

Plans that are different – whether that be in price, non-price benefits, tariff structure, T&Cs or otherwise – should be presented to consumers in a way that makes it simple to understand what the difference actually is. Plan names, and other descriptors, should be mutually understandable and clear for both the retailer (including its customer service

² IPART 2024, [Monitoring the NSW retail electricity market 2023-24 Annual Report](#), p57

³ CHOICE, 2025, 'Sign up to be an energy pricing champion', n=2,060, conducted from January to March 2025

representatives) and the consumer.

CHOICE also notes the draft recommendation from the AEMC pricing review to 'require energy service providers to charge all customers on the same plan the same price, to address the 'loyalty tax' on customers who don't switch and ensure every customer is always on the best price' which could address these issues.⁴

Consumer expectations for better offer messages

When consumers receive better offer messages, it is reasonable for them to assume that they are eligible for the recommended plan, and that it will be available for them to switch to for a reasonable period of time after receiving the bill. Consumers have told us that this is often not the case, leading to confusion and frustration:

'The bill telling us that AGL have a better plan, phoning AGL to be told, no that's not the case. Then asking for a review of which plan is best and being told of yet another plan.'

'I get messages with my bill, sometimes saying I am on the right plan, sometimes saying I could change to get a better deal. When I go into my account it always tells me I am on the right plan. I simply ignore it now.'

'I get emails from AGL that I could be on a better plan, ring to ask about it, then told I'm on the best one, it's a generic email.'

When a consumer visits Energy Made Easy or contacts their retailer to switch to a plan recommended in a better offer message, it should be easy to identify which plan was recommended and then switch to it.

The guidelines should also ensure that consumers wishing to switch to this plan are not 'upsold' to a poorer-value plan when contacting their retailer to switch. One consumer responding to our January survey told us:

'I received notification that the price of my plan would change. When I called up the

⁴ AEMC, 2025, [The pricing review - Draft Report](#)

provider to switch to another plan that was better value they tried to refer me to a more expensive plan and didn't offer me the cheapest plan available. It took some persuasion to get them to agree to take on the lower price plan available...'

These kinds of experiences diminish consumer trust in better offer messages, and the energy retail market more broadly.

Broader obligations for retailers to meet reasonable consumer expectations with how they name and describe their plans would help improve consumer trust in better offer messages. This could be similar to the new obligation introduced by the ESC to the Victorian Energy Code of Practice for retailers to have clear and effective processes to switch to a better offer, with an expectation that retailers design systems and publish new offers to clearly identify different plans.⁵ Crucially, such an obligation should not be seen as a catch-all replacement for prescriptive requirements, but rather as a foundation to better support these requirements.

Recommendation 1: The guidelines should include principles-based obligations for retailers to meet reasonable consumer expectations about how they name and describe their plans.

Ongoing, holistic assessment of outcomes is needed to ensure the guidelines are meeting these consumer principles in practice

When reviewing the guidelines, it is crucial that the AER take a holistic approach. Compliance with the guidelines should be assessed with a greater focus on data and metrics that reflect the real-world outcomes they intend to achieve, and how consumers (and retailers) actually behave in practice.

The AER has pointed to BETA's better bills impact report as evidence that the new

⁵ Essential Services Commission, 2025, [Same name, different prices](#)

requirements in the Better Bills Guideline have encouraged more customers to switch plans, based on the fact that ‘since the guideline was implemented, triple the amount of people visited Energy Made Easy because of the information on their bill.’⁶ However, this data, taken from a survey presented to people who visited Energy Made Easy, provides a narrow view of the overall impact of the guideline. The AER’s Annual Retail market report for FY2024-25 indicates overall switching rates remain at a similar level to before the guideline was implemented, and there is little data available as to whether, overall, more consumers visited Energy Made Easy.

If the purpose of better offer messages is to encourage more consumers to visit EME and switch, then improvement to total EME traffic and switching rates (including internal switching rates) would be more appropriate metrics for determining their success. However, we disagree with the assumption that increased switching is a good consumer outcome. A more appropriate metric that actually reflects what consumers want – a fair, affordable price for energy – would be an improvement to the number of consumers that are on the best offer available to them.

Better Offer and Best Offer requirements were well intentioned rules developed after significant amounts of consultation and consumer research. But the outcomes delivered by the rules have been undermined by the energy retailer practices, such as those outlined in our designated complaint. Retailers will likely continue to find ways to undermine the effectiveness of any new changes to the guidelines, while (arguably) strictly complying with the letter of the rule. More holistic, proactive monitoring of consumer outcomes is needed to prevent retailers from continuing to exploit loopholes.

Recommendation 2: Compliance with the guidelines should be assessed with a greater focus on data and metrics that reflect the real-world outcomes they intend to achieve.

⁶ BETA, 2025, [Better Bills impact report](#)

Improving the information consumers receive, and where they receive it

GST

A number of respondents to our January survey noted that on some bills usage charges are listed exclusive of GST. This makes it difficult for them to compare their existing rates to plans listed on EME, where rates are listed inclusive of GST.

Recommendation 3: The guidelines should require that all charges are listed on bills and communications as inclusive of GST.

Demand charges

Overwhelmingly, survey respondents told us that they find information around demand tariffs and associated charges particularly difficult to understand:

‘Demand charge tariff has not been explained properly to customers and the calculation on the bill is vague and makes it difficult to work out.’

‘The Demand Charge was very difficult to understand and hard to get information from Red Energy. It is also hard to know if the Demand Peak can be verified (they do not tell you when it was metered). I was also on a 3 month billing cycle at the time and they did not advise me until I followed them up that I am better switching to monthly billing when on a Demand Charge tariff, I was also told there was no option to go to a Time of Use tariff.’

‘Peak demand price averaging i.e. no record of how this is determined. No details of unit measurements used to determine the average price for peak demand. I’m a shift worker and highly suspicious of this extra tariff as I am often at work at these times not using/surging electricity use and at times this amount is as high as my actual usage???’

We are dubious about the proliferation of demand tariffs, as they are often not suited to the needs of residential consumers. Broader reforms are needed to ensure that consumers are

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not being sold, or forced onto, plans or tariff structures that are not suitable for their needs.

However, this review is also an opportunity to improve the way these charges are communicated to consumers, both in plan descriptions and on bills.

Recommendation 4: Clearer descriptions of demand tariffs and charges should be included on EME and on bills, with wording informed by consumer comprehension testing.

Providing key information in more places

As technology is changing, so is the way that consumers are receiving and paying their bills. As of 2024, 51% of energy consumers pay their bills by direct debit.⁷ Those paying by direct debit are less likely to pay close attention to their bill, unless the amount due is significantly higher or lower than expected, so it is important that accurate key information is included in a range of locations beyond traditional bills.

22% of customers receive their bills in an app, and a similar percentage pay via their retailer's app or website.⁸ Retailers currently have the ability to design these systems to their benefit, including in ways that may discourage switching or obfuscate key information.

Extending the guidelines to cover alternative billing and payment methods would help ensure that consumers have the same protections no matter how they receive or pay their electricity bills.

Recommendation 5: The guidelines should require better offer messages and Tier 1 information to be included in more locations, including emails and covering letters for bills, retailer apps and online portals, renewal notices and benefit change notices.

If you wish to discuss this submission further, please contact me at [REDACTED] to arrange a meeting, or for further information.

⁷ Fonto, 2024, [AER Methods of Payment research](#)

⁸ Ibid.

Yours sincerely,



Andrew Kelly

Director of Campaigns and Communications

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