Compliance Check

# **National Energy Retail Rules: bill content, frequency & payment method**

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| Energy services are a key part of a household’s budget. Clear and on time energy bills are critical to customers understanding both energy usage and costs. The National Energy Retail Law (Retail Law) and National Energy Retail Rules (Retail Rules) details the obligations on retailers when billing its customers.Part 2 Division 4 of the Retail Rules includes requirements for calculating bills, frequency and content of bills, recovering and returning incorrect charges and resolving billing disputes.This compliance check sets out the requirements under the Retail Rules for preparing bills, required content, frequency of bills and payment methods available to customers. |

## Retail Rules and energy bills

The objective of the billing requirements under the Retail Rules is to ensure customers can easily understand:

* how they use their electricity or gas during the billing period, and
* how charges have been calculated and applied.

## Bill content – requirements

Rule 25 (1) requires a retailer to prepare a bill so that a small customer can verify that the bill conforms to their contract. Retailers must include certain ‘particulars’—summarised as follows:

* customer’s name, account number, address, meter number, date of issue, billing period and the pay by date
* total amount payable, including amounts owing and credits (such as discounts or rebates)
* date of meter read, consumption, or that an estimation was used and date for the next read
* tariffs and charges applicable and the basis on which they have been calculated
* average daily consumption for the billing period and comparison to the same period in the previous year
* a telephone number for complaints and account enquiries, and a separate 24-hour telephone number of the distributor for fault enquiries and emergencies.

## Bill content – requirements

* payment methods available such as credit card, direct debit or BPAY
* applicable government concession or rebate schemes and any amounts deducted or credited
* electricity consumption benchmarks (for residential electricity customers).

## For standard retail contracts rule 26 also requires the retailer to provide the customer with a minimum of thirteen days from the date of issue on the bill to pay. The pay by date should be clearly disclosed on the bill.

Energy bills can be complex and difficult for customers to understand. Retailers can assist by preparing bills that makes it easy for customers to understand both their energy usage and costs.

## Good practice

* Use a simple clear layout with a readable size font.
* Where a pay-on-time discount is available, clearly label the total amount due with and without the discount.
* Provide a line item stating the tariff or plan and the meter reading type.
* Show the unit price in the calculation of total amount.
* Use bold headings and subheadings to differentiate prices or tariffs.
* If a price change has occurred across a billing period outline the different prices applied.
* Use minimal advertising on the bill.
* Define usage and charges clearly.
* Name concessions and discounts and the period they applied.
* Make it clear if the bill is an estimate.

## Billing frequency

Under rule 24 for standard retail contracts retailers must issue a bill to a small customer every one hundred days.

Rule 24 also permits a different billing cycle to the typical billing period offered by a retailer under its standard retail contracts so long as the customer's explicit informed consent is obtained.

## Good practice

* Billing delays occur for several reasons: internal process errors, third party problems, or a lack of metering data. Retailers should provide customers with clear, timely and accurate advice about any billing delays. This will assist the customer plan for the arrival of the bill.

## Requesting historical billing information

Rule 28 (1) requires a retailer to provide historical billing information on request for the previous two years.

Rule 28 (2) requires that this be provided without charge unless:

* four previous requests have been made for electricity
* one previous request has been made for gas.

## Customer Payment Methods

Rule 32 requires customers to be offered the following payment methods of: in person, telephone, mail, direct debit and electronic funds transfer.

Direct debits require the explicit informed consent of the customer with agreement to frequency; amount and commencement date.

**Centrepay**

Rule 32 requires retailers to offer Centrepay subject to the requirements set out in rule 74.

Paper and Electronic Bills

The Retail Rules do not prescribe a method for billing customers. Retailers can choose whether to offer customers paper or e-billing. While the move to electronic bills provides customers with a convenient way of receiving their bills, all requirements relating to bill content apply regardless of the method used.

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| Good practice* Customers using electronic bills should be able to easily view and understand their bill.
* Minimise additional steps such as requiring an account to be created before the customer can view their bill.
* Retailers should clearly disclose the costs of receiving a paper bill.
* Whether these costs can be waived and in what circumstances.
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## Responsibility for compliance

Section 273 of the Retail Law requires a business (even where functions are outsourced to a third party) to establish policies, systems and procedures to enable it to efficiently and effectively monitor its compliance with the requirements of the Retail Law, the National Regulations and the Retail Rules.

Reflecting the importance of clear bills many of these requirements if breached are civil penalty provisions under of the Retail Rules.

## AER approach to compliance

We assess instances of potential non-compliance with the Retail Law and Retail Rules in accordance with our Statement of Approach (available on the AER website). We will consider a range of factors in deciding on an appropriate response and will take steps with the business involved.

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