

# Compliance Check

## National Energy Retail Rules: billing complaints and incorrect charges

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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 resolving customer complaints and processes for dealing with incorrect charges. Poor complaint handling practices can significantly impact on customer confidence with their energy service.

### Complaint handling

Rule 29 sets out the requirements on retailers when handling billing complaints. A retailer:

- must review a bill if requested by a customer
- must conduct the review in accordance with its standard complaint dispute resolution service.
- must inform the customer of the outcome of the review as soon as reasonably possible
- may recover amounts owed that are not in dispute
- may charge for the costs of a meter read if requested by the customer
- if the meter is faulty, the customer must be reimbursed any amounts paid
- may if satisfied that the bill is correct after conducting a review, require the customer to pay the amount outstanding
- where, after conducting a review, the amounts are incorrect, adjust the bill in accordance with the overcharging and undercharging provisions
- must ensure the customer is aware that they can lodge a complaint with the energy ombudsman if the customer is not satisfied with the outcomes of the review.

### Good practice

- Provide information on how and where to complain.
- Provide contact details, including a number for complaints and a website URL address to access documents setting out the process.
- Ensure the complaint and dispute resolution procedure is easily accessible to all complainants and includes information about the process, timing and ways to make a complaint.
- Provide special arrangement/support for complainants with specific needs.
- Protect personal information unless consent has been provided.
- Undertake reasonable efforts to investigate all the relevant circumstances.
- Communicate the outcomes of your investigation and proposed outcomes as soon as practical.
- Ensure contact details for energy ombudsman's contact details are clearly displayed on a bill.
- If a customer makes a complaint, the retailer must respond within the required timeframes set out in its standard complaint and dispute resolution procedures.
- Regularly review complaint handling procedures.

## Important Note—billing complaints

Rule 116(1) prohibits the de-energisation of a customer in certain circumstances. Rule 116(b) and (c) concern unresolved complaints about the proposed de-energisation.

- 116(b) deals with a complaint under a retailer's complaint handling procedures concerning the de-energisation and the complaint is unresolved.
- 116(c) deals with a complaint to an energy ombudsman scheme concerning the proposed de-energisation is unresolved.

The Retail Rules sets out the requirements for recovering undercharges or returning overcharged amounts to customers.

## Undercharging

Rule 30 deals with undercharged amounts. If the retailer is responsible for the undercharge either through errors or not issuing a bill, under 30(2) of the Retail Rules:

- restricts the amount that can be recovered to nine months before the customer was notified of the undercharging
- if the period during which the undercharging occurred is less than 12 months, a customer must be offered the same amount of time to pay
- if undercharging occurred for a period over 12 months, the customer is entitled to a maximum of 12 months to pay
- undercharged amounts must be listed as a separate item on the next bill or in a special bill
- interest cannot be charged on undercharged amounts

Rule 30(2)(a) permits where the customer was responsible the retailer may recover the full amount.

## Overcharging

Rule 31 sets out the method for returning overcharged amounts to a customer. Rule 31(1) requires a retailer to inform a customer within 10 days of becoming aware of any overcharged amounts. The process for returning overcharges depends on whether it is above or below the overcharge threshold.

Rule 31(2) applies where it is equal to or above the overcharge threshold and requires a retailer:

- to repay the amount as reasonably directed by the customer, or
- if there is no reasonable direction credit the customer's next bill, or
- if the customer has changed retailers and provided no reasonable direction use its best endeavours to refund the amount within ten days.

Rule 31 (3) applies if it is below the overcharge threshold and requires a retailer to:

- credit the next bill, or
- if the customer has changed retailers and provided no reasonable direction use its best endeavours to refund the amount within ten days.

Rule 31(5) restricts the amount that can be returned to the customer to 12 months only when the overcharge was due to an omission or unlawful act by the customer. In all other circumstances, the full amount must be returned to the customer.

## Overcharge threshold

Rule 31(6) sets the threshold amount as \$50 unless the AER sets a different threshold amount under 31(8). The AER has not set a different threshold amount.

## 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 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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