

Guidance note

Retail Pricing Information Guidelines obligations for retailers

Issued: May 2021

The purpose of this guidance note is to provide information to industry on the application of the requirements of the Retail Pricing Information Guidelines (the Guidelines) in relation to the publication of offers on the Energy Made Easy (EME) price comparison website and retailers own websites.

The Guidelines have two key functions:

1. to set out how retailers are required to present standing offer prices and market offer prices, and thereby assist small customers to consider and compare standing offer prices and market offer prices offered by retailers, and
2. to prescribe how retailers and others are required to provide information for the purposes of publishing information on the AER's EME price comparison website.

By specifying the manner and form of retail pricing information, the AER aims to create clarity and consistency in how important information about energy plans is presented to customers, giving them confidence in the accuracy and comparability of this information.

Retailers must ensure that all offers published on EME and its website meet the requirements of the Guidelines and are accurate and up to date.

This guidance note is focused on offers which include discounts (or credits), both conditional and guaranteed. A guaranteed discount is any discount that does not require a particular action or behaviour on the part of the customer. A conditional discount is a discount that applies only when a customer meets certain conditions or requirements. Examples of conditional discounts (or credits) include, but are not limited to:

- pay-on-time discounts
- bundling discounts (when a customer signs up to both electricity and gas with a retailer)
- direct debit discounts
- anniversary or loyalty credits

- referral credits
- discounts or credits based on customer type or method of sign-up eg. new customer or online sign-up only.

Discounts

Information used to submit and publish retail energy plans on EME must be consistent with the requirements of the Guidelines and the Energy Plan Data Standard (available to retailers in the secure section of the EME 'portal' website).

Clause 33 of the Guidelines sets out the price information that retailers must include as part of an offer listed on EME.

Clause 34 of the Guidelines requires that when publishing an energy plan on EME, which includes a discount (or credit), the plan information must include:

- the amount of any discount and what component of the customer's bill the discount applies to, for example, usage or supply charges
- the base level tariff and what the discount is off
- where information on the base level tariff can be found, including the specific page on the retailer's website
- for dual fuel plans, which fuel(s) the discount applies to
- for solar plans, how discounts are to be applied, for example, discount off total usage or the net bill amount after solar credits.

Clauses 35 to 68 of the Guidelines outline obligations that must be met in relation to discounts, incentives, fees and other additional information, for example, the length of any benefit period and metering arrangements.

Presentation of discounts

Discounts and credits are key considerations for customers when choosing a plan. Customers must be able to easily understand how and when they will be eligible for discount and offer - that is whether a discount (or credit) is conditional or guaranteed. Retailers must provide clear data and information on EME to facilitate this. If the discount is conditional, the information provided must be sufficiently clear in describing the conditions that must be satisfied before receiving the discount (or credit). The two examples below show offers which **do not** provide the correct or enough information for conditional or guaranteed discounts.

Discount Name	Thank you bonus
Type of discount	Guaranteed
Discount amount	\$99.00
Discount description	Bonus credit for new customers.
Is the offer information clear?	No. This discount type is incorrect, as there are conditions that need to be met (being a new customer), so it is not a guaranteed credit for all customers. The description does not specify the conditions, including how and when the credit will be applied.

Discount Name	Loyalty credit
Type of discount	Conditional
Discount amount	\$50.00
Discount description	\$50 loyalty credit
Is the offer information clear?	No. This discount is conditional but the description does not contain sufficient information about the conditions, including how and when the credit will be applied.

Retailers must clearly state the condition(s) a customer must satisfy to receive the discount (or credit) associated with the plan being offered. This information can include, but is not limited to:

- the timeframe over which the credit will be applied (e.g. over the first two bills)
- which customer base is eligible (e.g. new or existing customers)
- how the credit will be applied (e.g. as a once off credit that will be added to the customer's bill), and
- where the customer can get more information if needed (eg, a specific URL for a page on the retailers website that explains the terms and conditions).

The two examples below show offers that **do** meet the requirements of the Guidelines and the Energy Plan Data Standard.

Discount Name	Thank you bonus
Type of discount	Conditional
Discount amount	\$99.00
Discount description	All new customers will receive a one-off credit on their second bill to say thank you for joining.
Is the offer information clear?	Yes. This discount type correctly reflects that conditions must be satisfied to receive the credit. The detailed description will be displayed in the BPID 'Discounts' section.

Discount Name	Loyalty credit
Type of discount	Conditional
Discount amount	\$50.00
Discount description	You will receive \$50 off your second bill if you remain on the plan. For more information visit www.xyz.com.au/loyalty
Is the offer information clear?	Yes. There is a condition attached to receiving this credit (remaining on the plan for more than one billing cycle) so the 'conditional' discount type is used. The description clearly articulates how and when the credit will be applied. Inclusion of a specific website URL where the customer can find more information is also recommended.

Presenting accurate and up to date information

Under clause 25 of the Guidelines, retailers are required to ensure that information published on EME and retailer websites is accurate and up to date. Accurate information is critical for customers to make an informed decision on the energy plan that best suits their needs.

Take care during file set up, and then also during the EME approval process step, to ensure the data and information entered into the system is accurate and up to date. Things to check include:

- removing expired or obsolete plans
- correctly entering information for time of use (ToU) plans:
 - match peak, off-peak, and shoulder ToU periods and their respective rates
 - enter correct start and/or end times for ToU periods
 - having regard to GST: check where a GSTexclusive amount is required
 - providing sufficient information to describe the application and operation of various fees, discounts, incentives, and eligibility restrictions
 - disclosing and correctly classifying any applicable metering charges.

AER approach to compliance

The Australian Energy Regulator (AER) regulates energy markets and networks under national legislation and rules in eastern and southern Australia, as well as networks in the Northern Territory. We employ a risk-based approach to monitoring and enforcing compliance with the national energy legislation and rules. We assess instances of potential non-compliance in accordance with our Compliance and Enforcement Policy (available on the AER website). The AER expects all participants to fully comply with their obligations and to have appropriate systems and processes in place to manage these obligations.

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