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Ms Sarah Proudfoot
General Manager, Consumers and Markets Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

5 December 2018

Dear Ms Proudfoot

**Submission to the Australian Energy Regulator (AER):
Standardised Statements For Use In Customer Hardship Policies**

The Energy and Water Ombudsman (SA) Limited (“EWOSA”) welcomes the opportunity to comment on the Australian Energy Regulator’s Issues Paper on *Standardised Statements For Use In Customer Hardship Policies*.

EWOSA is an independent Energy and Water Ombudsman Scheme in South Australia. It receives, investigates and facilitates the resolution of complaints by customers with regard to (*inter alia*) the connection, supply or sale of electricity, gas or water.

We support the development of standardised statements for use in customer hardship policies.

The implementation of the draft standardised statements is likely to lead to better and more consistent outcomes for hardship customers, including lower debt levels, fewer disconnections and more customers successfully completing hardship programs. This should also lead to a reduction in complaints being received by EWOSA.

Question 1: Do the draft standardised statements provide a clear description of the minimum requirements set out in section 44 of the Retail Law? If not, why not?

We believe the draft standardised statements accurately reflect the minimum requirements set out in section 44 of the Retail Law.

Of particular importance is that the draft standardised statements are set out as actions to be undertaken by retailers to ensure that they comply with the minimum requirements. This will help the AER monitor and enforce compliance. Furthermore, the rights and responsibilities of both retailers and customers are described in the draft standardised statements.

Question 2: Do the draft standardised statements contain user-friendly language that would be easily understood by a range of customers? If not, please specify.

We believe the draft standardised statements contain user-friendly language that would be understood by a range of customers.

However, it would be useful for energy customers who are culturally and linguistically diverse to have access to retailer hardship policies and standardised statements that are in their first language. To this end, we believe that the final set of standardised statements should include reference to both the availability of hardship policies in multiple languages and that retailers would be able to arrange for an interpreter if required by a hardship customer.

Question 3: Do the draft standardised statements sufficiently address access gaps by vulnerable customers by clarifying hardship rights and entitlements? If so, how?

We believe the use of action-based standardised statements (as drafted) is the best way to clarify the rights and entitlements, as well as responsibilities, of hardship customers and the responsibilities of retailers.

There is enough detail in the draft standardised statements to cover the information that is required by hardship customers to understand their rights and entitlements, as well as the actions they should undertake. Despite the detail, there is still likely enough flexibility for retailers to apply the draft standardised statements in the way that most suits them, as well as provide services that exceed the minimum requirements set out in section 44 of the Retail Law should they so choose.

Question 4: More generally, are there any issues or concerns about the application within a retail business of the standardised statements as they are currently drafted? If so, please provide specific examples, making reference to the minimum requirement in question and which section of the drafting is of concern.

One concern we have with the standardised statements as they are currently drafted is with regards to payment plans. Under “NERL minimum requirement 1 and 2” and the standard statement that begins with “If you are accepted onto our hardship program, we will tell you:”, the fourth dot-point continues “a suitable payment amount that considers your capacity to pay.” We believe this statement needs to be framed in such a way that the “suitable payment amount” will be negotiated between the retailer and the hardship customer, rather than the retailer telling the customer what the amount will be.

Please also refer to our comment regarding catering to culturally and linguistically diverse energy customers in our response to Question 2.

Should you require further information or have any enquiries in relation to this submission, please email me at antony.clarke@ewosa.com.au or telephone me on (08) 8216 1851.

Yours faithfully



Antony Clarke

Policy and Research Officer

Energy and Water Ombudsman SA