

Our Ref: EWOQ/0019

Your Ref:

4 March 2019

General Manager, Consumer and Markets Branch
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

AERConsumerandPolicy@aer.gov.au

Dear Sir/Madam

Re: Draft Hardship Guideline Submission

Thank you for the opportunity to make a submission on the Australian Energy Regulator's (AER) Customer Hardship Policy Guideline (Hardship Guideline) and Notice of Draft Instrument (Notice).

Background to EWOQ

The Energy and Water Ombudsman Queensland (EWOQ) provides a free, fair and independent dispute resolution service for small electricity and gas customers across Queensland and water customers in south east Queensland who are unable to resolve a dispute with their supplier. Our submission is based on our experience as an external dispute resolution scheme dealing with residential and small business energy customer complaints in Queensland.

Feedback on the Hardship Guideline

EWOQ provided a submission on the Hardship Guideline Issues paper in January 2019, supporting the development of the Hardship Guideline, creating binding, enforceable obligations on retailers to strengthen protections for customers experiencing hardship.

Overall, EWOQ endorses the contents of the draft Hardship Guideline, which comprehensively sets out the requirements for inclusion in a customer hardship policy relating to:

- Identification of customers experiencing payment difficulties due to hardship
- Training requirements for retailer staff
- Information to be included in a retailer's hardship program
- Accessibility of customer information
- Provision of information to customers
- Standardised statements.

It is encouraging that the processes and timeframes a retailer must comply with when applying to the AER for approval of its customer hardship policy have been included in the draft Hardship Guideline.

In response to each section of the Hardship Guideline, the following feedback is provided.

Retailer hardship policy responsibilities: identification, training and information

As an industry Ombudsman scheme, the requirements set out in section 2 of the Hardship Guideline are strongly supported, as early engagement with customers experiencing payment difficulties due to hardship provides an opportunity for customers to better manage bills on an ongoing basis.

In dealing with hardship customers, early intervention and proactive identification is an opportunity for customer debt to be managed in a collaborative way thereby improving outcomes for customers. This also minimises the possibility of adverse actions such as disconnections and debt collection, and benefits all parties involved.

Like other stakeholders, EWOQ sees value in retailers applying a quantified debt trigger amount in customer hardship policies (as utilised by the Essential Services Commission Framework). By providing a customer who has missed a payment and has a debt in excess of \$55, with advice on available hardship assistance retailers will be recognising this as a critical opportunity to engage and provide assistance to those most in need.

In addition, the key information requirements to be contained in a retailer's hardship policy, along with details of how retailers will effectively communicate with diverse communities facilitates ongoing engagement with hardship customers. This includes Culturally and Linguistically Diverse customers, those in remote areas or without internet access, or where a customer has elected a third party to act on their behalf.

The requirement under section 2.4 for a retailer to include a brief description of its process for accessing the eligibility of a customer for its hardship program is advocated.

The ability to increase customers' awareness of the assistance available and improve their ability to navigate through retailers' processes for determining eligibility to their hardship programs, again promotes and fosters early identification. Ensuring a retailer's hardship policy does not include unreasonable conditions for entry or re-entry to the retailer's hardship program, will also assist in decreasing this systemic problem as has been identified by EWOQ's customers.

It is disappointing that no prescribed timeframes for the provision of information about the assistance available to a customer under a retailer's hardship policy and the assistance itself have been included in the retailer's overarching responsibilities highlighted in section 2.1. Rather the requirement is in a 'timely manner' and 'as soon as practicable'. These terms are quite subjective and therefore will not allow for a standardised approach across the industry.

Whilst there is a requirement in the Hardship Guideline to ensure staff have undergone training to understand hardship issues to answer queries and identify and assist customers experiencing hardship, there appears to be no monitoring or ongoing reporting provisions. It is therefore recommended that performance data be provided to the AER on training and the identification of customers in hardship in order to monitor and assess compliance.

Communication of Customer Rights

The accessibility requirements in section 3.1 of the Hardship Guideline, to ensure customers have equitable access to a retailer's hardship policy together with the following requirements address the concerns raised by EWOQ in its submission in relation to accessing information for customers with limited or no internet access:

- Retailer to provide hardship team contact details within their hardship policy and information about their hardship policy
- Use plain English and design content for ease of readability
- Provide (optional) a shorter, more accessible document with key information on the hardship policy
- Provide a copy of the customer hardship policy and standardised statements to a customer who requests it, without charge.

Processes and timeframes

EWOQ continues to advocate for a prescribed timeframe for new retailer implementation of approved hardship policies. Further, EWOQ agrees with the recommendation for civil penalty provisions provided for Retail Rules 75B(1) and 75B(2) to address an implementation timeframe on retailers. If implemented this effectively places a 6-month timeframe on retailers to obtain an AER approved and compliant hardship policy where the retailers is a new retailer or has updated its hardship policy in line with the AER's Hardship Guideline.

Standardised Statements

The changes the AER has made to the standardised statements based on the stakeholder feedback, will provide greater clarity to customers about their rights under a hardship program, as well as retailer hardship obligations, in a manner which is concise, easy to understand and jargon free.

Thank you for the opportunity to contribute to this submission. If you require any further information regarding this matter, please contact Ms Ilona Cenefels, General Manager Policy and Research on (07) 3087 9455.

Yours sincerely


Jane Pires
Energy and Water Ombudsman