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### **Submission – “Standardised statements for use in customer hardship policies”**

Thank you for the opportunity to provide a submission in response to the issues paper, *Standardised statements for use in customer hardship policies*.

Momentum Energy is a 100% Australian-owned and operated energy retailer. We pride ourselves on competitive pricing, innovation and outstanding customer service. We retail electricity in Victoria, New South Wales, South Australia, Queensland, the ACT, and on the Bass Strait Islands. We offer competitive rates to both residential and business customers along with a range of innovative energy products and services. We also retail natural gas to Victorian customers.

Momentum Energy is owned by Hydro Tasmania, Australia's largest producer of renewable energy.

### **Introduction**

Momentum welcomes the latest draft of the standardised statements as part of the wider AER hardship guideline implementation. We support the move for harmonisation across retailer's hardship policies (where possible), to ensure customers can easily understand what assistance may be available to them, no matter which retailer they are with.

We do however, have a few comments to keep the statements flexible and simple as possible, which we have outlined below.

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

**3.1 Statement** – *“If you are accepted onto our hardship program, we will tell you... ‘How you can reduce your current and future energy use.’”*

To provide retailers flexibility, and to avoid the retailer appearing as asserting power, we suggest replacing “tell” with “advise.” Additionally, “how you can reduce” may imply to a customer that we will be providing ways that will reduce their energy. To avoid a poor customer experience, if for instance a customer cannot improve how they use energy due to a medical condition, we suggest “how you might be able to reduce your energy.”

**3.2 Statement** – *“We will send you information confirming the details of your agreed payment arrangement and the contact details for our hardship team.”*

In order to provide the best possible assistance to our customers, Momentum has trained its entire front line staff to assist customers in financial hardship. In light of this we do not have a dedicated line for our hardship team, as this team is regarded as specialists within our call centre and deal

primarily with escalated issues and unusual circumstances. We are mindful not to create an expectation that the number provided will allow a direct dialogue with specialist staff, unless their specifics of the issue require it, as in most circumstances the customer's concerns could be appropriately addressed by our front line consultants. We therefore suggest the phrase be more generic such as "and if you need further assistance, or your situation changes please call ...."

**3.3 Statement-** We appreciate the intent of 3.3 is to help the customer understand how their payment plan has been calculated however, we suggest keeping the statement flexible to allow for retailers to tailor their payment solutions to the customer's needs, and clarifying in a simple manner what 'arrears and in advance means.' Below is an example of what this could look like.

Statement:

*"Our payment plan will include an offer to pay in advance or in arrears" and "Once the payment plan is agreed we will send you details of;*

- a) how long it will run
- b) how many payments you need to make, and when you need to make them, and
- c) how we calculated your payments (in advance or in arrears)"

Example:

*"We will offer you a payment plan best suited to your situation. This may include instalments which cover what you owe, or instalments that combines what you owe, and an amount that aims to cover your future energy use."*

C) what calculation we have agreed on for your payment plan.

**3.4 Statement** – *"As soon as you enter our hardship program, we will tell you ways you can improve your energy efficiency (how much energy you use). This may vary according to what state you live in."*

With statement 3.4 we suggest there could be amendments made to avoid jargon and present a more inviting tone. An example could be; "When you enter our hardship program we will provide you with advice that may help reduce how much energy you use." Further, we feel by replacing all instances of "can" to "may" limits the risk to both customers and retailers, reiterating the point made under statement 3.1, that a customer may simply not be able to reduce their energy due to for example, a medical condition.

If you require any further information with regard to these issues, please contact me on (03) 8651 3595 or email [melissa.mcauliffe@momentum.com.au](mailto:melissa.mcauliffe@momentum.com.au).

Yours sincerely

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