



# **Application for Retail Authorisation Electricity**

## **Annexure F Hardship Policy**

February 2018

Active Utilities Retail Pty Ltd



## Annexure F

### **Customer Policy:** **Customer Hardship Policy** **ACTIVE UTILITIES RETAIL PTY LTD**

#### 1. Introduction

This customer hardship policy (**Policy**) explains how we work with hardship customers to set up hardship programs that can help them:

- manage their electricity consumption;
- cover their electricity costs; and
- avoid disconnection for non-payment of electricity bills – which is only ever a last resort.

#### 2. Who is a hardship customer?

A hardship customer is a residential customer who intends to pay an electricity bill when required, but does not have the financial resources to do so.

#### 3. How do we identify hardship customers?

We can recognise that a residential customer is a hardship customer in the following ways:

- **Self-identification:** the customer can self-identify him or herself to us as a hardship customer.

We understand this may be hard to do, but it is often the best way of identifying hardship as early as possible. If you think you might be experiencing hardship, we strongly encourage you to let us know. We will treat you with empathy, respect and fairness, with the objective of helping you manage your electricity consumption, cover your electricity costs and avoid disconnection.

You can contact us on:

Phone: 1300 587 623

Address: Active Utilities Pty Ltd  
40 English Street  
ESSENDON FIELDS VIC 3041

Attention: Financial Hardship Officer

Email: [accounts@activeutilities.com.au](mailto:accounts@activeutilities.com.au)

- **Identification by us:** we monitor customer accounts carefully, to identify as early as possible if any of our residential customers might be experiencing hardship. Some of the indicators we look for are:
  - If there is a history of late or missed payments;
  - If there is a sudden change in payment patterns;
  - Requests for payment extensions; and
  - Longstanding or increasing debts.

If we think you might be experiencing hardship, we will contact you as soon as possible to talk about this and how we can help you manage it.

- **Identification by someone else:** other people who know a residential customer's financial situation, for example, a financial counsellor, may also let us know if the customer is experiencing hardship.

#### 4. What happens if we identify a potential hardship customer?

As early as possible after a residential customer is identified as a potential hardship customer, we will:

- Send a copy of this Policy to the customer and to the customer's financial counsellor, if we know the customer has one;
- Make contact with the customer let him or her know about this Policy, discuss the customer's situation, and work out whether the customer is experiencing hardship;
- Check the customer is not ineligible under this Policy (see section 5, below); and
- Work with the customer or the customer's financial counsellor to set up a hardship program which can help the customer manage his or her hardship situation. This will involve reviewing the customer's contract and tariffs, and develop a hardship program incorporating one or more of the measures described in section 6. We treat all hardship customers equally and equitably when developing hardship programs.

## 5. When customers are ineligible for a hardship program

A customer will be ineligible for a hardship program if:

- the customer has had two payment plans cancelled in the last year due to non-payment;
- we otherwise form the view that the customer does not intend to pay his or her electricity bills when required;
- the customer has the financial resources to pay his or her electricity bills without going on a hardship program;
- the customer has behaved dishonestly or fraudulently in relation to his or her electricity consumption or any related matter; or
- the customer has consumed electricity illegally in the last two years.

## 6. What can a hardship program involve?

We take a flexible approach to developing hardship programs for hardship customers. A number of different measures are available, and we work with hardship customers to help them understand their options and include in their hardship programs the measures which will help them get out of hardship as quickly as possible.

The different sorts of measures that can be included in hardship programs are outlined below.

### ***Reviewing contracts and tariffs, and switching if appropriate***

The first thing we will do once we have identified a hardship customer and confirmed his or her eligibility for a hardship program is assess the customer's current contract and tariff, to determine whether these are the most appropriate contract and tariff for the customer. In making this assessment we will consider:

- cost effectiveness;
- whether the customer uses dedicated off-peak appliances;
- the nature and structure of the customer's existing tariffs (including network charges);
- the customer's overall electricity consumption;
- the customer's billing history (if available); and
- any other relevant information the customer gives us.

If there is another contract or tariff available to a customer that we think is more appropriate in a hardship situation, we may recommend that, as part of a hardship program, the customer transfer to this new contract or tariff. The customer can then decide whether to do this.

We will also monitor hardship customer accounts to ensure hardship customers continue to be on the most appropriate contract and tariff and to facilitate a change if necessary.

### ***Waiving late payment fees and security deposits***

As part of every hardship program, we waive any late payment fees and security deposits that might otherwise apply to a hardship customer.

### ***Flexible payment plans***

Although all residential customers experiencing payment difficulties are entitled to pay their electricity bills under payment plans, hardship programs can include payment plans with extra flexibility. Flexible payment plans for hardship customers can include:

- longer payment intervals;
- delayed payment obligations; and
- staggered payment amounts that are relatively low to start with and increase over time.

Payment plans for hardship customers will always be fair and reasonable, based on all the customer's circumstances. When working out a payment plan with a hardship customer, we will have regard to:

- the customer's capacity to pay, and how this may change over time;
- any arrears owing by the customer;
- the customer's expected energy consumption over the coming 12 months; and
- any available concessions, rebates or other Government support.

The following key details will be clearly and transparently set out in each payment plan:

- the duration of the plan;
- the amount of each instalment payable;
- the frequency of instalments;
- the dates by which instalments must be paid;
- the number of instalments required to pay any arrears; and
- if the plan includes advance payments, how these are calculated.

### ***Centrepay***

Hardship customers who receive Centrelink payments can opt to pay their electricity bills through Centrepay. Centrepay is a voluntary system run through Centrelink which lets customers pay bills in monthly amounts from their Centrelink payments. This can help smooth out electricity payments and make it easier to budget for them.

### ***Energy efficiency audits***

Using electricity as efficiently as possible is the best way to manage electricity costs.

As part of every hardship program, we provide hardship customers with general advice about energy efficiency.

If appropriate (e.g., where a customer has been experiencing hardship for a relatively long time, has a relatively high debt or has not succeeded in controlling electricity costs using efficiency measures previously identified), we may suggest that a hardship program include an energy efficiency audit of the customer's premises. An energy efficiency audit will identify further opportunities to reduce electricity use. Customers can also propose energy efficiency audits to us, and we will consider this in light of the factors mentioned above.

For customers in hardship, we may agree to discount or waive altogether) the cost of energy efficiency audits normally payable by customers, and in any event we will give hardship customers indicative estimates of:

- the savings that may be achieved by the energy efficiency measures identified in the audit; and
- how long it is likely to take for these savings to cover the customer's audit costs.

### ***Energy efficient appliances***

Customers can improve energy efficiency, and reduce their electricity bills, by replacing inefficient appliances with more efficient appliances.

As part of every hardship program, we provide hardship customers with information about energy efficient appliances that might help reduce electricity consumption. We do not sell or supply these appliances and do not contribute to the cost of hardship customers buying them. However, we can provide information in relation to:

- where to buy these appliances;
- concessions or other support, such as grants or concessional loans, that may be available to help buy them; and
- other organisations that may be able to provide finance for such purchases.

### ***Government or community assistance***



Depending on where a hardship customer lives, Government or community assistance may be available to help the customer in paying electricity bills or managing electricity consumption. For each hardship customer, we consider whether any Government or community assistance may be available, and provide information in relation to available assistance. If assistance is available, we will help the customer to access that assistance as part of the customer's hardship program.

### ***Financial counselling***

Hardship customers can access financial counselling services at little or no charge. If a hardship customer is not already seeing a financial counsellor, we strongly encourage them to do this and can provide information to help them find a suitable financial counsellor.

We are also happy to deal directly with financial counsellors in relation to a hardship customer's electricity account if the customer prefers this.

## **7. What does a hardship customer need to do during a hardship program?**

We ask that hardship customers do the following things during the course of their hardship programs:

- Most importantly, comply with the terms of the program, e.g., by making the required payments under an agreed payment plan. If customer breaches his or her hardship program twice in twelve months, we may terminate the hardship program (see section 8); and
- Let us know if there is any change in the customer's circumstances which affects the hardship situation, whether for better or for worse. This will help us re-assess whether we should revise the customer's hardship program, e.g., by changing the customer's payment plan or organising an energy efficiency audit.

## **8. Termination of hardship programs**

We may terminate a customer's hardship program if the customer does not comply with it.

If you are a hardship customer and you think you may have breached the terms of your hardship program or might breach it in future, you should let us know as soon as possible using the contact details given in section 3, above. This will give us an opportunity to see if we can revise the hardship program to help you comply with it and avoid further breaches.

If we discover that a hardship customer has breached his or her hardship program, we will give the customer a second chance, and may revise the hardship program to help him or her comply with it.

If a hardship customer breaches his or her hardship program a second time within a period of 12 months, and cannot provide reasonable assurance that the customer will comply with the program in future, then we may terminate the program. If this happens, we may initiate normal debt collection measures and the customer will not be protected from disconnection.

Nonetheless, we recognise that electricity is an essential service for all customers, and disconnection for non-payment of electricity bills will only ever be a last resort.

A hardship customer can also terminate his or her hardship program at any time by contacting us and paying any arrears, if he or she chooses.

## **9. Completion of hardship programs**

If a hardship program has an expiry date, e.g., if it is set up as a fixed term payment plan, then the program will automatically terminate on that expiry date. If a customer is still an eligible hardship customer after completing a hardship program, then the customer will be able to start another hardship program any time after the first program ends.

## **10. Staff training**

All of our staff are trained in relation to this Policy and working with hardship customers. Moreover, all of our staff are friendly, courteous, and professional, and engage with customers sensitively and respectfully in relation to their circumstances.

Our customer service staff are trained to identify customers who may be experiencing hardship, to engage with those customers in relation to hardship and to put the customer in touch with our hardship team.

Members of our hardship team have been specifically trained to work with hardship customers to understand the hardship situation, develop the best possible hardship program, and ensure the program is implemented in accordance with this Policy and all relevant laws.

## **11. Complaints**

Customers wishing to make a complaint about any hardship-related matter should contact us using the contact details given in section 3, above. We will handle any complaint in accordance with our complaints and dispute resolution policy. A copy of this policy is available on our website: [www.activeutilities.com.au](http://www.activeutilities.com.au), or we can provide free copies of the policy on request.



If you are not satisfied with our handling or resolution of your complaint, you can contact us and we will escalate the matter to management in accordance with our complaints and dispute resolution policy.

If you are not satisfied with management's handling or resolution of your complaint, you can refer the complaint to the Energy Ombudsman in your jurisdiction. Energy Ombudsman contact details are set out below.

**South Australia:**

Energy and Water Ombudsman SA

Telephone: 1800 665 565

Email: [contact@ewosa.com.au](mailto:contact@ewosa.com.au)

Address: GPO Box 2947 Adelaide SA 5001

**New South Wales:**

Energy and Water Ombudsman NSW

Telephone: 1800 246 545

Email: [omb@ewon.com.au](mailto:omb@ewon.com.au)

Address: Reply Paid 86550, Sydney South NSW 2000

**Queensland:**

Energy and Water Ombudsman Queensland

Telephone: 1800 662 837

Email: [info@ewoq.com.au](mailto:info@ewoq.com.au)

Address: PO Box 3640 South Brisbane BC Qld 4101

**Tasmania:**

Energy Ombudsman Tasmania

Telephone: 1800 001 170

Email: [energy.ombudsman@ombudsman.tas.gov.au](mailto:energy.ombudsman@ombudsman.tas.gov.au)

Address: GPO Box 960 Hobart 7001

#### **Australian Capital Territory:**

ACT Civil and Administrative Tribunal

Telephone: (02) 6207 1740

Email: [tribunal@act.gov.au](mailto:tribunal@act.gov.au)

Address: GPO Box 370 Canberra ACT 2601

#### **Victoria:**

Energy and Water Ombudsman Victoria

Telephone: 1800 500 509

Email: [ewovinfo@ewov.com.au](mailto:ewovinfo@ewov.com.au)

Address: GPO Box 469 Melbourne VIC 3001

#### **Western Australia:**

Energy and Water Ombudsman Western Australia

Telephone: 1800 754 004

Email: [energyandwater@ombudsman.wa.gov.au](mailto:energyandwater@ombudsman.wa.gov.au)

Address: PO Box Z5386 Perth WA 6831

## **12. Privacy**

We collect and manage all customer personal information in accordance with privacy laws and our privacy policy. A copy of this policy is available on our website: [www.activeutilities.com.au](http://www.activeutilities.com.au), or we provide free copies of the policy on request.

### 13. Review

We review this Policy regularly basis to assess its effectiveness and ongoing appropriateness, including against any hardship indicators published by an energy regulator, and to ensure it complies with relevant laws.

### 14. Relationship with market retail contracts

If any term of a hardship customer's market retail contract is inconsistent with this hardship policy, then that term of the contract is void.

## ACTIVE UTILITIES RETAIL PTY LTD

### How we help customers in hardship: A summary of our customer hardship policy

#### Avoiding disconnection

Disconnection of a customer for non-payment of electricity bills is only ever a last resort.

A hardship customer is a residential customer who intends to pay an electricity bill but does not have the financial resources to do so. We want to avoid disconnection of hardship customers wherever possible. Our customer hardship policy helps us do this, by helping us to work with hardship customers to put in place hardship programs that help them meet their electricity costs.

#### Identifying and engaging with hardship customers

Customers experiencing hardship can identify themselves to us, or be identified to us by their financial counsellor if they have one. We also monitor customer accounts carefully to look out for signs of hardship. If you are experiencing hardship, please contact us on:

Phone: 1300 587 623

Address: Active Utilities Pty Ltd  
40 English Street  
ESSENDON FIELDS VIC 3041

Attention: Financial Hardship Officer

Email: [accounts@activeutilities.com.au](mailto:accounts@activeutilities.com.au)

If a hardship customer is identified, we:

- contact the customer as soon as possible to inform him or her of our hardship policy and start developing a hardship program;
- waive any late payment fees and security deposits that might otherwise apply; and
- review the customer's contract and tariff, to determine whether these are the most appropriate for the customer, and recommend any changes we think are a good idea.

We treat all hardship customers equally and equitably when developing hardship programs.

#### Hardship programs

We take a flexible approach to developing hardship programs. Hardship programs can include one or more of the following measures:

- Flexible payment plans, which may incorporate things like longer payment intervals, delayed payment obligations and staggered payment amounts that start low and increase over time;
- Payment via Centrepay, for hardship customers who receive Centrelink payments;

- Energy efficiency audits, to identify ways to reduce electricity use and lower electricity bills;
- Providing information about energy-efficient appliances that can also help reduce electricity use and lower electricity bills;
- Providing information about any Government or community assistance that may be available, and helping to access that assistance; or
- Helping arrange for a hardship customer to see a financial counsellor.

### **Hardship customers' obligations under their hardship programs**

During their hardship programs, hardship customers need to:

- comply with the terms of the program, e.g., by making the required payments; and
- let us know if the customer's circumstances change so that we can think about whether we should revise the customer's hardship program.

### **Eligibility**

A customer will be ineligible for a hardship program if:

- the customer has had two more payment plans cancelled in the last year due to non-payment;
- we think the customer does not intend to pay his or her electricity bills when required;
- the customer can pay his or her electricity bills without going on a hardship program;
- the customer has behaved dishonestly or fraudulently; or
- the customer has consumed electricity illegally in the last two years.

### **How hardship programs end**

A hardship program can end in the following ways:

- If it has an expiry date, a hardship program automatically terminates on that date. If the customer is still an eligible hardship customer after that, the customer can start another hardship program;
- We may terminate a customer's hardship program if the customer does not comply with it, although we contact customers and give them a second chance to comply before doing this;
- If you are a hardship customer and you think you have breached your hardship program, you should let us know as soon as possible; or
- A hardship customer can terminate his or her hardship program by contacting us and paying any arrears.

## **Complaints**

Customers can contact us to complain about hardship-related matters. Complaints are handled in accordance with our complaints and dispute resolution policy. If a customer is not satisfied with our handling of a complaint, we will escalate the matter internally, and if the customer is still not satisfied after this, the customer can refer the matter to the relevant Energy Ombudsman.

## **Dealing with hard customers and information**

All of our staff are trained in relation to this Policy, and are friendly, courteous, and professional. All customers are treated sensitively and respectfully in relation to their circumstances.

Customer information is dealt with in accordance with privacy laws and our privacy policy.

## **Accessing our customer hardship policy**

You can request a copy of our full customer hardship policy at any time, and we will provide one free of charge. You can also access the full policy on our website: [www.activeutilities.com.au](http://www.activeutilities.com.au)