



## Customer Hardship and Disconnections Compliance Audit

In July 2021, the Australian Energy Regulator (AER) required Simply Energy to carry out a reasonable assurance compliance audit in connection with its disconnection and hardship obligations under the National Energy Retail Law and Rules, and its obligation to submit compliance information and data to the AER under the AER Compliance Procedures and Guidelines.

Simply Energy was required to assess the adequacy and effectiveness of their disconnection, hardship and compliance policies, procedures and systems.

Below is a summary of the key findings and recommendations made by Simply Energy's nominated auditor, RSM. Simply Energy has considered the recommendation/s and an implementation plan has been undertaken.

### Findings

### Recommendations

#### Improvement opportunity

##### **Finding 1: Training Matrix not Maintained**

A training matrix recording the training provided to agents has not been maintained.

##### **Recommendation 1:**

Establish a training matrix covering agents that represent Simply Energy that captures training outcomes including instances of re-training or coaching.

##### **Finding 2: No Periodic Review of the Hardship Policy**

The Simply Energy hardship policy has not been formally reviewed since November 2019. We also note that there is no document control table.

##### **Recommendation 2:**

Formally review the hardship policy on an annual basis and implement formal document control processes

##### **Finding 3: Visibility of Hardship Program**

Simply Energy can increase visibility of the hardship program by including reference to the program on the invoices for residential customers.

##### **Recommendation 3:**

Review bill messaging for residential customers in the AER retail market jurisdiction states and include a reference to the hardship program.

**Finding 4: Website Change Management Process**

There is currently no formal documented website change management process.

**Finding 5: Payment Plan Status Defect**

In 7 out of 46 samples, the payment plan status incorrectly displayed 'payment plan completed' when review of the amounts owing and instalment schedule indicates the customer has defaulted on their payment plan.

**Finding 6: Conflict of Interest Register**

Simply Energy does not currently have a conflict of interest register in place to record conflicts regarding debt collection. We note the risk of conflicts between the outsourced debt collection agency and customers is considered low.

**Finding 7: DNP Checklist Inaccurately Completed**

In one instance the 'Best Endeavours' checklist item was marked as failed but the disconnection proceeded. Simply Energy provided sufficient evidence to confirm that Best Endeavour attempts had been completed correctly and the checklist was completed inaccurately as a result of an agent error.

**Finding 8: Segregation of Duties – De-energisation**

From a sample of 23, we identified 17 instances where the disconnection checklist and disconnection service order were actioned by the same agent.

**Finding 9: Wrongful De-energisation Investigation and Compliance Reporting Process**

An investigation sent to the compliance team on 5 May 2021 was not yet closed. Investigations currently come out of Salesforce into an email review and approval process and then back into another module of Salesforce.

**Finding 10: Payment Plan Information**

Clarity of the recommended fortnightly/weekly arrears contribution could be improved by stating the plan duration that was used to calculate it.

**Recommendation 4:**

Implement a formal website change management process and prioritise change requests in relation to hardship.

**Recommendation 5:**

A ticket has been raised with the system vendor and an internal change request ticket has also been raised to correct the system defect. Simply Energy should monitor the ticket status and ensure the vendor provides an effective system fix.

**Recommendation 6:**

Review the potential exposure to conflict of interest and establish or extend the formal process for reporting conflicts of interest to debt collection activities.

**Recommendation 7:**

Implement system controls to prevent de-energisations being raised with incomplete or inaccurate de-energisation checklists.

**Recommendation 8:**

Reiterate the importance of segregation of duties to the service provider. Explore system controls to prevent bypass of segregation of duties controls.

**Recommendation 9:**

Assign investigations from within the complaints investigation module of Salesforce to a compliance team member for review and approval within the system. Simply Energy has since implemented a monthly reconciliation process between the complaints investigations and compliance reporting functions.

**Recommendation 10:**

Review call scripting to provide greater clarity to customers when setting up a payment plan.

**Finding 11: Centrepay Payment Option**

Centrepay as a payment option is not detailed on customer invoices.

**Recommendation 11:**

Enhance the awareness of Centrepay by updating bill messaging to include Centrepay as a payment option

**Finding 12: Offering Centrepay to Hardship Customers**

In one instance the agent failed to advise a customer establishing a payment plan that Centrepay was a payment option despite the customer communicating to the agent that they were unemployed.

**Recommendation 12:**

Reiterate to agents the importance of communicating to customers the option of using Centrepay as a payment method and retrain agents where required. Identify instances where agents failed to notify customers of Centrepay.