

## Notes of a meeting on 11 October 2021 between the Independent Accountability Panel and Janine Young, Energy & Water Ombudsman NSW (EWON), Cynthia Gebert, Energy & Water Ombudsman Victoria (EWOV), Janes Pires, Energy & Water Ombudsman Queensland (EWOQ).

The Panel appreciates the input by the Ombudsmen about their experience of the energy sector and the Signatories during 2021.

### Purpose

Energy & Water Ombudsmen around Australia are key stakeholders for the IAP, as complaints to their offices highlight customer issues generally, and in relation to the Energy Charter.

### Notes from the discussion

Over the past financial year (2020/21) complaints to the Ombudsman offices have generally decreased, for reasons primarily related to the continuing COVID-19 epidemic.

During this period retailers complied with the expectations of regulators for no disconnections or debt collection, with the result that debt carried by consumers is hidden, and a 'bow wave' of affordability issues might occur over the next year. Some customers were in debt before COVID-19 and have accumulated further debt as a result of the pandemic. The post-COVID response by retailers to emerging affordability issues will be telling.

High bill complaints have decreased by volume given the overall decrease in complaints but increased in share of complaints – driven perhaps by people working from home / home schooling.

Complaints about customer service issues have decreased overall and by share of total complaints.

A commitment by Energy Charter Signatories for \$1.5 million for support for customers in vulnerable circumstances came at a good time. Retailers were more understanding and responsive to customers – the question is whether this better customer engagement approach will be sustained post COVID.

There has been a greater focus by companies on customer engagement and how to make energy work better for customers. Energy companies need to have discussions with financial counsellors and other community organisations about how to get ahead of debt issues for customers.

Energy companies can play a part, but it is not their job to fill the social welfare gap, and governments should take responsibility here. It is not good enough that there has been a delay with government grant assistance for some energy consumers.

The trial of a visit before disconnection has been successful. There is a cost to this, but it is effective, and the Ombudsmen would like to see all companies commit to this approach.

There has not been enough movement in relation to energy efficiency measures, the energy transition, and ensuring customers are on the best plan for them. As customers present with debt, retailers should ensure that they are on the best tariff for their circumstances.

The rollout of smart meters is a problem. Only 25% of customers in NSW have a smart meter, so most are still receiving quarterly bills. The smart meter penetration in Queensland is small. Many households have solar, but this is causing issues for the grid, and the move is towards batteries.

Embedded networks is a growing area that exposes a significant consumer protection gap. Some UK gas companies are failing, leading to a Retailer of Last Resort event, and this is a risk for Australia.

The Ombudsmen noted retail energy market performance data published by the Australian Energy Regulator (AER) on 30 June 2021, where the key findings were:

- There was an increase in the proportion of customers on market contracts, as opposed to the often more expensive standing offers from retailers.
- The number of customers on hardship programs has decreased. The average debt of customers on hardship programs has increased for both electricity and gas over the past year.
- The number of customers on electricity and gas payment plans also decreased at the start of the pandemic period, as retailers offered other types of support not captured by the Retail Performance Guidelines. However, from July 2020 the numbers slowly started to increase and are now back around pre pandemic levels.
- Disconnections increased, however remained less than half of the same time last year, as retailers responded to the AER's Statement of Expectations that ensured households and small businesses impacted by COVID-19 were protected from disconnection.
- The pandemic continued to have an impact on energy debt with the number of customers repaying energy debt climbing back to levels last seen in 2018.

The Ombudsmen would like to see the following in the IAP report for 2021:

- It is important for the Signatories to keep working together in the collaborative space of the Energy Charter.
- Messages about a more understanding approach to customers need to be cascaded to the front line of energy companies so that culture change becomes business as usual rather than a response to an emergency like COVID-19.
- Energy affordability is a shared issue that needs to be tackled collectively by the energy industry.

## **ANZEWON**

EWON, EWOV, EWOQ and EWOSA are members of ANZEWON - the Australia & New Zealand Energy and Water Ombudsman Network. While the schemes vary in structure,

governance and operations, there are commonalities that are relevant to their work. They all:

- provide a key consumer protection mechanism for energy and water consumers,
- help customers resolve individual disputes,
- build trust in the industry through identifying systemic issues and using data to improve customer service across the industry,
- are a trusted source of independent data and case studies reflecting the customer experience of the energy and water market, and
- inform customers about their rights and responsibilities and industry about how to improve their customer service and reduce complaints.

They investigate a broad range of complaints about issues such as:

- disputed accounts
- high bills
- disconnection or restriction of supply
- payment difficulties
- reliability and quality of supply
- connection or transfer issues
- contract terms
- marketing practices
- metering
- customer service.