

**ENERGY PAYMENT DIFFICULTIES COMPLAINT HANDLING POLICY AND PROCEDURE
December 2018**

OBJECTIVE OF PAYMENT DIFFICULTIES POLICY

When handling complaints involving payment difficulties, EWOV aims to:

- a. achieve *consistency* in payment difficulties complaint handling
- b. conduct *timely* investigations of payment difficulties complaints in order to minimise accrual of customer debt
- c. facilitate *sustainable outcomes* for customers and energy retailers.

This document is to be read in conjunction with EWOV's Same Customer Same Issue Policy and Payment of Undisputed Amounts Policy.

a. Consistency in complaint investigation and outcomes

If EWOV seeks specific outcomes on a consistent basis for customers facing payment difficulties, energy retailers will become familiar with a set of expectations. Shared expectations between EWOV and energy retailers will increase the likelihood of achieving sustainable outcomes for customers.

Consistency in complaint investigation and outcomes for customers facing payment difficulties will require ongoing training for both EWOV Conciliators and energy retailers.

EWOV must also ensure that it clearly and consistently communicates its role and process to each of the parties to the conciliation. EWOV must also proactively seek to refine and improve its processes so that this assists with the progression and resolution of complaints where the customer is experiencing payment difficulties.

b. conduct timely investigations

When investigating payment difficulty complaints EWOV Conciliators should conduct timely investigations in order to minimise accrual of customer debt. This includes, early identification of payment difficulty, monitoring of customers' payments of undisputed amounts and where required engaging independent advice e.g. financial counsellors/energy auditors.

Completing timely investigations will also help promote the ongoing relationship between the customer and energy retailer after the EWOV complaint is closed.

c. Promoting sustainable outcomes

EWOV aims to assist:

- customers in managing and paying for their energy usage;
- energy retailers in promoting habits of sustainable payment and usage and identifying customers who may require further assistance.

As with all complaints investigated by EWOV, we also aim to promote outcomes in payment difficulty complaints which go beyond regulatory compliance and include the principles of fair and reasonable, as well as best practice.

EWOV's role when handling complaints dealing with payment difficulty is as follows:

- Identify whether energy retailers and customers have complied with their regulatory obligations
- conciliate, where possible, a sustainable outcome for both the customer and energy retailer which addresses account arrears and ongoing usage
- where this is not possible EWOV should ensure a maintainable outcome is achieved which clearly defines for all parties a pathway towards sustainability
- educate customers on the management of their ongoing consumption
- provide information to customers that complements the resolution outcomes for the future. This is based on the assumption that a successful resolution of a payment difficulties complaint includes the rebuilding of the relationship of the customer and energy retailer.

RESPONSIBILITIES

As set out in EWOV policy each party to the conciliation (Customer, Energy Retailer and EWOV) holds responsibility to ensure the resolution of the complaint. This information is confirmed below:

Customer	Energy Retailer	EWOV
<ul style="list-style-type: none"> • Make affordable payments of undisputed amounts • Maintain contact with EWOV • Develop a plan to meet consumption by working with either EWOV, a financial counsellor or the energy retailer. • Participate in a financial assessment if required • Participate in an energy audit if required 	<ul style="list-style-type: none"> • Work cooperatively with EWOV • Provide accurate information • Prevent disconnection/ collection activity • Offer a maintainable payment plan • Make sure all regulatory requirements are met • Suggest options for resolutions/be clear about 	<ul style="list-style-type: none"> • Ensure that complaints are investigated independently • Ensure customers are maintaining affordable payments • Ensure that the payment plan is affordable and sustainable long term • Ensure that sustainable, fair and reasonable conciliated outcomes are achieved • Work with other organisations to provide

	actions required for the resolution	additional information/ assistance to customers
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PROCEDURE FOR HANDLING COMPLAINTS REGARDING PAYMENT DIFFICULTIES

At complaint receipt

Payment difficulties may be immediately evident upon complaint receipt. The following case issues should also alert the Service Officer and/or Conciliator to the possibility of payment difficulties

- Billing>backbill>payment
- Billing>high>other
- Credit>disconnection/restriction>arrears>actual/imminent
- Credit>payment difficulties>arrears>account holder
- Credit>payment difficulties>payment plan

Potential payment difficulties should be discussed by the Service Officer or Conciliator with the customer during the initial call in a respectful manner. If the Service Officer or Conciliator considers payment difficulties to be a potential issue, they should ask appropriate open-ended questions. It is also important to determine whether the customer is aware of their entitlements under Part 3 of *Energy Retail Code*, therefore the Service Officer or Conciliator should ask the mandatory questions in Resolve or answer these questions from information the customer provides.

EWOV's Same Customer Same Issue Policy states that EWOV will usually require that an affordable payment be made by the customer towards the account prior to any action being taken in circumstances where EWOV has previously investigated a complaint from the customer about the same issue. In these circumstances, EWOV will also require the customer to provide an undertaking to make regular affordable payments. Also EWOV may require a customer to provide proof of payment (eg. a receipt number) if the Team Manager (TM) considers this is appropriate and necessary in the circumstances.

EWOV may delay arranging reconnection of supply or suspension on disconnection / restriction action until this proof has been provided.

INVESTIGATION

Conciliators should review the complaint in line with EWOV's Payment Difficulties Investigation Process identify payment difficulties at case receipt or receipt of the initial response, and to assess the steps that need to be taken when investigating a payment difficulties complaint, including financial assessment and energy audit.

Conciliators should identify whether or not the customer has an overdue debt of more than \$55.00.

Standard Assistance

If the customer does not have a debt, has a debt which is not overdue or has an overdue debt of up to \$55.00, Conciliators should review whether the energy retailer has provided information and assistance required under Part 3 Division 2 of the *Energy Retail Code*.

Tailored Assistance

If the customer has an overdue debt of more than \$55.00, Conciliators should review whether the energy retailer has provided information and assistance required under Part 3 Division 3 of the *Energy Retail Code*.

If the customer can pay the full cost of their ongoing energy use, the customer is entitled to (at minimum):

1. A payment plan under which arrears are repaid within two years
2. Advice from the energy retailer about the likely cost of future energy use and how this may be lowered
3. Advice from the energy retailer about government and non-government assistance.

If the customer cannot pay the full cost of their ongoing energy use it is likely that a more detailed investigation from EWOV will be required. If a payment proposal or a revised proposal of a customer complies with the requirements of clause 81(3) of the *Energy Retail Code*, the energy retailer must accept it. However, if the customer offers a proposal that does not meet the requirements of clause 81(3) and the energy retailer does not accept the proposal, further investigation will be required to reach a sustainable outcome. EWOV will need to determine whether the appropriate assistance has been provided by the energy retailer.

Assistance provided by energy retailers

If customers cannot pay the full costs of their ongoing usage the energy retailer must provide practical assistance to help a customer lower their energy costs. This includes:

- i) the tariff that is most likely to minimise the customer's energy costs, based on the energy retailer's knowledge of the customer's pattern of energy use and payment history
- ii) practical assistance to help the customer reduce their use of energy, based on the customer's pattern of energy use and on the circumstances of where the customer lives, provided there is scope for action to be taken for that purpose
- iii) information about how the customer is progressing towards lowering their energy costs given at sufficient intervals for the customer to be able to adequately assess that progress;

Energy retailers can as part of EWOV's investigation, assess the tariff that is most likely to minimise the customer's energy costs. Conciliators together with the customer and energy retailer should assess what practical assistance to reduce energy usage is appropriate for the energy retailer to provide to the customer and how the energy retailer should provide information to the customer about their progress in lowering their energy costs.

Further investigation should consider whether a financial assessment and/or energy audit is required:

Financial assessments

If a customer offers a payment proposal that does not meet the requirements of clause 81(3) and the energy retailer does not accept the proposal, as part of reaching a sustainable outcome it may be necessary for EWOV to assess whether the customer is continuing to experience payment difficulty and therefore the energy retailer is required to continue providing assistance (clause 83 *Energy Retail Code*).

To progress a complaint and reach a sustainable outcome, that is fair and reasonable, you may use one or a combination of the documents listed below in consultation with your TM and/or EWOV's Financial Assessor.

- customer's own financial budget report
- EWOV's internal financial assessment
- EWOV's external financial assessment (Kildonan or other)

When requesting a financial assessment, send the financial assessment request form to EWOV's Financial Assessor who may arrange a meeting to discuss whether the assessment should be conducted by EWOV's Financial Assessor or referred for an external assessment (Kildonan or other).

If EWOV's Financial Assessor advises that it would be best for the assessment to be completed by an external Financial Assessor, complete EWOV's Financial Counselling Assessment Form. When completed, this form should provide a sufficient basis for assessing what a customer can afford to pay for the purposes of negotiating an affordable payment plan or indicating the potential need for debt waiver consideration as a fair and reasonable outcome based on the customer's circumstances. TM approval is needed prior to the external Financial Counselling Assessment Form being sent to external financial counsellor service.

By conducting a financial assessment, the Conciliator should aim to receive:

- accurate information about the what is affordable for the customer;
- information as to whether the customer has long or short term payment difficulties and whether their ability to pay is likely to change; and
- a customer plan (with financial counsellor/energy retailer assistance) with the aim that the customer will be able to afford usage and include options for the energy retailer to extend assistance to the customer beyond two years because it is fair and reasonable to do so in the circumstances.

Energy audits

If EWOV arranges and conducts an energy audit in order to assist a customer in identifying how they can reduce their usage, this does not relieve the obligation on the energy retailer to provide appropriate practical assistance to the customer as per their obligations under the *Energy Retail Code*.

Once financial assessment report and/or energy audit report are received

On receipt of the financial assessment or energy audit report, discuss the complaint with the TM if required. Once the financial assessment or energy audit has been completed the key results and recommendations should be communicated to both parties.

Please note:

- do not provide a copy of the full report to the energy retailer or customer, only a summary based on the information provided.
- provide a general summary of the weekly/fortnightly/monthly instalments the customer is able to afford to the energy retailer and send a further request email asking the energy retailer to take into account what the customer can afford to pay, that has been independently confirmed.
- generally, do not disclose the customer's personal circumstances unless the customer has requested that the energy retailer is made aware of this information.
- advise the customer of any advice regarding changes to improve energy efficiency in order to reduce billing, and provide this information to the energy retailer.

If the independent financial assessment establishes that the customer cannot afford to meet the cost of their ongoing usage, then this assessment can be used to assess what payment arrangement it would be fair and reasonable for the energy retailer to accept in the circumstances because the regulatory obligations don't provide sufficient options to address the specific needs of the customer.

Document history

Action and Date	Updated By
Reviewed and redrafted: June 2013	VER
Amendments required for ERC (Version 11), clarified requirement for energy audit and financial assessment: January 2016	JVE
Amendments required for ERC (Version 12), clarified requirements for the Payment Difficulty Framework: December 2018	EJH

