

Response to the ACT Independent Competition and Regulatory Commission Review of the Utility Consumer Code

The ACT Council of Social Service (ACTCOSS) believes there are improvements that are needed to the Utility Consumer Code and to the support processes within the industry and community services to improve consumer awareness, protection and assertion of their rights.

This includes the onus being on utility providers to ensure bills are delivered to the right postal address. If a customer has contacted or otherwise advised the utility provider that they are not receiving their bill, there should be no capacity to backdate bills after the date of notification.

Consumer organisations would support increasing the scope of breaches that are notifiable to the regulator – adding the categories that are in the Victorian code, and not reducing any of the current ACT categories.

Retailers should have responsibility to advise customers if they are not on the best price for them. There are guidelines in the financial services industry that could provide guidance on this matter. For example, the Australian Banking Association (ABA) have various industry guidelines, e.g. around basic bank accounts, with the expectation that banks will inform customers of the most appropriate account for them.

Retailers should be responsible for knowing what concessions operate in the ACT and advising customers that they are eligible for concessions and what the concession is. Utilities should be able to treat a carer as the bill payer, when the person being cared for has an eligibility for a concession, and to offer the concession to the bill payer on that basis.

Retailers should have minimum training and education requirements for staff interacting with customers, that includes both an understanding of financial

hardship and customer engagement practices most effective in the context of hardship or other risk factors for being a vulnerable customer. The Yarra Valley Water staff development program is a good practice example.¹

Service provider insights: Care Inc.

Most customers seen through the Care Inc. Budget Coaching Sessions are unaware of what a market retail offer is. The onus is very much on the customer to discover this for themselves. For a low-income household to miss out on a possible 25% (at one time) off their energy usage; this can be very impactful. Part of the energy education offered by the Care Financial Counselling community education team is to encourage customers to ask their retailer to check their consumption for a 12-month period and ask if they are on the best plan. This is not common practice, more often customers are will sign up to an energy retailer and not change for years to come.

Additional funding and workforce capacity is needed to ensure wider reach of community organization led efforts to educate and encourage consumers to understand operation of the energy market and to be more proactive with choosing and navigating their energy contracts.

Since Care commenced the energy voucher program in partnership with ActewAGL almost 2 years ago we have been surprised that the even very savvy consumers we have met haven't contacted their retailer to avail themselves of any discounts or rebates. Many have been loyal customers of ActewAGL for 10,20 plus years many hadn't even thought to contact their energy retailer to see if they could get a discount.

In the experience of our clients, that there is a big difference between the quality of conversation that they have had with the credit team versus the Staying Connected team and more training needs to be provided to ensure the script used and responses negotiated by the Staying Connected team are adopted by the credit team.

¹ Yarra Valley Water, *Hardship policy*, Yarra Valley Water, n.d., see section '4. Extensive and Ongoing Staff Training', <<https://www.yvw.com.au/about-us/organisation-overview/policies/hardship-policy>>.

Specific comments on implementation of smart meters

Communication with customers regarding the move to smart meters will need to be tailored to specific customer types. Recent research has identified different customer cohorts and defined the different ways to reach and inform customers about energy usage and options.²

Communication about smart meters prior to installing will need to cover the timeframes for adoption of smart meters, the costs of meter installation and maintenance, and who is responsible for these, and the expected customer risks and benefits aligned with customer usage, current costs and capacity to change usage patterns.

The code could incorporate provisions for using SMS to alert customers to usage levels as is done with mobile phone plans – allowing people to understand when they are reaching peak price times of use and providing messages about how to moderate usage without compromising on access to energy as an essential service.

The code would also need to include strategies to alert and support people who do not have access to a mobile phone.

Service provider insights: Care Inc.

There is a lack of simple easy to follow information on understanding smart meters. We believe that retailers need to be create easy to follow tutorials as well as info graphics to help inform and educate savvy consumers on smart meters. However, for consumers where there are language barriers or families living complex lives there needs to be an education component included in programs provided through trusted community organisations with a role in supporting households with energy affordability and adaption (such as St Vincent de Paul Society and Care Financial Counselling).

There would be value in training relevant community workers in other service settings (such as emergency relief services) so that they can better inform their clients of their rights and potential benefits and risks in moving to a smart meter.

² Acil Allen Consulting, *Supporting households to manage their energy bills: A Strategic Framework*, Report to Energy Consumers Australia, 2018, <<https://energyconsumersaustralia.com.au/publication/supporting-households-to-manage-their-energy-bills-a-strategic-framework/>>.

Specific comments on the Consumer Code

Section 9 – it is vital to ensure the code is:

- Consistent with the National Energy Charter and the National Energy Consumer Framework
- Clear and simple to understand and explain to others.

Section 10 – life support equipment registration and notification procedures need to be monitored closely given the increasing prevalence of this equipment.

Section 11 – consumers should not have to initiate a request for rebate from the utility provider. It should be the obligation of the utility to initiate a rebate payment to the customer if there has been a breach of minimum service standards.

Section 12 – information about charges should also be able to be provided verbally to people who meet the definition of ‘vulnerable customer’.

Section 13.3 – should incorporate some provision for customer redress if they have not received a bill from the utility provider and can demonstrate they have advised the provider of this.

Section 13.5 – should include a requirement to provide information about how to contact the utility managed hardship program.

Section 13.10 – the timeframe for a customer to pay an undercharge should be up to four bills and longer if the person is eligible for admission to the hardship program offered by the utility.

Section 13.15 – the code should include a provision for consumers who have defaulted on instalment plans to be offered access to the utility hardship program.

Commentary regarding minimum service standards

Utility providers should ensure customers are provided at the beginning of the contract and once every year subsequent to that with clear information on the minimum service standards utilities are required to comply with, and how a customer advises of a breach. Community advocates would like to see alignment of minimum service standards across electricity, gas and water provision.

Consumer awareness of minimum service standards should be raised via a specific factsheet that outlines their rights and the obligations of the utility provider. This could be distributed with bills once every 12-month period and qualified community educators from financial counselling services should be

resourced adequately by utilities to build consumer awareness of their rights and how to access rebates.

Utilities should be required to initiate a rebate to customers, not rely on customers seeking redress.

Responses to specific questions asked in the ICRC consultation paper

The responses below articulate advice from financial counselling service staff.

Are stakeholders receiving adequate information from ACT utility service providers regarding processes, timelines costs and dispute mechanisms? Please provide comments on the quality of information and communication practices from ACT utility service providers.

Financial counselling services report generally seeing clients who are behind in electricity and gas bills – they do not generally know about dispute mechanisms – either the provider hasn't told them, or if they have, the negotiation process is often too difficult for them to navigate.

Clients we see often feel the pressure of having to pay an amount they are told to pay by the provider. If the client had arrears, the provider usually wants usage and a contribution to arrears paid. This amount is difficult for someone in financial distress as it's above the usual usage amount. We see quite a few clients who do not know their options regarding their other payment options, accessing dispute resolution and stopping disconnection. Also, if the client is told about the ACT Civil and Administrative Tribunal (ACAT) – the Tribunal can seem a daunting process. More communication around options for people in financial hardship, including access and information about ACAT and its processes, would be helpful.

Water utilities should be required to have a hardship policy and provisions. The Yarra Valley Water hardship policy and provisions³ should be used as a good practice model for all utilities.

We have found that water utilities for newly arrived refugee families living in private rental accommodation often receive large water bills. We aren't sure if it hasn't been communicated through their case worker when they sign the tenancy agreement but we have certainly see many families in complete shock.

It is very hard for customers to identify an issue with their energy charges. The billing system needs to be simplified and easier to read. There needs to be more education around identifying the most important aspect of the bill and

³ Yarra Valley Water, *Hardship policy*, Yarra Valley Water, n.d., <<https://www.yvw.com.au/about-us/organisation-overview/policies/hardship-policy>>.

what to look out for. I think energy retailer staff, on the frontline, should be better equipped to identify and agree that there may be an issue, e.g. if there is a huge spike from similar billing times, a conversation needs to be encouraged to help identify the issue.

For consistency across utility retail services, should the undercharging provisions in the Code be reduced to nine months?

Yes – it's clearer for users and providers, although nine months is unusual – maybe six months or less.

There should be a conversation with the customer regarding a repayment arrangement to recover undercharges and this should be done through the Staying Connected program and equivalent programs in other utilities.

Are bill smoothing provisions required in the Code, including to cover water services? Please provide reasons for your answer.

Bill smoothing makes sense and provides for consistent regular payments, if people want it, but they shouldn't be forced into it. Also, technically water can't be turned off completely (like electricity and gas) so people leave it. With EvenPay the customer should always be informed prior to any increase – our clients don't have enough money sometimes to cover this. Increasing a fortnightly payment automatically could cause or exacerbate financial hardship. This could mean other necessities for living such as food are sacrificed. People should be provided with the details of Staying Connected if payments are going to increase so they can negotiate more affordable plans if required.

We would encourage a conversation with the customer when EvenPay is being increased to identify if the amount is affordable or going to cause financial stress. We have dealt with multiple clients where they have received a text/letter (or no communication at all) informing them of an increase to their EvenPay payments without a direct conversation about the impact of this. We would encourage: a) more than one method of communication to warn them of the increase; and, b) the client be heavily encouraged to contact the financial hardship team within the utility to discuss the new arrangements.

Do stakeholders have any specific concerns regarding the current provisions within the Code that relate to the application of concessions?

Yes, this is a concern. We see clients, for example, who were on a concession for a period receiving concession/rebates and then the concession disappears from their bill without them noticing. Or a client with an electricity and gas account with the same provider but only one account is receiving the concession/rebate. Clients aren't necessarily asked to update their concessions, so they forget about it, assume it happens automatically, or they don't know they are entitled to a concession, so they miss out.

There definitely needs to be a better way of informing customers if their concessions have expired.

It is usual practice in most jurisdictions (apart from South Australia), that the meter owner is responsible for charges associated with consumption. The current code reflects this and states that a customer's account must be based on a meter reading. The code does not have provisions that allows for a utility to divide a bulk meter (i.e. strata property) consumption into individual unit allocations. If the code allowed for such an arrangement, there could be consequential matters that would need to be considered, such as ultimate responsibility for unpaid accounts and utility rights to restrict services.

This may also be an issue in social housing units managed by not for profit organisations where there are residents.

We have spoken to several voucher applicants who are carers but work and therefore don't have a concession card. The utility account is in their name but the main reason they have higher bills is because a family member (who does hold a concession card) is at home most of the day, however, because their name is not on the electricity or gas account the carer (who is the bill payer) can't gain access to the energy concession.

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ACTCOSS is committed to reconciliation, acknowledges the traditional custodians of the land and pays respect to elders past and present.

ACTCOSS is the peak representative body for not-for-profit community organisations, people living with disadvantage and low-income citizens of the ACT.

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