

Momentum Energy pays \$900,000 for overcharging vulnerable Victorians

12 November 2019

Electricity and gas

An energy company has paid a \$900,000 penalty for allegedly overcharging hundreds of vulnerable Victorians by failing to apply concessions to customer's bills, and then not notifying them in a timely way.

More than 2,500 Momentum Energy customers who qualified for concession discounts were allegedly overcharged more than \$203,000 between July 2017 and May 2018.

Essential Services Commission chairperson Kate Symons says it isn't the first time the company hasn't followed the rules.

"This is another case of Momentum letting down vulnerable customers for whom receiving a bill higher than they were expecting would have been a shock.

"To then not have the mistake rectified quickly would have only added to the stress," she said.

Ms Symons says it highlights the commission's focus on matters where Victorians face harm.

"We have taken action in relation to 392 affected concession holders, including veterans pension and healthcare card holders, who were not notified of the error within 10 business days," she said.

On top of the \$900,000 penalty, Momentum has to pay back more than \$23,000 to former customers who have yet to be reimbursed. More than 2,000 customers have already been repaid.

In August, the commission found 850 Momentum customers were entitled to compensation of more than \$500,000 after [the company failed to inform them](#) they could be disconnected remotely.

In June the commission published its [compliance and enforcement priorities for 2019–20](#) with a focus on restoring trust in the energy market, including alleged cases of overcharging.

The \$900,000 penalty is the [second highest](#) ever set by the commission.

Editors' note: The commission can issue energy industry penalty notices where it has reason to believe a business has committed an energy industry contravention. The payment of a penalty specified in the energy industry penalty notices is not an admission of a contravention of their retail licences.

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