

Simply Energy pays \$300,000 in penalties for failing to obtain consent before switching customers

16 December 2019

Electricity and gas

Simply Energy has again been hit with penalties for allegedly switching customers without obtaining consent, including one case where the error wasn't fixed for five months.

The Essential Services Commission has issued \$300,000 in penalties to the energy retailer for 15 incidents between February 2017 and September 2018 that caused considerable stress and led to financial losses to customers from throughout the state.

Commission chairperson Kate Symons says such conduct is much more than inconvenient.

"One of the affected customers was transferred to Simply Energy for five months and was sent bills and disconnection warning notices before the company took action to fix the error.

"This type of conduct undermines consumer confidence in the energy market," she said.

The alleged incidents occurred over 19 months and included:

- switching customers who had expressly stated that they did not want to be switched
- providing misinformation to customers about the rates they would be charged
- switching customers with whom Simply Energy had had no contact whatsoever.

In October 2018, Simply Energy was penalised \$20,000 for transferring a customer who had an acquired brain injury without appropriate consent.

In 2019 the commission has taken enforcement action against all Victorian electricity distribution companies and three retailers, Simply Energy, Momentum Energy and 1st Energy, with penalties totalling more than \$1.57 million.*

The commission has published its compliance and enforcement priorities for 2019–20 which are focused on keeping an eye on how energy companies look after vulnerable customers.

*A previous version of this media release stated the total was \$1.27 million, this has been corrected.

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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