

# Regulator puts end to ‘bait and switch’ energy deals

**28 February 2020**

*Electricity and gas*

Energy companies will no longer be able to ‘bait and switch’ customers by offering very low prices only to increase the price within months following a rule change by the state’s energy regulator.

The Essential Services Commission has made [a raft of changes](#) to make energy contracts fairer as part of its ongoing reform program arising from the Victorian Government’s [independent review of electricity and gas retail markets](#).

Commission chairperson Kate Symons says the changes are designed to make energy contracts simpler, to provide customers with more confidence and certainty.

“Up until now, customers could sign up to what looks like a great energy deal only to have that deal disappear in just a few weeks or months.

“From 1 July, energy retailers will not be able to increase prices more than once a year, and must maintain any discounts, credits or rebates for the entire length of a customer’s contract,” she said.

Ms Symons says these changes, along with a cap on pay-on-time discounts, will provide greater price certainty and stability for Victorians.

“We are changing the energy rules to help untie the knots found in energy contracts that have confused and frustrated consumers.

“These reforms will help Victorians have confidence in the deal they’re signing up to, knowing they will be protected and there won’t be any nasty surprises,” she said.

Other changes to the energy rules include:

- all advertised electricity offers must include a comparison to the Victorian Default Offer
- rolling customers onto either the Victorian Default Offer for electricity or best offer for gas at the end of a contract.

The energy regulator is now consulting separately on a plan to stop retailers from being able to back-bill customers for more than four months.

This reform means retailers will only be able to back-bill for up to four months, and not the current nine months allowed. Victorians can have their say on this proposal on [Engage Victoria](#) by Friday 27 March 2020.

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