

Pensioners fall victim to alleged AGL billing error

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Electricity and gas

More than six thousand Victorian pensioners and other concession holders have allegedly fallen victim to a computer billing error by energy giant AGL.

An investigation by the state's energy regulator found concession customers were allegedly sent inflated energy bills in August and September 2019 after the company accidentally undercharged them earlier in the year.

Essential Services Commission chair Kate Symons says AGL has now paid penalties totalling \$450,000.

“This is a substantial penalty for a mistake which left thousands of concession customers distressed and confused after receiving high bills they weren't expecting,” she said.

The first the affected customers, spread from Melbourne's eastern suburbs to the south coast, heard about the billing error was a letter from the retailer telling them they had been undercharged but with no further explanation. The energy retailer then allegedly sent follow up bills with additional charges to recover the accidental undercharging but without explaining the extra costs.

Ms Symons says treating customers this way is unacceptable and that AGL should have properly informed these concession customers what they were doing to recover the undercharged amounts.

“Imagine being a pensioner on a fixed income and receiving a bill months after the fact with additional charges you weren’t expecting.

“In this case, it appears AGL failed to communicate clearly or quickly, subjecting thousands of vulnerable customers to unnecessary anxiety and confusion,” she said.

Ms Symons says cases like this erode community trust in the sector.

“In this case, the impact of a computer systems error has been compounded by a lack of consideration about the impact on customers and we expect more, especially from one of the major players in the market,” she said.

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.

For general enquiries

Phone: [\(+61 3\) 9032 1300](tel:+61390321300) or [1300 664 969](tel:1300664969)

Email: reception@esc.vic.gov.au

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