

1st Energy issued \$20,000 in penalties for switching small business customer without consent

An energy company has paid a \$20,000 penalty for allegedly switching a small business customer without their consent after getting their address mixed up with a nearby aged care home resident.

The state's energy regulator issued the penalty notice to 1st Energy after finding they switched the customer without seeking permission from the business.

The Essential Services commission says the problem began when a telemarketer cold-called an aged care home resident and talked her into signing up for a new electricity deal.

This mistake was compounded when the company confused the resident's address with a nearby business and transferred the nearby business instead.

Commission chair Ron Ben-David says the whole incident is unacceptable.

"Not only did 1st Energy switch a small business without speaking to anyone involved, it did so intending to transfer the account of an elderly Victorian living in an aged care home who had made it clear she was not a representative of the nearby business," he said.

Victoria's [energy rules](#) require a retailer to obtain explicit informed consent from a customer before switching them.

Dr Ben-David says the series of errors only came to light when the elderly woman's daughter contacted 1st Energy to question the size of the energy bills.

"1st Energy also failed to report the error to the commission in accordance with the conditions of its retail licence," he said.

In addition to issuing the penalty, the commission is also requiring an audit of 1st Energy's business practices and publicly report its findings.

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 electricity and gas retail licences.

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