



# Energy compliance and enforcement priorities 2021–22

June 2021



**An appropriate citation for this paper is:**

Essential Services Commission 2021, Energy compliance and enforcement priorities 2021–22:  
June 2021

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# Priorities for compliance and enforcement in energy

Our compliance and enforcement work in energy for 2021–22 will focus on:

- explicit informed consent
- the wrongful disconnection of customers
- the payment difficulty framework
- retailers' billing practices
- embedded networks
- ongoing priorities for those experiencing vulnerability.

We will restore trust in the energy market by promoting and enforcing compliance in these areas. Information about each area is below.

## **Explicit informed consent**

We receive many reports about consumers who were transferred to a different retailer or energy plan without them knowing exactly what was involved in the new contract. 'Explicit informed consent' is achieved when a business has clearly, fully and adequately told a customer all matters relevant to the customer's agreement to a contract and the customer clearly agrees to it. We work with retailers to provide them with guidance on this issue, and we audit them to ensure that information to consumers about the service they are signing up to is appropriately provided. We have zero tolerance for unethical or fraudulent conduct, and we are watchful of instances where third-party sales agents are involved, especially when we know of past inappropriate work practices.

## **Wrongful disconnection of customers**

There are clear rules that energy businesses must follow before they disconnect a residential or small business customer's energy supply. We developed these rules because a consumer's welfare can be put at risk if they are disconnected. Electricity and gas are essential services so consumers should only ever be disconnected by an energy retailer as a last resort. A retailer disconnecting a customer because of non-payment should only happen when all other options have been explored with the customer. Disconnection cannot be used by a retailer as a debt-collection tool.

## **Payment difficulty framework**

Our payment difficulty framework ensures all energy customers have help from their energy retailers when they have difficulty paying their energy bills. The framework safeguards a consumer

from being immediately disconnected when they face financial problems. This is because retailers must reach out to their customers who are having difficulty paying their bills and help them by giving them payment options. Retailers can accept instalment plans, provide additional time to pay, put payments on hold, and give information about government help like the utility relief grant scheme.

## **Billing practices**

All energy consumers have the right to expect they are billed appropriately for their energy use. Our energy rules require retailers to give their customers regular and accurate billing, or to take appropriate and timely steps when a customer pays too much or is undercharged. We revise our rules on billing practices when needed. Recently we stopped retailers from being able to back bill customers for their energy use when the customer's usage is more than four months in the past.

## **Embedded networks**

Many Victorians get their electricity through an embedded network. These customers sometimes cannot easily access the benefits that result from competition in the retail electricity market. While we do not require those that manage embedded networks to hold a licence to sell electricity, they must register with us and join the Energy and Water Ombudsman Victoria scheme to resolve disputes. Embedded network operators also have to comply with the parts of the energy retail code that are relevant to them. We prioritise matters relating to embedded networks, particularly in relation to their membership with the ombudsman and compliance with the code.

## **Enduring priorities for those experiencing vulnerability**

We are committed to helping all Victorians who are experiencing vulnerability access essential services. We have two ongoing priorities in this area for energy:

- protecting the safety of Victorians affected by family violence
- ensuring Victorians who rely on energy for life-support equipment are protected, including for any planned outages.

### **Customers affected by family violence**

Energy retailers must avoid actions that might endanger their customers affected by family violence. Since 1 January 2020, we have required energy retailers to help their customers affected by family violence, and to ensure they have appropriate policies in place to treat these customers with care and respect. Given the reported rise of family violence incidents especially during the coronavirus pandemic, we are working with retailers to ensure appropriate protections are provided to those customers who may be affected.

## **Planned interruptions for energy supply to life support customers**

Planned outages can cause disruptions in the Victorian community, particularly for those on life support. When our rules around planned interruptions for energy supply are not followed, the impact can be significant. We have made new rules that strengthen and clarify protections for Victorian customers who require life-support equipment, which we regard to be among the most important safeguards that we administer. We prioritise matters involving alleged breaches regarding life support customers.