

Cost of missing energy bills to be capped as regulator moves to make contracts fairer

Energy retailers will be prevented from imposing excessive charges for missing a bill payment under new rules being considered by the Victorian energy regulator.

The Essential Services Commission has proposed 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 while there are [signs the market is getting easier to navigate](#), there's more to be done.

"Our [latest energy report](#) showed in 2018–19, one in five electricity customers paid an average \$188 extra after failing to meet all the conditions of their discount deals.

"With 85 per cent of customers on discounted offers, most with 'pay on time' conditions, it's important to give a level of certainty about the possible impact of missing a payment," she said.

Under the proposed changes, the cost of missing a payment would be capped and based on the cost of debt for a retailer.

Ms Symons says the proposed changes are designed to ensure contracts are clear and fair.

"We fundamentally believe there's more to be done to strengthen protections for all customers to continue to rebuild trust in the market," she said.

Other proposed changes include:

- Electricity offers must be advertised in relation to the Victorian Default Offer
- Retailers can only change existing contract prices when the VDO changes
- Customers must be rolled onto either the VDO or a retailer's best offer at the end of a contract unless they negotiate a better deal.

The commission is asking for community feedback on its [draft decision through Engage Victoria](#) with submissions due by 21 January.

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