



ENERGY AND WATER  
OMBUDSMAN  
Victoria **Listen Assist Resolve**

# **EWOV Feedback on the Energy Consumer Reforms RIS**

Review of the Energy Retail Code of Practice

26 June 2025

## Executive summary

The Energy and Water Ombudsman (Victoria) (EWOV) welcomes the opportunity to provide input to the Essential Services Commission's (the Commission) Review of the Energy Retail Code of Practice (the Code).

EWOV provides free, independent dispute resolution for Victorian consumers by receiving and resolving energy and water complaints. We work to ensure fair and reasonable outcomes when energy and water problems arise. We use our unique data insights about consumers' experiences of the Victorian energy and water markets to improve consumer and market outcomes, through our engagement with businesses, government, regulators and the wider community.<sup>1</sup>

EWOV continues to support reforms that aim to drive fairer outcomes for consumers experiencing payment difficulty and/or vulnerability and to help lower energy bills. EWOV has welcomed the opportunity to engage with the Commission throughout this Review, and we are pleased to see our insights and recommendations reflected throughout the Regulatory Impact Statement (RIS) and the proposed rules.

From 1 July 2024 to 31 May 2025 (FYTD), EWOV received close to 15,000 cases across the gas and electricity sectors. Complaints about high bills consistently top our caseload, comprising close to 20% of all energy cases. Complaints about payment difficulty assistance, disconnections and concessions are also consistently common issues in our caseload.

In this context, EWOV broadly supports the reforms proposed in the RIS, which are carefully targeted to address key problems identified by the Victorian Energy Minister and the Commission. In particular, EWOV welcomes new requirements to:

- Include EWOV's contact details on bills, which will increase awareness of consumers' entitlement to access external dispute resolution.
- Place the onus on retailers to check and apply concessions to consumer accounts.
- Ensure that consumers, particularly those in payment difficulty and/or who are reluctant or unable to engage in the market, are not paying more than necessary for their energy bills.
- Ensure disconnections are genuinely a measure of last resort.

This submission focuses our feedback on how the Commission can ensure implementation delivers on the policy intent, maximise the effectiveness of the changes, and provide clarity around compliance for industry. This submission includes a selection of consumer stories to illustrate the problems the Commission is seeking to address with the proposed changes.

While we support the Commission's staged approach to reviewing the Code, this submission also highlights how the introduction of a principles-based obligation for providers to act *efficiently, honestly and fairly* would strengthen existing protections, support innovation and provide a flexible foundation to address emerging risks in an evolving market. EWOV considers that introducing such an obligation in future stages of this Review would assist with maximising the effectiveness of this first stage of targeted reforms, clarifying the Commission's expectation of providers and providing an extra layer of protection where unexpected gaps or unintended consequences emerge during implementation of the Code provisions.

EWOV values our continued engagement with the Commission and would be pleased to provide any additional insights to the Commission to support this critical review.

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<sup>1</sup> See Clause 5.1 of [EWOV's Charter](#).

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## Future changes to deliver on the intent of the proposed reforms

EWOV considers there are two key changes that could assist with maximising the effectiveness of these consumer-focused reforms, and ensuring the reforms achieve the desired objective:

- An overarching conduct obligation to act *efficiently, honestly and fairly*.
- A requirement that retail staff are sufficiently trained and capable in supporting consumers.

### An overarching obligation on retailers to act efficiently, honestly and fairly

EWOV supports the introduction of a requirement for energy providers to act efficiently, honestly and fairly in all dealings with consumers. A broad conduct obligation provides a consistent, enforceable standard that applies across all services and engagement.

An overarching obligation also complements existing consumer protections, by establishing a clear benchmark for good conduct and providing guidance in areas where rules may be unclear. Adopting a hybrid approach to regulation ensures regulatory frameworks are better placed to deal with the full range of risks and conduct in the dynamic energy market, and can assist with preventing unintended consequences arising from more prescriptive rules.

For example, a principles-based conduct obligation to act *efficiently, honestly and fairly* could maximise the effectiveness of the proposed automatic switching reforms. It would restrict retailers from switching consumers to inappropriate offers, such as where a lower rate has a short expiry or where behaviour change is required to deliver the promised lower bill and has not been properly explained.

This approach is already well established in the financial services sector in Australia where the duty to act efficiently, honestly and fairly has improved accountability and consumer outcomes. The *Corporations Act 2001* (Cth) establishes that financial services licensees must do all things necessary to ensure their services are provided efficiently, honestly and fairly. This conduct obligation:

- Requires consideration of not only contractual terms, relevant codes or statutory obligations, but also the consumer's individual circumstances and the adequacy of the service provided<sup>2</sup>
- Is not limited to one aspect of the service provided but requires consideration of competency and appropriateness at every stage of the consumer/licensee relationship, and
- Does not require perfection, it allows for errors or mistakes.<sup>3</sup> However, when an error or known issues arises, the obligation requires doing what is necessary in the circumstances to minimise consumer harm where it is fair and reasonable to do so. It requires an underlying notion of ethical decision making.<sup>4</sup>

The implementation of an overarching conduct obligation is relatively straightforward compared to alternative approaches. Drawing directly from the framing in the *Corporations Act 2001* (Cth) would not require significant reworking for its inclusion in the appropriate instrument. Adopting this approach would allow for regulators to draw on the substantial body of jurisprudence already developed in the context of financial services to support the introduction of an equivalent duty in the energy sector.

<sup>2</sup> *ASIC v AGM Markets Pty Ltd* (in liquidation) (no.4) [2020] FCA 1499.

<sup>3</sup> *ASIC v Commonwealth Bank of Australia* [2022] FCA 1422.

<sup>4</sup> *ASIC v Avestra Asset Management Ltd* (in Liquidation) [2017] FCA 497.

EWOV is also well-positioned to support this approach. EWOV's fair and reasonable investigation framework allows us to identify how rules and regulations should be applied to a complaint before us and whether actions have contributed to achieving a fair and reasonable outcome.<sup>5</sup>

## Retail staff are sufficiently trained and capable in supporting consumers

EWOV notes that while the proposed changes will likely reduce the reliance on consumer-initiated engagement to receive assistance, engagement will nonetheless be required for consumers to access other assistance suitable to their circumstances.

EWOV regularly observes missed opportunities to provide early and effective support to consumers when retail staff are not adequately trained in identifying and responding to indicators of vulnerability and the potential need for support. Examples of these missed opportunities are provided in consumer stories throughout this submission.

EWOV considers this may be driven by inconsistent approaches to training, both across the market and within providers, with some providers concentrating their vulnerability and payment difficulty capabilities in a specialist team, and others providing shallow/basic training to a broad range of agents.

To address these issues, EWOV continues to encourage the Commission to introduce a training requirement in the Code that ensures energy retail staff are sufficiently trained and capable in identifying and responding to consumers experiencing vulnerability.

Ensuring retail staff are sufficiently trained and capable in identifying consumer needs and providing suitable support is a key enabler of these reforms. For example, where a consumer contacts their retailer about a high bill, affordability issues and/or the need for payment difficulty assistance, a trained staff member is able to identify this as a relevant opportunity to proactively conduct a concession check and take steps to apply those energy concessions.

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<sup>5</sup> See EWOV's [Fair and Reasonable Investigation Framework](#).



## Summary of recommendations

### Improving awareness of independent dispute resolution

EWOV supports the proposal to require retailers to include EWOV's phone number on the front page of the bill.

To further improve awareness of independent dispute resolution services, EWOV recommends that the Commission:

- Prescribe the inclusion of the full words "Energy and Water Ombudsman (Victoria)".
- Require retailers to also include EWOV's website details alongside the phone number on the front page of the bill.
- Require retailers to include EWOV's contact details in the transmittal of the bill.
- Strengthen retailer obligations regarding internal dispute resolution procedures and requirements to notify consumers of the ability to escalate unresolved complaints to EWOV

### Automatic best offer for consumers experiencing payment difficulty

EWOV supports the proposal to automatically switch consumers experiencing payment difficulty to the retailer's best offer.

To maximise the effectiveness of this change, EWOV recommends the Commission:

- Consider a lower amount for the eligibility threshold.
- Require retailers to proactively conduct best offer checks and offer to switch consumers where the consumer is in arrears and entitled to payment difficulty assistance.
- Establish a reasonable protection when the deemed best offer includes a Time of Use or dynamic tariff, the retailer must only switch consumers to those plans where it would be clearly beneficial and suitable to that consumer to do so.
- Require retailers to provide additional information to consumers about an impending switch.

### Improving access to cheaper offers

EWOV supports the proposal to require retailers to offer alternative payment methods and billing methods for all contracts, and limiting all plan fees and discounts related to payment conditions to reasonable costs.

### Improving the ability to switch to the best offer

EWOV supports introducing new requirements for retailers to reduce the practical barriers to switching to the best offer.

To maximise the effectiveness of this change, EWOV recommends the Commission:

- Establish detailed guidance to outline its expectations about how retailers could comply with this rule.
- Introduce a new requirement for retailers to provide additional information on bills, where the best offer is a newer plan with the same name as the consumers current plan.
- Consider changes to improve consumer awareness of the best offer in future stages of the Review.

EWOV recommends the Commission consider further changes that would require retailers to:

- Proactively conduct best offer checks and offer to switch consumers where the consumer is in arrears and requires payment difficulty assistance.
- Communicate deemed best offers beyond current bill messaging requirements.

## Protections for consumers paying higher prices

EWOV supports the Commission introducing changes that will ensure consumers on older contracts are paying reasonable prices.

To maximise the effectiveness of this change, EWOV recommends the Commission:

- Clarify requirements for the crediting option.
- Clarify that retailers would be required to comply with minimum standards for price or benefit change notices.
- Establish a specific requirement for retailers to inform consumers of their right of reversal in the first bill and information about the post-switch reversal process.

## Improving the application of concessions on bills

EWOV supports introducing a new rule to ensure more consumers are receiving concessions they are entitled to.

EWOV recommends the Commission expand the proposed requirement to include:

*'When a retailer becomes aware that a residential customer holds or is eligible for a concession, it must take reasonable steps to ensure the concession is appropriately applied to their account'*

EWOV recommends the Commission broaden the minimum requirement for a retailer to request concessions eligibility information from a customer when they contact the retailer about a high bill, affordability issues and/or payment difficulty assistance.

## Extending protections for consumers on legacy contracts

EWOV supports introducing the Commission's preferred option, to extend protections to all contracts, including those entered before 1 July 2020.

## Increasing the best offer threshold

EWOV broadly supports changes to improve consumer awareness of the benefits of switching to the best offer.

## Increasing the debt-disconnection threshold

EWOV broadly supports an increase to the debt-disconnection threshold, indexing the chosen amount to account for future cost increases.

To address the issue where consumers may be at risk of disconnection before they are switched to the retailers' best offer, EWOV recommends the Commission include a clear and unambiguous statement in the Code that sets out the Commission's expectations that retailers should not attempt to disconnect consumers in payment difficulty who are not on the retailers' best offer.

In future stages of the review, EWOV recommends the Commission introduce further changes to ensure disconnections are used only as a measure of last resort.

# Feedback on the proposed reforms

## 1. Improving awareness of independent dispute resolution

### Recommendations

EWOV supports the proposal to require retailers to include EWOV's phone number on the front page of the bill.

To further improve awareness of independent dispute resolution services, EWOV recommends that the Commission:

- Prescribe the inclusion of the full words "Energy and Water Ombudsman (Victoria)".
- Require retailers to also include EWOV's website details alongside the phone number on the front page of the bill.
- Require retailers to include EWOV's contact details in the transmittal of the bill.
- Strengthen retailer obligations regarding internal dispute resolution procedures and requirements to notify consumers of the ability to escalate unresolved complaints to EWOV.

EWOV welcomes the proposal to require retailers to include EWOV's phone number on the front page of the bill.

As we noted in previous submissions, research indicates that a significant proportion of consumers use information on bills to assist them to resolve complaints. For example, the Improving Energy Bills research conducted by the Behavioural Economics Team of the Australian Government, indicates that 26% of consumers use their energy bill to find contact details to make a complaint.<sup>6</sup> This research was used to inform the Australian Energy Regulator's (AER) Better Bills approach.

Data from other jurisdictions also indicates the impact of including the Ombudsman contact details on bills. For example, the Energy and Water Ombudsman of South Australia (EWOSA) advised EWOV that in the period of September 2023 (the period the Guideline came into effect) to June 2024 there were 1,346 instances where consumers who contacted EWOSA reported that they had heard about EWOSA through their bill or invoice. This compares to 62 consumers from the same period a year earlier.

Similarly, after the contact details of the Energy and Water Ombudsman (New South Wales) (EWON) were included on bills, EWON identified an increase in the proportion of complaints where consumers heard about EWON through their bill or invoice. For example, in June 2023, in 4.3% of EWON's total complaints relating to authorised retailers, consumers advised EWON that they had obtained EWON's information through a bill or invoice. This number increased to 18.9% in June 2024 after EWON's details were added to bills.

EWOV recommends the Commission introduce further changes to improve consumer awareness of their right to make complaints to EWOV, set out below.

### Reference to EWOV on the bill

EWOV recommends the Commission prescribe the inclusion of the full words "Energy and Water Ombudsman (Victoria)" when referring to EWOV on the front page of the bill.

Currently, in other jurisdictions, such as NSW, retailers have flexibility in how to refer to the relevant ombudsman on the front page of the bill. EWOV is aware that in practice, retailers include diverse references, such as "Ombudsman", the relevant acronym such as "EWON" and in some cases the full name "Energy and Water Ombudsman (New South Wales)".

<sup>6</sup> Behavioural Economics Team of the Australian Government, *Improving energy bills: Final Report*, 2021, p.19.



Where retailers use only the term “Ombudsman”, consumers who are not aware of a specific Ombudsman for energy and water companies may not be able to find EWOV easily. For example, searching the word “ombudsman” on Google returns the Victorian Ombudsman as well as other national ombudsman services, but no energy and water ombudsman on the first page of results. Search engine optimisation can only go so far in managing this limitation and it would be a poor and easily avoidable consumer experience if consumers were inadvertently contacting the Victorian Ombudsman to then be told that they needed to contact EWOV.

In this context, EWOV recommends the Commission require the inclusion of EWOV’s full name so that consumers searching for more information about our role and how to make a complaint can do so easily, without confusion or friction arising from a lack of awareness of who is the relevant industry ombudsman. This will also ensure that consumers can easily understand and differentiate the contact details of their retailer from EWOV’s details.

### **EWOV’s website on the bill**

EWOV recommends the Commission require retailers to also include EWOV’s website details alongside the phone number on the front page of the bill.

Internal EWOV data for the financial year to date indicates that the number of complaints received via web (either webform, web chat or email) continues to increase, comprising 49% of the total volume of complaints compared to 45% in 2024-25. In some circumstances, the proportion of complaints via web are higher. For example, EWOV has received an increase in complaints following one of our water members transitioning to a new billing system. Of these, 69% of complaints were received via web form, likely driven by its customers seeking information about the issue on the provider’s website and being directed to the EWOV’s website to escalate complaints.

Complaints received via webform may be preferable for consumers, as this allows them to lodge a complaint at a time that suits them, which may be outside of EWOV’s office hours. Webforms also allow EWOV to guide consumers about the information required to lodge the complaint as well as information about our complaint handling process.

As noted in previous submissions to this Review, providing both phone and website details can support consumer choice and preference in contact method. EWOV observes that it is standard industry practice for a retailer to provide both phone and website contact details on bills.

In addition to being an increasingly preferable method for many consumers, the use of webforms is more efficient for EWOV, particularly in high volume situations. This effectively results in lower dispute resolution costs that are paid for by scheme participants.

### **EWOV’s contact details on the bill transmittal**

EWOV recommends that the Commission require retailers to include EWOV’s contact details in the bill transmittal.

The RIS notes that in the previous round of consultation, industry expressed concerns about including EWOV’s contact details in the transmittal of the bill, noting that the bill transmittal is intended to be concise and focused on the most essential billing intervention.

However, EWOV has seen examples of bill transmittals which include a summary of most parts of the bill, which may incentivise consumers to not engage with the full attached bill. In such circumstances, consumers may not consider important information that is only required to be contained in the bill, such as EWOV’s contact details.

## Further changes to improve IDR and EWOV pathways

We note industry concern about the potential for EWOV's details on bills to divert customers to EWOV, before they have an opportunity to resolve complaints directly with their retailer. This may lead to poorer customer experiences as well as increased costs to providers.

EWOV operates on the basis that it is always best for the provider to resolve the complaint directly with the consumer. EWOV's complaint handling model encourages consumers to first raise concerns directly with their provider. When a complaint is lodged with EWOV, the first step in our process is to refer the complaint to the provider to allow the provider to resolve the complaint directly with the consumer and to help restore that relationship.

We are aware that some large, medium and small providers already include EWOV's details on bills. We have reviewed the case numbers of these retailers. On average, case numbers increased after they included EWOV's contact details on bills. We consider this is likely in part attributable to increased awareness of EWOV driven by contact details being included on bills. We note that this is consistent with the experiences of other Ombudsmen such as EWON and EWOSA.

However, this did not lead to EWOV being awash with customers contacting us without first contacting their provider.

In instances where EWOV is receiving numerous complaints about a provider where consumers have not first spoken to their provider, this would indicate to EWOV that the provider is not sufficiently promoting its own complaint service and / or that it is not sufficiently accessible to consumers. This can occur, for example, where a provider:

- a. does not have clear information available to consumers on how to make a complaint with them, and / or
- b. the provider's contact centre or complaint lines are insufficiently resourced, resulting in unpalatable wait times and consequential high abandonment rates.

We have also heard provider sentiment that at the time a complaint needs escalating to EWOV, consumers are not necessarily studying the fine print on their bill to find where to go next.

EWOV acknowledges this is an important and relevant observation and provides support for additional awareness of EWOV to be raised by providers during their complaint handling process, which we discuss below. We do not, however, consider that it obviates the need to include EWOV's details on bills to align this avenue for raising awareness with the rest of Australia.

In the next stage of this Review, EWOV recommends the Commission consider other changes to increase consumer awareness of how and when to make a complaint to EWOV, and to promote an improved and stronger internal dispute resolution framework for all retailers.

As we recommended in previous submissions, the Commission could consider expanding the dispute resolution clauses under the Code, which prescribe retailer obligations to provide the contact details for the relevant energy ombudsman on its website and information about its dispute resolution procedures<sup>7</sup>. These obligations could be revised to align with relevant internal dispute resolution obligations in other jurisdictions, such as the financial services industry and the dispute resolution framework prescribed under *ASIC Regulatory Guide 271* (RG271).<sup>8</sup> This should include that a retailer must inform consumers of their right to complain to EWOV when:

- a. the retailer informs the consumer of the outcome of their complaint, or
- b. the complaint is not resolved by the retailer within a set timeframe, such as 30 calendar days (whichever occurs first).

<sup>7</sup> *Energy Retail Code of Practice 2022* (Vic), clause 13.

<sup>8</sup> ASIC Regulatory Guide RG 271; *Competition and Consumer (Consumer Data Right) Rules 2020* (Cth), Schedule 4, Part 5, 5.1.

## 2. Automatic best offer for consumers experiencing payment difficulty

### Recommendations

EWOV supports the proposal to automatically switch consumers experiencing payment difficulty to the retailer's best offer.

To maximise the effectiveness of this change, EWOV recommends the Commission:

- Consider a lower amount for the eligibility threshold.
- Require retailers to proactively conduct best offer checks and offer to switch consumers where the consumer is in arrears and entitled to payment difficulty assistance.
- Establish a reasonable protection when the deemed best offer includes a Time of Use or dynamic tariff, the retailer must only switch consumers to those plans where it would be clearly beneficial and suitable to that consumer to do so.
- Require retailers to provide additional information to consumers about an impending switch.

EWOV supports changes to automatically switch a cohort of consumers experiencing payment difficulty onto lower cost plans. This change will likely help mitigate affordability challenges, address engagement issues, and help prevent debt increasing.

EWOV's specific feedback in relation to this proposal is as follows.

### Proposed eligibility criteria

The Commission's preferred option for eligibility criteria is that customers would be eligible for this entitlement if they are:

- receiving tailored assistance, or
- in arrears for at least three months and with arrears of \$1,000 or more.

EWOV broadly supports the Commission's preferred option. As we noted in previous submissions to this Review, EWOV commonly observes cases where consumers are in significant arrears, but have not engaged with their retailer to access payment difficulty assistance, as in Dallas' story below. In some cases, this may be due to shame or stigma associated with help seeking, or because consumers have set up their own payment arrangements, like in Fran's story on page 31. These consumers can also be less responsive to billing notifications or retailer attempts to contact them. These cases highlight the limits of relying on consumer-initiated engagement to access suitable payment difficulty assistance, and the additional layer of protection that automatic switching would provide for this cohort.

### Dallas' story – challenges with engagement lead to debt and collections activity

Dallas\* contacted EWOV about imminent disconnections for his gas and electricity accounts. Dallas told us he was experiencing financial hardship and experiencing physical and mental ill health. He had been receiving disconnection notices and was seeking for his retailer to stop sending these notices and ensure he was receiving any available supports.

As part of our review of this complaint, EWOV was advised that Dallas had a disability and a speech impairment and struggled with communication. EWOV reviewed his account and found that he had arrears of around \$3,000 on both gas and electricity. He had been making fortnightly \$30 Centrepay payments for over 4 years, which did not cover usage, so arrears had accrued. Contact notes identified that Dallas had not engaged with the retailer, despite it sending multiple payment reminders, overdue notices and collections notices.

EWOV considered whether the retailer had provided appropriate payment difficulty assistance. Dallas was eligible for the Utility Relief Grant (URG) for both accounts, but as he had not contacted his retailer about payment difficulty, the retailer had not provided assistance to access the URG. Initially, the retailer offered to set up a payment plan of \$70 per fortnight for the arrears, which was not realistic in Dallas' financial circumstances or in the context of his complex health issues. The retailer advised that the arrears could be reduced with the application of the Utility Relief Grant (URG) if Dallas engaged.

EWOV reviewed the bills and identified that he had received several estimated gas bills, which the retailer advised occurred due to a combination of price changes and delayed reads. Dallas was on his retailer's standing plan and could save up to 20% on gas and 30% on electricity, which amounted to about \$400-500 overall if he switched to his retailer's best offer. The retailer advised that with the consumer's explicit informed consent, it could switch him to this plan and backdate the bills to reduce the arrears further.

To resolve the complaint, the retailer sent URG application forms to Dallas' address, and set up a payment plan of \$30 per fortnight for each of the gas and electricity accounts, which it advised would be reviewed every 6 months. The retailer re-billed the previous 12 months of invoices at the best offer rate.

While we broadly support the eligibility criteria, EWOV anticipates some unintended consequences and adverse outcomes arising from establishing the eligibility threshold for arrears at \$1000.

The Commission has noted that consumers may be at risk of disconnection before they are eligible for the automatic switching entitlement, even if the disconnection threshold is increased to \$500 as the Commission is proposing. Further, retailers can list default information if a debt is equal to or more than \$150 and at least 60 days overdue.<sup>9</sup> EWOV is concerned that some consumers may have high arrears for longer than 3 months, albeit less than \$1,000, and may be unable or unwilling to request payment assistance. These consumers will not be eligible for the automatic best offer entitlement and will be left at risk of disconnection and/or default listing in circumstances where switching may have otherwise avoided these adverse outcomes. To prevent this risk, EWOV encourages the Commission to consider lowering the threshold to ensure implementation matches the intent of this proposed reform. The Commission could also consider additional requirements for retailers to proactively engage with consumers at risk of, or experiencing, payment difficulty at the earliest point, outlined further below.

\* Name changed for privacy purposes.

<sup>9</sup> *Privacy Act 1988* (Cth), section 6Q 'Meaning of default information'.

## Proposed implementation option

The Commission's preferred implementation option is that retailers would be required to switch customers experiencing payment difficulty who meet the eligibility criteria to the best offer. This leverages the established and well understood deemed best offer check process under the Code.

EWOV considers existing explicit informed consent (EIC) requirements are an important consumer protection. However, EWOV supports the Commission's assessment that amending the Code to allow retailers to automatically switch consumers to a different plan, in the above prescribed circumstances, without their EIC, is justified due to the significant amount of harm to customers arising from high costs, debts and disconnections.

EWOV supports the Commission's other proposed changes that aim to protect consumer choice and autonomy in the context of switching them to lower priced plans, namely to:

- Introduce notice requirements and opt-out and post switch reversal protections for consumers who are automatically switched.
- Require retailers to offer alternative payment and billing methods for all contracts.

EWOV recommends the Commission consider additional complementary actions to maximise the effectiveness of this reform and limit other issues arising from the automatic switching process, outlined below.

### Proactive engagement with consumers to switch to the best offer

EWOV commonly observes missed opportunities for retailers to provide advice about the best offer or conduct a best offer check for consumers who contact their retailer and are in arrears and entitled to payment difficulty assistance. For example, we observe cases like Cal's on page 20, where consumers contact their retailer about high bills and/or affordability concerns, or explicitly express payment difficulty to their retailer. However, the retailers' call centre staff have not discussed switching to the best offer, though it would assist with lowering energy costs.

EWOV considers this may be driven by retailers narrowly interpreting their obligations under Part 6 of the Code, and in particular, their obligations to provide practical assistance to help consumers lower their energy costs<sup>10</sup>. EWOV undertook a recent investigation into one retailer's practices around these issues and found that the retailer adopted the view that given there is no explicit requirement for the retailer to conduct a best offer check and assist the consumer to switch to the best offer, it was not required to do so under Part 6 of the Code.

This could be addressed by introducing an additional requirement under Part 6 for retailers to provide practical assistance to access the best offer as part of offering other relevant standard and tailored assistance. When a consumer contacts the retailer about circumstances where it is apparent the consumer requires assistance, the retailer would be required to:

- Complete a deemed best offer check and,
- If the customer is found not to be on the best offer, notify the customer at the time at which the deemed best offer check is completed, and
- Offer to change the customer onto the best offer plan.

EWOV notes the Commission is proposing to delete clause 128(1)(f)(i). However, EWOV considers this clause plays an important role in ensuring retailers provide practical assistance to lower energy costs. EWOV recommends the Commission instead revise this clause to explicitly require the retailer to provide practical assistance to help lower the residential customer's energy costs

<sup>10</sup> *Energy Retail Code of Practice 2022* (Vic), clause 128(1)(f).



including providing assistance to access the best offer. This would assist to capture consumers who may not yet be in arrears of over \$1000, and who have not otherwise accessed tailored assistance, but would benefit from switching. This would act as an additional layer of protection to ensure retailers proactively engage consumers about the best offer, consumers are clearly informed of options to lower their energy costs, and it reduces the risk of switching consumers to inappropriate or unsuitable offers.

As outlined at the start of our submission, a training requirement in the Code could ensure retail staff are sufficiently trained and capable in identifying and responding to consumers experiencing payment difficulty. This would ensure that retail staff could identify consumers who would benefit from assistance to switch to the best offer, as well as other payment difficulty assistance, such as Gia below.

### **Gia's story – retailer misses multiple opportunities to provide payment difficulty assistance**

Gia\* contacted EWOV about a high electricity bill. Gia told us her bills over the last 18 months totalled over \$12,000. Gia advised she requested her retailer investigate the high bills, but her retailer told her they cannot investigate high bills. Gia told us she was on a low income and experiencing financial difficulties, and she was seeking for the retailer to investigate the high bills and provide payment difficulty assistance.

EWOV reviewed the account and confirmed the amount owing was close to \$12,000. EWOV reviewed the meter data and found that Gia had been billed correctly. We considered her usage was consistent with seasonal variation. We noted that over the period in dispute, her supply charges, peak and off-peak usage charges had increased by 30, 50 and 70% respectively, which we considered contributed to the higher than expected bills.

EWOV reviewed contact notes provided by the retailer and found that it missed multiple opportunities to identify the need for and provide payment difficulty assistance. Gia had contacted the retailer 4 times in 21 months with concerns of a high bill, including one instance where the arrears were already over \$5,000. Gia had not been on the best offer since 2022, and had not been making payments on the account. EWOV assessed that factors together indicated payment difficulty issues that the retailer should have proactively raised with Gia during their phone calls.

EWOV also identified that the retailer did not follow up on any of Gia's calls about high bills or conduct a high bill investigation. We assessed that the retailer did not comply with its obligations under the Code to conduct a high bill investigation.

Based on this, the retailer offered to provide a credit on the closed account for over \$1,000, reflecting the difference between Gia's plan and the best offer, a further \$100 customer service gesture reflecting poor customer service in relation to the high bill investigation, and a payment plan on the outstanding arrears. EWOV assessed this was a fair and reasonable offer in the circumstances. Gia and the retailer agreed, and the complaint was closed.

### **Establish a reasonable protection when the deemed best offer includes a Time of Use or dynamic tariff, the retailer must only switch consumers to those plans where it would be clearly beneficial and suitable**

EWOV considers targeted protections may be needed to ensure that switching consumers to the best offer includes consideration of the most suitable tariff to the consumer's circumstances, to ensure there are no adverse outcomes.

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\* Name changed for privacy purposes.

EWOV notes that Time of Use (ToU) or dynamic tariffs may not be suitable for consumers with limited energy literacy or capacity to change their energy usage. While retailers should notify consumers about a change to a tariff structure which requires behaviour change, EWOV notes that these consumers may also be disengaged and may be less receptive to retailer communication. Where consumers are not aware of or are incapable of changing their usage, this may create unintended affordability challenges and could potentially result in higher bills or even in payment difficulty.

In these cases, retailers should only switch consumers to plans which include a ToU/dynamic tariff where they have sufficient data (ie: at least 12 months of usage history) that demonstrates it would be suitable and beneficial to the consumer to do so, and where they can demonstrate that they have made consumers reasonably aware of how the new tariff structure interacts with their usage, outlined further below. The Commission should monitor the impact of the automatic switching reform in this context and consider whether further changes are needed to improve the process to identify the deemed best offer<sup>11</sup> to ensure consumers are not switched to plans that make them worse off.

An obligation to act efficiently, honestly and fairly could also provide an extra layer of protection to ensure retailers appropriately engage with consumers to understand their circumstances and identify the best offer, and other assistance, that is suitable to the consumer.

#### Additional information to consumers about any impending switch

Consumers may be hesitant about switching if they do not fully understand the difference between their current plan and alternative offers. In our view, it is a retailer's responsibility to clearly inform consumers about the terms and conditions of the best offer, communicate changes and educate consumers about the potential benefits of switching to a lower priced offer.

While many consumers in payment difficulty may not be responsive to notices or billing information, providing additional information about the consumer's current plan and the retailer's best offer may assist with building trust and increasing the chances of future engagement with those consumers who do engage.

This can occur by clarifying that existing obligations to provide information to consumers in the Code<sup>12</sup> applies in relation to automatic switching, where retailers would be required to provide consumers with the full terms and conditions of the new plan.

Further, EWOV recommends the Commission prescribe additional information that must be included in the "notice of intention to switch", including a description of any benefits provided under the deemed best offer and, where there is a change to the tariff structure, information about the new tariff structure and relevant information about usage patterns or behaviours to ensure the consumer benefits from the new tariff structure. This information should also be provided to consumers in any direct engagement about the impending switch, including when the consumer seeks to exercise their entitlements to opt-out or reverse the switch.

While the Commission has clearly outlined the process for post-switch reversal, EWOV sees benefit in establishing a specific requirement for retailers to inform consumers of their right of reversal in post switch correspondence, such as with the new terms and conditions or in the first bill, along with information about the post-switch reversal process.

<sup>11</sup> *Energy Retail Code of Practice 2022* (Vic), Clause 108 (2)(a)(i)

<sup>12</sup> *Energy Retail Code of Practice 2022* (Vic), clauses 45 – 47.

### 3. Improving access to cheaper offers

#### Recommendations

EWOV supports the proposal to require retailers to offer alternative payment methods and billing methods for all contracts, and limiting all plan fees and discounts related to payment conditions to reasonable costs.

In previous submissions to this Review, EWOV noted two key barriers to consumers switching to the best offer: practical barriers to switching and low consumer awareness of the best offer entitlement.

EWOV welcomes the proposed reforms to improve access to cheaper offers and improving the ability to switch to the best offer discussed below, which we consider will likely address some of the practical barriers to switching that consumers experience.

In complaints where the primary issue relates to accessing the best offer, EWOV observes consumers do face barriers to accessing the best offer due to conditions such as direct debit or paperless billing. EWOV observes consumers in payment difficulty often prefer other payment methods where they can manage their own costs. Given this, EWOV supports the proposal to require retailers to ensure plans are not restricted based on payment method or communication method.

EWOV has limited case insights involving consumer dissatisfaction about other conditional discounts or fees, but notes research highlighting consumer preferences for options that do not impose additional financial costs for using certain methods.<sup>13</sup> In this context, EWOV also broadly supports the proposed change to limit all plan fees and discounts to reasonable costs.

Further changes needed to improve consumer awareness of the best offer are discussed in the next section.

<sup>13</sup> Australian Communications Consumer Action Network, '[Direct Debit in Telecommunications](#)', April 2023.

## 4. Improving the ability to switch to the best offer

### Recommendations

EWOV supports introducing new requirements for retailers to reduce the practical barriers to switching to the best offer.

To maximise the effectiveness of this change, EWOV recommends the Commission:

- Establish detailed guidance to outline its expectations about how retailers could comply with this rule.
- Introduce a new requirement for retailers to provide additional information on bills, where the best offer is a newer plan with the same name as the consumers current plan.
- Consider changes to improve consumer awareness of the best offer in future stages of the Review.

The Commission proposes that by making switching quicker and easier, more customers would be able and willing to switch to cheaper plans and save money. Our case insights indicate that consumers can face challenges when attempting to switch, such as not being able to reach their provider or not being able to find sufficient information about the best offer and the switching process, leaving them to perceive switching as risky, time-consuming or complicated.

To reduce these practical barriers to switching, the Commission has proposed to introduce an outcomes-based requirement for retailers to have an effective, simple and accessible process for customers to switch to the best offer. As we noted in our previous submission, EWOV supports an outcomes-based approach, as it would provide greater flexibility for retailers to develop effective mechanism to switch consumers suitable to their own systems and offerings, and allows retailers to innovate and improve on their processes or mechanisms as technology and markets evolve.

EWOV also supports the introduction of minimum requirements to support an outcomes-based rule, which we consider will help set clear expectations of what an effective, simple and accessible process for switching might comprise of.

EWOV broadly supports the minimum requirements the Commission has initially proposed, which address some of the key barriers consumers currently face. In particular, we welcome the introduction of a requirement to have a process accessible by both website and phone, which will reduce digital access barriers.

EWOV recommends the Commission established detailed guidance to further outline its expectations about how retailers could comply with this rule.

### Proposed process for consumers to compare plans

One of the proposed requirements is for retailers to *'provide a simple and accessible process for a customer to compare their current plan to other plans available, including the best offer'*. In complaints related to the best offer, EWOV observes consumer confusion where new energy plans are named the same as older energy plans with higher rates, including some circumstances where the deemed best offer notice on their bill advises of a better offer available which has the same name as the plan the consumer is currently on. This evidence was confirmed in the Australian Competition and Consumer Commission's (ACCC) recent Inquiry into the National Electricity Market, which found 24% of customers receiving 'Better Offer' and 'Best Offer' messages were quoted better offers with the same name as their current offer.

EWOV recommends the Commission consider how to address this issue to ensure consumer trust and confidence in the retailer's comparison process and the best offer entitlement in general. For

example, in a recent decision<sup>14</sup>, the Australian Energy Regulator has required retailers that re-use plan names to provide additional information on bills. This change aims to address consumer confusion that results from retailers creating newer versions of existing plans with the same name.

## Further changes to improve consumer awareness of the best offer

### Recommendations

EWOV recommends the Commission consider further changes that would require retailers to:

- Proactively conduct best offer checks and offer to switch consumers where the consumer is in arrears and requires payment difficulty assistance.
- Communicate deemed best offers beyond current bill messaging requirements.

The Commission notes that the proposed changes to improve the ability to switch aims to make switching quicker and easier, so that more consumers are able and willing to switch to cheaper plans.

While EWOV supports this targeted reform, as we noted in previous submissions to this Review, we observe a broader lack of awareness and understanding of the best offer amongst consumers that also prevents consumers from switching. We recommend the Commission consider further changes to improve consumer awareness of the best offer.

The suite of changes the Commission has proposed in the RIS provide a critical layer of protection for consumers who cannot or do not engage with their retailer. However, EWOV considers there are missed opportunities for retailers to provide advice about the best offer or conduct a best offer check for consumers who do engage at the earliest point a consumer contacts their retailer about payment difficulty. For example, we observe cases where consumers contact their retailer about high bills and/or affordability concerns, or explicitly express payment difficulty to their retailer. However, the retailer's call centre staff have not discussed switching to the best offer, though it would assist with energy affordability. As we noted on page 12 of this submission, EWOV recommends the Commission consider further changes that would drive more proactive engagement and practical assistance to lower energy costs for consumers.

EWOV considers consumer awareness of the best offer could also be improved by changes that require retailers to communicate deemed best offers beyond the current bill messaging requirements. The following sets out actions that may achieve this.

### Include the best offer notice in the transmittal in addition to the bill

This may be useful for those who do not read their bill (attached to an email) due to automatic payment arrangements. This may also help those who struggle to understand their bill in its current form, given the volume of information and branding on bills. The Commission may need to consider further limitations on what information is included in emails to avoid overcomplicating email body text in future stages of the Review.

### Improve the salience of the best offer notice on the bill/transmittal

This might be achieved by ensuring best offer notification is not perceived by consumers as marketing.<sup>15</sup> Best offers are often included in a retailers' own branding colours and style. The Commission could consider introducing a requirement to improve prominence of the best offer in colours and formatting that ensures the message is more prominent - e.g. bright red background where consumers are not on best offer and green where they are, as identified in the AER's Better

<sup>14</sup> Australian Energy Regulator, 'Decision under section 37 of the Better Bills Guideline', 23 May 2025.

<sup>15</sup> AER, [Better Bills research Final report from the Behavioural Insights Team](#), 2022, p 45.



Bills research.<sup>16</sup> This could be achieved through development of specific ESC/Victorian Government branding messaging on the best offer notification e.g. “This Best Offer notification is required by Victorian Government / Essential Services Commission” or a covering letter notification to the bill without retailer branding.

This reframing may help to “de-risk” the best offer – where trust in retailers may be low, leveraging Commission/Victorian Government branding may help to provide confidence to consumers.

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<sup>16</sup>Ibid p 43.

## 5. Protections for consumers paying higher prices

### Recommendations

EWOV supports the Commission introducing changes that will ensure consumers on older contracts are paying reasonable prices.

To maximise the effectiveness of this change, EWOV recommends the Commission:

- Clarify requirements for the crediting option.
- Clarify that retailers would be required to comply with minimum standards for price or benefit change notices.
- Establish a specific requirement for retailers to inform consumers of their right of reversal in the first bill and information about the post-switch reversal process.

EWOV welcomes proposed new requirements for retailers to lower prices for customers on older contracts. The Commission notes that currently, while retailers could reduce their customers' tariffs at any time, without an obligation to do so, many do not. EWOV observes cases like Cal's story below, where the consumer contacts their retailer noting circumstances that indicate payment difficulty, but the retailer fails to consider price as a factor in driving affordability issues.

Cal's and similar cases we observe, highlight the need for more targeted actions to lower prices for consumers on older contracts paying high prices, but who may not be receiving payment difficulty assistance. As discussed in the previous section, changes to ensure retailers proactively conduct best offer checks when engaging with consumers will assist with this, while the proposed change for consumers on older contracts would ensure price is considered in retailer engagement with consumers about high bills or payment difficulty.

The proposed change will obligate retailers to consider a "reasonable price", identify customers on old plans paying higher than a reasonable price, and then take actions to actively reduce the affected customer's price. EWOV broadly supports the introduction of a targeted rule to address specific consumer harms, with feedback on the proposal set out below.

### Cal's story – retailer fails to consider price in a high bill complaint

Cal\* contacted EWOV about high gas bills and an imminent disconnection notice. Cal had contacted his retailer to query the high bill, who advised him to engage a plumber to check for gas leaks. Cal confirmed he had engaged a plumber who verified there were no leaks. Cal contacted his retailer again to advise of this, who agreed to place the account on hold while it investigated the bill with the distributor. Cal advised us that shortly after this, he began to receive overdue reminder notices. Following our referral, the retailer also advised Cal to discuss concessions with Centrelink, which Cal advised was not relevant as he did not have a valid concession. Cal was seeking for the retailer to cancel any disconnection orders, place the gas account on hold and investigate the reasons for the high bills.

EWOV reviewed the account and confirmed that the consumer was disputing two bi-monthly bills totalling around \$2,700. The retailer told us that after Cal had contacted it to verify there were no leaks, it conducted a meter test and advised that it found the meter to be working as expected. All bills had been issued based on reads provided by the distributor and there were no errors with the billing, although it did note an increase in actual usage. EWOV reviewed the bills and confirmed the consumer had been billed correctly, and the higher usage reflected seasonal heating loads. Based on this review, EWOV assessed that the data reflected typical seasonal usage and it was unnecessary to engage a plumber to assess this.

EWOV considered other reasons for the high bill. We found Cal had set up his account with the retailer in 2017, which included a high pay-on-time discount, and had been on this same offer since then. Until the billing dispute, Cal had paid his bills on time and there was no indication of the need for payment difficulty assistance. The potential savings highlighted in the best offer notice increased multiple times, with the most recent notice indicating potential savings of more than \$2,000 per year. The retailer acknowledged that it had issued price increase notices, that included information about the best offer, however as the consumer was on an older offer, prices had increased and this may have led to the bill shock Cal experienced.

EWOV considered whether the retailer should have advised Cal about the benefits of switching to the best offer when he had contacted the retailer to discuss the high bill. The retailer advised us that it considered it had complied with its obligations under the Code as Cal had contacted it to query the high bill, not the plan, which is its standard approach to high bill queries. EWOV considered a more appropriate approach to address the root cause of the complaint would have been to do a best offer check in the first instance.

EWOV found that the collections notices had been sent in error as the account was not placed on hold while the high bill was investigated, and the retailer acknowledged this error.

Based on this, EWOV found that while the retailer had complied with its obligations to issue price increase notices and standard best offer messaging under the Code, it did not consider the retailers conduct to be fair and reasonable in the circumstances. In light of this, to resolve the complaint, the retailer offered to:

- Waive the meter investigation fee;
- Apply all missed pay-on-time discounts from the disputed period through to the investigation; and
- Apply an additional credit recognising the poor customer experience and the missed opportunity to discuss the best offer when Cal contacted it about the high bill, amounting to a total credit of \$2,200.

The consumer accepted this offer and the complaint was closed.

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\* Name changed for privacy purposes.

## Determining a ‘reasonable price’

The Commission has proposed 3 options for implementing this change, where the difference between each is the definition of ‘reasonable price’. These options all mandate retailers to ensure all customers on older contracts pay a ‘reasonable price’, with the following options to determine reasonable price:

1. without defining what a ‘reasonable price’ is (D.1)
2. including a flexible definition of ‘reasonable price’ (D.2)
3. including a prescriptive definition of ‘reasonable price’ (D.3).

The Commission’s preferred option (D.2) involves retailers determining whether a customer is on a ‘reasonable price’ considering several prescribed factors issued by the Commission.

The Commission notes that this option aims to balance flexibility with clarity for retailers. In particular, it would allow retailers to consider the value of any additional benefits to the customer, which EWOV acknowledges can be a key factor for some consumers when choosing to remain on older offers rather than switching to new, lower price offers.

For electricity consumers, the Commission is proposing to leverage the Victorian Default Offer (VDO) as a baseline for reasonable price. EWOV sees benefit in this approach, as the VDO already plays a critical role in regulating standing offer prices for electricity in Victoria and ensuring that consumers who are unable to engage with the market are not disadvantaged in the prices they pay for electricity. The VDO is a well-established and broadly familiar reference point, particularly for consumers who can use the VDO to self-assess whether they are paying a reasonable price. For example, in a recent high bill complaint, a consumer reported to EWOV that they believed the retailer was “[charging them] more than double the VDO prices set by the government which is not right”.

However, a flexible definition of ‘reasonable price’ would also allow retailers to have regard to other price benchmarks, which may lead to better outcomes for consumers, particularly where retailers’ median prices or the prices of the lowest cost generally available plan are lower than the VDO.

The Commission is seeking feedback on a suitable benchmark to determine a reasonable price for gas, given there is no reference price for gas. In the absence of a reference price for gas, EWOV considers that a flexible definition of reasonable price, where the retailer must have regard to a range of prescribed factors, will provide a benchmark for each individual retailer. However, this is limited as gas retailers would be complying with their obligation, but there may not be consistent or equitable outcomes for gas consumers across the market.

EWOV notes consumer advocates have previously recommended the introduction of a VDO for gas<sup>17</sup>. While this may be outside the scope of this reform, EWOV encourages the Commission to consider establishing an equivalent reference price for gas that would maximise the effectiveness of this reform.

In this context, EWOV supports the Commission’s preferred option to introduce a flexible definition of ‘reasonable price’.

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<sup>17</sup> See for example Victorian Council of Social Service, “[Victorian Election Platform 2022](#)”, August 2022, p 41 and Brotherhood of St Laurence, “[Submission to the ESC ‘Ensuring energy contracts are clear and fair’ issues paper](#)”, 1 July 2019, p 3.

## Assessing compliance with this obligation

The Commission notes that its ability to assess whether retailers have complied with their obligation to ensure consumers on older contracts are paying a reasonable price will be more complex with a flexible definition of reasonable price. EWOV notes that any complexities with assessing compliance would also extend to EWOV.

For example, high bills are continuously the top issue driving EWOV's caseload. A key consideration in high bill investigations is whether the consumer has been billed correctly in line with agreed rates. Following implementation of this reform, this would include having regard to whether a consumer is entitled to this 'reasonable price' protection and whether it has been correctly applied. In this context, EWOV welcomes the Commission's proposed record-keeping requirements which will provide EWOV with necessary information about whether retailers have complied with the requirement and whether the reform is meeting the desired outcome.

## Options to lower prices for affected consumers

The Commission has proposed that for consumers who are paying higher than the reasonable price, retailers have flexibility in how they could comply with their new obligation by lowering the customer's tariff, switching the customer to a cheaper plan or providing a financial benefit such as a credit or discount to the customer. However, the draft amendments only set out minimum requirements in relation to lowering the tariff or switching the consumer to a different plan.

EWOV supports retailers lowering prices for consumers on older contracts by either switching plans or reducing tariffs. EWOV considers the financial benefit option the least desirable option to lower consumer prices due to the temporary nature and likely lower overall financial benefit of this option. Despite this, if the Commission considers a financial benefit an option to achieve compliance with this requirement, EWOV recommends the Commission clarifies this under the proposed amendments and clause 121B(3).

Where retailers choose the option of lowering the tariff, EWOV recommends the Commission clarify its expectation that retailers must comply with minimum standards for price or benefit change notices.<sup>18</sup>

EWOV supports the introduction of targeted protections for when retailers choose the option of switching the consumer to a new plan, including notice requirements, opt-out and reversal entitlements. Similar to the automatic switching reform, while the Commission has clearly outlined the process for post-switch reversal, EWOV sees benefit in establishing a specific requirement for retailers to inform consumers of their right of reversal in the first bill and information about post-switch reversal process.

EWOV also anticipates some challenges that may arise with any of the proposed options, such as increasing the likelihood of billing errors made by providers and potential consumer confusion. In our view, retailers are responsible for informing relevant consumers of any actions it has taken to lower prices and impacts on their bill. This notice may also provide a prompt for consumer engagement with the retailer about other assistance available and suitable to their circumstances.

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<sup>18</sup> *Energy Retail Code of Practice 2022* (Vic), Clause 106.



## 6. Improving the application of concessions on bills

### Recommendations

EWOV supports introducing a new rule to ensure more consumers are receiving concessions they are entitled to.

EWOV recommends the Commission expand the proposed requirement to include:

*‘When a retailer becomes aware that a residential customer holds or is eligible for a concession, it must take reasonable steps to ensure the concession is appropriately applied to their account’*

EWOV recommends the Commission broaden the minimum requirement for a retailer to request concessions eligibility information from a customer when they contact the retailer about a high bill, affordability issues and/or payment difficulty assistance.

EWOV welcomes changes to increase consumer awareness about their entitlements and reduce the practical and system-related barriers to applying concessions. We agree with the Commission that the most effective solution to address these and other concession application issues will be addressed by changes to allow for automation and portability of concession eligibility, which are currently being progressed by state and territory governments and Services Australia. Nonetheless, introducing targeted changes to address current challenges is a necessary step.

Complaints related to concession issues are consistently a top energy issue in EWOV’s caseload. From 1 July 2024 – 31 May 2025, EWOV received 356 cases where the primary issue related to concessions, the sixth highest complaint issue for energy during this period.

In relation to one retailer, EWOV recently identified multiple instances where consumers reported that the retailer had either failed to apply a concession or there was a problem with the application of the concession. EWOV’s investigation into this provider’s approaches to concessions found that issues driven by systems, processes and agents caused concession issues close to 900 Victorian consumers since 2020, leading to adverse effects such as overcharging.

EWOV agrees with the Commission that low consumer awareness is one driver of the gap between consumers eligible for and receiving concessions, and that requiring retailers to proactively request concession eligibility information will assist with this issue.

However, based on the investigation outlined above and our broader case insights, EWOV considers that a more significant driver of this is problems with how retailers have applied concessions to consumers accounts. For example:

- Problems with system logic that incorrectly assesses a consumer’s eligibility.
- Systems or retail staff incorrectly recording consumers’ names or postcode information that causes data validation failures with the Department of Families Fairness and Housing (DFFH).
- Concessions not being applied to an account when their concession expires.

### Adviti's story – challenges with applying a concession

Adviti\* contacted EWOV about a concession issue on a gas account. Adviti told us she moved into a new property in August 2023 and set up an account with her chosen retailer. Adviti told us she provided her concession details to the retailer, with a start date of October 2023. However, Adviti had to contact the retailer multiple times up to July 2024, as the concession was not applied to the bills, despite her also providing the retailer with a subsequent photo of the concession card. When she contacted us, the retailer had not confirmed it would backdate the missing concession. Following our referral the retailer advised it would backdate the missing concessions but only to July 2024.

As part of our conciliation of the complaint, the retailer agreed to apply the missing winter gas concessions to 3 monthly bills and offered a customer service credit of \$200 and re-issued the bills to reflect this. The consumer was satisfied with these actions and the complaint was closed.

EWOV considers these issues are likely driven by a potential regulatory gap in that the Code does not directly state that a retailer must apply a concession to a consumer's account when they are eligible.

To address this, EWOV broadly supports an approach that establishes both a principles-based rule and minimum requirements. Principles based rules can provide retailers with greater flexibility to develop effective approaches to achieve fair outcomes that meet an intended objective, while minimum requirements help set and clarify the Commission's expectations.

Further, EWOV recommends the Commission revise the proposed new rule to address issues related to the application of concessions where retailers are aware that a consumer is entitled to a concession. For example, EWOV recommends the proposed clause 16A could be expanded to include:

*'When a retailer becomes aware that a residential customer holds or is eligible for a concession, it must take reasonable steps to ensure the concession is appropriately applied to their account'*

EWOV supports the introduction of minimum requirements, which set out the Commission's expectations about key points when retailers must seek concession eligibility information from consumers. We consider these broadly cover key points of engagement where a proactive discussion about energy concessions would be beneficial, and to address issues arising where concession eligibility expires.

The Commission has proposed that one of these minimum requirements will require the retailer to request concessions eligibility from a customer when a customer contacts the retailer requesting payment difficulty assistance. As we have noted in previous submissions, EWOV observes that not all consumers will have sufficient knowledge of their entitlements to payment difficulty assistance or be willing to explicitly request it even when they contact their retailer about affordability issues. Retailers can miss these opportunities to advise these consumers about entitlements suitable to their circumstances. EWOV suggests that this could be addressed by revising the proposed 16A(1)(c) as follows:

*'When a residential customer initially contacts the retailer about high bill and/or affordability issues or requesting standard or tailored assistance under Part 6'*

This would build on existing retailer obligations under the Code that require retailers to provide specific advice to consumers in payment difficulty about available rebates and concessions and to provide concession information on bills.

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\* Name changed for privacy purposes.

In future stages of this review, EWOV recommends the Commission consider how both an overarching duty to act efficiently, honestly and fairly and a new rule that requires retail staff to be sufficiently trained and capable in identifying vulnerability could strengthen the application of this proposed rule. This would ensure that where retailers can apply discretion about when it is relevant to request information about concession eligibility, discretion is applied appropriately and consistently with a common understanding of intent and purpose.

## 7. Extending protections for consumers on legacy contracts

### Recommendations

EWOV supports introducing the Commission's preferred option, to extend protections to all contracts, including those entered before 1 July 2020.

EWOV supports the proposal to extend key protections introduced under the 2020 'clear and fair' reforms to all contracts. In particular, we welcome the proposal to require retailers to apply conditional discounts unconditionally where they exceed reasonable costs incurred by the retailer where consumers fail to meet a discount condition.

EWOV observes that high pay-on-time discounts (POTD) are a key risk of high costs and payment difficulty when consumers do not meet their discount conditions, as in Lewis' story below.

### Lewis' story - missed opportunities to provide assistance before disconnection

Lewis\* contacted EWOV about an actual disconnection for gas. He told us his account had a high pay-on-time discount (POTD) and due to financial difficulties, he could not make the payments on time, leading to high costs. He told us that he had called and emailed the retailer multiple times to arrange the gas reconnection but the gas had not been reconnected. He was seeking our assistance to have the gas reconnected and change to a cheaper plan.

Following our referral to the retailer, Lewis contacted us again to report that the gas had still not been reconnected, and we proceeded to investigation. As part of this, we reviewed contact notes, invoices, account reconciliation documents as well as written and verbal statements. We confirmed that Lewis contacted the retailer on the day of the disconnection before it had occurred and raised concerns about payment difficulty. We considered this was a missed opportunity to complete a high bill investigation, and to provide tailored payment assistance, including a tariff and plan review. The retailer attempted to contact the distributor to cancel the disconnection however, the distributor's office was closed, so the retailer submitted a cancellation request. At this time, Lewis was instructed to advise any representatives from the distributor who may attend the property to complete the disconnection that they have spoken with the retailer and not to proceed. However, information provided by the distributor confirmed the disconnection occurred later that day.

We found that Lewis contacted the retailer the next day to advise the gas was disconnected, and it offered to set up a payment plan to reconnect the gas supply. Lewis did not accept this on the basis that he should have been on a cheaper plan. The contact notes indicate the consumer was distressed during this call and ended the call. Despite this, EWOV found that the retailer should have raised a reconnection request, as they had already submitted a cancellation request before the disconnection occurred. However, despite multiple further contacts and missed opportunities to provide practical assistance, the gas supply was not reconnected for another month, when the consumer raised a complaint with EWOV.

The retailer offered to proactively apply the POTD as a credit to the account, and a \$1000 credit for the delays in reconnecting the gas supply. The retailer also offered to assist Lewis to switch to a better offer with no POTD and provide any other tailored assistance as needed. EWOV found this to be a fair and reasonable offer in the circumstances and the complaint was closed.

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\* Name changed for privacy purposes.

High POTD also cause consumer confusion by masking higher underlying prices, and are a key barrier to consumers engaging with information about the best offer and switching. EWOV considers that the proposed changes to protect consumers on older contracts from high prices may also benefit consumers on legacy contracts with high POTD.



## 8. Increasing the best offer threshold

### Recommendations

EWOV broadly supports changes to improve consumer awareness of the benefits of switching to the best offer.

EWOV has limited case insights that demonstrate how the value of potential savings impact whether a customer would switch.

As noted previously, EWOV's broader case insights highlight low consumer awareness of the best offer entitlement and the benefits of switching, as well as specific factors that drive consumer confusion such as similar/the same plan names and perception that the deemed best offer notice is marketing.

In this context, EWOV supports changes that would improve the salience of the best offer message, limit consumer confusion and emphasise the benefits of switching. EWOV recommends the Commission consider future changes to improve consumer awareness of the best offer entitlements and the benefits of switching, as discussed in sections 2 and 4 of this submission.

## 9. Increasing the debt-disconnection threshold

### Recommendations

EWOV broadly supports an increase to the debt-disconnection threshold, indexing the chosen amount to account for future cost increases.

To address the issue where consumers may be at risk of disconnection before they are switched to the retailers' best offer, EWOV recommends the Commission include a clear and unambiguous statement in the Code that sets out the Commission's expectations that retailers should not attempt to disconnect consumers in payment difficulty who are not on the retailers' best offer.

In future stages of the review, EWOV recommends the Commission introduce further changes to ensure disconnections are used only as a measure of last resort.

EWOV supports an increase to the debt-disconnection threshold to provide an extra layer of protection for consumers who are in arrears but not receiving payment difficulty assistance from their retailer and ensure disconnection only occurs as a measure of last resort.

The current \$300 threshold does not reflect contemporary market conditions. As the Commission notes, a quarterly gas bill in Victoria is commonly over \$300 and higher, particularly during winter when usage includes higher heating loads. EWOV supports protections that ensure consumers are not at risk of disconnection after missing a single bill payment.

The Commission has proposed to increase the debt-disconnection threshold from \$300 to \$500. The Commission notes this change would not impose a significant burden as industry practice data illustrates that the vast majority of disconnections were for customers in arrears of over \$1,000, and the average level of debt when at the point of disconnection was approximately \$2,500.

This practice is broadly reflected in our caseload. The average debt on entry to EWOV investigation where the primary issue was an imminent disconnection was \$2,770 and \$5,992 for actual disconnections.

While EWOV sees benefit in an approach that reduces implementation burden, EWOV is concerned that this change alone may not drive better outcomes for consumers and further changes are needed to ensure disconnections are a measure of last resort.

## **Further changes to ensure disconnections are a measure of last resort**

EWOV recommends the Commission consider further changes to complement an increase to the debt-disconnection threshold.

In particular, EWOV welcomes changes to prevent disconnections where the consumer does not have payment difficulty assistance arrangements in place, but they are making genuine efforts to pay.

When comparing the past two financial years, EWOV has received a relatively steady volume of actual disconnection cases and an increasing volume of imminent disconnection cases. In many of these cases, the consumer is at risk of, or actually disconnected for, significant arrears and without any payment difficulty arrangements in place, despite being eligible. Some of these cases involve the consumer making payments via Centrepay that does not constitute a formal payment plan and leads to the consumer accruing debt, as in Sheryl's story below.

### **Sheryl's story – disconnected despite making Centrepay payments**

Sheryl\* contacted us after receiving a gas disconnection notice. Sheryl told us she had been receiving collections letters and texts from her gas retailer despite being on a payment plan of \$70 per fortnight for electricity and \$40 per fortnight for gas, which she paid via Centrepay. Sheryl told us she had contacted her retailer about the collection notices on multiple occasions and received reference numbers for each contact, but she continued to receive correspondence requesting immediate payment. Following our referral to the gas retailer, she continued to receive collections notices, so she requested the case be investigated. She was seeking for the gas retailer to cease sending correspondence requesting payment, ensure the supply would not be disconnected and that the payments were set up correctly.

As part of our conciliation of the complaint, the retailer told us it explained to Sheryl that although it was receiving the payments via Centrepay, there was no payment plan in place for the overdue balance. In these circumstances, the retailer's system would continue to send collections notices to customers with overdue balances. We reviewed the contact notes and found that when Sheryl initially contacted the retailer to cease the collections notices, the retailer arranged for a call with the hardship team who set up a six-month payment plan of \$40 per fortnight for the gas account, and \$70 per fortnight for the electricity account, which would cease all automated SMS notices. However, Sheryl continued to receive collections notices. Each time Sheryl contacted the retailer, the retailer advised she was receiving these as there was no formal payment plan in place. The contact notes also indicated that it requested their pricing team contact Sheryl to discuss a better offer, but this did not occur.

To resolve the complaint, the retailer confirmed payment plans were set up for the gas and electricity accounts and that this would cease collections notices. The retailer also offered a \$50 customer service gesture for each of the accounts. Sheryl was satisfied with this offer and the complaint was resolved.

EWOV also observes cases, where retailers use disconnection notices as a means of prompting engagement. Such actions can cause unnecessary stress for consumers and may risk consumer trust in their retailer for further engagement.

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\* Name changed for privacy purposes.

On circumstances such as these, the Commission's Payment Difficulty Framework Guideline states:

*"The Commission is aware of situations where energy retailers have told customers they would be disconnected or have issued disconnection warning notices to require customers to make payments towards their arrears. This type of action can cause undue stress on customers and the Commission considers the threat of disconnection is not appropriate to be used to pressure customers into paying more than they may be able to afford."*

In future stages of this Review, the Commission could consider introducing the following complementary actions to maximise the effectiveness of increasing the debt-disconnection threshold and ensure disconnections only occur as a measure of last resort:

- Clarify retailer obligations in relation to using disconnection notices as a method of engagement, particular in circumstances where consumers are making genuine efforts to pay.
- Introduce additional requirements to ensure retailers more thoroughly consider disconnection as a measure of last resort. For example, the Australian Energy Council's "Guidance for retailers seeking to implement best practice customer support"<sup>19</sup> suggests that at the point before disconnection, the Commission could consider introducing an additional obligation for retailers to undertake an audit of the customer's history, their previous usage, actions and contact to determine where the relationship has broken down and what opportunities may exist for a reset.

## Interaction between disconnection and automatic best offer thresholds

The Commission has noted that there is an unlikely risk that consumers in arrears of over \$300 (or the proposed \$500) but less than \$1,000 may be disconnected before they are automatically switched to a lower priced plan, as in Fran's story below.

EWOV considers this could be addressed by:

- Increasing the disconnection threshold to a higher amount.
- Lowering the automatic switching eligibility threshold to a lower amount, combined with additional requirements for retailers to proactively engage with consumers about the best offer as discussed on page 12.
- Including a clear and unambiguous statement in the Code that sets out the Commission's expectations that retailers should not attempt to disconnect consumers in payment difficulty who are not on the retailers' best offer. This could be supplemented by introducing an overarching obligation to act efficiently, honestly and fairly in future stages of the Review.

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<sup>19</sup> Australian Energy Council, [Guidance for retailers seeking to implement best practice customer support](#), June 2021.

### Fran's story – disconnected despite not being on the best offer

Fran\* contacted EWOV about collections notices for a gas account. Fran told us she had been making \$60 payments every fortnight for a couple of years via Centrepay. Fran received an email from her retailer with an overdue notice for \$1,800 payable immediately, followed by regular overdue notices until she eventually received correspondence from a third-party debt collection agency. Fran confirmed via her MyGov account that the fortnightly payments were still occurring. Fran wanted her retailer to accept her regular payments, to remove the debt and provide hardship assistance.

EWOV considered whether the retailer billed Fran correctly. EWOV reviewed the account and confirmed that Fran was making regular payments, but they did not cover usage so the debt had accrued, remaining at around \$1,800 despite continued \$60 fortnightly payments during the investigation. The retailer advised that Fran was on their standing gas plan, which they acknowledged was the likely driver of high bills, with the most recent best offer notice indicating Fran could save up to \$230 on the best offer.

EWOV also considered whether the retailer offered appropriate financial hardship assistance. Fran told us she was a single mum, including one child with a disability, lived in social housing and relied on income support payments. EWOV reviewed contact notes from the past 12 months and noted that the only engagement was the retailer issuing overdue and collections notices. Prior to this, the retailer had assisted Fran to apply for the URG, but the application was cancelled so Fran was still eligible for the full URG amount. Although Fran was making regular payments, there was no engagement or active payment arrangements in place, which led to the overdue notices and collections activity. The retailer confirmed there was a valid concession on the account, although the account review identified that concessions had not been applied to two bills in the past 12 months.

The retailer confirmed that it would cease collections activity, and that Fran had not been default listed. The retailer's hardship team would contact Fran to set up payment assistance and help Fran to switch to the best offer and offered a \$200 customer service gesture. Fran accepted this offer and the complaint was closed.

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\* Name changed for privacy purposes.