

Essential Services Commission

Report: Consumer focus group
stand-up and delivery to support
the Energy Retail Code of Practice
review

March 2025

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Executive summary

The Essential Services Commission (the commission) regulates electricity and gas retail licensees (retailers) in Victoria. The Energy Retail Code of Practice (ERCoP) is a key regulatory instrument that provides protection mechanisms aligned with the commission's *Getting to fair* strategy. The ERCoP outlines rules for energy retailers with respect to customer contracts, billing disputes, assistance for payment difficulties or family violence, energy bill content, life support equipment and disconnections. The commission is reviewing the ERCoP in light of market trends, policy advancements and stakeholder feedback. To support the review, WhereTo undertook small group discussions and in-depth interviews with energy consumers in October and November 2024 exploring four topics:

- 1 Easier switching to best offer
- 2 Automatic switching
- 3 Tailored assistance
- 4 Providing information on EWOV.

Conversations were deliberative in nature, with participants provided with background information on potential options for change, which were then discussed.

Key findings

Topic 1. Easier switching to best offer

We found low awareness of the best offer, and consumers report that current communication of this option is not effectively supporting switching behaviour. There are opportunities to better promote the best offer on bills and through use of complementary disruptive channels. However, the complexity of energy pricing and plan structures means that provision of 'like for like' comparison information is also likely required for informed consumer choice.

Topic 2. Automatic switching

Consumers want to pay lower amounts on their bills if they can. However, they are not willing to cede control over decision-making with respect to automatic switching without appropriate safeguards being put in place that mitigate their concerns around distrust of retailers and possible unintended consequences. Circumstances in which some consumers are more open to automatic switching include: putting limits on the aspects of plans that can be changed, obtaining advance permission for switching and offering an extended cooling off period.

Topic 3. Tailored assistance

The range of assistance options currently available to support people having difficulties paying bills is believed to be appropriate. However, consumers have concerns about lack of transparency, and advocate for improved communication of this support.

Topic 4. Providing information on the Energy and Water Ombudsman of Victoria (EWOV)

Consumers are interested in better information on the EWOV; however this remedial avenue needs to be in addition to prevention and early intervention information and support.

Conclusions

Cost of living and bill increases, and the high emotion associated with this, means that consumers think their bills are important. However, people acknowledge that they often won't act in their own best interests when it comes to cost-effective energy plans. A key challenge for the revised ERCoP will be to frame consumer support arrangements that recognise this and meet consumers where they are at.

Discussion of each topic is included in the report body, supported by example consumer comments. Frameworks that can help a consumer-centric approach in the commission's future work on the ERCoP review are included at the end of the report.

Background and methodology

Context

The Essential Services Commission (the commission) regulates electricity and gas retail licensees (retailers). The Energy Retail Code of Practice (ERCoP) is a key consumer protection mechanism aligned with the commission's *Getting to fair* strategy. The code outlines rules for energy retailers with respect to:

- customer contracts
- billing disputes
- assistance for residential customers facing payment difficulties or family violence
- the required content of energy bills
- life support equipment.

The commission is reviewing the ERCoP in light of a concerning number of market trends, policy advancements and stakeholder feedback, including the:

- increased cost of living pressures extending the number/range of people who have additional barriers to using essential services
- increased complexity of the energy market¹ leading to barriers to participation and heightened experiences of vulnerability
- compounding effects of vulnerability and financial hardship for populations, such as single mothers who are renting, people who have experienced significant life events affecting their financial circumstances, vulnerable consumers with retailer-associated barriers to accessing hardship assistance and First Nations communities.

The review will update the ERCoP to:

- address key actual or potential harms to Victorian consumers in a proportionate manner
- clarify or update obligations identified as unclear or inconsistent
- advance the commission's *Getting to fair* strategy by further supporting consumers experiencing vulnerability.

The review is seeking stakeholder input on:

- protections for consumers experiencing vulnerability
- supporting the choices of energy consumers
- pricing and contract protections
- code of practice updates and other changes.

Research objectives

The commission wanted to hear from a diverse range of consumer voices as part of the review. This was to help ensure that the ERCoP includes fit-for-purpose protections and supports better outcomes in the Victorian retail energy market, consistent with the commission's *Getting to fair* strategy.

¹For example, due to new energy technologies, a changing regulatory environment and an increasing volume of energy retailers.

To support this, Whereto undertook consumer discussion groups and interviews to:

- embed consumer voices into the ERCoP review process so that the long-term interests of Victorian energy consumers are adequately represented
- understand the experiences of customer groups likely to experience poorer outcomes with their energy retailer, including their insights into lived experience interacting with retailers and how their experience can be improved in the context of the ERCoP
- explore options for reform in a number of areas and help identify benefits and impacts associated with these options.

Methodology

Small group discussions comprising 6 people and five in-depth interviews were undertaken with a cross-section of Victorians in October and November 2024.

Sample frame

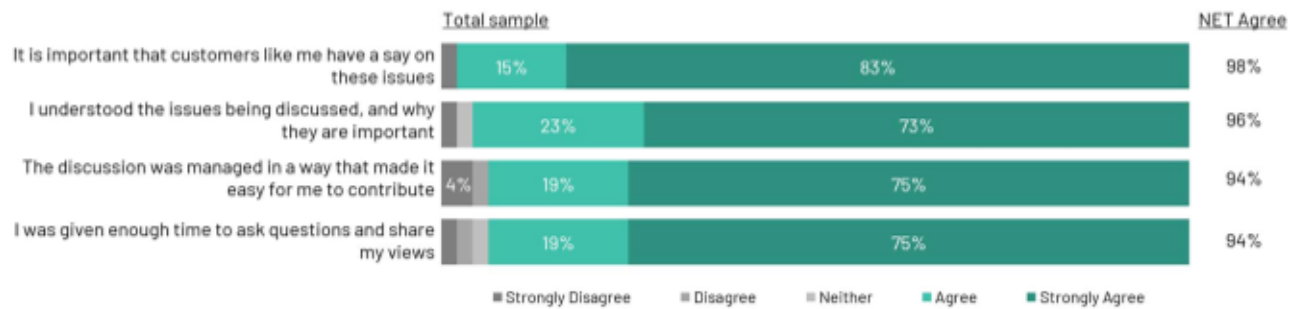
Group/interview no.	Primary sampling factor	Secondary sampling factors	Common requirements	Other sampling factors
G1	First Nations	20-39 years, female	<p>Across the sample a mix of different renter types as well as energy literacy</p> <p>At least 3 people per group to have experienced payment difficulty/financial hardship</p> <p>1 in 4 to be culturally and linguistically diverse</p> <p>Inclusion of single parents</p>	Regional – online
G2	First Nations	40-60 years, male		Metro – in-person
G3	Young people	Male, income support payments		Regional – in-person
G4	Young people	Female, in work and study		Metro – online
G5	Midlife	Male, in work and study		Regional – online
G6	Midlife	Female, on income support payments		Metro – in-person
G7	Older people	Female, on income support payments		Regional – in-person
G8	Older people	Male, in work and study		Metro – in-person
I1-5	Flexible in-depth interviews supporting people with disability, and those who would prefer to take part in interviews rather than group discussions			

Evaluation and feedback loops

Participants were invited to complete a survey to provide feedback on their engagement experience, which is discussed in this section. They could also comment on what they felt were the most important options for change and this feedback was woven into the analysis and discussion through the report.

There was very positive feedback on the opportunity to be consulted on proposed reforms. As shown in Table 1 below, n=48 participants agreed that it was important that customers like them had a say on these issues. The majority reported that they understood and recognised the importance of the issues discussed, and they also agreed that the manner of engagement supported their ability to contribute and share their views.

Table 1: Participant feedback on importance of and approach to engagement



When asked to provide written comment about what worked well in the engagement process, consumers advised that they had been well supported in understanding the issues, and given good opportunity to share and compare their views.

“The entire discussion was open ended and I felt that I remained engaged. Great that me as a consumer had a say in this journey.” Group participant

“Everyone in the group being able to add their own view on all of the subjects raised which helped us all understand what changes would help if they were added to the policy.” Group participant

Small group discussions with people from similar backgrounds was effective in putting stakeholders at ease, which was considered important given the emotive nature of the topic (discussed further below).

“It was relaxed and with like-minded people.” Group participant

Feedback from interviewees also highlighted the value of offering individual conversations.

“One-on-one meant I was able to talk without being spoken over. Sometimes it can be hard with multiple people in a group.” Interview participant

When asked if anything could have been done better, or for any other feedback, comments remained positive. The only recurring improvement theme was about the length of the discussion, with some wanting a little more time and some wanting a little less.

Participants were asked about how they would like to be kept informed of how the commission has used their feedback. An email update was considered the most effective method of communication, ideally with a link to webpage updates on progress. One participant suggested a link also be included on electronic bills. Some comments noted the need for any communication to use plain language to improve accessibility for those with language or literacy needs.

Overall, consumers valued the opportunity and approach of this engagement, and appreciated that their voice would be heard directly to inform the review.

“I think that by getting an input from the consumer to help understand what people are wanting has been a great idea.” Group participant

“You’re doing a great job and this is an amazing reform. Well done.” Group participant

Findings in detail

Explanatory themes

A number of themes help explain consumer response to the commission's proposed changes to the ERCoP, and their views on whether these represent improved protections. These include:

- salience of cost of living and reducing energy bills
- the emotive nature of this topic, and energy consumer recourse to fight, flight or freeze responses
- a range of stances amongst consumers, from passive to active.

Each is outlined in more detail below.

Cost of living and reducing energy bills are salient topics

The increased cost of living and subsequent focus on managing bills are salient topics for consumers, who have a strong interest in reducing household expenditure where this is possible. Participants reported adopting a range of strategies to reduce energy use and the amounts they are paying in energy bills. This includes:

- Reducing energy use:
 - limiting use of lighting and heating
 - switching to more energy-efficient appliances (for example, split systems rather than gas heaters)
- Aligning payment cycles with available funds, such as:
 - moving from direct debit to credit card payments to have more control over when payments are made
 - waiting until the final demand
- Reducing payments through accessing pension and health-related discounts.

"The way I structure my payments is I try and organise it such that it comes in after I get my pay in the bank. Because you got so many other bills. It pretty much stretches across the whole month. Every week you always got something." Mid-life, male, metro

"I've had warm showers since the start of spring. And, you know, turning all living to basically one light on at night, put one lamp five-watt lamp on at night just to keep electricity down and stuff like that.." Mid-life, male, regional.

"So, what I've started doing is being more conscious of what I use. When I work from home, I use the solar for the washing machine, and like anything that uses more power." Mid-life, male, metro

Given this context, it is not surprising that changes to strengthen consumer protections and supports with respect to energy retailers and plan are welcomed.

The topic is emotive

Some participants had long-term experience of financial challenges. Others had more recent experiences of difficulty paying bills. This was in the context of recent high inflation and, for some, losing work and having poor health. Conversations were typically heightened – with people variously expressing shame, fear, anger and bewilderment at the circumstances in which they found themselves. It appeared to the researchers that part of the reason for this strong response is that a core belief about Australia, as a country of opportunity where people who work hard can make a go of life, has been disrupted. Of note, and as a corollary to this emotive context, participant descriptions of how they responded to bills they couldn't pay or poor retailer behaviour can be categorised as 'fight', 'flight' or 'freeze' responses:

- **Fight...** High bills and what were seen as predatory retailers could activate people to 'fight'. However, rather than expressing anger to their retailer, it appeared more likely that people would express concerns about the legitimacy of the system in private.
- **Flight...** Rather than confront a retailer who was acting poorly, it could be easier to switch to another supplier.
- **Freeze...** When threatened, some reported feeling overwhelmed and hence could shut down rather than act.

This all suggests that even where people might find rational benefit in the proposed reforms, that their ability to make the most of this can be limited by emotional responses.

Range of consumer stances – passive to active

Participants described taking on a range of consumer stances, from passive to active. Those with a more active stance report they will typically act on consumer issues once they have been given basic information. In contrast, those who are more passive will likely require disruptive communication and supported pathways to change.

Passive...

- Don't have a strong sense of what has been paid in the past
- Have low control/visibility of payment amounts (including because of direct debit arrangements, or living in a share house)
- Display inertia when it comes to investigating change
- May have trust/communication barriers

...Active

- Alert to bill history
- Regularly review payment amounts
- 'Shop around' if they believe they can get a better deal
- High capability and capacity to investigate
- Multiple options for communication

Cost of living and bill increases, and the high emotion associated with this, mean that consumers think energy plans and bills are important. However, consumers acknowledge that they don't always act in their own best interests. A key challenge for the revised ERCoP will be to frame arrangements that recognise this and meet consumers where they are at – and, if possible, support more active stances,

One approach to addressing this challenging communication environment may be to borrow from trauma informed approaches that highlight choice, transparency and empowerment.

Topic 1. Easier switching to best offer

Why this is important

Currently, Victorian retailers are required to advertise an alternative 'best offer' to consumers if there is a more cost-effective plan available (saving at least \$22 per year). A surprisingly high number of consumers have not accessed this offer. This consultation explored consumer attitudes to switching as well as more effective communication of the best offer.

What was explored

Concepts related to the best offer were explored, including:

- knowledge of options to switch, and perceived benefits and risks of switching
- existing experiences of and appetite for switching energy plans, including barriers and enablers to switching
- valuing non-monetary benefits – in comparison to each other and cost per energy usage
- how to better promote switching options – preferred information and support, role of different channels.

The following information was provided to support participant deliberations.

Explanation of 'best offer'

- An energy retailer's 'best offer' is the cheapest plan for you based on your energy (electricity and gas) use over the last 12 months.
- At the moment, if consumers have access to a cheaper plan from their current energy retailer, retailers are required to advertise this on their bills every 3 months for electricity and every 4 months for gas.
- The message must say 'Could you save money on another plan' and 'Based on your past usage, our [name of best offer] may cost you up to \$_ less per year than your current plan'.
- The message must also include clear and simple instructions about how to switch to that best offer.
- If a customer is on the retailer's best offer OR if the customer would save less than or equal to \$22 per year on a different offer, the best offer message on the bill will say that the customer is on the retailer's best offer and direct them to Victorian Energy Compare.

Information on non-monetary benefits

- Payment via direct debit or credit card
- Renewable energy options (e.g. X% of energy from renewable energy sources)
- Billing options (e.g. paper bills)
- Bundling of services (gas & electricity, possibly internet)
- Reward points (e.g. air miles)
- Cinema tickets (or similar)
- Subscription to other benefit (e.g. Netflix).

Consumer response to this topic

Multiple barriers to switching exist

Participants reported an interest in switching to more cost-effective energy plans, including with their current retailer and through changing retailers. However, there are multiple barriers to switching including:

Emotional barriers

- Inertia
- Fear of loss
- Lack of confidence

Rational barriers

- Information asymmetry
- Logistical barriers to switching
- Lack of retailer cooperation / concern about power imbalance

Inertia

Participants acknowledged inertia as a key issue, reflecting the disconnect between the financial burden imposed by energy bills and willingness to invest in the administrative activities required to switch. Contributing to inertia was lack of a defined, practical pathway to switching and strong concerns that switching will be time consuming and difficult.

"No one has kind of the time or energy to do this stuff." Young, female, metro

"I have massive avoidance." Mid-life, female, regional

"I think a lot of people are just fed up with calling energy retailers and the expectation is it's going to be a <-show anyway, so why would I bother? So, they just kind of suck it up. People are used to not being supported. They're not being given anything and this just sucks. So, it is what it is. And I think for others it's just a case of, oh, I don't want to do it. It's too much. It's too much or I'm too busy or there's 1,000 different reasons for the older generation. Again, it's just remembering to make that phone call. And it is really, really daunting for people. I cannot overstate how getting through front of house (to credit support staff) is a nightmare. So, it can be very, very difficult." Young, female, regional

Fear of loss

Participants could be uncertain and even fearful about switching. For instance, they wondered if something might go wrong as a result, such as concessions or payment plans not carrying over, or even having their electricity disconnected. They queried the benefits of switching, and whether the time invested would be worthwhile, given the possibility that retailers might easily raise their rates in the near future.

"I think my bill is not that bad. I have this fear that if I change it, it might be worse, that it's not going to be cheaper." Mid-life, female, regional

Lack of confidence

Participants could express a lack of confidence in their own ability to navigate switching, due to the perceived complexity involved in choosing between energy retailers and plans. They recalled past experiences of feeling confused or unable to understand the difference between different offers.

"It's hard to work at understanding the tariffs, though. It's such a minefield of like tariff peaks, off peaks, service charges" Mid-life, male, metro

"My concern would be like for myself, if you're going from one plan to another and the other plan seems cheaper on the face value of it because cheaper tariffs. But again, those tariffs are at different times. What seems cheaper can end up not being cheap because of the time you are doing your washing, running the dishwasher and so on and so forth. So, it might be a cheaper tariff, but all of a sudden it's not cheaper." Young, female, regional

"I don't understand at all the renewable energy stuff - that just goes way over my head. Sure, you're 100% carbon neutral, but I don't know what that means. I'll just go. Sure. OK. I feel like I'm. Yeah, I'm sure it's been explained to me. ... Yeah, the tariffs gets me a bit like, what is that? So I just ignore it." Mid-life, female, regional

Information asymmetry

The most active consumers are already monitoring comparison sites in the interests of making sure that they have 'the best deal' possible and contacting their own and other retailers to ask for a better rate.

"I have no loyalty. I don't feel like they're trying to work with me so I don't feel compelled to stick with them." Mid-life, female, regional

"You know, you can go to these websites to compare. And what I have found and I had to self-educate and learn the hard way and I'm still not completely sure I've got it right. But <> is a retired plumber and <> is an electrician and they tell me I'm relatively accurate." Young, female, metro

However, for others, information asymmetry is limiting action:

- few consumers have any sense of how reasonable their plan is (in fact, a key point of interest in group discussions for participants was comparing each other's bills)
- retailers' presentation of information on pricing (especially if this involves multiple components and different rates at different times of the day or over time) is considered complex and difficult to interpret
- a further issue is the lack of comparability of information on plans – this presents a significant barrier to change.

"Like I said, I'm cynical. We have all this technology, we have these energy providers making you know money fist over hand over fist, yet we're not providing the tools to consumers." Mid-life, male, metro

Logistical barriers to switching

Logistical barriers to switching include consumers being time poor, having complex arrangements for payment and challenges in communicating with energy retailers. Example circumstances reported by participants included:

- juggling work and family life
- living in a share house, without clear responsibility for arranging switching
- not being able to access an online account with an energy retailer or effectively communicate via telephone.

"I look at them and I go, if I've got to contact them, that means that I'm gonna have to spend time on hold, and I'm gonna have to hit two (on the phone), and then I'm gonna have to, you know, tell them what it's about and tell, tell a

computer what it's about, and then they'll get the spelling and they'll get me wrong. And you know. Yeah, it's a pain in the < > to speak to a person." Mid-life, male, regional

"It's got to be easy. It's just too hard. People are too busy. I look back when I was with my ex-wife and kids. Two people working and life's busy. You don't have time to mess around." Mid-life, male, regional

"The main reason I haven't changed is being overwhelmed by life. It's not a priority. It's a lot of time out of your day to talk to someone for hours. I need a personal assistant." Mid-life, female, regional

"If I could get through easily, instead of being put on hold, that would make it easier." Mid-life, female, regional

"You don't even get to talk too much to a real person anymore. It takes ages to get to a real person. It's rigged that way. I just get to the point where I send an email." Young, female, metro

Lack of retailer cooperation/concern about power imbalance

Some participants had tried to query the nature of their bill or payment arrangements with retailers (for example, direct debit or payment plans) but had been blocked in their efforts. They were easily dissuaded by early barriers to investigation, in many instances without being provided with a good rationale or alternative remedy by retailers. Some had reached out to retailers with the intention of switching, only to find that they had been locked out of online accounts, or were taking part in a phone call they couldn't understand. People who had fallen behind in paying their bills and were on payment plans could assume that they would have little opportunity to negotiate with their energy retailer – they did not feel that they were entering into discussions from a position of strength.

Best offer promotion doesn't currently appear to be a prompt to switch

We found limited awareness of the option of the best offer. Where people had switched, this was typically not in response to a promoted best offer, but rather a high bill and encouragement from people in their immediate personal networks to investigate alternatives.

This suggests that lack of knowledge may be a key barrier to more comprehensive uptake of the best offer. Most participants reviewed their retailer's apps or paper bills in the group discussions, and realised that the information was, in fact, being presented on their bills, however they hadn't given the bill a close enough reading to engage with the information. (Having said this, some participants reported that their retailer was not presenting best offer information on bills.)

"Every electricity provider has to provide their clients and customers with due diligence and work in their best interest. It's like when superannuation companies have to say, hey, we're not actually performing like we said. So here they are saying, you might not be on the best offer. It's like, they're letting you know. That's good. They're ticking the box, but they are not gonna just notify you ahead or change it to actually resonate with you. It is like they are saying we are going to tell you but we're gonna do it in a very wordy way." Young, male, regional

"Why can't they just say we're going to offer you the best deal and just be upfront and transparent." Young, female, metro

Considering the best offer

Consideration of the best offer triggered a sense of frustration. Younger participants or migrants who weren't familiar with the history of privatisation of electricity in Victoria actively questioned why an essential service is charged at variable rates for what appears to be the same product.

"And I'll be blunt and I hope I don't offend you. I think it's < > on power bills because power is essential. We have to have electricity...I think the provider has a duty of care. They have an essential service. That they have to put you on to. Yeah, they shouldn't be still making huge amounts of money off you." Mid-life, male, regional

Some participants puzzled over what it means to keep the same service and pay a cheaper rate, wondering, for example, if this means they are currently being overcharged. They wondered if they would have to accept a lesser service if they took up the best offer – cutting down on usage to achieve the better rate. This query highlights the importance of providing simple, transparent and yet comprehensive benefits information when communicating about the best offer.

People's previous experiences of being switched to cheaper plans, only to then be subject to price increases leaves them feeling wary and a sense that the benefits of switching can be arbitrary. If retailers are able to change price structures at will, and there is little consumers can do about this, then the benefits may not, in fact, be realised.

"Like, tariffs tend to be always variable. There's always that notion in the in the [contract] where they can change it at any time. So, to me sometimes I just have those sort of honeymoon periods with tariffs. So yeah, I'd be more dubious." Mid-life, male, metro

"Last year we were on with <>, and they called and said we will put you on the cheaper plan. And then we went through the bills about six months later, and they had gone sky high. The rate was actually more than the previous plan. We rang them up. They go, oh, we already had reduced down to this plan it's just we've just changed the rates again. And they wouldn't do anything about it." Older, female, regional

Consistent with the high barriers to switching described above, people believed that unless the monetary benefit of a best offer was high enough to compensate for the effort involved (for instance making them at least \$100 a year better off), they would be unlikely to act.

"Time has a value. You can save X dollars a year but it takes an hour to do it, the timeframe waiting on the phone." Mid-life, female, regional

"If it's only \$50, I'd be like, oh, come on, I've already, you know, have this many points till I can go to the movies and stuff." Mid-life, female, regional

In addition, people appear to have more barriers to engaging with best offer information if:

- they have a more passive consumer stance
- there is shared responsibility for paying a bill (particularly where people are living in a share house)
- they have little control over monthly amounts (for example, where people were in arrears and on a payment plan or otherwise had a regular debit arrangement).

Making trade-offs with respect to the best offer

A number of participants had experiences of switching plans, and then losing something they valued without realising this was going to be the case. This included financial aspects (for instance, changing to a cheaper rate per kilowatt hour, but getting a higher supply rate that made their bills more expensive) and also losing non-monetary benefits (such as streaming service subscriptions).

Participants were asked to consider the monetary and non-monetary benefits of a best offer, and the trade-offs they were willing to make. There was strong agreement that all monetary components should be taken into account when calculating the best offer – this includes kilowatt hour rates as well as supply charges and solar feed-in tariffs. Some doubted this could be done effectively given their particular circumstances. One participant with complex health issues used high amounts of energy in summer for air conditioning, but didn't require comparable use levels for heating in winter, while another participant had the reverse issue. Other participants felt they had energy profiles which differed from the norm, including due to high solar feed-in capacity and demand management strategies.

"I looked into the packaging (of services). ...But they really want you to have Internet, electricity and gas. And there's no natural gas in <>. We're on bottled gas here, the whole town. So, it doesn't really apply to us. And the deal's not that good." Mid-life, male, regional

"I have solar feed-in rates. Balancing that can be really tricky. Electricity rates may be lower, but solar tariff may be lower also. Then in winter I need the cheaper rate but come summer it might be different. But once you lose the deal, you can't change back again." Mid-life, female, regional

"I've got a finance background, so I do crunch numbers and obviously as I was stating, the winter bills tend to throw out our average a fair bit. I was just trying to make what they cost average out. Yeah, it's just, you know, it's realistic, I suppose in the sense that obviously there's some anomalies there throughout certain months that blow out the average given our consumption is so low and our bills are so low. Those higher ones that double or triple throw out the average quite considerably." Mid-life, male, metro

"Are you going to trust the information they give you? You know, if they're giving you a comparison of these, and this is the details of the plan we've identified as being better for you. Are you going to trust what's on the page? Older, female, regional

Beyond monetary elements, consumers identified a set of core components that they believed should be kept consistent when switching plans. This included:

- application of concessions
- payment arrangements (for example, direct debit, timing and payment plans)
- (for some) the ability to receive paper bills
- bundling services.

There were different attitudes to other bill components, including:

- renewable energy options
- reward points (for example, air miles)
- cinema tickets (or similar)
- subscription to other benefit (for example, Netflix).

Some participants tended to diminish these latter options as merely masking higher prices. Others were very attached to these benefits, despite acknowledging that they were probably paying for them through higher tariffs. This highlights that a range of consumer views will need to be considered when communication about trade-offs.

"I feel like I wanna say it's a gimmick just to bring people in and it's probably putting people in a much worse position if they can't afford to do those things. Or you know, pay the extra in the hope that they'll be able to." Young, female, regional

"I am one of those people that likes the perks of the bill I'm on because I get, like, gold class tickets ...I'll put it this way. I wouldn't go to gold class otherwise as they're like \$50 a ticket. So therefore, for me and my partner to go it's \$100. So, \$100 a year may be the difference, but I can make those savings elsewhere. And still get to treat myself to that." Young, female, regional

Future communication of the best offer

Participants felt that providing improved information on the best offer would be an important step towards transparency. The current placement of the information on bills is not always eye-catching, uses passive language and can be easily ignored. Ideally this information will be presented next to the bill amount – if people look at bills at all, they look at this information. In addition to a bolder presentation of the information on the bill, the initial messaging can be made more compelling, for instance saying, 'switch plans and save money'.

"For most people, they get their bill. And if you just look at the price and then you move on like, the people are, we're so used to these things, we're bored of them. We're tired. We look at it, we move on. So I would have some kind of a graphic where it says save and a dollar sign something that at least jumps out and grabs the attention. Otherwise, no one's, it's just going to fade into the background, doesn't matter what. Colour would do it. So I'd have a graphic because a graphic grabs your attention. It's something that's a bit different. So I would go just stick a graphic with it." Young, female, regional

Given lack of an existing imperative to switch, there is a need to ensure an easy as possible take up pathway to investigating a best offer.

For instance, people noted that if they are receiving bills via email these come as PDF attachments. This means people can't 'click through' to take the next step. Including information in the cover email would help reduce friction. Early communication of what switching will entail (ideally no more than a 3- or 4-step process) will help overcome people's fears and doubts about how difficult and overwhelming this process might be and encourage action. Providing options to access a best offer via telephone or online will also be helpful.

Participants advised that even if these supports are put in place, they will not be enough to support switching for people without functional literacy or who have a fear of institutions, including those that aren't culturally safe. On-ground financial literacy advice delivered through accessible community touchpoints or trusted organisations would be required in this instance.

"I volunteer at a food village place and I said to a couple of people bring your bills in and I'll, you know, help you because they're not just quite savvy. So, all of a sudden, everyone was calling me the lady that works at the electricity company. And I'm like, no, no, I'm just here with an iPad to help you. I am just walking around. This takes me 5 minutes to help you guys." Mid-life, female, regional

In addition, participants called for use of more disruptive communication channels, for instance involving, a text message from a retailer or app notification. Whilst they are wary of scams, they say they are likely to pay attention to a text message from a known retailer number. Promoting the best offer via public relations activity on social media and known community organisations will help role model and normalise change and as well as building trust in the process.

"You do need notification. Emails are not as reliable. There's been so many scams and you really have to figure out if it's a scam. I prefer to get a phone call or at least an SMS notification." Mid-life, female, regional

"An App would be great. A one click thing. But not as good for the elderly. I'll believe the official App over a text message." Mid-life, female, regional

Best offer communication doesn't currently appear to be cutting through or translating into switching behaviour. Consumer suggestions around how to address this include:

- situate the best offer next to the price
- present the best offer in a distinctive font/colour so that it is easily distinguished from other bill content
- revise the mandatory text format so that this is more persuasive, such as the phrase 'Could you save money on another plan?'
- if the bill is emailed, include the best offer in the cover email as well as the PDF, or on the envelope if the bill is sent via post.

Consumer discussions highlighted that passive consumers do not always read their bills, including those who are on direct debit and plan arrangements. More disruptive communication can help alert customers to their options so they can make an informed choice about their energy plan.

Enabling comparison of like with like is essential for informed choice

Whilst disruptive communication and a defined and manageable take-up pathway will likely help optimise use of the best offer, consumers doubted they would be able to make an informed choice without an additional mechanism to support comparison of like with like.

"Rates are not commensurate. It can be a bit befuddling. It's hard to compare plans. They don't do it in layman's terms. I don't trust them." Young, female, metro

"It's not compared. It's not clear at all. If it was in a spreadsheet form, where I can compare day rate versus evening rate or off-peak rate to a peak rate versus input fee to house or whatever they call it your, your tariff to supply the premises." Mid-life, male, regional

"Once before, I did change to a cheaper tariff, but the timing was different and my bill came in 30% higher, so...." Mid-life, female, regional

Participants argued that they 'don't know what they don't know'. They want a list of what to consider, and clear comparable information on how different plans treat the same aspects. This will require standardised definitions for bill components such as pricing, concessions applied, payment arrangements and extras such as subscriptions, as well as a format that supports comparison.

The complexity of pricing arrangements means that even highly educated individuals reported that they struggled to interpret their plans and bills. Unless simple comparison information is provided, it is unlikely that increased promotion of the best offer will achieve significant increased switching. Consumers reported wanting a way to easily compare and contrast plans when being advised of the 'best offer'.

"Bills - they're not easy. And, and there's no apples to apples. And that's the problem. I mean, we need, they need to draw the line in relation to having apples with apples. And you know, easy comparisons, especially when it comes to peak service charges off peak and on sort of usage charges Like I know some companies send heaps of documentation and stuff like that. I don't want to go through all that per se. I just want a brief summary of why they think that's going to be beneficial and then you can weigh up the other bonuses. Or that price point that you are willing to change..... summarising it and not sending a whole regulatory document" Mid-life, male, metro

Potential example of best offer comparison template:

	Current plan	Best offer
Whole-of-pricing considerations e.g. including \$/KWH, supply charges and solar feed in tariffs Any sign-on discounts or exit fees associated with switching.		
Longevity e.g. whether consumers will be locked into a contract for a particular timeframe, or what the window will be before retailers can raise prices		
Concessions applied e.g. utility relief grant, pensioner or health concessions		
Payment arrangements e.g. direct debit arrangements or being able to pay via credit card		
Extras e.g. subscriptions, movie tickets, rewards points		

Ideally, additional information will provide a visual month-by-month comparison of usage and costs. A feature of electronic bills is that they don't allow people to consider information over time. Unless they are very organised, people can have little good information about their historical payment patterns, hampering decision making. Month by month information also provides some reassurance to people who are concerned that the best offer does not take fluctuations in usage into account, and who think of bill savings in monthly rather than yearly increments.

"They all give you annual figures. I want to know how much I'm gonna have to pay for a month. I pay monthly. I know when I lived in <>, I paid quarterly and it was always a big bill and it was a big hit to our family. So, you know, I pay monthly now and try and stay on top of it." Mid-life, male, regional

Topic 2. Automatic switching

Why this is important

Previous reviews (such as the 2023 *Game Changer* report by the Australian Energy Regulator) have explored the option of automatic switching as a remedy for consumer inertia. However, there are questions about the acceptability of this option for consumers. Conversations explored the circumstances under which retailers automatically switching consumers to a best offer would be supported.

What was explored

Concepts related to the best offer were explored, including:

- response to the idea of automatic switching
- whether savings or a minimum savings amount justify automatic switching
- whether people are comfortable losing non-monetary benefits when switching
- whether the different methods of switching make a difference to how people feel about switching
- whether people have a preferred safeguard option
- whether different safeguards should be in place for all customers, or only those who may have fallen behind in paying their energy bills.

The following information was provided to support participant deliberations.

Automatic switching

- Automatic switching would mean that customers who have fallen behind in paying their electricity or gas bills would be automatically switched to a better offer.
- This would mean changing from what is called 'explicit informed consent'.
 - Explicit informed consent is a consumer protection that aims to make sure that consumers can trust and have confidence in the energy market.
- Examples of when retailers have to seek explicit informed consent include:
 - entering into a new contract (e.g. switching to the best offer)
 - submitting a request for transfer of a customer (e.g. customer switching retailers)
 - some billing methods (e.g. direct debit)
 - providing information via electronic communications (e.g. electronic bills).

Methods of switching

- Method 1. Credit the difference between the current plan and the best offer: If there is a cheaper plan the customer receives the difference as a discount or credit on their bill.
- Method 2. Reduce tariffs to match the best offer: Retailers lower the tariffs of an existing customer's energy plan to align them with the best offer. Other terms and conditions of the customer's plan would remain the same.
- Method 3. Automated switching to the best offer: Retailers switch eligible customers to the best offer. The best offer is the cheapest offer based on the customer's previous 12 months of energy usage.

Method 1 and 2 are temporary only. Once customers are no longer behind in paying their electricity or gas bill, they return to paying full price (unless they choose to switch to the best offer.) Method 3 is ongoing.

Potential options to safeguard switching

- Retailer notifies the customer that automated switch has taken place and the customer can choose to reverse the switch during the existing 10-day cooling-off period.
- Retailer notifies the customer of an upcoming automated switch and the customer can choose to opt out beforehand or reverse the switch during the cooling-off period.
- Customer provides consent for retailer to automatically switch them to a deemed better offer in the future. Customers can choose to reverse the switch during the cooling-off period.

Consumer response to this topic

Chief barrier to acceptability of automatic switching is low trust

In discussions about a best offer consumers acknowledged their passivity, and sometimes voiced a wish that their retailer would simply switch them to the best possible deal. However, when the idea of automatic switching was introduced, there was a strong negative response to doing this without prior permission and post-switch safeguards. This was largely due to lack of trust in energy retailers.

Participants argued that retailers are committed to profits and the interests of shareholders, and that consumer interests are not prioritised. (This distrust is reportedly not specific to retailers but rather reflects general suspicions of large corporates by everyday Australians.)

"I would say then if you're allowing the retailer to automatically switch, he could make a misjudgment intentionally, or not intentionally, let's say if he's with the person who doesn't have the proper understanding at that time. And the retailer may have thought that that person has got everything I've said and goes out and switches them here. So, the consent should always be there." Male, Midlife, metro

"I don't find Australian retailers very trustworthy. I always feel like there's something they're up to in the background ... It's funny because the commission, I mean, I think the commission, they're trying to make it easier for people to switch over and get. But then it's like it's like too good to be true that, you know, like, where's the catch? ... I think I'd be questioning why I'm not starting off on a cheaper plan." Mid-life, female, regional

The lack of trustworthiness vested in retailers means that any perceived loss of consumer control is met with high levels of concern. This is true even of switches that involve only a reduction in price and no loss of other benefits (for example, the credit or reduced offer options). Exacerbating this sense of distrust is that changes that involve only reduction in costs appear to provoke a sense of cognitive dissonance. Consumers wondered whether an easily applied discount meant that they had been paying too little to date, or otherwise if they had been paying an unfairly high tariff. Who, they asked, is paying for this trade-off? Keeping the same level of energy usage whilst paying less could feel paradoxical, and against the logic of the market.

Consumers want assurance that automatic switching will not lead to a higher cost bill and will maintain 'core conditions' (for example, pensioner discounts, preferred communication and payment options). If other non-monetary aspects (such as subscriptions) changed, they wanted this to be clearly signalled via a comparison tool such as the best offer comparison template example provided earlier (page 17).

*"They know I am struggling, so why are they price gouging and profiting off me?"
First Nations male, metro*

"There shouldn't be a difference between companies (in price). It's just profit in their pocket." Mid-life, female, regional

"I'd be mortally < > if I went and compared the market and I wasn't on the on the lowest in the market. So, they need to make sure that they're on the ball in managing their things. The problem is, I mean the public companies, right, they're to make money. So, they're not going to want to sell me electricity at the cheapest possible rate." Mid-life, male, regional

"It's not like it's hidden, they're all public listed companies. You can go and see how much profit they made from this year to last year." Male, young, regional

Temporary credit appears to be the most palatable automatic switching option

The temporary credit is most palatable automatic switching, as it doesn't 'change' any aspect of the plan, but rather supports people to pay bills when they are struggling. This contrasts with the 'automatic switch to best offer' which can imply wholesale or permanent change.

"This means that you are forfeiting your explicit informed consent. You may lose the benefits existing with that plan, such as movie tickets, and if that's explained I think that's perfectly fine, because then that person, and I, would be happy with that. As long as it informs me about it, then I'm like, yeah, OK. Well, then on the balance of things, that's my choice. It's my choice to risk that. And then for anybody else who says, oh, OK, no, I don't want that. Then just use the other two options to reduce your tariff and just stick it on their bill. Crediting you the difference. I would do maybe the credit the difference for everybody else who's not opted into the automatic switch" Young, female, regional

"Yeah I like the idea. I think it's good. I think it would save me a lot of time and heartache, really. You know, you could save \$212 a year we've applied, you know, we've changed to the lowest pricing, you're now saving 17 bucks a month like that's, that's good. I like the idea of that. The fact that I'm actually told Yeah, 'cause, it's quite stressful and I like I've got < health issues> so these things cause me stress and stress is not good for any of that." Mid-life, male, regional

Most participants could not ascertain a difference between the credit and the tariff options – this appeared to them to be semantics, rather than a real variation.

"I don't like that because it makes, I think it misses the mark for the really vulnerable in the community" Young, female, regional

However, people wondered how the credit would work in practice (for instance, if they never quite caught up with their bills how long would they receive credits for) and were truly comfortable with this approach only if safeguards such as advance permissions were also put in place. Renaming the credit, for example to 'temporary debt relief', would better articulate the impact of the credit than 'automatic switching', and may lessen the need for safeguards.

Pre- and post-switching safeguards increase confidence

Introducing safeguards appears to make people feel more confident in automatic switching.

"So, the dignity issue comes into that with the safeguard switching and I guess that's why it's there 'cause some people don't wanna have the rug pulled out from under them, right. So, they wanna, they wanna have that control, you know, on their decisions and, and you know. Yeah, but tough, but I think it's, I think I still think that automatic switching if you're having trouble paying your bills, is a good idea. And I think and I think being able to opt into that program is a good idea." Mid-life, male, regional

Consumers reported being very interested in paying less for electricity but worried about losing control. Ensuring that choices to opt in to automatic switching are highlighted in initial communication of the plans (rather than buried in unread terms and conditions) will help ensure informed consent

Key settings that promote comfort include:

- providing advance approval for each switching option as part of signing up to a plan (noting that lack of attention to detail means that people may do this without giving informed consent)
- providing notice of intent to introduce a credit, and enough time to reverse this decision should people wish to (for instance, a full bill cycle).

Consumers also suggested that expressed an interest in the ERCoP require a longer cooling off period, to provide them with sufficient time to act, and discussed a month or full a bill cycle being appropriate. They felt that 10 days did not provide them with sufficient time to act. For instance, those who receive paper bills note that it might take at least this amount of time to receive the information that they have been switched. Others simply want more thinking time.

"My point is if you're decreasing, it should be an automatic thing but let me know. Give it to me as a consumer, tell me that. Look, this is what's on market. I've got two options. I automatically switch you, or you tell me if you don't want to switch but give me that option." Young, male, regional

Consumers can also changing their behaviour (for instance, with respect to using energy at cheaper times of the day). They can also change their energy behaviour as a result of a high bill. Given that more passive consumers do not closely monitor usage/bills, retailers may be able to adjust their systems to monitor if automatic switching is net positive with respect to cost and notify consumers about opportunities to switch back if this is not the case.

“Once before, I did change to a cheaper tariff, but the timing was different and my bill came in 30% higher, so that’s why and so that would be my only thing about explicit informed consent, because removing that is, well because then I’m screwed when the bill actually comes in higher because I didn’t understand the tariffs. And that’s most people, most people don’t understand the tariffs. It’s not just about cheaper, it’s also about when you’re using the electricity” Young, female, regional

Retailer data could help ensure consumers that switch are better off. Retailer systems could trigger notifications to consumers where this is not the case, and provide a process for consumers to switch back.

Topic 3. Tailored assistance

Why this is important

A suite of government and retailer supports are available to help consumers who are having difficulties paying their bills. This consultation explored whether this assistance could be better communicated.

What was explored

Concepts related to ‘tailored assistance’ were explored, including:

- who is information on tailored assistance most useful to
- the best mode and time to communicate information on tailored assistance
- which payment information should be prioritised (for example, options, future energy use, assistance)
- which practical assistance is preferred (payment plan, assistance to lower energy costs – tariff checks, assistance to reduce energy usage, 6-month debt hold)
- overall, how important is improving communication of this option, for instance compared to best offer changes.

The following information was provided to support participant deliberations.

Current payment difficulty framework		
Designed to help customers pay for ongoing energy use, repay their debt when they missed a bill, lower energy costs and avoid disconnect.		
Assistance	Who available to	What’s available
Standard assistance	All customers can ask	Options: Paying the same amount for a particular period, paying at different times, deferring payments, advance payments
Tailored assistance All customers who have fallen behind in paying their energy bills can ask for this help. Retailers must give information about this help to customers who owe more than \$55	Customers who <i>can</i> pay for their ongoing use	<ul style="list-style-type: none"> • Monthly payment plans of up to 2 years. • Help understanding the future energy costs and ways to lower costs • Advice on assistance available (e.g. utility relief grants, energy concessions)
	Customers who <i>cannot</i> pay for their ongoing use.	All of the above, plus: <ul style="list-style-type: none"> • Help to apply for a utility relief grant • Help to reduce energy costs • Pause of 6 months before overdue bills must start being paid, and reduced energy costs during that time

Consumer response to this topic

Current assistance settings are supported

Participants reported that they believed the range of assistance, and the people to whom this is made available, to be appropriate. What type of assistance people preferred depended on circumstance. For instance:

- if people are eligible for utility relief grants, then this option is desirable
- being able to set payment amounts and periods was seen as an important way to take back control of paying back bills when people fall behind
- the idea of deferred payments could worry people, they argued that the risk would be that they would fall further and further behind
- help to reduce energy bills was of interest if their home was not energy-efficient and if change was affordable (for example, wasn't persuading people to install expensive electric appliances) and would make a significant difference to their bills (for example, went further than changing lightbulbs).

"We did use the utility relief grant last year. I believe it was and that was a great help just to help us kind of stop being behind and almost like start paying towards absolutely you're not stuck with a very big bill when it does arrive. It's like practically paid off, but without that our utility grant would be cut off for electricity because it's just so expensive." Mid-life, female, regional

"No, it's, it's, it's a hard thing, I think. And everyone's situation is different when you come into trouble. So, you can't just say, oh, you know, you could pay \$5 extra a fortnight.... So, I think it's, it's certainly a hard one to find a one-size-fits-all kind of approach." Mid-life, female, regional

In addition to the settings outlined in the stimulus material, people were interested in other concessions for example, related to income support or health status and whether they were protected from disconnection.

"I had my NBN disconnected. I want to know if you fall behind your gas, whether anything happens or not, they'll disconnect your services." Midlife, male, regional

Current communication of assistance is poorly rated

Participants were highly critical of the lack of communication about options for assistance. There was very little awareness of:

- utility relief grants
- pension and health concessions, and supports available to people on income support
- the option of being able to vary how payments are made, payment plans and pauses in payments
- retailers being able to offer support with reducing energy usage.

Participants speculated whether retailers and governments are deliberately secretive, in order to avoid having to support people who need it. They described information on bills as typically buried beneath other information. In group discussions, some people swapped tips on the supports that they are accessing and how to apply for these. Even participants who were on long-term health-related income support and received some forms of tailored assistance were unaware of other forms of assistance.

"It was just a nightmare. And I could tell you, when the last time that I dealt with them, at no point, even when I was speaking to someone from credit, did they offer relief to help reduce my bills, or like none of those extra options. I had to specifically ask for the utility relief, right? So yeah, it was not offered to me. There was no help to reduce the cost, even though part of the reason the bill got so high was because there was that period of time where I went from the reduced rate over to the higher rate. And I hadn't realised because it had just been a simple little note on the bottom of my bill. You know, when I asked them about that, they're like, well, we did tell you. And I'm like based on one sentence at the bottom of a bill, like, come on. Like, I understand you've legally done what you need to do, but for <expletive> sake, like, excuse my language. Have some like - Oh my God people!" Young, female, regional

Current bills show high-level contacts for support information but provide no indication of what that support involves. Consumers reported that they would be more motivated to seek information if they had a better sense of the supports available to them. This might be enabled through the introduction of minimum standards on what supports are available and directions on where more detailed information about this can be found.

"I think that like once they're behind (in payments), it's that (the retailers) need to try and make contact with them by phone a couple of times and by letter ... Maybe be an automatic referral to like another service or something like that you know. Whether it be some sort of welfare service, that can check in on them, you know. I know our water people do it. They've got a dedicated team that you can speak to like that. Like if you're having issues paying your bill. And that's all they do, that is what they're there for. So maybe they've got like that and that social kind of team. That you know. Maybe it's just that thing down the bottom of your bill. Do you need help or assistance or require assistance or do you need extra time or something? Maybe do you need extra time to pay your bill? Please call us for a confidential discussion or something like that, you know, or send a text message and we'll call you back or whatever it might be. I know that some of those are like staff probably are trained and stuff like that. But I think sometimes like people that might be more trauma aware and stuff like that might be better to handle these things." Mid-life, female, metro

A small number of participants expressed concern that sharing tailored assistance more widely might lead to people 'gaming' the system by always being behind in their energy bills.

"If you know you can get deferred payment, then why would you pay up front? How would the retailers stop people from not paying, then getting disconnected, then doing it again to a different retailer?" Young, female, metro

More proactive communication on assistance is required

There was uniform agreement that, rather than wait until people begin to fall behind on their bills, proactive information on assistance should regularly be provided to consumers. This includes:

- clearer information on bills about the range of options available, for example provided as a fact sheet attached to a bill
- communicating different pathways to access, which support different communication preferences – for instance, telephone, email, chat, in-person support at local community touchpoints (for example, libraries, Aboriginal medical services)

- also providing information via text message and public relations
- role modelling change, providing examples of what each of the different supports means and the benefits of this.

"The electricity providers have a duty of care for mental health reasons to provide those options to their clients, to the customers, and to make people aware that these things are available to you. To say this is placed here because the government has asked us to. So, I mean, you don't want to add reams and reams of paperwork to anything because people just won't read it. But I think it's really, it's really something that's something that is not advertised. And not widely known, like I had no idea. ... If you're having difficulty paying, but you can still get there, and while you can because no one wants to fall behind because then you can never clear debts. Once you get one over your head, you know it's really hard to get out from being behind. But I think everybody has the right to know about it. Yeah. And the fact that I'm 52 and I've had electricity connected in my name since I was 23. And I didn't know that these options were available. That's really bad. You know, I don't know if they've been available all the time, but you know, the fact that that these options were actually available to us and I know when I was married, like we had some pretty significant financial difficulties and, and yeah, like, it would have been handy to know these things are available for us back then. But and I didn't, you know, like, I mean I borrowed money recently to fix a bill up electricity." Midlife, male, regional

Consumers reported that they aren't aware of the tailored assistance available and are therefore currently missing out on support. More disruptive communication can help alert consumers to their options so that they can make an informed choice. Consumer suggestions about how to do this included text messages, 'bring your bills' days and social media advertising.

"I think the second anybody gets you know they get a bill and they're like, oh, I can't pay this. I think that's where that the first line of we can offer you a payment plan and immediately someone taking the time to walk them through. These are your options. How can we lower your bill and actually having a decent conversation, you know. I think that's the first thing. There will be the options available to you. Can you tell us a bit about your circumstances? Da da da, da, da, da and again, while you're at it, just having that holistic view of if they're struggling with this bill, they're probably struggling with a few others." Young, female, regional

"I think if someone's more than \$500 in arrears, yeah, absolutely. Give them a call. I can't overstate how much I really appreciate when \leftrightarrow did do it every six months. They would just touch base with me. And oftentimes it would just be a simple "no look, I'm fine" and I'd tell them where my head was at and I'll go "this bill will go down eventually", and they'll look at my bill and go "oh, yeah, I can see what you're doing. This is just what you regularly pay, and it comes out in the wash it every 12 months. OK. I'll leave you be. You're good." But every now and again, I really would be in absolute dire straits. And my God, it was a godsend because they'd ring and they'd walk me through. "OK, you've got this option. You've got this option. You've got this option. What we're gonna do, given the stress that you're under, is this." Young, female, regional

Providing this information more clearly and in advance of needing help was believed to be important. However, where people are falling behind (for any amount let alone \$55) it was even more important to undertake disruptive communication

"It shouldn't just be help for people who call up and ask. Sitting in the retailers' back pocket. That's not fair." Young, female, metro

"Let's just make those bills user friendly and by providing, sort of like, if QR codes are the things to do, or cater for QR codes to get on issues when it comes to payment issues. Most retirees may know how to even use that. A lot of them are quite savvy. But let's just move with the times and provide that information straight up like. You've got your option to Bill pay, credit card, whatever direct debit. Why can't there be a barcode or a QR code there for people to go straight into these payment options? If it matters, like, I think you've got to put the emphasis back on the retailer. Put that first and foremost, rather than they tend to hide it at the back of bills all the time as the last thing you're reading. Like where? Where it says. Are you on the best plan? Hey, let's say. Here you go. Here's some support if you need support. Bang, this is what this is." Midlife, male, metro

Consumers want information on available assistance to be made available before people experience payment difficulties, rather than after they fall behind in paying bills.

Participants were typically critical that they had to seek out information about assistance options if they hadn't fallen behind in their bills. The measures available to help manage unaffordable bills (such as payment plans) can help ensure that they keep on top of their finances without having to fall behind.

Topic 4. Providing information on the EWOV

Why this is important

The EWOV provides an option for consumers who can't resolve their differences with a retailer. The commission has an interest in making sure that consumers are aware of this option.

What was explored

Concepts related to providing information on the EWOV were explored, including:

- the benefits of including this information and contacting the EWOV
- what would it make it easier to contact the EWOV, under what circumstances and whether it is likely that people would report straight to the the EWOV
- how to avoid confusion about when to contact the EWOV

The following information was provided to support participant deliberations.

Energy and Water Ombudsman Victoria (EWOV)

The Energy and Water Ombudsman Victoria (EWOV) is an independent, not-for-profit dispute resolution service that helps resolve complaints between customers and their energy or water service providers in Victoria. EWOV helps with:

- consumer complaint resolution
- information to customers on information and referrals to other support services

Options for change include putting the following on the front page of bills for paper bills or emails for direct billing:

- EWOV's number and website
- a direct link to the EWOV compliant service
- information on when to contact EWOV (after first contact with a retailer when an issue has not been resolved).



Consumer response to this topic

Consumers were typically not aware of the EWOV, or of the requirement to engage with a retailer's complaints mechanism before reaching out to the EWOV. Whilst the acronym doesn't convey much, the term 'ombudsman' is generally understood as a source of consumer recourse in the face of unreasonable, unethical or illegal institutional behaviour.

"Yeah, and people probably won't go looking for it unless they need it. And same as faults and emergencies like I see that all the time and I'm like, I don't need that, but it's good to have it there just in case." Midlife, female, regional

"No. Oh, I can't recall it being on my bill. I would just. I google searched complaints." Midlife, male, metro

There was agreement amongst participants on the need for improved communication about the EWOV on bills, and that this needs to signal:

- what the EWOV does
- the need to consult with a retailer before contacting the EWOV.

However, it is clear that the EWOV is seen as a last resort mechanism. Consumers may avoid contacting the EWOV because of concerns that this option won't resolve their concern, or because they don't think their concern is serious enough. Many consumers want an option to seek information, help and advice about whether their retailers' actions are reasonable, and what their options are that don't involve escalation to an ombudsman. Most consumers aren't interested in a crisis response. Instead, they want a preventative or early intervention option.

"The amount of people who will just completely bypass calling (the retailer). They'll go straight to the Ombudsman. I would say please contact your retailer to discuss the dispute first. I reword it to make it very clear you need to contact (the retailer) first." Young, female, regional.

Consumers wanted retailers to be required to include information about the purpose of the EWOV. For example: "Tried to resolve an issue with your retailer and still unsatisfied? The independent Energy and Water Ombudsman can help".

Consumers also reported that the EWOV is too late an option for many and they would be better supported through a more proactive focus on ensuring their rights.

A consumer-centric approach to the review of ERCoP

The above findings reflect consumer sentiment on individual topics. In addition to considering this feedback, we suggest that the commission adopts a number of simple analytic frameworks to consider the remainder of the review topics. This includes:

- a consumer segmentation
- a framework for considering behaviour change needs – the Michie COM-B model
- a framework for communication – the EAST model.

A segmentation

People differ greatly in terms of their confidence and willingness to speak up if they are unhappy with the services they are receiving or proactively would like to seek out an alternative service. We suggest four segments, defined by two key factors:

- the extent to which people will act if they have concerns about their retailer or plan
- the extent to which people have barriers to information seeking and communication.

Each of the segments has different informational and support needs. Using this as a framework helps test decisions from the consumer’s point of view, asking the question – whose needs are being met? Are the needs of the more marginalised being met?

Segment	Inference for information/support
<p>Activists They are actively engaged in their financial affairs and have relatively few barriers to accessing information or in voicing their concerns. They are confident, articulate and highly motivated to speak up – not just to improve their own situation. They are typically well resourced. They know their rights and are not afraid to stand up for them.</p>	<p>This segment is activated but requires improved clarity on retailer’s detailed pricing strategies, and comparison information.</p>
<p>Engage when necessary This segment is capable of standing up for themselves but lack the drive and motivation to act if they have concerns. For some this is because they have nothing to complain about – they are largely content with how things are working. Others are cynical about the retailers’ and system’s willingness to hear and respond to feedback, and do not feel that their issues are serious enough to warrant a fight. They have the skills to self-advocate, but don’t always see it as worth the time and effort they feel is needed to be active consumers.</p>	<p>This segment wants easy access to information in case they need it – e.g. clear information on bills including a brief explanation of their rights and options for support. They also may need reassurance that acting will not be too onerous and will result in benefits. Role modelling strategies, for instance, will be important.</p>
<p>Additional support This segment believes strongly in speaking up for their rights, but communication and environmental barriers can limit access to the information and support they need to take up issues.</p>	<p>This segment often needs additional support to access information and navigate information seeking and remedies for issues. A prevention and early intervention consumer protection service would help support this segment to act in their own best interests.</p>

Partner support

This group appears to be the most vulnerable of the four segments. They are often unsure of their rights and are reluctant to voice their concerns, including for fear of reprisal. They do not actively seek information and face a number of barriers to communication.

This segment will likely require partners to advocate with them.

Michie COM-B model²

The Michie COM-B model is a well-regarded synthesised behaviour change model. COM-B stands for Capability Opportunity Motivation – Behaviour. The central tenet of the model is that for any behaviour to occur there must be:

- the 'capability' to do it (physical strength, knowledge, skills, stamina etc.)
- the 'opportunity' for the behaviour to occur (a conducive physical and social environment)
- and there must be sufficient strong 'motivation'.

For the current consumer protection system to work, consumers must have high levels of capability, opportunity and motivation. As the findings of this report suggest, this is not a reasonable expectation. Interventions and settings that take a more realistic view of human behaviour will likely reap dividends for consumers.

As a framework, the Michie COM-B model helps interrogate what the ERCoP asks of consumers, and whether this is reasonable given variation in human capacity, opportunity and motivation. It also helps us as whether the intervention is appropriate to the need. (For instance, is the correct policy response trying to alter consumer behaviour, or is legislative change more appropriate.)

The Michie COM-B model



² Michie, van Stralen & West (2011). [The behaviour change wheel: A new method for characterising and designing behaviour change interventions](#). Implementation Science volume 6.

The COM-B is one of the most widely applied behavioural models and intervention frameworks since its publication in 2011. It was developed through systematic review of journals and engagement with behaviour change experts to identify existing frameworks that underpin applied interventions. It combines nineteen separate behavioural frameworks, aligning three essential conditions or sources of behaviour with the intervention functions and broader policy categories. As noted by McDonagh et al (2018) in [Application of the COM-B model to barriers and facilitators to chlamydia testing in general practice for young people and primary care practitioners: a systematic review, 2018](#): "The benefit of employing the COM-B Model over a single theory of behaviour is that several distinct explanatory components are outlined; thus, additional potential influences on behaviour can be considered. COM-B lies at the centre of the Behaviour Change Wheel (BCW), a tool kit for designing behaviour change interventions [20]), and is the starting point of intervention development.... This model has been effectively applied to many health behaviours at both individual and organisational levels [21,22,23,24,25,26,27,28]."

EAST model³ for communication

EAST is a communication framework, standing for:

- Easy
- Attractive
- Simple
- Timely.

We suggest that this provides another good checkpoint for the commission in considering whether policy settings, and the communication of this to consumers, makes change sound 'easy', 'attractive', 'simple', and whether information is provided in a way that reaches consumers at a good time for them to act.

Conclusion

Consumers were typically very grateful for the commission involving them in decision-making. They can feel powerless in their relationships with energy retailers and feel that it is appropriate that the commission advocate that further information and support be provided to consumers.

³ The [EAST model](#) was developed by the Behavioural Insights Team in the UK government in 2014, and updated in the [2024 EAST handbook](#). As noted on the [BIT website](#), it was cited by academic journals nearly 350 times within 10 years of publication, despite being intended as an applied, than academic, framework.