



# ENERGY RETAILERS COMPLIANCE REPORT

2014-15

June 2016



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

Essential Services Commission 2016, *Energy Retailers Compliance Report 2014-15*, June.

Our reference: C/16/12651

# PREFACE

Energy retailers are required to comply with a range of regulatory obligations, and breaches of these obligations are reported periodically to the Commission. This report provides an account of non-compliance reported by retailers for the 2014-15 financial year.

During 2014-15, energy retailers reported 1200 breaches of codes, guidelines and other regulatory instruments. This is a slight decrease in absolute numbers from the 1274 breaches reported in the previous 12 months. However, retailers were not required to report breaches of the Marketing Code of Conduct in 2014-15. Adjusting the numbers of reported breaches to account for this shows that there was a small increase in comparable breaches.<sup>1</sup>

A breach is counted when a retailer fails to meet one of the regulatory obligations that apply. Depending on the nature of the breach, it may affect one customer or it may affect many customers; sometimes thousands. In total, the Commission estimates that over 400 000 customers were affected by the compliance breaches reported during 2014-15.

A large portion of the breaches reported in 2014-15 were due to non-compliance with clauses of the Retail Code that are designed specifically to protect customers who may be facing payment difficulty. We are focused intently on customer's facing payment difficulties. The Commission has audited retailers' compliance with their existing obligations in this area and are now implementing the findings outlined in the Commission's report *Supporting Customers, Avoiding Labels* (February 2016).

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<sup>1</sup> There were 138 breaches of the Marketing Code of Conduct reported in 2013-14.

The Commission considers all reportable breaches to be serious matters, but is paying particular attention to the number of wrongful disconnections, which accounted for 1097 of the total breaches.<sup>2</sup> The Commission notes that only a small number of retailers self-identified compliance breaches leading to wrongful disconnection. 80 per cent of the wrongful disconnections reported were identified by EWOV.

In their responses to questions about the rising numbers, some retailers said that an increase in disconnection activity or growth in the number of customers leads inevitably to an increase in wrongful disconnections. The Commission expects retailers to implement systems that minimize the risk of wrongful disconnection, and take steps to improve processes and procedures if errors that lead to breaches are occurring repeatedly, and monitors the reported cause of wrongful disconnections to inform its audit activity.

The Commission commenced a comprehensive audit program in late 2014, which has seen the independent audit of 13 energy retailers. The audit program will continue in 2016-17. It will cover a general audit of those remaining retailers that were not included in the initial round of audits and targeted audits for some retailers in response to particular compliance issues or any emerging issues identified by the Commission. The audits seek to promote compliance by retailers with their regulatory obligations and reveal weaknesses in their processes and systems. The Commission then requires that appropriate improvements are made in order for retailers to prevent breaches before they occur. The level of compliance from retailers audited has been mixed, and we have made recommendations to several retailers to improve their processes.

The *Essential Services Commission Act 2001*, the *Electricity Industry Act 2000* and the *Gas Industry Act 2001* were amended with effect from 1 January 2016 to require the Commission to publish an annual Compliance and Enforcement Report which will include information about energy retailers' compliance with their regulatory obligations, their performance as measured against indicators set by the Commission and enforcement action taken by the Commission. While the Commission already publishes this material in an annual report, there is now a statutory obligation to do so and to update that report on a quarterly basis.

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<sup>2</sup> Every case of a customer being wrongfully disconnected is counted as a separate breach.

In addition to this new statutory reporting obligation, the amendments also extend the Commission's enforcement powers. A draft Compliance and Enforcement Policy was released for consultation in April 2016.

*Dr Ron Ben-David*  
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# 1 INTRODUCTION

## 1.1 THE ROLE OF THE ESSENTIAL SERVICES COMMISSION

The Essential Services Commission (Commission) is the independent regulator of energy businesses in Victoria. The Commission licenses businesses that generate, supply and sell energy, places conditions on licences and establishes codes and guidelines to regulate these businesses, to promote the long term interests of Victorian consumers with regard to the price, quality and reliability of essential services.

## 1.2 THE PURPOSE OF THIS REPORT

The purpose of this report is to:

- Give an overview of the energy retailers' reported non-compliance with their regulatory obligations over the 2014-15 financial year;
- Discuss the Commission's compliance activities for 2014-15; and
- Outline the Commission's compliance activities for 2015-16.

## 1.3 REGULATORY FRAMEWORK – RETAIL ENERGY BUSINESSES

Energy retail businesses in Victoria are governed by three principal Acts:

- the Essential Services Commission Act 2001 (ESC Act);
- the Electricity Industry Act 2000 (EI Act); and
- the Gas Industry Act 2001 (GI Act).

Energy retail businesses are authorised to sell electricity to consumers by virtue of licences granted by the Commission. When licensing an energy retail business, the Commission imposes a number of conditions on the retailer's licence, including that the retailer must comply with relevant laws, codes and guidelines and that it must report any identified non-compliance to the Commission as required.

## 1.4 OUR APPROACH TO COMPLIANCE AND ENFORCEMENT

Through licence conditions, the Commission requires licensees to have effective monitoring and reporting systems in place. The Commission encourages a culture of compliance among regulated businesses by providing guidance and working with businesses to promote compliance where possible.

The Commission monitors the retailers' compliance with the obligations through various measures including:

- **Responding to notifications of breaches** – if retailers become aware of a material breach of a regulatory obligation they must notify the Commission in accordance with the Commission's *Compliance Reporting Manual*. The Commission will respond by investigating material instances of non-compliance.
- **Responding to correspondence** – if correspondence received by the Commission reflects a possible material breach of regulatory obligations, the Commission may investigate further.
- **Regulatory compliance audits** – each retailer is required under its licence to appoint an independent auditor to conduct audits of its compliance with its regulatory obligations as directed by the Commission.
- **Deciding wrongful disconnection referrals from EWOV** – Where the Energy and Water Ombudsman (Victoria) (EWOV) and the retailer or customer are unable to agree on a resolution, EWOV will refer the wrongful disconnection assessment to the Commission for decision.

When we investigate breaches we require assurance that the retailer has:

- identified the cause of the breach;
- put remedial action in place to stop the breach;

- addressed any detriment that customers may have suffered;
- implemented (or made plans to implement) corrective action to ensure the breach does not reoccur.

In addressing any breaches, the Commission's first response is to work co-operatively with the licensee to bring about compliance. Where this is unsuccessful, or it is deemed necessary, the Commission can take action against retailers for breaches of their regulatory obligations. The Commission can respond with voluntary administrative undertakings, statutory based enforceable orders, civil penalties, and ultimately revocation of a licence. The Commission's approach is governed by its *Compliance and Enforcement Policy*.<sup>3</sup>

During 2015-16, the Commission expects to implement enhancements to its compliance monitoring, reporting and enforcement frameworks in line with legislative changes made in 2015. In preparation, the Commission will work with stakeholders to streamline the breach reporting process by reviewing the regulatory obligations and classifications that retailers report against, and preparing guidance for retailers to improve the consistency of their reports. Chapter 5 discusses this in further detail.

## 1.5 RELIABILITY OF RETAILERS' COMPLIANCE REPORTING

The Commission relies on regulated businesses self-reporting compliance breaches. The Commission needs to have confidence in the reliability of businesses' self-reporting, and this in turn depends on businesses' capacity and willingness to accurately detect and report on non-compliance.

The Commission requires businesses to periodically provide independent assurance of their self-reporting via independent compliance audits. The results of these audits are published on the Commission's website.

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<sup>3</sup> In April 2016 the Commission released a Draft *Energy Compliance and Enforcement Policy for consultation*. When finalised, this will replace the *Interim Approach to Energy Compliance and Enforcement* (December 2015).

## 1.6 OUR RELATIONSHIP WITH OTHER ORGANISATIONS

The Commission has memoranda of understanding with other jurisdictional regulators. This assists with our compliance and monitoring activities as it enables us to refer matters that we consider to be within the jurisdiction of other regulators such as the Australian Competition & Consumer Commission (ACCC) and Consumer Affairs Victoria (CAV).

We meet regularly with EWOV to discuss the compliance issues arising in disputes across the industry that the Commission may consider discussing with licensees and if necessary clarifying the standards of conduct expected. Additionally, the Commission continues its regular engagement with the Australian Energy Regulator (AER) and the Department of Economic Development, Jobs, Transport and Resources (DEDJTR).

## 1.7 STRUCTURE OF THIS REPORT

The structure of this report is as follows:

- Chapter 1 provides an introduction and background to the report.
- Chapter 2 gives an overview of the breaches reported by retailers and the Commission's monitoring activities.
- Chapter 3 details disconnection breaches reported by retailers and the wrongful disconnection cases referred to the Commission by EWOV.
- Chapter 4 details other significant breaches reported by retailers.
- Chapter 5 outlines the Commission's current and upcoming activities in the area of compliance and enforcement.
- Appendix A describes each breach type and defines isolated and systemic breaches.
- Appendix B provides a summary of the number of breaches reported by each energy retailer.
- Appendix C provides a summary of every breach reported by each retailer.

## 2 OVERVIEW OF BREACHES

Retailers must regularly self-report breaches of their regulatory obligations to the Commission. The process for reporting is specified in the Compliance Reporting Manual (the manual).

The manual describes obligations contained in multiple instruments including the Retail Code, the retail licence, and the Industry Acts. Regulatory reporting obligations are classified in the manual as Type 1, Type 2 and Type 3.

**Type 1** obligations are those where non-compliance would have a critical impact on customers and where the impact of non-compliance increases over time if it is not rectified quickly. Examples of a Type 1 obligation include ensuring that the customer gives explicit informed consent before being transferred to a new retailer and the obligations on retailers when a customer advises that a person residing at the premises requires life support equipment. All actual or potential breaches of Type 1 obligations must be reported to the Commission immediately.

**Type 2** regulatory obligations are those where non-compliance would seriously impact customers and/or the obligation is 'new' or has not been complied with in previous years and/or the impact of that non-compliance increases over time. Examples of a Type 2 obligation include the publication of a retailer's complaints and dispute resolution process on the retailer's website and the provision of certain information on bills. Breaches of Type 2 obligations must be reported to the Commission on a six monthly basis.

**Type 3** regulatory obligations are all other obligations, such as being registered with the Australian Energy Market Operator (AEMO) and having a Use of Systems Agreement with a distribution business. Breaches of these obligations are to be reported to the Commission annually.

This chapter provides an overview of the breaches reported to the Commission during 2014-15.

## 2.1 SUMMARY OF RETAILERS' SUBMISSIONS

The total number of breaches reported to the Commission decreased slightly in 2014-15. Table 2.1 shows a total of 1200 reported breaches compared with 1149<sup>4</sup> in 2013-14.

**TABLE 2.1 TOTAL BREACHES BY REGULATORY INSTRUMENT AND TYPE**

Regulatory Instrument/Breach type	2012-13	2013-14	2014-15
<i>Retail Code – Disconnection clauses</i>			
Type 1	426	1 004	1 069
Type 2	0	0	3
Type 3	16	18	25
Total	442	1 022	1 097
<i>Retail Code – Other clauses</i>			
Type 1	19	12	19
Type 2	71	88	67
Type 3	4	5	13
Total	94	105	99
<i>Other regulatory instruments</i>			
Type 1	1	3	1
Type 2	6	6	1
Type 3	10	5	2
Total	17	14	4
<b>Grand Total</b>	<b>553</b>	<b>1141</b>	<b>1 200</b>

**Note:** a single reported breach may affect more than one customer.

As in previous years, the majority of reported breaches relate to disconnection clauses of the retail code which resulted in wrongful disconnections. Breaches of disconnection

<sup>4</sup> Excluding reported breaches of the *Code of Conduct for Marketing Retail Energy in Victoria*.

clauses increased from 2013-14 by 7 per cent. While the increase is not large compared to the doubling that occurred between 2012-13 and 2013-14, a significant number of customers are being affected. Breaches of other regulatory instruments and clauses in the Energy Retail Code not related to disconnection decreased by six per cent (119 to 103 instances reported). Retailers did not report breaches of the Marketing Code of Conduct in 2014-15 as they were not required to do so under the Commission's *Compliance Reporting Manual (v11)* in this reporting period.

While overall numbers have risen, disconnection numbers decreased for some retailers. Individual retailer results are contained in Chapter 3.

The Commission expects retailers to continually implement measures to reduce their risk of non-compliance, and to consider the risks associated with growth when designing these programs.

## **2.2 COMMISSION'S ACTIONS IN RESPONSE TO BREACHES**

During 2014-15, the Commission implemented a number of initiatives to ensure retailers met their compliance obligations. These are outlined below.

### **2.2.1 REGULATORY ACTION**

#### **AGL UNDERTAKINGS**

The Commission accepted an administrative undertaking from AGL regarding disconnection warning notices issued by AGL and APG over a five year period, which did not comply with the Energy Retail Code.

Between 31 August 2011 and 24 January 2013, AGL issued 26 394 disconnection warning notices to deemed contract customers which stated a pay by date that was one business day earlier than specified in the Energy Retail Code.

Between 20 December 2012 and 23 July 2013, AGL issued 35 910 disconnection warning notices to some customers which stated a 'disconnection warning period' that

was less than 7 business days after the date of receipt of the disconnection warning notice.

Between June 2008 and 16 January 2013, APG issued 293 991 disconnection warning notices to some customers which stated a 'disconnection warning period' that was less than 7 business days after the date of receipt of the disconnection warning notice.

The administrative undertaking, accepted by the Commission, committed AGL to carry out a series of steps to identify customers who were disconnected after receiving a non-compliant notice, and reach an agreement to settle the matter. In addition, AGL agreed to provide written assurances to the Commission that the problems that led to the issue had been resolved, that mechanisms were now in place to ensure that they do not occur again and that processes were in place to ensure that customer accounts are recorded and made easily accessible.

AGL was also required to provide monthly reports to the ESC on its progress with the undertaking. Compliance with the undertaking is subject to an audit after completion.

## **ENERGYAUSTRALIA UNDERTAKINGS AND ASSURANCES**

In the Commission's 2012-13 and 2013-14 Compliance Reports, we reported on EnergyAustralia's breaches of its obligations with regards to billing, and the administrative undertakings and assurances given by EnergyAustralia in response to those breaches.

The Commission has monitored EnergyAustralia's progress in remedying these compliance issues and has audited EnergyAustralia's compliance with its regulatory obligations, including in the area of billing.

The Commission is satisfied that EnergyAustralia has satisfactorily complied with the undertakings and assurances given to the Commission. However, the audit identified further issues with EnergyAustralia's levels of compliance, including in relation to billing. The Commission is working with EnergyAustralia to ensure that a full remediation plan is implemented, which addresses the root causes of the compliance issues, rather than focussing only on fixing the individual issues identified.



## 2.2.2 RETAIL REGULATORY AUDITS

The Commission continued its program of independent audits of energy retailers' compliance with their regulatory obligations. The audits cover a range of areas of the retailers' operations where non-compliance would have significant consequences for customers, including:

- Performance Indicators: how accurately does the retailer's reported performance data adhere to the definitions within the Commission's Energy Retail Performance Indicators document? Does the retailer have policies and procedures in place to ensure that data is collected and reported in accordance with the Indicators document?
- Disconnections: does the retailer have the policies and procedures in place to ensure that customers are not wrongfully disconnected?
- Life support: does the retailer ensure that the records of customers using life support are accurate and complete? Does the retailer have adequate measures in place to ensure that customers on life support are not disconnected?
- Marketing conduct: are sales representatives trained and retested to ensure they are aware of the regulatory obligations that relate to marketing energy? Does the retailer have sufficient oversight of their third party agents to ensure compliance?
- Billing: does the retailer monitor and ensure the timeliness and content of bills, and have processes in place to identify and address cases where customers are incorrectly charged?
- Compliance monitoring and reporting: does the retailer have reliable systems, processes and policies in place to monitor and report on compliance with their regulatory obligations?
- Complaints: does the retailer have an effective complaints handling system that enables the retailer to identify the root cause of systemic issues?

Where non-compliance is identified, the Commission requires the retailer to make appropriate changes to its systems, processes and policies. In circumstances where areas for improvement are identified, but where no non-compliance is identified, the Commission works with the retailer to make those improvements and achieve best practice.

The results of each audit are published on the Commission's website.

# 3 WRONGFUL DISCONNECTIONS

This chapter reviews retailers' reported wrongful disconnections, including cases referred to the ESC by EWOV for decision.

The Energy Retail Code places a number of obligations on retailers and outlines the processes that must be followed before retailers disconnect supply. It is important that retailers comply with these requirements to ensure that customers have reasonable opportunities to pay any outstanding amounts before they are disconnected. Further, it is important that retailers provide customers with the required information so that those facing payment difficulties are assisted to manage their situation and maintain supply.

Under legislation, electricity and gas retailers must compensate customers in cases where energy supply is wrongfully disconnected.<sup>5</sup> Retailers pay customers \$250 for each day<sup>6</sup> they are off supply if the disconnection process did not comply with the relevant obligations.

## 3.1 REPORTING OF WRONGFUL DISCONNECTIONS

Retailers can become aware of wrongful disconnections from the following sources:

- Self-identified – where the retailer realises that a customer has been wrongfully disconnected, and pays the customer the required wrongful disconnection payment.

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<sup>5</sup> *Electricity Industry Act 2000 (Vic)*, s 40B and *Gas Industry Act 2001 (Vic)* s 48A

<sup>6</sup> As of 1 January 2016, the payment has become \$500 per day.

- Direct from customers – where a customer who has been disconnected contacts the retailer to question the circumstances of the action, and establishes that they are entitled to a wrongful disconnection payment.
- EWOV – where a customer who has been disconnected contacts EWOV, and EWOV assesses that a payment is required.

The majority of wrongful disconnections (80 per cent in 2014-15) are identified by EWOV, which looks at the circumstances of any disconnections that come to EWOV for investigation and assesses whether the retailer should make a wrongful disconnection payment. The Commission makes a decision in cases where a customer or retailer does not agree with EWOV's assessment.<sup>7</sup>

**TABLE 3.1 WRONGFUL DISCONNECTION AVENUES OF IDENTIFICATION**  
2014-15

Avenue of Identification	Number	Proportion (%)
Self-identified	207	19
Identified by customer	19	2
Referred by EWOV (no ESC involvement)	859	78
Referred by EWOV (with ESC involvement)	12	1
<b>Total</b>	<b>1 097</b>	<b>100</b>

## 3.2 OVERALL NUMBER OF WRONGFUL DISCONNECTIONS

In 2014-15, energy retailers reported wrongfully disconnecting 1097 customers. This is an increase from the 1022 cases reported in 2013-14. Table 3.2 lists each retailer's total number of wrongful disconnections for the last three reporting periods. The Commission asked retailers to provide explanations for non-compliance leading to disconnection.

<sup>7</sup> It should be noted that some disputes are resolved at EWOV by the retailer making a "payment without admission of breach".

In addition to the wrongful disconnections reported by retailers, during 2014-15 EWOV reported 394 instances in which it assessed a disconnection and the retailer agreed to make a payment without admission of a breach.<sup>8</sup>

**TABLE 3.1 WRONGFUL DISCONNECTIONS BY RETAILER**  
2013-14 to 2014-15

Retailer <sup>a</sup>	Wrongful disconnections (no.)		Wrongful disconnections (per 10,000 customers) <sup>c</sup>	
	2013-14	2014-15	2013-14	2014-15
AGL Sales	116	69	1.2	0.6
Alinta Energy	53	23	17.5	2.3
Australian Power and Gas <sup>b</sup>	130	n/a	9.6	
BlueNRG	1			
Click Energy	18	61	6.9	22.1
Dodo Power and Gas/M2	1	2		
EnergyAustralia	265	133	2.8	1.5
Lumo Energy	33	390	1.0	11.0
Momentum Energy	24	29	6.7	5.5
Neighbourhood Energy	42	4	13.3	3.5
Origin Energy	266	213	3.0	2.4
People Energy		2		
Powerdirect	9	4	2.6	1.1
QEnergy	1	2		
Red Energy	25	10	0.8	0.3
Simply Energy	38	155	1.5	4.6
<b>Total All Retailers</b>	<b>1 022</b>	<b>1 097</b>	<b>4.3</b>	<b>4.6</b>

<sup>a</sup> This list only includes energy retailers that reported wrongful disconnections in either or both years.

<sup>b</sup> AGL acquired Australian Power and Gas during 2014.

<sup>c</sup> This is not calculated where there are fewer than 3 disconnections in the period.

<sup>8</sup> Energy and Water Ombudsman (Victoria), *2015 Annual Report*, p 29

### 3.3 RETAILERS' RESPONSES

The reasons energy retailers gave for their wrongful disconnections have not changed significantly since the 2013-14 report.

#### **IMPROVED IDENTIFICATION – ENERGYAUSTRALIA, ALINTA AND RED ENERGY**

EnergyAustralia reduced its wrongful disconnections both in total and as a proportion of its customer base. The Commission notes that 44 per cent of EnergyAustralia's wrongful disconnections were self-identified.

EnergyAustralia attributed its improvement to its internal processes, which are designed to assist in identifying customers who are financially distressed. This has involved providing staff with tailored training to raise awareness of indicators of potential financial difficulties and by equipping staff with tools to minimise the potential for wrongful disconnections, such as disconnection checklists. A review of EA's "Unknown Consumer" disconnection checklist has also improved the controls on their process.

In explaining its decrease in reported wrongful disconnections, Red Energy stated a variety of reasons, including the relevant business units improving the processes in place to report internally on wrongful disconnection cases. In addition, a better reporting process was implemented to increase the understanding of the root causes of wrongful disconnections. Thirdly, additional training and advice was provided during the year to enhance the understanding of frontline staff as to the impact of wrongful disconnections.

The Commission is encouraged by retailers' reports of continuous improvement initiatives. Although these practices may lead to increased numbers of breaches in the short term, the longer term positive effects should reveal themselves in future reports and audit results.

#### **NON-COMPLIANT NOTICES – CLICK AND LUMO**

The significant increases in wrongful disconnections reported by Click Energy and Lumo Energy were due to systemic issues involving non-compliant notices.

Before a retailer can disconnect a customer for non-payment, the retailer must give the customer a Reminder Notice and a Disconnection Warning Notice which comply with the requirements of the Retail Code. If a retailer disconnects a customer following the issue of non-compliant notices, the disconnection is considered wrongful. The nature of these breaches can result in large numbers of wrongful disconnections if the error is not identified and corrected quickly.

Click Energy sent disconnection warning notices to 53 customers which stated that customers had six business days in which to pay the outstanding amount in order to avoid disconnection, not seven days as required by the Energy Retail Code. These related to disconnections that occurred in previous reporting periods, but which were not identified as being wrongful until EWOV referred complaints to the Commission. Click Energy amended its disconnection notices in March 2014 and they are now compliant.

Lumo sent 347 customers reminder notices which stated the customer had five business days to pay, rather than the six business days required by the Energy Retail Code. Lumo discovered this systemic issue when it conducted an internal review following the receipt of a complaint made to the Energy and Water Ombudsman (EWOV) in mid-February 2015. Lumo's internal review identified that a procedural change to amend a reminder notice treatment cycle processing time had the unintended consequence of shortening the reminder notice period. This has been corrected.

Similar issues were previously reported as systemic issues by AGL and Powerdirect and these were included in the Commission's annual Compliance Report for 2013-14. The prevalence of these incidents highlights the need for retailers to check that their notices remain compliant after operational changes.

## **CUSTOMER GROWTH – SIMPLY ENERGY**

Simply Energy's wrongful disconnections tripled in 2014-15. Simply Energy stated that this was due to:

- The introduction of remote disconnections in 2014. Remote disconnection involves lower costs and is a faster process than manual disconnections. This enabled Simply to increase the percentage of disconnections completed.

- Simply Energy's Victorian customer base growing by almost 45 per cent, leading to an increase in the number of overall disconnections.

The Commission does not accept that growth in customers justifies an increase in wrongful disconnections, as retailers are required to have policies, processes and systems in place to guard against this.

Simply Energy says that it has undertaken a number of initiatives relating to wrongful disconnections, including:

- enhanced business practices to enable best endeavours to contact customers before disconnection;
- additional communication methods in an attempt to further engage customers prior to disconnection; and
- introducing system enhancements regarding the accuracy of data for disconnections.

The Commission notes that Simply Energy's wrongful disconnections decreased in the second half of the reporting period (with 51 being reported) and have decreased in the first half of the 2015-16 reporting period (with 36 being reported). The Commission sees this as evidence that the initiatives are effective, and expects to see this trend continue.

## **OTHER RETAILERS**

Alinta reported fewer wrongful disconnections in 2014-15. Alinta explained that during the reporting period it conducted a review of its operational processes with a focus on the disconnection process, during which time it placed a halt on disconnections. This halt resulted in a downturn in the total number of disconnections, which in turn reduced wrongful disconnection numbers. Following the review, Alinta put in place improved control measures around the disconnection process, specifically aimed at ensuring all reasonable requirements were met prior to the final act of disconnection. These controls have reduced the risk of wrongful disconnection.

Momentum Energy and Origin Energy did not show significant changes in the number of reported wrongful disconnections. AGL reported a lower number of breaches, but



supplied no commentary on the reasons for the decrease. Neighbourhood Energy was acquired by Alinta during 2014-15 and its operations are progressively ceasing.

### 3.4 CASES REFERRED TO THE COMMISSION BY EWOV

The Commission becomes involved in a wrongful disconnection dispute when the customer or the retailer disagrees with EWOV's wrongful disconnection assessment. In these cases, the Commission makes a final decision about whether a disconnection was wrongful based on the available evidence, including material provided by the parties.

In 2014-15, twelve cases of alleged wrongful disconnection were referred to the Commission. The Commission reached a decision in eight of these cases. In the other four, the retailer accepted that it had wrongfully disconnected the customer and withdrew the case from consideration.

**TABLE 3.4 WRONGFUL DISCONNECTIONS REFERRED BY EWOV 2014-15**  
By retailer and outcome

Retailer	Wrongful	Not wrongful	Total
AGL	3		3
Lumo	1		1
Click	1		1
Origin	1	2	3
<b>Total</b>	<b>6</b>	<b>2</b>	<b>8</b>

The three disconnection matters from AGL and the dispute involving Click were found wrongful due to an incorrect notice period provided on disconnection warning notices. In the dispute involving Lumo, the disconnection was found to have been wrongful due to an incorrect number of days' notice provided on the reminder notice.

In one dispute involving Origin, the Commission found that the disconnection of supply to the customer's premises was wrongful as the customer had provided a reasonable assurance of willingness to pay. In the two other disputes involving Origin, the Commission found that the disconnection of supply was not wrongful.

# 4 OTHER BREACHES

This chapter provides an overview of reported breaches not related to disconnection. Retailers have a number of obligations other than those relating to disconnection, including obligations relating to:

- the terms and conditions of contracts;
- the frequency and content of bills;
- the provision and publication of information.

## 4.1 PROVISION OF INFORMATION TO CUSTOMERS

Several retailers reported Type 1 breaches to the Commission in 2014-15 related to their failure to provide customers with information.

Online Power and Gas (OPG) reported that between 1 April and 31 August 2015, the disconnection warning notices sent to 1609 customers did not include contact details for the Energy and Water Ombudsman Victoria. Upon identification, OPG updated its template and a new letter was sent to those customers who were still on the collection cycle. Although none of these customers were disconnected, breaching this obligation still impacts on those customers who may not be aware of the dispute resolution avenues available to customers.

Alinta reported a delay in providing 149 newly signed up customers with Welcome Packs. This type of breach creates a risk that customers are not able to properly consider the terms and conditions of their energy contracts during the cooling off period. Alinta extended the cooling off period to ensure that customers had adequate time to consider the product offer made to them.

EnergyAustralia also reported two delays in sending Welcome Packs to customers, the first affecting 696 customers and the second affecting 6493 customers.

EnergyAustralia also reported that it sent Welcome Packs to 4952 customers which had missing or incomplete electricity and gas rates. EnergyAustralia rectified these upon identification and ensured that customers were given an extended cooling-off period.

## 4.2 TRANSFERS WITHOUT EXPLICIT INFORMED CONSENT

The Commission pays close attention to reports of Type 1 breaches of the obligation to ensure that a customer has given explicit informed consent to be transferred from their current retailer.

Breaches of this obligation often occur as the result of marketing activities conducted on behalf of the retailer by an outsourced provider. Although a breach may have occurred due to the conduct of a third party agent, the retailer nonetheless remains responsible for that breach. These reports highlight the need for retailers to maintain quality assurance processes with their contractors.

Alinta reported one instance of a customer being offered a product in circumstances where the customer had a limited ability to comprehend the product being offered. Alinta explained that this was due to a failure of the agent to adhere to Alinta's policies and processes when conducting direct marketing activities. Alinta reinforced the importance of this obligation on its agents and provided refresher training on its policies and procedures when marketing to customers and is monitoring ongoing conduct.

QEnergy also reported a breach of the obligation to obtain explicit informed consent prior to transferring 11 customers from their current retailer to QEnergy. QEnergy reported that this breach occurred when a third party sales agent falsified transfer consent between 2 April 2015 and 22 May 2015. Customers affected were transferred back to their previous retailer. The sales agent's employment was terminated and their Sales Assured Accreditation de-registered.

## **ENERGYAUSTRALIA**

EnergyAustralia reported that it transferred:

- 1053 customers without their explicit informed consent as a result of either end user/administrative errors or MSATS data issues. EnergyAustralia transferred these customers back to their previous retailer and is investigating and monitoring this issue.
- 87 customers without explicit informed consent after staff did not follow up on exception reports which contain abnormalities by contacting the customer to ensure consent was obtained prior to transferring them. This was due to a staffing change in the responsible team. Those customers were later contacted via phone and letter to either confirm their explicit informed consent or to transfer them back to their previous retailer.
- 9 customers without explicit informed consent due to the actions of one outsourced sales agent. Upon identification, the responsible manager immediately alerted the outsourced provider, who provided a full list of sales made by this agent. The customers were transferred back to their previous retailer and the consultant was dismissed.

## **SIMPLY ENERGY**

Simply reported that:

- During a door to door sales visit on 8 January 2015, a sales agent allegedly forged a customer's signature and used fake contact details to sign up customers. Upon identification, the sales agent was dismissed and the customer transferred back to their previous retailer without incurring any charges.
- On 26 September 2014, a customer's daughter consented to entering into a contract with Simply. In addition to the daughter being a minor, and therefore unable to give explicit informed consent, it is the account holder who must give consent to enter into a contract with an energy retailer. Simply transferred the customer back to their previous retailer and did not seek recovery for energy charges incurred.
- On 8 October 2014, a customer appeared to agree to enter into a contract with Simply Energy in circumstances where she did not fully understand the implications of giving consent (i.e. that she would be transferred from her current retailer to

Simply Energy). The customer was transferred back to her previous retailer and the marketing agent was provided with further training to ensure that they are clear and precise in their communications with consumers.

- On 23 June 2014 a customer apparently agreed to transfer to Simply Energy but during the 'verification call' it appears that she did not understand the transaction due to language barriers. As such, this person did not provide explicit informed consent to the transfer. Simply transferred the customer to her preferred retailer without charge, and waived all invoices owing on her accounts. The agent was later dismissed.
- Simply Energy reported that from 22 January 2015 to 20 August 2015, a real estate agent used the names and details of persons moving into new premises without their knowledge to enter into new contracts with Simply. The person used his own email address for the purpose of receiving bills and Gold Class movie tickets, which were a benefit of switching to Simply. This matter has been reported to the Victoria Police and an investigation is ongoing.

### 4.3 INFORMATION ON BILLS

In Victoria, energy bills are required to contain certain information, such as the applicable tariffs and charges and details of the customer's consumption, so that customers can make timely and informed decisions about their energy usage and their energy contract. Breaches of these obligations are considered Type 2 as they can affect customers' confidence in the energy market.

BlueNRG reported a systemic issue after it did not include all of the required information on its bills - in particular the average daily cost of the customer's energy and the next scheduled meter read. This affected 7531 customers. BlueNRG identified this issue after undertaking an internal audit of its invoices and rectified the issue in April 2015, and is undertaking random monthly audits since this time to ensure that it continues to provide all required information.

Click reported two separate systemic issues relating to the provision of information on bills. The first instance, which impacted 1360 customers, was due to the bills failing to inform customers that their invoices were based on estimate read data, not actual read

data. This was a result of inadequate testing being performed after Click made updates to the 'read type display labels' in its billing system. Click corrected this within 2 days of the issue being reported. To prevent a recurrence, test cases have been amended to now include all scenarios after any changes occur. In the second instance, which impacted 8,063 customers, benchmarking information was not included on customer invoices. This prevented customers from being able to view their usage against similar households.

ERM also reported breaches of the requirement to provide information. For approximately 2 months, ERM's bills did not correctly display the average cost per day to the register level (peak/off peak) (although the total average cost per day was correct), affecting 12 customers. For approximately 8 months, ERM's bills did not always populate historical consumption and emissions data, affecting 88 customers.

Origin reported breaches of its obligation to provide information, which affected significant numbers of customers. The first breach reported was of Origin's failure to include index data on smart meter customer bills. This was due to the distributor's data not aligning to the format of other meter data providers and it therefore not being recognised by Origin's new market data management system. This affected 54 900 customers. Once discovered, Origin worked with the distributor to make changes to its system and the data is now included on Origin's bills. The second breach reported by Origin related to customer usage graphs on smart meter bills using quarterly data rather than monthly. This affected 180 200 customers. Origin implemented a system fix to resolve the issue going forward, and repopulated the historical data for those customers impacted.

EnergyAustralia also reported that it had failed to include index read data (start and end) on customer bills, affecting an estimated 83 991 customers.

#### **4.4 OTHER INFORMATION PROVISION**

BlueNRG reported a systemic issue, where it did not notify 269 customers of the expiry of their fixed term contracts and the arrangements after the contract ends. This is also a Type 2 reporting obligation. BlueNRG remedied this breach by notifying all affected customers and said that it had not previously had customers whose contracts had

expired and that it considered there was minimal impact on those customers as their existing contracts 'rolled over'. While customers may not have been worse off under the rolled over contract, it is nonetheless important that they be advised of the expiration of their fixed-term contracts so that they can consider their options and make a conscious decision about whether to stay with their current retailer or seek their energy supply elsewhere. This lack of information from retailers potentially prevents customers from making timely and informed decisions about their energy contract and impacts efficient market operation. Further, it is a requirement of every licensed retailer that it is aware of all of its obligations regardless of whether or not the circumstances requiring compliance have previously arisen.

For approximately 2 months, ERM's Price and Product Information Statements (PPIS) omitted information about where the customer can obtain information about their rights under the Advanced Metering Infrastructure (AMI Tariffs) Order in Council 2013. This was because ERM's system was picking up the AER template. Once identified, PPISs were re-sent to the 188 impacted customers with a separate letter explaining the omission.

## 4.5 FREQUENCY OF BILLS

Retailers have obligations to ensure that they bill their customers on Standard Retail Contracts at least once every 3 months for their electricity and at least once every 2 months for their gas, unless explicit informed consent is given. For Market Retail Contracts, retailers must bill their customers in accordance with the terms of their contracts. Breaches of these obligations are Type 2 reporting obligations.

Momentum reported a number of breaches of the requirement to bill customers for their electricity at least every three months. The first instance affected 260 customers on standing offers and occurred as a result of previously reported systemic bill enhancements coupled with the repeal of the carbon tax. There were also instances reported due to meter data quality and access issues, which affected 648 customers. Momentum undertook a number of projects to address the billing irregularity issues, which it advises have been successful.

Compliance breaches also occur when retailers bill customers more frequently than is agreed in their contracts with customers. EnergyAustralia reported that it had billed electricity customers monthly (as opposed to quarterly) without the customers' consent when distributors changed their meter read frequency. This affected 11,237 customers before remediation by the distributors.

## 4.6 UNDERCHARGING AND OVERCHARGING

When a retailer undercharges a customer, the retailer can seek to recover the amount undercharged under certain conditions. For example, retailers cannot seek to recover amounts that were undercharged more than nine months prior to notifying the customer of the undercharge. Also, retailers must offer the customer 'equal time to pay'<sup>1</sup> when seeking to recover any undercharged amounts. Breaches of these obligations are Type 2 reporting obligations.

Although not many instances of this breach occurred in 2014-15, the Commission is concerned that energy retailers have sought to recover amounts beyond the period allowed. This is an important obligation because it seeks to minimise 'bill shock' when a customer has been undercharged through no fault of their own.

Click Energy reported that it had sought to recover amounts owing over the allowable nine month period. Upon identification, Click Energy credited the excess amounts recovered to the customers' accounts. Click has amended its testing procedures to prevent a recurrence of this type of breach.

Click Energy also identified a breach affecting five customers due to a failure in the billing process to exclude undercharged amounts beyond nine months. Click Energy reversed these invoices upon discovery and commenced a review to ensure that additional steps are put in place to identify any usage that is processed outside the billable period is not forwarded to customers.

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<sup>1</sup> For example, a customer who was undercharged for a 6 month period must be offered 6 months to pay back the undercharged amount.



In one instance, Momentum sought to recover an undercharged amount beyond the allowable nine month period. This was further impacted by Momentum initially failing to offer that customer equal time to pay the undercharged amount. Momentum says it has updated its work instructions, retrained staff and enhanced its mechanism to identify invoices charging disallowable amounts.

Both Red Energy and EnergyAustralia have reported incidents where customers were not billed in accordance with their contractual terms and conditions. Both retailers have rectified these issues with their customers and made changes to their systems and processes where required.



# 5 COMMISSION ACTIVITIES

This chapter outlines the Commission's future compliance and related activities. These include:

- Reviewing the compliance and reporting framework;
- Approach to energy compliance and enforcement;
- Retail energy business regulatory audits; and
- Reviewing the way the energy retailers manage customers in financial hardship.

## 5.1 LEGISLATIVE CHANGES – REPORTING AND ENFORCEMENT

During 2015 several legislative changes were made, which affected the Commission's role in the energy regulatory framework. On 1 January 2016 the *Essential Services Commission Act 2001* (ESC Act) was amended in several ways. A new function was added<sup>1</sup> requiring the Commission to “monitor and report on compliance by energy licensees with conditions of energy licences held by them and provisions of Codes of Practice”.

The Commission is now required under the ESC Act to publish an annual Compliance and Enforcement Report which covers;

- energy retailers' compliance with their regulatory obligations;
- performance of each energy retailer;
- all enforcement action taken by the Commission; and

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<sup>1</sup> *Essential Services Commission Act (2001)* s 10AA

- any other matters the Commission considers appropriate.<sup>2</sup>

This report must be published annually by the end of November with quarterly updates. Reporting under this new regime will commence in the 2015-16 reporting period.

## 5.2 REVIEW OF COMPLIANCE AND REPORTING FRAMEWORK

To support the Commission's new legislative reporting obligation, the Commission will publish an Interim Compliance and Performance Reporting Guideline, which will amalgamate and update the current Compliance Reporting Manual and Performance Indicators document.

The Commission recognises that its reporting instruments will need to be considered fully in light of changes to its other regulatory instruments, such as the Energy Retail Code. As such, the Commission intends the Guideline to be an interim measure pending a complete review of compliance and reporting obligations in 2016-17.

## 5.3 APPROACH TO ENERGY COMPLIANCE AND ENFORCEMENT

On 1 January 2016, the Commission was given a wider range of enforcement powers.

These new powers included new and increased financial penalties, the ability to accept a court enforceable undertaking, the ability to require energy companies to publish information about their non-compliance, the capacity to vary licence conditions and to issue Court proceedings to enforce compliance.

In May 2016, the Commission published a Draft Energy Compliance and Enforcement Policy that set out the Commission's proposed approach to compliance and enforcement, including the use of its enhanced powers under the Energy Legislation Amendment (*Consumer Protection*) Act 2015 (the Act).

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<sup>2</sup> *Essential Services Commission Act (2001)* s 54V

After consultation with consumers, licensees and other stakeholders, the Commission will publish its final policy.

As part of the consultation process, the Commission intends to:

- invite written feedback on the draft Energy Compliance and Enforcement Policy; and
- conduct roundtable discussions to assist licensees and other stakeholders (such as consumer groups) to understand the proposed approach, and prepare their written submissions.

## 5.4 RETAIL REGULATORY AUDITS

In late 2014, the Commission developed a retail audit program to provide itself with independent assurance that retailers are complying with their licence obligations. In particular, obligations pertaining to industry codes and guidelines, such as the Energy Retail Code and the Marketing Code, as well as to assess the reliability and quality of information reported to the Commission. During 2015, a number of retailers were subject to an audit, and this year, further retailers will be audited.

The results of these audits provide the Commission with great insight into how regulatory obligations are managed by licensees and how effective are the systems and processes in ensuring compliance, in addition to how they identify and mitigate key points of risk.

Retailers are required to nominate an audit firm to conduct the regulatory review and enter into a tripartite deed with the auditor and the Commission. The auditor provides a report detailing the results of the review. For any non-compliances identified; retailers are to submit a compliance plan detailing remedial actions proposed with dates for completion. An audit report summary is published on the Commission's website upon finalisation of the audit.

## 5.5 HARDSHIP REVIEW

In February 2015, the Minister for Finance, in consultation with the Minister for Energy and Resources, issued terms of reference to the Commission to inquire into best practice financial hardship programs of energy retailers.

The Commission published its Final Report - *Supporting customers, avoiding labels* - outlining the findings of the Energy Hardship Inquiry in February 2016. The Final Report recommended a revised framework that provides a set of clear and enforceable minimum standards that ensure those struggling to pay their energy bills have a right to assistance.

The Commission will continue to work collaboratively with retailers and consumer groups to implement the new framework and will monitor and report publicly on the responses to the new framework and the outcomes this produces for customers.

# APPENDIX A

## CLASSIFICATION — TYPE 1, TYPE 2, TYPE 3 BREACHES

For the purposes of compliance reporting, breaches of regulatory obligations are classified according to the likely severity of the impact that the breach may have on customers.<sup>1</sup>

**Type 1** breaches could critically affect customers and includes incidents where the effect increases over time if not rectified quickly. Retailers must report all actual or potential Type 1 breaches immediately.

Each month, businesses are required to report cases of Wrongful Disconnection Payments to the Commission. We allow monthly reporting of these Type 1 breaches because the breach has generally been remedied by the time it has been identified and reported.

**Type 2** breaches must be reported six-monthly. They are breaches of regulatory obligations where:

- Non-compliance could seriously affect customers
- the obligation is new or has not been complied with in previous years and/or
- the impact of that non-compliance increases over time.

Retailers are required to take prompt action to remedy any breach, regardless of the reporting frequency. The Commission also expects a Type 2 breach to be reported

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<sup>1</sup> The regulatory obligations and their classifications into Type 1, 2 or 3 breaches are summarised in the Commission's Compliance Reporting Manual (Energy Retail Businesses), which can be accessed on the Commission's website ([www.esc.vic.gov.au](http://www.esc.vic.gov.au)).

immediately, if the retailer identifies that the nature of the obligation and the number of customers affected make the breach more significant.

**Type 3** breaches are breaches of all other regulatory obligations and are considered to be less serious. The retailers are required to report them once a year.

## SYSTEMIC OR ISOLATED BREACHES

The Commission assesses whether the reported breaches are systemic or isolated.

The Commission is generally more concerned by systemic breaches, as they often result from persistent failure to maintain normal management oversight and supervisory control, particularly in IT system maintenance and operation. Such breaches may also stem from complaint-management practices that address the symptoms but not the causes of customer dissatisfaction.

Systemic breaches may affect significant numbers of customers. For example, in computer-based operations, a retailer's IT processes can repeatedly fail to produce the intended results, and records are therefore wrongly selected or formatted, or calculations are incorrect. In manual operations, incorrect instructions to staff, inadequate error-checking or supervision and similar factors may cause recurrent breaches.

Isolated breaches tend to affect fewer customers. Retailers' employees or agents may fail to follow established procedures or may process individual transactions incorrectly – but the impact is limited. One isolated error may affect many customers but, unless the error seems part of a pattern of similarly unreliable operation, it may be less significant than a systemic problem affecting fewer people over an extended period. In most cases, EWOV is well placed to deal with isolated breaches arising from customer complaints.

The Commission recognises that errors will occasionally be made but, when retailers report significant breaches, we assess whether they take appropriate remedial action to compensate customers, correct their systems and train their staff as appropriate.



# APPENDIX B

**TABLE B.1 SUMMARY OF BREACHES BY RETAILER AND TYPE**  
2014-15

	Type 1		Type 2		Type 3		Total
	WDP <sup>a</sup>	Other <sup>b</sup>	WDP <sup>a</sup>	Other <sup>b</sup>	WDP <sup>a</sup>	Other <sup>b</sup>	
AGL	66			1	3		70
Alinta Energy	22	2		1	1		26
Blue NRG				2			2
Click Energy	61			14			75
EnergyAustralia	133	8		26			167
ERM				3			3
Lumo Energy	384				6		390
M2	2	1		1			4
Momentum Energy	29	1		7		2	39
Neighbourhood Energy	4						4
Next Business Energy				1			1
Online Power and Gas		1					1
Origin Energy	195		3	2	15	1	216
People Energy	2						2
Powerdirect	4			2			6
Q Energy	2	1					3
Red Energy	10			8		12	30
Simply Energy	155	6					161
<b>All Retailers</b>	<b>1 069</b>	<b>20</b>	<b>3</b>	<b>68</b>	<b>25</b>	<b>15</b>	<b>1 200</b>

<sup>a</sup> Includes breaches that resulted in a Wrongful Disconnection Payment. The Commission counts each wrongful disconnection as one breach

<sup>b</sup> Includes all breaches that do not result in a Wrongful Disconnection Payment. Some of these breaches affect multiple customers.



# APPENDIX C

## SUMMARY OF RETAILERS' BREACH REPORTS

### TYPE 1 BREACHES

**TABLE 1.1 ELECTRICITY RETAIL LICENCE**

The licence sets out the conditions the retailer must abide by when retailing energy.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
M2	<u>Clause 21</u> A sales agent failed to adhere to the retailer's privacy policy.	The sales agent did not follow the retailer's processes and was terminated. The customer received a compensation payment. Agents were retrained on the privacy policy.	Isolated

**TABLE 1.2 RETAIL CODE**

The Retail Code specifies the terms and conditions required in a contract for the supply or sale of energy.

#### **Clauses 15A(1)(b) – Internet publication of standing tariffs**

A retailer must provide details of its Standing Offer to the Commission in a prescribed form.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
Momentum	Gas standing offer tariffs were not published on the YourChoice website.	This was due to a misunderstanding of the obligation and has since been amended.	Isolated

## Clause 33 & 72A (v11) and Clause 11.2 & 11.4 (b) (v10a) – Payment difficulties and debt recovery

Outlines the process of assessment and assistance to domestic customers experiencing financial difficulties.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
AGL	3 customers were disconnected prior to an assessment of capacity to pay.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained.	Isolated
AGL	4 customers were disconnected prior to being offered financial assistance.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained.	Isolated
AGL	1 customer was wrongfully disconnected.	The customer was reconnected and received a wrongful disconnection payment. This was due to human error. Agents were retrained.	Isolated
AGL	3 customers were disconnected prior to receiving energy efficiency advice.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained.	Isolated
AGL	2 customers were disconnected without being offered hardship advice.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained.	Isolated
AGL	1 customer was disconnected before being offered a payment plan.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
AGL	1 customer was disconnected without being offered payment assistance.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Alinta	6 customers were disconnected prior to being assessed as being in hardship.	This was due to processes not being correctly followed. Agents were retrained on the process.	Isolated
Alinta	1 customer was wrongfully disconnected.	The customer was reconnected and received a wrongful disconnection payment. Feedback was provided to the agent.	Isolated
Alinta	1 customer was disconnected prior to being provided with payment assistance information.	The customer was reconnected and received a wrongful disconnection payment. Assistance information is now included on customer bills.	Isolated
Click	1 customer was disconnected due to not being assessed as a hardship customer.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained on the process.	Isolated
EA	1 customer was disconnected before being provided with URGs information.	The customer was reconnected and received a wrongful disconnection payment. The retailer implemented	Isolated

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
		system improvements.	
EA	1 customer was disconnected without being referred to the hardship team.	The customer was reconnected and received a wrongful disconnection payment. The retailer implemented system improvements.	Isolated
EA	1 customer was disconnected without having a capacity to pay assessment.	The customer was reconnected and received a wrongful disconnection payment. The retailer implemented system improvements.	Isolated
EA	4 customers were disconnected after advising the retailer they had financial difficulties but were not referred to hardship program.	The customers were reconnected and received a wrongful disconnection payment. The retailer implemented system improvements.	Isolated
Lumo	1 customer was disconnected without being provided with financial counselling details.	The customer was reconnected and received a wrongful disconnection payment.	Isolated
Lumo	3 customers were disconnected before being provided with hardship assistance.	The customers were reconnected and received wrongful disconnection payments.	Isolated
Lumo	1 customer was disconnected before being provided with a payment extension as required after a customer is undercharged.	The customer was reconnected and received a wrongful disconnection payment.	Isolated
Lumo	2 customers were disconnected without being offered hardship advice.	The customers were reconnected and received wrongful disconnection payments. Feedback was provided to the agents.	Isolated
Momentum	9 customers were disconnected following receipt of disconnection warning notices which were non-compliant.	This was due to an IT system error, as a result IT testing was extended to prevent exception errors.	Isolated
Momentum	1 customer was disconnected prior to being offered a payment plan.	The customer was reconnected and received a wrongful disconnection payment. Referred customers can no longer be disconnected until a hardship assessment is completed.	Isolated
Momentum	1 customer was not identified as experiencing financial difficulties and was disconnected.	The customer was reconnected and received a wrongful disconnection payment.	Isolated
Momentum	1 customer was disconnected prior to being provided with payment assistance information.	The customer was reconnected and received a wrongful disconnection payment.	Isolated

<b>RETAILER</b>	<b>INCIDENT</b>	<b>CAUSE AND RESPONSE</b>	<b>NATURE</b>
Neighbourhood	2 customers were disconnected prior to being assessed as being in hardship.	Customers were reconnected and received wrongful disconnection payments. A new process was implemented to ensure an assessment is conducted prior to disconnection.	Isolated
Neighbourhood	1 customer was disconnected without receiving payment assistance information.	The customer was reconnected and received a wrongful disconnection payment and was placed on the hardship program.	Isolated
Origin	1 customer was disconnected before having their capacity to pay assessed, or given concessions information and financial counselling advice.	The customer was reconnected and received a wrongful disconnection payment. The agent was provided coaching and feedback	Isolated
Origin	3 customers were disconnected without being provided concessions information, energy efficiency advice, financial counselling or government grant advice.	The customers were reconnected and received a wrongful disconnection payment. The agents were provided coaching.	Isolated
Origin	10 customers were disconnected before being assessed for capacity to pay.	The customers were reconnected and received wrongful disconnection payments. The agent was provided coaching and feedback.	Isolated
Origin	2 customers were disconnected whilst experiencing financial difficulty.	The customer was reconnected and received a wrongful disconnection payment. The agent was provided coaching and feedback.	Isolated
Origin	3 customers were disconnected without being provided with payment assistance.	The customers were reconnected and received wrongful disconnection payments.	Isolated
Origin	3 customers were disconnected without being provided URGS information or financial counselling advice.	The customers were reconnected and received wrongful disconnection payments. The agents were provided training and feedback.	Isolated
Origin	2 customers were disconnected before being provided with government assistance information.	The customers were reconnected and received wrongful disconnection payments. The agents were provided coaching and feedback.	Isolated
Origin	1 customer was disconnected after making payments to pay an outstanding amount.	The customer was reconnected and received a wrongful disconnection payment. The agent was provided coaching and feedback.	Isolated
Powerdirect	2 customers were disconnected before being offered a payment plan or energy efficiency advice.	The customers were reconnected and received wrongful disconnection payments. Staff were retrained.	Isolated
Powerdirect	1 customer was disconnected	The customer was reconnected and	Isolated

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
	prior to being offered advice on the availability of financial counselling.	received a wrongful disconnection payment. Staff were retrained.	
Simply	4 customers were wrongfully disconnected as they did not receive information regarding financial counselling, energy efficiency or URGs.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained to correctly complete the disconnection checklist.	Isolated
Simply	13 customers were disconnected prior to receiving advice on the availability of financial counselling or energy efficiency advice.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained to correctly complete the disconnection checklist.	Isolated
Simply	1 customer was disconnected after being incorrectly removed from the hardship program.	The customer was reconnected and received a wrongful disconnection payment. Staff were retrained	Isolated
Simply	6 customers were disconnected before receiving an URGs form.	The customers were reconnected and received wrongful disconnection payments. Staff advised to follow procedures.	Isolated
Simply	3 customers were disconnected before being assessed for capacity to pay.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained.	Isolated
Simply	8 customers were disconnected before failing two payment plans in 12 months.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained.	Isolated
Simply	1 customer was disconnected before hardship assistance was provided.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Simply	2 customers were disconnected dispute self-identifying themselves as experiencing payment difficulties.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained.	Isolated
Simply	1 customer was disconnected without the retailer using best endeavours to contact the customer prior to disconnection.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Simply	2 customers were disconnected before being offered an instalment plan.	The customers were reconnected and received wrongful disconnection payments. Staff were retrained	Isolated
Simply	1 customer was disconnected before being offered energy efficiency advice.	The customer was reconnected and received a wrongful disconnection payment. Staff were retrained	Isolated

## Clauses 57(1) Customer Transfers

A retailer must not submit a request for the transfer of a small customer under the relevant Retail Market Procedures unless the retailer has obtained explicit informed consent from the customer to enter into the relevant customer retail contract and the retailer has a customer retail contract in place to enable the sale of energy to the customer at their premises.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
Alinta	1 customer who had a limited ability to comprehend an offer was sold a product.	This was due to a failure of Alinta's marketing policy. Policies and processes were reinforced; further training was given on marketing to customers.	Isolated
EA	28 accounts were transferred without the customer's explicit informed consent.	Customers signing up for a gas account had their electricity accounts transferred due to a systems error at "You Compare". Customers were contacted and explicit informed consent was provided for the transfer.	Isolated
EA	1053 customers were incorrectly transferred without the provision of explicit informed consent.	These transfers occurred due to an administration error and MSATS data issues. Processes are now being monitored and controls have been implemented to reduce transfer errors.	Systemic
EA	87 customers were incorrectly transferred without their explicit informed consent.	This was due to a systems error in the quoting process. Customers were given an opportunity to transfer back to previous retailer.	Isolated
EA	9 customers were incorrectly transferred without their explicit informed consent.	The customers were contacted and transferred back if they requested.	Isolated
EA	964 customers were incorrectly transferred without explicit informed consent.	This was due to a third party vendor allegedly making misleading statements and not advising customers of their cooling off rights. The retailer suspended the vendor's sales activities.	Systemic
Simply	1 customer was transferred to without giving their explicit informed consent.	The sales agent believed the customer was already with the retailer and failed to gain the explicit informed consent of the customer. Agents were retrained.	Isolated
Simply	1 customer was transferred without providing their explicit informed consent.	A sales agent allegedly forged the customer's signature and details. The agent was dismissed and the customer was transferred back without any charge to their previous retailer.	Isolated
Simply	1 customer was transferred to without providing explicit informed consent.	An account holder's daughter gave consent for the transfer. The customer was transferred back with no fees.	Isolated
Simply	1 customer was transferred to Simply Energy without providing	The customer agreed to enter a contract with Simply Energy but did not	Isolated



RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
	explicit informed consent.	understand the implications of what they were agreeing to. The account was cancelled and training was provided to the agent.	
Simply	1 customer was transferred to without being competent to provide consent.	Due to language barriers, the customer could not provide explicit informed consent. The customer's account was transferred without charge and the agent was dismissed.	Isolated
Simply	26 customers were transferred to the retailer without their knowledge and explicit informed consent.	A real estate agent allegedly used the details of renters moving properties and entered the customer into retail contracts. A police investigation was instigated.	Isolated
Q Energy	11 customers were transferred without explicit informed consent.	The agent's employment was terminated and their accreditation was suspended. The customers involved were contacted and transferred back to their previous retailer.	Isolated

### Clauses 61 to 64 – Providing information to small customers

Retailers must provide the required information to consumers in connection with market retail contracts in the prescribed form.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
Alinta	149 new customers did not receive their welcome packs within the required timeframes.	An automated process was implemented. The cooling off period was extended to allow for the delay.	Systemic
EA	696 new customers did not receive their welcome packs within the required timeframes.	Sales entered online were not processed in a timely manner and welcome packs were not issued. A manual reconciliation was applied to trigger the release of the welcome pack.	Systemic
EA	6,493 new customers did not receive their welcome packs within the required timeframes.	Various systems issues resulted in quotes not uploading correctly. Customers received an apology and the cooling off period was extended.	Systemic
EA	4,952 new customers received welcome packs with missing or incomplete electricity and gas rates.	This was due to a system error. Customers were sent an apology letter and updated packs with an extended cooling off period.	Isolated

## Clauses 72 (v11) – Undercharging and Overcharging

Sets out conditions under which a retailer may recover money from a customer who has been undercharged, unless this is due to an unlawful act by the customer, and conditions under which the retailer must repay a customer who has been overcharged.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
AGL	1 customer was wrongfully disconnected following the establishment of a payment.	AGL is working to improve systems to minimise the occurrence of wrongful disconnections.	Isolated
AGL	1 customer was disconnected before being offered two payment plans in 12 months.	AGL is working to improve its systems to minimise the occurrence of wrongful disconnections.	Isolated
Alinta	1 customer was disconnected after being incorrectly identified as having two failed instalment plans in the previous 12 months.	A system and process review was completed and further training provided to staff.	Isolated
Alinta	3 customers were disconnected without receiving a capacity to pay assessment.	Feedback was provided to the customer services representative.	Isolated
Lumo	1 customer was not offered a second instalment plan prior to disconnection.	The customer was reconnected and a wrongful disconnection payment was made after the disconnection was investigated by EWOV.	Isolated
Lumo	2 customers were not offered hardship advice prior to disconnection.	The customers were reconnected, a wrongful disconnection payment was made to customers and further training on hardship was provided to staff at Lumo.	Isolated
People	1 customer was disconnected before being offered two payment plans in 12 months.	Further compliance training was provided.	Isolated
Origin	1 customer on a payment plan was disconnected without having their capacity to pay assessed.	The customer was reconnected and compensated. Further feedback was given to staff.	Isolated
Origin	2 customers were disconnected before their capacity to pay was assessed and after they contacted the retailer to discuss payment plan options.	The customers' supply was reconnected the same day.	Isolated
Simply	1 customer was disconnected prior to receiving advice on URGS and concessions.	The customer reconnected and paid in accordance with guidelines. Simply Energy is also reviewing its processes.	Isolated
Simply	1 customer was disconnected without receiving a capacity to pay assessment.	The customer was reconnected and compensated. Administration staff are provided with regular training.	Isolated
Simply	1 customer was disconnected	A template letter to the customer was	Isolated

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
	following receipt of a non-compliant disconnection warning.	manually amended; the ability to do this has since been removed.	
Simply	2 customers were disconnected before being offered 2 payment plans in the last 12 months.	The customer was reconnected and compensated. Administration staff are provided with regular training.	Isolated

### Clauses 110(2)(f) – Energy and Water Ombudsman Victoria

The existence, operation and contact details of the energy ombudsman must be shown on any disconnection warning notices.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
Online Power & Gas	1 customer received a disconnection notice that failed to include the details of the Ombudsman.	The template was updated to include details of the Ombudsman.	Isolated

### Clauses 111 to 115 (v11) & Clause 13 (except 13.5) (v10a) – Retailer initiated de-energisation of premises.

The Retail Code sets out the process that a retailer must follow before disconnecting a customer in these clauses. This includes;

- A retailer's obligations to customers before disconnecting their supply, such as offering payment assistance and efficiency advice
- Timing and content of disconnection notices
- A retailer's obligations to reconnect customers that it has disconnected

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
AGL	9 customers were wrongfully disconnected as the service order was not cancelled as requested by the customer.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained.	Isolated
AGL	12 customers were disconnected as notices were sent to the incorrect premises.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained.	Isolated
AGL	1 customer was disconnected despite the account being under investigation.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
AGL	1 customer was disconnected due to depositing payments into the wrong account.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
AGL	1 customer was disconnected without being assessed for hardship.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained.	Isolated
AGL	3 customers were disconnected without receiving a disconnection notice.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained.	Isolated
AGL	2 customers were disconnected without being provided information on energy efficiency, financial counselling or concessions.	The customer's supply was reconnected and AGL waived the reconnection fees. Feedback was provided to the Customer Service Representative's team leader.	Isolated
AGL	3 customers were disconnected without best endeavours to contact the customers.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained.	Isolated
AGL	1 customer was disconnected despite there being no evidence of the required actions occurring prior to the disconnection.	The customers were reconnected and received wrongful disconnection payments. Staff were retrained.	Isolated
AGL	1 customer was disconnected due to human error resulting in a deemed contract being established.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
AGL	1 customer was disconnected after an agent failed to update the customer's contact details.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
AGL	1 customer was disconnected when switching retailers as the agent believed the customer had requested a disconnection.	The customer was reconnected and received a wrongful disconnection payment. Feedback was provided to the agent.	Isolated
AGL	4 customers were disconnected prior to being offered two payment plans in the last 12 months.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained.	Isolated
AGL	1 customer was disconnected before the date specified on the disconnection notice.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
AGL	2 customers were disconnected after system-based address issues.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained.	Systemic
AGL	3 customers were disconnected despite showing "willingness to pay".	The customers were reconnected and received wrongful disconnection payments. Agents were retrained.	Isolated
AGL	1 customer was disconnected without receiving all of the required notices.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Alinta	2 customers were disconnected due to an internal process error.	The customers were reconnected and received wrongful disconnection	Isolated

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
		payments. Agents were retrained.	
Alinta	1 customer was disconnected due to human error.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Alinta	3 customers were disconnected as best endeavours were not used to contact the customers prior to disconnection.	The customers were reconnected and received wrongful disconnection payments. Process improvements have been implemented.	Isolated
Alinta	1 customer was disconnected due to an address mismatch.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Alinta	1 customer was disconnected after receiving a non-compliant disconnection warning notice.	The customer was reconnected and received a wrongful disconnection payment. Feedback was provided to staff.	Isolated
Alinta	1 customer was disconnected whilst a co-tenant still lived at the premise.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Click	1 customer was disconnected without receiving a reminder notice.	The customer was reconnected and received a wrongful disconnection payment. The agent involved was provided with coaching.	Isolated
Click	1 customer was disconnected without receiving a disconnection notice or reminder notice.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Click	3 customers were disconnected without best endeavours being used to contact the customers.	The customer was reconnected and received a wrongful disconnection payment. A review of the disconnection process was implemented to identify improvement opportunities.	Isolated
Click	53 customers were disconnected after receiving non-compliant disconnection notices.	Customers were reconnected and received wrongful disconnection payments. Disconnection notices were amended.	Isolated
EA	2 customers were disconnected when they were incorrectly transferred between internal systems.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
EA	1 customer was disconnected due to the distributor inputting the wrong address for disconnection.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
EA	1 customer was disconnected after a service order was incorrectly raised.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
EA	10 customers were	The customer was reconnected and	Isolated

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
	disconnected after an agent failed to set up the customer's account correctly.	received a wrongful disconnection payment. The agent involved has been provided feedback.	
EA	1 customer was disconnected after the retailer failed to update notices with the correct details.	The customers were reconnected and received wrongful disconnection payments. The agent involved received feedback.	Isolated
EA	3 customers were disconnected after notices were sent to the wrong address.	The customers were reconnected and received wrongful disconnection payments. The agent involved received feedback.	Isolated
EA	1 customer was disconnected due to problems with the retailer's billing system.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
EA	1 customer was disconnected due to agents not following up on a request to arrange an account in the customer's name.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
EA	4 customers were disconnected due to agents or systems incorrectly processing transfer requests.	The customers were reconnected and received wrongful disconnection payments. The agents involved received feedback. Transfer system fixes have been implemented.	Isolated
EA	6 customers were disconnected when agents incorrectly initiated a disconnection request.	The customers were reconnected and received wrongful disconnection payments. The agents involved received feedback.	Isolated
EA	18 customers were disconnected after an agent incorrectly finalised the customer's account.	The customers were reconnected and received wrongful disconnection payments. The agents involved received feedback.	Isolated
EA	2 customers were disconnected as a result of issues with properties being sub-divided.	The customers were reconnected and received wrongful disconnection payments. The agents involved have been provided feedback.	Isolated
EA	12 customers were disconnected after agents failed to cancel disconnection orders.	The customers were reconnected and received wrongful disconnection payments. The agents involved received feedback.	Isolated
EA	1 customer was disconnected after an agent failed to cancel a service order.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	707w
EA	24 customers were disconnected after an agent failed to cancel the disconnection order of the	The customers were reconnected and received wrongful disconnection payments. The agents involved received feedback.	Isolated

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
	previous premises owner.		
EA	12 customers were disconnected on a date other than their requested disconnection date.	The customers were reconnected and received wrongful disconnection payments. The agents involved received feedback.	Isolated
EA	8 customers were disconnected following an agent input error.	The customers were reconnected and received wrongful disconnection payments. The agents involved received feedback.	Isolated
EA	1 customer was disconnected due to an agent failing to issue a transfer request.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
EA	1 customer was disconnected following receipt of a non-compliant disconnection notice.	This was due to a system issue and letters have been updated to ensure compliance.	Isolated
EA	4 customers were disconnected after an agent failed to reinstate the customer's initial account after they were transferred back from another retailer.	The customers were reconnected and received wrongful disconnection payments. The agents involved received feedback.	Isolated
EA	1 customer was disconnected after an agent advised the customer to disregard the reminder notice sent to them.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
EA	1 customer was disconnected due to an agent incorrectly establishing an account.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
EA	1 customer was disconnected after an unauthorised person arranged for a disconnection of the premise.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
EA	3 customers were disconnected after their details were not added to the account registered for their premise.	The customers were reconnected and received wrongful disconnection payments. The agents involved have been provided feedback.	Isolated
EA	1 customer was disconnected after the retailer failed to perform checks on the account following advice from the customer that they were with another retailer.	The customer was reconnected and received a wrongful disconnection payment.	Isolated
EA	1 customer was disconnected after an agent arranged for the wrong service order.	The customer was reconnected and received a wrongful disconnection payment.	Isolated
Lumo	4 customers were disconnected due to a disconnection request	The customers were reconnected and received wrongful disconnection	Isolated

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
	of the previous tenant not being cancelled.	payments. The agents involved have been provided feedback.	
Lumo	4 customers were disconnected whilst demonstrating a "willingness to pay".	The customers were reconnected and received wrongful disconnection payments. The agents involved have been provided feedback.	Isolated
Lumo	1 customer was disconnected due to a cross metering issue.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
Lumo	2 customers were disconnected after bills and/or notices were not sent or sent to the wrong address.	The customers were reconnected and received wrongful disconnection payments. The agents involved have been provided feedback.	Isolated
Lumo	6 customers were disconnected on a date other than the requested date.	The customers were reconnected and received wrongful disconnection payments. The agents involved have been provided feedback.	Isolated
Lumo	1 customer was disconnected after invoices were delivered to the incorrect address.	The customer was reconnected and received a wrongful disconnection payment. The system responsible was amended.	Isolated
Lumo	2 customers were disconnected following receipt of a non-compliant notice.	The customers were reconnected and received wrongful disconnection payments.	Systemic
Lumo	3 customers were disconnected without receiving the required notices whilst on a deemed contract.	The customers were reconnected and received wrongful disconnection payments.	Isolated
Lumo	1 customer was disconnected after the wrong property was disconnected.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
Lumo	347 customers were disconnected following receipt of non-compliant disconnection notices.	The customers were reconnected. A system fix was implemented to amend the issue.	Systemic
M2	1 customer was disconnected due to the sales agent arranging disconnection for the incorrect property.	The customer was reconnected and received a wrongful disconnection payment. The agent was provided coaching and feedback.	Isolated
M2	1 customer was disconnected after receipt of a non-compliant disconnection notice.	The customer was reconnected and received a wrongful disconnection payment. The disconnection notice wording was amended.	Isolated
Momentum	2 customers were disconnected after receiving non-compliant disconnection notices.	The customers were reconnected and 1 customer received a wrongful disconnection payment. Systems were	Isolated



RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
		amended to address the issue.	
Momentum	6 customers were disconnected after receiving non-compliant disconnection notices.	Customers were reconnected and received a wrongful disconnection payment. Systems were amended to address the issue.	Isolated
Momentum	1 customer was disconnected due to the retailer not cancelling the disconnection request with the distributor.	The customer was reconnected and a new process to prevent this issue reoccurring has been implemented.	Isolated
Neighbourhood	1 customer was disconnected before the retailer offered two instalment plans.	The customer was reconnected and received a wrongful disconnection payment. New processes were implemented.	Isolated
Origin	2 customers were disconnected without receiving any disconnection warnings.	The customers were reconnected and received wrongful disconnection payments. The agent involved has been provided feedback.	Isolated
Origin	9 customers were disconnected without best endeavours being used by the retailer to contact the customers.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
Origin	9 customers were disconnected whilst demonstrating a "willingness to pay".	The customers were reconnected and received wrongful disconnection payments. The agents involved have been provided feedback.	Isolated
Origin	7 customers were disconnected without being provided the required notice period.	The customers were reconnected and received wrongful disconnection payments. The agents involved have been provided feedback.	Isolated
Origin	12 customers were disconnected before being given sufficient time to respond to disconnection notices.	The customers were reconnected and received wrongful disconnection payments. The agents involved have been provided feedback.	Isolated
Origin	10 customers were disconnected after an agent failed to set up a customers' account correctly.	The customers were reconnected and received wrongful disconnection payments. The agents involved have been provided feedback.	Isolated
Origin	2 customers were disconnected after the customers' premise was identified as vacant due to an agent processing error.	The customers were reconnected and received wrongful disconnection payments. The agents involved have been provided feedback.	Isolated
Origin	2 customers were disconnected without receiving assistance for financial difficulty.	The customers were reconnected and received wrongful disconnection payments. The agents involved have been provided feedback.	Isolated
Origin	34 customers were disconnected after an agent failed to update the customers'	The customers were reconnected and received wrongful disconnection payments. The agents involved have	Isolated

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
	preferred address in the system.	been provided feedback. Systems have been updated.	
Origin	8 customers were disconnected after an agent failed to cancel the disconnection order of the previous owner.	The customers were reconnected and received wrongful disconnection payments. The agents involved have been provided feedback.	Isolated
Origin	2 customers were disconnected due to the wrong NMI being linked to the address.	The customers were reconnected and received wrongful disconnection payments. The agents involved have been provided feedback.	Isolated
Origin	2 customers were disconnected after requesting to have notices sent via post not email was actioned.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
Origin	1 customer was disconnected due to an agent failing to complete a move-in request according to the customer's instructions.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
Origin	1 customer was disconnected after an agent failed to process the correct commencement date.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
Origin	1 customer was disconnected after an agent incorrectly processed a move-out request instead of an account establishment.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
Origin	21 customers were disconnected after they had requested an extension or payment plan yet the disconnection order was not cancelled.	The customers were reconnected and received wrongful disconnection payments. The agents involved have been provided feedback.	Isolated
Origin	7 customers were disconnected following receipt of non-compliant notices.	The customers were reconnected and received a wrongful disconnection payment. The agents involved have been provided feedback.	Isolated
Origin	5 customers were disconnected whilst demonstrating a "willingness to pay".	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
Origin	1 customer was disconnected after establishing a payment plan.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
Origin	2 customers were disconnected after agents accidentally disconnected the premise while	The customers were reconnected and received wrongful disconnection payments. The agents involved have	Isolated

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
	establishing new accounts.	been provided feedback.	
Origin	5 customers were disconnected before being offered 2 payment plans in the last 12 months.	The customers were reconnected and received wrongful disconnection payments. The agents involved have been provided feedback.	Isolated
Origin	1 customer was disconnected after an agent raised a disconnection for the wrong account.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
Origin	1 customer was disconnected prior to being assessed for capacity to pay.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
Origin	1 customer was disconnected after bills and notices were not issued due to a system error.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Systemic
Origin	1 customer was disconnected after a disconnection order was raised against the wrong meter.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
Origin	1 customer was disconnected after an agent disconnected the wrong customer.	The customer was reconnected and received a wrongful disconnection payment. The agent involved has been provided feedback.	Isolated
Origin	2 customers were disconnected after the retailer failed to update the customers' contact details.	The customers were reconnected and received wrongful disconnection payments. The agents involved have been provided feedback.	Isolated
People	1 customer was disconnected due to human error.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Powerdirect	1 customer was wrongfully disconnected as notices were sent to the wrong address.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Q Energy	1 customer was disconnected without the retailer following all required processes prior to disconnection.	The customer was reconnected and received a wrongful disconnection payment. A system fix was implemented.	Isolated
Red	1 customer was disconnected without appropriate notice being provided.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Red	2 customers were disconnected despite providing acceptable identification.	The customers were reconnected and received wrongful disconnection payments. Feedback was provided to the agents.	Isolated
Red	1 customer was disconnected outside the timeframe of the	The customer was reconnected and received a wrongful disconnection	Isolated

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
	disconnection notice.	payment. Feedback was provided to the agent.	
Red	1 customer was disconnected without the suing using best endeavours to contact the customer.	The customer was reconnected and received a wrongful disconnection payment. Feedback was provided to the agent	Isolated
Red	1 customer was disconnected without receiving a disconnection warning notice.	The customer was reconnected and received a wrongful disconnection payment. Feedback was provided to the agent.	Isolated
Red	3 customers were disconnected before being offered two payment plans in the last 12 months.	The customers were reconnected and received wrongful disconnection payments. Feedback was provided to the agents.	Isolated
Red	1 customer was disconnected due to a disconnection order being raised as opposed to a final reading.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Simply	9 customers were disconnected without best endeavours to contact them by the retailer.	The customers were reconnected and received wrongful disconnection payments. Feedback was provided to the agents.	Isolated
Simply	2 customers were disconnected due to the disconnection order not being cancelled.	The customers were reconnected and received wrongful disconnection payments. Feedback was provided to the agent.	Isolated
Simply	1 customer was disconnected without being provided energy efficiency advice.	The customer was reconnected and received a wrongful disconnection payment. Feedback was provided to the agent.	Isolated
Simply	1 customer was disconnected due to human error in the establishment of the account.	The customer was reconnected and received a wrongful disconnection payment. Feedback was provided to the agent.	Isolated
Simply	1 customer was disconnected without a disconnection warning notice being issued.	The customer was reconnected and received a wrongful disconnection payment. A system review was conducted.	Isolated
Simply	3 customers were disconnected due to agents requesting disconnection on the wrong date.	The customers were reconnected and received wrongful disconnection payments. Feedback was provided to the agent.	Isolated
Simply	2 customers were disconnected without receiving disconnection warning letters.	The customers were reconnected and received wrongful disconnection payments. Feedback was provided to the agent.	Isolated
Simply	1 customer was disconnected without the required field visit.	The customer was reconnected and received a wrongful disconnection	Isolated

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
		payment. A system review was conducted.	
Simply	1 customer was disconnected without the appropriate processes being followed for unknown consumer accounts.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Simply	1 customer was disconnected after receiving an invoice with no due date.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Simply	1 customer was disconnected during a retrospective transfer.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Simply	1 customer was disconnected without being provided with information on URGS, energy efficiency or financial counselling.	The customer was reconnected and received a wrongful disconnection payment. Staff were retrained.	Isolated
Simply	1 customer was disconnected after being identified as experiencing payment difficulties.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Simply	1 customer was disconnected after receiving a non-compliant disconnection notice.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Simply	19 customers were disconnected before being offered two payment plans in the last 12 months.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Simply	2 customers were disconnected after receiving non-compliant notices.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained.	Isolated
Simply	1 customer was disconnected when they should have been placed on a deemed contract.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Simply	1 customer was disconnected due to human error.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Simply	2 customers were disconnected without being provided information on URGS or concessions.	The customers were reconnected and received wrongful disconnection payments. Agents were retrained.	Isolated
Simply	1 customer was disconnected after the incorrect NMI was linked to the account.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Simply	7 customers were disconnected after receiving non-compliant notices.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
Simply	1 customer was disconnected after their payment was applied to another account.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Simply	1 customer was disconnected based on insufficient evidence relating to illegal supply.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated
Simply	1 customer was disconnected with an open complaint.	The customer was reconnected and received a wrongful disconnection payment. Agents were retrained.	Isolated

### **Clauses 116 & 117 (v11) and Clause 14 (v10a) – When retailer must not arrange de-energisation**

This clause sets out the specific circumstances in which a retailer may not disconnect a customer.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
AGL	2 customers were disconnected after an agent processed payments into the incorrect account.	The customers were reconnected and fees waived. Feedback was given to team leader of customer services.	Isolated
Alinta	1 customer was disconnected whilst having an open complaint with the retailer.	The customer services representative received feedback.	Isolated
Click	1 customer was disconnected due to the agent believing the premise was vacant.	The customer was reconnected and compensated. Staff received feedback.	Isolated
EA	1 customer was disconnected in error for non-payment.	Feedback and further training was provided to the consultant responsible.	Isolated
EA	2 customers with an open dispute were disconnected.	Feedback and further training was provided to the consultants responsible.	Isolated
Lumo	1 customer was disconnected without receiving the required notices.	Customer was reconnected and compensated.	Isolated
Lumo	1 customer was disconnected due to human error.	Customer was reconnected and compensated. Feedback was provided to the responsible agent.	Isolated
Momentum	2 customers were disconnected whilst demonstrating "willingness to pay".	The process was updated to ensure urgent cancellations due to payment plans are identified.	Isolated
Momentum	1 customer was disconnected due to an error in the service order requested.	A review was conducted and process reinforced with further training.	Isolated

<b>RETAILER</b>	<b>INCIDENT</b>	<b>CAUSE AND RESPONSE</b>	<b>NATURE</b>
Origin	7 customers were disconnected whilst an open complaint was being investigated.	Agents responsible received feedback and coaching.	Isolated
Origin	2 customers were disconnected whilst demonstrating "willingness to pay".	Agent responsible received feedback and coaching.	Systemic
Origin	1 customer was disconnected while an issue was being investigated by the Ombudsman.	Customer was reconnected and compensated. Feedback was provided to the agent responsible.	Isolated
Origin	4 customers who were adhering to a payment plan were disconnected.	Customers were reconnected and paid compensation. System has been improved to ensure pending disconnection orders are cancelled if the issue has been addressed.	Isolated
Origin	2 customers were disconnected whilst applying for a government grant.	Customers were reconnected and responsible agents received feedback and coaching.	Isolated
Simply	4 customers were disconnected after an agent failed to update the customers' address.	The customers were reconnected and compensated. Further training/revision of policy was implemented.	Isolated
Simply	7 customers were disconnected due to an error in the service order requested.	The customer was reconnected and compensated. Further training/revision of policy was implemented.	Isolated
Simply	2 customers were disconnected without the retailer following the required processes.	No details were provided regarding the cause and response.	Isolated
Simply	5 customers were disconnected whilst demonstrating "willingness to pay".	Agents were advised to follow procedure and checklists.	Isolated
Simply	1 customer was disconnected following an agent incorrectly disconnecting the premise.	Customer was reconnected and compensated. Further training/revision of policy was implemented.	Isolated
Simply	1 customer was disconnected following not being provided with adequate time to pay disconnection.	Agent was provided with additional training.	Isolated
Simply	4 customers were disconnected as agents failed to cancel pending disconnections.	Customers were reconnected and compensated. Further training/revision of policy was implemented.	Isolated
Simply	1 customer was disconnected following the wrong service order being raised.	Customer was reconnected and compensated. Further training/revision of policy was implemented.	Isolated
Simply	3 customers were disconnected due to human error.	Customer was reconnected and compensated. Further training/revision of policy was implemented.	Isolated
Simply	1 customer was disconnected	Agent didn't confirm meter number.	Isolated

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
	after the incorrect account was disconnected.	Agent was retrained.	
Simply	3 customers were disconnected after the wrong date was requested for the move in.	Customers were reconnected and compensated. Process of these dates being checked is being considered.	Isolated
Simply	4 customers were disconnected before best endeavours to contact them were used.	Customers were reconnected and compensated. Further training and revision of policy was implemented.	Isolated
Simply	3 customers were not offered two payment plans in the 12 months prior to disconnection.	Further training was implemented.	Isolated
Simply	2 customers were disconnected whilst demonstrating "willingness to pay".	Further training was implemented.	Isolated
Simply	2 customers were disconnected without receiving the required notices prior to disconnection.	Customers were reconnected and compensated. Regular training is in place to address this issue.	Isolated

### Clauses 121 & 122A (v11) – Re-energisation of premises

The obligations to be followed when reconnecting a customer.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
Q Energy	1 customer was disconnected after an agent incorrectly issued a final read and disconnection.	The customer was reconnected and compensated. Agents have received feedback about correct service order processes.	Isolated



# TYPE 2 BREACHES

**TABLE 2.1 ELECTRICITY RETAIL LICENCE**

The licence sets out conditions the retailer must abide by when retailing energy.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
Blue NRG	<u>Clause 9.1 – 9.3 &amp; 9.5</u> 269 customers were not notified that their fixed term contracts were due to expire.	Blue NRG said it was unaware of its obligations. Customers were contacted and apologies were provided.	Systemic
EA	<u>Clause 9.1 – 9.3 &amp; 9.5</u> 21,709 customers were not provided with tariff information, terms and conditions or how to terminate the contract in hard copy.	Processes have been amended and customers are also encouraged to access further information on the retailer's website.	Systemic

**TABLE 2.2 ENERGY RETAIL CODE**

The Retail Code specifies the terms and conditions required in a contract for the supply or sale of energy.

## Clause 15A – Internet publication of standing offer tariffs

A retailer must publish its Standing Offer on its website. The home page must link easily and logically to the Standing Offer.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
Momentum	Gas standing offers were not published to the YourChoice website.	This was a result of IT system enhancements which did not undergo adequate testing.	Isolated
Next	Standing offer pricing and PPIS documentation were not published on the Next website.	This was due to an internal error resulting in the documents not uploading on the website. Documents have been uploaded accordingly.	Isolated

### **Clauses 15B(1) to 15B(4) - Relevant published offers (price and product information statements)**

A retailer must provide a link on their website's home page to their Price and Product Information Statements (PPIS).

<b>RETAILER</b>	<b>INCIDENT</b>	<b>CAUSE AND RESPONSE</b>	<b>NATURE</b>
ERM	On a number of PPIS' the explanation of where the customer can obtain further information on their rights was omitted.	This was due to the system picking up an incorrect template. The document has now been amended.	Isolated
Red	The retailer did not have its gas market offers published on the YourChoice website.	This has been amended.	Isolated

### **Clause 19(2) – Retailer's obligation to energise**

A retailer must as soon as practicable, but not later than the end of the next business day, after the request for the sale of energy is properly made, forward relevant customer details to the distributor.

<b>RETAILER</b>	<b>INCIDENT</b>	<b>CAUSE AND RESPONSE</b>	<b>NATURE</b>
Momentum	1 customer did not have their power connected in the agreed timeframe.	This was due to a staff member not following the procedure for a move-in customer.	Isolated

### **Clauses 20, 21 and 23 – Basis of bill**

The bill must be based on actual meter readings at least once every 12 months or based on estimations as per prescribed conditions.

<b>RETAILER</b>	<b>INCIDENT</b>	<b>CAUSE AND RESPONSE</b>	<b>NATURE</b>
Powerdirect	The retailer was unable to adjust the substituted bills with actual bills to reflect an actual read after the information was available.	The retailer's system had no functionality to amend this issue. It will be resolved when the retailer moves to a new system in June 2016.	Isolated

## Clause 24(1) – Frequency of bills

Retailer obligations to issue bills to customers;

- Electricity – issued every three months; and
- Gas – issued every two months.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
AGL	46 customers were not billed within the prescribed timeframe.	This was predominately caused by invalid meter reads from the distributor. The retailer now issues estimated bills until they are able to issue actual bills.	Isolated
Alinta	6 customers were not billed within the prescribed timeframe.	Alinta said this was caused by the retailer's mail house. Manual bills were sent and the mail house is now setup correctly.	Isolated
EA	613 customers were not billed within the prescribed timeframe.	Causes include pending meter exchanges, distributor issues, erroneous industry data, missing meter reads, quoting mismatches and issues with vendors.	Systemic
EA	1181 customers' bills were changed from quarterly to monthly without consent.	The retailer's billing system generates the bills when meter readings are received. Billing has been reverted to quarterly.	Systemic
EA	10 056 customers received monthly bills not quarterly bills.	EA said the distributor changed the meter read dates that the retailer's system relied on from quarterly to monthly. System changes are being investigated.	Systemic
EA	5271 customers did not have their bills printed.	EA said this was due to the retailer's third party printing partner. A daily bill print now identifies bills that have been generated but not printed.	Systemic
Momentum	648 customers were not billed within the timeframe.	This was due to meter data quality and access issues. Exception reports are generated daily to ensure customers are billed at least quarterly.	Systemic
Momentum	260 customers were not billed within the required timeframe.	This was due to the time taken in upgrading the billing system for the Carbon repeal changes required.	Systemic
Powerdirect	380 customers were not billed within the required timeframe.	Powerdirect said it received no or invalid meter reading data from the distributor.	Systemic
Red	4 customers were not billed within the prescribed	Delays were due to missing reading data. Apologies were	Isolated

timeframe.

provided to customers.

### Clause 25(1)(a) to (y) – Contents of bills

Rules governing the minimum information to be included on a customer's bill.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
Blue NRG	7531 customers received bills without their estimated data usage, the date for next scheduled meter reading and their average daily cost.	This was due to incorrect configuration of the retailer's billing platform which has been rectified.	Systemic
Click	1360 customers were not informed that their invoice was based on estimate data readings.	Inadequate testing of the invoice system resulted in this breach; the issue has now been corrected.	Isolated
Click	8063 customers did not have bill benchmarking information on their invoices.	Incorrect end dates in the system resulted in no benchmarking data being active for 12 days. The dates were later corrected.	Isolated
EA	83 991 former customers were not provided start and end index reads of their bills.	Customers have been transferred to the new billing system which is able to provide start and end index reads.	Systemic
EA	Customers quoted through the digital quoting platform who selected GreenEnergy were not billed or supplied with green energy.	Customers are being corrected retrospectively. The green offer is being removed from the online sales portal until a long term solution can be implemented.	Systemic
EA	96 customers who had a "pay on time" discount did not receive this discount.	The system issue was corrected. Customers were refunded or credited.	Systemic
ERM	12 customers had an incorrect average cost per day of peak/off peak registers displayed on their bills.	The issue has been corrected.	Isolated
Origin	180 200 customers had quarterly usage graphs as opposed to monthly usage graphs displayed on their bills.	A system fix was implemented. Historical data was then repopulated for impacted customers.	Systemic
Origin	54 900 customers experienced index reads not appearing on smart meter customer bills.	Index data from SP AusNet was not recognised by the new system as it was in a different format. SP AusNet agreed to change the file format to a recognisable one to allow the reads to appear on the bill.	Systemic

### Clause 25A – Greenhouse Gas Disclosure on electricity customers’ bills.

Content of the information to be disclosed includes emissions calculated as specified for current period and past year, with a graph and an adequate explanation of the graph.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
ERM	88 customers did not receive populated historical consumption and emissions data on their bill.	The invoice creation process has been rectified.	Systemic
M2	385 customers were displayed a greenhouse gas emissions graph whose format was not approved by the Commission.	Approval for the greenhouse gas emissions graph has been granted by the Commission.	Isolated

### Clauses 26 & 32 – Pay-by-date and payment methods

The pay-by-date is not less than 13 days from the bill issue date. Outlines the methods for the payment of a bill by a customer that a retailer must accept.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
Click	1 customer was undercharged.	This was due to a system issue involving the declined direct debit process. Alerts that advise of uncompleted processes have since been implemented.	Isolated

### Clause 30 & 31 – Undercharging and Overcharging

Sets out conditions under which a retailer may recover money from a customer who has been undercharged, unless this is due to an unlawful act by the customer, and conditions under which the retailer must repay a customer who has been overcharged.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
Click	1 customer was not charged their direct debit dishonour fee.	This was due to human error. Feedback was provided to the responsible individual, the customer was notified and their account adjusted accordingly.	Isolated
Click	1 customer was invoiced for an undercharged amount over 9 months previous.	The customer had their account credited as an adjustment and has not been listed as a bad debtor.	Isolated
Click	1 customer was undercharged due to the invoice only producing a supply charge and a Feed-in Tariff.	Customer has been billed appropriately.	Isolated
Click	54 customers had their	This was caused by a system error.	Isolated

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
	Controlled Load usage assigned to peak and off peak registers resulting in overcharging.	Credit adjustments were applied.	
Click	1 customer with a TOU meter was overcharged.	This is caused by applying the meter multiplier twice where it only should have been applied once.	Isolated
Click	5 customers' undercharged usage was billed for a period outside the 270 day limit.	This was caused by a failure of billing process. Invoices were reversed and systems were amended to ensure usage outside the billable period is not billed.	Isolated
Click	878 customers had the wrong concession configuration applied to their account.	The correct concessions configurations were not applied to Controlled load meters. Systems have been updated.	Systemic
Click	942 customer rebates were not applied to accounts.	A crucial part of the process was not configured correctly. This was subsequently fixed.	Systemic
Click	25 customers were undercharged due to a BPAY issue.	This was caused by BPAY reversals being incorrectly interpreted as BPAY payments.	Systemic
Click	24 customers had invoices issued without the carbon tax surcharge.	A pricing change was implemented and the first few invoices were not yet configured for the pricing change.	Isolated
Click	126 customers were overcharged.	Concessions entitlements were calculated incorrectly after a reversal. Invoices have been reissued.	Systemic
EA	5730 customers were overcharged.	Customers were told they would receive a discount off their 'usage and supply' but only received a discount on 'usage'. Controls were implemented to prevent the breach reoccurring.	Systemic
EA	1546 customers were overcharged.	Customers were quoted on a tariff/rate that did not align with their metering. A process was devised to identify if a customer's tariff is misaligned.	Systemic
EA	44 customers were overcharged.	Discounts were not applied to bills due to multiple account set up issues. Customer's accounts were credited accordingly.	Systemic
EA	21 customers did not have their pension concession rebate credited.	This was due to a system issue. Customer's accounts have been credited.	Systemic

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
EA	1272 solar customers have been overcharged.	Customers were either quoted and/or set up on an incorrect Solar Network Tariff. The retailer allocated specific solar billing agents, developed an automated solar billing tool and established a solar knowledge centre.	Systemic
EA	616 solar customers were charged for their solar generation rather than receiving credits for the generation.	This was due to a system defect. The retailer cancelled and rebilled any customer who had been incorrectly overcharged and fixed the accounts in their billing system.	systemic
EA	477 solar customers were overcharged.	These customers stopped receiving their mandatory 8c minimum Feed-in-Tariff due to a system issue. Fortnightly reports now aim to identify misalignment for solar customers.	Systemic
EA	3045 solar customers were overcharged.	The retailer did not identify solar at the time of quote and customers were not receiving the correct solar generation on their bill. Processes now in place to identify solar.	Systemic
EA	294 solar customers were overcharged.	Customers were not paid GST with their solar credits. This was due to the retailer's system not automatically applying GST for solar customers.	Systemic
EA	6950 customers did not receive the rebate on their first account that they were entitled to.	The rebates were not applied due to a system failure. An interim data script identifies impacted accounts and a system will be set up in future to enable automatic application of future rebates.	Systemic
EA	9043 customers were not receiving a product rebate.	This was due to a systems issue. The particular product has been retired and customers have been transferred to new products with increased discounts.	Systemic
EA	1231 customers were overcharged.	Customers were double billed during the change of daylight savings time. A system fix has been implemented.	Isolated
EA	578 customers were overcharged as a result of concessions not being applied to customers' bills.	This occurs when a customer has previously provided valid concession details with an end date and then later provides new details, due to a system defect; the new details were not uploaded.	Systemic
EA	350 customers were	Pay on time discounts were not	Isolated

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
	overcharged.	being applied to customer accounts.	
EA	110 customers received supply charges despite being in an Embedded Network.	Child NMI customers in embedded networks were incorrectly charged embedded network supply charges despite being with their own retailer Customers' accounts were credited.	Systemic
EA	8815 former customers were overcharged due to paying multiple exit fees.	When a product change was performed, exit fees were accumulating for each year the customer was with the retailer. A customer leaving in year 3 was charged 3 exit fees. Systems changes have been implemented.	Systemic
Momentum	1 customer was back billed for 274 days more than the allowed 9 months and was not given equal time to pay the outstanding amount.	The billing analyst incorrectly calculated the duration exceeding 9 months. Billing specialists were provided training on the issue.	Isolated
Momentum	Customer was not advised of the reason for a delayed bill.	This was due to human error, the billing analyst was unaware that this was an 'undercharge' issue and therefore that an accompanying letter was necessary.	Isolated
Origin	3 customers were disconnected without being given equal time to pay for a previously undercharged amount.	The customers were reconnected and received wrongful disconnection payments.	Isolated
Red	195 customers were billed on a previous and lower price after a price increase.	Incorrect plans were attached to the customer's account, this has now been rectified.	Isolated
Red	3062 customers received a price change letter which indicated an incorrect peak threshold.	The incorrect peak threshold worked in customer' favour. Bills were reversed and reissued.	Isolated



# TYPE 3 BREACHES

**TABLE 3.1 ELECTRICITY INDUSTRY ACT 2000**

The main purpose of Electricity Industry Act is to regulate the electricity supply industry.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
Momentum	During the DHS audit a number of issues were identified with the retailer's administration of concessions.	The issues were system based and the majority of breaches have since been resolved.	Systemic

**TABLE 3.2 ELECTRICITY RETAIL LICENCE**

The licence sets out the conditions the retailer must abide by when retailing energy.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
Momentum	<u>Clause 9.4 &amp; 9.6</u> Standing offer terms and conditions were not gazetted by the required date.	The required information was gazetted after the obligated date.	Isolated

**TABLE 3.3 ENERGY RETAIL CODE**

The Retail Code specifies the terms and conditions required in a contract for the supply or sale of energy.

## **Clauses 118 and 13.5 – Request for de-energisation and Grounds for disconnection**

The process which must be followed prior to de-energising of a customer's premises under certain conditions. On request, a retailer must disconnect a customer and finalise the account.

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
AGL	2 customers were disconnected after the retailer failed to cancel the disconnection with the	The customers were reconnected and compensated. The agents responsible received feedback.	Isolated

RETAILER	INCIDENT	CAUSE AND RESPONSE	NATURE
	distributor.		
AGL	1 customer was disconnected due to an address error in the retailer's system.	The customer was reconnected and compensated. The agent responsible received feedback.	Isolated
Alinta	1 customer was disconnected in a manner not in line with their request.	The staff member was retrained, corrective action taken and ongoing monitoring implemented.	Isolated
Lumo	5 customers were disconnected earlier than the date requested.	The customers were reconnected and compensated.	Isolated
Lumo	1 customer was wrongfully disconnected due to notices being sent to the wrong address.	The customer was reconnected and compensated.	Isolated
Origin	5 customers were disconnected earlier than they requested.	The customers were reconnected and compensated. The agents responsible received feedback.	Isolated
Origin	10 customers were disconnected earlier than requested due to errors in processing 'move outs'.	The customers were reconnected and compensated.	Isolated
Origin	12 customers were wrongfully disconnected.	The customers were reconnected and compensated.	Isolated
Red	12 customers were disconnected sooner than requested.	The customers were reconnected and compensated.	Isolated