



12/01/2023

CM/C/23/752

Dear Retailer

As you would be aware, higher energy prices and cost-of-living pressures have been matters of national concern for several months and remain priorities as 2023 begins. These increased costs are impacting many parts of the community, particularly people experiencing vulnerabilities including financial hardship.

Being a licensed energy retailer to Victorian consumers is a privilege which comes with some important legal obligations to protect consumers and promote the delivery of high-quality services. The commission has obtained information which shows multiple retailers have failed to provide customers with appropriate notice prior to price changes or benefit changes or the end of fixed term contracts.

In these circumstances, we write to emphasise these critical obligations:

- Notification of a price or benefit change
- Notification of the end of a fixed term contract
- Key consumer protections including payment assistance, standing offers and accurate price advertising.

The commission is committed to promoting the long-term interests of Victorian consumers and preventing consumer harm wherever possible. We are therefore writing to retailers to remind you of your obligations in relation to the above issues, and the action that may be taken over non-compliance.

Notification of a price or benefit change

Where a price change or benefit change is occurring for small customers, retailers must give customers a bill change alert at least five business days before the price or benefit change occurs in accordance with clause 106 of the Energy Retail Code of Practice (the code). A bill change alert must include, among other things:

- A deemed best offer message

- An estimate of the annual dollar impact of the price change based on the customer's annual usage history
- Information about Victorian Energy Compare (VEC) including the name, web address and hyperlink on electronic bills, and any information the retailer may have that will assist the customer to use the VEC website.

Retailers must ensure that bill change alerts give clear, easily understood information that allows customers to evaluate the ongoing suitability of their contract and the steps they can take to find an alternative contract (having regard to the objective of the Division in clause 105 of the code).

Notification of the end of a fixed term contract

When a fixed term retail contract comes to an end, retailers must give customers notice of this between 40 and 20 business days before the end date of the contract or arrangement in accordance with clause 100 of the code.

It is essential that customers receive advance notice of the end of fixed term retail contracts so that they may be reasonably informed of their options and can take steps to establish suitable new contracts.

Customer rights

We remind retailers of several other key obligations:

1. **Payment difficulty** – Residential customers are entitled to receive payment assistance from their retailer when they are facing or anticipating payment difficulty. Retailers must give this assistance in accordance with Part 6 of the code including (but not limited to):
 - a. Making standard assistance available to help customers avoid getting into arrears
 - b. Providing tailored assistance to customers who are in arrears (flexible and practicable assistance that makes it easier for them to pay for their on-going energy use, repay their arrears and lower their energy costs).
 - c. Proactively giving information about assistance available (including the availability of concessions and Utility Relief Grants).
2. **Standing offers** – Small customers are entitled to access their retailer's standing offer. In the case of electricity, this is the [Victorian Default Offer](#) (VDO).
3. **Price advertising** – Retailers must ensure their offers are up to date in the Victorian Retail Portal to ensure that customers can access accurate information about available energy offers when they visit the VEC website.

Giving customers clear information about changes to their contracts can help them to confidently engage with the energy market and make informed decisions based on their circumstances.

We will be monitoring retailers to ensure they provide timely and meaningful information to their customers, and we will take appropriate steps where any non-compliance is found, in accordance with our compliance and enforcement [policy](#).

Retailers are also reminded that any breaches or potential breaches of these obligations (and others) must be reported to the commission in line with our [Compliance and Performance Reporting Guideline - version 7](#).

The commission takes compliance with these important obligations seriously. Any non-compliance may result in the commission taking enforcement action.

If you have any questions in relation to this matter, please contact Daila Ziedars at compliance.reporting@esc.vic.gov.au.

Yours sincerely,



Kasper Maat

Executive Director (acting), Energy Division

