Information disclosure, marketing and customer meter reads

ESC draft decision

18 December 2018
Outline

• Context & background
• ESC draft decision
• Related matters
• Next steps
Context & background

- RMR Recommendation 3: ‘Marketing information on prices to be easily comparable’
- ESC has been referred 8 of the sub-recommendations, has already implemented one round of changes to the code.
  
  Focus of this round: introducing new rules for marketing and information disclosure to make it easier for customers to understand and compare energy plans.

- The Vic framework has some existing information disclosure rules, but limited marketing rules.
- The AER has recently conducted a major piece of work to revise their information disclosure requirements, which included extensive testing with customers using randomised control trials.
AEMC has recently finalised a new rule about estimated meter reads (and when a customer can request an adjusted bill on the basis of their own self-read)

In our earlier decision process (‘best offer on bills’) we flagged our intention to mirror this rule in Victoria.
ESC’s draft decision (RMR)

- (Largely) replace existing information disclosure requirements with a new Victorian energy fact sheet (3E)
- The fact sheet is to include a comparison tool which shows the estimated annual cost of the plan for different sized households (3D)
- New information disclosure rules specifying when the retailer must provide the customer with the fact sheet (3E):
  - retailer website
  - third party website (ie commercial comparison websites)
  - via telemarketing or door-to-door
  - upon request by customer
- New marketing rules requiring retailers to reference the fact sheet in any marketing material that advertises a plan, whether in mass media or social media (3D, 3E)
- The form and content the fact sheet is to be based on the AER equivalent (that has been recently tested)
- The new information disclosure rules and marketing rules based on AER equivalent (that have recently been reviewed and consulted on)
- The typical usage profiles that underpin the comparison tool are to align with the AER equivalents (3C).
ESC’s draft decision (estimated meter reads)

• customers who receive estimated bills to be entitled to request bill adjustments on the basis of a self read
• clarified the rules about how a customer must do this
• rules requiring a retailer to inform the customer about their entitlements.
Related matters

• 3A (presentation of discounts) to be addressed through a separate process along with other discount-related recommendations

• 3B (personalisation of direct marketing) is considered implemented via the ‘clear advice requirement’

• Code amendments to be finalised through a separate technical consultation (will include what role, if any, for Victoria Energy Compare)
Next steps

• 18 December (9am): public release – published to the website and stakeholder briefing
• January-March: technical consultation
• 5 February: submissions close
• End March: final decision
• July: commencement