

Essential Services Commission

Customers of water & energy providers in
financial hardship:
A consumer perspective

Hall & Partners | Open Mind
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Research aim

To understand customer experiences with hardship policies and assistance programs provided by water businesses and energy retailers in Victoria



Objectives

To understand:

- The nature and circumstances of customers' financial hardship
- Sources of advice and assistance
- Customer experiences with water businesses and energy retailers with respect to hardship
- Experiences with any actions for non-payment of water or energy bills, and the impact of this on their household
- Customers' expectations of their capacity to pay their utility bills in the near future



The eligibility criteria

- Experienced **significant difficulty** associated with paying their water and / or their energy bills **in the last 12 months**
- Must have **sought or received assistance** in the form of one or a combination of:
 - an instalment payment plan
 - a one off grant
 - Centrepay
 - ongoing grants / waiving of charges for more than one billing cycle
 - assistance from a financial counsellor



The sample achieved

Fieldwork period: December 2010 - March 2011, n=53

Region	Water only	Water and energy	Energy only	TOTAL INTERVIEWS:
Metropolitan Melbourne	6	12	5	23
Ballarat	1	2	2	5
Bendigo	1	-	4	5
Geelong	1	3	1	5
Horsham / Stawell	-	2	1	3
Shepparton	-	1	3	4
Traralgon	1	2	1	4
Warrnambool	-	2	2	4
TOTAL INTERVIEWS:	10	24	19	53

The first step...

- For many, their water business or energy provider was their first port of call
- Experience at this point highly variable
- Things improve when have access to specialist staff – although ‘getting through’ to these staff is difficult
- Feelings of embarrassment, shame

“I’ve been to Centrelink a few times because I knew you could get a cash advance... I’ve never called my water or energy company about my problems. I didn’t know they could help. They don’t say that on the bill.” (Female, Melbourne, water hardship customer)



“It feels as though I’m begging.” (Female, Ballarat, water hardship customer)

Forms of assistance accessed

- Instalment plans most common
- Also:
 - Information re utility relief grant
 - Extensions to pay
 - Information re access financial counselling
 - Home audits of energy and water use
 - Cash advances and Centrepay, via Centrelink

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“The plan was helpful and you knew you had money in the bank. It was good to know you could still feed your children.” (Female, regional Victoria, energy hardship customer)

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“They called and said to me they think we might be eligible for the grant. It was really good...just their customer service. They rang me to see if I would qualify.” (Female, regional Victoria, water and energy hardship customer)

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Experiences vary on the following elements

Managing payments

Customer support

Provision of information

Disconnection (energy) / restriction of supply (water)

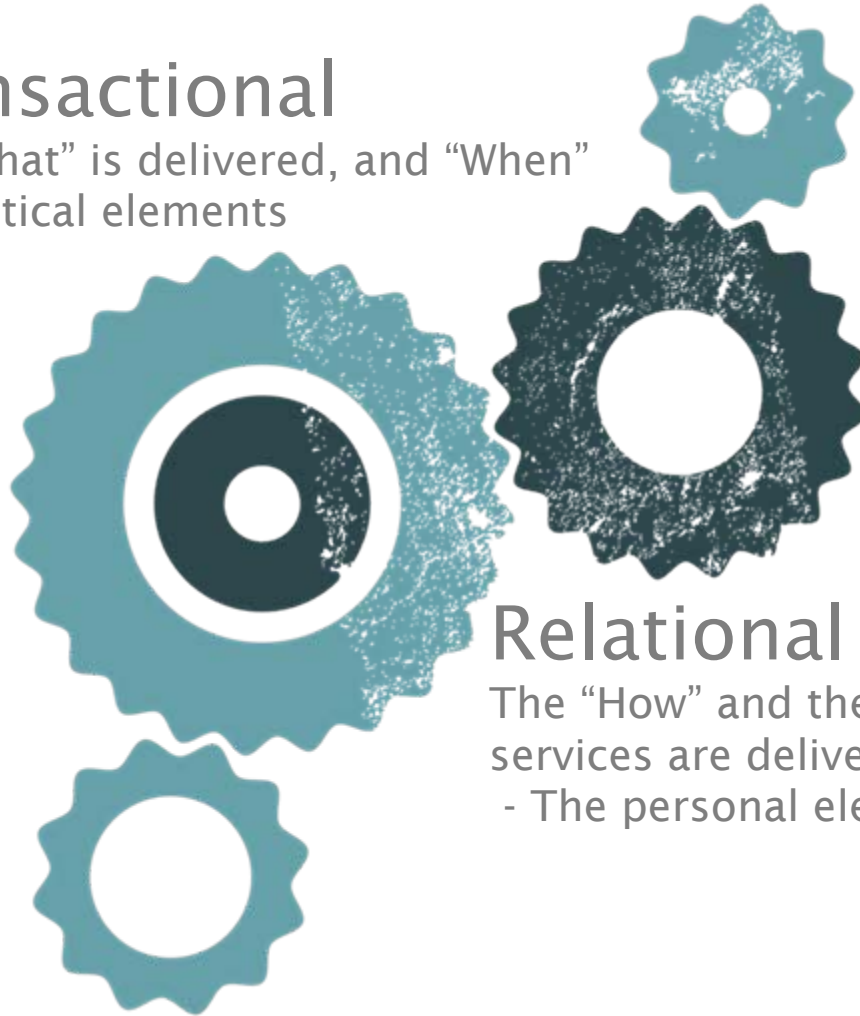
Customer records

Additional services

Transactional vs. relational elements of service

Transactional

The “What” is delivered, and “When”
- Logistical elements



Relational

The “How” and the way in which
services are delivered
- The personal elements

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Thank you.