

Submission to Essential Services Commission's Energy payment difficulty framework implementation review

Who we are:

Community Information and Support Victoria (CISVic) is the peak body representing 55 local community information and support services across 64 sites. These services assist people experiencing personal and financial difficulties by providing information, referrals, and support, including emergency relief. Collectively, CISVic helps around 500,000 Victorians each year, and energy-related hardship presents as the second most significant reason for seeking assistance.

To inform our response, we spoke with our member agencies and our Energy Mentors. Energy Mentors are specialist volunteers who provide one-on-one support (this can include information, advocacy, and access to brokerage) to enable those experiencing bill stress to understand and take control of their energy bills. CISVic members' work with energy consumers experiencing energy hardship delivered through a preventative and holistic approach.

We welcome the opportunity to provide feedback and appreciate the ESC's efforts to engage us in this review to date.

1. How are the entitlements under the framework communicated to customers (from a single retailer, and across the sector)? From your experience, are the ways they are communicated clear and consistent?

CISVic members (Agencies) advised that the delivery of information about consumer entitlements from retailers is inconsistent and, when given, is often confusing for vulnerable consumers.

An example of this came from an Energy Mentors who worked with a consumer who was issued a disconnection warning notice. The notice was accompanied by a ten-page document titled "Payment Difficulties and Hardship Policy". Although these actions aligned with the code, the consumer still needed third-party assistance to understand what they had been sent and then access the retailer's support.

CALD consumers, in particular, older or first-generation consumers, find navigating energy hardship confusing. Information in languages is often not available, and access to interpreters is limited.

Agencies receive many requests for support from consumers to navigate hardship entitlements from retailers, including affordable payment plans, concessions and utility relief grants. Hearing from and receiving support from a trusted third party (like support agencies) can be reassuring for many vulnerable consumers.

2. How much do you think customers are aware of, or understand, their entitlements?

Agencies are still seeing consumers with large energy debts that have not yet had contact from their retailer. Whether this contact has been attempted or not is unknown, however, the retailers have not reached the vulnerable consumer.

We also see consumers with large debts who are not on payment plans and hasn't spoken with the retailer's hardship team. In addition, many consumers have not had their concessions either applied or updated. This suggests either they are unaware or don't understand the different entitlements and supports available to them. Additionally, it suggests that the self-directed concessions updating model is not delivering the intended benefits to those in need

Language is a significant issue in awareness of and understanding entitlements

3. How helpful & practical has the assistance provided to customers been?

The tailored assistance, when applied well, has been very beneficial in providing vulnerable clients with options for managing their energy bills.

With incentives, like the Power Saving Bonus, an avenue for vulnerable consumers to engage in conversations around their energy usage has opened up. Through these conversations, Agencies have been active in explaining their entitlements under the PDF.

In addition, the Framework has established a coherent set of rules providing certainty for all parties, particularly about minimum entitlements and the criteria that retailers must satisfy to avoid penalties and compensation for wrongful disconnection.

4. How confident are you when advocating on behalf of someone to access support under the framework?

Energy Mentors feel confident when advocating for clients due to the training and information they received before starting the role. This training, delivered via a program funded by DELWP, specifically addressed the PDF through targeted, co-designed content and materials. In addition to the Energy Mentors, agencies' workforces (both volunteers and paid workers) also received a streamlined version of this training.

We would welcome resources to continue this training and help our workforce, and possibly other sector's workforces, to remain aware of entitlements and supports and how to access them.

There are some limitations workers must navigate that make supporting clients either more complicated or time-consuming. These include:

- *Understanding of and application of the PDF from retailers is inconsistent ("1 in 10 people I speak with from a retailer is knowledgeable and helpful" – Energy Mentor)*
- *Waiting times to access retailers or hardship teams make face-to-face or phone assistance challenging for our agencies and Energy Mentors, as it eats into the time they don't have*
- *Lack of or inconsistent use of interpreters*
- *Lack of understanding and empathy of what financial hardships means for a vulnerable person or family (many clients we see are making hard choices between paying for electricity or feeding their children)*

5. Have you observed a change in customer satisfaction of their engagement with retailers about their entitlements? If so, to what extent and why?

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Many consumers do not receive appropriate retailer assistance when needed. However, once an advocate intervenes, appropriate assistance is given. This can be very discouraging for consumers.

The following have been positive measures, which may have contributed towards increased customer satisfaction:

- *the support provided to vulnerable consumers through the PDF,*
- *the protection of vulnerable consumers from disconnection during the pandemic*
- *integrity measures, capping of pay on time discounts and the VDO*

6. Have you observed a change in customer engagement from diverse and hard-to-reach customers about their entitlements?

No. There is a significant lack of understanding about how to reach vulnerable and diverse consumers. The 'one size fits all' approach to engaging these groups continues not to work.

Our preventative and holistic approach to supporting vulnerable consumers in hardship helps engage hard-to-reach and diverse consumers in conversations about their energy usage and entitlements. Follow-up with retailers (advocate intervention) is a key element of this.

7. What aspects of the framework have been working well?

Tailored assistance and relegation of disconnections to a measure of last resort.

8. Have you, as a consumer representative, energy retailer, or other stakeholder, encountered any barriers or difficulties during the implementation of the framework?

See question 4.

9. Are there areas of the framework that you found confusing or unclear?

Not confusing, but unfair, "Best Offers" are often conditional upon customers receiving communications via email - paper bills not available. This requirement disenfranchises our most vulnerable consumers, many of whom do not have, internet or access to emails and are not technology literate or fear accessing bills online. In a recent case, a vulnerable consumer could not access the best offer plan, a saving quoted, based on past usage, of up to \$283.

10. Are there other strategies or approaches retailers have considered (within or outside the framework) that can better help customers and achieve the framework's objectives? If so, what are these strategies or approaches?

We have seen this with water retailers, where they have financial counsellors that support the work of their hardship teams.

We have also collaborated with water retailers to establish referral pathways for vulnerable consumers into our agencies for additional support, including Emergency Relief brokerage to support energy payments.

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CISVic, in the past, deliver an information session to Energy Australia's hardship team, to promote and understand external support services – so they could refer clients for additional support.

Also, in the past agencies were given direct contact details for the Hardship teams to avoid long wait times, when advocating for consumers.

11. Are there other problems faced by energy customers that may not be covered by the payment difficulty framework?

Retailers use of automated billing systems that still generate overdue notices, even after the consumer has made contact and applied for a URGS, can be very distressing and confusing for vulnerable consumers with multiple complex issues.

Thank you again for the opportunity to provide feedback on the Commission's key review questions as part of the review of the implementation of the PDF. Please contact Jill Wilson at CISVic on [REDACTED] or a [REDACTED] if you have any questions about this submission.

Yours Sincerely,



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