



Energy & Water
Ombudsman NSW
Free, fair and independent

Consumer protection and dispute resolution in the Australian electricity sector

21 November 2023

Helen Ford, Deputy Ombudsman
Energy & Water Ombudsman NSW

The background is a solid teal color. In the top-left corner, there is a cluster of stylized leaves in yellow, orange, and red. In the bottom-right corner, there is another cluster of stylized leaves in yellow, orange, and red. In the center-right, there is a large, stylized sun or flower motif. It has a central yellow circle with a white dotted border. Four grey, curved shapes with white dots extend from the center, resembling petals or rays. A trail of orange and white dots curves from the bottom-left towards the center of the sun motif.

ACKNOWLEDGEMENT OF COUNTRY

I acknowledge the Gadigal people of the Eora Nation on which we are all gathered here today.

I respect their elders, past and present, and all Aboriginal people, especially those we connect with as part of our work.



Energy & Water
Ombudsman NSW

Free, fair and independent

EWON is the **Ombudsman** scheme for electricity and gas customers in NSW, and some water customers.

We are a not-for-profit organisation.

If a customer has not been able to resolve a dispute with their provider, we can help.

We offer a **free, fair and independent** dispute resolution mechanism.

We resolve complaints looking at the law, what is fair and reasonable, and what involves good industry practice.

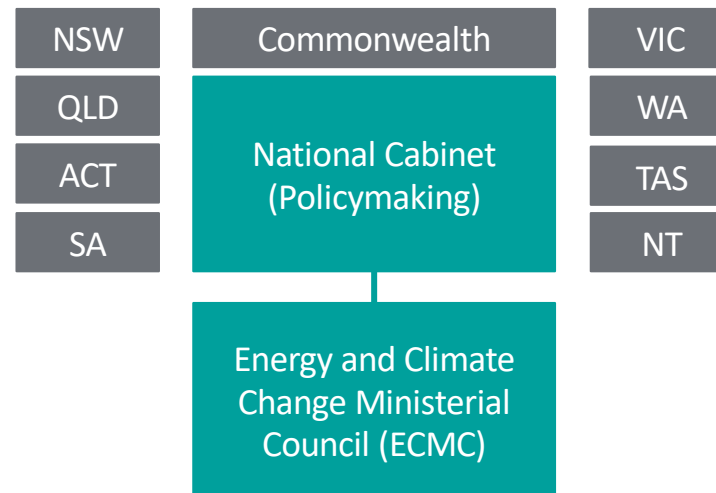


➤ Regulatory model – energy framework

National Energy Market institutions



Policymaker



Other institutions



➤ Trust and confidence in the energy market

The energy market is complex, making it difficult for customers to access the consumer protections that exist.

Access to free, fair and independent dispute resolution is a vital part of energy consumers having confidence engaging with the energy market.

Australian consumers' circumstances:

- 44% have literacy levels below what is considered enough to get by in everyday life
- 1 in 5 have a disability
- 2 in 3 experience some form of financial stress at some point in their life
- 1 in 5 speak a language other than English at home

Source: Consumer Policy Research Centre, *Exploring regulatory approaches to consumer vulnerability*



> EWON's members



All authorised electricity and gas providers operating as retailers, distributors or networks in NSW must become members of EWON.



Our members include:

- **Electricity and gas providers operating in NSW**
- **Distributors**
- **Embedded networks**
- **Some water providers**

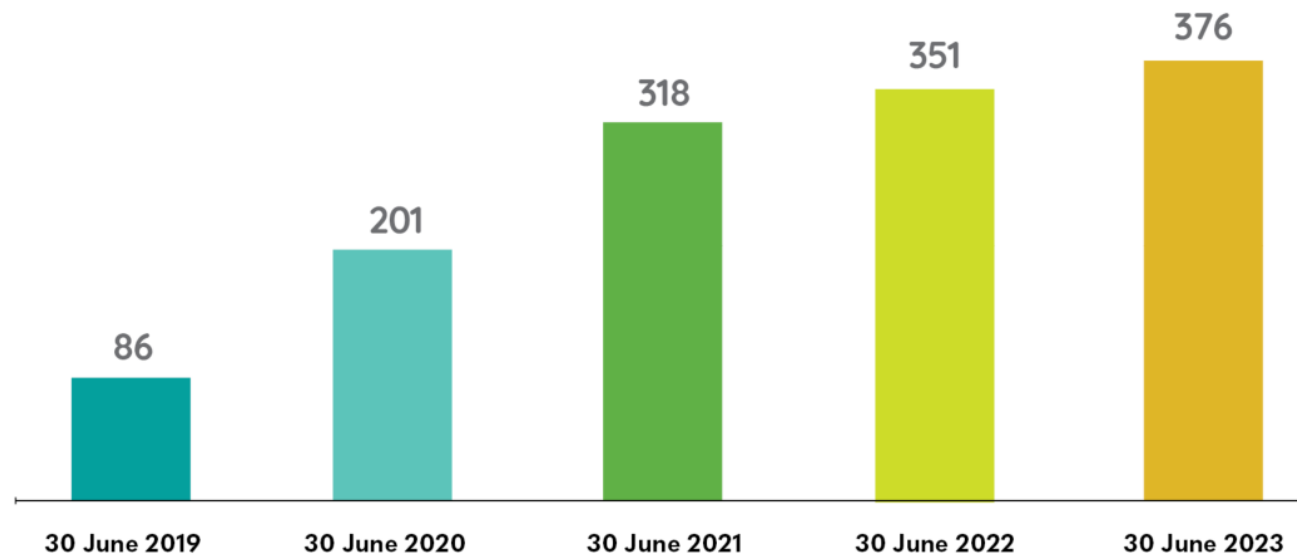


Visit ewon.com.au for a full list of members

> Membership growth

376 members

EWON's membership **increased to 376 members** in 2022/2023 with one new authorised energy retailer, one water retailer and 34 exempt entities joining EWON.



➤ Charter responsibilities

EWON's Charter outlines our key responsibilities, all of which come together to provide a whole of organisation approach to consumer issues and complaint reduction.



Complaints Management



Policy & Influence



Systemic Issues

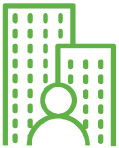


Stakeholder Engagement



Promotion & Awareness

> Key stakeholders



Consumers

- NSW customers, especially customers experiencing vulnerability, consumer representatives /advocates, others affected by services)
- Consumer peak bodies & community agencies (PIAC, NCOSS, FCAN, ECA)



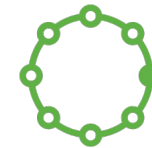
Industry

- Energy & water providers (members)
- Industry peak bodies (ENA, ECA, AEC)



Government

- NSW Department of Planning, Industry & Environment
 - Environment, Energy & Science
 - Water
- NSW Department of Customer Service
- Energy National Cabinet Reform Committee



Ombudsman network

ANZOA
ANZEWON
NSW Ombudsman
International Ombudsman Institute
National Energy Ombudsman Network (Europe)



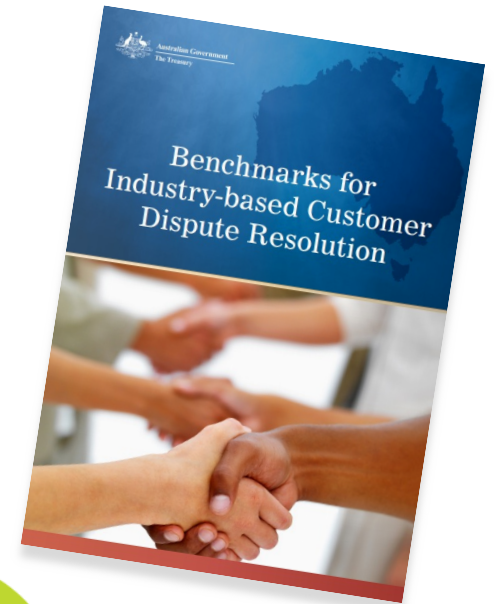
Regulators

AER
AEMC
AEMO
ACCC
IPART
OAIC

➤ Customer Dispute Resolution Benchmarks

EWON plans its activities and measures its performance against the Australian Government's **Benchmarks for Industry-based Customer Dispute Resolution** (CDR Benchmarks).

The Benchmarks provide standards and encourage best practice in industry-based dispute resolution services throughout the country.



> Our Teams



We consider and investigate complaints from



**Community workers
& advocates**



**Energy & water
customers**



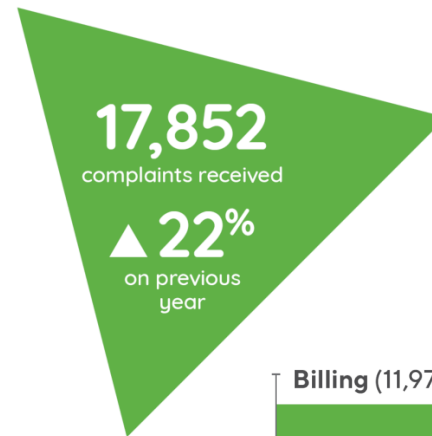
**Small
businesses**

And support those who
need additional access

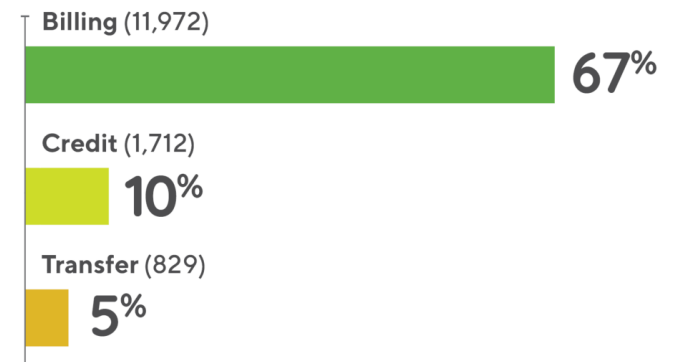


Complaints in 2022/23

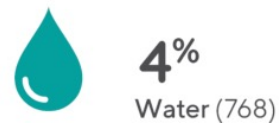
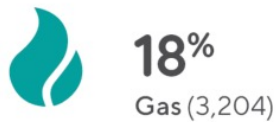
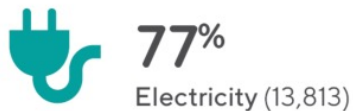
- We received 17,852 complaints, up 22%
- The rise in complaints can be largely attributed to external cost of living pressures and increased prices



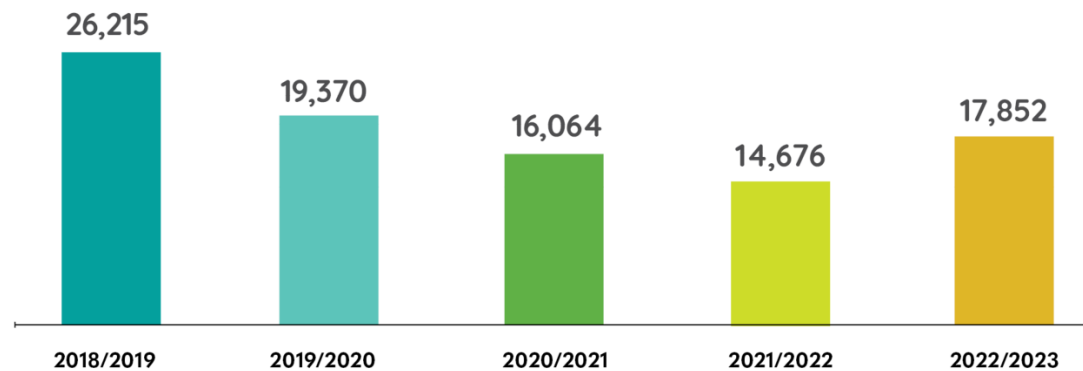
Top three issues



Complaints by electricity, gas and water

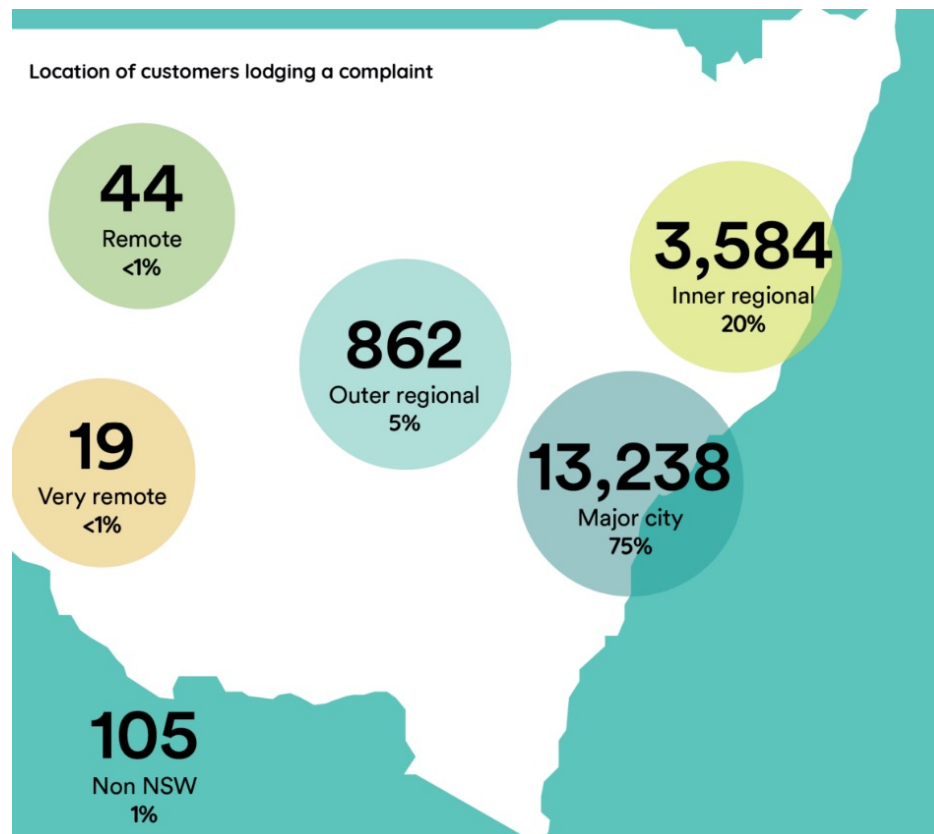


Complaints received from 2018-2023

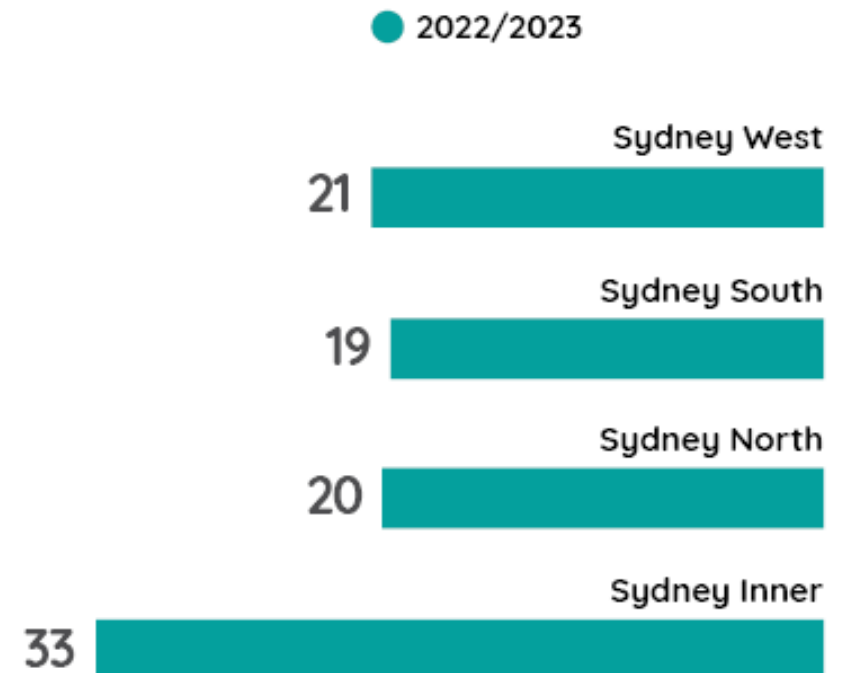


Complaints 2022/2023: Metro vs. regional

Location of customers lodging a complaint



Complaints by 10,000 people in Sydney's regions



➤ Member promotion of dispute resolution

Making customers aware of their rights

- All members are required to promote their own complaints process and EWON to their customers
- Promoting internal and external dispute resolution builds consumer confidence and trust in the sector
- It demonstrates commitment to providing effective dispute resolution and is required to fulfil regulatory obligations and meet best practice principles.
- Raising consumer awareness about energy and water ombudsman offices empowers customers and demonstrates commitment to consumer protections.

Telling customers about External Dispute Resolution

As an Energy and Water Ombudsman member you need to make sure your customers are aware of us and their rights.

WHAT SHOULD PROVIDERS DO? BEST PRACTICE

To achieve good outcomes, you should include information about how customers can access EWOs in all verbal and written communications such as bills, payment plans, customer hardship, and debt recovery and on all digital platforms, including website, chats, social media and apps.

References to EWOs should include an explanation of:

- The EWOs role
- EWO contact details and a link to the EWO website
- How the EWO may be able to assist
- Confirmation that EWOs are free and independent.

Your complaint handling policy, information about how to lodge a complaint and all complaint communication, verbal and written, is clear and accessible to all customers.

Your website and other digital platforms are easy to understand and navigate to find reference to dispute resolution information, including:

- A section for complaints and dispute resolution, placed in an easy-to-find location, ideally within 2-3 clicks from your home page
- A search function that directs customers to the correct area when typing the words 'complaint', 'dispute' or 'ombudsman'.

WHY IS IT IMPORTANT TO PROMOTE EDR?

External Dispute Resolution (EDR) gives customers a free, fair and independent option for their complaint.

Promotion of EDR is necessary to build confidence and trust in the sector. Raising consumer awareness of Energy and Water Ombudsman (EWO) will result in empowered customers and demonstrates your commitment to consumer protections.

WHAT MUST PROVIDERS DO? MINIMUM REQUIREMENTS

You must include information about how customers (residential and small business) can access EWOs in communications about complaints and when disconnecting or restricting a customer's service.

You must provide information about how customers can access EWOs in your:

- Complaint policies and procedures
- Written and verbal communication in response to a complaint and disconnection / restriction notices
- Website content, as required.

You are responsible for ensuring your staff meet these obligations.

IMPLEMENTING BEST PRACTICE AND MORE

- Discuss with your EWOs how best to implement the advice.
- Let customers know of the existence of EWO resources including fact sheets and web pages.
- Develop opportunities during customer service interactions to advise about access to EWOs.
- Promote your membership of the EWO through social media and advertising as a way of telling your customers that you are engaged and proactive in managing disputes.
- Ensure you are consistent in your reference to complaints and referral to EWOs across your communication channels.
- Refer to the Australian Standard AS 10002:2022 Guidelines for complaint management in organizations to support your implementation.
- Access additional resources from your EWO including logo use and wording suggestions.

ENERGY AND WATER OMBUDSMAN
AUSTRALIAN GOVERNMENT

Energy & Water Ombudsman NSW
NEW SOUTH WALES

Energy & Water Ombudsman Victoria
VICTORIA

Energy & Water Ombudsman SA
SOUTH AUSTRALIA

Dispute Resolution Team

Our approach

- Dispute Resolution Team (DRT) manage all incoming enquiries and complaints
- DRT receive, assess, investigate and review information to determine appropriate actions
- First step is to refer customers back to their provider (unless disconnected or at risk of disconnection)
- For unresolved complaints, we review and investigate :
 - ✓ what is fair and reasonable
 - ✓ relevant laws, codes and regulations
 - ✓ good industry practice

➤ Common retail issues

Complaints to EWON

- Billing disputes including estimated, backbills and high bills
- Payment difficulties, debt
- Disconnection or restriction of supply
- Difficulty in arranging payment plans
- Opening and closing accounts, transfer issues
- Marketing and negotiated contracts
- Electricity marketing
- Solar
- Poor customer service



➤ Common network issues

Complaints to EWON

- Quality of supply: damage/loss interference, health/safety
- Existing connection: cost of alteration, defect/fault, maintenance, shared/crossed
- New connection: cost, delay not available
- Network assets: maintenance, placement, health/safety, easement
- Property damage/restoration
- Street lighting and vegetation management
- Solar
- Concealed water leaks



➤ Jurisdiction – we do not cover

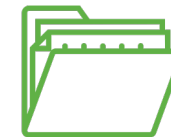


- Private contractors
- Tariff or price increases
- Some water providers
- Landlords
- Cost of connection LPG gas

When complaints are out of our jurisdiction, we provide advice and refer customers to organisations that can help them.



➤ How a complaint progresses – the process



Early resolution

- General enquiry
- Complaint enquiry
- Refer higher level
- All other cases assigned to Conciliation Team

Conciliation

- Provider notified daily of new complaints.
- Provider to respond within two business days
- If 'Yes', case remains with Conciliations. If 'No', case assigned to Investigations
- Cases not resolved within six weeks (max) are assigned to the Investigations Team

Investigation

- Receives all cases not accepted for Batch Discussion
- Receives all cases which could not be resolved by Conciliations in 6 weeks

➤ Complaints – case categorisation



General enquiry

A request for information that may be about energy or water or an issue out of EWON's jurisdiction



Complaint enquiry

A request for information or a complaint about energy or water where the customer has not yet contacted their provider



Refer to Higher Level (RHL)

A customer complaint that has been referred to the nominated provider contact for resolution at a higher level in the organisation



Investigations

- Level 1
- Level 2
- Level 3

➤ Outcomes

We aim to resolve complaints by agreement and are usually successful.

Common outcomes include:

- a detailed explanation
- correction of an error
- refund
- goodwill gesture
- compensation
- an apology
- a change to/implementation of a policy/process to reduce complaints arising in future
- provider staff feedback or training

➤ What if we can't resolve the complaint?

No further investigation

If agreement can't be reached, we may decide not to investigate a complaint further.

Internal review

Customers can request an internal review if they believe EWON was biased, made an error or if they provide relevant new information.

Binding decision

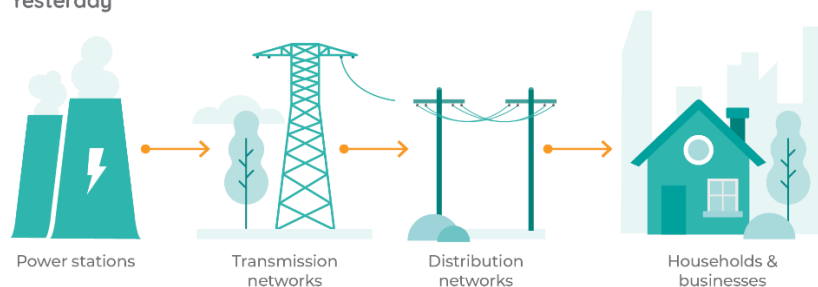
This is where the provider's final resolution offer does not meet the merits of the complaint, the Ombudsman may make a binding decision.



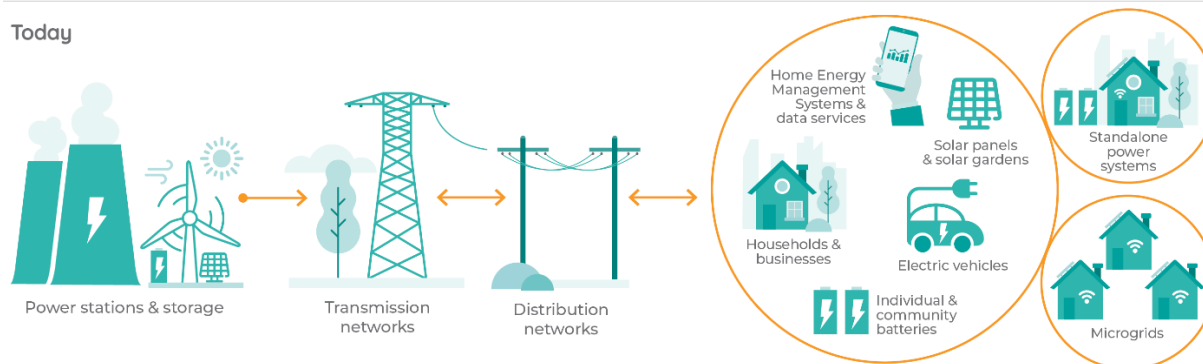
> New energy products and services

Acting Now and Shaping the Future

Yesterday



Today



We are continuing our expanding jurisdiction project with other ombudsman offices in accordance with the call on our offices for dispute resolution for current, new, and emerging energy products and services.

We are now receiving increasing numbers of complaints from customers who own or use new technologies.

➤ Governance, Awareness & Policy



➤ Governance, Awareness & Policy

Governance / Company Secretary

Coordinates governance processes, including:

- Board and Board committee meetings and papers
- Annual General Meeting
- Consultative Council meetings
- Board Portal
- Directors' Manual
- Director induction

Drives continuous case management process improvement through:

- data integrity auditing
- focused reviews
- conducting internal reviews
- support for new starters in Dispute Resolution
- ad hoc data reviews including Annual Report data

➤ Governance, Awareness & Policy

Policy & Systemic Issues

- Identifies **complaint trends and systemic issues** arising from complaints
- **Provides advice and analytical support** to other teams
- Produces **evidenced based reports**
- Prepares **public submissions** and comments on regulatory changes and industry developments.

EWON Charter principal responsibility:

Encourage and provide advice to members on the development and maintenance of good complaint-handling practices to assist in the reduction and avoidance of complaints.

Spotlight on

Systemic issues report

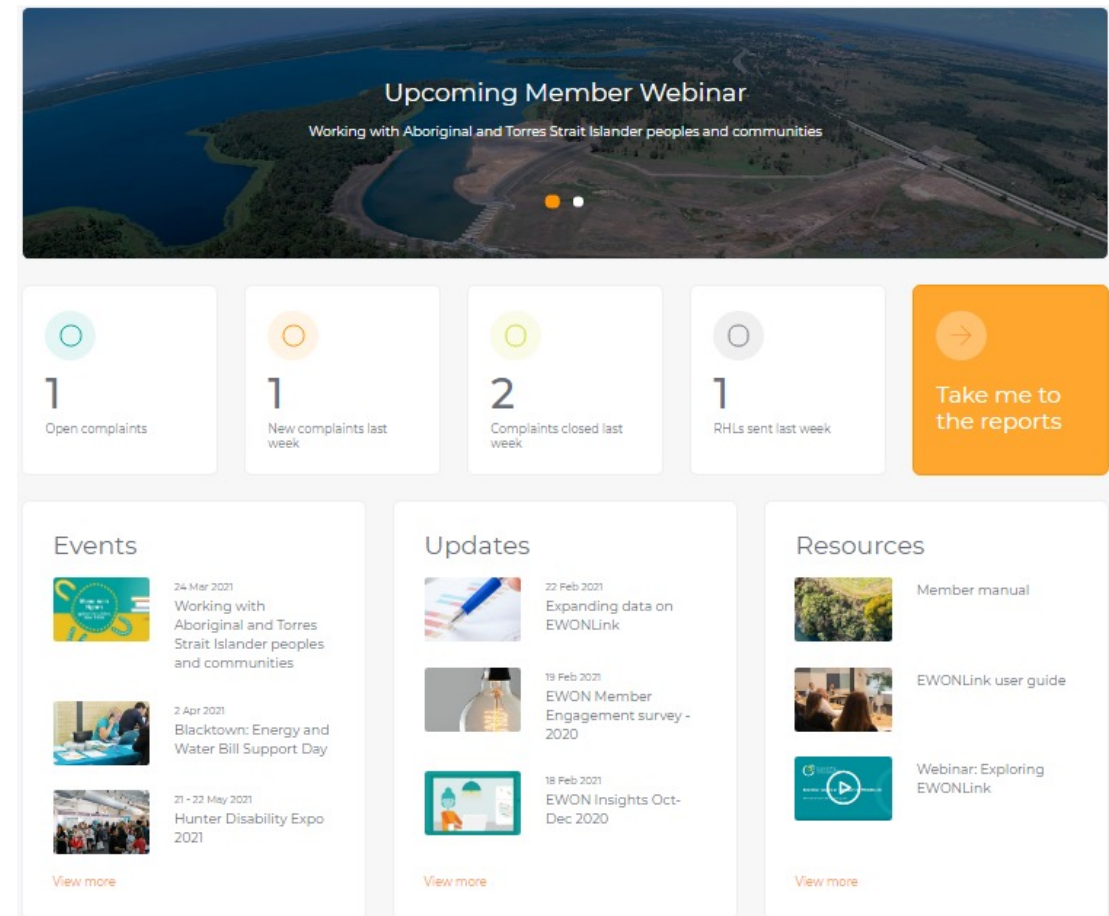
Challenges in
the new world of
switching energy
providers

➤ Governance, Awareness & Policy

Member Services

Maintains / enhances members relations through:

- dealing with new Member **applications**
- providing **Member induction** sessions
- organising Member webinars
- Maintaining **EWONLink members portal** where members can access their complaints data, get news and events information and access invoices and cost projections.



➤ Governance, Awareness & Policy

Communications & Outreach

- **Raises awareness** of our services and issues affecting NSW consumers through strategic communication
- Activities guided by EWON's Stakeholder Engagement & Communications Strategy
- Implements **community and Aboriginal outreach** programs
- Manages **media relations** and social media platforms
- Produces **publications** and other **information resources**
- Maintains EWON's **public website and intranet**

EWON Charter principal responsibility:

Promote EWON to consumers and small businesses.

Engaging across NSW



➤ Aboriginal and Torres Strait Islander engagement

Our engagement with Aboriginal and Torres Strait Islander communities is driven by the significant disadvantage faced by these communities, and higher than average household electricity disconnections.

This work is led by our Aboriginal Community Engagement Officer, who establishes and strengthens links with communities, their leaders and the agencies and services that work with them.



➤ Multicultural Communities

- Raising awareness of our service among culturally diverse communities is an important part of our community outreach program.
- These communities face potential vulnerabilities when dealing with energy and water issues.
- We work with community workers, interpreters, and bilingual staff.
- We use translated factsheets (in 40 languages), videos (Mandarin and Arabic) and plain English presentations to break down barriers associated with language and low literacy.



➤ Finance & Corporate Services

- People and culture
- Finance and facilities management
- Information, data and technology
- Business improvement and project management





Case Studies

➤ Four case studies...

- **Poor communication** by a provider
- **\$1 million of customer debt being waived** by a major retailer
- **Increased consumer protections** for embedded network customers
- A **national rule change** to assist customers reliant on home-based life support equipment to switch energy providers





Case Study

Problem:

- a financial counsellor obtained a \$300 Energy Accounts Payment Assistance (EAPA) voucher for a customer experiencing hardship and vulnerability
- the retailer refused six times to accept the voucher as the customer was on a business tariff, not a retail tariff (which was incorrect)
- the financial counsellor contacted the retailer, to seek correction of the tariff and were advised it would request the distributor to switch the customer to a retail tariff
- the financial counsellor grew frustrated with the retailer's poor communication and contacted EWON.

As part of EWON's investigation:

- we contacted the retailer about the complaint and were advised the customer's tariff change request was with the distributor
- we monitored the tariff change request and the relabeling of the customer's account on a residential tariff.

Outcome:

- the customer's bills were cancelled, and they were rebilled at a lower amount on a residential tariff
- the retailer gave the customer \$50 credit as a customer service gesture plus \$180 credit in recognition of payments already made
- EAPA was able to be applied to account which now reflected correctly as residential.

➤ Major retailer waives \$1 million



➤ Embedded networks – the facts

- **One in 10 Australians** live in embedded networks
- They have **fewer consumer protections** than other customers
- 80% of embedded network complaints to EWON relate to **billing concerns**



➤ Some major wins

2018

- AER requires embedded network retailers/operators to **join EWON**

2021

- EWON publishes two **Spotlight On** reports about embedded networks
- **Media** contact EWON for expert advice and opinion – ABC, 10 News, The Guardian
- EWON hosts **workshops** with key regulatory and government stakeholders



➤ Our influence in the last year

- Submission to the **Legislative Assembly Committee on Law and Safety inquiry into embedded networks in NSW**
- Invited to brief the Committee and Ombudsman appears as an expert witness
- The Committee releases its inquiry report including substantial references to EWON's evidence, publications and case studies.
- NSW Government responds to the report and releases its **Embedded Networks Action Plan** aimed at bringing outcomes for embedded network customers in line with those of on market customers.

> Life support rule change



Questions?





Energy & Water
Ombudsman NSW
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Free call: 1800 246 545

Email: complaints@ewon.com.au

Web: ewon.com.au

Free post: Reply Paid 86550 Sydney



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