



AGL Energy Limited

T 02 9921 2999

F 02 9921 2552

agl.com.au

ABN: 74 115 061 375

Level 24, 200 George St

Sydney NSW 2000

Locked Bag 1837

St Leonards NSW 2065

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Essential Services Commission

8/570 Bourke Street

MELBOURNE VIC 3000

Submitted via website: <https://engage.vic.gov.au/energy-payment-difficulty-framework-implementation-review>

Essential Services Commission – Payment Difficulty Framework Review

AGL Energy (AGL) welcomes the opportunity to respond to the Essential Services Commission (the Commission) energy payment difficulty framework (PDF) implementation review.

AGL commends the Commission for its open dialogue, focus on quantitative data as well as qualitative data, and multiparty engagement throughout the PDF review process. AGL strongly believes that the Commission's review of the PDF will lead to better customer outcomes through balanced improvements to the framework. Providing equitable access to payment assistance for customers is an integral part of being an essential services provider and we are pleased to work closely with the Commission and industry stakeholders to provide measured feedback on the successes and challenges of the PDF, while proposing recommendations to improve customer outcomes.

How has PDF performed in supporting customers

During the review period, AGL delivered its findings and insights on the outcomes of the PDF directly to the Commission and we continue to provide key indicator data in response to the Commission's requests to help inform on the tangible outcomes of the PDF objectives. Our data is largely consistent with the Commission's early observations that:

- Debt levels continue to trend upwards for tailored assistance customers in Victoria since the implementation of the PDF. Long-term payment plans, low instalments, and a limited capacity to reduce energy consumption are contributing to growing debt levels for customers experiencing financial difficulty, particularly those tailored assistance customers who cannot afford to pay for ongoing usage (TA2).
- There is greater awareness of consumer entitlements under the PDF, however, the revocation rates for tailored assistance payment arrangements are among the highest in Australia. Between 40-50% of all payment arrangements established in Victoria are ultimately broken due to non-compliance.
- While disconnections levels have reduced marginally since the PDF came into effect (noting the moratorium on disconnections throughout most of 2020 and 2021), it is unclear how useful this indicator is in assessing the PDF objective to use disconnections "as a measure of last resort". Under the previous framework, there was no widespread evidence that retailers were systemically non-compliant in their disconnection processes, and we believe this to be an opportune time to explore the role that the disconnection process can play in driving earlier intervention with customers, particularly in prompting contact from chronically disengaged customers who refuse to access their PDF entitlements.



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AGL supports measured and balanced regulatory amendments to the PDF and Energy Retail Code of Practice, which will provide further clarity for retailers in meeting their regulatory compliance obligations. AGL urges the Commission to reconsider the way it issues guidance notes under the PDF, noting that advice issued should apply prospectively rather than retrospectively, and allow retailers a reasonable implementation period of at least six months. The Commission should be cognisant that subsequent changes to systems, collateral, and processes arising from the implementation of the guidance notes require significant time to implement and impose considerable costs burdens, diverting resources from payment initiatives and campaigns which could improve customer debt outcomes, for example, payment matching campaigns and appliance replacement schemes.

A centralised government led PDF portal

Our experience with customers experiencing payment difficulties is that the range of customer circumstances varies greatly. While some customers need support to help get them through periods of vulnerability, AGL has consistently said the issue of customers being unable to meet the ongoing costs of their energy consumption is a social welfare issue that requires direct government assistance and policy response with industry and community sector collaboration.

Based on our experience with how the PDF has impacted customers and the Commission's desire to improve consistency in application, we believe there is a central role for the Commission to play in transforming the way customers access information about the range of support available, including from their essential services providers under the PDF. The Commission could ensure consistency and accessibility of materials that essential services providers are obligated to share with their customers. A centralised PDF hub could provide important information to customers, community groups and financial counsellors on accessing tailored assistance from retailers, connect customers with accredited financial counsellors, and act as a portal for concessions and utility relief grant support.

By centralising information about the PDF under the Commission's control, there will be a reduction in costs to service and administer the framework which will ultimately be reflected in energy savings for all Victorian energy customers, while also promoting equitable and consistent access to PDF information, irrespective of which retailer a customer is with.

AGL provides its responses to the Commission's questions on the PDF in the attached Appendix.

If you would like to discuss any aspect of AGL's submission, please contact Valeriya Kalpakidis, Regulatory Strategy Manager at [REDACTED].

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Elizabeth Molyneux'.

Elizabeth Molyneux

General Manager, Policy and Energy Markets Regulation

AGL Energy



Appendix A

Question

AGL Comments

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?

Effective communication with customers is a complex matter as customer needs vary greatly with different engagement preferences and accessibility requirements. Some customers prefer to talk with a person over the phone, while other customers prefer digital engagement or being able to self-serve another way. Significantly, a segment of customers still do not engage with their energy retailer until the point of disconnection. Chronic customer disengagement and non-participation are persistent barriers to the effective operation of the Payment Difficulty Framework (PDF).

The changing preferences and needs of our customers became particularly evident in the initial stages of the COVID-19 pandemic where over 90% of customers sought access to AGL's COVID-19 Support Program through online channels. We have observed that many seeking digital engagement often do so as they do not feel comfortable discussing their personal circumstances. We have customers who rely on interpreter services where English is not their first language and others who prefer to talk to a person outside of business hours due to work and family commitments. Other customers depend on an agent, such as a family member, friend, caregiver, or financial counsellor, to represent them.

The PDF entitlements form part of a complex framework dependent on where the customer is in the billing cycle and the customer's unique financial circumstances, factors which make communicating the framework more complex. Through the first two years of the framework, retailers have been learning and refining how to effectively and simply communicate entitlements to customers under the PDF. AGL utilises a variety of traditional and digital communication mediums to inform customers of the payment assistance available including:

- AGL's processes and detailed scripting for frontline agents to enable them to directly service the customer and provide tailored information based on the customer's circumstances.



- Digital and interactive online resources with some options to set up payment arrangements i.e., through AGL’s website, MyAccount (online customer portal) and the AGL app.
- Consistent PDF information in reminder and disconnection warning notices which is also provided as part of AGL’s best endeavour attempts to contact the customer throughout the process.
- Accessible resources for customers with low literacy levels through the development of Easy English guides as well as translated materials for customers from culturally and linguistically diverse communities.
- Partnering with Sydney Alliance, distributors, and other retailers in the 2021 Voices for Power program to help improve energy literacy in culturally and linguistically diverse communities in NSW by using trusted community leaders to educate customers on their rights and responsibilities as an energy consumer, how to contact an energy retailer and the support available.

Naturally, the degree of consistency when communicating the PDF entitlements varies the most during direct customer-agent interactions such as through the Service Centre. AGL has strict processes and scripting requirements in place with agents required to follow the mandatory scripting verbatim to ensure that AGL meets its regulatory obligations under the PDF. Our experience with communicating PDF entitlements through our Service Centre is that inconsistencies in customer experience arise mainly due to customers’ personal circumstances. For example, factors such as the length of time the customer has available for the phone call, their capacity and willingness to engage through the various scripting requirements, and their understanding of rights and responsibilities, all impact the overall customer experience and outcomes.

It is not uncommon for tailored assistance calls to exceed 15-20 minutes, with agents sometimes unable to holistically discuss the many different elements of PDF due to customers requesting a simple solution while attempting to circumvent the Service Centre consultants’ strict scripting adherence. Customers can become frustrated with the process if they feel certain regulated and scripted requirements are not relevant to their circumstances and are forced into what they view as a longer-than-necessary, complex conversation.



During a typical tailored assistance call (which often begins as a high-bill conversation), the Service Centre agent must review the customer's account history and consumption while discussing the multitude of regulated PDF elements such as concessions, grant entitlements and applications, energy efficiency advice, referral to home energy services, access to financial counsellors and tariff/best offer review. The Commission's strict application of the PDF regulatory framework and the "timeliness" requirement for PDF-related information during a call, leads to customer-retailer interactions that, in the pursuit of compliance, can be complex and frustrating for customers, resulting in conversations becoming unclear and difficult to understand from a customer perspective. We agree that awareness of entitlements under the PDF is an integral feature of the framework, however, the customer's ability to understand and retain the detailed level of information required under the PDF is limited, especially through phone contact through the Service Centre.

While physical and digital collateral such as letters and reminder notices can provide clear and consistent information about PDF entitlements, they are often just one element of a complex communication (such as a bill or notice) and depend on the customer reading the full communication to understand and, importantly, act on their entitlements. For example, Victorian energy regulations require over 25 pieces of information to be included on a bill, making it a detailed communication. Adding PDF entitlements to bills, while in theory sounds like a good idea from a customer perspective, may not necessarily lead to customers reading, understanding, and accessing their entitlements, given the complexity of information.

Further, shifting, or unclear regulatory expectations of retailer conduct under the PDF create uncertainty and risk for retailers with respect to communicating PDF entitlements. For example, in 2020, following the release of the regulatory guidance notes by the Commission, retailers were required to undertake considerable work to operationalise changes to processes, systems and collateral as a result of shifting regulatory expectations. Due to the technical complexity of enterprise customer management and billing systems, changes require extensive development and investment of resources. Such changes may involve a number of third-party vendors, (some of which service multiple energy retailers such as mail house vendors), creating delays while driving up the overall cost to administer the framework. Of more concern, the shifting nature of regulatory compliance through the guidance notes does not appear to be based on evidence that existing communication



arrangements were not working. Rather, they appeared to be the Commission responding to isolated and limited Ombudsman complaints.

Digital media resources and collateral such as emails or non-regulated letters and notices, offer the best opportunity for retailers to provide simple, consistent, and tailored information on PDF entitlements. Customers are highly receptive to our online PDF resources which can provide targeted and relevant information while empowering customers to take control of their energy bills through an interactive self-assessment, energy efficiency resources and referrals to other useful material. Our experience is that more and more customers are seeking out digital solutions and self-curing options, a trend which has accelerated as a result of the COVID-19 pandemic. Digital strategies offer consistent, convenient, and relevant ways to share information with customers but the complexity of the PDF and the Commission's desire for strict compliance and the issuing of guidance notes have made digital solutions difficult, if not impossible to develop. This has been to the detriment of the growing number of customers across a broad range of age groups and demographics who desire such a solution.

Recommendation:

We recommend that the Commission, in collaboration with the Victorian Government, establish a PDF digital hub to centralise the delivery of information on the PDF entitlements to all consumers, thereby promoting consistency of, and access to, key information such as tailored assistance, concessions entitlements and grant applications, energy efficiency advice and financial counselling referrals.

Energy retailers, social welfare groups and financial counsellors should refer customers to access this portal or utilise the content to assist the customer with their energy needs during the interaction. This approach will resolve inconsistencies in PDF information across the industry, while promoting competition and the entry of new market participants by reducing the barriers to establishing and administering the PDF. Costs reductions in retailers' administration of the PDF would ultimately benefit Victorian consumers in the form of reduced energy costs. Importantly, by centralising the information and tools made available to customers, the Commission would ensure accessibility of information and



create a more consistent experience for all customers regardless of the energy retailer they are with.

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

In our experience, around 70% of customers pay their bill before the bill due-by date so this question is most relevant for the other portion of customers who do not pay their bill on time and may be experiencing short to long-term financial difficulty. Customer understanding of their PDF entitlements varies greatly depending on their personal circumstances, the degree to which the customer needs the support, and their ability and desire to engage.

AGL invests significant time and resources to better understand customer engagement trends and communication preferences. AGL is incentivised to effectively engage with its customers in order to strike a flexible and sustainable arrangement within the scope of the PDF. Not only is support through payment plans important but we believe it is the most effective way to reach customers who need assistance.

By way of example, AGL works closely with community groups and not-for-profit organisations to prepare and share information on PDF entitlements so that customers who seek support from these groups are armed with relevant and meaningful information. In our experience working with customers from culturally and linguistically diverse communities and customers experiencing vulnerability, we know that everyone has different accessibility and comprehension needs, as well as unique preferences on how they engage with their retailer to access payment support.

We also note that the Commission has developed and run a media campaign to inform Victorians about the existence of the PDF. AGL commends the Commission for supporting the energy industry by educating customers of the entitlements available under the PDF. We believe there is an opportunity for the Commission to go further with the campaign by developing necessary information and tools for customers, community agencies and financial counsellors in helping energy consumers better understand their PDF entitlements.



Recommendation:

As we propose above, the Commission should take lead in creating consistent and clear PDF resources available through an online hub managed by the Commission or the Victorian Government, akin to the Victorian energy compare site. Through this platform, customers can be informed of their rights and responsibilities, concession entitlements, the regulatory PDF entitlements, and type of payment assistance available through their retailer. Further, as part of this central PDF hub, customers could be connected with a local, accredited financial counsellor thereby improving access to these key services while giving the Commission greater visibility of areas requiring targeted education programs and campaigns. If the Commission were to control and manage the delivery of PDF information, it would reduce barriers associated with consistency and accessibility in the customer experience. It may also minimise the need for the Commission to issue regulatory guidance notes while also reducing the administrative burden for financial counsellors and the industry by centralising concessions, grant applications and other important material.

3 How helpful and practical has the payment difficulty assistance provided to customers been?

In preparation for the Commission's review, AGL commissioned an independent assessment of the PDF against the objectives of the framework. Broadly, the assessment showed some positive customer outcomes, for example, customers can self-select their payment plan instalments leading to smaller repayment amounts, as well as a marginal reduction in disconnections for non-payment (excluding the periods where there was a prohibition on disconnections for non-payment due to COVID-19 restrictions). We observed that other areas of the framework resulted in poor customer outcomes such as high debt when accessing tailored assistance where the customer cannot to pay for ongoing usage (TA2) combined with a high proportion of payment plans which are revoked due to non-compliance.

Generally, there is positive sentiment about the customer-centricity, minimum standard focus, and accessibility of payment arrangements under the PDF. Further, the COVID-19 Energy Retail Code amendments which require retailers to assist customers to complete the Utility Relief Grant Scheme (URGS) application, has also been well received by customers.



Specific to customer debt levels, the independent analysis showed that customers seeking to access shorter-term financial support, such as tailored assistance where the customer can afford ongoing usage (TA1), had better debt outcomes under the PDF than customers in medium-to-long term financial distress. However, we note that customers experiencing short-term payment difficulties have reasonably positive debt outcomes under other regulatory hardship frameworks such as NECF and the Victorian framework prior to the introduction of the PDF.

Consistent with the Commission's early observations during the PDF review¹, we continue to see exponential debt increases for customers experiencing acute financial distress. This customer cohort continues to be the most disengaged, with customers not responding to proactive retailer communications offering support. The independent analysis shows that Victorian customers enrolled in AGL's hardship program have the highest average debt compared to states in the NECF jurisdiction, while Victorian payment plan instalment amounts are, on average, the lowest.

Further, the analysis revealed that 47% of TA2 customers managed to reduce their energy consumption by an average of \$130 on their annual bill, while 47% increased their consumption by the same amount. The remaining customers made no impact to their energy usage while being offered practical energy efficiency assistance. Customers who actively participated in AGL's home energy efficiency audits, appliance replacement and other energy efficiency programs and pilots were more likely to reduce their consumption compared to other TA2 customers. However, generally this indicates that customers who cannot pay for ongoing usage have limited capacity to reduce their energy consumption, so any reduction is proportionately low compared to overall usage.

Additional research of our customer hardship base reveals that for the cohort whose consumption increases, their personal circumstances often do not provide any scope for energy efficiency and/or financial counselling support to improve their circumstances as these customers are often:

¹ Essential Services Commission, Early observations, Stakeholder forum – review of the payment difficulty framework, 16 October 2021, p 6-7.



- Single and low income;
- More likely to have dependants; and
- In public or rental property with poor energy efficiency ratings and therefore the scope for energy efficiency improvements is limited.

These characteristics further reinforce that without government intervention, the PDF cannot resolve acute financial hardship, inefficient housing standards and chronic disengagement.

Recommendation

The PDF should consider how to better incorporate customer obligations to support them to access their entitlements. The obligations can be linked to the ongoing access to tailored assistance where the customer cannot afford ongoing usage. These tailored assistance entitlements could potentially obligate (rather than being an entitlement) customers to undertake energy efficiency activities to access a TA2 payment arrangement. These activities can be developed by the Commission in consultation with industry and community groups and can be made available through the Commission or Victorian PDF portal (as recommended above).

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

Financial hardship is a multifaceted issue and contacting energy retailers during periods of financial stress can be daunting, as energy bills are often one part of the overall debt situation. At times, customers will need additional support and resources to navigate the process such as from a financial counsellor, community group representative, family member or caregiver. We appreciate the importance of establishing and maintaining community partnerships with those who advocate on behalf of our customers.

To provide a better service to the financial counsellors who support our customers, we undertook a financial counsellor service survey at the beginning of 2021 to identify areas where we could improve our processes and systems. Improvements implemented following the survey included our dedicated communication channel where financial counsellors can engage directly with AGL's hardship team and specially trained agents. AGL also



introduced a new dedicated pathway for customers and financial counsellors to escalate customer complaints and seek an independent review of a complaint outcome.

We continue to look for innovative ways to uplift our processes, resources, and the support available for financial counsellors and other support organisations to better collaborate and promote strong customer outcomes. Energy retailers and community groups need to work together and adjust practices as new circumstances arise. It is important that the PDFs not overly prescriptive or complex, so it does not inadvertently inhibit innovative thinking to provide better customer outcomes.

An example of the corporate and community sectors working together is the Thriving Communities Partnership (TCP) project to develop a cross-referral platform called the One Stop One Story (OSOS) Hub. The world-first digital platform aims to make it easier for those experiencing family and domestic violence to access support across a range of organisations, by enabling frontline workers to connect and refer their customers to other organisations, without having to retell their story over and over again.

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

As detailed in the response to question 1 above, the customer experience during tailored assistance calls is mixed. Frontline agents have complex scripting and processes driven by the obligation to meet strict regulatory requirements, compounded by varied levels of customer engagement. Some customers prefer a more streamlined, less regimented approach to setting up payment plans, therefore, negative customer sentiment is often linked to the lengthy duration of calls, comprehension, and willingness to engage with the process.

The COVID-19 pandemic fundamentally shifted the way that many consumers prefer to engage with their energy retailer. This was particularly evident in consumers accessing payment support through online platforms including AGL's COVID-19 Support Program in 2020 and the My Account online portal. Customer feedback metrics show positive sentiment towards being able to self-service based on their needs and financial position at the time.

6 Have you observed a change in customer engagement from diverse

Generally, the regulatory elements of the PDF designed to engage and inform customers, have had limited success in driving contact from chronically disengaged customers. Without



and hard-to-reach customers about their entitlements?

contact or response from disengaged customers there is limited data to capture and analyse.

AGL had previously informed the Commission of our findings on the strong link between customer engagement and disconnection warning notices. During the COVID-19 moratoriums on disconnections for non-payment, AGL made changes to its warning notices which removed the threat of disconnection. There was an immediate shift in consumer payment behaviour with around 40% less customers contacting AGL to make a payment on their bill. This trend reversed as soon as the disconnection warning notices were amended to again include the disconnection message. While this trend is unfortunate, it shows that a disconnection warning notice prompts customer engagement and can be used as a tool to prompt customer engagement. The work we presented to the Commission showed that not only did the introduction of a disconnection warning result in a higher customer contact rate for payment, but it also resulted in more customers engaging with other PDF entitlements such as tailored assistance as well as lower overall customer debt.

7 What aspects of the framework have been working well?

Tailored assistance has given customers and their representatives greater agency in setting the payment plan instalment amount. The independent analysis we commissioned has shown a discernible reduction in repayment amounts from pre to post PDF. This has reduced short term financial pressure for customers, but we note earlier comments that a consequence has been higher long-term average debt levels.

Customer agency in setting instalment amounts is a positive outcome and should lead to greater adherence to agreed payment plans. However, the data shows a higher revocation rate for the more affordable payment plans under the PDF with payment plans in Victoria, including TA1 and TA2, being revoked for non-compliance more often than in any other state.

Despite the lower instalments and more affordable payment plans for customers, another unintended consequence has been a decline in customer-initiated contact since the introduction of the PDF.

8 Have you, as a consumer representative, energy retailer, or

Our observations and independent analysis show that the positive outcomes from the PDF are linked to the customer's ability to set their own payment plan instalment amounts,



other stakeholder, encountered any barriers or difficulties during the implementation of the framework?

leading to lower payments and slighter lower levels of disconnections for non-payment. As we note above, we have also witnessed less engagement from customers and higher average debt. Unfortunately, growing debt leads to a number of economic and social consequences for consumers.

The complexity and strict interpretation approach to the PDF are unintentionally leading to poor customer experiences when customers contact retailers' service centres with conversations often becoming long, highly scripted and disengaging. Balancing the need to achieve consistency of application of the PDF by retailers whilst providing flexibility and scope for retailers to have meaningful conversations with customers helps them get the support they need and are entitled to. For example, AGL believes that while information about URGS, tariffs, best offer and energy efficiency are important tools in supporting a customer, there should be alternative ways to share this information so that customer engagement is retained, for example by staggering the provision of this information across multiple interactions rather than one phone call. A centralised portal with accessible information managed by the Commission or Victorian Government could provide greater choice to customers who may choose to self-service or be better informed when they seek support from retailers.

Debt levels have steadily increased in Victoria since the implementation of the PDF (and this includes when you exclude the impact of COVID on people's income). As detailed above, while Victorian customers have greater agency and can self-select lower payment plan instalment amounts, they also have the highest percentage of payment plans revoked due to non-payment. Additionally, Victorian customers have among the highest level of debt upon entry into a payment plan while more tailored assistance customers are exiting their payment arrangements with more debt than they had at the start of the payment plan as they are often unable to reduce their debt and consumption before the next bill is issued. The PDF has resulted in payment practices and debt management miseducation that have unintentionally left many consumers worse off financially. This is not a sustainable customer outcome and leads to more customer social, economic, and mental harm.



9

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

Further, some of the Commission's interpretations of regulatory obligations are leading to customer confusion and a poor customer experience. For example, the requirement to explicitly spell out the date each payment instalment is due (under the payment plan provisions) in practice has become overwhelming for consumers to navigate pages and pages of dates with repayment amounts, regardless of the payment plan letter format. We had witnessed no evidence prior to the PDF that the summarised payment schedule format was failing to inform consumers when their payments were due or causing widespread confusion, therefore, the reasons for the shift in regulatory requirements are unclear.

We also urge the Commission to review whether the six-month debt freeze offered under TA2 is suitable for the energy retail industry. The debt freeze has had no practical outcomes other than deferring the debt to a point in the future whilst allowing it to further accrue to unsustainable levels. If a customer is unable to afford the cost of their ongoing energy usage plus contribution to debt over 24 months, then there is an affordability issue that needs to be addressed from a social policy perspective by governments. We do not believe that allowing a further six months of debt to accrue will make that payment plan more affordable at the end and leads to a decline in customer engagement over that period.

We note that essential services providers are in the unenviable position of being required to allow principal debt to increase whilst providing hardship support unlike other industries such as banking and finance who can suspend or cancel the accrual of more debt. In these industries, the principle due remains unchanged (e.g., mortgage borrowed remains the same) during the period of freeze, however, in energy the principle becomes higher as the consumer continues to consume energy during the payment freeze period.

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?

New Industry Compliance Certificate: To ensure greater consistency of application of the PDF, AGL recommends the introduction of an industry compliance certificate that retailers must use prior to arranging disconnections for non-payment and which would be aligned to retailers' obligations under the PDF. This would provide a check that disconnections are carried out in a consistent manner across the industry while promoting some regulatory certainty for retailers. Further, retailers could be required to produce the certificate as part of any investigation into wrongful disconnection matters with the ombudsman or during compliance audits.

We have also made recommendations to refine some elements of the PDF throughout this submission, including:

- Creating a centralised and accessible information hub containing multilingual and plain English resources on the PDF and entitlements that retailers are required to provide as well as connecting customers with the range of support options from government and community sectors.
- Helping drive and maintain customer engagement by incorporating consumer obligations into the PDF and Energy Retail Code of Practice.
- Finding a better balance between payment arrangement instalment amounts and consumer energy debt over the short, medium, and longer term.
- Making the framework less complex to allow improved conversations with agents at service centres and allowing retailers to build flexible digital solutions for those customers who prefer to engage digitally.

We believe that the introduction of a central PDF information portal in addition to adopting less prescriptive and strict interpretation of the PDF will improve customer engagement. The Compliance Certificate can then complement the revised framework and be the final checkpoint to demonstrate compliance disconnections for non-payment are a last resort action.

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

The many customers facing long-term payment difficulties and energy poverty are symptomatic of broader social policy issues and require multiparty dialogue to address. The PDF is, in essence, a payment plan framework, which if well-constructed can assist the customer with establishing a long-term sustainable payment arrangement for their energy debt. However, on its own, the PDF cannot address the various underlying root causes that lead to financial hardship and circumstances that cause customer vulnerability.

We also urge the Commission to consider calling for broader government policy reform to address:



- The gap in current support provided to customers receiving government benefits and low-income households with the current cost of living.
 - Energy efficiency standards on social housing (and household appliances) and provide incentives for landlords to improve energy efficiency.
-