Uniting

Submission to Victoria's energy payment difficulty framework implementation review

Submission by Uniting Vic.Tas, 10 December 2021

This submission is a response from Uniting Vic.Tas to the engagement opportunity released by the Essential Services Commission on 20 September 2021. We appreciate the opportunity to share our views about supporting energy consumers who are experiencing payment difficulty in Victoria, based on our practice experience. We include two case studies illustrating barriers Uniting consumers have faced with the payment difficulty framework.

Overview

Key points

- Households' experiences of assistance remain very inconsistent, with little knowledge of their entitlements or the payment difficulty framework (PDF). Retailers' communication approaches are inconsistent and there are significant language barriers for many households.
- Our experience is consistent with research showing retailers are typically not proactive in offering hardship services, with consumers needing to use 'the magic words' to access assistance.[1] Our financial counsellors and energy advisors say access and outcomes from these programs are a 'gamble' and a 'lottery.' Consumers report significantly more positive experiences with retailers when an advocate or advisor is involved.
- Uniting practitioners report escalating debts for some households, with some people on income support accruing thousands of dollars in debt to retailers. This results in enormous stress, and has flow-on effects for households, restricting their access to basics including food, clothing, and medicine. This is consistent with ESC data[2] and is contrary to the early intervention purpose of the PDF, which is intended to prevent the accumulation of debt. This is illustrated by Angela's story (consumer case study B, provided as an appendix).
- We acknowledge the ESC's investment in enforcement and compliance, but we believe greater oversight of the framework's implementation is required to improve both consistency across the sector and outcomes for consumers. The assistance a consumer receives should not depend on which retailer they are with, which staff member they speak to, or whether they use advocacy services. New oversight measures could include targeted training for retail staff and innovative approaches such as 'mystery shoppers.'
- More must be done to support people experiencing long-term poverty, including those on income support and in insecure work, who are not able to cover the costs of their ongoing energy needs.

[1] Nicholls, L. & Dahlgren, K. (2021). *Consumer experiences following energy market reforms in Victoria: Qualitative research with community support workers*. Monash University. Melbourne: Consumer Policy Research Centre.
[2] Essential Services Commission. (2021). *Victorian energy market report: 2020-21*. 29 November, p.34.

Debt waivers and backdated concessions are useful mechanisms to support these households. This is especially important as costs of living continue to increase.

Our experience

Uniting is the community services organisation of the Uniting Church in Victoria and Tasmania. We have worked alongside local communities in both states since 1881. We deliver a broad range of services in the areas of crisis and homelessness, child, youth and families, alcohol and other drugs, mental health, disability, early learning, employment, and aged and carer services. We work across the full spectrum of community services, intervening early to help people avoid crisis, as well as supporting those who live life at the margins.

Uniting provides home energy assistance to households struggling to pay energy bills and facing energy poverty to help them use energy in their homes safely and effectively. We provide this support by contacting households and working with residents to help them understand bills, learn how to advocate on their own behalf with retailers and to know how to reduce energy bills. This support also aims to increase the household's confidence around home energy use and contacting energy retailers to negotiate favourable outcomes in future.

Response to review questions

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?

In our experience there is very inconsistent communication from retailers about customer entitlements. Some retailers are better than others, but our practitioners find that the general level of communication is poor. One of our financial counsellors notes that retailers tend to 'follow the letter, not the spirit' of the PDF.

There are significant benefits to having an advocate involved in communicating with the retailer and securing access to hardship programs. We often hear consumers say the communication and outcomes they received would have been very different if Uniting staff had not been involved.

Consistent with Monash University research,[3] our experience shows that accessing hardship services remains difficult. Rather than acting proactively to support their consumers, retailers essentially use the framework as an 'opt in' system – customers need to know the right words to use, and the right questions to ask, to receive their entitlements. The system relies on consumers to self-identify rather than retailers proactively asking the right questions. This leads to additional barriers for many of our consumers, who have experienced trauma and who may carry shame and feel stigmatised for their financial situations.

Our staff report that language used by retailers remains a considerable barrier for many consumers, as it is overly complex and can be inaccessible. Adding information about plan comparisons and noting the existence of hardship arrangements on bill statements is positive, but more can be done.

[3] Nicholls, L. & Dahlgren, K. (2021). *Consumer experiences following energy market reforms in Victoria: Qualitative research with community support workers*. Monash University. Melbourne: Consumer Policy Research Centre.

For example, on some bills, households are invited to visit the concessions page on the retailer's website to learn more about accessing hardship arrangements. While this may be considered reasonable communication under the PDF, it is not accessible for many people, and others may not see it when skimming their bills. Market research commissioned by the ESC in 2021 found that "consumers are often unaware of their rights and miss key information on bills, such as the 'best offer' notice."[4] This information can also be inaccessible for people who do not have ready access to the internet, and for people with varied access needs.

The language used by retailers can also be confusing. In this example, the use of the term 'concessions' may confuse consumers where they are entitled to hardship arrangements but are not officially concession holders.

Limited information is available in languages other than English. Ensuring information is in plain English[5] and translating it into community languages will help reach more consumers. Uniting financial counsellors advise that bills should be translated into other languages as a matter of course. As noted in our response to question 2 below, retailers should also be required to identify and use each consumer's preferred method of communication.

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

In our experience, most households are not at all aware of their entitlements.

We believe the responsibility should not rest with households to seek this information and apply for entitlements, but that retailers should be obliged to provide relevant, easy-to-understand information, and proactively identify and engage households into hardship programs.

Consideration should be given to innovative methods of communication to supplement existing approaches. Digital communication, and text-based communication (such as long letters) can be inaccessible for many consumers. This is the case for Bob, whose story is shared in our consumer case study A (attached as an appendix), for whom written communication is a barrier.

We suggest retailers should be obliged to spend time with consumers when they sign up to establish their preferred communication methods (translation, verbal, text messages etc), and commit to future communication using these methods.

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

Uniting financial counsellors and energy advocates report that payment difficulty assistance has worked well for consumers when it is applied as the PDF is intended, but access to assistance is variable. We only have insights into the experiences of customers who have used our services, so we cannot speak to the experiences of those who may not have support. Generally, every consumer we work with is eligible for at least one support through the PDF. We are concerned consumers may not

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[4] Essential Services Commission. (2021). *Victorian energy market report: 2020-21*. 29 November, p.11.
[5] Plain Language Action and Information Network. *What is plain language?* Webpage. Available: https://www.plainlanguage.gov/about/definitions/.

be receiving all the assistance they're entitled to unless they have an advocate working on their behalf.

Consistent with consumer insights sought by the Essential Services Commission (ESC),[6] Uniting consumers' experiences in accessing payment difficult assistance are very mixed. Practitioners report that the services consumers are offered, and the treatment they receive, is essentially a 'lottery' or 'gamble.' In practice, we find that access to payment assistance remains 'a gift' for many people, rather than an entitlement.[7]

In our experience retail staff are inadequately trained to hold conversations with customers experiencing financial disruptions or difficulties, and many do not have a deep understanding of the issues facing vulnerable consumers, such as family violence or mental health challenges. Trauma, shame, and stigma can also be significant barriers for many consumers experiencing payment difficulty, and more work needs to be done by retailers to communicate in a trauma-informed way. We suggest additional training for consumer-facing staff across the retail sector.

In our experience, water companies lead the way in delivering person-centred service and outcomes to consumers experiencing financial difficulties. One of our financial counsellors noted that she will send consumers to a water corporation to discuss payment difficulty first, because she feels comfortable it will be a supportive experience for them and allow them to develop their own confidence, before they approach an energy retailer. When contacting energy retailers, this financial counsellor says, "I am really surprised if a consumer texts me and says it went well, because I wasn't expecting it to."

Our practitioners' experience is supported by data from the Victorian Energy and Water Ombudsman, with 93 per cent of cases in 2019-20 from the energy sector, and only 6 per cent from the water sector.[8]

Some customers who experience severe and ongoing financial difficulty will likely never be able to afford to pay their energy bills. The 2020-21 energy market report estimates this is the case for more than 21,000 consumers across Victoria.[9] Given energy is an essential service, it will be important to determine whether the needs of these customers can be met through the payment difficulty framework, or whether this will need to be addressed through broader poverty relief programs/policy.

When COVID income supplements were provided by the Australian Government in 2020, we observed a decrease in demand for our energy services, indicating the need for these services is linked to overall income security. This was supported by findings from our recent report, *No fighting chance: Impact of the withdrawal of COVID 19 income and tenancy benefits*. Eighty per cent of consumers surveyed for the report said that life had become a bit or a lot easier due to extra payments and/or

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[6] Essential Services Commission. (2021). *Payment difficulty framework implementation review: early observations*. Available: https://www.esc.vic.gov.au/sites/default/files/documents/Payment%20difficulty%20framework%20implementation%20review%20-%20early%20observations%2C%20November%202021.pdf

[7] Essential Services Commission. (2017). *Fact sheet: Energy – customer entitlements.* Available: https://www.esc.vic.gov.au/sites/default/files/documents/OTH%20-%20Fact%20sheet%20-%20Energy%20%E2%80%93%20customer%20entitlements%20-%2020181012.pdf.

[8] Essential Services Commission. (2021). *Victorian energy market report: 2020-21*. 29 November, p.25.

[9] Ibid, p.32.

tenancy supports provided during the pandemic. Withdrawal of the payments and supports had a negative impact on financial security for 57 per cent of respondents.[10]

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

Uniting feels confident in our services and approach to advocating on our consumers' behalf, and we have seen positive outcomes through this process. However, our practitioners are required to be persistent and proactive in their engagement with retailers to achieve these results. Consumers tell us that their experiences of contacting retailers and accessing assistance are much more positive when our advocates are involved.

Even with industry knowledge and experience, our advocates and financial counsellors can face barriers in accessing all PDF entitlements for consumers. These barriers can include unrealistic payment plans, conditions on access to hardship assistance (like lump sum payments), and timeframes that are too short to repay large debts.

> *As a single parent on the disability pension living with 2 dependent children, while also studying myself, I struggle to pay my bills. I always make sure my kids have enough food to eat which has put me in arrears with my bills. Even on the Staying Connected program with my gas and electricity, I feel like I was bullied into making payments that are more than I can afford.*
>
> — Uniting consumer[11]

Barriers to support are discussed further in response to question 8 below. Angela, in our consumer case study B, experienced significant barriers in trying to access hardship arrangements.

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

It is difficult for us to respond to this question because our service does not systematically collect this data. We have some evidence from our service that people's confidence in contacting their retailers increases after support from Uniting, but we can't speak to the experiences of other customers or to those people's experiences over time.

Additionally, the COVID-19 pandemic has had an impact on retailers' behaviour and engagement with households. We have observed greater flexibility from retailers in the past 18 months than earlier. We do not know whether this is because of the widespread financial impacts across the community (rather than just existing 'vulnerable consumers') or if it will change during the recovery period.

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[10] Wilson, E., Sama, M. & Johnson, T. (2021). *No fighting chance: Impact of the withdrawal of COVID-19 income and tenancy benefits*. Melbourne: Uniting Vic.Tas & Swinburne University Centre for Social Impact. Available: https://www.unitingvictas.org.au/wp-content/uploads/No-Fighting-Chance-Final-Report.pdf.

[11] Ibid., p.25.

It would be useful for the ESC to explore consumer satisfaction further and track it over time. This could include broad market research (e.g., asking community members 'Have you had trouble paying your bills?' and 'Have you been offered any of these payment options?'), using mystery shoppers, and working with retailers to monitor customer satisfaction.

In our experience, once customers have a payment plan in place there is little ongoing engagement with the retailer, and we continue to observe consumers generally holding low levels of trust in retailers and the market. We are pleased to see the ESC recognise and prioritise this issue.[12] This is discussed further in our response to question 8.

Increased communication from retailers once hardship arrangements are in place, if done respectfully and accessibly (e.g., checking in to see how consumers are faring, if they are experiencing any additional barriers), could help to improve consumers' trust in retailers over time.

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

In our experience, engagement with households experiencing significant disadvantage and marginalisation has not improved. Language and communication barriers remain, as discussed in our responses to questions 1 and 2.

We find that it can be very 'hit and miss' for households to find out about, and access, their entitlements. It can depend on which services and organisations they are already connected with. For example, our energy advisory team has recently had a large increase in referrals from culturally and linguistically diverse communities, particularly recently arrived migrants, who cannot access the information currently provided.

The push for exclusively digital communication and technology is a considerable barrier for many households. This should be an option for those it helps but shouldn't be forced on people for whom it is not accessible.

Retailers should be required to engage with 'hard to reach' households proactively, rather than relying on consumers chasing up the relevant information or being connected to support services. This may require targeted engagement approaches with different groups, including language needs, cultural safety, and trauma-informed practice.

Intersectionality is currently not well understood by the sector and can impact people's engagement with retailers. For example, not recognising gender diversity and not addressing people by their pronouns or preferred names can cause harm to consumers and reduce their capacity to engage.

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

Overall, we believe the contents of the framework are useful in supporting consumers, but that it is not being implemented effectively. As discussed throughout our submission, there is substantial gatekeeping of access and little consistency in application.

Where assistance can be accessed, it has proven useful for consumers – with every consumer we see being eligible for at least one hardship measure – but more needs to be done to ensure all consumers can access all their entitlements.

[12] Essential Services Commission. (2021). *Victorian energy market report: 2020-21*. 29 November.

Uniting believes successful implementation of the PDF will need greater oversight from the ESC and greater accountability for retailers.

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

As discussed above, the key barriers our financial counsellors and energy advisors report are inconsistency in the application of the PDF, retailers' lack of proactivity, and their gatekeeping of entry and access to hardship programs. This includes retailers not being proactive in identifying consumers who could benefit from hardship programs and a lack of understanding by call centre staff about entitlements. Many Uniting consumers have been required to tell their stories in detail before being able to speak to the hardship team.

Language barriers and inaccessible communication also create difficulties for many households, as discussed in response to questions 1 and 2 and in consumer case study A. We are concerned that some retailers place pressure on households to leave or change retailers because their payment difficulty is long-term or not improving. Our energy advocates have observed cases where consumers have had their debt waived but are then directed to seek another retailer. Conversely, some consumers are told they are 'locked in' to certain retailers because of outstanding debts. In consumer case study B, Angela's utility provider tried to prevent her changing retailers to a cheaper service because of outstanding debts.

Uniting practitioners report that retailers often continue to push customers for payment, rather than providing ongoing support over time. We have also observed that a six-month pause on debt payments is not long enough for many people experiencing long-term financial difficulty to stabilise and recover. Additionally, as Angela's story shows, the two-year debt repayment timeframe is very unrealistic for some households.

Lack of trust between households/community services and energy retailers remains a significant barrier.

> *The lack of trust financial counsellors have in energy providers is… experienced by the entire financial counselling sector.*
>
> *Due to retail competition, energy providers seem to focus more on getting the consumers on board rather than servicing them once they are there.*
>
> *Water providers seem to have nailed dealing with hardship clients because they know they have to service them regardless and have figured out that they will get more positive results by offering support and treating the clients with dignity.*
>
> — Uniting financial counsellor

Overall, we acknowledge recent investment in compliance and enforcement by the ESC but believe much greater oversight of retailers' implementation of the framework is required. The assistance a consumer receives should not depend on which retailer they are with, which staff member they speak to, or whether they use advocacy services. Retailers must be held accountable for their actions and for the way they meet the needs of vulnerable consumers.

An example of proactive oversight of the PDF is the 2019 audit conducted by the ESC. The Commission reviewed retailers' websites to ensure information about customer entitlements was easily accessible. At the time, many retailers were found not to be providing accessible information about the kinds of assistance that was available. The ESC followed up with retailers and relevant information was added to websites.[13] Additionally, the ESC has facilitated retailers refunding over 2,300 consumers for allegedly failing to include 'best offer' information in bills and has required one energy provider give "greater prominence" to its best offer messaging.[14] These approaches could be adapted to improve communication about PDF measures in a range of ways; for example, reviewing retailer bills and websites to ensure information is provided in plain English and in community languages.

Additionally, we suggest the ESC explores a range of different mechanisms to monitor practices and consumer experiences. This could include mystery shoppers, reviewing customer journeys, and root cause analysis when there are poor outcomes. We also believe that further investigation of customer and retailer behaviour over time would be helpful.

The ESC reports on the number of consumers entering and exiting hardship programs annually, but this does not examine the reasons some customers exit assistance programs while still carrying significant debt. Roughly half of consumers exiting hardship programs have been "unable to comply with their payment terms or no longer received assistance which placed them at risk of disconnection."[15] Understanding why this happens and what retailers need to change will be important for improving consumer outcomes. Consulting directly with consumers who have used hardship programs and co-designing any changes to the PDF or its implementation will also be vital.

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

From Uniting's perspective the framework is clear, but its implementation is very inconsistent and greater oversight is required. We emphasise it is important to seek consumers' views about whether it is understandable or confusing.

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?

In our experience there are a range of approaches that have been offered by some retailers to further support households – again, implementation of these measures is very inconsistent and patchy across the sector:

- Debt waivers
- Backdating concessions
- Payment matching by retailers
- Appliance upgrades and replacements.

[13] Essential Services Commission website: https://www.esc.vic.gov.au/electricity-and-gas/market-performance-and-reporting/compliance-and-auditing-activities/payment-difficulty-framework-audit-2019

[14] Essential Services Commission. (2021). *Victorian energy market report: 2020-21*. 29 November, p.27.

[15] Ibid., p.37.

We encourage the ESC to investigate these approaches in more detail and consider adding them to the PDF.

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

The key challenge faced by households that is not sufficiently addressed in the framework is long-term poverty. For many people, including those on income support, electricity and gas payments may never be affordable on their incomes. Angela's story illustrates this (consumer case study B). With housing and living costs increasing and a shortage of affordable housing, this group of consumers is likely to grow.

Around a quarter of consumers surveyed for Uniting's recent *No fighting chance* report indicated that the number one thing that would make a difference in their lives right now was financial support, with another 8 per cent saying that support with bills and utilities would make the biggest difference (these were not mutually exclusive categories).[16]

Ensuring everyone in our community has access to essential services is a shared responsibility, requiring commitment and action from retailers as well as governments and their agencies. When base income levels are higher, as experienced during with COVID-19 supplements in 2020, demand for Uniting's energy services is lower.

Uniting is concerned that retailers are reporting disconnections have decreased by comparing year-on-year data – annual data cannot be accurately compared because of the COVID-19 disconnection moratorium. We are also concerned about the impact of debt accumulation after COVID, and what this will mean for people's mental health and wellbeing.

Our practitioners have also observed challenges for consumers in the way that communication or engagement with retailers is considered under the framework. The PDF notes it is the consumer's responsibility to stay in contact with the retailer; however, unlike other sectors (e.g., debt collection), bill payment is not considered to be engagement. This has resulted in one of our consumers being disconnected while in hospital as they were uncontactable (see Bob's story in consumer case study A below). We suggest the PDF be updated to specify that a consumer cannot be disconnected if they are making regular payments, including through Centrepay.

The framework's consideration of intersectionality could be strengthened, and greater investment in staff training is required from retailers. Cultural safety, family violence, and mental health challenges are important issues that need to be better recognised and addressed by retailers and call centre staff. We acknowledge the ESC's proactive work in reviewing 14 retailers' family violence policies in 2020-21 and we encourage this oversight to continue and to be strengthened, exploring other policy areas and extending to consistency of implementation.[17]

[16] Wilson, E., Sama, M. & Johnson, T. (2021). *No fighting chance: Impact of the withdrawal of COVID-19 income and tenancy benefits*. Melbourne: Uniting Vic.Tas & Swinburne University Centre for Social Impact, p.29.
[17] Essential Services Commission. (2021). *Victorian energy market report: 2020-21*. 29 November, p.29.

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Appendix: Consumer case study A

BOB'S STORY – CONSUMER DISCONNECTED WHILE MAKING REGULAR PAYMENTS	
Why this case study?	This case study provides an example of the impact of the lack of a clause in the Energy Retail Code or the PDF preventing disconnection when regular payments are being made.
Date	Case opened: 9/1/2020 Case closed: 10/7/2020
Consumer demographics	Bob* is a 62-year-old Aboriginal man who has been in and out of hospital with a suspected cancer diagnosis. Bob is illiterate and has experienced AOD and mental health issues. Bob often relies on his partner to communicate on his behalf.
Consumer's story	Bob is on a disability support pension. He lives in public housing and his bills are paid fortnightly by Centrepay. Bob has been linked in with multiple case workers and social workers in the past, but at the time this case was opened he was not receiving any support. He had previously seen the financial counsellor for assistance in applying for the Utility Relief Grant Scheme for his gas account with another utility provider. Being illiterate Bob often attended appointments with unopened mail. Bob's electricity was disconnected while he was on extended hospitalisation due to (suspected) cancer diagnosis and heart issues. Bob was under the impression that his electricity was with the same utility provider as the gas. Following his hospitalisation, Bob attended an appointment with financial counsellor with six unopened letters from an electricity utility provider (who he advised he had not heard of). • 6/12/19 - Reminder notice - $1116.02 • 18/12/19 - Disconnection Notice - $1036.02 • 19/12/19 - Update about increase to energy prices • 3/1/20 - Invoice - 30 days - $152.89 (Balance - $1254.17) • 22/1/20 - Invoice - re-en charge of $7.54 (Balance - $1229.90) • 24/1/20 - Invoice - de-en charge of $7.54 (Balance - $1109.01)
Case overview	Bob requested assistance with electricity and advised he had no idea who this energy provider was and that there was a possibility that he may have signed up to them during a cold call they made to him when he was inebriated. Bob wanted to return his electricity account back to the same provider as the gas. • Utilities (with two different utility providers): » Electricity - $1109.01 » Gas - $1068.29 (on payment plan)

Actions taken	Financial counsellor contacted the electricity utility provider by email and requested: • Hold on Collection Activity • Following account information: Date of transfer (FRMP), current balance, billing history, payments made, hardship status, list of contacts made prior to disconnection, URGS status in last two years. The utility provided the requested information (1 month later) via email, showing that Bob had been a client of the utility provider for the last 3 years. Bob's payments of $80 per fortnight via Centrepay (which were set up by his previous financial counsellor) were no longer meeting his usage (later reported as $82.32 per fortnight). The utility provider unsuccessfully attempted to contact Bob by phone and mail. Bob did not have access to his phone or mail while hospitalised. Bob was taken off the hardship program and disconnected. The financial counsellor believes this was done to coerce him to re-engage with them. URGS was not processed as Bob had received payment within the last two years, however the URGS system had changed during this period and Bob was eligible (the utility provider was at fault). The financial counsellor followed up with escalation to internal dispute resolution who advised that according to the PDF they are within their rights to disconnect due to no contact (not considering the payment a contact). Financial counsellor requested compensation which was declined by the provider. Bob's case was escalated to the Electricity Water Ombudsman of Victoria (EWOV).

Case outcome	EWOV closed the complaint with the following outcome: • Explicit informed consent: Confirmed it was received when account was set up in 2017 • Utility provider did not acknowledge disconnection was wrongful but applied credit of $137.50 (equivalent to wrongful disconnection payment) • Concessions were applied to account • Utility provider applied missed prompt payment discount credits of $432.93 • Utility provided forms for Utility Relief Grant Scheme • Utility offered to change the client to plan with lower rates. Additional information was provided by EWOV: under the Energy Retail Code, if the client contacts the utility provider to request assistance in paying your bills, it will advise him of the payment difficulty assistance it can provide him. Payment difficulty assistance must include: • advice about the assistance that is available • options to pay arrears within a two-year period • information about government assistance (for e.g., Utility Relief Grant Scheme, concessions etc.) • practical assistance to lower energy costs (tariff review, energy usage reduction and best plans available) • ongoing support and updates (progress information). If the client decides to seek payment difficulty assistance through the utility provider, he will need to: • participate and be contactable • make the agreed payments by the due date. Financial Counsellor explained to EWOV that due to client vulnerability he may not be able to stay in contact. Having mental health, physical health, and literacy issues prevents the client from meeting communication requirements (as demanded by the utility provider). This is the reason the client had previously worked with a financial counsellor to set up regular $80 payments through Centrepay. EWOV advised that if the client did not participate and remain contactable, he would continue to be at risk of disconnection, as there is nothing in the PDF stating that clients making regular payments would ensure they remain on payment plans and prevent disconnection.

*Client name is a pseudonym.

Appendix: Consumer case study B

ANGELA'S STORY – TWO YEARS TO PAY ARREARS	
Why this case study?	This case study demonstrates a gap in the PDF regarding debt repayments needing to be made within two years (as per 3.79.1 in the Energy Retail Code, p.96).
Date	Case opened: 14/02/2019 Case closed: 17/04/2019
Client demographics	Angela* is a 44-year-old female living in South Morang. She is married with two sons (25 and 17 years old). Angela is seeking to separate from her partner due to family violence. She has a home loan which is solely under her name.
Client	Angela approached the North East Financial Counselling Program (NEFCP) with arrears on her home loan, council rates, utility bills and an old credit card which was on a payment plan with a debt collector. Angela has no access to income. She was prevented from working by her partner who she advised 'had more traditional views of the woman's place in the home'. Angela was not eligible for Centrelink due to her husband's income which she had no access to. Angela suffered financial abuse at the hand of her partner. She had no access to funds. The utilities, home loan and 'family business' were all placed under her name coercively. Angela's partner would purposely stop working (as a form of punishment and manipulation) to prevent the bills and home loan in the client's name being paid. Angela advised of many years of verbal abuse and monitoring of her communication with the outside world. She was also controlled by her partner breaking her phone or hiding her keys when he was angry. In times of arguments when they were not speaking, all communication would be made through the sons who the client feared were being manipulated by her partner. Angela's only access to email was through her eldest son. Angela's mother and other family members would often cover council and home loan arrears to prevent them from losing their home. Prior to this case being opened in 2019, the client also attended financial counselling at NEFCP in 2017 and 2018 for the same issues.

Case overview	Angela presented for her appointment with Uniting financial counselling team with: • Default notice for $13,000 arrears on home loan. Angela did not want any financial counselling assistance with the home loan as she advised a family member would be loaning them money to cover the arrears. • Single utility provider: » Utility - Electricity - $18,893.01 owing » Utility – Gas - $13,786.35 owing Angela advised she was on hardship arrangements with her utility provider a few months earlier but was unable to make any payments over the holiday period due to her partner's lack of work. She said a friend was getting her a job as a cleaner so she would have some income. Angela completed her own budget and advised she could afford to pay electricity bills of up to $300 per month and gas of up to $250 per month. She had previously had an energy audit which she believed didn't make a difference as her bills had always been high. Angela advised she wanted to change to a cheaper retailer, but the current utility provider wouldn't allow her to leave while she had a debt.

Actions taken	During Angela's appointment, her financial counsellor called the utility provider to attempt to set up a payment plan and prevent disconnection. The utility provider advised her authority was limited to balances under $5000 and anything over this amount needs to be approved by a manager. They explained that the client had been on and off hardship program nine times in the last five years, each time breaking the arrangement. The provider said that the balance on Angela's electricity account was $13,000 when she was originally put on hardship arrangements, and it had only increased since then. The utility provider refused to put Angela back on the hardship program, advising that she had shown no commitment to reducing her energy usage or payment balance. Based on the newly implemented PDF, the utility provider's credit specialist insisted that moving forward, the minimum payment plan they would accept would need to cover usage and payment of the arrears within two years. This would mean payments of $255 per week would be required (over 104 weeks), with a total of $26,520 expected to be repaid over the period. The financial counsellor explained that Angela relies on her partner's inconsistent wage, and that setting her up on weekly payments is almost guaranteeing that she will not be able to meet the required payment instalments. The utility provider responded that if the client insisted on paying monthly, the amount would be $1102 per month. The financial counsellor requested another referral to an energy audit. The utility provider advised that the client had previously had an energy audit, but they hadn't seen any change. The financial counsellor advised an energy audit would still be required as Angela's household's usage is high and she does not know what is causing it. During this call, no resolution could be reached. The utility provider advised that they would need to refer the case to internal dispute resolution (IDR) for further action. The financial counsellor explained that the same information would be provided to IDR. The financial counsellor advised the client that disconnection was on hold until IDR made contact. The financial counsellor discussed Angela's option to open a case with EWOV. Angela advised she had spoken to them previously and she wasn't clear on the outcome. Angela asked if she could get a 50% debt waiver if she made payments for six months or a year. This option was not explored at the time, because the client and the utility provider could not come to an agreement on the repayment amounts. Options and information discussed with client: • Budgeting • Increasing income – referred to Employment Services Coach • Making any possible payment to utility account to show good will • Asset at risk (due to the size of the debt, the utility provider is within its rights to pursue judgement).

Case outcome	At a later stage, Angela advised things had gotten worse with her husband and she had decided to separate and sell the house. She advised her financial counsellor that she would need a further extension to sell the house and access funds from the sale. The financial counsellor contacted the utility provider and set up a payment plan of $10 per fortnight for three months until settlement. Referrals were provided for family violence services. The client did not return to the financial counselling program to attempt to negotiate a full and final payment.

*Client name is a pseudonym.