

Media Release: 27 August 2014

The Consumer Utilities Advocacy Centre today joined with other consumer advocates in welcoming the review of energy disconnection rates and hardship responses announced today by the Minister for Energy and Resources, The Hon. Russell Northe MP.

Executive Officer, Ms Benvenuti, said that the customer service performance of energy retailers in Victoria has been declining significantly in recent years, as indicated by increasing complaint numbers to the Energy and Water Ombudsman (Victoria). "In the main, consumers only complain to the Ombudsman when they can't fix problems directly with their retailer. Our analysis shows that energy complaints are significantly higher per 1,000 customers when compared with complaints to the Telecommunications Industry Ombudsman, and they are trending up," she said.

The TIO in its 2013 Annual Report says declining telecommunications complaints are due to a publicly stated focus by industry "to do better" and a regulatory focus on compliance. "This shows that these trends can be reversed," Ms Benvenuti said.

One of the consequences of poor upfront customer engagement is that consumers in payment difficulty don't get the payment options or hardship assistance they need to avoid disconnection. The vast majority of residential electricity and gas disconnections could be averted through better early identification of payment difficulty and links to appropriate market offers, payment plans, hardship options, government assistance programs and energy efficiency advice and programs.

CUAC acknowledged that the Energy Retailers Association of Australia recently held a forum for energy consumers, government and regulators aimed at identifying strategies to better engage with customers in payment difficulty and prevent disconnection. Ms Benvenuti said, "While consumer advocates welcome this initiative and are keen to work co-operatively with industry, it's important that regulators get to the bottom of whether retailers are complying with the existing customer protections and take appropriate enforcement action. CUAC welcomes a review of the regulatory settings."

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