Draft for consultation

Customer engagement toolkit

Better practices for identifying and supporting consumers experiencing vulnerability

March 2024

AUSTRALIAN ENERGY REGULATOR

Australian Government

The AER acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community. We pay our respects to them and their cultures, and to their Elders past, present and future.

We would also like to acknowledge those who have a lived experience of vulnerability, and in particular those who have chosen to share their experiences of navigating the energy sector to support our work.

We acknowledge the determination and courage it takes for people to revisit difficult memories in the hope of shaping a better future for themselves and others.

Contents

1. Introduction

Energy is an essential service, required for everyday life, but many people experiencing vulnerability are unable to meet their energy needs. Unfortunately, these consumers also often find it difficult to access the supports available to them.

Understanding vulnerability

In our *Towards energy equity – a strategy for an inclusive energy market,* we define vulnerability as circumstances that mean a person may be less able to protect or represent their interests, engage effectively and/or are more likely to suffer detriment. This includes having insufficient capacity to pay for energy use. This experience of vulnerability may stem from:

- characteristics of the energy sector or products (such as complexity)
- individual circumstances, such as low income, lived experience of disability and/or mental ill health.

Anyone can experience vulnerability at any time. The experience of vulnerability is complex, varied, and impacts people in different ways for different periods of time. Vulnerability can impact a person's ability to comprehend, communicate and take action. This can exclude people from markets, make it challenging to access services, reduce consumers' ability to represent their interests, and cause or exacerbate mental ill health or financial detriment.

Poor business practice or service delivery can increase harm to those at risk of or experiencing vulnerability, but good practice and inclusive service delivery can reduce harm. Therefore, there is significant potential for energy service providers to improve outcomes for consumers by putting in place good practices to help identify and support consumers experiencing vulnerability earlier.

There is evidence that this not only improves outcomes for consumers, but also benefits businesses. If assistance is provided early, consumers are less likely to accrue high levels of debt, be disconnected and experience harm – ultimately reducing the burden of bad debts on energy businesses. Good practices also increase consumer trust in energy businesses, with benefits for customer loyalty, advocacy, retention and growth.

The support provided to a consumer experiencing vulnerability can be a 'moment of truth' in their journey with a business – a poor experience in this moment can be perceived as a service failure, potentially damaging the relationship with that customer for good. However, a good experience can strengthen the relationship, reducing the risk of consumer harm in the long term.

We know that the strength of the relationship an energy service provider has with their customer is a critical factor in identifying vulnerability early, especially when the signs aren't obvious and businesses are reliant on customers self-identifying as vulnerable. Unfortunately, there are many barriers to customers doing this, requiring energy service providers to take a more proactive role in building trust and identifying vulnerability.

Some service providers and industry organisations are already taking considerable steps to identify and support consumers experiencing vulnerability. We have drawn on some of these examples as illustrative case studies to demonstrate how better practices can be implemented to improve outcomes for consumers. We have also looked at examples from beyond the Australian energy sector, to show how businesses in other sectors are implementing the better practice principles.

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Purpose of the toolkit

This toolkit is Action 2 in our *Towards energy equity – a strategy for an inclusive energy market.* In the strategy, we committed to collaborate with consumer-facing energy businesses and consumer stakeholders to understand what is already working well and identify where there may be gaps in understanding or techniques in the identification of vulnerability.

This toolkit has been informed by existing research and guidance, consumer journey mapping workshops with retailers and financial counsellors, conversations with select energy retailers and distributors, and workshops with consumer advocates and representatives. It aims to share insights that consumer-facing energy businesses (including energy retailers) can adapt to their specific context. We hope that these insights will help energy service providers improve their ability to identify and engage with consumers experiencing a broader range of vulnerable circumstances. The insights are intended to be a resource to help energy service providers play a more proactive role in identifying vulnerability, including by supporting their customers to identify themselves by sharing their experiences of vulnerability.

Energy service providers have legal obligations in relation to identifying and engaging with customers experiencing vulnerability, including customers affected by family violence and customers experiencing payment difficulty due to hardship. This toolkit is not intended to advise businesses of their compliance obligations. While some of these obligations align with practices set out in this toolkit, the toolkit addresses a broader range of circumstances and practices that can affect customers experiencing vulnerability. This toolkit should be treated as supplementary to any obligations under the National Energy Retail Law, Rules and associated guidelines. In the event of inconsistencies, statutory obligations will prevail.

In the following sections, insights are summarised under 6 better practice principles:

- Build an organisational culture focused on strong customer relationships and better consumer outcomes

- Design for all consumers

- Deliver customer service that engages effectively with vulnerability

- Collaborate with other organisations

- Use data to improve consumer outcomes

- Commit to continuously improving consumer experiences and outcomes.

These principles work together to improve outcomes for energy consumers and help ensure that consumers experiencing vulnerability are identified and supported as early as possible. Each principle is explained through:

- a consumer story that illustrates the potential impact on customer experiences and outcomes

- better practice findings from research and consultation

- industry case studies with practical examples of how the principle can be implemented

- a summary of how you can put the principle into practice in your organisation.

A summary of some additional useful resources is provided at the end of the toolkit, after the better practice principles.

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2. Better practice principles

Build an organisational culture focused on strong customer relationships and better consumer outcomes

Cultivate an organisational culture and operating environment focused on identifying and improving outcomes for consumers experiencing vulnerability.

Design for all consumers

Ensure all consumers can access fair and flexible services and support.

Deliver customer service that engages effectively with vulnerability

Build organisational capability to identify and support consumers experiencing vulnerability.

Collaborate with other organisations

Develop relationships within and across sectors to holistically identify and support consumers experiencing vulnerability.

Use data to improve consumer outcomes

Make better use of data to identify and support consumers experiencing vulnerability.

Commit to continuously improving consumer experiences and outcomes

Regularly seek, test and implement new ways of doing things to drive improvements for consumers.

2.1 Build an organisational culture focused on strong customer relationships and better consumer outcomes

This principle is about energy service providers cultivating an organisational culture and operating environment focused on identifying and improving outcomes for consumers experiencing vulnerability.

Better practice in action

Amari is a busy single mother and has received an unexpected bill for major repairs to her car, which she needs to get to work and take her children to and from school. She won't be able to pay her quarterly energy bill on time but finds the idea of calling her retailer to ask for an extension very stressful – she has to find time to call within business hours, she is ashamed about not being able to pay her bill and she dreads having to justify and explain why she can't pay it on time. When she finds time to make the call, she is surprised and delighted to find that the customer service agent on the other end of the call seems to really care about her situation. Not only do they believe her, but they take the time to understand her situation and offer support that fits her circumstances. The customer service agent feels confident and positive at the end of the call because they feel like they have made a genuine difference for this customer. They know that this is a priority for their business because it is mentioned frequently by leaders and managers, is stated explicitly in organisational policies and communications, and is built into their performance reviews.

Better practice findings

One of the challenges for businesses in detecting vulnerability is relying on people to self-identify as vulnerable, which we know often doesn't work. Energy service providers need to take a more proactive role in identifying vulnerability, and a consumer-centric organisational culture is crucial to achieve this. Many organisations know the importance of customer centricity in driving customer satisfaction, brand loyalty and growth. However, developing a consumer-centric organisational culture is also an important foundation for identifying consumers in vulnerable situations and improving the outcomes they experience.

Consumer-centric organisational culture, systems and processes

Organisations that embed a consumer-centric culture built on genuine understanding, empathy and trust (both of and from their customers) will be better able to identify and respond to vulnerability. This culture needs to be championed at the executive level and embedded by leaders at all levels to ensure that company culture, governance, processes and systems are set up in a way that not only allows, but actively encourages and supports, everyone in the organisation to prioritise consumers' welfare. Senior leadership can reinforce a culture of ensuring good outcomes for consumers by taking them into consideration in product and service design and delivery. This includes ensuring the organisation has the capability and capacity to effectively support consumers experiencing vulnerability.

Shared understanding of vulnerability

Developing and embedding a shared understanding of vulnerability in an organisation will support everyone in the organisation to better recognise and identify vulnerability in customer data and interactions. This would include clearly articulating to staff how their actions may impact consumers in their market, considering what may be required to provide the right support for consumers, and developing policies and procedures that can be implemented to enable this.

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Case study: Creating a Framework for Customers Experiencing Vulnerability at NAB[1]

The National Australia Bank (NAB) was awarded 'Shared Value Organisation of the Year' at the 2021 Shared Value Awards, which requires demonstrating a variety of shared value initiatives, a strong focus on delivering measurable outcomes and clear leadership support.

NAB's Group Strategy includes objectives associated with customer and community support, including supporting customers experiencing vulnerability. Their most recent Framework for Customers Experiencing Vulnerability details specific initiatives to support consumers experiencing vulnerability across all business areas, has measurable performance indicators and timelines, and allocates responsible senior executives to oversee progress towards specific goals. The framework is communicated and understood throughout the whole organisation, with a focus on how cultivating shared value drives its business strategy.

A key focus area for the revised framework is identifying vulnerability earlier and taking action. To achieve this, there is a specific goal to support the capability of frontline staff to recognise vulnerability through clear processes and targeted training and resources. Another key initiative is its financial hardship program, NAB Care. NAB Care is integrated into NAB's collections department, and staff are equipped with training from mental health organisation Lifeline to readily spot and manage customers experiencing financial hardship.

A Harvard Business School case study on NAB's approach indicates that it has helped over 100,000 Australians in financial distress get back to good credit standing and has also saved NAB more than $80 million in bad debt as a direct result of the program's early contact with customers.[2] NAB also consistently ranks highly in banking customer satisfaction surveys.[3]

Principle in practice

- Make sure the organisation's culture, systems and processes embed fair, flexible and empathetic treatment of consumers, accepting customer stories in the first instance.

- Create a shared understanding of vulnerability within the organisation, including how to recognise it.

- Develop strategies to identify vulnerability early, including where it may be difficult to detect.

- Clearly outline expectations for all employees in identifying and addressing vulnerability.

- Link the organisation's objectives and actions in identifying and assisting vulnerable consumers, ensuring alignment from company strategic documents to operational policies and procedures.

- Emphasise awareness of vulnerability throughout the business, encouraging leaders at all levels (including the board, senior executives and middle management) to actively promote and communicate the importance of identifying and supporting consumers experiencing vulnerability.

- Ensure the organisation has the necessary skills and resources to fulfil its business objectives and activities related to identifying and supporting vulnerable consumers.

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1   National Australia Bank, Framework for Customers Experiencing Vulnerability 2021–2023, 2021.

2   MR Kramer and H Foley, National Australia Bank: Looking Out for the Customer, Harvard Business School Case 719-417, 2018 (Revised March 2019).

3   Canstar, Banking Customer Satisfaction Awards, 2022.

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2.2 Design for all consumers

This principle is about energy service providers ensuring that all consumers can access fair and flexible services and support.

Better practice in action

Remi has low vision and will be unable to work for several months due to a surgery to prevent further sight loss. He is worried about what this might mean for managing his bills. However, when he receives his next bill, he notices that the PDF has been made more accessible. He is able to read the whole bill clearly with his screen reader, and hears that he might be able to save money on a cheaper plan. He calls his provider, who puts him on the cheaper plan. During the call, he mentions his upcoming surgery. The customer service agent says they will follow up with a call after his next bill if there are any issues. In the meantime, he receives the documentation for his new plan and it is all accessible via his screen reader. Remi trusts his provider more because they have improved their communication with him and even helped him reduce his energy costs. He takes comfort knowing that his provider is now aware of his circumstances and will follow up by phone if there are any issues with his next bill while he is recovering from his surgery.

Better practice findings

The way services are designed and delivered can either mitigate or contribute to consumer vulnerability and harm.[4] When services are overly complex or not accessible, consumers with different backgrounds, experiences and needs may struggle to understand and access the service or support best suited to them.[5] This can alienate consumers from their energy service providers, increasing the difficulty of identifying consumers experiencing vulnerability.

However, difficulties experienced by many consumers can be headed off by proactively understanding, anticipating and addressing their needs through inclusive service design. Inclusive design can ensure services are accessible and can facilitate an environment in which consumers experiencing vulnerability are better able to be identified. It can also help ensure that those who are not identified as experiencing vulnerability are better able to access services and support.[6]

Inclusive service design is generally considered to be an effective way to improve outcomes for all consumers, leading to greater overall customer satisfaction and reduced harm.[7] The Centre for Inclusive Design has estimated that designing for 'edge users' (or those with specific needs) can actually benefit 3 to 4 times as many customers as the intended audience.[8] The International Organization for Standardization recommends inclusive service design be considered at all stages of service delivery and across all consumer touchpoints.[9]

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4   Ofgem, Decision on Consumer Vulnerability Strategy 2025, 2019, p. 61.

5   Financial Conduct Authority of the United Kingdom, Guidance for Firms on the Fair Treatment of Vulnerable Consumers, 2021, p. 5.

6   International Organization for Standardization (ISO), International Standard ISO 22458: Consumer vulnerability – Requirements and guidelines for the design and delivery of inclusive service, 2022, p. 5; UK Government Debt Management Function, Debt Management Vulnerability Toolkit for service and policy managers, 2023, p. 25.

7   UK Government Debt Management Function, Debt Management Vulnerability Toolkit for service and policy managers, 2023.

8   Centre for Inclusive Design, The Benefit of Designing for Everyone, 2019, p. 1.

9   International Organization for Standardization (ISO), International Standard ISO 22458: Consumer vulnerability – Requirements and guidelines for the design and delivery of inclusive service, 2022.

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Innovation and new offerings

Innovation has many potential benefits, but when done poorly it can negatively affect vulnerable groups or result in their exclusion. When developing a new product or service, consider the needs of consumers experiencing vulnerability in every stage of the design process. This may involve undertaking vulnerability impact assessments, stress-testing services and co-designing services with consumers.[10]

Communication

Overly complex communication creates barriers to understanding, which can make it harder for customers to make the best decision for them or can even result in unintentional non-compliance for energy service providers. It is important and beneficial for both businesses and consumers that information is communicated in a way that is easily understood by as many people as possible. This includes presenting key information in clear and simple language that avoids jargon, ensuring that content is easily readable and accessible, and following good design principles to support customer understanding.

Engagement channels

Many consumer interactions take place in an online environment or using automated processes. Online service processes can increase business efficiency and are often preferred by consumers, including those experiencing vulnerability. However, many consumers are excluded when the only way to engage with retailers is online and opportunities to identify when these customers are experiencing vulnerability become limited.

The Australian Digital Inclusion Index 2023 identified that 9.4% of Australians are 'highly excluded' from digital engagement and an additional 14.2% are 'excluded'. Therefore, digital-only services exclude many people, including those who cannot afford the internet or a smart phone, who have low digital literacy, or who are uncomfortable engaging online for various reasons.[11] Rates of digital exclusion are much higher for First Nations consumers, people over 75 and people who did not complete secondary school.[12]

Self-serve engagement options can be very valuable, particularly for consumers struggling with shame or who are feeling overwhelmed. However, to ensure that services are accessible for all consumers, it is important to provide alternative options across multiple channels. For example, provide an option to access and submit information offline, and allow consumers to receive personalised customer support outside of business hours. Inform consumers of all available communication options upon first contact and account for consumers' different preferences, including changing preferences over time.

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10   Australian Communications and Media Authority (ACMA), Consumer vulnerability: Expectations for the telecommunications industry, 2022, p. 11; Financial Conduct Authority of the United Kingdom, Guidance for Firms on the Fair Treatment of Vulnerable Customers, 2021, p. 27–28.

11   Ofgem, Decision on Consumer Vulnerability Strategy 2025, 2019, p. 37.

12   J Thomas, A McCosker, S Parkinson, K Hegarty, D Featherstone, J Kennedy, I Holcombe-James, L Ormond-Parker and L Ganley, Measuring Australia's Digital Divide: Australian Digital Inclusion Index: 2023, ARC Centre of Excellence for Automated Decision-Making and Society, 2023, p. 5.

Web accessibility

Some consumers who may otherwise choose to engage with organisations online are excluded from this option when websites and apps are difficult to navigate or not accessible for those with certain disabilities, such as visual impairments. An estimated 453,000 Australians are blind or have low vision, and many are sent energy bills in the form of PDFs that they can't read because they are not compatible with screen reader software.[13]

Although some consumers may prefer offline engagement, ensuring the accessibility of websites and apps is crucial for improving effective consumer access to online resources and channels. To achieve this, ensure that digital content adheres to best-practice web content accessibility guidelines published by the World Wide Web Consortium (W3C) Web Accessibility Initiative.[14] Crucial information such as policies, procedures, contacts and accessibility options should be readily available, current, presented in a way that customers can understand and regularly revised based on customer feedback. Digital contact channels could be improved with tools to personalise information or trigger proactive offers of assistance.[15]

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13   Australian Broadcasting Corporation, Electricity bills unreadable for thousands of Australians amid a cost-of-living crisis, 2023.

14   World Wide Web Consortium (W3C), Web Accessibility Initiative, 2024.

15   Financial Conduct Authority of the United Kingdom, Guidance for Firms on the Fair Treatment of Vulnerable Consumers, 2021, p. 27.

Case study: Bringing lived experience into service design and delivery at Aurora Energy

Across 2022–23, Aurora Energy engaged directly with customers with lived experience to gain feedback on business processes and policies, including where there may be gaps or opportunities for improvement based on their personal experiences. Aurora Energy also sought direct feedback on how well they performed on public commitments to put customers at the centre of their business, improve the customer experience and support customers facing vulnerable circumstances, among other things.

To gain these insights, Aurora Energy worked with TasCOSS to engage customers or 'lived experience partners' with a wide range of backgrounds on key business projects. This diversity brought a deeper level of value to the feedback, ensuring that a range of consumer perspectives were included. Feedback was sought in facilitated sessions, with lived experience partners remunerated for their time, experience and skills.

As a result of feedback on potential gaps or opportunities for improvement, tailored training was delivered to service staff to better explain and unpack the intersectional nature of vulnerability. Bringing lived experience into the training process also gave Aurora Energy's frontline operators a better understanding of the types of customer experiences that could lead to bill payment difficulty and other challenges. Knowing that vulnerability is much broader than someone's financial status and comes in different forms has helped them better recognise and respond to the needs of customers experiencing vulnerability. This is supported by the inclusion of a broader set of potential indicators to be aware of when considering vulnerability in processes for frontline staff.

Lived experience feedback has also contributed to the establishment of actions under Aurora Energy's Energy Charter Disclosure Statement for 2023. In particular, lived experience partners identified a feeling of anxiety when initially contacting their retailer for assistance, a feeling that dissipated on contacting Aurora Energy. In response, Aurora Energy is incorporating this feedback into the development of a new energy literacy 'train the trainer' program, which it is set to pilot in 2024 alongside community agencies.

Principle in practice

- Proactively understand, anticipate and address the needs of consumers experiencing vulnerability in the design and delivery of services.

- Ensure inclusive service design is considered at all stages of service delivery and across all consumer touchpoints.

- Make it easy for all consumers to interact with you by providing various accessible engagement options tailored to their individual needs.

- Understand the needs of consumers in vulnerable situations, their challenges, preferences and how they interact with the organisation's products or services.

- Ensure products and services are clear, comprehensible and accessible to consumers, especially those who may be vulnerable to harm.
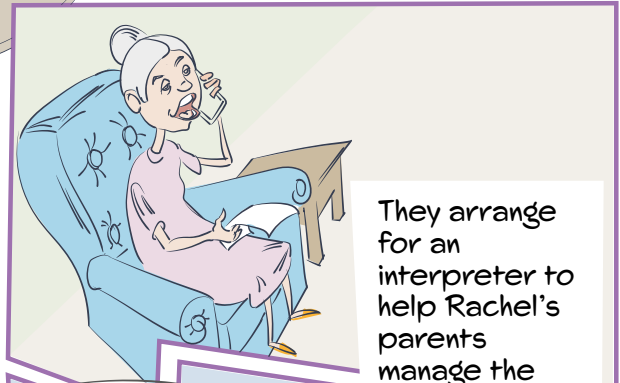
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2.3 Deliver customer service that engages effectively with vulnerability

This principle is about energy service providers building organisational capability to identify and support consumers experiencing vulnerability.

Better practice in action

Rachel is a young worker living with her elderly parents, who are from a non-English speaking background. Her parents have difficulty understanding and paying bills because they can't read English, so Rachel is an authorised representative on the account to make it easier to engage with their power company. However, she has to travel for work for an extended period of time. Rachel contacts her energy service provider before her travel to tell them about her family's situation. The service provider arranges for an interpreter to help follow up with Rachel's parents so they can pay the bills while she is away. Rachel feels better knowing that her parents will be able to manage their account in her absence, without worrying that they could get disconnected.

Better practice findings

Consumers experiencing vulnerability might refrain from engaging with their energy retailer for various reasons, such as fear of judgement or past negative experiences with 'robotic' or inflexible service interactions. They may have low trust in their energy provider's ability to respond empathetically or offer meaningful support. Additionally, they might have limited capacity to initiate or navigate the necessary processes to access support. For energy service providers to make significant strides in identifying and enhancing outcomes for consumers experiencing vulnerability, they must consistently deliver customer service that is empathetic, patient, flexible and informed by a solid understanding of vulnerability and its indicators.

Early provision of information on support options

When signing up to a new energy provider, consumers may only be provided with the information needed to open their account. However, providing information on support and assistance options early in the customer relationship is one way energy service providers can demonstrate their dedication to consumers' best interests. This builds trust and creates opportunities for identifying vulnerability by reducing barriers to self-identification and beginning conversations that can help staff proactively identify vulnerability. For example, a conversation about assistance options might prompt the customer to share important information about their circumstances or enable staff to identify vulnerability based on the customer's responses. When consumers are informed from the outset about available support options, they are more inclined to seek assistance before their situation becomes more severe and complex, reducing the burden down the road for both the consumer and the energy retailer.

A disclosure environment that supports self-identification

The responsibility for identifying vulnerability should not rest with consumers, but it is a lot easier to identify vulnerability when customers feel safe sharing information about their circumstances. The Money Advice Trust has found that only 11–14% of consumers experiencing mental health problems disclose this information to their essential service providers. This is because they believe that disclosing the information will make no difference, that it is embarrassing or that they will not be believed.[16]

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16   C Fitch, D Holloway and C D'Arcy, Disclosure Environments: Encouraging consumers to disclose a mental health problem, Money and Mental Health Policy Institute and Money Advice Trust, 2022, p. 7.

To overcome this challenge, consumer-facing energy businesses must take active responsibility for identifying vulnerability. One important part of this is creating a 'disclosure environment', which is a service environment that makes it easier for people to 'self-identify' by encouraging them to disclose their experiences of vulnerability. People are more likely to share relevant information if they encounter an environment that:

- signals that disclosure is welcome and will be treated appropriately (including how the information will be used)

- builds in opportunities for disclosure across channels, journeys and platforms

- encourages and facilitates disclosure from the beginning of the customer relationship.[17]

An effective disclosure environment meets people where they are. It ensures that, from the very first interaction, there are genuine opportunities for customers to let you know about any vulnerable circumstances they are experiencing. They have to be able to do so in a way that makes sense to them, through the language and channels they are familiar with. Most people won't use 'magic words' like 'vulnerability' or 'hardship', so it's important to listen carefully and recognise other ways they may describe their experiences.[18]

Empathetic and flexible customer service

Empathetic, patient and flexible customer service by frontline staff is essential to creating a disclosure environment and improving the identification of consumers in vulnerable circumstances. If customers feel secure in sharing changes in their circumstances, it will be easier for frontline staff to identify vulnerability. Frontline staff should actively listen for indicators of potential vulnerability and respond appropriately – for example, by sensitively asking polite follow-up questions and informing the customer of any support available.

Scripting is often used by businesses to ensure that staff are compliant with regulatory obligations. However, with the right tools, training and support, compliance with obligations (and a better customer experience) can often be achieved without rigid adherence to scripts. There are conversational tools available to help frontline staff encourage or respond to vulnerability disclosures, including protocols such as TEXAS, CARERS, BLAKE and BRUCE.[19] These tools are simple and memorable frameworks for frontline staff engaging with consumers experiencing vulnerability under different circumstances. In each case, the acronym summarises key steps or considerations to guide a more constructive interaction with the customer. For example, the TEXAS protocol sets out steps for appropriately managing a disclosure of vulnerability, while the BRUCE protocol helps staff identify and respond to customers with limitations in mental capacity. Providing staff with training, practical resources and managerial support for implementing these protocols can help them better manage vulnerability on a day-to-day basis.

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17   C Fitch, D Holloway and C D'Arcy, Disclosure Environments: Encouraging consumers to disclose a mental health problem, Money and Mental Health Policy Institute and Money Advice Trust, 2022, p. 8.

18   L Nicolls and K Dahlgren, Consumer experiences following energy market reforms in Victoria: Qualitative research with community support workers, 2021, p. 20.

19   UK Government Debt Management Function, Debt Management Vulnerability Toolkit for service and policy managers, 2023.

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Staff training and support

The ability to offer empathetic, patient and flexible service that supports proactive identification of vulnerability is grounded in clear and comprehensive training, guidance and support for frontline staff. This includes providing staff with targeted training and resources to build both a holistic understanding of vulnerability and a thorough knowledge of all relevant policies and procedures. It also includes equipping them with practical tools, techniques and guidelines to identify and assist those in vulnerable situations effectively and empathetically. Rather than relying on specific words, phrases or requests to identify potential vulnerabilities, effective training enables staff to confidently engage in sensitive and flexible conversations with customers. Staff will best be able to identify and respond to vulnerability if they also have adequate resources to perform their roles, including sufficient time and appropriate performance metrics.

It's important to recognise that engaging with consumers experiencing vulnerability may be triggering for staff or contribute to work-related stress, anxiety or burnout. Supporting staff to manage these challenges might include giving them the opportunity to raise concerns with their supervisors, receive support from their peers and access additional support when needed (for example, through counselling or an employee assistance program).

Payment difficulty and disconnection risk engagement

Being approached by a debt collector or receiving a disconnection warning notice can lead to consumers feeling unsafe and overwhelmed, which may reduce their ability to engage with you, deter them from disclosing relevant information and prevent them from seeking appropriate support. In contrast, proactively contacting consumers with flexible offers of support (via their preferred communication channel) can encourage engagement and facilitate long-term positive outcomes for consumers and retailers alike. For example, proactively offering alternative billing or payment options, advising customers of a better offer or checking that they are receiving any rebates or concessions they may be eligible for can be a moment of truth that strengthens the customer relationship and facilitates an environment in which they feel safe to engage.

Consider how engagement is approached in these critical moments. Reward-based messaging that encourages the customer to contact you for support can create an opportunity for any vulnerable circumstances to be identified and recorded. Threatening language can damage the relationship, decrease the customer's ability to engage with you and limit opportunities for identification of vulnerability.

Consumer vulnerability specialists

While all frontline staff should be trained and supported to identify and assist those experiencing vulnerability, specialist teams or staff can greatly improve capability in this area. Specialist teams or staff members can contribute to improved outcomes for consumers experiencing vulnerability by managing complex cases or supporting other frontline staff to better identify and assist vulnerable consumers. Such specialised support can be particularly important for improving relationships with specific customer groups.[20] Some examples of groups that may need specialised support are discussed below, but it is important to continually review which specific groups and circumstances may need to be considered within your own customer base.

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20   Financial Conduct Authority of the United Kingdom, Guidance for Firms on the Fair Treatment of Vulnerable Customers, 2019, p. 20.

Case study: Tailoring customer service for Aboriginal and Torres Strait Islander customers at Westpac[21]

In 2019, Westpac established the Yuri Ingkarninthi Indigenous Call Centre, the name of which means 'deep listening' in the Kaurna language. The call centre aims to make banking more inclusive for First Nations customers through a tailored service experience characterised by simpler identification processes, accredited specialist training for staff and the ability to speak to First Nations staff in 21 Aboriginal and Torres Strait Islander languages. Since it was established, the call centre has served over 5,000 customers and its services now extend across all Westpac brands. We have heard that a key part of what makes this call centre so effective is the presence of Indigenous representation at every level,[22] with at least 50% of the call centre team identifying as Aboriginal or Torres Strait Islander.

The call centre is complemented by the Westpac Remote Services initiative, which was established following a pilot in 2018. The initiative aims to not only overcome barriers for First Nations customers, but also build trust with their communities. Dedicated Remote Services banking officers visit remote Indigenous communities, where customers might otherwise need to drive up to 14 hours to reach the nearest bank branch. These officers provide in-the-moment education as well as support to access critical banking services such as opening and unblocking accounts, enabling identification and ordering new cards.In addition to assisting customers with their basic banking needs, the Westpac Remote Services team runs one-on-one demonstrations and workshops to help people access mobile and online banking. In addition, they have recently created a financial hub in some communities – a dedicated space with computers set up to access online banking and essential government services, as well as a phone line direct to the Yuri Ingkarninthi Indigenous Call Centre.

Locals have reported that they welcome Westpac Remote Services officers, with whom they have built strong relationships. Officers have also reported that customers are less frustrated and more empowered to do their own online banking, as they know the bank has services to help them.

Principle in practice

- Inform customers of available support options and how to access them as early as possible.

- Provide empathetic, patient and flexible customer service.

- Consider where scripts could be replaced or supplemented by conversational guides and tools.

- Take steps to create a disclosure environment that makes it easier for customers to share relevant information about vulnerable circumstances they may be experiencing.

- Support and resource frontline staff to ensure they have the capabilities, capacity and incentive to identify and support consumers in vulnerable situations.

- Ensure staff with specialist skills are available to support consumers who require more targeted assistance.

- Facilitate disclosure and improve support for certain groups or cohorts of consumers, including considering options for dedicated specialist support.

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21 Westpac, Westpac Indigenous and Remote Banking; Westpac, Westpac Group Reconciliation Action Plan: April 2022 – September 2025; Collyer on behalf of Westpac Banking Corporation, Submission to House of Representatives Standing Committee on Indigenous Affairs Inquiry into How the corporate sector establishes models of best practice to foster better engagement with Aboriginal and Torres Strait Islander consumers, Parliament of Australia, 2021.

22 Feedback provided by our Customer Consultative Group.

Some customer groups may particularly benefit from more specialised support

> **First Nations consumers**
>
> **Scenario:**
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> A First Nations man in a remote community hasn't been able to afford to pay his last 2 energy bills, which have spiked significantly due to extreme weather. He also has poor access to the internet, making it harder to find out what support and concessions he might be entitled to. However, he is reluctant to call his energy provider to ask – based on negative experiences with businesses in the past, he doesn't trust his provider to listen to his circumstances, understand his situation or offer him support.

There are additional challenges for First Nations customers in energy and other essential services. First Nations consumers are impacted by complex and interconnected issues such as intergenerational trauma, increased risk of long-term unemployment and disproportionate rates of incarceration, illness and suicide.[23] Energy insecurity and disconnection have created genuine problems in many First Nations communities.[24] There is a clear need for better support and engagement for First Nations consumers to reduce disconnection rates and improve overall outcomes.[25]

Better engagement and outcomes for First Nations consumers can be supported by dedicating time and resources to understanding and responding to the needs of First Nations consumers. This requires engaging closely with First Nations consumer groups and communities to understand how organisational policies and service design and delivery can be improved for First Nations consumers. For example, the development of a dedicated Indigenous call centre or team with First Nations staff may be beneficial to increase trust and ensure that these customers' needs are met. This may be reinforced through cultural awareness and sensitivity training, so that First Nations consumers feel safe to engage with consumer-facing energy businesses, disclose their situations and access any support they may need.

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23   C Fitch, D Holloway and C D'Arcy, Disclosure Environments: Encouraging consumers to disclose a mental health problem, Money and Mental Health Policy Institute and Money Advice Trust, 2022, p. 49.

24   Energy Consumers Australia and Indigenous Consumer Assistance Network (ICAN), 'Yarnin' energy with Indigenous households, 2020, p. 16.

25   Essential Services Commission, Getting to fair: breaking down barriers to essential services, 2021, p. 13.

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> ## Culturally and linguistically diverse communities
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> ### Scenario:
>
> An elderly woman with limited English relies on her children to read her energy bills for her. Her children travel overseas for 6 months. During this time, she cannot understand her bills and avoids them. Her account goes into arrears, but she is unaware of this and her limited English makes it hard for her to understand and engage with her energy provider when they reach out.

Language can be a significant barrier to some culturally and linguistically diverse consumers engaging effectively with their energy company. It can make it difficult to understand important information (including contracts, bills and other communications) and to contact their providers, including when they need help. Improve relationships with these customers by taking actionable steps to improve a service's accessibility to those who may have limited or no English. This includes developing and maintaining long-term partnerships with translation services to facilitate interactions with consumers with limited English and ensuring consumers are aware of this support by clearly promoting it on the company website, customer bills and other communications. Providing important information in languages other than English can also help those with limited English access support and make more informed decisions, including about disclosing relevant information to assist with identification of vulnerability.

> ## Consumers affected by family violence
>
> ### Scenario:
>
> A woman is the main account holder for an energy bill and has accrued debt. When a customer service officer contacts her, she advises that she is not aware of the bill and cannot settle it because she will have to wait for her partner to access funds. She sounds anxious, gives limited responses and hangs up on the call abruptly.

Energy retailers have obligations to ensure that their staff can identify, assist and engage appropriately and effectively with customers affected by family violence. However, family violence is often a hidden issue that can be hard to identify, especially because it can take various forms.[26] In addition, some victims and survivors may be frightened that the perpetrator will find out and punish them for sharing their situation. Contact with other parties may also be controlled or restricted. This can create additional challenges to identifying consumers in these situations, so it is critical that organisations establish clear capabilities, policies and processes to enable identification and protect consumer privacy and safety following identification. This includes training staff to identify potential signs of family violence and to manage disclosure in a way that is sensitive and mindful of the customer's safety. Refer to relevant guidance notes and regulations to establish appropriate policies and procedures for these circumstances.[27]

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26   UK Government Debt Management Function, Public Sector Economic Abuse Toolkit, 2023.

27   The Australian Energy Regulator publishes guidance on complying with retailer obligations, including obligations related to protecting customers affected by family violence.

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Consumers affected by mental illness and suicide

Scenario:

A recently divorced single father on a low income has just taken out a $10,000 loan to cover legal fees when he receives a call from his energy company informing him that he has not paid his last energy bill. His mental health has already suffered from family court proceedings and the financial strain of paying for lawyers and supporting his children is exacerbated by yet another bill. He feels helpless and tells the customer service agent he does not know how he is going to pay the bill. He says, 'if I were dead I wouldn't have to deal with this stuff'.[28]

</div>

Various vulnerable situations, including financial hardship, have been identified as increased risk factors for mental illness and suicide.[29] You can better support customers and staff by preparing for the possibility of suicide disclosures. If someone discloses that they wish to take their life, it may not necessarily mean they will do so – it may be the only way they know how to express their suffering and desire for their situation to change in that moment.[30] However, it is an important indicator of vulnerability. In such an event, it is important for staff to politely and directly ask questions to determine what referrals or support may be appropriate.[31] Tools such as the BLAKE protocol may be of assistance in these circumstances.[32]

Tools and general guidance can be helpful additions to, but do not replace, official suicide policies and processes. To ensure staff do not inadvertently cause more harm, ensure that staff can easily access these policies and are trained to follow these processes. This will help staff understand when customers are at a high risk of harm and direct them to appropriate support.

28   Heartward Strategic, Money and mental health social research report, Beyond Blue, 2022.

29   S Mathieu et al., 'The Role of Unemployment, Financial Hardship, and Economic Recession on Suicidal Behaviors and Interventions to Mitigate Their Impact: A Review', Frontiers in Public Health, 2022, 10:907052, doi:10.3389/fpubh.2022.907052.

30   Finance & Leasing Association and The UK Cards Association, Vulnerability: a guide for debt collection: 21 questions, 21 Steps, 2017, p. 57.

31   UK Government Debt Management Function, Debt Management Vulnerability Toolkit for frontline debt management staff, 2023.

32   UK Government Debt Management Function, Debt Management Vulnerability Toolkit for frontline debt management staff, 2023; Finance & Leasing Association and The UK Cards Association, Vulnerability: a guide for debt collection 21 questions, 21 Steps, 2017, p. 58.

> ### Consumers affected by pandemics and natural disasters
>
> #### Scenario:
>
> A farming family was affected by significant flooding that has been declared a natural disaster. They lost crops and suffered property damage to a lot of their equipment and cool storage. The season is looking to be more favourable, but the farm has a significant energy debt. Although they have insurance coverage, they don't expect to receive a payout until 6 months after repairs are completed. In undertaking the repairs, they have invested in making their equipment more energy efficient. This will make it easier for them to manage their energy bills in the long run, but they have little cash available to pay off their debt in the short term.

Customers may require more support after a natural disaster occurs. However, they are also likely to face additional barriers to seeking this support, such as post-traumatic stress and a lack of access to means of contact. This can make it difficult to identify and respond to the vulnerability they are experiencing. The psychological and financial effects of the disaster may also be felt for a long time, with numerous potential flow-on effects. Consider how customers may be impacted in these situations in both the short and long term, and what actions you can take to proactively identify and support them.

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2.4 Collaborate with other organisations

This principle is about energy service providers developing relationships within and across sectors to holistically identify and support consumers experiencing vulnerability.

Better practice in action

Lee is experiencing acute financial hardship and seeks food relief from a local community support organisation. The organisation recognises he needs more holistic support and schedules an appointment with a financial counsellor. The financial counsellor talks to Lee about his circumstances and helps him make a plan to address some of his current challenges, including debts with his energy and water providers. The financial counsellor asks Lee if he would like them to let his providers know that he is having a tough time. Lee is relieved to only have to tell his story once to an empathetic financial counsellor and provides consent for the financial counsellor to let his energy and water providers know about his situation. Rather than calling his individual service providers one at a time, he is able to focus on improving his situation more broadly. This helps Lee get back on track and start catching up on his bills again sooner.

Better practice findings

Silos within and between organisations and sectors can exacerbate customer vulnerability, limiting identification of vulnerability and preventing consumers from accessing necessary support. For many consumers experiencing vulnerability, even engaging with a single organisation to disclose their circumstances and access support can be challenging. This can especially be the case where consumers feel ashamed, embarrassed or traumatised by the situation they're experiencing. The burden of having to engage with several organisations can lead to a severe emotional toll or a total lack of engagement. Cross-organisational collaboration can reduce the burden on consumers while helping energy service providers better identify consumers experiencing vulnerability.

Referral pathways and partnerships

Referral partnerships with other service providers and community support organisations can help you better identify and support customers experiencing vulnerability, especially those who may otherwise be unwilling or unable to reach out to you directly. Effective inward referral pathways can alert you to vulnerable circumstances that may otherwise remain hidden, while outward referral pathways can ensure your customer receives appropriate holistic support to improve their outcomes in the long term. Establish appropriate referral pathways, policies and procedures (underpinned by secure and ethical data sharing where relevant) to amplify the impact of identification and improve outcomes for your customers. A regular reporting process to monitor outcomes can strengthen and increase the value of referral partnerships over time by identifying areas for success or improvement.

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Case study: Connecting consumers to support with the One Stop One Story Hub[33]

Thriving Communities Partnership is a not-for-profit organisation that facilitates cross-sector collaboration with the goal of helping people access the support they need. In 2021, Thriving Communities Partnership launched the One Stop One Story Hub, a cross-sector digital platform enabling frontline workers to refer customers to a range of supports through a single, secure access point. The hub has won Good Design and Shared Value Awards, in recognition of its significant human impact.

The One Stop One Story Hub was co-designed with consumers with lived experience and over 30 organisations. It makes it easier for consumers experiencing vulnerability to access the support they need without the emotional toll or re-traumatisation of sharing their story with multiple different service providers. If a customer calls one of their providers because they are experiencing vulnerability, they probably need support from their other providers as well. Using the One Stop One Story Hub, the first provider is able to share the relevant information with referral partners, with the customer's consent.

This not only relieves the customer from having to re-tell their story – it also makes it easier for businesses to identify customers in need of support earlier and guides them to the most appropriate support for those customers. This helps build trust and allows businesses to proactively engage with customers who may not otherwise reach out. One organisation involved in the program reported that 87% of their referrals through the One Stop One Story Hub were from customers who had not previously requested help. There are also benefits for staff, reducing exposure to vicarious trauma and increasing employee engagement through a greater sense of impact.

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33   Thriving Communities Partnership, One Stop One Story Hub; Thriving Communities Partnership, One Stop One Story Hub Privacy; Thriving Communities Partnership, Ciara Sterling – Presentation, Australian Competition and Consumer Commission, 2023.

Case study: Working together to avoid disconnections through the Knock to Stay Connected Customer Code[34]

The Knock to Stay Connected Customer Code is a customer-led approach to keeping customers connected to their energy. The Customer Code Council includes customer representatives and signatories, encouraging sharing of better practice and continuous improvement. It is run by an Independent Administrator and Chair.

Participating retailers and network businesses work together to ensure that all customers at risk of being disconnected receive a visit to provide them with clear and timely information on where they can get support to keep their energy on. The information is delivered by the energy distributor through a simple knock on the door, with relevant staff receiving specialist training to ensure everyone's safety. If the account holder is not there, the information is shared through a letter drop. The written materials were developed in collaboration with consumer advocates, with a focus on making the information as user-friendly as possible.

The information lets customers know that assistance is available and encourages them to contact their energy retailer straight away, before they are disconnected. This simple interaction is also a valuable opportunity to identify potential vulnerabilities that may otherwise remain hidden, creating a unique referral pathway to ensure that customers who are in vulnerable circumstances and at risk of disconnection receive appropriate supports.

Specialist training for staff, secure and ethical data sharing, and effective implementation across organisations are all critical for making this approach work. National trials have demonstrated that up to 80% of disconnections can be avoided through this human-centred approach.

Principle in practice

- Establish relationships with external organisations such as other retailers, networks and distributors, government agencies, non-profits and financial counsellors.

- Maintain procedures for receiving third-party disclosures and develop links with local and national support services to ensure third parties are aware of routes to provide disclosures.

- Develop and implement clear referral policies and procedures, including policies and procedures for obtaining and recording consumer consent for sharing their information with referral partners.

- Create efficient and secure channels for information sharing.

- Appoint a dedicated staff member or team to manage relationships with third parties.

- Implement a regular reporting process to assess outcomes and identify areas for improvement.

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34   Energy Charter, Knock to Stay Connected Customer Code, 2023.

2.5 Use data to improve consumer outcomes

This principle is about energy service providers making better use of data to identify and support consumers experiencing vulnerability.

Better practice in action

Cora was a low-income earner who has recently retired and become eligible for the aged pension. The retailer is notified that she would like to start paying her bill using Centrepay. The request immediately identifies Cora as being potentially vulnerable in the retailer's system and their hardship team proactively reaches out to her to discuss her circumstances and needs. They put Cora on the most appropriate energy plan for her circumstances and make sure she is receiving the right energy concessions, putting her on a path to avoid energy debt and setting them up for a good relationship into the future.

Better practice findings

Poor data and customer management can hinder early identification of vulnerability and contribute to consumer harm. It can result in clear indicators of vulnerability being missed or lead to consumers having to share their situation over and over again, resulting in a poor consumer experience and ineffective support that will damage their trust in your business. Effective, ethical and secure data and customer management systems can aid in identifying and supporting consumers experiencing vulnerability.

Indicators of vulnerability

It is common practice to use data analytics to assess consumers' account health. In some retailers' systems, notifications are generated for frontline staff; in others, automated messages informing consumers of missed payments or debt accrual are triggered. These technologies and processes have significant potential to assist in the identification of vulnerability. In the same way they are used to predict and intervene when a customer is at risk of 'churning' (or ceasing to be a customer of the business), these processes can be used to predict when a consumer may be experiencing vulnerability and proactively engage with them early on. Relevant indicators of vulnerability may include missed, late or failed payments, unusual periods of low usage, self-disconnection, use of Centrepay or buy now pay later services, or vulnerability trigger words recorded from consumer interactions. Acting on these indicators with proactive, empathetic and personalised support is likely to improve your relationship with that customer, drive greater engagement and improve outcomes for both you and your customer in the long run.

Recording and effective use of data

How you record and use data about vulnerability indicators is equally important. Ethically and sensitively recording the risk of vulnerability enables effective ongoing support and prevents the consumer from having to share their situation every time they contact the organisation, which can be distressing.[35] Clear policies and procedures in place for recording this data will ensure that staff act consistently and confidentially in accordance with privacy laws. Staff should understand what information should be recorded, why it is being recorded and how it will be recorded and used so that they can share this with consumers.[36] When recording information on consumer vulnerability, it is

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35   UK Government Debt Management Function, Debt Management Vulnerability Toolkit for service and policy managers, 2023.

36   C Fitch, D Holloway and C D'Arcy, Recording Disclosure: Processing data from consumer mental health disclosures, Money and Mental Health Policy Institute and Money Advice Trust, 2022, p. 7.

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important to be deliberate about what information is recorded and how.[37] Use the information effectively to provide support, including by enabling your staff to improve and tailor their customer interactions.

Case study: Using predictive analytics to proactively identify and respond to vulnerability at Horizon Power

To proactively identify and assist customers who may be experiencing payment difficulty, Horizon Power have developed a statistical model to gain insights from their existing customer data. Using historical payment and billing information, the model predicts a customer's risk of default to identify whether they might be experiencing payment difficulty and need further support. To do this, the model considers various data points, such as bill amounts, account arrears and changes in payment behaviour over the previous 6 months.

Where the potential for payment difficulty or financial vulnerability is predicted, the account is referred to specially trained regional hardship officers to engage with the customer. Horizon Power has a significant geographical service area, so these regional hardship officers are located close to their customers to ensure that they understand the unique needs of each community when discussing a customer's circumstances and exploring available support options.

Although the program is still in its pilot phase, proactively reaching out to customers based on the insights from the model has provided an additional opportunity for Horizon Power to engage with customers and identify available support options as early as possible in the payment difficulty journey. This supports better outcomes for their customers by helping them to better manage their energy bills, reduce or avoid long-term debt and avoid potential disconnections. Horizon Power is considering other indicators that could be built into the model in future, such as changes to energy consumption behaviour.
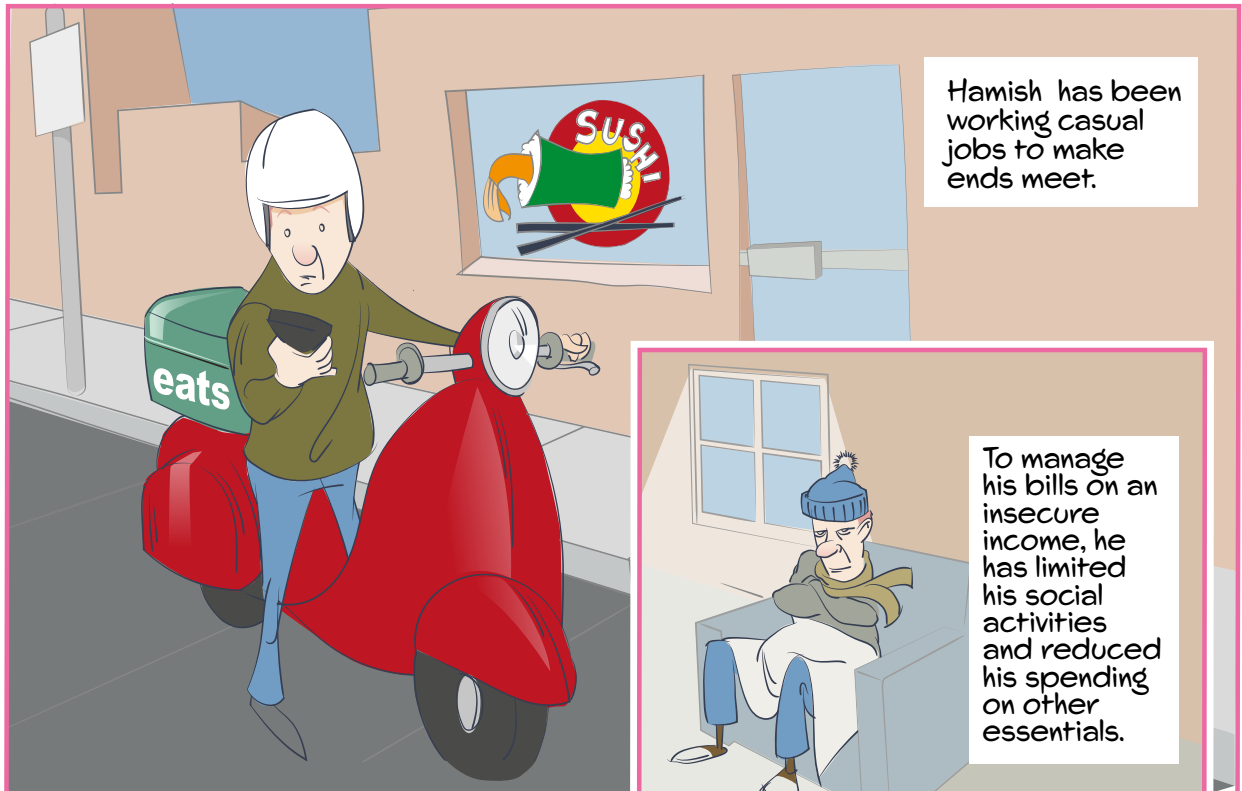

Principle in practice

- Learn from your data and use it to identify when consumers might be experiencing vulnerability, the same way you might use your data to predict customer churn.

- Proactively maintain and update data for consumers in vulnerable circumstances.

- Ensure that frontline staff can not only recognise and record vulnerability, but also clearly explain what data is being recorded, why it is being recorded and how it will be used.

- Work with other organisations to facilitate better use of data across sectors.

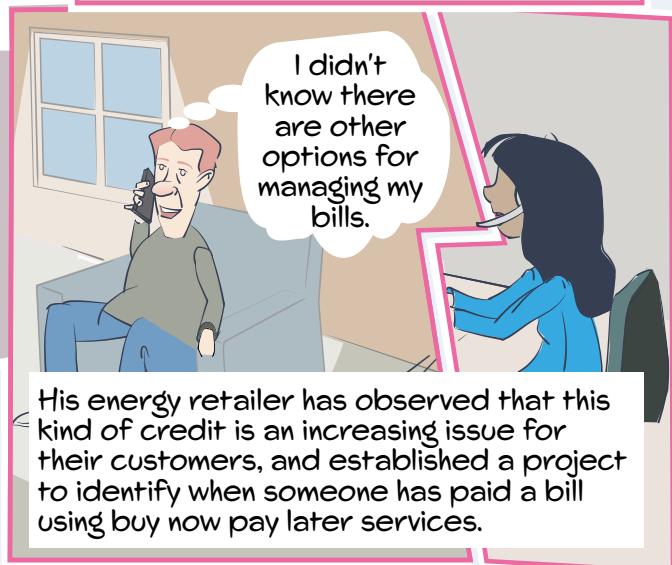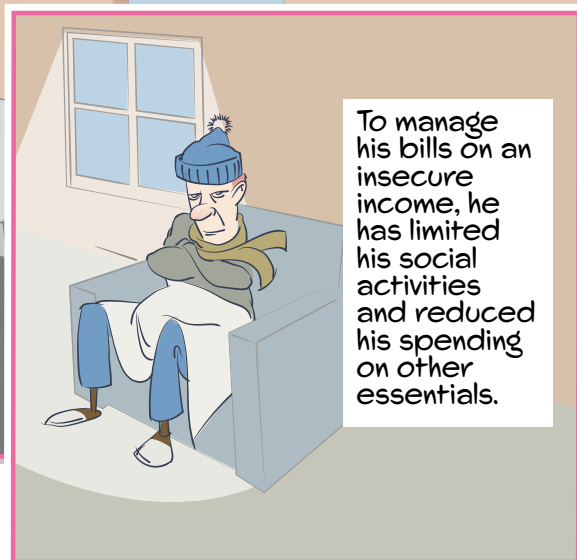37   UK Government Debt Management Function, 2023.

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2.6 Commit to continuously improving consumer experiences and outcomes

This principle is about energy service providers regularly seeking, testing and implementing new ways of doing things to drive improvements for consumers.

Better practice in action

Hamish lost his ongoing employment during the pandemic and has been working casual hospitality and gig economy jobs to make ends meet. Instead of seeking support from his retailer, he has been managing his energy bills by making sacrifices in other areas of his life – he has limited his social activities, severely restricted his heating and cooling, and reduced his spending on other essentials such as food. Because of his insecure employment, he has used either payday loans or buy now pay later services to pay for his groceries and utilities when he finds himself short, getting himself into debt that he struggles to pay off. Monitoring trends in their customer data (as well as feedback from their frontline staff and external stakeholders), the retailer has observed that this kind of credit is becoming an increasing issue for their customers experiencing vulnerability. They have established a project to update their billing systems to enable them to identify when a customer has paid their bill with a buy now pay later service, so that this can be used as an indicator of potential vulnerability.

Better practice findings

Experiences of vulnerability are complex and dynamic, changing over time and interacting with broader social trends. We continue to learn more about how experiences of vulnerability impact consumers' ability to engage. Without effective monitoring, reporting and change, energy service providers will miss opportunities to improve identification and support of consumers experiencing vulnerability.

Performance measurement

Well-communicated expectations of staff and performance measurement ensure organisational goals are adequately passed on to the frontline. Key performance indicators and other organisational metrics play a vital role in driving better practice and improving outcomes for consumers experiencing vulnerability. Clear monitoring and feedback strategies allow organisations to identify where they do not fully understand customers' needs, where performance of staff has led to poor outcomes for customers, and where services or processes unintentionally cause harm or otherwise do not meet the needs of customers experiencing vulnerability.[38] By measuring performance against metrics related to identifying and supporting consumers experiencing vulnerability, businesses can evaluate existing initiatives, identify opportunities for improvement and better target their actions to customers' needs.

Accountability and transparency

Accountability and transparency are also essential to ensuring continuous improvement. Robust reporting and accountability frameworks can also contribute to building customer and stakeholder trust. Many energy companies already take steps to improve their accountability and transparency. By actively disclosing initiatives on addressing vulnerability to the public, consumer-facing energy businesses are better able to build and maintain trust with their customers. Where consumers see businesses making dedicated commitments to better practice, such as alignment with industry leaders and disclosures of assistance offered to consumers, they are more likely to engage with the business when in need of assistance.

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38   UK Government Debt Management Function, Debt Management Vulnerability Toolkit for service and policy managers, 2023.

Continuous learning and improvement

There are many examples of ongoing research and policy development focused on understanding, identifying and addressing consumer vulnerability. For example, work is being undertaken by the Group of Energy Efficiency Researchers Australia (GEER) and the Australian Government Department of Climate Change, Energy, the Environment and Water (DCCEEW) to better understand the drivers, indicators and outcomes of different states of energy hardship. Findings from new research such as this may provide further insights to improve processes for identifying and responding to consumers experiencing vulnerability. Integrating learnings from research with continuous improvement models can help you analyse your performance, identify potential problems or opportunities, and improve your products, services and processes to drive better outcomes for consumers experiencing vulnerability.

Case study: Reporting on progress of customer and community outcomes through disclosures at the Energy Charter[39]

The Energy Charter is a unique CEO-led collaboration empowering the energy supply chain to work together and deliver better energy outcomes for customers and communities. As part of their commitment, Energy Charter signatory CEOs agree to publicly disclose how they are delivering against the Energy Charter's 5 principles through public disclosures. They also seek direct feedback on their performance against the principles through engagement with stakeholder forums and customer or community councils, with findings shared in public feedback summaries.

These disclosures are part of the Energy Charter's Accountability Process, which exists to add value to customers and energy businesses by identifying both positive outcomes and opportunities for improvement. It provides an overview of progress on the Energy Charter's collaborative #BetterTogether initiatives and encourages a culture of continuous improvement by asking signatories to assess their maturity against the principles using shared criteria. Under the Energy Charter Maturity Model, signatories assess both their current progress and future ambitions for each principle as either 'elementary', 'emerging', 'evolved', 'empowered' or 'exceeding'.

The 2023 Disclosure indicates that signatories are growing in maturity in delivering better outcomes for customers and communities, making progress on the 5 principles. A focus for the future is to help signatories assess their individual and collective impact on customers and communities to better identify areas for continued improvement in the energy sector.

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39   Energy Charter, Accountability + Transparency.

Case study: Improving the customer experience through changes to the Interactive Voice Response system at Ergon Energy[40]

In 2021, Ergon Energy Retail used research and data to improve the customer experience of their Interactive Voice Response system. They analysed calls to identify the top 3 drivers of customer contact, evaluate customer sentiment and understand consumer intention. They also conducted direct research with frontline employees and selected customers, including those who had shared complaints about the system in the past.

Ergon Energy Retail used the insights to improve the system for customers. This included simplifying the menu structure, providing a call-back option and introducing tailored wait messages. Other changes to the menu structure and call routing reduced the need for manual transfers and increased the likelihood of a call being directed to the most appropriate customer service agent in the first instance.

This reduced their cost to serve by enabling better resource allocation and also created a smoother experience for customers, reflected in increased customer satisfaction. The initiative was reported in their 2020–21 Energy Charter Disclosure Report.

Principle in practice

- Establish relevant performance indicators and organisational metrics to monitor and report on.
- Evaluate whether consumers' needs are being met and improve processes where needed.
- Regularly review policies, practices and complaints to identify barriers for consumers or opportunities for improvement.
- Audit records for customers experiencing financial hardship to assess whether this may have been exacerbated by poor experiences or improper practices.
- Monitor and adapt new research and developments in identifying and addressing vulnerability.

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40   Energy Queensland, Energy Charter Disclosure Report 2020–21, 2021.

3. Useful resources

Other sectors and regions offer valuable learnings and insights that can be applied to drive better practice in the energy sector. We hope that these resources provide a useful starting point for more detailed consideration and implementation of the better practice principles.

Strategic frameworks

Resource	Summary
Australian Communications and Media Authority Consumer vulnerability: expectations for the telecommunications industry 2022	This document presents the telecommunications regulator's expectations for the telecommunications industry to improve outcomes for consumers experiencing vulnerability. Both telecommunications and energy are essential services, and many of the recommendations are also applicable in an energy context. This resource presents ideal outcomes and steps out, with examples, how different operational areas can support this outcome.
Australian Financial Security Authority Vulnerability Framework 2022–25 2022	This resource sets out a strategy for improving AFSA's identification and support of vulnerable people over 3 years. Its 6 focus areas are able to be applied to most sectors and may be a useful example for energy companies who are creating their own strategic vulnerability framework.

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Standards and guidance

Resource	Summary
Financial Conduct Authority of the United Kingdom Guidance for firms on the fair treatment of vulnerable customers 2021	This resource was issued under section 139A of the Financial Services and Markets Act 2000 as guidance on how companies should act to comply with their obligations under the Principles for Businesses and ensure fair treatment of consumers experiencing vulnerability. Although produced specifically for the UK finance industry, much of the content in this document is broadly applicable across industries, including energy. It contains thorough guidance on the impact of vulnerability, how companies can develop their culture, policies, systems that understand and respond to consumer needs, and how this can be embedded across the workplace by ensuring staff are appropriately skilled and capable to engage with vulnerability in their roles. It includes several examples and case studies to aid firms in implementing good practice.
International Organization for Standardization International Standard 22458: Consumer Vulnerability: Requirements and guidelines for the design and delivery of inclusive service 2022	This resource, developed by the International Organization for Standardization, outlines better practice requirements and guidelines for the development of 'fair, flexible and inclusive' services for the benefit of all consumers, including those experiencing vulnerability. It is not specific to any industry and is broadly applicable to any service-providing company. It includes an implementation checklist that may be helpful for businesses seeking to make changes to improve outcomes for consumers experiencing vulnerability. It also includes example questions frontline staff can use to help understand someone's situation and what support may be required, as well as a table of possible actions to help and support consumers based on different types of difficulties.
Money Advice Trust and Money Liaison Group (UK) Disclosure Environments: Encouraging consumers to disclose a mental health problem 2022	This resource provides guidance on how organisations can create a disclosure environment that encourages consumer disclosure of mental health problems. It sees disclosure as critical moments of trust and risk for the consumer, opportunity and judgment for staff, and success or failure for firms in ensuring support for consumers. This resource includes practical steps in building positive disclosure environments, supported by lived experience of consumers and case studies.
Money Advice Trust and Money Liaison Group (UK) and Fair by Design Inclusive design in essential services: A practical guide for firms and suppliers 2021	This resource was developed to help companies supplying essential services to understand and apply inclusive design principles within their organisations with the goal of improving outcomes for consumers, particularly those experiencing vulnerability. It includes an 'Activity Toolkit' with practical exercises and case studies that may be useful for organisations seeking to apply inclusive design principles to their operations.

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Toolkits for better practice

Resource	Summary
Australian Energy Council Statement of objectives & principles: Best practice energy retail customer assistance – through COVID and beyond 2021	This resource presents best practice principles and outcome intentions to help inform the development and implementation of processes to support those experiencing payment difficulty. It is intended to be applied in a bespoke manner according to the circumstances and needs of specific customers, focusing on positive long-term outcomes.
Australian Energy Council Principles in practice resource: Guidance for retailers seeking to implement best practice customer support 2021	This resource offers practical guidance for energy retailers to apply best practice principles when aiding people in managing energy costs. It does this by presenting a scenario and an objective, and steps out how retailers may act in this situation to achieve best-practice assistance outcomes.
Queensland University of Technology Supporting CALD Australians to be empowered energy consumers 2023	This resource provides 6 strategic recommendations to industry on how to better support energy consumers from culturally and linguistically diverse backgrounds. The recommendations are informed by comprehensive qualitative research into the lived experiences of culturally and linguistically diverse consumers, undertaken with funding from Energy Consumers Australia.
Government Debt Management Function (UK) Debt Management Vulnerability Toolkit for frontline debt management staff 2023	This resource was created to help frontline staff working in debt management to identify and respond to vulnerability in their roles. It includes examples of behavioural or verbal cues that may indirectly indicate vulnerability, as well as various tools, protocols and scripts frontline staff may use to assist them in their engagement with consumers experiencing vulnerability or their representatives. This is part of a series of toolkits developed by the UK Government for debt management.
Office of Gas and Electricity Markets of the United Kingdom (OFGEM) Good practice for supporting customers in payment difficulty 2022	This resource shares examples of what the UK energy regulator considers to be good practice when supporting people who are struggling to pay their energy bills. It focuses on 4 main areas: debt prevention, debt communications, debt support and debt recovery.

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