



28 March 2024

Consumer Policy  
Australian Energy Regulator  
by email: [ConsumerPolicy@aer.gov.au](mailto:ConsumerPolicy@aer.gov.au)

## **Customer engagement toolkit: Better practices for identifying and supporting consumers experiencing vulnerability**

Thank you for the opportunity to provide input to the retailer toolkit. We commend the AER for developing it and we hope it will assist retailers to improve their practices in supporting people experiencing vulnerability.

Below are some brief comments on each section of the toolkit.

### **Introduction**

The present introductory text sets a tone for the whole document that unnecessarily implies inadequacy on part of the customer. "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." It could read simply: Energy is an essential service, required for everyday life. For some people experiencing vulnerability, it can be more difficult to afford their energy bills, or readily access supports that can help them.

The introduction would be improved with fewer words and more focus on the positive obligation – for example: "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" can be more clearly written as: "Practices that help identify and support consumers experiencing vulnerability improve outcomes for consumers". This is effectively repeated in the next paragraph, so can be merged.

### **Understanding vulnerability box**

This section also needs a plain language revision for clarity. For example: "This includes having insufficient capacity to pay for energy use" can be far more plainly worded "This includes being unable to afford their energy bills". It may also be worth adding a link to the full Towards Energy Equity report in this section.

## **Purpose of the toolkit**

This box is repetitive and long and would be more readable as dot points of key points – even potentially a separate box to list off other relevant rules/legislation in lieu of the 9 lines of bolded text.

### **2.1 Better practice in action**

This example needs to be re-considered – as it still requires Amari to ring the retailer during business hours and express a need for a payment extension. What about an example of the retailer initiating a contact that proactively offers the customer an extension or a payment plan after they notice a missed payment? If retailers are the audience, show them how to raise the bar and what action that would require on their behalf by identifying hardship themselves. It requires some practical, concrete examples.

The better practice findings make high level points and are quite vague and it is unclear why the AER is telling retailers to be customer centric in so many sentences. By all means take the opportunity to tell them how, but a clear ‘how’ is the most useful guidance you can provide. The principles in practice section should be retained, and the introductory paragraphs merged into one. Finally, using an international energy example (if there is no local one) would be more appropriate than using a local bank – this comment applies to other sections too.

### **2.2 Design for all**

The digital inclusion paragraphs make good points but miss the opportunity to recommend retailers take a customer-first approach to communications channels.

The principles in practice should provide actual examples rather than describe – at present they are vague and it is unclear what value they would add to a retailer seeking examples of what they could do.

### **2.3 Deliver customer service that engages effectively with vulnerability**

The case study is slightly odd, because it becomes clear that the only reason Rachel is an authorised for her parents in lieu of an actual interpreter, which is arranged in her absence. Using an interpreter in her absence suggests the retailer should be offering them an interpreter for every interaction – their daughter wouldn’t be needed at all. The AER should be clear that the person isn’t inherently vulnerable – the retailer not providing a way for them to have discussions about their own bill due to the need for an interpreter service, as the case study purports to demonstrate. Unfortunately, we often see financial abuse due to the misuse of third-party family members being used as translators. A key issue here would be to ensure that Rachel’s parents, prior to becoming the interpreter, were made aware of other ways to access the retailer via a translation service.

The scenarios outlined in the “more specialised support” section are good and should be presented in a different way as presently they are quite dense and text heavy. Consider what the key message is that the AER wants retailers to take away for each and make each a bit snappier.

## 2.4 Collaborate with other organisations

It would be useful to frame this not as a difficulty but as a positive opportunity for the retailer. The final sentence in this paragraph is a more helpful frame to tell a retailer what they should strive to do: “Cross-organisational collaboration can reduce the burden on consumers while helping energy service providers better identify consumers experiencing vulnerability”.

## 2.5 Use data to improve consumer outcomes

The example would be improved by demonstrating the retailer taking a pro-active approach, for example stating that they have a process that prompts staff to check concessions and for better plans when it receives a Centrepay application. The principles in practice section is noticeably weaker in this section compared to others and should be expanded with examples.

## 2.6 Continuous improvement

This is a good example that belongs better in the data section, but the guidance seems entirely disconnected from the fact that someone is using Buy Now Pay Later to pay for energy bills. Where is the pro-active customer management that recognises a sign of potential hardship that will be activated to help prevent the customer getting into a debt spiral (or manage them if they already are)? Not all customers are going to be able to managed in a way that results in they paying their bills in full and this customer is exactly the kind of challenge that needs a pathway of options that may not be optimal for the retailer but are realistic for the customer – for example debt forgiveness.

A very common situation in calls to our service involve a person being unable to afford their energy bill, before contacting us with significant debt. Retailers commonly will just send people to a financial counsellor, or ask for a repayment plan that causes hardship – it is very common for a client to contact us after they’ve failed to keep an unrealistic payment plan that was developed directly with the retailer. This toolkit should give retailers guidance on ways they can address long term financial hardship, rather than simply remain silent on it.

This section should also be clear that direct feedback from these customers needs to be part of the continuous improvement experience. One of our financial counsellors describes assisting a client with an energy bill of \$3,000. The client had a payment plan in place, but the energy provider continuously bombarded her with emails that she was overdue. The client needed to lodge a complaint with EWON to stop the provider harassing her. Without access to direct feedback from clients it is unlikely the energy provider will ever fully understand the impact of their practices and change them.

Continuous improvement also needs transparency. Regular surveys should be completed by clients of each individual energy provider. These results should be shared amongst energy providers and the regulator. This will allow for ongoing collaborative approach amongst all stakeholders and will highlight the gaps in the industry.

## Concluding comments

We urge the AER to provide some realistic guidance in hard situations - not just the easy ones. We would also like to reiterate our request that the AER shine a light on how energy retailers can better look after First Nations customers, including encouraging dedicated phone services.

Thank you again for the opportunity to comment. If you have any questions or concerns regarding this feedback please do not hesitate to contact Financial Rights on (02) 9212 4216.

Kind Regards,



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Financial Rights Legal Centre



### About Financial Rights

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