

NATIONAL ENERGY RETAIL LAW
SECTION 308
INFRINGEMENT NOTICE ISSUED TO
ORIGIN ENERGY ELECTRICITY LIMITED

TO: Origin Energy Electricity Limited
ACN 071 052 287
321 Exhibition Street
Melbourne VIC 3000

Infringement Notice No.: AER016-2017

1. The Australian Energy Regulator (**AER**):
 - (a) has reason to believe that Origin Energy Electricity Limited (ACN 071 052 287), which is a *retailer* within the meaning of the *National Energy Retail Law* (**Retail Law**), has breached section 43(2)(c) of the Retail Law, in the manner set out in Schedule 1 to this Infringement Notice (**the alleged breach**); and
 - (b) has decided to serve this Infringement Notice on Origin Energy Electricity Limited under section 277 of the National Gas (NSW) Law being the Schedule to the *National Gas (South Australia) Law 2008* (**National Gas Law**) as applied by section 308 of the Retail Law.
2. Section 43(2)(c) of the Retail Law is a civil penalty provision within the meaning of the Retail Law.
3. The infringement penalty is \$20,000.

WHAT CAN ORIGIN ENERGY ELECTRICITY LIMITED DO IN RESPONSE TO THIS INFRINGEMENT NOTICE?

4. Origin Energy Electricity Limited can choose whether or not to comply with this Infringement Notice. If Origin Energy Electricity Limited chooses not to comply with this Infringement Notice, the AER may commence proceedings against it in relation to the alleged breach. Origin Energy Electricity Limited is entitled to disregard this Infringement Notice and to defend any proceedings in respect of the alleged breach.
5. If Origin Energy Electricity Limited chooses to comply with this Infringement Notice, it must pay the infringement penalty by **13 November 2017**, being not less than 28 days from the date of service of this Infringement Notice, beginning on the day after the day on which this Infringement Notice is served (**the compliance period**).
6. To ensure payment is made in accordance with this Infringement Notice, payment must be received on or before **13 November 2017**.

7. If Origin Energy Electricity Limited pays the infringement penalty within the compliance period, the AER will not institute proceedings in respect of the alleged breach unless the Infringement Notice is withdrawn before the end of the compliance period in accordance with section 282 of the National Gas Law as applied by section 308 of the Retail Law.

HOW TO PAY AN INFRINGEMENT NOTICE

8. Origin Energy Electricity Limited may pay the \$20,000 infringement penalty in two ways:
- (a) by cheque made out to the "ACCC Official Administered Account",* enclosing a copy of this Infringement Notice to:

Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

you should allow at least 5 business days for payment to be received

or

- (b) by electronic funds transfer to the following account:*

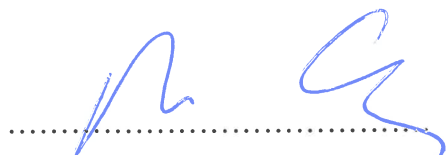
Account name: ACCC Official Administered Account
BSB: 032-730
Account: 146550
Description: AER016-2017

you should allow at least 2 business days for payment to be received.

- * The Australian Competition and Consumer Commission handles the receipt of infringement penalty payments for the AER on behalf of the Commonwealth of Australia. All payments received are paid into the Consolidated Revenue Fund.

9. Please allow sufficient time for your payment to be received within the compliance period.
10. Origin Energy Electricity Limited will be issued with a Tax Invoice following payment of the \$20,000 infringement penalty.

DATE OF ISSUE: 12 October 2017



Paula Conboy
Chair
Australian Energy Regulator

SCHEDULE 1

MATTERS CONSTITUTING AN ALLEGED BREACH OF A CIVIL PENALTY PROVISION: SECTION 43(2)(c) OF THE NATIONAL ENERGY RETAIL LAW

1. Origin Energy Electricity Limited (Origin Energy) is a 'retailer' within the meaning of section 2 of the National Energy Retail Law (Retail Law).
2. In accordance with section 43(2)(a) of the Retail Law, Origin Energy has developed a customer hardship policy in respect of its residential customers which has been approved by the AER.
3. In accordance with section 43(2)(b) of the Retail Law, Origin Energy has published its customer hardship policy on its website.
4. By reason of section 43(2)(c) of the Retail Law, Origin Energy must maintain and implement its customer hardship policy.
5. Part 2 of Origin Energy's customer hardship policy states:

2. What does hardship mean?

We call it hardship when somebody would like to pay their energy bills, but really can't manage to do so. This might only be for a short time, such as due to a temporary change in employment, or it may be more ongoing, where a customer has a low fixed income or prolonged illness.

6. Part 3 of Origin Energy's customer hardship policy states:

3. Looking out for customers in hardship

Sometimes customers let us know they're having difficulty paying their energy bills, but often doing that is hard – so we're always on the lookout for signs that a customer might be having trouble. And sometimes financial counsellors or advocates let us know about a problem for a customer.

Identifying a customer in hardship is important because it's not just about making sure that our bills are paid, it's also about helping them understand and manage their energy usage – and how this affects their bills. It's about helping a hardship customer regain control of their energy situation.

We're constantly monitoring our customers' payment history for late payments or unpaid bills, and we take notice of how often people apply for government assistance or payment extensions.

If we're on the phone with a customer who seems to be experiencing hardship, then we'll transfer them to our Power On team right away – who'll tell them about the program and how it can help.

7. Part 4.4 of Origin Energy's customer hardship policy states:

4.4. Our Power On commitments

For each customer in the Power On program, we will:

- *have respect, empathy and sensitivity for their circumstances,*
- *apply this policy consistently, fairly and transparently,*
- *work with them to achieve sustainable energy use,*
- *establish a fair and reasonable payment plan,*
- *let them know about our Power On Policy and make sure the customer commitments are understood and agreed to, and*
- *give them all the details about their program, letting them know what they need to do.*

Energy is an essential service, and disconnection can have significant impact to a household. While a customer remains in our Power On program we won't disconnect their energy supply or follow our normal debt collection process.

8. From about May 2015 to October 2015, Origin Energy failed to maintain and implement its customer hardship policy in accordance with section 43(2)(c) of the Retail Law in relation to one residential customer at the premises [REDACTED] in the State of New South Wales (the affected customer), by:

- (a) failing to identify the affected customer as experiencing payment difficulties due to hardship;
- (b) failing to transfer the affected customer to the customer service team who deal with its customer hardship program – ‘Power On’, in accordance with its customer hardship policy;

in circumstances where the affected customer:

- (c) told Origin Energy in a telephone conversation on [REDACTED] that he had recently been discharged from hospital;
- (d) with a St Vincent de Paul Society volunteer acting on his behalf, telephoned Origin Energy on 7 July 2015 to negotiate a payment plan;
- (e) made a payment of \$250 towards his energy bill using Energy Accounts Payment Assistance on 8 July 2015;
- (f) failed to make several instalments in accordance with two payment plans with Origin Energy; and
- (g) told Origin Energy in a telephone conversation on 22 October 2015 that he had “a few other bills” and some “financial trouble personally”, and that he had lost his arm and was on “permanent workers compensation for the rest of my life ... that’s why I’ve got so behind with my bills ... I can’t handle it, that’s the best way of putting it.”