

Customer payment difficulty policy

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1. Introduction

- 1.1 OVO Energy maintains a Customer Payment Difficulty Program ('CPDF'), described in this policy ('CPDF Policy'). Broadly, this CPDF Policy sets out key principles to guide staff in interactions with customers and their representatives. It also sets out the steps we will take to identify and manage hardship.
- 1.2 The purpose of this policy is to identify residential customers experiencing payment difficulties due to hardship and to assist those customers to better manage their energy bills on an ongoing basis.
- 1.3 This policy will be updated every **six (6)** months or as necessary, with reference to the guiding documents, to reflect the rules and regulations as they apply to the needs of our customers.
- 1.4 Any amendments to this policy will be approved by the Australian Energy Regulator and published on the OVO Energy website.
- 1.5 The following principles underlie this policy:
 - a. Energy is an essential service and this company values the fact that customers trust it to supply energy as a retailer;
 - b. Customers are the ultimate stakeholders and OVO Energy intends to tailor its service to their needs and circumstances;
 - c. OVO Energy will continually seek ways to be of assistance to all customers in terms of services, expertise and connections;
 - d. Customers will be dealt with respectfully, fairly and with understanding.
 - e. Customers in hardship will be encouraged to seek assistance from our staff; and
 - f. Customers participating in the OVO Energy CPDF will not be disconnected.
- 1.6 This policy statement sets out a number of rights customers have under Australian Energy Law and other legislation.
- 1.7 In respecting customer rights, OVO Energy will:
 - a. Notify customers of the OVO Energy CPDF immediately when a condition of hardship is recognised;
 - b. Provide customers with a copy of the CPDF Policy at no cost;
 - c. Put a hold on any external collections or debt recovery action for customers in the CPDF;
 - d. Follow the CPDF Policy in managing customer accounts;

- e. Waive any late payment fees applied on accounts of customers in hardship;
- f. Not charge a security deposit to customers in the CPDF;
- g. Work with customers in the CPDF and financial counsellors or other advisors assisting them to manage their accounts effectively; and
- h. Work with customers in the CPDF to reduce their energy use.

2. General statement

2.1 This policy applies to all residential customers residing in New South Wales, Queensland, South Australia, the Australian Capital Territory, and Tasmania experiencing difficulties paying their energy bills due to hardship.

2.2 This policy:

- a. Explains what we will do to help you manage your energy bills.
- b. Explains how we will take your circumstances and needs into account when working out how we can assist you; and
- c. Explains your rights as a customer in our CPDF program.

2.3 If you have a financial counsellor or other person who is helping you, you can ask them to contact us on your behalf. We need your permission to speak to them on your behalf.

3. Standardised statement

3.1 What we will do:

We will tell you about our CPDF and how it can help you if:

- a. you tell us that you are having trouble paying your bill; or
- b. you are referred to our CPDF by a financial counsellor or other community worker; or,
- c. we are concerned that you may be experiencing financial hardship.

3.2 We will recommend that you speak to a staff member who handles enquires about how you might join our CPDF if:

- a. we see that your payment patterns show late payments, broken payment plans and/or requests for payment extensions; or
- b. we have sent you a disconnection warning notice or you have been disconnected for non-payment; or

- c. you let us know you may be eligible to use a relief grant or other emergency assistance to pay your bills; or
 - d. you mention personal circumstances (e.g. death, household illness, family violence, unemployment or reduction in income) or any other circumstances that suggests hardship support may help.
- 3.3 Our specially trained staff members will ask you a few questions about your circumstances and let you know if you might be able to join the hardship program.
- 3.4 We will let you know if you are accepted onto our CPDF within 48 hours.
- 3.5 If you are accepted onto our CPDF, we will:
- a. let you know if you are on the most suitable plan for your circumstances or if there is a plan that may better suit your needs;
 - b. talk to you about government concessions, relief schemes or energy rebates you may be able to receive;
 - c. give you ideas on how you might be able to reduce your future energy use;
 - d. talk to you about a payment amount that takes into consideration your circumstances.
- 3.6 We will offer to send you a copy of our CPDF Policy at no cost.
- 3.7 There are different payment options available to hardship customers, including:
- a. payment plans; and
 - b. the use of Centrepay.
- 3.8 What we will do:
- When you are in our CPDF, we will offer you flexible payment options, based on your individual circumstances. When discussing a payment plan with you, we will take into account:
- a. how much you are able to pay;
 - b. how much you owe; and
 - c. much energy we expect you will use in the next 12 months. This will be used as a guide to help us figure out a suitable payment plan.
- 3.9 We will offer you a payment plan best suited to your situation. This will include instalments which cover what you owe, and an amount that aims to cover your future energy use.
- 3.10 Once we agree to a payment plan that is right for you, we will send details including:
- a. contact details if you need further assistance;
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- b. how long it will run;
 - c. the amount of each payment, how many payments you need to make, and when you need to make them (that is, the frequency of the payments); and
 - d. how we calculated your payments (in advance or in arrears).
- 3.11 If you are eligible and would like to use Centrepay, we will make this available.
- 3.12 In addition, we will review your energy plan to determine whether there is another energy plan that you may be better suited for. If there is, with your consent we will transfer you to that plan at no cost.
- 3.13 We may waive any debt, fees or charges in accordance with this CPDF policy.
- 3.14 If we notice you have missed a payment, we will contact you to see if your current payment plan is still suitable for you. Our process for contact is set out below.
- 3.15 What we need you to do:
- a. If your circumstances change and you may not be able to make the payments agreed to under your payment plan, please contact us. We can then review your payment arrangements.
 - b. You also need to let us know if you have new contact details.
- 3.16 If you cannot meet the payments agreed to under your payment plan and cannot be contacted, we may not be able to continue to offer you assistance. If that happens, you will be at risk of disconnection.
- 3.17 If you have had two payment plans cancelled, due to non-payment in the last 12 months, we do not have to offer you another payment plan.
- 3.18 Depending on which state or territory you live in, you may have access to Government schemes, concessions and rebates that are designed to help with your energy bills.
- 3.19 **What we will do:** We will tell you about government relief schemes, energy rebates, concession programs and financial counselling services that may be available to you.
- 3.20 **What we need you to do:** If you find out you are eligible for these programs, please let us know as soon as possible so that we can help you.
- 3.21 We have a range of programs and services to assist you whilst you are participating in the hardship program which are set out below.
- 3.22 **What we will do:** We will take into account your individual circumstances to find the programs (e.g. including concessional programs) or services that can best help you.
- 3.23 **What we will do:** When you join our hardship program, we will discuss your energy usage and whether you are on the most suitable plan for your circumstances.

- 3.24 If we think that changing to a new energy plan might better suit your needs, we will explain it to you and ask if you'd like to transfer to the new plan at no cost. We will only ask you about plans that our business offers.
- 3.25 **What we will do:** When you join our CPDF, we will let you know about ways you may be able to improve your energy efficiency (how much energy you use). This may vary according to what state or territory you live in.
- 3.26 For customers on our hardship program, we will not:
- a. charge late payment fees;
 - b. require a security deposit; or
 - c. put you on a shortened collection cycle without your consent.

4. Identification and initial response

- 4.1 The ability for staff to recognise hardship, and to respond as early as possible, is central to this policy. Staff training will be geared to:
- a. Identifying customers in potential financial difficulty;
 - b. Training staff on issues to do with financial difficulty;
 - c. Knowing about referral processes and protocols; and
 - d. Training in communication to ensure staff take an empathetic, respectful and non-judgmental approach.
- 4.2 Hardship or financial difficulty is a circumstance that a customer may face when he or she does is not able to make a payment within the time frame required.
- 4.3 A variety of circumstances can give rise to hardship including, but not limited to: loss of employment, increased cost of living, personal loss, natural disaster and temporary or permanent disability.
- 4.4 In accordance with this policy, customers experiencing hardship may contact OVO Energy using the following details to discuss the CPDF Policy and its relevance to their situation, to participate in the CPDF or discuss difficulties with payment or the status of their accounts:
- a. Call: 1300 937 686
 - b. OVO Energy
120 Spencer Street
Melbourne
VIC
3000

- 4.5 Self-identification will be made as easy as possible by providing a variety of communication channels and assisting customers throughout the process in a supportive and non-judgmental manner.
- 4.6 Identification by staff will also be done in a supportive and non-judgmental manner, with the intention of helping the customer in difficulty while avoiding embarrassment.
- 4.7 Hardship programs will be promoted to customers showing any indication of hardship, on all reminder notices and disconnection notices, as well as over the phone.
- 4.8 The CPDF Policy will also be promoted via our website.

5. Eligibility

5.1 Criteria for Entry

To be eligible to enter the CPDF, a customer must meet the following two criteria:

- a. Have a current residential customer account with us; and
- b. Be experiencing short- or long-term hardship.

5.1.1 There is no minimum debt threshold for entry into the CPDF.

Indicators of Hardship

5.1.2 A range of indicators will be reviewed to determine whether a customer is experiencing hardship.

5.1.3 Factors evident from the customer's account, including the following:

- a. Self-identification;
- b. A history of late or missed payments;
- c. A sudden change in payment patterns;
- d. A need for extensions on payments due;
- e. An outstanding debt;
- f. Eligibility for emergency energy assistance, including URGS or EAPA vouchers; and
- g. Eligibility for concessions, government pensions or payments or rebates including NewStart and Disability Pension payments.

5.1.3 Environmental circumstances, including the following:

- a. Occurrence of natural disasters;

- b. Economic downturn.

5.1.4 Personal circumstances, including the following:

- a. Loss or change in employment;
- b. Increased cost of living;
- c. Personal loss;
- d. Other debts;
- e. Addiction;
- f. Temporary or permanent disability; and
- g. Any other circumstances a customer considers to be relevant will be considered to determine hardship program eligibility.

Denied Access

5.1.5 If a customer does not meet the eligibility criteria listed above, entry to the CPDF will be denied.

5.1.6 Customers will be notified over the phone or in writing of the reasons for the denial.

5.1.7 A customer may request an internal review of the decision, and a manager in the CPDF Team will conduct that review.

5.1.8 Customers will be denied access to the CPDF if they are determined to not show a willingness to pay. This may be evident from an examination of prior contacts with the customer and the payment plan offers that have been extended but rejected.

5.1.9 It is recognised and accepted that willingness to pay will be influenced by personal circumstances, so a continuing opportunity will be allowed to demonstrate willingness to pay if access to the CPDF is initially denied on this basis.

6. Early Identification

6.1 The Customer Enquiries and CPDF Team will endeavour to identify hardship as early as possible.

6.2 They will monitor accounts and look for early indicators, which may include any of those listed above.

6.3 Accounts will be searched for evidence of sudden changes of payment pattern or accumulation of debt.

6.4 Account holders will be contacted to discuss the various payment plans and ways they can be assisted with account management.

- 6.5 Customers with indications of hardship will be offered entry into the CPDF.
- 6.6 Extensive system and process support to identify customers who are potentially experiencing hardship will be implemented.
- 6.7 The Customer Enquiries and CPDF Team will attempt to contact customers believed to be experiencing hardship.

7. Customers with Prepaid Meters

7.1 Obligations to Customers

- 7.1.1 Contracts are not currently offered to customers with prepaid meters (PPM). If a customer has signed an agreement but has a prior PPM, the customer will need to contact OVO Energy.
- 7.1.2 Any future change in this policy offering market contracts to customers with PPM, will continue to be bound by this CPDF Policy. Further obligations to customers with PPM are set out in this section.

7.2 Identification of Hardship

- 7.2.1 Customers are encouraged to immediately make contact in writing, by phone, email or fax if they are on a PPM contract and are experiencing hardship.
- 7.2.2 PPM customers experiencing hardship by the ways listed above will be identified under the heading Early Identification. The eligibility criteria set out above also apply to PPM customers.
- 7.2.3 In addition, accounts of PPM customers will be reviewed to look for signs of hardship.
- 7.2.4 These may include any of the factors listed above and also a pattern or number of self-disconnections.
- 7.2.5 The Customer Enquiries and CPDF Team will attempt to contact a customer who is believed to be experiencing hardship.

8. Specific Assistance

- 8.1 In addition to the assistance offered to any customer experiencing hardship as outlined below, the following assistance will be provided to PPM customers in the CPDF:
 - a. Immediate arrangements will be made to replace the PPM with a standard meter at no cost; and
 - b. An alternative contract will be offered at no cost and the customer moved from the PPM contract to the offer accepted.
- 8.2 Working with Financial Counsellors

- 8.2.1 Referral of a customer into the CPDF by financial counsellors or other authorised third parties will be facilitated.
- 8.2.2 To do this, regular meetings will be held with financial counsellors; community organisations, particularly those that work with communities from diverse linguistic and cultural backgrounds; and community legal centres.
- 8.2.3 The purpose of these meetings will be to promote the CPDF and ensure that financial counsellors and other authorised third parties have a direct contact for the purpose of referral of customers in need, and to obtain and act upon feedback.
- 8.2.4 Reports from these meetings will provide valuable information into the issues relating to energy retail faced by customers and in the wider community.

9. Privacy of Personal Information

- 9.1 OVO Energy is bound by the *Privacy Act 1988* (Cth) and Australian Privacy Principles, which regulate the collection, disclosure, use and storage of personal information.
- 9.2 Information will consequently be handled responsibly and in accordance with customer instructions.
- 9.3 The definition of personal information is information or opinion from which an individual's identity may be ascertained.
- 9.4 Personal information about a customer will be collected when he or she makes contact with details about an energy account, eligibility or participation in the CPDF.
- 9.5 Personal information provided by a customer will be used to confirm his or her eligibility and to determine the level of support appropriate for that account.
- 9.6 All information disclosed will be kept secure and personal information will not be disclosed to any third party unless required by law.
- 9.7 Customers may access and request updates to personal information by contacting the Customer Service Team by phone or by writing to the address provided below.

10. Next Steps

- 10.1 Once a customer's entry into the CPDF is confirmed, any late payment fee applied on that customer's account will be waived.
- 10.2 A security deposit to a customer in the CPDF will not be charged.
- 10.3 A customer's account will not be disconnected whilst he or she is on the CPDF.
- 10.4 The date, method of identification, current arrears, estimated monthly usage, current payment plan and estimated length of hardship will be clearly noted on a customer's account.

- 10.5 An account manager will be assigned to the account. This account manager will be responsible for ensuring the customer's account is managed in accordance with this policy.
- 10.6 The customer will be sent a letter within 48 hours confirming entry into the CPDF. The letter will confirm acceptance into the program, detail all aspects of the program and contain a copy of this Policy, the name and contact details for the account manager and the name and contact details for the account manager's supervisor.

11. What a Customer Can Expect

11.1 Flexible Payment Options

- 11.1.1 Customers will be informed about the range of options they have available to pay any amount outstanding on their accounts and /or for ongoing consumption.
- 11.1.2 The payment arrangement made with any customer will take into consideration the amount outstanding on the customer's account, the customer's capacity to pay and the customer's expected energy consumption over the next twelve (12) months.
- 11.1.3 In setting up the payment arrangement, discussions will be held with a customer regarding the circumstances surrounding entry into the CPDF, other financial commitments the customer has and any support the customer is entitled to under government-funded schemes, concessions and rebates.
- 11.1.4 When considering a customer's capacity to pay, the following factors will be reviewed:
- a. Any income the customer is receiving;
 - b. Any support the customer is receiving or is entitled to;
 - c. The customer's various personal, household and other expenses;
 - d. Any dependents that rely on the customer for income and/or other forms of support;
 - e. Any likely change to the customer's income and expenditure over the next twelve (12) months;
 - f. Other financial commitments the customer has; and
 - g. Any report from a financial counsellor or other authorised third party on the customer's capacity to pay.
- 11.1.5 If a customer is entitled to receive payments from Centrelink and would like to enter into a Centrepay arrangement, we will ensure that this facility is made available.
- 11.1.6 Customers may contact us for further information on Centrepay using the contact details provided below. All of our contracts make provision for Centrepay payments.

- 11.1.7 To ensure an appropriate payment plan is calculated, we will determine the estimated usage and amount needed to clear arrears over an extended period.
- 11.1.8 The length of the payment plan will be dependent on the nature of the hardship, the level of debt and the customer's capacity to pay.
- 11.1.9 We will have regard to the customer's expected energy consumption over the following twelve (12) months when establishing payment arrangements.
- 11.1.10 The final payment plan negotiated with a customer will be set out in a schedule and confirmed over the phone, and emailed or mailed to the customer. The letter will confirm the customer's current arrears, the date the first payment is due, a schedule of all payments including the dates that payments will be due, confirmation of the amounts of each payment, confirmation of the number of instalments under the arrangement and confirmation of the customer's right to cancel or amend the arrangement upon request.
- 11.1.11 The customer will have the option of requesting a hardship arrangement be reviewed at any time to either decrease or increase payments.
- 11.1.12 A customer's account manager will review the customer's account on a monthly basis under the CPDF. The Account Manager will contact the customer if an arrangement becomes unsuitable.
- 11.1.13 The Account Manager has a duty to ensure that he or she treats customers with respect and courtesy at all times.
- 11.1.14 A customer may contact an account manager's supervisor at any time if the customer is unhappy with the way the account manager is managing the account under the CPDF.

11.2 Government Rebates, Concessions and Grants

- 11.2.1 A customer's account manager will work with existing advisors, including financial counsellors and solicitors, should any be involved.
- 11.2.2 With a customer's permission, the account manager will arrange and schedule group meetings or conference calls to bring all parties together to work on a plan to address energy account management.
- 11.2.3 If a customer joins the CPDF with no external advisors, a meeting will be arranged with a Financial Counsellor at no cost to the customer.
- 11.2.4 The Account Managers will be responsible for providing customers with information on any government rebate, concession or grant to which the customers may be entitled and will assist them with the application process.
- 11.2.5 Account managers will speak with customers about the eligibility criteria and seek information to assist in determining eligibility.

11.3 Energy Efficient Products and Advice

- 11.3.1 A range of energy efficient products is offered via other areas of OVO Energy's business. These are offered in the interests of improving efficiency and reducing energy consumption in an average household.
- 11.3.2 Within a week of a customer's entry into the CPDF, the customer's account manager will arrange a telephone or face-to-face discussion with an energy efficiency specialist (Specialist).
- 11.3.3 The Specialist will review the various electrical appliances in a customer's home and the ways that the customer is using those appliances.
- 11.3.4 The Specialist will then analyse those results and contact the customer to give specific advice about saving energy.
- 11.3.5 The Specialist will also email or mail out a copy of his or her report.
- 11.3.6 A Specialist may also request that meters be checked or tested or an electrician visit at no cost to the customer.
- 11.3.7 Account managers will, in consultation with the Specialists, review whether any appliances in customer homes could be replaced.
- 11.3.8 Account managers will also research entitlements to capital grants for appliance replacement and community buying groups to assist customers with reduced-cost purchases.
- 11.4 Market Contract Review
- 11.4.1 Account managers will be responsible for reviewing the appropriateness of customers' market contracts upon entry to the CPDF. This review will take place within two (2) weeks of entry into the CPDF and will be conducted at no cost to customers.
- 11.4.2 If, on review, an account manager determines that a customer could be provided with an offer that is more suitable to the customer's circumstances (e.g., lower tariffs, different product structure) the customer will be given the option of moving to the new offer.
- 11.4.3 If the customer consents, the customer will be moved to the new offer and not be charged any fee to do so. The customer will remain a participant of the CPDF on the new contract.
- 11.4.4 The customer's account manager will, during the review, determine if the customer's market contract prevents him or her from using Centrepay and, if it does, will offer the customer an alternative contract or the opportunity to amend the existing contract to include Centrepay. In all cases, any alternative contract offered will make Centrepay available as a payment option.
- 11.4.5 The results of the review into the appropriateness of a customer's current market contract will be communicated to the customer by phone or in writing within three (3) weeks of entry into the CPDF. The customer will then be given as much time as needed to consider accepting an alternative offer.

12. Leaving the CPDF

- 12.1 A customer may leave the CPDF at any time upon request, on successful completion of the program, or following removal from the program.
- 12.2 A customer is able to re-enter the program at any time provided he/she is eligible to do so.

12.3 Successful Completion

Upon successful completion of the CPDF:

- a. A customer will be sent a letter confirming the status of the account and the completion of the program;
- b. The customer's account will no longer be in the credit cycle or in hardship status, but it will be continually reviewed to ensure that ongoing payment arrangements are based on capacity to pay; and
- c. The customer's account will be credited with \$50 to acknowledge the completion and will return to the usual credit and collection cycles unless the customer wishes to re-enter the program.

12.4 Removal from the CPDF

- a. Whilst a customer is on the CPDF, he or she must abide by any payment plan in place unless an alternative arrangement is agreed between both parties.
- b. The customer must also remain in contact and notify OVO Energy of any change in circumstances.
- c. If the customer fails to keep an arrangement and/or respond to two phone calls and two written requests for contact, the customer will be placed back into the normal collections cycle if he or she fails to meet two payment arrangements in a row or to contact OVO Energy within three (3) months without reasonable circumstances surrounding the failure.
- d. If a customer is removed from the CPDF, he or she will be sent a letter setting out the reasons for the removal from the program and giving the customer the opportunity to make contact and negotiate a further payment arrangement.
- e. If a customer is removed from the CPDF and wishes to re-enter, he or she will need to demonstrate a willingness to manage his or her account and provide reasons for the initial failure to meet payment arrangements or maintain contact with OVO Energy.

13. Training

- 13.1 OVO Energy staff will receive training on this policy, issues relating to financial hardship, how to identify customers in potential hardship and how to communicate respectfully to ensure customers experiencing hardship are dealt with in an empathetic and non-judgmental manner.
- 13.2 Staff will also receive regular refresher training on identification and referral processes and protocols.
- 13.3 Staff will attend meetings and training provided by financial counsellors and community organisations to assist in understanding the issues that may be faced by customers.
- 13.4 A record of training will be kept for all staff.

14. Complaints

- 14.1 Customers will be informed of their right to lodge a complaint at any time and about any aspect of OVO Energy's services. Once a customer lodges a complaint, they will be dealt with in accordance with the Standard Complaints and Dispute Resolution Procedure.
- 14.2 A customer is entitled to have his or her complaint internally escalated if he or she is not satisfied with the investigation or resolution of the complaint.
- 14.3 Customers who are not satisfied with OVO Energy's response or investigation into their complaints may contact the Energy Ombudsman in their state.

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Schedule B: OVO Energy CPDF Policy Summary

NB: This document will be published on the OVO Energy website and sent to customers on request and along with HP01. It is intended as a short guide to the rights and obligations of customers under the CPDF.

An Introduction to OVO Energy's Customer Payment Difficulty Framework (CPDF)

OVO Energy operates a CPDF to support our customers through difficult times. Our CPDF is designed to assist customers who have the intention, but not the capacity, to pay energy bills. The entry criteria, benefits and program features are summarised in this document.

1. Why we have the CPDF

The CPDF is a positive alternative to the standard collection process and is designed to assist customers experiencing hardship. We have a dedicated hardship team who will ensure customers are assisted in managing their accounts.

2. Eligibility criteria

To enter and remain on the CPDF, customers must meet the following three criteria:

- Have a current residential customer account
- Be experiencing short term or long term hardship
- Demonstrate a willingness to pay

If customers are unsure whether they meet the above criteria, they should call our staff for assistance in understanding eligibility.

3. Benefits and Features of the Program

The benefits of the program include:

- Flexible payment arrangements taking into account customer debt, consumption needs for the next 12 months and capacity to pay;
- Assistance and advice in managing accounts and energy consumption;
- Assistance in applying for and advice on government funded concessions and rebates;
- Free energy audits;
- Discounted energy efficient products;
- Guaranteed non-disconnection of customer electricity accounts; and
- Review of the appropriateness of market contracts at no cost.

4. **Contact Us**

If customers have questions about this notice or would like to participate in the CPDF, they should contact our helpful and friendly CPDF Team on **1300 937 686**. The CPDF Team is available between the hours of 8:30 a.m. and 5:00 p.m. Monday to Friday.

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