

Mid-Year Report July to December 2019



ENERGY & WATER
OMBUDSMAN SA

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Our Role

Our role is to facilitate the prompt resolution of complaints and disputes between consumers of electricity, gas and water services and Members of the Scheme by providing a free, independent, accessible, fair and informal service to consumers.



From the Ombudsman

The following report provides performance data for the first half of the 2019-20 financial year and some of the highlights.

The transforming energy and water markets are eliciting much discussion both within the state and nationally.

Generation of energy is moving from a small number of big generators to a large number of small producers. Electricity networks are increasingly managing a two-way flow of energy. New participants are entering the traditional market and the retailer is no longer the only player to interact with customers directly.

Perhaps the biggest shift is in the role of the consumer. Consumer interests are becoming more diverse and many consumers are embracing new technologies and means to enhance the information they receive.

These changes present opportunities and challenges, some of which customers highlight in their interactions with the Scheme.

Meeting consumer needs

Areas of focus over the reporting period include:

- Metering installation timeframes
- Supporting customers in hardship
- The rise of voltage variation issues

Credit management is another issue that we monitor closely. Our office received 824 credit management complaints in the first half of this financial year, compared with 815 complaints in the previous six months. We continue to work with our Members to ensure the lowest possible number of disconnections.

While the financial year began with a stable number of complaints, the second quarter saw a reduction in complaint numbers and most notably those related to energy. We received 298 fewer energy related complaints in the second quarter.

It is pleasing to see some changes in the management of complaints by our Members, with continued effort being put in to early resolution of complaints before they are escalated to the Scheme.

A focused Organisation

The Scheme receives consistent feedback from our customers and Members that they are satisfied with the work we do. It is critical to us that we maintain this high level of service and we are very pleased that recent improvements to our operations have resulted in reduced case-handling times.

During this reporting period, we hosted the first in an ongoing series of informative workshops for our Members, which were well received. We also recently launched live chat as a means for customers to engage with the Scheme and there are promising signs that it is a valued service.

Sandy Canale

Energy and Water Ombudsman SA



Issues Spotlight

Metering

While 2019 saw some welcome progress in metering installation timeframes, we continue to receive complaints from customers who have had to wait for several months to have their solar meter installed. We are now also receiving evidence of a higher number of delays in faulty meter replacements.

The Scheme is continuing to work with our Members and the Australian Energy Regulator to deliver further improvements in metering installation timeframes.

Hardship

At the end of September 2019, in South Australia there were 16,739 residential electricity and 5,685 residential gas customers on retailer hardship programs. The average electricity debt on entry was \$1,668 (\$624 gas).

The Scheme is particularly aware of those customers who are on hardship payment plans where they are paying less than usage – around 56% for electricity hardship customers. These customers are a source of concern as their debt is likely to increase while they are in hardship. The Scheme sees evidence that some of these customers are falling through the cracks of the consumer protection framework and into a debt and disconnection spiral.

(Source: AER Retail Energy Market Performance Data)

Solar PV

Over the summer period, when solar panels are operating at their optimum and households are using less energy, there has been an associated rise in complaints. These complaints have trended upwards over the past five years. Generally, the complaints relate to inverters turning on and off due to high voltages which may be caused either by issues with the customer's inverter or on the network side.

A factor behind the increasing incidence of the voltage variation complaints is the growing penetration of solar, which has a cumulative impact on the ability to manage voltage within standards. The Scheme continues its involvement in discussions with our Members and regulators about the integration of solar PV into the network.

JUL TO DEC 2019

CASES OVERALL

4,965

↓ **5%**

Compared to
last six months

↓ **10%**

Compared to same
time last year

JUL TO DEC 2019

CASES COMPARED TO PREVIOUS SIX MONTHS



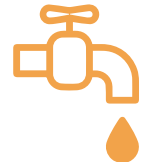
↓ **5%**

Electricity cases



↓ **2%**

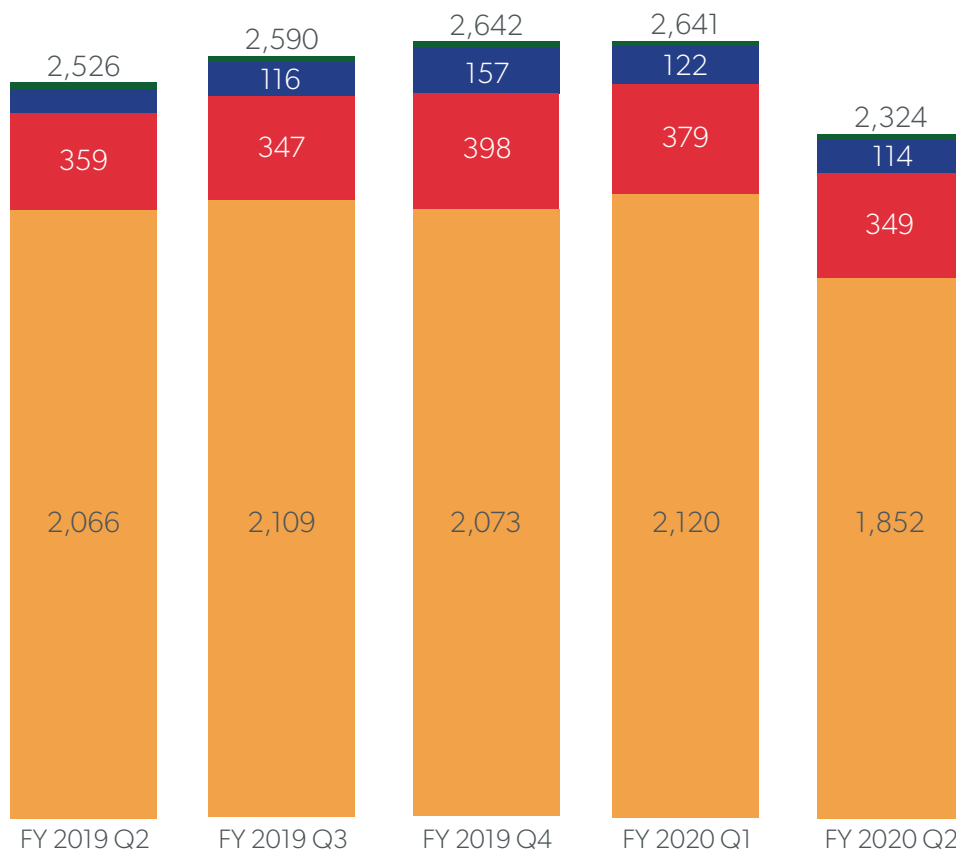
Gas cases



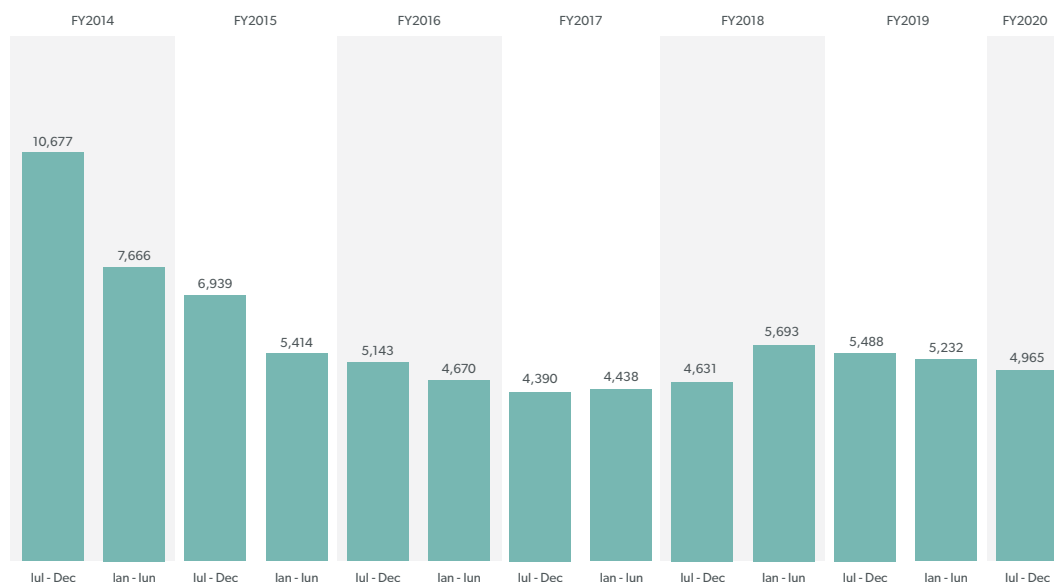
↓ **14%**

Water cases

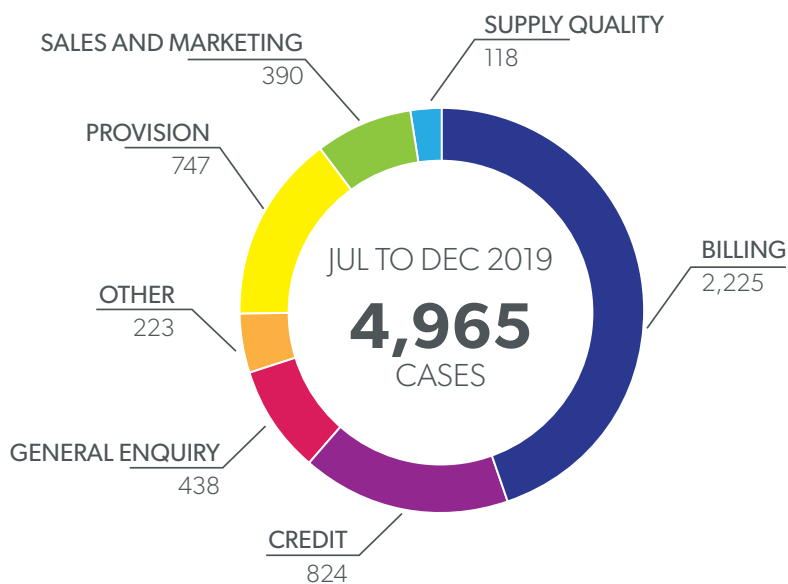
CASES RECEIVED OVER THE LAST FIVE QUARTERS



NUMBER OF COMPLAINTS RECEIVED BY YEAR SINCE FY 2013-14



CASES RECEIVED BY TYPE



CASES RECEIVED BY INDUSTRY SECTOR JUL TO DEC 2019



80%
ELECTRICITY



15%
GAS



5%
WATER

SUB-ISSUE 1: High Bills



HIGH BILLS JULY – DECEMBER 2019



Overall High Bills Cases

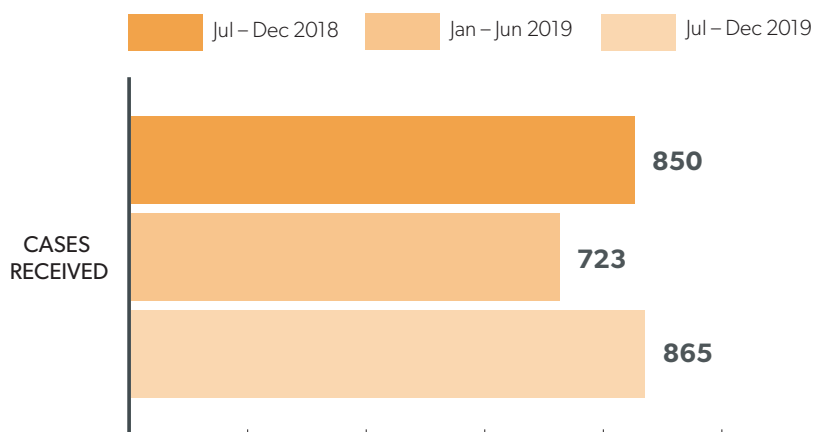
↑ **20%**

compared to last
six months

↑ **2%**

compared to this time
last year

High Bills Cases by Six Months



Case Study: High Bills

Customer believed his bills were inaccurate

The issue

The customer contacted the Scheme to complain about continued high bills. His average bill was \$1,000 per quarter with the last being at a high of \$1,463. The customer had been at the property for 4 years and was in a two-person household. He could not understand the high usage. The customer said that he had his appliances tested and could not find anything anomalous.

The investigation

On 13 August 2019, an actual meter read showed only 18 kilowatt hours (kWh) had been recorded since the last actual read on 12 June 2019 of '16867'. The Scheme considered it was possible that the meter may have been misread on 12 June 2019, resulting in higher usage for that quarter and low usage up to the 13 August 2019 read. The retailer offered to revise the bill based on a read of '15867', which brought the average daily usage amounts in line with historical consumption both before and after the 12 June 2019 read.

The outcome

The customer accepted the retailer's offer to revise the bill based on this method. The retailer undertook to send the customer the revised bill including the applicable pay-on-time discount. The Scheme reviewed the customer bills from 13 September 2017 and found that they had been billed correctly based on actual usage. The retailer undertook to arrange for a meter test, at no cost to the customer.

SUB-ISSUE 2: Billing Process



BILLING PROCESS JULY – DECEMBER 2019

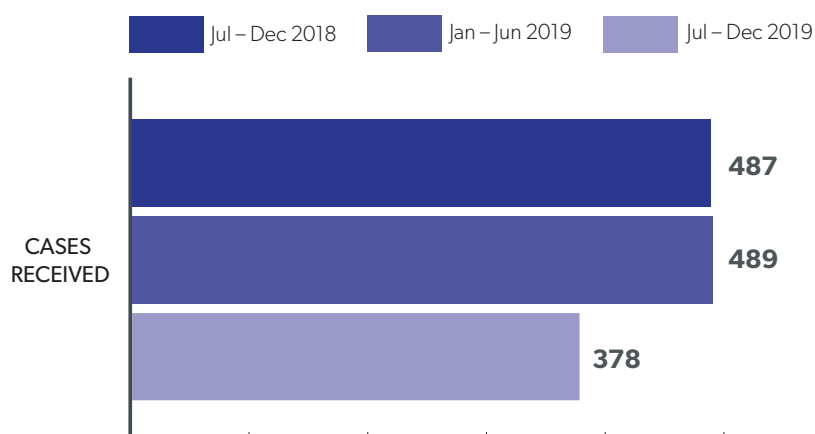


Overall Billing Process Cases

↓ **23%**
compared to last
six months

↓ **22%**
compared to this time
last year

Billing Process Cases by Six Months



Case Study: Billing Process

**Customer
believed an
estimated bill
caused higher
charges**

The issue

The customer contacted the Scheme to complain about an estimated bill for the December 2018 to March 2019 period. The customer had contacted the retailer and requested that she be billed from an actual read to an actual read for the full period from 6 December 2018 to 12 June 2019 as she believed that the amount charged would be lower.

The investigation

The Scheme worked with the customer and the retailer to resolve the complaint. We confirmed that a meter test was undertaken on 7 August 2019 and the meter was found to be working fast. A request was placed to replace the meter and the retailer scheduled to do so on 30 August 2019. The distributor advised it would consider adjustments to previously recorded electricity use once the new meter had been installed and the correct electricity use was recorded.

The outcome

The retailer confirmed that it would rebill the customer account once the distributor provided any adjustments to be made. The retailer agreed to apply missed pay-on-time discounts for the period 14 March 2018 to 12 June 2019.



SUB-ISSUE 3: Sales and Marketing – Transfer



SALES & MARKETING - TRANSFER JULY – DECEMBER 2019



Overall Sales and Marketing – Transfer

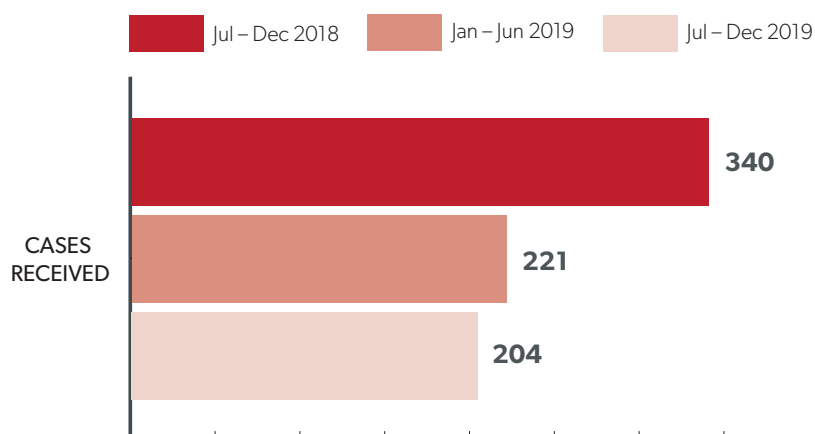
↓ **8%**

compared to last six months

↓ **40%**

compared to this time last year

Sales and Marketing – Transfer Cases by Six Months



Case Study: Sales & Marketing - Transfer

Customer claimed he was incorrectly transferred to another retailer

The issue

The customer contacted the Scheme to state that he was with retailer X and never signed up with retailer Y. He claimed that retailer Y had taken over his meter without his consent causing him to receive a final bill from his own retailer. The customer stated that he spoke with retailer Y and was advised that they could not give any information or resolution. He said that retailer X has now said he cannot go back to his original deal because the account has been closed.

The investigation

The Scheme worked with the customer and retailer Y to resolve the complaint.

The outcome

A retrospective transfer back to retailer X was completed, effective at 13 June 2019. The customer was advised that he would not be billed by retailer Y. Retailer Y paid the customer \$150 as a gesture of goodwill.

SUB-ISSUE 4: Billing – Account



BILLING - ACCOUNT JULY – DECEMBER 2019



Overall Billing – Account

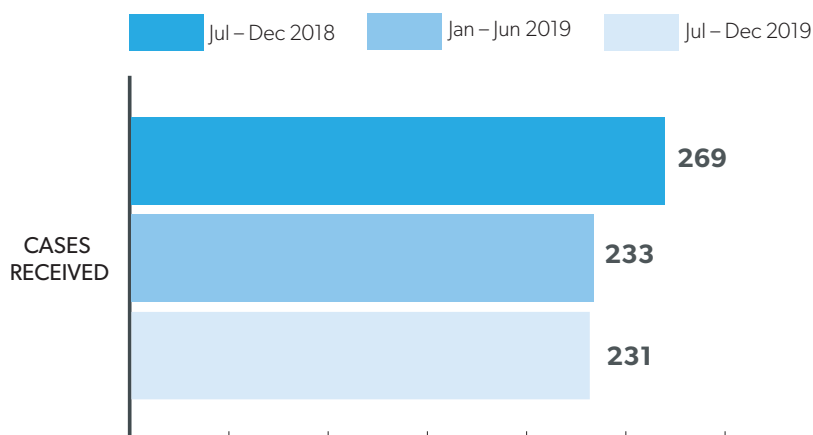
↓ **1%**

compared to last
six months

↓ **14%**

compared to this time
last year

Billing – Account Cases by Six Months



Case Study: Billing - Account

Customer claimed account error

The issue

The customer stated that he was with retailer A until August 2019, when his supply changed to retailer B without his knowledge. The customer claims he is responsible for two meters for which he has been billed but not a third.

The investigation

The Scheme wrote to retailer B to confirm no disconnection order had been placed. We are investigating billing arrangements for the third meter.

The outcome

The customer is requesting that the additional meter be removed from his supply connection, that he be credited for use billed for the additional meter and that he be provided with a gesture of goodwill for the inconvenience. We are currently investigating the matter with both retailer A and B.

SUB-ISSUE 5: General Enquiry – Information General

232
CASES

GENERAL ENQUIRY – INFORMATION GENERAL
JULY – DECEMBER 2019



Overall General Enquiry – Information General

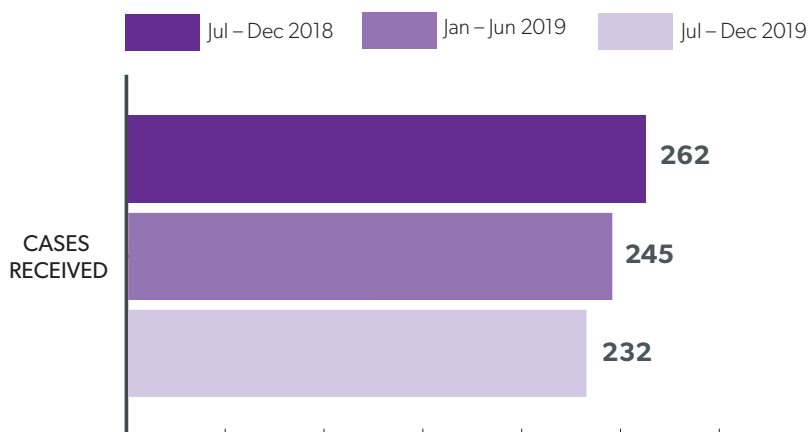
↓ **5%**

compared to last
six months

↓ **11%**

compared to this time
last year

General Enquiry – Information General Cases by Six Months



Case Study: General Enquiry – Information General

Customers contact the Scheme for information about various issues

The issue

Customers contact us about a range of issues each day. Calls can be general in nature or about specific topics such as billing or credit management.

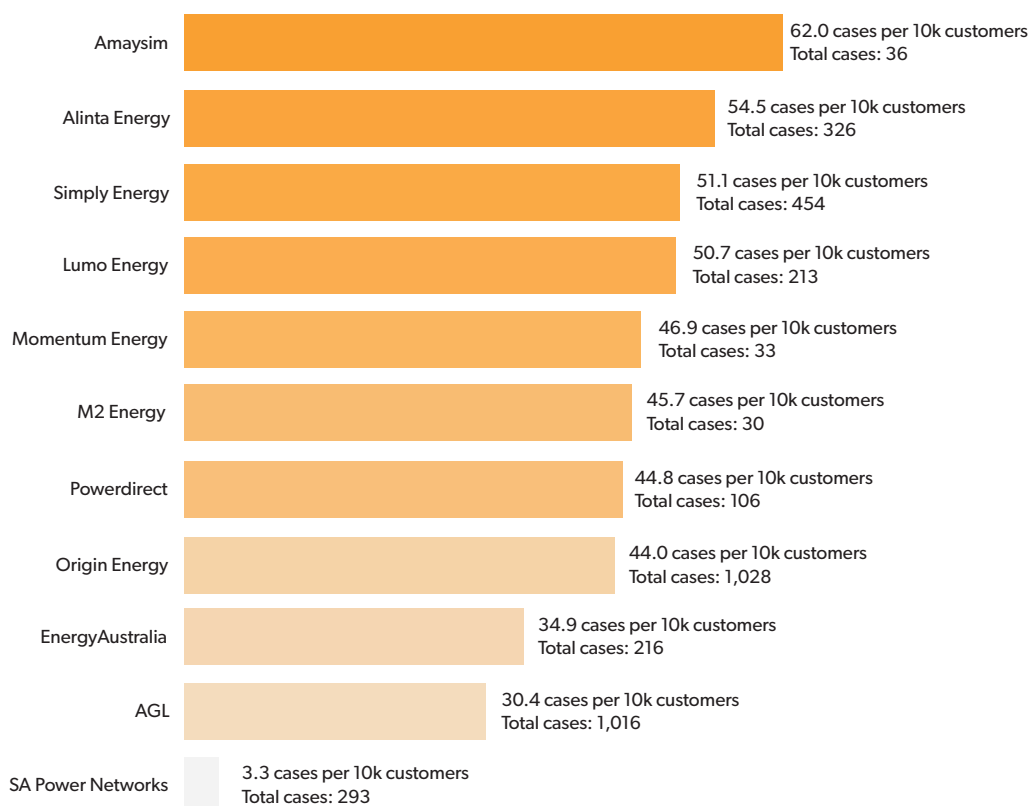
The provision of timely and accurate information is an important component of our role. Typically, one of our staff will:

- provide information on industry codes and regulations that may apply to a customer's issue or
- explain details shown on a bill to customers or
- advise on how to raise an issue with the customer's supplier.

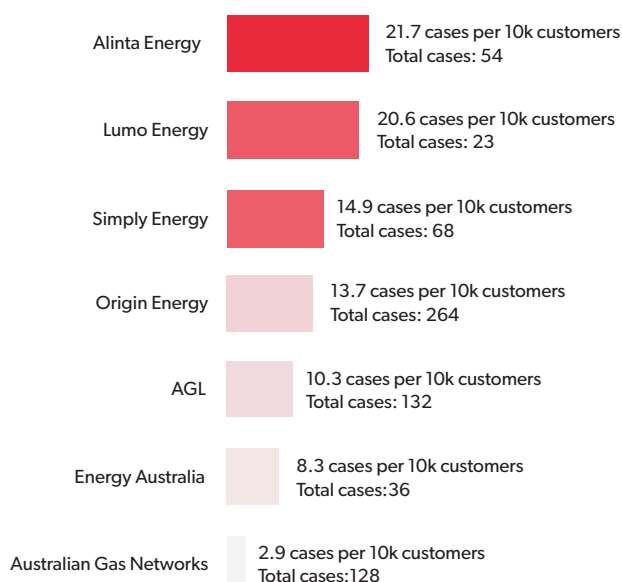
If the issue is outside the jurisdiction of the Scheme, we endeavor to refer the customer to the appropriate organisation.

CASES RECEIVED BY LARGER MEMBERS PER 10,000 CUSTOMERS

Electricity: Cases Received, per 10,000 Customers



Gas: Cases Received, per 10,000 Customers



Water: Cases Received, per 10,000 Customers

