



Mid-Year Report July to December 2022



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 and notes some highlights for the first half of the 2022-23 financial year. As energy and water markets continue to transform, many of the resultant opportunities and challenges are revealed by customers in their interactions with our Scheme.

Areas of focus over the reporting period included:

- Billing
- Supporting customers experiencing payment difficulties
- Future energy products and services.

There is a special section in this report on these focus areas.

Complaint Trends

There were 3,245 complaints in the reporting period compared to 2,812 over the same period in 2021. There were 37 fewer complaints in the second quarter than in the first, particularly energy-related complaints. Overall, there was a significant increase in complaints received in the second quarter of 2022-23 than at the same time in the previous year (1604 compared with 1199).

We monitor complaints related to credit and work with our members to ensure as few disconnections as possible. It is pleasing to see how Members are managing these

complaints, with continued efforts to resolve issues before they are escalated to the Scheme.

Our office received only 174 credit complaints in the first half of 2022-23, down from 198 in the previous six months.

Monitoring

This table shows performance in key issues noted in our 2021-22 Annual Report. The increase in Billing – Estimation complaints is significant, as is the decrease in Marketing – Marketing Conduct.

Trend	Jul to Dec 2021	Jul to Dec 2022
Movements in: Billing – Estimation Marketing - Market Conduct Off Supply - Unplanned	Compared with the same time in 2020: Billing – Estimation increased 69% Marketing – Market Conduct increased 56% Off Supply – Unplanned increased 53%	Compared with the same time in 2021: Billing – Estimation increased 31% Marketing – Market Conduct decreased 54% Off Supply – Unplanned increased 17%
	Note: Estimation was introduced as a distinct sub issue in July 2021 (prior to that it was part of Billing Process). This means the above Estimation figure is only indicative	
Movements in solar meter complaint levels (SEG Approval)	Solar meter complaint levels decreased by 36% compared with the same time in 2020	Solar meter complaint levels decreased by 31% compared with the same time in 2021

From the Ombudsman

A focused organisation

We receive consistent feedback that customers and Members are satisfied with the work we do. It is critical that we maintain this high level of service and we are very pleased that continued effort is resulting in satisfactory case handling times.

Customer satisfaction for the reporting period was 94%, with 99% of complaints resolved in fewer than 90 days. Live chat remains a popular way for customers to engage with the Scheme.

Sandy Canale

Energy and Water Ombudsman SA



Issues Spotlight

Billing Issues

In common with previous years and with ombudsman schemes in other states, billing issues continue to generate the highest number of complaints. During the reporting period, billing complaints increased by 42% compared to the previous six months. This is the largest increase in billing complaints over a six-month period since 2009.

Cases received by our Scheme related to Billing were at a three-year-high over winter 2022. There were over 400 billing cases per month from August to November 2022; the average number of billing cases for the preceding two years was closer to 300. This winter increase in billing cases can be broadly linked to increased pressure and consumer attention to the cost of bills, mostly high bills.

According to the Australian Energy Regulator (AER), electricity became less affordable in most jurisdictions in 2021-22 and Q1 2022-23. Electricity and gas prices in South Australia significantly increased, driven by market volatility.¹

Supporting customers experiencing payment difficulties

On 20 October, the AER released a Consumer Vulnerability Strategy calling for 'game-changer' reforms to the way the nation's energy system approaches vulnerability among consumers. The strategy – Towards energy equity: A strategy for an inclusive energy market – details 15 specific actions to tackle market complexity, remove barriers to participation, increase protections, and improve affordability for all consumers by reducing retailers' cost to service customers.² We continue to engage on these reforms.

EWOSA receives credit complaints and processes them quickly. We also track credit complaints for both energy and water, including reporting on them to the AER and the Essential Services Commission of South Australia on a regular basis.

Future energy products and services

The energy market continues to transform, bringing in products and services which may fall outside of the consumer protection framework. We continue our engagement with decision makers about the appropriate regulation for these future energy products and services. In October, the AER released an options paper on the consumer protection frameworks. These frameworks are the pathway for energy products and services to be captured under the National Energy Customer Framework.

Broadly speaking, we support the framing and direction which the AER appears to be taking in this review. It has captured the breadth of issues to be considered and developed a suite of options to mitigate risks to consumers. A review of this nature is by necessity a vast undertaking and the AER's methodical and considered approach bodes well for the appropriateness of any conclusions about future reform.

1 AER (2022a) Retail Energy Markets Report at <https://www.aer.gov.au/retail-markets/performance-reporting/annual-retail-markets-report-2021%E2%80%9322>

2 AER (2022b) Consumer Vulnerability Strategy at <https://www.aer.gov.au/news-release/aer-starts-a-journey-towards-energy-equity>

The difference between Complaints and Enquiries

A **CASE** is a contact with us, registered and classified as either a “complaint” or an “enquiry”.

A **COMPLAINT** is an expression of dissatisfaction with a Member (an energy or water service supplier) regarding a policy, practice or customer service performance. We endeavour to provide a response or resolution using various means, such as conciliation or direct intervention through an Ombudsman’s determination.

ENQUIRIES are requests for information or assistance. They can be general in nature or about specific topics, such as billing or credit. On occasions, we refer an enquiry to another body, such as a regulator or a government department. We consider these enquiries to be broader industry issues.



JUL TO DEC 2022

COMPLAINTS OVERALL

3,245

↑ 29% ↑ 15%

Compared to last six months

Compared to same time last year

JUL TO DEC 2022
COMPLAINTS COMPARED TO PREVIOUS SIX MONTHS



↑ 31%

Electricity Complaints



↑ 14%

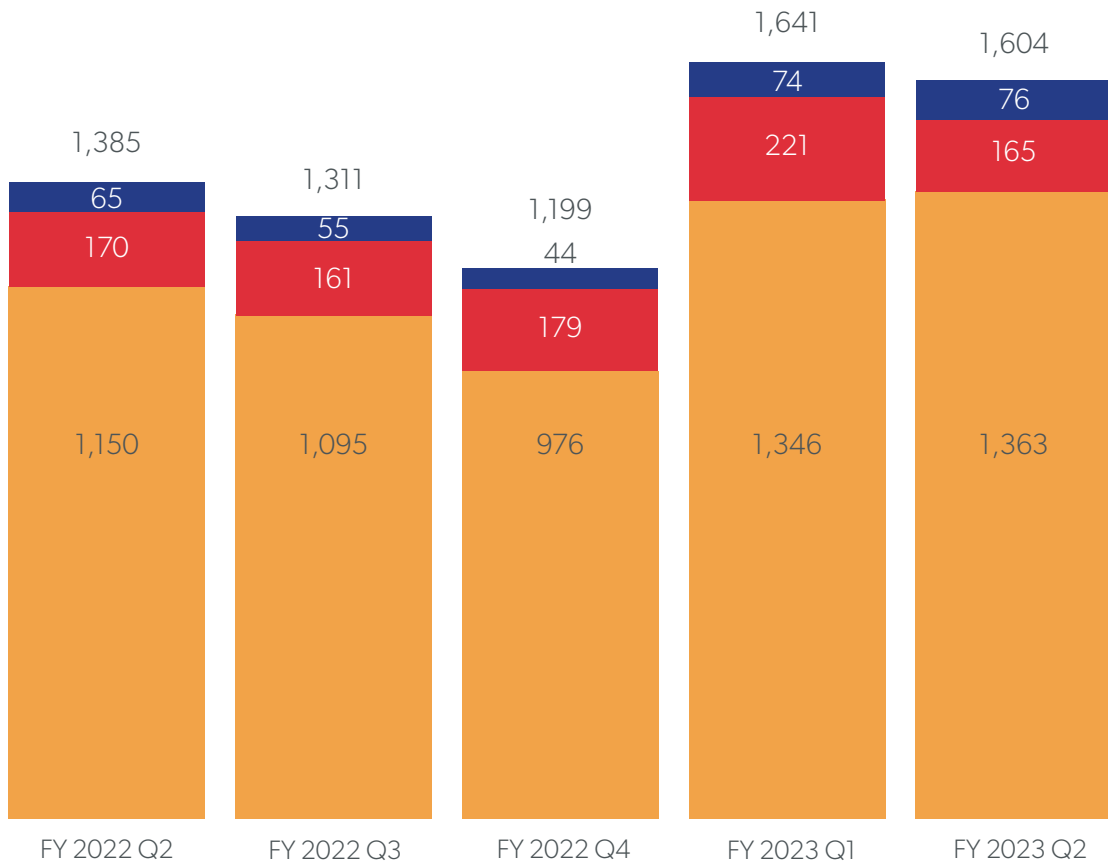
Gas Complaints



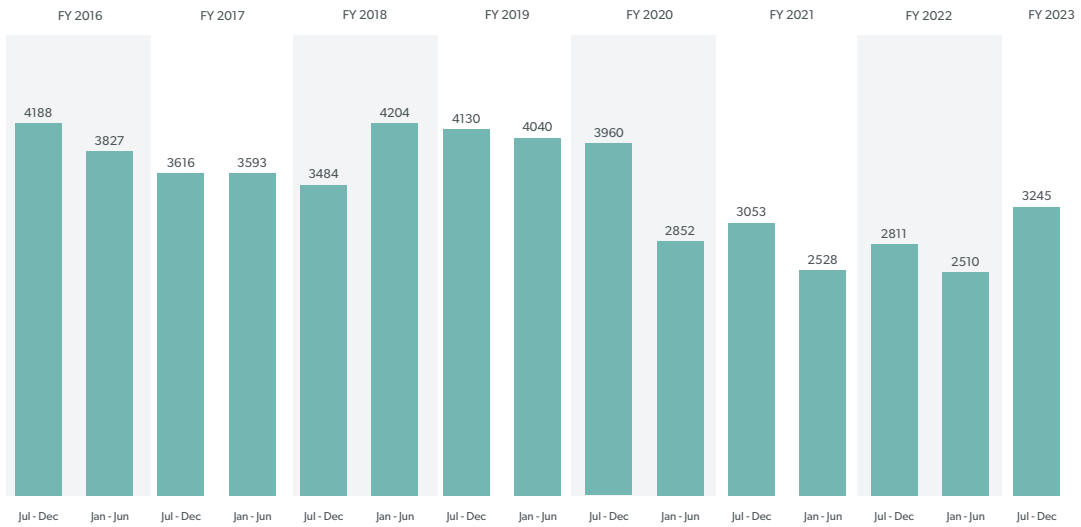
↑ 52%

Water Complaints

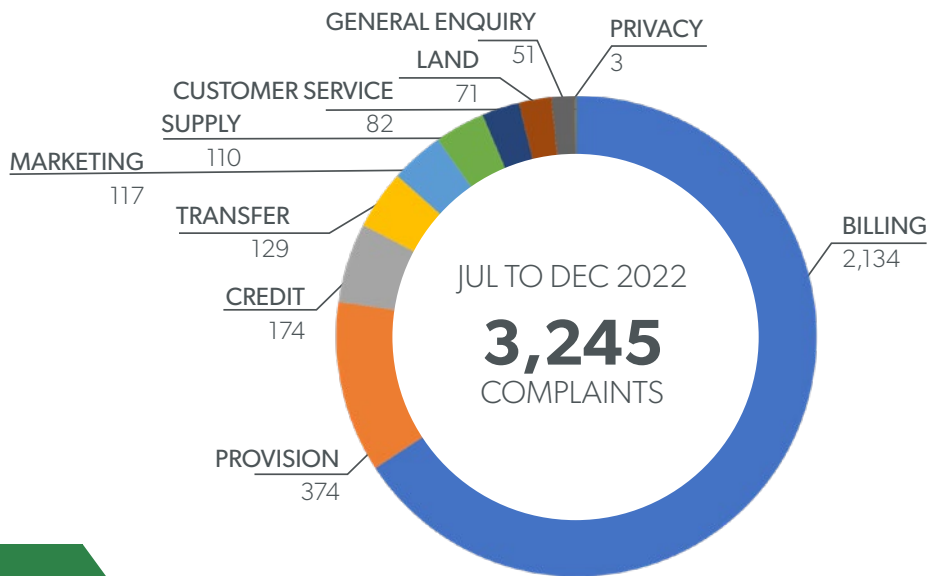
COMPLAINTS RECEIVED OVER THE LAST FIVE QUARTERS



NUMBER OF COMPLAINTS RECEIVED BY YEAR SINCE FY 2015-16



COMPLAINTS RECEIVED BY TYPE



COMPLAINTS RECEIVED BY INDUSTRY SECTOR JUL TO DEC 2022



83%

ELECTRICITY



12%

GAS



5%

WATER

SUB-ISSUE 1: High Bills

850
COMPLAINTS

HIGH BILLS
JULY – DECEMBER 2022



Overall High Bills Complaints

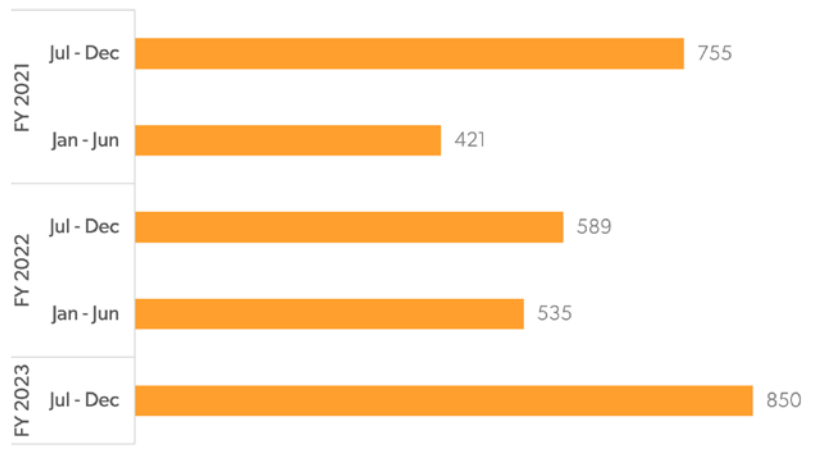
↑ **59%**

compared to last six months

↑ **44%**

compared to this time last year

High Bills Complaints by Six Months



Case Study: High Bills

Customer concerned about a high estimated bill

The Issue

Mr B complained about high estimated bills.

Our Review

A smart meter installed at Mr B's property in March 2022 failed to transmit data up to September 2022.

Substituted data was used for billing purposes during this period, resulting in bills that were much higher than for the same quarters in previous years.

The retailer was unable to retrieve actual meter data to enable Mr B's bills to be verified using normal reconciliation processes.

Resolution

The retailer applied a credit to Mr B's account to bring the substituted bills in line with historic billing.

SUB-ISSUE 2: Billing > Billing Process

321
COMPLAINTS

BILLING > BILLING PROCESS
JULY – DECEMBER 2022



Overall Billing Process Complaints

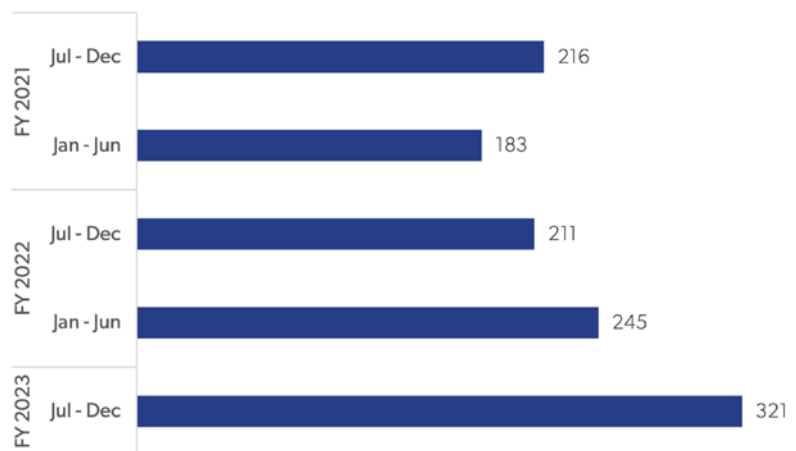
↑ **31%**

compared to last six months

↑ **52%**

compared to this time last year

Billing Process Complaints by Six Months



Case Study: Billing Process

Customer wanted concession rebate to be applied

The Issue

Mr Y advised our office that he held an eligible concession card but his provider had not applied any concession rebates to his account since January 2021.

Mr Y contacted his provider about this who suggested he contact Concessions SA.

Mr Y contacted Concessions SA who confirmed that he has been eligible for an energy concession since 2016.

Our Review

We found the provider was incorrect in referring Mr Y to Concessions SA because it should have known he was eligible given that the problem was a billing error. We found the concession had not been applied due to this billing error.

Resolution

The provider issued amended bills which included missed concession rebates totalling \$390 and applied a customer service gesture credit of \$100 due to the misinformation and the inconvenience.

SUB-ISSUE 3: Billing - Estimation

298
COMPLAINTS

BILLING - ESTIMATION
JULY – DECEMBER 2022



Overall Billing - Estimation Complaints

↑ **50%**

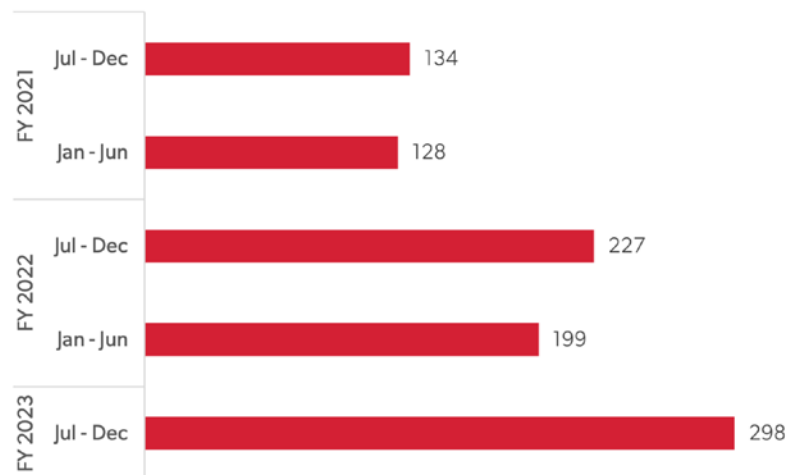
compared to last six months

↑ **31%**

compared to this time last year

Billing - Estimation Complaints by Six Months

Estimation was re-categorised as a distinct sub-issue in July 2022



Case Study: Billing - Estimation

Customer continued to receive estimated reads

The Issue

Mr X received estimated meter reads for several years despite having installed an industry master lock. He believed his provider's readers were unable to access his meter because they were using the incorrect master key.

Our Review

We found that there is only one type of master key, but some can be cut slightly differently to the rest which can cause issues with accessing the master locks.

Resolution

The provider attended the property to demonstrate the issues encountered with its key, and offered to pay to have a new key cut from Mr X's master key for use by meter readers.

The provider also offered to conduct an onsite investigation to determine the cost of moving the meter outside the property boundary.

Mr X did not accept any of these options and was notified that he may continue to receive estimated bills.

SUB-ISSUE 4: Provision – Existing Connection

251
COMPLAINTS

PROVISION – EXISTING
CONNECTION
JULY – DECEMBER 2022



Overall Existing Connection Complaints

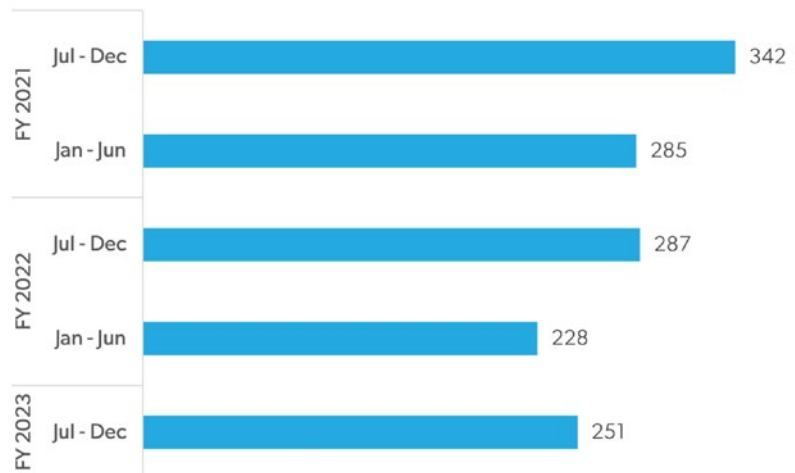
↑ **10%**

compared to last
six months

↓ **13%**

compared to this time
last year

Existing Connection Complaints by Six Months



Case Study: Existing Connection

Customer disconnected while account was fully paid

The Issue

Mr P's electricity was disconnected without notification despite the fact he was up to date with his bills.

The service was reconnected by his provider, but he wanted to know the reason for the disconnection and to ensure it did not happen again.

Our Review

The provider attended the property and found that the incorrect meter number was recorded for Mr P's unit. The disconnection was intended for a different unit.

We found that Mr P was being billed for the incorrect meter and requested an update to the National Metering Database to show the correct meter numbers for all units in the complex.

We requested the usage data for the correct meter be sent to the provider so the customer could be rebilled based on the usage for the correct meter.

Resolution

Mr P's service was reconnected.

The usage for the incorrect meter was credited and the customer was rebilled for the usage for his correct meter number, which resulted in his account having a credit balance.

The National Metering Database was updated to show the correct meter numbers for the units in the complex, to prevent the problem recurring in the future.

The provider apologised to Mr P and applied a further \$150 credit to his account as a goodwill gesture for the inconvenience caused.

SUB-ISSUE 5: Billing – Backbill

127
COMPLAINTS

BILLING – BACKBILL
JULY – DECEMBER 2022



Overall
Billing – Backbill

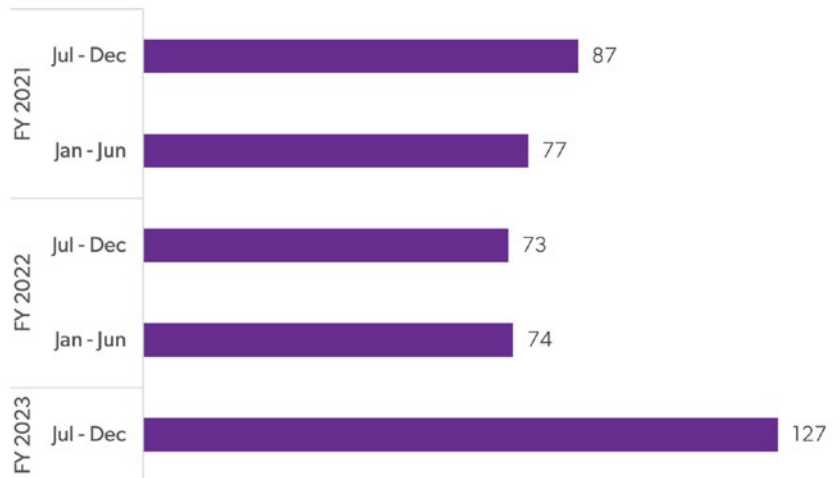
↑ **72%**

compared to last
six months

↑ **74%**

compared to this time
last year

Billing – Backbill Complaints by Six Months



Case Study: Billing - Backbill

Customer concerned about bill delay and recovery of undercharges

The Issue:

Ms J had a solar meter upgrade in November 2021 and did not receive any bills between October 2021 and around August 2022.

Subsequent bills were higher than expected and covered periods for which she had already paid. The provider advised it was recovering undercharges.

Our Review:

We found that the provider had incorrectly sought to recover \$320 of undercharges between January 2021 and November 2021, as that period was outside the nine-month undercharge recovery limitation set out in the National Energy Retail Rules.

A review of the bills from November 2021 to July 2022 found that Ms J had been billed correctly based on her meter data and no further overcharges were found.

Resolution:

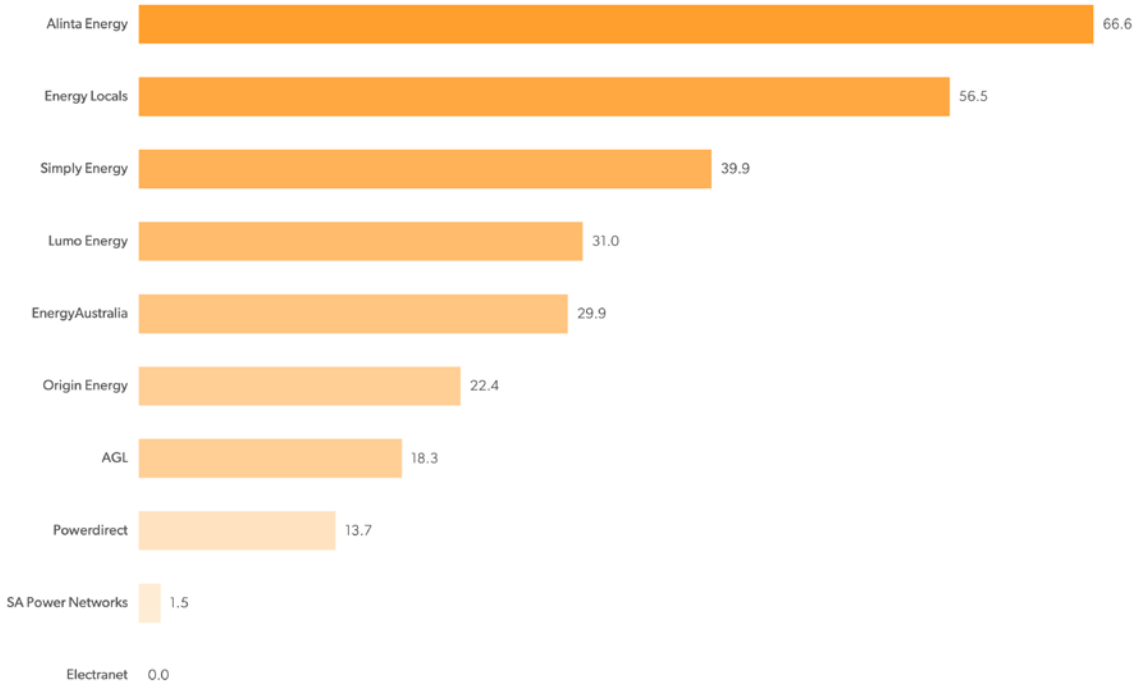
Ms J's provider provided a \$683.69 total credit to acknowledge the error and customer service shortcomings, which more than covered the overcharged amount.

COMPLAINTS RECEIVED BY LARGER MEMBERS PER 10,000 CUSTOMERS

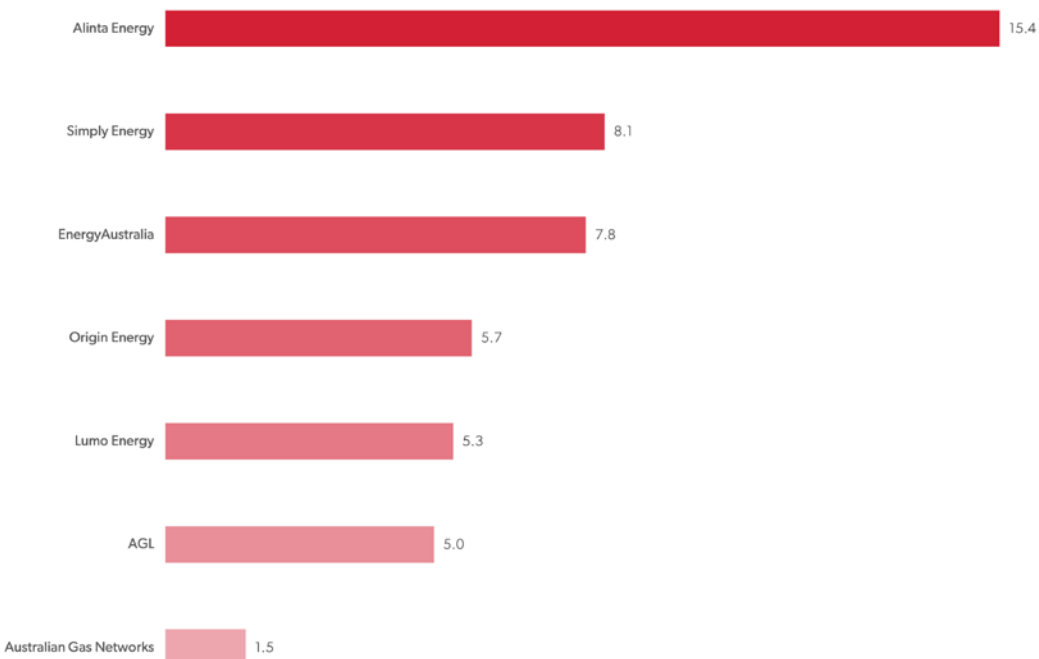
Received 1/7/22 - 31/12/22

(Members with over 10,000 customers for each product)

Electricity:



Gas:



Water:



District Council of Mount Barker 0.0

