



Mid-Year Report July to December 2023



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

South Australian customers continue to face both challenges and opportunities as energy markets transform, and this is highlighted by their interactions with our Scheme.

During the first half of the current financial year there was an understandable focus on billing and energy prices, but we also received a number of enquiries about regulatory changes designed to assist consumers and the availability of new energy products and services.

You can read more in our Issues Spotlight on the following page.

Complaint Trends

Total complaints across all issues rose by 16% in the first half of 2023-24 – from 3,243 to 3,751. This was the highest level of complaints over a six-month period since the first half of the 2019-20 financial year.

One unfortunate trend is the increase in issues with payment difficulties as rising energy prices and other cost of living pressures bite hard.

In the six months from July to December last year our office received 95 payment difficulty complaints, around twice as many as for the same period the previous year. However, this is down from the levels of payment difficulty complaints EWOSA received before Covid, which were often over 200 per six-month period.

Part of the reduction in payment difficulty complaints since then may reflect the introduction of a *Customer Hardship Policy Guideline* in 2019 by the Australian Energy Regulator, which retailers are required to comply with.

As detailed later in this report, Billing accounted for 66% of all complaints (2,458) in the first half of 2023-24 and contributed the four top sub-issues. Provision – mainly connection, disconnection and metering related issues – was the next highest category, accounting for 8% of complaints (312).

Water complaints decreased by 13% over the period, compared with the previous six months, but electricity complaints rose by 27% and gas complaints by 60%.

It should be noted, however, that gas complaints were relatively low in the previous six months, due in part to the mild weather, and that gas usage tends to be higher in the July-December period. This might in part explain the size of the increase – along with the price increase in this period.

Customer Feedback

I am delighted to say that we continue to receive regular and consistent feedback that customers are satisfied with the work we do.

In our July-September 2023 Customer Feedback Survey, 95% of respondents were either satisfied or very satisfied with our service overall and 96% would be likely to recommend the Scheme to others.

Maintaining such a high level of service is vital for ensuring customer trust and confidence and we are very pleased that our efforts are resulting in positive customer satisfaction.

We've been even busier since the release (in January 2023) and implementation (in September) of the second version of the Australian Energy Regulator's *Better Bills Guideline*, which requires energy retailers to include EWOSA's phone

number on the first page of a customer's bill.

The proportion of customers stating that they heard about us from their energy bill increased from 3% in June 2023 (and less than 3% in each of the previous 11 months) to 21% in December 2023.

Sandy Canale

Energy and Water Ombudsman SA



Issues Spotlight

Billing and Energy Prices

Billing issues continue to generate the highest number of complaints and enquiries to EWOSA.

Following the sharp rise in electricity prices in the middle of 2023 and the release of the *Better Bills Guideline* by the Australian Energy Regulator (AER) in September, Billing complaints rose to their highest level in a decade.

Between July and December last year we received 2,458 Billing complaints – the highest 6-monthly figure since the second half of 2013. Of these, 86% were about electricity, 11% gas and 3% water. These proportions are close to the 10-year average.

According to the AER's *Annual Retail Markets Report 2022-23*, as at September 2023 South Australia had the highest median residential electricity prices of all the States and Territories in the National Electricity Market and the second highest gas prices, after Queensland.

Regulatory Changes Assisting Customers

The AER is implementing changes to assist customers experiencing payment difficulties. Some of the key actions already taken include:

- Improving protections for consumers affected by family and domestic violence
- Implementing the *Better Bills Guideline*
- Improving the Energy Made Easy comparator website.

These were part of the AER's *Towards energy equity* strategy. Other parts of this strategy still in the pipeline include considering the need for a payment difficulty framework in the National Energy Customer Framework and reviewing the consumer energy debt threshold for disconnections, which is currently set at \$300.

We continue to engage with the AER on these reforms.

New Energy Products and Services

The energy market is changing, with more consumers adopting solar panels and storage batteries and buying electric vehicles.

Electricity retailers, distributors and third-party businesses are increasingly using these assets to control the electricity supply at homes with these products. Some of these services include Virtual Power Plants and Home Energy Management Systems.

The AER has reviewed whether the National Energy Customer Framework remains applicable with these new energy products and services and has concluded that changes need to be made. Possible changes include requiring third-party businesses to be authorised in the electricity market and applying appropriate regulations to these businesses and the services they provide.

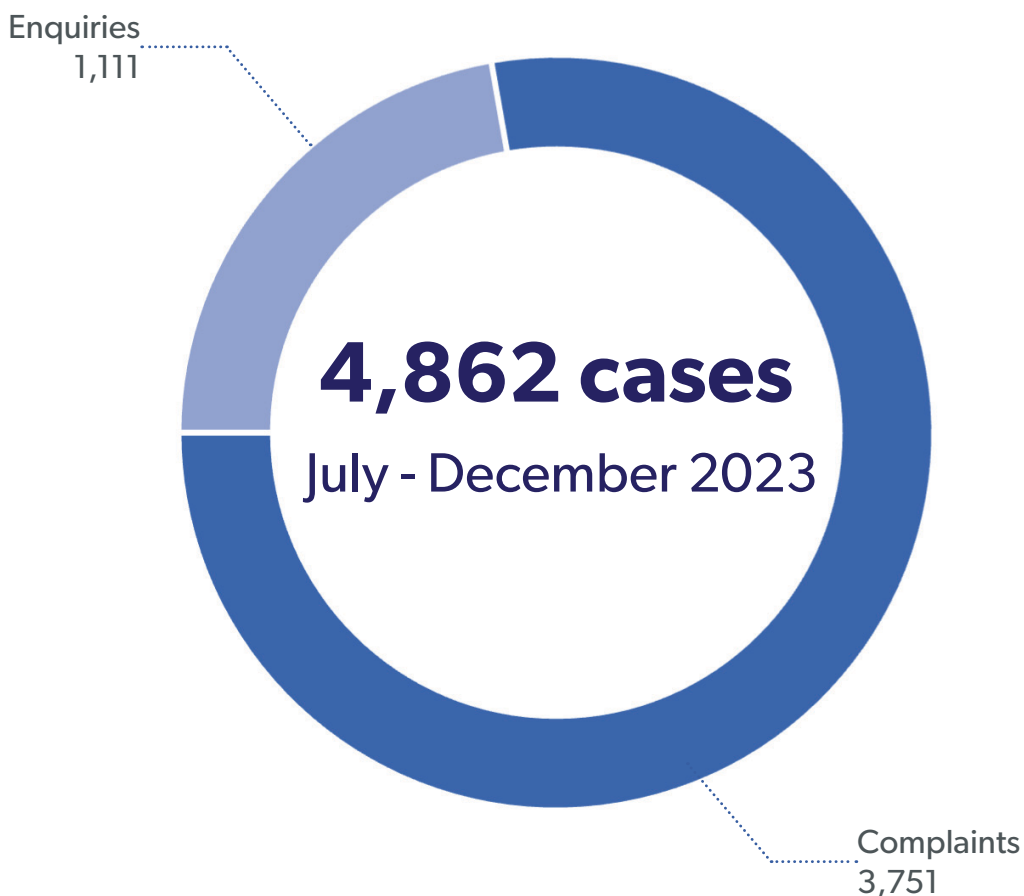
This may result in these third-party businesses being required to become Members of EWOSA, which would provide customers with the ability to lodge any unresolved disputes they have with these businesses with us.

The difference between Complaints and Enquiries

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

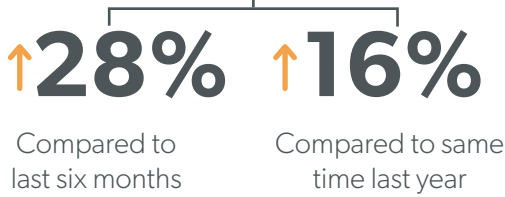
A **COMPLAINT** is an expression of dissatisfaction with a Member (an energy or water service provider) regarding a policy, practice or customer service performance. We endeavour to provide a response or resolution using various means, such as conciliation or direct intervention through an Ombudsman’s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

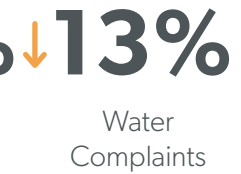
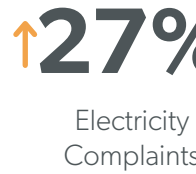


JULY TO DECEMBER 2023

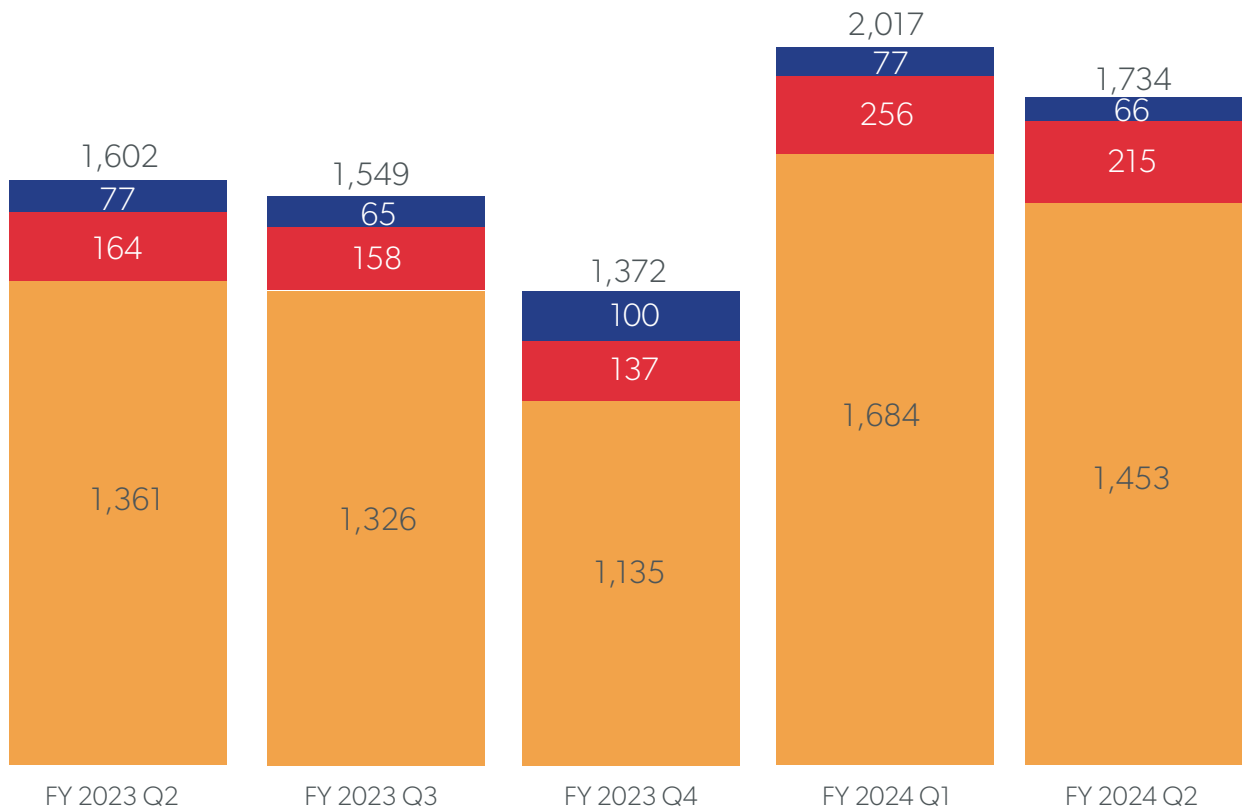
COMPLAINTS OVERALL



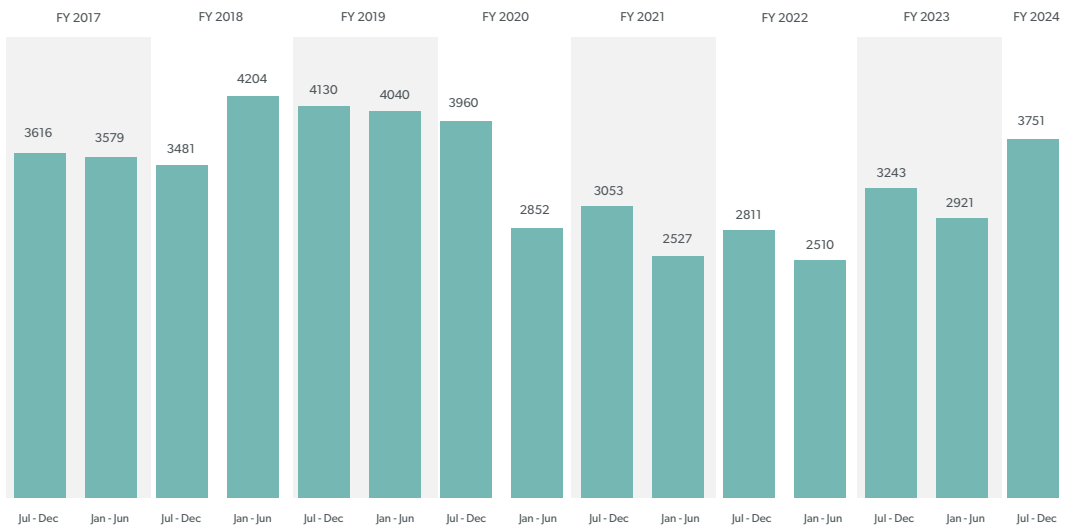
JULY TO DECEMBER 2023 COMPLAINTS COMPARED TO PREVIOUS SIX MONTHS



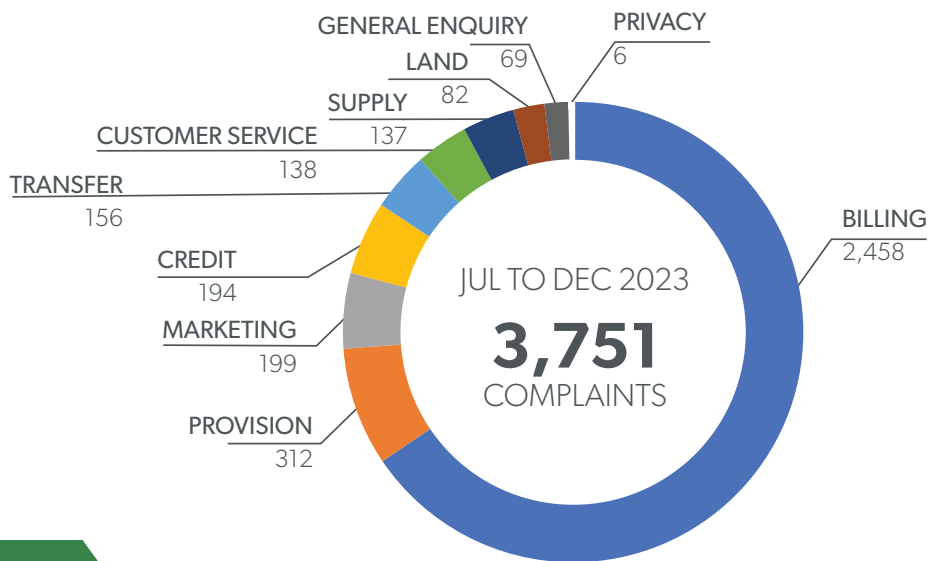
COMPLAINTS RECEIVED OVER THE LAST FIVE QUARTERS



NUMBER OF COMPLAINTS RECEIVED BY YEAR SINCE FY 2016-17



COMPLAINTS RECEIVED BY TYPE



COMPLAINTS RECEIVED BY INDUSTRY SECTOR JULY TO DECEMBER 2023



84%

ELECTRICITY



13%

GAS



4%

WATER

*Percentages are rounded to the nearest whole number, so may not always add to 100%

SUB-ISSUE 1: High Bills

732
COMPLAINTS

HIGH BILLS
JULY – DECEMBER 2023

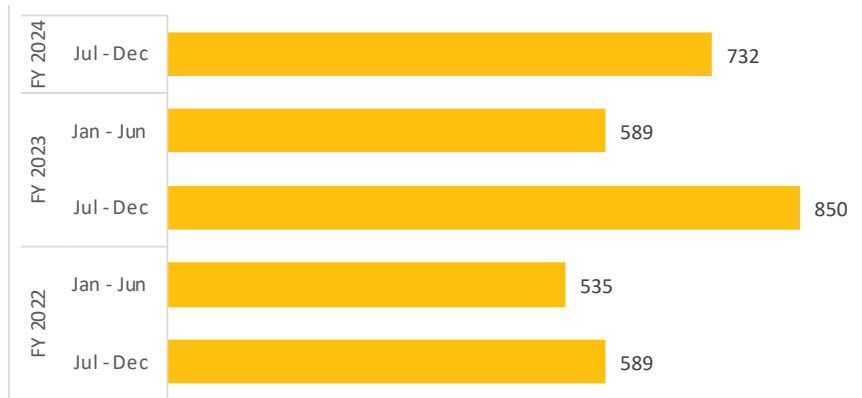


Overall High Bills Complaints

↑ **24%**
compared to last six months

↓ **14%**
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 and Mrs X raised concerns about what they perceived as overcharging since the installation of their new meter in 2021. They noted an increase in recorded usage on the day of installation despite no changes in their consumption habits. The provider, however, asserted the accuracy of the bills and confirmed that the new meter was functioning correctly.

Our Review

Upon investigation, we determined that the provider had accurately billed the recorded usage from the new meter, conducting two tests to confirm its precision. Notably, there was no record of the old meter, in service for over 20 years, ever being tested, making it uncertain whether it was functioning accurately.

Resolution

It was established that the provider replaced the aging meter due to its

age and promptly notified Mr and Mrs X of the change. Although the disparity in recorded usages couldn't be definitively explained, there is a possibility that the previous meter was not functioning accurately, or changes in appliances or lifestyle could have played a role.

In a display of goodwill, despite testing the new meter multiple times at no cost to Mr and Mrs X, the provider offered a bill reduction. This gesture aimed to address any lingering concerns and maintain a positive customer relationship.

We are content with the resolution of all aspects of the complaint. The provider's proactive communication about the meter replacement, testing the new meter without additional charges, and offering a bill reduction exemplify a fair and reasonable outcome. This case underscores the importance of addressing customer concerns with transparency and goodwill, ensuring a satisfactory resolution for both parties.

SUB-ISSUE 2: Billing - Error



BILLING - ERROR
JULY – DECEMBER 2023

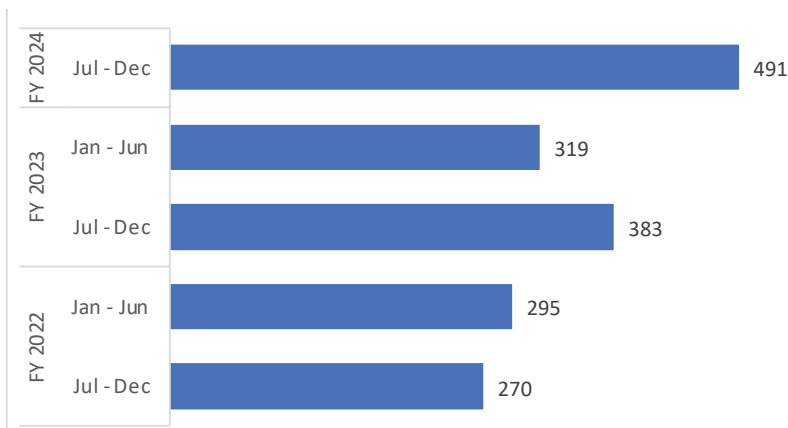


Overall Billing - Error Complaints

↑ **54%**
compared to last
six months

↑ **28%**
compared to this time
last year

Billing - Error Complaints by Six Months



Case Study: Billing - Error

Customer concerned he was being charged for a meter that was not on his property.

The Issue

Mr B discovered that the not-for-profit business he represents was being charged for a meter that was not on its property.

The provider arranged for a metering technician to attend the property, but this did not resolve the problem because the meter is not located there.

The provider kept sending Mr B estimated bills despite the bills being in dispute.

Our Review

Our investigation found evidence that an account had been set up by the business for the disputed meter more than 10 years ago.

The distributor confirmed there was legacy data showing the business was, at one time, the responsible customer for the National Meter Identifier (NMI) linked to the meter but that the NMI was no longer associated with the property.

The provider did not have the billing rights to the NMI, so should not have been billing Mr B's business.

Resolution

The provider credited all payments made during the disputed period and issued a refund of more than \$19,000.



SUB-ISSUE 3: Billing - Estimation

463
COMPLAINTS

BILLING - ESTIMATION
JULY – DECEMBER 2023



Overall Billing - Estimation Complaints

↑ **54%**

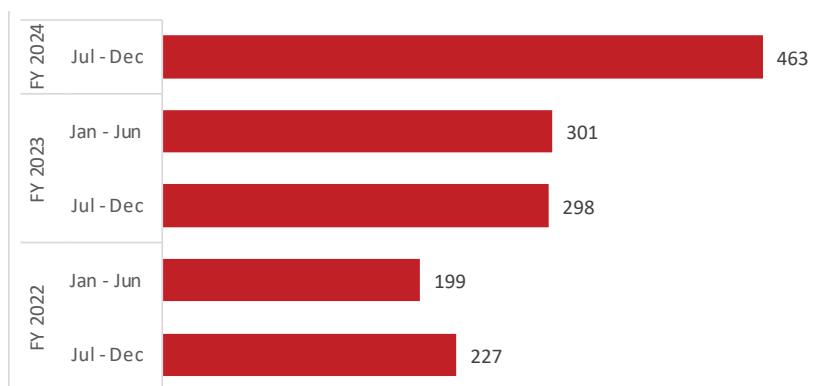
compared to last six months

↑ **55%**

compared to this time last year

Billing - Estimation Complaints by Six Months

Estimation was re-categorised as a distinct sub-issue in July 2023



Case Study: Billing - Estimation

Customer continued to receive estimated reads.

The Issue

Ms X had electricity connected to her property on 26 August 2021 and an actual meter read was obtained on that date. However, all future reads were estimates because the property was primarily vacant, with the gates locked.

Ms X disputed the estimated bills saying they were higher than expected.

Our Review

We found the distributor had provided estimated reads to Ms X's provider using approved methods.

Ms X then provided photographs of meter reads taken around the

connection and disconnection date. The distributor obtained actual reads on the 26 August 2021 and 22 May 2023.

Resolution

We found that Ms X's provider had billed her appropriately, as safe and easy access to the property was not available and it is a customer's responsibility to provide this access to the meter at all times.

However, when the actual reads became available the provider cancelled the estimated bills and issued a revised bill based on actual usage.

It also provided Ms X with a \$100 credit as a gesture of goodwill.



SUB-ISSUE 4: Billing - Tariff

223
COMPLAINTS

BILLING - TARIFF
JULY – DECEMBER 2023



Overall Billing - Tariff Complaints

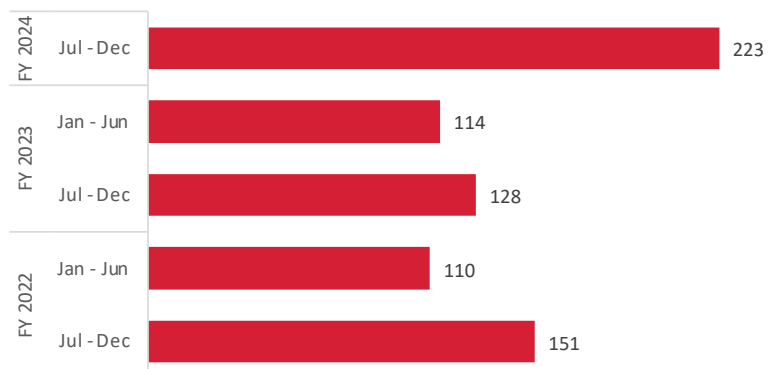
↑ **96%**

compared to last
six months

↑ **74%**

compared to this time
last year

Billing - Tariff Complaints by Six Months



Case Study: Billing - Tariff

Customer was billed peak rates after errors in tariff change.

The Issue

After Mr B purchased an electric vehicle he asked his provider to include a controlled load register (CLR) on his meter so he could charge the vehicle at a lower tariff. However, without notice the provider installed a new smart meter without a CLR and changed the tariff structure.

When Mr B complained, the provider advised that it would arrange for the CLR to be added to the new meter. However, when a bill arrived two weeks after the new meter was installed, there was no provision for a controlled load tariff.

Mr B was dissatisfied that when charging his car he was being billed at peak rates and contacted EWOSA for assistance.

Our Review

The provider advised us that it had made arrangements to add a CLR to the meter and that the bill had been issued in error.

Resolution

The provider added a CLR to the meter and re-issued the bill with controlled load charging applied retrospectively from the date the meter was installed.

The new tariff structure which included the peak and controlled load tariffs was confirmed in writing.

The provider also applied a \$50 credit to Mr B's account in recognition of the delay and inconvenience caused.

SUB-ISSUE 5: Provision – Existing Connection



PROVISION – EXISTING
CONNECTION
JULY – DECEMBER 2023



Overall Existing Connection Complaints

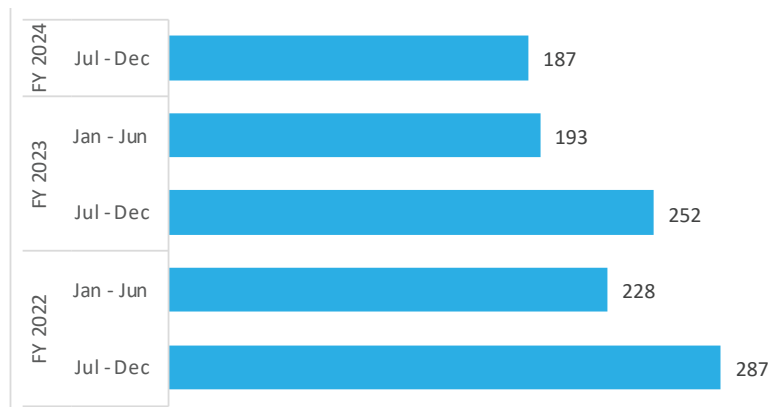
↓ **3%**

compared to last
six months

↓ **26%**

compared to this time
last year

Existing Connection Complaints by Six Months



Case Study: Existing Connection

Customer continued to receive bills following a power cutoff and demolition of her home.

The Issue

Ms P raised concerns regarding the ongoing estimated billing by her provider following the demolition of her home and the subsequent power cutoff at the street. Additionally, she reported delays in the installation of a new meter and the restoration of electricity supply after the reconstruction of her home.

Our Review

Upon review, we discovered that during the initial visit by the distributor, an underground conduit was hit during excavation. Despite being informed that Ms P did not require an immediate reconnection and that the consumer mains would be repaired by a registered electrical contractor, the distributor isolated the consumer mains, leaving the supply disconnected. Billing records from the provider revealed that no data had been received from the electricity meter since the distributor isolated the supply, yet the provider continued to issue quarterly bills based on estimated data.

Subsequently, the distributor visited six months later revealing that the meter had been removed and the electricity supply disconnected. However, there was no evidence that the provider or distributor had received any request to abolish the existing service or had removed the existing meter.

Ms P informed us that her electrical contractor initially submitted a "new service provision" request to the

distributor, which was rejected due to the existing service not being abolished. The contractor then submitted an "alteration of service" request, which was accepted. An appointment was scheduled to connect the supply, with the distributor planning to request the provider to install a new meter.

On the scheduled date, the distributor's attendance noted that the installation was not compliant. Ms P's electrical contractor was informed of the defects requiring rectification and was asked to notify the distributor once completed. Records of the distributor's attendance the following day confirmed the reconnection of the supply, with the provider installing a new meter a week later.

Resolution

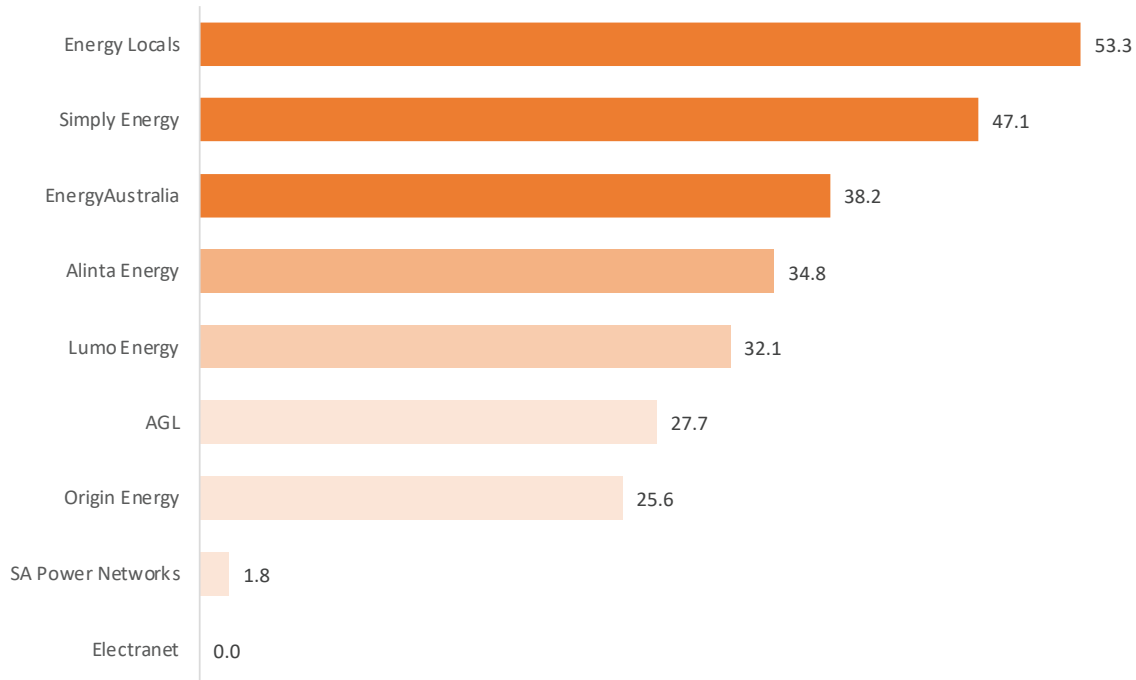
In response to the challenges faced, the provider took corrective measures by cancelling estimated bills from the date of the supply disconnection, closing the account, and refunding Ms P's payments for the estimated bills. The distributor fulfilled the reconnection request, and the provider installed a new meter, establishing a fresh account for Ms P from the date the supply was restored.

COMPLAINTS RECEIVED BY LARGER MEMBERS PER 10,000 CUSTOMERS

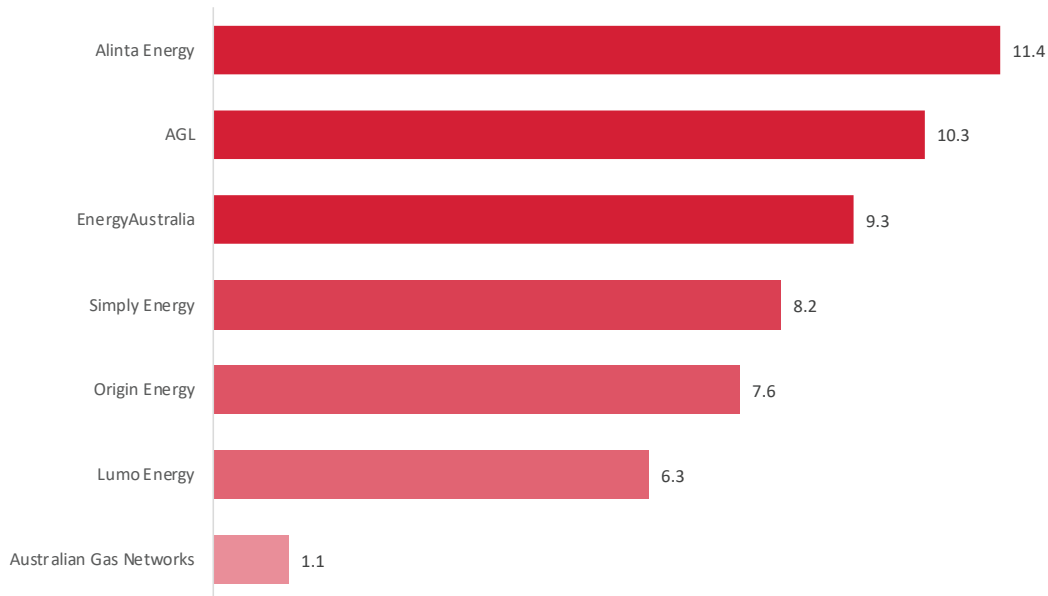
Received 1/7/23 - 31/12/23

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

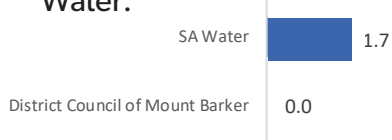
Electricity:



Gas:



Water:



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