

30 November 2021

Submitted via Engage Victoria

Commissioners
Essential Services Commission
Level 37, 2 Lonsdale Street
Melbourne, VIC 3000

Dear Commissioners,

Payment difficulty framework implementation review: feedback on key review questions

Consumer Action Law Centre (**Consumer Action**) welcomes the opportunity to provide feedback on the Essential Services Commission's (**ESC**) key review questions as part of their review of the implementation of the energy payment difficulty framework (**PDF**) since its commencement on 1 January 2019.

The introduction of the PDF was a major reform to Victorian energy regulation and was strongly supported by us and other community organisations. As one of the operators of the National Debt Helpline (**NDH**) in Victoria, Consumer Action is well placed to comment on the effectiveness of the PDF since its introduction, including potential gaps in consumer protections.

Energy debts are one of the most common reasons people contact our financial counsellors. We hear first-hand from Victorians in debt and struggling to stay on top energy bills and the impact that this has on their lives. We also hear about assistance provided (or not) by energy retailers and how this helps people manage their debts. Since the PDF was introduced, we have released two detailed reports¹ based on calls to our financial counsellors. These reports seek to understand if and how the assistance energy companies are providing to customers facing hardship is improving. Our second Energy Assistance Report, released in September 2021, is attached as an appendix to this submission.

This submission responds to a selection of the key review questions the Commission is seeking feedback on, with our comments detailed below. We have also included several case studies to illustrate common issues people report to our financial counsellors when trying to access hardship assistance from their energy retailer.

About Consumer Action

Consumer Action is an independent, not-for profit consumer organisation with deep expertise in consumer and consumer credit laws, policy and direct knowledge of people's experience of modern markets. We work for a just marketplace, where people have power and business plays fair. We make life easier for people experiencing vulnerability and disadvantage in Australia, through financial counselling, legal advice, legal representation, policy work and campaigns. Based in Melbourne, our direct services assist Victorians and our advocacy supports a just marketplace for all Australians.

¹ See: Consumer Action Law Centre (2021), [Energy Assistance Report \(2nd edition\): Tracking the impact of Victorian energy reform on households](#), and Consumer Action Law Centre (2019), [Energy Assistance Report: Tracking how Victoria's changing energy policies are impacting households in the state](#).

Response to selected key review questions

How are the entitlements under the framework communicated to customers (from a single retailer, and across the sector)? From your experience, are the ways they are communicated clear and consistent?

In Consumer Action's experience, the communication of the PDF is not clear or consistent, both within and across retailers. Many of the clients we speak to are offered some assistance under parts of the PDF (most commonly a payment plan, although not necessarily one that is affordable for the client), but rarely have we heard of customers being made aware of, or offered, the entirety of their entitlements under the framework. Gaps in retailers' application of the PDF were found in both editions of our Energy Assistance Report, released in July 2019 and September 2021 respectively. Further work suggests that this inconsistency is a systemic issue in the implementation of the PDF, with the incomplete application of entitlements noted as an issue in the December 2020 *Missing the Mark* report by the Energy and Water Ombudsman Victoria (EWOV)², as well as in the recent report *Consumer Experiences Following Energy Market Reforms in Victoria* completed by Monash University on behalf of the Consumer Policy Research Centre (CPRC) and the ESC.³

As an example of this inconsistency, it is common for financial counsellors at Consumer Action to speak to customers that have been offered payments plans but who have had no review of their tariff/account to ascertain if they are on the best offer for their circumstances—an experience illustrated in Mel's story below.

CASE STUDY: Mel's story

Mel is a full-time mum of two children, both of whom live with a disability. Mel's partner works full-time, while Mel receives a Carer's Allowance payment from Centrelink to assist with the additional costs of care for her children.

Mel's gas and electricity were with the same retailer and both in arrears. The gas was \$4,000 in arrears and the electricity \$500 behind. Mel had payment plans set up for both - \$100 per fortnight for gas and \$70 per fortnight for electricity. She told us that every three months her retailer contacts her to set up new payment plans and tells her she isn't paying enough to cover the debts. Mel said she can't afford to pay any more than she is.

Mel didn't recall getting any other form of assistance from the retailer such as advice to reduce energy consumption, other options to resolve the amounts that were owed or reviewing the plan that she was on. Mel said that every time she got a bill "it goes up and up!"

We suggested to Mel that she make a complaint to EWOV regarding the lack of hardship support provided by retailer.

It is also common for people to report being on active payment plans but still being verbally threatened with disconnection, as presented in Janet's story on the next page. This is particularly poor conduct and suggests disconnection threats are still being used to intimidate people into paying arrears. Not only do these threats cause undue stress to people, but the looming spectre of disconnection can also be used by retailers to coerce people into paying more than they may be able to afford, or encourage people to take out other forms of debt (e.g. credit cards or payday loans) to pay energy debts. We also speak to many people that are Centrelink recipients and are entitled to state-based energy concessions, but these are not being applied to their energy account/s. For the PDF to work effectively, entitlements must be consistently applied in full and with a basic understanding of clients' circumstances so that information can be tailored as necessary.

² Energy and Water Ombudsman Victoria (2020), [Missing the Mark: EWOV insights on the impact of the Payment Difficulty Framework \(PDF\)](#)

³ Dr Larissa Nicholls and Dr Kari Dahlgren (2021), [Consumer Experiences Following Energy Market Reforms in Victoria: Qualitative Research with Community Support Workers \(Final Report\), Monash University](#)

CASE STUDY: Janet's story

Janet is in her 50s and is a single parent to 2 teenage children. Health issues has meant she has not worked for the past 5 years. Her main source of income is Centrelink.

Janet called us for help with a range of debts including electricity. Her electricity account was \$1,200 in arrears and she had recently received a disconnection notice. She also explained she was on a \$30 per fortnight payment plan.

The financial counsellor explained that she should not have received a disconnection notice while on a payment plan. After going through her electricity account in more detail the FC also identified that Janet was not receiving her concessions and was not on the cheapest offer with her retailer.

Janet was advised to contact EWOV and report a breach of the PDF.

Contrary to the expectation that information and assistance is tailored to a person's circumstance, the use of customer service scripts which are read out by retailer representatives to customers seems to be common practice to communicate aspects of the PDF. For example, we have often heard of scripts being used to provide information about how a customer can reduce energy use. While scripts may help promote consistency across customer service agents, we question the efficacy of this reliance on scripts, as information provided from the reading out of a script by its very nature cannot be tailored to an individual customer's situation. Instead, improved training of customer service staff is required, supported by structural changes in business systems and processes (including individual and/or team based KPIs), to ensure that people facing difficulty paying their bills are offered the entirety of their PDF entitlements, in a clear and consistent manner.

How much do you think customers are aware of, or understand, their entitlements?

In our experience, customers are not generally aware of the PDF or the fact that retailers are legally obligated to offer assistance under the framework. When speaking to clients trying to manage energy debts, our financial counsellors spend time explaining their entitlements under the PDF and empowering the client with information and resources to approach their retailer and self-advocate. This should not be necessary.

Instead, customer service practices within energy companies should be more alert and proactive to customers who indicate they may be experiencing financial hardship. In the word of one our financial counsellors, you should not have to "know the right words and what you are entitled to" to be offered hardship assistance. Unfortunately, as noted in Monash University's June 2021 report on consumer experiences in the energy market since July 2019, "retailers often fail to recognise payment difficulty unless customers use specific 'magic' words."⁴

In a situation where customers often need to know (or stumble upon) the 'magic' words to unlock access to their entitlements, this results in too many people missing out on assistance under the PDF. It is critical that when people reach out to their retailer for support, they receive meaningful assistance, delivered in an empathetic manner. Triggering this assistance should be as simple as someone saying, 'I am having trouble paying this bill', rather than a customer being expected to ask for it based on their knowledge and understanding of their entitlements under the PDF.

⁴ Dr Larissa Nicholls and Dr Kari Dahlgren (2021), [Consumer Experiences Following Energy Market Reforms in Victoria: Qualitative Research with Community Support Workers \(Final Report\), Monash University](#), p. 5

How helpful and practical has the payment difficulty assistance provided to customers been?

Comments relevant to this question are provided as part of our response to question 6.

Have you observed a change in customer satisfaction of their engagement with retailers about their entitlements? If so, to what extent and why?

While there have been some improvements in hardship response by retailers since the introduction of the PDF, there is still much room for further improvement. We have continued to receive large numbers of calls related to energy debts since the introduction of the framework. In our most recent Energy Assistance Report total, 16% of calls by people to our financial counsellors across July 2019 to December 2020 involved an energy issue (either electricity, gas or both).⁵ This is slightly higher than was recorded in the previous report, where 14% of people calling mentioned an energy issue.⁶ Furthermore, these numbers are different when looking at specific cohorts of the population, suggesting not all parts of the community are benefitting equally from the PDF's introduction. Our recent joint report with the Victorian Aboriginal Legal Service (VALS) on consumer issues among Victorian Aboriginal communities noted that financial difficulty related to utility bills was mentioned in 40% of calls to our financial counsellors in 2020, up from 29% between July 2017 and June 2019.⁷

Another issue relevant to customer satisfaction in engagement with retailers is that many people calling the NDH about energy debt do so after speaking to their retailer and having a negative interaction. This experience is illustrated in Danny's story below.

CASE STUDY: Danny's story

Danny received a high energy bill during winter which he couldn't afford to pay. He spoke to his retailer about this and instead of offering assistance they referred him to the National Debt Helpline.

The financial counsellor Danny spoke with discussed the Payment Difficulty Framework and explained how his retailer should have assisted him as his debt was higher than \$55.

Because of the initial interaction with his retailer, Danny did not feel confident about going back to them to ask for help.

Danny's story is not an isolated one, with many households that are engaging with energy retailers often finding the responses to financial hardship unhelpful. A consumer survey commissioned by Energy Consumers Australia (ECA) in mid-2020 found that 20% of 'energy decision makers' said they have already requested financial assistance to pay their electricity bill. Among these people, only half received help which was useful, while the other half reported not receiving help which was useful.⁸ Similarly, data from the Consumer Policy Research Centre highlighted that 46% of people seeking payment assistance from their energy company reported having a negative experience.⁹

While there are many reasons for disengagement with essential services providers, improved hardship responses by retailers would go a long way to overcoming this disengagement. As in Danny's case, a person is unlikely to want to engage with their retailer if they have done so in the past and received poor treatment. This is particularly the case when someone is in financial hardship. Asking for help can be incredibly difficult given the shame and

⁵ Consumer Action Law Centre (2021), [Energy Assistance Report \(2nd edition\): Tracking the impact of Victorian energy reform on households](#), p. 11

⁶ Consumer Action Law Centre (2019), [Energy Assistance Report: Tracking how Victoria's changing energy policies are impacting households in the state](#), p. 6

⁷ Consumer Action Law Centre and Victorian Aboriginal Legal Service (2021), [Consumer issues in Victorian Aboriginal communities during 2020](#), p.34

⁸ Essential Research (2020), [Energy Consumer Sentiment Survey: June 2020](#)

⁹ Consumer Policy Research Centre (2020), [COVID-19 and Consumers: from crisis to recovery](#)

stigma associated with being unable to afford day-to-day expenses for essential goods and services such as one's utility bills.

What aspects of the framework have been working well?

Our two Energy Assistance Reports published in the period since the introduction of the PDF have tracked whether consumers experiencing vulnerability have benefitted from recent reforms to the Victorian energy market, particularly the PDF. These reports do indicate that overall, there has been gradual improvement in the hardship assistance customers are receiving from their retailers since the introduction of the PDF. Since the first report was published in July 2019 we have seen reductions in the proportion of people reporting:

- being inappropriately referred to our financial counsellors by their energy companies;
- being pressured by their retailer to accept unaffordable payment plans; and
- either being threatened with disconnection, or having their energy disconnected (although this is complicated by the advice to industry not to disconnect customers for non-payment across large parts of 2020 and 2021).

Conversely, measures that are not improving include:

- only a slight decrease in the proportion of people reporting large energy debt (more than \$3000); and
- an increase in the proportion of people reporting issues with the Utility Relief Grant Scheme (**URGS**), in either not being informed about it by their retailer or not being assisted to apply for it.

In addition to our case data from the NDH, annual survey data from ECA shows improvement in consumer sentiment since 2019. In years prior to recent reforms like the PDF and the introduction of the Victorian Default Offer (**VDO**), trust in the energy market and perceptions of value were low. Since the introduction of changes to help ensure better outcomes for consumers in Victoria's energy market, consumer sentiment has improved significantly. Notable findings among Victorian survey participants include:

- the proportion who were satisfied with the overall value for money of their electricity increasing from 46% in June 2019, to 58% in June 2020 and reaching 73% in June 2021.
- the proportion who were confident the overall market is working in their long-term interests increasing from 30% in June 2019, to 34% in June 2020 and increasing again to 42% in June 2021.

Have you, as a consumer representative, energy retailer, or other stakeholder, encountered any barriers or difficulties during the implementation of the framework?

i) The 2-year timeframe to repay arrears must be reviewed

I am finding more often that when contacting energy providers, we or our clients are constantly being pressured into setting up payment plans... these are payment plans generated by the retailer and either set up through direct debit or through Centrelink. We are also finding that when we make contact with many providers, our clients are already set up on unaffordable payment plans. I often hear that the clients are called by retailers and without the skillset and knowledge behind them they are being coerced into setting up payment plans over the phone which leaves our clients with little money left on their aged pension or Centrelink benefit.

Bernadette, financial counsellor, Mallee Family Care

As the quote from Bernadette on the preceding page attests to, unaffordable payment plans remain a major issue for people in payment difficulty. The tension between what is an affordable payment plan for a customer in financial difficulty and the requirement to pay back arrears within a 2-year time frame is something that this review must resolve. For many customers that our financial counsellors assist, the cost of energy is simply unaffordable. Similarly, payment plans for large arrears that meet the requirements of the 2-year pay back window are unrealistic for many people.

Although the proportion of people calling the NDH about unaffordable payment plans has improved between the release of our two Energy Assistance Reports (23% of people calling about energy issues in our 2019 report mentioned unaffordable payment plans, down to 14% in our 2021 report), unaffordable payment plans remain one of the most common energy-related problems people raise when they call our financial counsellors.¹⁰ Even for those people who may initially be on a payment plan affordable to them, we often hear that they are then contacted by their retailer who seeks to increase the amounts being paid. As the repayment amounts increase over time, these people too end up with an unaffordable payment plan. In our experience, this situation can lead to avoidance of the retailer as people know they will be pressured into paying more than they can afford. This runs counter to the intention behind the PDF to support engagement between customers and retailers.

While agreeing with the intention of the 2-year timeframe to see people's debt paid down in a timely manner, the current arrangement is counterproductive for many people we speak to. What is affordable to repay (defined by the person in debt) must be prioritised over speedy clearing of arrears. Unaffordable payment plans only exacerbate people's stress about money and mean it is unlikely they can maintain payments for very long. People then either default on their payment plans, seek out credit to continue meeting their repayments, or are forced to cut their expenditure on other essentials to keep meeting their payment schedule, as in Mohammed's story below. All these outcomes should be avoided if the framework is working as intended. As an alternative, we suggest that the ESC could set an expectation that any accrued debt which cannot be repaid affordably within two years should be waived or written off. Debt waivers are further discussed in this submission on page 8 in relation to addressing cases of large debt.

CASE STUDY: Mohammed's story

Mohammed is a single parent of two children who contacted us in June this year. He was with the same retailer for electricity and gas and was \$1600 and \$1400 in arrears for each account respectively.

The retailer has set Mohammed up on a payment plan of \$60 per fortnight for each account (\$120 total). He told the financial counsellor that he could not afford this amount but struggles to speak with the retailer to negotiate a more affordable amount. He said he had to take his young child out of day care as he couldn't keep up with other expenses like food and rent.

He said the retailer had mentioned URGS and said they would send a form out to him.

Are there areas of the framework that you found confusing or unclear?

One part of the framework we have found unclear is whether PDF protections apply to closed accounts, particularly where closed accounts may be on-sold to debt purchasers. We believe that retailers should be required to comply with the Energy Retail Code requirements relating to payment difficulty and debt recovery, even when the individual is no longer an active customer.

¹⁰ Consumer Action Law Centre (2021), [Energy Assistance Report \(2nd edition\): Tracking the impact of Victorian energy reform on households](#), pp. 26-27

As we noted in our second Energy Assistance Report, whether customers close the account themselves or are enticed by another retailer to switch their energy provider, there is a potential gap in the PDF where customers lose access to their entitlements to assistance on closed accounts. This gap only exacerbates people's financial hardship, as they may face increased difficulty in paying for their current usage when trying to repay historical arrears.

As part of this review of the PDF we would like the ESC to clarify that PDF protections apply to closed accounts and survive where debts are sold on to third parties. Alternatively, this could be clarified in a separate regulatory guidance and enforced by the Commission.

Are there other strategies or approaches retailers have considered (within or outside the framework) that can better help customers and achieve the framework's objectives? If so, what are these strategies or approaches?

One initiative we would like to see receive further consideration is the 'Knock before you disconnect' approach trialled by Essential Energy in late 2019. This initiative aimed to reduce the number of energy disconnections and keep people connected, by having field crews deliver letters advising customers with arrears to contact their retailer to discuss. This initial trial resulted in 80% of disconnections being avoided and based on this success was rolled out to additional businesses in 2020 as part of the Energy Charter's #BetterTogether program.¹¹

This significant reduction in the number of disconnections shows how initiatives outside the PDF can help achieve the objectives of the framework, as well as the benefits that can come from retailers and distribution business working together to improve customer outcomes. As part of the review, we suggest the ESC look at results from the expanded trial and consider incorporating this approach into the PDF protections related to disconnection to ensure it is a measure of last resort.

Are there other problems faced by energy customers that may not be covered by the payment difficulty framework?

i) Demands for lump sum payments should be banned

As is the case in Thomas' story on the next page, we continue to hear from clients whose retailers have asked for lump sum payments for arrears. Threats of disconnection often accompany these requests. For clients whose financial situation means they are unable to pay their energy bills, we find it baffling that retailers believe people can come up with hundreds of dollars to meet these demands. However, as in Thomas' case the experience of disconnection (or the threat of it for other customers) is used to coerce people into making these payments. We sometimes hear that clients request money from family members to meet these demands. If not seeking loans from friends or family, people may seek credit. Many of our clients also have other debt issues, including with payday loan and buy now pay later providers, which exacerbates their financial hardship.

For individuals in financial stress, cutting the power off is a massive blow and could put certain people in danger – such as those that require heating or cooling to manage health conditions. From time to time we also hear of families whose whole fridge of food goes to waste because of a disconnection. Essential service providers should not use their position of power and the threat of disconnection to demand lump sum payments from customers.

¹¹ The Energy Charter (2021), [#Better together – Networks and retailers working together to ensure customers stay connected](#) {website}

CASE STUDY: Thomas' story

Thomas is an Aboriginal man with a disability. He lives with his father and his partner who was pregnant at the time. He called us on a Friday afternoon seeking help after their electricity had been disconnected. Thomas' retailer was seeking a lump sum payment of \$500 to re-connect the electricity.

Thomas advised us that he was about \$5,000 in arrears to the retailer. He couldn't remember the retailer discussing payment plans or other support such as URGS with him in the past. Not having access to \$500 to meet the retailers demands, Thomas didn't know what to do.

We assisted Thomas with a warm referral to EWOV who escalated the matter and got the electricity re-connected before the weekend. EWOV were also able to assist in setting up a payment plan with Thomas and the retailer.

ii) **Disconnection and the PDF**

As discussed above with respect to demands for lump sum payments, disconnection of someone's energy supply has significant consequences and has the potential to put individuals' health and safety at risk. Similarly, threatening disconnection is a heavy-handed way to engage customers. During the COVID-19 pandemic, distributors did not act on retailer requests to disconnect customers where to do so would 'immediately endanger the health or safety of any person' (clause 12.6.2 Electricity Distribution Code). Both retailers and distributors have an obligation to be entirely satisfied that disconnection will not put someone's health or safety at risk. Energy providers have a social obligation inherent in the essential service they provide to ensure people remain connected.

The ESC tracked a range of measures during the COVID-19 lockdowns including disconnection numbers and debt levels and the period during 2020 where disconnection levels were zero or very low showed us that a different way of operating and doing business was possible. Going forward, we would like to see greater protections around disconnection including oversight by a third party (such as the ESC) and greater involvement by the distributors to satisfy clause 12.6.2 of the Electricity Distribution Code. We know from our work that individuals are disconnected despite being in touch with their retailers and/or with ongoing payment plans. We also know that certain cohorts of customers are at greater risk of disconnection, as EWOV's *Missing the Mark* report highlighted with respect to First Nations customers, finding that:

more than 1 in 10 of EWOV's Aboriginal and Torres Strait Islander customers were facing imminent disconnection, closely followed by those who had actually been disconnected. By contrast, only 3.5 in 100 non-Aboriginal and Torres Strait Islander customers faced imminent disconnection

...

Given that disconnections are clearly framed as a measure of last resort by the PDF, this data would suggest that PDF measures are not being applied as they should be for Aboriginal and Torres Strait Islander customers, and there is significant scope for retailers to improve their service levels for those customers.¹²

The PDF was designed with the end goal of curbing disconnections for people in financial hardship. As part of this review, the ESC should evaluate the disconnection experience since the introduction of the framework with a view to introducing expanded protections to better ensure that disconnection for non-payment truly becomes 'a measure of last resort'. As noted in our most recent Energy Assistance Report, possible changes could include, "requiring home visits by an independent body prior to disconnections and expanding clause 12.6.2 of the Electricity Distribution Code to prohibit disconnections that endangers long-term health and safety impacts."¹³

¹² Energy and Water Ombudsman Victoria (2020), [Missing the Mark: EWOV insights on the impact of the Payment Difficulty Framework \(PDF\)](#), p. 14

¹³ Consumer Action Law Centre (2021), [Energy Assistance Report \(2nd edition\): Tracking the impact of Victorian energy reform on households](#), pp. 42-43

iii) **Addressing cases of large debt**

There are a number of clients we speak to each year that have extremely large energy debts. Our most recent Energy Assistance Report noted that cases of large energy debt (where debts totalled more than \$3000) were down only slightly compared to our first report from 2019. There are a multitude of reasons someone might accrue energy debts in the thousands – and sometimes tens of thousands – of dollars. These can include family violence, health issues (either their own health or that of a family member), faulty appliances, or poor-quality housing to name just a few. Anne’s story presents one such example of large energy debt being accrued and the consumer harm which can result.

CASE STUDY: Anne’s story

Anne is a single parent with 2 children living with her. Her youngest has a learning disability. Anne has a number of health problems she manages.

Anne had recently moved to a new house. She had a \$20,000 energy debt incurred from her previous address which was carried over to the new account.

Anne said that staff from St Vincent de Paul had previously helped her organise a payment plan, but that she did not recall her retailer offering any other practical assistance with her bills beyond this. Anne also said she would receive disconnection notices each quarter, and that her retailer would demand lump sum payments to avoid disconnection. Anne said that her parents would put some money toward the bills when this happened. Anne told us that the retailer’s representative she last spoke to made her feel worthless and said that it was her fault the bill was so high.

We advised Anne on her rights under the PDF, the role of EWOV and made a warm referral to her local financial counselling agency to assist her with the debt.

Where people have extremely large debts like Anne’s, these amounts are practically impossible to pay down while also paying for ongoing usage. These cases of large debt point to ongoing issues around affordability despite recent reforms like the PDF, and the need to explore additional solutions. Previous work has shown that pursuing debt repayments from individuals in long-term financial hardship is counterproductive, ignores the lived reality of people and inflicts further suffering on consumers in vulnerable situations.¹⁴ It was disappointing to hear from financial counsellors when conducting research for this submission that many often found debt collectors easier to negotiate with on behalf of vulnerable clients with large debts than energy companies.

As part of this review, we suggest that the ESC explore whether debtors in long-term financial hardship should be relieved of their obligation to pay debts. Debt cancellation could be based on the age of debt, or the introduction of a ceiling on the total amount of debt a customer can accrue. While there are many factors involved in energy affordability, poor hardship responses by retailers and incomplete application of PDF entitlements contribute to allowing debts to accumulate. From the cases of large debt we see, in addition to the early intervention that is already a feature of the PDF (with entitlements to assistance being triggered when a customer has arrears of \$55 or more) there is a clear need for ongoing, personalised intervention by retailers to prevent debts spiralling out of control. By introducing measures to waive debts under the PDF, this would hopefully promote a shift in engagement between retailers and customers from the current primary focus on repaying arrears to instead focus on ongoing affordability. Moving to this position would also reflect the reality that the majority of clients financial counsellors assist are judgement proof and as such would be protected from debt recovery enforcement anyway.

¹⁴ See: The Bulk Debt Project (2014), [Achieving institutional policy change for Centrelink recipients](#)

iv) Proactive enforcement by the regulator

We consider that a stronger approach to monitoring and enforcement will improve outcomes for Victorians in payment difficulty and improve compliance with the PDF. In line with this, we welcome the ESC's 2021-22 Energy compliance and enforcement priorities including 'the wrongful disconnection of customers' and 'the payment difficulty framework'.¹⁵ As part of the review, we suggest that the ESC explore additional proactive monitoring it can undertake to enforce PDF compliance to ensure the framework is working, particularly for customers experiencing vulnerability and disadvantage. This could include processes such as random reviews of retailer call recordings without warning and reviews of scripts retailers use to fulfil requirements of the PDF. This would also include consideration of ways to increase transparency and accountability around monitoring processes and enforcement action, in acknowledgement that increased visibility and responsiveness to community expectations would help to further rebuild trust in the Victorian energy market.

Thank you again for the opportunity to provide feedback on the Commission's key review questions as part of the review of the implementation of the PDF. Please contact **Patrick Sloyan** at **Consumer Action Law Centre** on 03 9670 5088 or at patrick@consumeraction.org.au if you have any questions about this submission.

Yours Sincerely,

CONSUMER ACTION LAW CENTRE



Gerard Brody | Chief Executive Officer

¹⁵ Essential Services Commission (2021), [Energy compliance and enforcement priorities 2021–22: June 2021](#)