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Australian Energy Market Commission

Level 15, 60 Castlereagh Street Sydney NSW 2000

Online via: [www.aemc.gov.au](http://www.aemc.gov.au)

## Submission to the AEMC's Pricing Review: Electricity pricing for a consumer-driven future

The Energy and Water Ombudsman (Victoria) (**EWOV**) welcomes the opportunity to provide input to the Australian Energy Market Commission's (**AEMC**) consultation relating to *The pricing review - Electricity pricing for a consumer-driven future*.

EWOV provides free, independent dispute resolution for Victorian energy and water consumers. Receiving complaints directly from consumers gives us unique insights into the experiences of Victorians across energy and water markets. This enables us to identify emerging issues early and contribute to improvements in policy, regulation and industry practice through our systemic insights and engagement with businesses, government, regulators and the wider community.<sup>1</sup>

This submission responds to questions relating to consumer outcomes supported by EWOV's own case insights, and provides input on three proposed recommendations. Broadly our submission supports:

- Reforms to address similarly named retail tariffs and the loyalty tax.
- Further monitoring to evaluate policy intentions in the retail energy market.
- Ensuring it is easier for consumers to compare prices.

### Addressing similarly named retail tariffs and the loyalty tax

*Question 1: Do you consider recommendation 1 would provide a better outcome for market offer customers? If so, why? If not, why not and are there other approaches that would work better? What further implementation and market impacts would need to be considered?*

EWOV welcomes approaches that simplify the complexity consumers face navigating the market. In its recent market inquiry, the Australian Competition and Consumer Commission (**ACCC**) identified 145,500 legacy plans across the market.<sup>2</sup> This finding highlights the need for reforms that help consumers identify and distinguish between retail offers where they choose to do so, while avoiding poor outcomes for those consumers with less capacity or capability to repeatedly engage in the market.

In our case data, EWOV observes complaints about increasing prices and “the loyalty tax” whereby consumers on legacy contracts pay higher prices than those on new market offers. We observe cases where consumers on these legacy tariffs may exceed the Victorian Default Offer benchmark, even where conditions of pay-on-time discounts are met (see case study 1 which highlights how without these protections, even where retailers may meet basic requirements, this does not always result in a good consumer outcome). In complaints related to the best offer, EWOV observes consumer confusion where new energy plans are named the same as older energy plans with

<sup>1</sup> See Clause 5.1 of EWOV's [Charter](#).

<sup>2</sup> Australian Competition and Consumer Commission, [Inquiry into the National Electricity Market](#), December 2025 Report, 34.

higher rates. This includes circumstances where the deemed best offer notice on their bill advises there is a better offer available, but it has the same name as the consumer's current plan. While reforms have been introduced to address this "same name, same tariff" issue, we observe this remains an ongoing source of confusion and frustration for consumers who are not automatically switched to the cheaper price (See case study 2).

Moreover, we note the recent rule changes only apply to billing requirements.<sup>3</sup> This means consumers seeking to compare their current offer with another offer identified through a comparison website or other channel, may encounter confusion where providers use the same name for differently priced tariffs.

[EWOV supports](#) the Essential Services Commission's reforms that require retailers to consider whether legacy consumers are on a reasonable price, and if not, to switch the consumer to a lower tariff or a cheaper plan.<sup>4</sup> The AEMC's proposed recommendation could provide further benefit, with requirements to prompt providers to more meaningfully differentiate between retail offerings.

We also note the Department of Climate Change, Energy, the Environment and Water's (DCCEEW) consultation relating to Strengthening the Prohibiting Energy Market Misconduct (PEMM) provisions. EWOV provided a [submission](#) to this reform, and recognises the merits of the proposals around ensuring consumers on legacy tariffs are put on reasonably priced tariffs. However, across the ESC reforms, and proposals by DCCEEW and AEMC, there needs to be clear coordination and alignment that considers how these provisions would interact and be governed.

#### Case study 1: Dylan's story - consumer paying high rates on a legacy tariff

Dylan\* called EWOV on behalf of Lily\* with a complaint about a high tariff. While Dylan had recently switched Lily to a cheaper offer with the same retailer, he questioned why the retailer had not proactively moved Lily to a cheaper plan given she was a long-term customer.

In his complaint to the retailer, Dylan noted that Lily's latest quarterly bill was approximately \$700, which reflected high rates well above the Victorian Default Offer benchmark. In response, the retailer advised Dylan that Lily had not been overcharged and offered a \$100 credit as a service gesture.

After EWOV's referral, the retailer explained that the bill was higher due to a missed pay-on-time discount. Had the bill been paid on time it would be approximately \$400. The retailer acknowledged that Lily had been on the same plan since 2019, which had high undiscounted rates (Peak: \$1.04 p/kWh, Off-peak: 57c p/kWh), even though it included a large 46% discount feature. Dylan asked the retailer to conduct a bill investigation, to consider backdating the newly selected plan to 2023, and to consider a refund if the investigation uncovered overcharging.

The retailer's investigation found that Lily's pensioner concession eligibility checks failed validation, which meant no concession was applied during the relevant period. However, the retailer's review concluded Lily was on a retail market offer that otherwise complied with regulatory requirements. The retailer acknowledged the effective rate for the period was higher than the VDO benchmark (even after applying the pay-on-time discount) but considered this was permissible because market offers can exceed the VDO.

The retailer reported that it performs regular "health checks" on customer accounts which included best offer information on bills in line with regulatory requirements. The most recent best offer notifications indicated that Lily could be approximately \$1400 off per year if she had switched to the best available offer. The retailer highlighted that it was unable to change a customer's plan without their Explicit Informed Consent, limiting proactive plan changes without customer initiation. The retailer concluded there was no overcharge.

To achieve a conciliated outcome, the retailer offered an apology for the inconvenience caused and a goodwill credit of \$500. Dylan agreed and the complaint was closed.

<sup>3</sup> Australian Energy Market Commission, [Improving consumer confidence in retail energy plans](#), June 2025 and Essential Services Commission, [Energy Consumer Reforms](#), September 2025.

<sup>4</sup> Essential Services Commission, [Energy Consumer Reforms](#), September 2025, pg 34.

### Case study 2: Jomar's\* story – Confusion about a new plan with the same name as their current plan

Jomar\* contacted EWOV about a price increase. Jomar had received a notice from his electricity retailer about a rate change. This prompted him to contact his retailer, who advised there was a plan with the same name that offered cheaper rates. Based on this, Jomar believed that he did not have to change plans to access the cheaper price. He was then dissatisfied when he reviewed the best offer notice provided on his bill, along with the price increase notice that he also received. Jomar did not think it was fair to have a new, cheaper plan with the same name and wanted the retailer to explain the best offer communications and bill formatting. Jomar sought compensation based on backdating the difference between Jomar's current rates and the rates on the new plan.

In our investigation, we considered whether the retailer had complied with its obligations when communicating the rate increase. EWOV reviewed the best offer notice provided on the bill and the rate increase notice. The notice stated that there was a better offer available, referring to a plan with the same name. It also included an additional sentence advising that Jomar could save by switching to the latest version of the plan, as the retailer regularly reviews its prices.

EWOV considered this complied with the retailer's regulated requirements under the Energy Retail Code of Practice (the Code). While retailers in other jurisdictions have specific requirements for communicating best offer plans with the same name, the Code does not include specific requirements for Victorian retailers, so we found that the retailer had gone further than its requirements to provide the additional wording to clarify there was a new plan with the same name.

We also considered whether the retailer was obligated to backdate the rates on the newer plan. We reviewed the notices and bills and considered that the retailer had notified the consumer in line with its obligations in the Code.

Our investigation found that because the retailer had acted in line with its obligations, the retailer was not obliged to take any further actions to resolve the complaint.

## Evaluation of impact of regulations on consumer outcomes

### *Question 3 - Do you support the AEMC periodically assessing the impact of regulations and interventions on competition?*

EWOV broadly supports the proposal for improved evaluation of regulations and policy interventions on competition, particularly where this work improves understanding of whether reforms are supporting good consumer outcomes. The value of this work will depend on the scope of the review and methodology used to gather evidence about consumer outcomes, and how good consumer outcomes are defined. To this end, we would encourage the AEMC to consult on the purpose and scope of this ongoing review function.

The ACCC's National Energy Market (**NEM**) inquiry provides a key tool to monitor market outcomes, including impacts on consumer bills and in part, to evaluate policy interventions. A key strength of this inquiry stems from the ACCC's information gathering powers, which allow it to draw on consumer billing data as evidence. It will be important to ensure coordination across roles and responsibilities for reporting outputs for market regulators. This will avoid duplication and provide clearer understanding of outcomes for consumers.

In this context, we also see significant opportunity to leverage the unique insights that energy and water ombudsman generate through our complaint data and direct engagement with consumers. Our casework and systemic issues functions provide early, and often granular, visibility into how

regulatory settings, market behaviour and policy interventions are experienced by consumers in practice. The insights from complaints provide a direct consumer voice of the issues consumers are experiencing.

These insights would meaningfully complement and give life to more formal market monitoring and evaluation processes. EWOV would welcome opportunities for the AEMC to draw on these insights as part of the proposed periodic review and assessment of competition and consumer outcomes.

## Make it easier for consumers to compare offers

*Question 4: What information should be gathered from energy service providers, as the AER considers its review of the retail guidelines? Do you have any suggestions regarding potential improvements to Energy Made Easy to facilitate consumers' ability to compare offers? How else can consumers be supported to compare offers in the market?*

EWOV supports mechanisms that enable consumers to compare retail energy offers more easily. In a future market with the more complex product offerings envisaged in the AEMC's draft report, effective comparison tools will be critical for consumers and for the functioning of a competitive market. Government comparison tools, such as Energy Made Easy and VicEnergyCompare, will need the capability to ensure they can support consumers to navigate this increased complexity.

We see value in gathering a broader and more consistent set of information from energy providers to support accurate and meaningful comparisons. This should include not only clear and standardised descriptions of tariffs, fees and conditions, but also information about product risks, eligibility requirements and any dependencies on CER. Consistent and transparent data from retailers is essential to fairly represent the value proposition and comparison of different products.

Additionally, there is an opportunity to consider how consumer experience, including data and insights from retailer and ombudsman complaints, can inform the design of guidelines and comparison tools. This information provides an understanding of consumer voice and an independent view of where consumers face confusion, harm or barriers to understanding and choosing energy offers. At EWOV, our complaint data offers an insight into how consumers experience complex tariffs and emerging technologies and products in practice, including areas where retailer information, disclosures or comparison guidance may be lacking. Embedding this form of consumer information in the AER's review process would strengthen the alignment between regulatory requirements, market practice and consumer needs.

For comparison tools to be effective in assisting consumers to navigate increasingly complex tariffs, they may also need to consider a broader range of inputs and variables. This is key to providing consumers with a clear understanding of the value proposition of a particular arrangement, including potential risks (e.g. exposure to wholesale market volatility) and benefits (e.g. optimising a consumer's own battery usage). Additional data inputs that might be required include:

- preferred EV charging windows
- preferred home battery state of charge
- shiftable load (smart household appliances)
- consumer risk tolerance (exposure to more complex offers vs less complex offers)
- functionality and expected performance of Consumer Energy Resources (CER).

Consumers will need to easily input this data and receive outputs that are simple to interpret and compare, so they can make informed decisions between contracts.

Crucially, information must be consistent across different information channels to avoid consumer confusion. For example, we note the regulatory reforms to address consumer confusion arising from same name, same tariff reforms only apply to bills.<sup>5</sup> Government comparators can play an important role in standardising consumer information.

## Conclusion

EWOV broadly supports the measures proposed to improve consumer's ability to navigate the future energy market. Consumers can be confused or overwhelmed by the number of tariffs in the market and reforms to address this and the loyalty tax are key to maintaining consumer trust in providers and the market more broadly. As CER is more widely integrated into the energy system, effective and transparent comparison tools will become more essential to ensure consumers can determine the value proposition of different retail offerings.

In this context, complaint data, whether held by providers or collected independently through ombudsman schemes, can play a critical role in highlighting where consumers experience confusion, harm or barriers in engaging with the energy market. EWOV's complaint and systemic insights provide an early, consumer-centred evidence base that can support policy-makers and regulators to better understand and incorporate the practical implications of regulatory settings.

If you have any questions about this submission please contact Felicity Fast, Head of Public Affairs at [felicity.fast@ewov.com.au](mailto:felicity.fast@ewov.com.au) for further information.

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<sup>5</sup> AEMCs' *Improving consumer confidence in retail energy plans*, and ESCs, *Energy Consumer reforms*