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**energy & water
OMBUDSMAN SA**

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Dear Ms Mitchell

**Submission on the Draft Determination:
Improving the Accuracy of Customer Transfers**

The Energy and Water Ombudsman (SA) Limited ("EWOSA") welcomes the opportunity to comment on the Australian Energy Market Commission's Draft Determination on *Improving the Accuracy of Customer Transfers*.

In this submission, the EWOSA primarily addresses matters that are specifically of interest to the EWOSA Scheme.

EWOSA is an independent Energy and Water Ombudsman Scheme in South Australia. It receives, investigates and facilitates the resolution of complaints by customers with regard to (*inter alia*) the connection, supply or sale of electricity, gas or water.

Transfers Without Consent

We strongly support the proposed preferred rule to improve the processes undertaken by energy retailers to resolve situations where customers have been incorrectly transferred between retailers or transferred without consent. The final outcome that the customer wrongly transferred is reverted back to their original retailer on their original contract is appropriate. The steps set out in the draft new rule 57A of the Retail Rules appear logical and provide clarity and certainty to retailers about what their obligations are, including timeframes.

This is particularly important, given that customers are sometimes required to communicate with both retailers and effectively have to coordinate the resolution of their transfer issue themselves, even though the transfer may have occurred through no fault of their own.

It should also be noted that customers being transferred in error is one of the few categories in which complaints to EWOSA are rising.

Total transfer-related complaints received by EWOSA have fallen over the last two years, from 1507 in 2013-14 to 514 in 2015-16. However, complaints where customers have been transferred between retailers in error have increased, from 105 in 2013-14 to 130 in 2014-15 and 133 in 2015-16. Thus, 'transfer in error' complaints, as a share of total transfer-related complaints, have jumped from just seven per cent in 2013-14 to over one quarter in 2015-16.

Therefore, while there are likely to be costs to retailers from implementing new processes to comply with the preferred rule, there will be savings for retailers by having reduced costs associated with fewer 'transfer in error' complaints from customers being escalated to Ombudsmen.

We also support the amendment that would prohibit a retailer from de-energising a customer who transferred to that retailer within the last 12 months, unless the retailer has a record of the customer's explicit informed consent to the transfer. This will enhance an important customer protection.

Address Standard

We support the draft determination not to make a rule on introducing an address standard.

While the implementation of an address standard might improve the transfer process and result in fewer customers being transferred between retailers by mistake in some circumstances, we appreciate that the costs to retailers and distributors to upgrade their systems – to comply with the rule change requested by the COAG Energy Council – are likely to be considerable, would ultimately be passed on to customers and may outweigh any benefits.

An alternative process suggested in the Draft Determination – that the Australian Energy Market Operator implement a data cleanse of the addresses in the electricity market database – is strongly supported and should be undertaken in a timely manner.

Should you require further information or have any enquiries in relation to this submission, please email me at antony.clarke@ewosa.com.au or telephone me on (08) 8216 1851.

Yours faithfully



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