

18 July 2017

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Lodged online at www.aemc.gov.au
Project reference code **RRC0009**

Dear Sir/Madam

Re: Consultation Paper – National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017

Thank you for the opportunity to comment on the *Consultation Paper – National Energy Retail Amendment (Strengthening protections for customers requiring life support equipment) Rule 2017*.

As an industry-based external dispute resolution scheme, the Energy and Water Ombudsman (Victoria) (EWOV) provides alternative dispute resolution services to Victorian energy and water consumers by receiving, investigating and facilitating the resolution of complaints.

EWOV supports the objective of strengthening consumer protections for consumers who require life support equipment. We see benefits in an approach that clarifies the registration process for consumers and makes the obligations of retailers and distributors clear and certain. Based on our case handling experience, this submission outlines the concerns raised by life support customers in EWOV cases over the past two years, looking particularly at where these relate to the problems identified by the AER in its rule change request.

The Victorian context

The *National Energy Retail Rules* (NERR) requirements concerning life support machines are mirrored in Part 6 Division 2 116(1) and Part 7 of Victoria's *Energy Retail Code* (version 11) and, for distributors, in section 5.6 of the *Electricity Distribution Code* (version 9).

Additionally, in Victoria, some households with a member who requires a life support machine are entitled to the Life Support Concession. This concession, available only to concession cardholders, applies to only some of the life support machines identified in the NERR and in Victorian regulation. Victoria's Department of Human Services produces a 'Life Support Concession and machine notification' form that customers can use to apply for the concession **and/or** notify their retailer that a life support machine is used on the premises. This form includes a section for confirmation by a medical professional. The existence of the Life Support Concession and use of this combined form may encourage medical confirmation and correct registration in Victoria.

EWOV life support cases

Life support machine issues are not a significant source of complaints to EWOV, but EWOV does receive some related enquiries and complaints. Over the last two financial years, EWOV recorded a total of 74 cases related to life support¹: 41 in 2015/16 and 33 in 2016/17. Most of these cases concerned retailers (63). The most common customer concern was failure to apply the Life Support Concession (or misapplication of the concession to ineligible households), which was an issue in 24 cases.

Of more relevance to the proposed rule change, 14 cases concerned imminent (11) or actual (3) disconnection of supply where a life support machine was in use at the premises. In most of these cases, the customer said that they had previously notified their retailer (or distributor) of the life support machine. It is not generally clear from EWOV's records whether these customers provided medical confirmation when they notified their retailer, or whether they were advised by the retailer that this confirmation was required (see case study below). In any case, a system of temporary registration and customer reminders such as that proposed by the AER would be likely to increase transparency and certainty for consumers and for retailers and distributors in similar cases.

Other case issues that suggest possible problems with the registration approach, the accuracy of registers or the customer information provided at the time of registration were:

- transfers without consent, where the customer contacted EWOV because the premises was registered as having a life support machine and they were concerned about any potential loss of supply as a result of the transfer (3 cases)
- outdated registrations preventing current account holders from abolishing meters (3 cases)
- communication about or effects of planned or unplanned supply interruptions (4 cases)
- being asked to provide life support details or medical confirmation more than once (3 cases).

EWOV case study

Mr T, who uses a life support machine, had an outstanding balance of around \$4,000 on his electricity account and received an imminent disconnection notice. He contacted EWOV concerned that if the property were to be disconnected, he would not be able to use his life support machine. Mr T said that he had sent documentation to his retailer stating that he was on life support, but his account had not been flagged. Mr T wanted to ensure that his property was flagged as having life support and also requested a payment plan and hardship assistance.

Due to the seriousness of the case, EWOV bypassed the Assisted Referral process and opened an Investigation. The retailer confirmed Mr T's outstanding balance and that it had now temporarily flagged his account for Life Support. It provided the 'Life Support Concession and machine notification' form and asked that Mr T complete and return it. It also referred Mr T to its hardship team.

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¹ Based on a keyword search for 'life support'.

We trust the above comments are helpful. Should you require further information or have any queries, please contact Matt Helme, Research and Communications Manager, on (03) 8672 4289 or matt.helme@ewov.com.au.

Yours sincerely



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