



22 October 2020

Ms Merryn York
Chair
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Electronically: www.aemc.gov.au/contact-us/lodge-submission

Dear Ms York,

RE: RCC0036 - Bill contents and billing requirements

Origin Energy appreciates the opportunity to provide a submission in response to the Australian Energy Market Commission's (AEMC) consultation paper Bill contents and billing requirements.

Origin agrees with Minister Taylor that an energy bill ought to be simple and easy to understand for all energy consumers. A bill must provide key information about what the customer owes, how that amount was derived, how the customer can pay, and who to contact to get support. We believe this information must be presented as simply, concisely and consistently as possible. We do not believe all the information required under Rule 25 is needed on each bill, however, we do not agree that the best way to resolve the deficiencies of Rule 25 is through the AER developing a mandatory guideline.

We believe the issues identified by the Minister could be best resolved by changes to the NERR to simplify the mandatory contents of a bill. In addition, the NERR could include secondary information requirements that the retailer can provide more flexibly, in accordance with customer preferences. To address the issue of consistent language, we believe the AER ought to establish a direction setting out consistent and simple nomenclature not just for bills, but for use in all communications accessed by the customer such as Plan Information Documents and Energy Made Easy.

We believe this approach will ensure customers receive the basic information that they require without being overloaded by additional information. It also allows the customer to receive additional information if they choose. Consistent with a competitive market, retailers will continue to have the discretion to present their bills in a manner that best promotes their brand and products based on their understanding of the needs and preferences of their customers.

Origin's views on these issues identified by the AEMC are set out below.

Understanding Energy Bills

Origin went through extensive consumer research as part of the redesign of our invoice template in 2015. We engaged with a broad range of age, gender, education levels, over 30 per cent of the consumers didn't have English as a first language, different household types, income distribution, and employment status.

We examined different bill variations with the aim to define a modular design with key tasks grouped together to sequentially step customers through these tasks. We then tested different layouts before adopting the design that received the highest customer satisfaction score from a sample of 3,900 participants against whether customers found the following easy to identify:

- what they need to pay;
- when payment was due;
- the usage information provided in the bill;

- how to pay the bill;
- the discount applied to the bill;
- the rate plan;
- how usage has changed since the last bill;
- how to can get I touch with your electricity provider; and
- where to go to find more information.

In summary, our research found that customers prefer a bill with a simpler look, more conversational style and more a human tone. We feel that our bill design that prominently features the key information that customers look for such as what they owe, the due date, their discount, how much they used, and what their plan is meets the preferences of our customers. The feedback or complaints we receive tend to be more focussed on the content (i.e. concerns about usage levels for example) rather than the actual design of the bill itself.

More recent insights from our internal 'Voice of Customer' listening campaign supports this finding. The most common feedback Origin receives about the presentation of billing is related to the apportionment of charges on the second page of the bill. This is because there are multiple line items for similar charges, usually grouped by a date range. While the bill is presented in accordance with Rule 22, customers provide feedback that this subset of information can be difficult to understand.

On that basis, we have not seen evidence that customers do not understand our bills.

In terms of performing a price comparison, the role of the bill should be to provide the customer with the key information to do this as quickly and as simply as possible. This is the key information that we provide on page one of our bill. The customer can input this into a comparator, or it can be directly uploaded if the customer has received their invoice electronically. Again, we have not seen quantitative evidence that customers have a problem doing this.

Receiving Energy Bills

The second problem the Minister identifies is the absence in the rules of overall requirements on retailers regarding how a bill is issued or delivered to small customers. The concern is that, today and in the future, consumers should always have access to a paper bill if it is their preference.

Origin does not agree that there is a need to specify the method of bill delivery. Customers are provided with the option of receiving their bill via mail or may consent to receiving their bill via email. This conversation with the customer occurs when the customer signs up with their retailer and may be confirmed during other interactions.

Customers who are supplied under Standard Retail Contracts (SRCs) default to paper billing, often because the retailer is not aware of who is consuming energy and only have the supply address for communication. The model terms and conditions state (9.1) "[we] will send a bill to you as soon as possible after the end of each billing cycle. We will send the bill: (a) to you at the address nominated by you; or (b) to a person authorised in writing by you to act on your behalf at the address specified by you." This effectively makes a paper bill the default minimum consumer protection.

When a customer enters into a Market Retail Contract (MRC), they are provided with the option to receive their bill via a preferred method of communication. This may mean via email, or directly to an online customer portal from which they can manage their account.

Customers may also elect the frequency they receive bills, particularly where the customer has a digital meter. We consider that the principle of consumer choice already drives billing issuance and delivery, so there is no need to specify the delivery method beyond the current framework.

Materiality of the issues

The Commission is seeking feedback on the materiality of the issues identified by the proponent, namely whether there is difficulty understanding bills and a lack of consumer choice on how bills can be received, and how the impacts will change over time given digitalisation, key post-2025 reforms (two-sided market design) and the introduction of a CDR in energy.

As stated above, Origin undertook significant customer testing to ensure the structure of our bills reflected the preferences of our customers.

We agree that digitalisation may mean some information currently required on bills becomes redundant for many consumers and already offer the following options for a customer to receive or access their bill:

- a mobile app which is available for Apple and Android phones;
- a web portal where a customer can access their “My Account”. Once logged in they are able to see and access their data, billing, and make other requests;
- e-bills where the customer receive an email with the key information in the cover email and then the bill as an attachment; and
- the option for the customer to choose between online billing or paper bills.

Customers are also able to access and engage with their usage information digitally. For customers with digital meters this can be presented for the bill period, monthly, or daily, and provides relatively real-time feedback on usage patterns and costs.

Proposed Solution

The objective of the current Rule is for the retailer to “prepare a bill so that a small customer can easily verify that the bill conforms to their customer retail contract”. The information required for a customer to be able to verify that their bill matches their contract is more than covered in the existing Rule 25.

We do not believe there is sufficient evidence to support the replacement of Rule 25 with an AER Guideline. We do believe the Rules create larger bills than necessary. To address this, we believe the Rules could be amended to require retailers to provide the core information that customers prefer on their bill i.e.: the amount owed; the due date; the discount; usage; the current plan; and who to contact about the bill or for assistance.

For items which currently perform an educational function, we believe there could be benefit for the customer to receive this information separately at their preference.

We recognise that a significant concern is ensuring that disengaged customers still receive the educational aspects of information which are currently included on billing. While all customers can access educational information through different platforms based on their preferences, customers who are supplied under SRCs could be considered disengaged customers and may be less likely to do so. We consider that a requirement to be able to provide customers with this information in a non-digital format for SRC customers could resolve this. For example, Retailers are currently able to provide special bill formats (such as large print) for customers who request them for accessibility reasons and could apply the same principle to provide the educational aspects of billing for customers who are not digitally engaged.

Finally, to address the issue of inconsistent and complex language we believe the AER ought to establish a direction setting out consistent and simple nomenclature not just for bills, but for use in all communications accessed by the customer, as is currently the case when developing Pricing Information Documents in accordance with the Retail Pricing and Information Guidelines.

We believe this approach will ensure customers receive the basic information that they require without being overloaded by addition information. It also allows the customer to receive additional information if they choose. Consistent with a competitive market, retailers will continue to have the discretion to

present their bills in a manner that best promotes their brand and products based on their understanding of the needs and preferences of their customers.

If you have any questions regarding this submission, please contact Courtney Markham in the first instance on (03) 9821 8086 and or Courtney.Markham@originenergy.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sean Greenup', with a large loop at the end.

Sean Greenup
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