

Our ref: AER201797
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Ms Merryn York
Acting Chair
Australian Energy Market Commission
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By online submission

Dear Ms York,

Submission to AEMC's maintaining life support customer registration when switching consultation paper

The Australian Energy Regulator (AER) welcomes the opportunity to comment on the Australian Energy Market Commission's (AEMC) '*Maintaining life support customer registration when switching*' consultation paper. We note the rule change request was initiated by the Energy and Water Ombudsman NSW (EWON) due to concerns with the current registration processes when a life support customer switches retailers.

A key strategic objective for the AER is to protect vulnerable customers while enabling participation in energy markets. To that end, one of our Compliance and Enforcement priorities in 2019/20 and which continues to 2020/21 is to ensure customers using life support equipment receive the required protections under the National Energy Retail Rules (Retail Rules).

We are supportive of the proposed rule change as it would reduce barriers for life support customers when switching to a new retailer by simplifying the process and reducing the time and costs involved for the customer. It is also likely to minimise the risk that the life support customer's premises is unregistered for any period during the switching process. We consider removing a potential barrier to switching would improve consumer confidence to engage in the retail market.

Our 2017 *Strengthening protections for customers requiring life support equipment* rule change request aimed to improve life support protections by establishing clear processes for registration through placing obligations on the business registering the customer. By strengthening these processes we also hoped to improve the integrity and accuracy of retailer and distributor life support registers.

The rule change request arose from our compliance and investigation work where we observed that the responsibility for registration was often entirely borne by the customer. This was due to the requirement that confirmation from a registered medical practitioner was needed before a customer was registered as requiring life support. If the customer was unaware of the requirement to provide medical confirmation or failed to provide it, they were not protected under the Retail Rules. In making the rule change request we were also keen to ensure that any new processes were as streamlined as possible and did not act as a barrier to switching.

We note that the AEMC considered permitting medical confirmation information to be transferred between businesses as part of the 2017 rule change request. However, there were concerns with the potential risk to loss of integrity of the information or that this information may not be transferred and could lead to customers not being registered with the new retailer. As such the final rule required customers to inform their new retailer or distributor of their life support requirements. At that time, the AEMC considered accuracy of the registers as a key way to protect customers. Since the new life support rules were introduced in 2017 we have seen continued issues with the accuracy of life support registers and timeliness of registration which places vulnerable consumers at risk. We consider that this is largely due to inadequate compliance systems and processes.

In terms of implementation, we recognise that it will be important to ensure the transfer of a customer's medical confirmation between life support registration owners does not raise privacy issues. We see benefits in options to minimise these risks such as a communication (via the B2B platform) between the outgoing and incoming registration process owner. This would be triggered by a customer expressly permitting the new registration process owner to obtain the customer's life support information from the old registration process owner.

If you wish to discuss this submission, please contact me on (03) 9290 1994 or Trang Nguyen on (03) 9290 6970.

Yours sincerely,



Jacqui Thorpe
General Manager
Compliance & Enforcement Branch