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Stephanie Flechas  
Australian Energy Market Commission  
PO BOX A2449  
Sydney South NSW 1235

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### **Consumer Protections in an Evolving Market: Traditional Sale of Energy – 2020 Retail Energy Competition Review**

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Thank you for the opportunity to provide a submission in response to the two issues papers, '*Consumer Protections in an Evolving Market: Traditional Sale of Energy*' and '*Consumer Protections in an Evolving Market: New Energy Products and Services*.'

Momentum Energy is a 100% Australian-owned and operated energy retailer. We pride ourselves on competitive pricing, innovation and outstanding customer service. We retail electricity in Victoria, New South Wales, South Australia, Queensland, the ACT, and on the Bass Strait Islands. We offer competitive rates to both residential and business customers along with a range of innovative energy products and services. We also retail natural gas to Victorian customers.

Momentum Energy is owned by Hydro Tasmania, Australia's largest producer of renewable energy.

#### **Issues Paper 1**

Momentum is committed to supporting appropriate consumer protections through well-considered regulation. We consider it equally important that regulation does not restrict energy businesses' ability to innovate, as this is imperative for a well-functioning and competitive market.

With the emergence of new, sophisticated services and an environment where customers have options to engage more than ever before, it is appropriate to review the current structure of the framework as it may no longer be fit for purpose causing a lack of efficiency for both traditional retailers and new energy businesses.

We believe the regulatory framework should not only be technology neutral with regard to the current market but also have the right settings for future needs. We acknowledge however, that a one size fits all approach to regulating new energy businesses may lead to inefficiencies and consequently urge the AEMC to work proactively with existing and new businesses in the development of principles to guide a future regulatory framework.

## Issues Paper 2

### Notification provisions and contents of bills

Momentum agrees that all customers should be well informed. We encourage transparency and simplicity on all interactions and communications to customers whenever possible.

The contents on bills in particular, have always been prescriptive in nature. This was appropriate given that many years ago, bills via post were generally the only form of communication to consumers. Over time, more requirements have gradually been added, and while each individual requirement provides useful information, we consider the form and nature of these obligations is no longer appropriate given that digitalisation is now an integral part of today's economy.

Overloading information can make customers feel more intimidated than informed. Bills and notices have become barriers to customer engagement rather than tools for delivering useful information. We note that feedback received from our contact centre over high call volumes in recent months indicated that customers were more confused with the recent regulatory changes that had impacted the form and contents of bills.

We believe the contents of bills should be simplified to basics, as there are opportunities to deliver useful information via different channels that are more meaningful to customers such as through online portals, apps, SMS or links via email. Updating regulations, especially if they are more outcome-based, may induce innovations that benefit consumers. This has been observed with consumers who choose electronic notifications often having discounted plans and lower rates available to them.

### Explicit informed consent

Explicit informed consent (EIC) is an important contractual concept. It ensures that customers have been clearly and adequately informed of all matters relevant to an agreement. Retailers are required to keep a record of EIC for specific transactions and while we do not disagree that customers should be able to provide EIC to a third party to enable them interact with the retail market, we are concerned the complications with verifying consent require resolution.

An example is where the third party has obtained EIC from the customer and interacts with the retailer on multiple transactions. If the customer had engaged the retailer directly, then this would usually require EIC for each occasion. Given this scenario that there is only one EIC from the third party, we question whether this means that EIC has been waived for subsequent transactions, which contradicts the whole purpose of EIC in the NECF. In the event there is defective EIC, we question the extent of responsibility of the third party and the consequences for the retailer and customer.

If consumers are able to provide EIC to a third party, we believe significant regulatory changes would be needed to ensure third parties are appropriately accredited, and there are protections in place for consumers and energy businesses when problems arise.

### Cooling-off period

We consider it appropriate to remove the cooling off provision for customer-initiated transfers. In a market where barriers to switching (termination fees or a lack of alternative available offers) are very low, the problems that the provision was originally designed to prevent are no longer relevant today. As such the cooling off period is now a hurdle to timely customer transfers rather than a necessary protection.

If you require any further information with regard to this submission, please contact me on (03) 8639 4662 or email [tina.bui@momentum.com.au](mailto:tina.bui@momentum.com.au).

Yours sincerely

Tina Bui  
Regulatory Officer  
Momentum Energy