Greater support needed for vulnerable energy consumers

Retail energy competition review 2019 final report

Vulnerable energy consumers need to be more aware of their rights, particularly in getting the help they need to better manage their power bills.

AEMC Chairman John Pierce said supporting consumers who have difficulty paying their energy bills remains a challenge and is particularly acute when their energy bills are high.

“Today we release the Australian Energy Market Commission’s annual retail energy competition review which recommends a range of actions for both retailers and governments to protect consumers facing financial difficulty or hardship in the energy sector.

“Our annual report on retail energy recommends funding for consumer and community organisations to help vulnerable consumers develop their energy literacy, including better understanding of financial schemes offered by retailers and governments,” Mr Pierce said.

Using new rules made by the AEMC the Australian Energy Regulator has developed new guidelines on retailer obligations to support vulnerable people so customers can better understand their rights and get the help they need to pay their power bills.

The guidelines include standardised statements and greater consistency in the way retailers identify vulnerable customers and how they access retailer support.

While many retailers go beyond minimum requirements, more can be done including:

- Greater awareness of the support available. Retailers should collaborate with jurisdictions and other organisations to further promote consumer awareness of available support programs. This includes considering a one stop information source on available concessions, government energy rebates and other assistance measures that are available to people experiencing payment and financial difficulty.
- Earlier identification of customers experiencing difficulty paying their bills. This includes retailers implementing better early identification programs to identify people who are having difficulty paying their energy bills and require payment assistance.
- Improving reporting and compliance. The existing indicators and reporting measures could be expanded to provide a better indication of the different consumers requiring assistance and whether they are aware of support measures available and taking these up when required.

Mr Pierce said one of the biggest challenges still to be addressed was the need to make consumers aware of their rights and how they can access support with confidence and on a confidential basis.

“There are groups of consumers who are likely to be unaware of protections and support which are available to them, particularly as the spectrum of consumers who struggle to pay their energy bills is rising,” Mr Pierce said.

“There are also many consumers who find it difficult to navigate the existing retailer support, and do not know what they need to do to access the appropriate level of assistance.

As part of the AEMC’s ongoing work, we will be looking at whether the current National Energy Customer Framework (NECF) is fit for purpose – stage one of this work is related to the NECF and Australian Consumer Law mapping undertaken as part of this review.
Further consideration of broad themes and issues about consumer protections related to payment and financial difficulty will start in the second half of 2019.

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