

# Energy payment difficulty framework review

## Engage Victoria submission

Between 2 and 19 September 2021 we received submissions to our questions about the approach we proposed to take for this review. These questions are highlighted in blue.

**Submission written by: Uniting Victoria Tasmania Limited**

**Date submitted: 18 September 2021**

### 1. How would you like to participate in the review?

Attend focused workshops	<input checked="" type="checkbox"/>
Participate in one-on-one interview(s)	<input checked="" type="checkbox"/>
Have a discussion with the project team	<input checked="" type="checkbox"/>
Provide a written submission	<input checked="" type="checkbox"/>
Other / comments	

### 2. What have you observed about the experience of customers in payment difficulty in the last two to three years?

Uniting Vic.Tas is the community services organisation of the Uniting Church in Victoria and Tasmania. We work with people experiencing poverty and financial hardship delivering energy support, financial counselling and emergency relief services across Victorian and Tasmania.

Our staff note that:

- The issues our consumers experience are not arising from the Payment Difficulty Framework (PDF) itself, but rather the interpretation and application of the tool by energy retailers.
- PDF is not applied consistently across retailers, and sometimes even within the same retailer depending on the staff member / agent.
- The same issues observed under the previous Code (for example, threatening disconnection, debt collection techniques and conditional access to support) are being repeated under the PDF.
- The cultural shift is missing – while the implementation maybe compliant on paper, on the ground practices vary significantly. Retailers are still more focused on debt management rather than responding to the needs of customers experiencing financial distress and other vulnerabilities.
- Staff members / agents do not have adequate awareness or understanding of the extent of need and vulnerability present in the community.

- It is clear from Uniting's experience assisting clients to access support they are entitled to receive under the PDF, that Staff members / agents at retailers are not adequately trained to identify and respond appropriately to financial difficulty.
- Focus on efficiency and target numbers limit the duration and quality of engagement retail staff offer to vulnerable consumers, consequently impacting their ability to understand the need or provide holistic support.
- Consumers are still accumulating high levels of debt, complicating their access to services.
- Consumers are not adequately supported to apply for Utility Relief Grants and often left to their own means with an information leaflet or email. Lack of adequate training combined with limited time spent with consumers inhibit staff members' / agents' ability to identify instances where some consumers will not be able to follow through these processes (due to complex and compounding life circumstances), even with the best of information or intent from the retailer.
- Consumers are often unaware or have limited information about the supports available, including access to translator services. This is particularly prevalent for our older and culturally and linguistically diverse consumers.
- Organisations advocating on behalf of consumers can get better results than the consumer approaching the retailer by themselves.

It is the view of Uniting that the original intent of the Payment Difficulty Framework has not been realised over the last two to three years and is not working as it should to adequately support vulnerable consumers. Our practitioners note that as a result, community services organisations are left to 'pick up the pieces' where retailers fail.

The flexibility built into the framework to allow retailers to design their own innovative approaches to support their consumers, while may have been well-intentioned, has not produced the expected benefits for consumers. In fact, our practitioners note that experiencing the same issues, without adequate support, at a harder time during a pandemic.

3. We have access to existing data, customer insights, and publicly available case-studies relating to the framework. Is there any other data, insights or research we should also consider?

Uniting can offer insights from practice experience and access to direct consumer voice.

4. Are our key review questions appropriate for the review?

It is the view of Uniting that the review questions are appropriate for the review.

However, we recommend that there be an active exploration of options for those in our community who face extreme vulnerability and disadvantage, who unfortunately will never be

able to afford their energy consumption. It is Uniting's view that there is social responsibility that lies within the sector to address this adverse need.