



17 May 2018

Ms Sarah Proudfoot
General Manager - Retail Markets Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Dear Sarah

Draft Australian Energy Regulator (AER) Benefit Change Notice Guidelines – Version 1, April 2018

Thank you for the opportunity to comment on the Australian Energy Regulator Draft Benefit Change Notice guidelines.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers. Our comments are informed by these complaints, and also from our community outreach and stakeholder engagement activities.

EWON welcomes the proposed guidelines as a strong step in addressing the lack of advice consumers receive when a benefit from their existing contract expires or changes. It will assist in reducing the number of customers unknowingly remaining on market contracts with expired benefits.

This is a very positive step forward, and it may assist some customers in becoming more engaged with the energy market. It should be recognised that it will not assist those consumers who do not engage due to language or literacy difficulties. And it should be recognised that engagement is not mandatory and customers who do not engage, for any reason, should not be discriminated against, or treated less respectfully than customers who do engage.

EWON considers the guidelines as drafted, will give customers a better ability to make informed decisions about their energy use and their energy provider. The manner and form of the notice is critical to the ongoing transparency of energy contracts and the benefits available to consumers, thus encouraging consumer confidence in the energy market.

In particular, EWON supports the inclusion in the benefit change notice of:

1. **Energy Made Easy contact details.** EWON routinely refers customers to the site and we consider that its inclusion in the notice will enhance customer choice and confidence.
2. **The consumption data proposed in Table 1.** Having this data will enable customers to get an accurate market contract comparison from Energy Made Easy, or they may choose to analyse the data themselves or through a third party. Either way, the customer's choice will be better informed if they have this data.
3. **The 'do nothing' amount** which represents how much extra a customer would pay over a year if they ignore the notice and their contract rolls on without the benefit. Having this as a

dollar amount rather than, for example, a difference in cents per kWh for consumption, enables customers to make informed choices about whether the end of the fixed benefit triggers a decision to re-negotiate a contract, or to shop around for another retailer. For some customers, particularly vulnerable ones, a 'do nothing' amount of only a few dollars will trigger that decision. For other customers, the amount may have to be significant to them before they will engage. The decision to engage, or not, with the market needs to be an informed one, and a simple dollar amount will help enable that.

4. **The headline statement.** Often, material from retailers that is not a bill, is simply discarded as marketing. Having a headline statement as described in section 4.4 and Appendix A of the draft guidelines will draw customers' attention to the purpose of the notice and the consequences of ignoring it.

If you would like to discuss this matter further, please contact Rory Campbell, Manager Policy & Research, on (02) 8218 5266.

Yours sincerely



Janine Young
Ombudsman
Energy & Water Ombudsman NSW