

Financial Hardship Policy

For VIC Residential Customers

Energy On – Simplifying Utilities

Date: April 2019



Financial Hardship Policy

For VIC Residential Customers

Overview

Energy On values its relationship with its customers and recognises that there may be instances where residential customers experience payment difficulties or financial hardship, as a result of which the customer may be unable to pay an outstanding amount as ordinarily required by Energy On.

If you are unable to pay your bills, Energy On may be able to provide you with support and options to get you through this difficult time. Our team can arrange a suitable plan and help you with ways to reduce your energy usage. We commit to treat you with respect and will take into consideration your particular circumstances.

Energy On customers experiencing difficulty in paying their bill should contact The Team at Energy On as soon as possible in order to discuss an appropriate solution to avoid the risk of disconnection.

Contact hours: 9:00 am – 5:00 PM (AEST) weekdays.

Telephone: 1300 323 263

E-mail: TheTeam@EnergyOn.com.au

Website: www.EnergyOn.com.au

Energy On strictly complies with the Energy Retail Code in Victoria and the AER in other states in all of its dealings with its customers, paying particular attention to the regulations regarding disconnection of your utility supply. We see disconnection for lack of payment as a last resort and will make every reasonable effort to communicate with you to prevent this from occurring.

Working with Energy On to address your particular financial circumstances may halt the disconnection process and exempt you from further collection processes. However, it is important to note that without bill payment and adherence to the terms of any plan entered into the disconnection process may proceed.

This Financial Hardship Policy has been developed to assist residential customers experiencing financial hardship and is made in accordance with the requirements of the Energy Retail Code and the AER.

Assessment

Where a customer contacts Energy On directly and indicates that they are experiencing financial difficulties in relation to an outstanding bill payment, Energy On will, after establishing the customer's personal circumstances, make an assessment as to whether the customer can be categorised as experiencing 'payment difficulties'* or 'financial hardship'* [*see definitions section].

Alternatively, a residential customer may be assessed as experiencing financial difficulties by a financial counsellor who advises Energy On of that fact.

Energy On endeavours to make an immediate assessment regarding financial difficulties but in order to do this it may require information regarding the personal circumstances of the customer which includes:

- Employment status
- Income
- Dynamic of household/number of dependants
- How much the customer can afford to pay
- Other financial commitments

Energy On will also consider the person's current financial situation and their ability to meet the overall costs of their basic living needs which are defined in the Energy Retail Code as including:

- Rent or mortgage;
- Other utilities (e.g. electricity, gas, phone and water);
- Food and groceries;
- Transport (including petrol and car expenses);
- Childcare and school fees;
- Clothing; and
- Medical and dental expenses.

Any other relevant information that may be provided by the customer will also be considered as part of the assessment by Energy On.

When requested, Energy On will advise the customer of the details of the assessment it carried out and if Energy On is satisfied that the information provided indicates the customer is unable to pay an outstanding amount in accordance with Energy On's standard credit management policy without suffering immediate financial disadvantage, the customer will be assessed as experiencing payment difficulties.

Such a situation is most likely to arise as a result of a change in the customer's personal circumstances that affect his or her income and hence his or her ability to pay a bill or an outstanding amount in the short term.

A customer will be assessed as experiencing financial hardship if:

- The customer is unable to pay an outstanding amount in accordance with Energy On's standard credit management policy due to immediate financial disadvantage; and
- Payment of an outstanding amount would affect their ability to meet basic living needs.

Such a customer will be referred to an appropriate consumer representative organisation for further assistance. This may be necessary because a second assessment of financial hardship may need to be

undertaken by an approved financial counsellor to qualify for a grant in order to be eligible for the Government's Hardship Utility Grants Scheme.

Given the range of expenses incurred by customers for basic living needs, if the customer has consulted a consumer representative for advice, Energy On will rely on the assessment of a consumer representative organisation when determining how to assist the customer, including consideration of alternative payment arrangements, reduction in fees, charges and debt, and payment in advance.

If the customer does not wish to consult a consumer representative organisation to assist in determining which payment arrangements would be most appropriate, Energy On will work directly with the customer to determine a suitable payment arrangement.

If required, Financial Counselling Services may be accessed through a variety of options depending on where you live.

<http://www.financialcounselingaustralia.org.au/Home>

Telephone: 1800 007 007.

You can talk to a phone financial counsellor from anywhere in Australia by ringing 1800 007 007 (minimum opening hours are 9.30 am – 4.30 pm Monday to Friday). This number will automatically switch through to the service in the State or Territory closest to you.

Payment Options

Customers who are eligible to participate in Energy On's ongoing utility supply process have access to one of several options.

Payment Difficulties

Standard Assistance

Customers that are assessed by Energy On as experiencing payment difficulties will be offered access to one of the following alternative standard assistance interest-free and fee-free payment arrangements:

- Additional time to pay and/or
- Other arrangements, such as differing intervals and/or
- Instalment Payment Plan and/or
- Paying for energy use in advance

For residential customers facing a state of immediate financial disadvantage, Energy On will temporarily suspend any disconnection and debt recovery procedures, though will not automatically waive overdue notices, reconnection or dishonour fees (where incurred) nor automatically reduce charges. However, after making an assessment Energy On may consider such options if it views this is warranted in the circumstances.

In offering an instalment payment plan or other arrangement to a customer or in accepting one proposed by a relevant consumer representative organisation, Energy On will:

- consider information about the residential customer's usage needs and capacity to pay having

- regard to the period of the plan and the number and amount of each instalment;
- ensure the plan or other arrangement specifies the period of the plan, the number, frequency and amount of each instalment, estimated consumption during the period of the plan and how the amount of the instalments is calculated (including the number of instalments to pay out any arrears);
 - ensure that the plan or other arrangement specifies whether or not the customer will be in credit or debit during the period of the plan due to seasonal fluctuations in the customer's usage;
 - offer fair and reasonable procedures to address payment difficulties experienced during the period of the plan or other arrangement, including payment in advance or arrears; and
 - provide for recalculation of the amount of the instalments where the difference between the estimated consumption and actual consumption may result in the customer being significantly in credit or debit at the end of the period of the plan or payment arrangement.

Financial Hardship

For customers assessed as experiencing financial hardship, Energy On will waive all overdue notices and reconnection or dishonour fees that relate to the customers current account and they will be offered access to the payment options outlined above for Payment Difficulties.

In offering payment options, Energy On generally relies on the payment plans proposed by the customer's financial counsellor as this is informed by an independent assessment of their financial situation, considering the customer's capacity to pay.

Tailored Assistance

Customers can also be offered tailored assistance in the instance of Financial Hardship:

- advice about payment options that would repayment of arrears over not more than 2 years at regular intervals of up to one month;
- specific advice about the likely cost of your future energy use and how this cost may be lowered;
- specific advice about any government and non-government assistance (including Utility Relief Grants and energy concessions) available to help you meet your energy costs;
- practical assistance to help you lower your energy costs including, but not limited to:
 - o practical assistance to help you reduce you use of energy, based on your pattern of energy use and on the circumstances of where you live, provided there is scope for action to be taken for that purpose; and
 - o information about how you are progressing towards lowering your energy costs;
- an initial period of at least 6 months during which:
 - o repayment of your arrears is put on hold; and
 - o you pay less than the full cost of your on-going energy use while working to lower that cost;

Reduction and/or waiver of fees, charges and debt

Energy On will review each customer's circumstances on a case by case basis when considering whether to reduce and/or waive an outstanding debt. However, generally Energy On will waive debt only in cases of:

- Death
- Spousal separation
- Domestic violence

However, debt reduction and/or waiver may also be considered in other extenuating circumstances and will be considered by senior Energy On staff on a case-by-case basis on information provided to Energy On.

Payment Options

Where the customer enters into a payment plan or arrangement, Energy On encourages the Customer to pay via one of the following options including Centrepay, where applicable.

- BPay
- EFT
- Direct Debit
- Cheque
- Credit Card

Centrepay

Centrepay is a free voluntary bill paying service. Deductions come from your Centrelink payments and can be used to pay many types of bills, such as child care, electricity bills or rent. Details can be found here: <http://www.humanservices.gov.au/customer/services/centrelink/centrepay>

Victorian Concession Information

The Victorian Government has concessions and grants available for energy customers experiencing hardship of payment difficulties. The two primary non-mains concessions and grants made available by the Victorian Government are detailed below.

Non-Mains Energy Concession

You may also be eligible for a grant through the Non-Mains Energy Concession. This grant assists concession cardholders who access non-mains electricity via an embedded network.

All non-mains energy costs are covered from 1 January to 31 December each year. The amount of the rebate depends on the amount of energy purchased during that period from a non-mains energy source.

The Non-Mains Energy Concession fact sheet is available to download here: [Non-Mains Energy Concession fact sheet](#).

To be eligible for this concession you must hold at least one of the following concession cards:

- Pensioner Concession Card
- Health Care Card
- DVA Gold Card

Non-Mains Utility Relief Grant

You may also be eligible for a Non-Mains Utility Relief Grant.

Information on the Non-Mains Utility Relief Grant can be accessed here:

http://www.dhs.vic.gov.au/_data/assets/pdf_file/0004/850225/URGS-mains-factsheet-April-2016.pdf

Disconnection

Disconnection Process

Energy On will make every effort to communicate with you regarding an overdue or outstanding balance on your utility bill as required by the Energy Retail Code.

Upon supply of your utility bill, you are given 14 days to make payment in full. If this date passes with no payment, you will receive a friendly reminder. Following this you will receive an Urgent Reminder, then a Disconnection Warning and finally a Disconnection Order. There is a regulated amount of time between each step in the process. In addition to forwarding the notices, we also try to contact you by telephone. If we have your mobile telephone number, we will send you a text message advising the status of your account.

If we are unable to contact you and no payments are made, Energy On will move to disconnect your power. Disconnection occurs only during business hours, Monday to Thursday. Once you receive a Disconnection Order, no further notice will be provided to you.

Your Sale of Utilities Agreement states that various charges can be levied for Disconnection and Reconnection of your utilities supply. Reconnection can only occur during business hours and after receipt of payment. For more information on Energy On's disconnection policy please refer to Energy On - Connection, Reconnection & Disconnection Policy.

Temporary Suspension of Disconnection and Debt Recovery Procedures (Moratorium)

Energy On will temporarily suspend any disconnection and debt recovery procedures where a customer is assessed as experiencing payment difficulties or financial hardship.

The length of the temporary suspension will be for a period of 14 business days, but may be extended if requested by the customer, where a consumer representative organisation requires more time to assess the customer's capacity to pay.

Definitions

Payment Difficulties

Payment difficulties are where a residential customer experiences immediate financial disadvantage due to a change in personal circumstances such that they cannot pay an outstanding amount due for power usage.

A change in personal circumstances is defined in the Energy Retail Code to include:

- Sudden and unexpected disability, illness of or injury to the residential customer or a dependant of the residential customer;
- Loss of or damage to property of the residential customer; or
- Other similar unforeseeable circumstances arising as a result of events beyond the control of the residential customer.

Financial Hardship

Financial hardship is a more serious situation where payment of an amount for power usage would affect the residential customer's ability to meet their basic living needs or those of a dependant.

The criteria for determining financial hardship may be caused by (but is not limited to) sustained incidence of one or more of the factors listed below:

- Loss of the customer's or family member's primary income;
- Spousal separation or divorce;
- Physical and mental health issues;
- Loss of a spouse or a loved one;
- Chronically ill child;
- Domestic violence;
- Budget management issues associated with a low income; and

Other unforeseen factors resulting in a customer's incapacity to pay, such as a reduction in income or an increase in non-discretionary expenditure.

Document History

Version	Date	Author	Comment
1.0	February 2016	C. Hancock	Draft issued for consultation
1.1	October 2017	A. McMeekin	Content review and formatting update
1.2	January 2019	R. Di Noto	Updated and review of content
2.0	April 2019	E. Buxton	VIC separated from the other states due to regulation updates