



Notice

10 July 2018

Type 1 licence contravention

ELECTRICITY GENERATION AND RETAIL CORPORATION (SYNERGY)

Synergy has contravened its electricity retail licence [ERL1](#) by disconnecting a residential customer for non-payment of a bill when the customer had an unresolved complaint with Synergy.

Synergy's electricity retail licence requires it to comply with the [Code of Conduct for the Supply of Electricity to Small Use Customers 2016](#).¹ Clause 7.6(1)(a) of the Code prohibits a retailer from disconnecting a customer's supply address while a complaint directly related to the reason for the disconnection is outstanding.

On 22 June 2018, Synergy notified the Economic Regulation Authority (ERA) that it had contravened clause 7.6(1)(a) of the Code.

The ERA classifies clause 7.6(1)(a) as a Type 1 licence obligation, as a disconnection under these circumstances can cause major disruption to a customer. The licensee must report Type 1 breaches to the ERA as soon as they become known.

Details of the contravention

The customer first raised a concern about his bill on 3 October 2017. The customer explained that he had not paid his bill because Synergy had not applied a concession to the account as requested. The collections agent attempted to transfer the call to a customer service agent, but the customer did not speak to the service agent.

Synergy made several attempts to contact the customer during the period 4 October 2017 to 26 February 2018. The customer did not respond to Synergy's requests.

On 27 February 2018, a collections agent contacted the customer who again expressed dissatisfaction that his concession had not been applied to his account. The collections agent explained that the customer had to contact Synergy's residential customer service team to assist with the transfer of the concession to the customer's account.

Synergy again attempted to contact the customer following the phone call. The customer did not respond to Synergy's requests.

On 8 May 2018, Synergy disconnected the customer for non-payment. On 5 June 2018, Synergy registered a complaint on the customer's account and two days later reconnected the customer's premises.

The customer was disconnected for 31 days.

¹ The current *Code of Conduct for the Supply of Electricity to Small Use Customers* took effect on 1 July 2018.

Reasons for the contravention

Synergy did not record the customer's expressions of dissatisfaction, made on 3 October 2017 and 27 February 2018, as complaints.

Synergy has advised that its collections agents do not record customer complaints on accounts, but transfer a customer's call to a customer service agent for assistance, or ask customers to contact Synergy's customer service team to resolve the complaint. Sometimes a call does not transfer between the two Synergy functions, or the customer does not call the service agents back and the opportunity to record a complaint is lost.

If Synergy had recorded a complaint on 3 October 2017 or 27 February 2018, Synergy's system would have automatically rejected the disconnection.

Remedial and preventative action taken by Synergy

Synergy has proposed 15 actions to prevent the contravention reoccurring. Eight of the actions involve the training or supervision of staff. Other actions include:

- Synergy will review the call transfer process from collections agents to customer service agents to minimise call drop outs.
- Synergy will review all disconnection standard operating procedures to reduce the risk of wrongful disconnection.
- Synergy will assess the feasibility of upgrading the complaints system to better enable agents to register customer complaints on accounts.

The completion date for the actions is 31 October 2018.

The ERA's response to the contravention

The ERA is concerned that Synergy's proposed actions will not fully address the underlying reasons for the type 1 contravention.

The main reason for the contravention is the inability of collections agents to record a complaint against a customer's account. The proposed actions do not address this matter:

- Reviewing the call transfer process from collections to customer service agents aims to minimise call drop outs, not eliminate them. Synergy has not proposed any action to address the situation in which a collections agent asks the customer to contact a customer service agent to resolve their complaint, but the customer fails to do so.
- Assessing the feasibility of upgrading Synergy's complaints system module to make it easier for agents² to register complaints could address the reasons for the contravention.

In response to the type 1 contravention, the ERA has asked Synergy to develop measures to ensure that all customer complaints are recorded, including those made to its collections agents.

The ERA requires Synergy to provide the ERA with full details of its proposed measures by 7 August 2018.

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² This includes collections agents.