

## Appendix 6 Part 3 of the *Energy Retail Code* (Vic), version 17

### Part 3 Assistance for residential customers anticipating or facing payment difficulties

#### Division 1 Operation of this Part

##### 71 Purpose

The purpose of this Part is to set out the minimum standards of assistance to which *residential customers* anticipating or facing payment difficulties are entitled, so that *disconnection* of a *residential customer* for not paying a bill is a measure of last resort.

##### 72 Application of this Part

This Part applies to *customers* who are *residential customers*. Where a clause states it applies to *exempt persons* in one or more *categories* it applies to people who purchase electricity principally for personal, household or domestic use from an *exempt person* in the relevant *category*.

##### 73 Interpretation of this Part

The approach that the *Commission* will take to the interpretation of this Part is as follows.

- (a) clear words will be given their natural and ordinary meaning; and
- (b) if words appear to be capable of having more than one meaning, the *Commission* will have regard to the following, in the following order, in seeking to discover the intended meaning of those words:
  - (i) firstly (for Divisions 2 and 3), the objective of the Division; and
  - (ii) secondly, the purpose of this Part; and
  - (iii) thirdly, any guidelines published by the *Commission* under section 13 of the *Essential Services Commission Act 2001* (Vic); and
  - (iv) fourthly, any relevant guidance notes published by the *Commission* under its Energy Compliance and Enforcement Policy; and
  - (v) fifthly, any written information issued by the *Commission* regarding the assistance that *residential customers* might reasonably expect to be provided by their *retailer* under this Part.

## **Division 2     Standard assistance**

### **74 Objective**

The objective of this Division is to give *residential customers* an entitlement to minimum standard forms of assistance, to help them avoid getting into arrears with their *retailer*.

### **75 Application of this Division**

This Division applies to all *residential customers*. Where a clause states it applies to *exempt persons* in one or more *categories* it applies to people who purchase electricity principally for personal, household or domestic use from an *exempt person* in the relevant *category*.

### **76 Standard assistance**

- (1) A *retailer* must take steps to provide to its *residential customers* the forms of standard assistance, from those listed in subclause (2), it elects to make available to help them avoid getting into arrears.
- (2) Standard assistance made available must include at least 3 of the following:
  - (a) making payments of an equal amount over a specified period;
  - (b) options for making payments at different intervals;
  - (c) extending by a specified period the *pay-by date* for a bill for at least one billing cycle in any 12 month period;
  - (d) paying for *energy* use in advance.

### **(3) Application of this clause to exempt persons**

This clause applies to *exempt persons* in the following *categories*.

VD2, VR2, VR3 and VR4.

## **Division 3     Tailored assistance**

### **77 Objective**

The objective of this Division is to give *residential customers* an entitlement to minimum standards of flexible and practicable assistance that makes it easier for them to pay for their on-going *energy* use, repay their arrears and lower their *energy* costs.

### **78 Application of this Division**

This Division applies to all *residential customers* who are in arrears. Where a clause states it applies to *exempt persons* in one or more *categories* it applies to people who purchase

electricity principally for personal, household or domestic use from an *exempt person* in the relevant *category*.

## 79 Minimum assistance

- (1) Tailored assistance consists of the following measures:
  - (a) repayment of arrears over not more than 2 years by payments at regular intervals of up to one month;
  - (b) advice from the *retailer* about payment options that would enable a *customer* to repay their arrears over not more than 2 years;
  - (c) specific advice about the likely cost of a *customer's* future *energy* use and how this cost may be lowered;
  - (d) specific advice about any government and non-government assistance (including Utility Relief Grants and *energy* concessions) available to help a *customer* meet their *energy* costs;
  - (e) practical assistance to help a *customer* lower their *energy* costs including, but not limited to:
    - (i) the tariff that is most likely to minimise the *customer's energy* costs, based on the *retailer's* knowledge of the *customer's* pattern of *energy* use and payment history; and
    - (ii) practical assistance to help the *customer* reduce their use of *energy*, based on the *customer's* pattern of *energy* use and on the circumstances of where the *customer* lives, provided there is scope for action to be taken for that purpose; and
    - (iii) information about how the *customer* is progressing towards lowering their *energy* costs given at sufficient intervals for the *customer* to be able to adequately assess that progress;
  - (f) an initial period of at least 6 months during which:
    - (i) repayment of the *customer's* arrears is put on hold; and
    - (ii) the *customer* pays less than the full cost of their on-going *energy* use while working to lower that cost;
  - (g) any other assistance consistent with the objective of this Division.
- (2) A *customer* is entitled, at the very least, to the assistance mentioned in subclause (1)(a) to (d), while continuing to pay the full cost of their on-going *energy* use.
- (2A) During the *coronavirus obligation period*, a *residential customer* is also entitled, at the very least, to the assistance mentioned in subclause 79(1)(e)(i), while continuing to pay the full cost of their on-going *energy* use.

- (2AA) The *coronavirus obligation period* ends on the *coronavirus obligation end date* which may be extended by the *Commission* to a date not later than 30 September 2021 by the publication of a prominent statement on its website to that effect.
- (3) A *customer* is entitled, at the very least, to the assistance mentioned in subclause (1)(c) to (f) if they cannot pay the full cost of their on-going *energy* use.
- (4) The *retailer* may extend the assistance mentioned in subclause (1)(f) for a further period or periods if the extension would assist the *customer* to continue to lower the cost of their *energy* use.
- (5) A *customer* who has exercised an entitlement to the assistance mentioned in subclause (1)(f) may, at the end of the period during which that assistance is provided (including that period as extended under subclause (4)), exercise an entitlement mentioned in subclause (2).
- (6) **Application of this clause to exempt persons**

This clause applies to *exempt persons* in the following *categories*:

VD2, VR2, VR3 and VR4.

*Exempt persons* in those *categories* must offer the assistance described in subclauses (1)(a), (b), (d) and (g) to their *customers*.

**Note:**

Additional tailored assistance obligations are imposed under clause 52E in relation to residential customers who are party to exempt market retail contracts.

## 80 Information about assistance available

- (1) A *residential customer* who has not paid a bill by its *pay-by date* and who contacts the *retailer* is entitled to be given by the *retailer* information about the assistance to which the *customer* is entitled under this Division and how to access it.
- (2) A *residential customer* who has not paid a bill by its *pay-by date* and who has arrears of more than \$55 (inclusive of GST) is entitled to be contacted by the *retailer*, within 21 *business days* after that *pay-by-date*, and given information about the assistance to which the *customer* is entitled under this Division and how to access it.
- (3) The *retailer* must allow the *customer* no less than 6 *business days* to consider the information given under subclause (1) or (2), request further information, and put forward a payment proposal under clause 81.
- (4) Nothing in this clause limits clause 86.
- (5) **Application of this clause to exempt persons**

This clause applies to exempt persons in the following categories:

VD2, VR2, VR3 and VR4.

## 81 Payment arrangements

- (1) This clause applies to a *residential customer* whose repayment of arrears is not on hold under clause 79(1)(f)(i).
- (2) The *retailer* must accept a payment proposal or revised proposal put forward under this clause by the *residential customer* that complies with subclause (3).
- (3) A payment proposal or revised proposal complies with this subclause if it:
  - (a) provides for the making of payments of equal amounts at regular intervals of up to one month; and
  - (b) would result in the *residential customer's* arrears being fully paid in no more than 2 years after the first payment; and
  - (c) provides for payments for *energy* use being made together with payments to reduce arrears; and
  - (d) is based on a reasonable forecast of the *customer's energy* use over the next 12 months.
- (4) However, the *retailer* may accept a payment proposal or revised proposal that does any or all of the following:
  - (a) provides for payments of different amounts at different intervals;
  - (b) would result in the arrears being fully paid by a date later than 2 years after the first payment;
  - (c) provides for payments for *energy* use being made separately from payments for arrears.
- (5) On accepting a payment proposal or a revised proposal, the *retailer* must give the *customer* a written schedule of payments showing:
  - (a) the total number of payments to be made to pay the arrears; and
  - (b) the period over which the payments are to be made; and
  - (c) the date by which each payment must be made; and
  - (d) the amount of each payment.
- (6) If a *residential customer* receiving assistance under this Division fails to make a payment by the date on which it was payable, the *retailer* must contact the *customer* to discuss their putting forward a revised proposal under this clause.
- (7) **Application of this clause to exempt persons**

This clause applies to exempt persons in the following categories:

VD2, VR2, VR3 and VR4.

## 82 Non-payment of amounts towards on-going energy use

- (1) This clause applies to a *residential customer* whose repayment of arrears is on hold under clause 79(1)(f)(i).
- (2) If the *residential customer* fails to make a payment towards the cost of their on-going *energy* use by the date on which it was payable, the *retailer* must contact the *customer* to discuss varying the amount payable, or the frequency of those payments, or both, to give the *customer* more time to lower their *energy* costs.
- (3) If a *customer* is not meeting their responsibility to implement practical assistance referred to in clause 79(1)(e)(ii) provided by the *retailer*, the *retailer* must contact the *customer* and work with them to identify an implementation timeframe, consistent with the objective of this Division.
- (4) The *retailer* may add any amount unpaid for *energy* use to the *customer's* arrears.

## 83 Continued provision of assistance

- (1) A *retailer* is required to continue to provide assistance under this Division to a *residential customer* unless:
  - (a) after the *retailer* has complied with clause 81(6), the *customer* has refused or failed to take reasonable action towards paying for their on-going *energy* use and repaying their arrears; or
  - (b) after the *retailer* has complied with clause 82(2), the *customer* has refused or failed to take reasonable action towards making payments towards the cost of their on-going *energy* use; or
  - (c) the *customer* is not facing payment difficulties.

### (2) Application of this clause to exempt persons

This clause applies to *exempt persons* in the following *categories*:

VD2, VR2, VR3 and VR4.

## Division 3A Pay-on-time discounts to be honoured

### 83A Objective

The objective of this Division is to require *retailers* to honour pay-on-time discounts to *residential customers* who are in arrears and who are receiving tailored assistance.

### 83B Application of this Division

This Division applies to all *residential customers* who are in arrears under *market retail contracts*. Where a clause states it applies to *exempt persons* in one or more *categories* it applies to people who purchase electricity principally for personal, household or domestic use from an *exempt person* in the relevant *category* and who are in arrears under their *exempt person arrangement*.

### 83C Pay-on-time discounts to be honoured

- (1) If a *residential customer* fails to pay a bill by its *pay-by date*, or by any extended *pay-by date* that the *retailer* has offered as standard assistance, and receives tailored assistance under this Division in respect of that bill, and:
  - (a) the *residential customer* later clears the arrears in respect of that bill; or
  - (b) the *retailer* later becomes entitled to withdraw tailored assistance to the *residential customer* under clause 83(1),

the *retailer* must not subsequently recover the amount of any *pay-on-time discount* in respect of that bill or any other bill whose *pay-by date* occurred while the *customer* was continuing to receive tailored assistance.

**Note:**

Clause 92(1) prohibits a retailer from commencing or continuing with proceedings for the recovery of arrears from a residential customer who is receiving standard assistance or tailored assistance under this Part.

- (2) **Application of this clause to exempt persons**

This clause applies to *exempt persons* in the following *categories*:

VD2, VR2, VR3 and VR4.

## Division 4 Financial Hardship Policies

### 84 Approval of financial hardship policies

A *retailer* must prepare a financial hardship policy, and submit it to the *Commission* for approval, as mentioned in section 43(1) of the *Electricity Industry Act* or section 48G(1) of the *Gas Industry Act*.

### 85 Content of financial hardship policies

A financial hardship policy must include:

- (a) the matters set out in section 43C of the *Electricity Industry Act* or section 48GC of the *Gas Industry Act*; and
- (b) the entitlements to minimum assistance set out in Division 3 of this Part; and

- (c) any matters covered by guidelines or guidance notes published by the *Commission* in relation to those entitlements.

## Division 5 Communications

### 86 Provision of information to customers

- (1) A *retailer* must ensure that its financial hardship policy is easily accessible on its website in a readily printable form.
- (2) A *retailer* must send a copy of its financial hardship policy to any *residential customer* who requests to be sent a copy.
- (3) A *retailer* must ensure that information is readily available to *residential customers* about:
  - (a) the financial hardship policy of the *retailer*; and
  - (b) the assistance available under Division 2 or 3 and how to access that assistance; and
  - (c) approaches to lowering *energy* costs; and
  - (d) government and non-government assistance (including Utility Relief Grants and energy concessions) that may be available to help with meeting *energy* costs.
- (4) Without limiting the means by which information may be made readily available, information is readily available for the purposes of subclause (3) if:
  - (a) it is easily accessible on the *retailer's* website in a readily printable form; or
  - (b) it is sent to any *residential customer* who requests to be sent that information.

#### (5) Application of this clause to exempt persons

Subclauses (3)(b),(c), (d) and (4)(b) of this clause apply to *exempt persons* in the following *categories*:

VD2, VR2, VR3 and VR4.

**Note:** Clause 87(2) states how information is required to be sent to a residential customer.

### 87 Written communications

- (1) Any written communication by a *retailer* to a *residential customer* under, or in connection with, this Part must be:
  - (a) expressed in plain language; and
  - (b) legible; and

- (c) presented clearly and appropriately having regard to its nature.
- (2) Despite clause 3F, a *retailer* must give or send by post to a *residential customer* any written communication required or permitted to be given or sent under, or in connection with, this Part unless the *customer* has given *explicit informed consent* to receiving it in another way.
- (3) Information sent by post to a *residential customer* must be taken to be delivered at the time at which it would be delivered in the ordinary course of post.
- (4) Information sent by registered post to a *residential customer* must be taken to be delivered at the time at which it would ordinarily be delivered by registered post.
- (5) A *retailer* must not impose a charge on a *residential customer* for any written communication given or sent to the *customer* (whether by post or otherwise) under, or in connection with, this Part.
- (6) **Application of this clause to exempt persons**

This clause applies to *exempt persons* in the following *categories*:

VD2, VR2, VR3 and VR4;

## 88 Effect of this Division

Nothing in this Division limits clause 56 or any other provision of this Code about providing information to *residential customers*.

## Division 6 Miscellaneous

### 89 Retailer obligations

- (1) A *retailer* must:
  - (aa) in any dealing with an *affected customer* who is receiving, or is entitled to receive, assistance pursuant to Part 3A (Assistance for customers affected by family violence), take into account the particular circumstances of that *affected customer*; and
  - (a) in any dealing with a *residential customer* under, or in connection with, Division 3 take into account all of the circumstances of the *customer* of which they are aware and, having regard to those circumstances, act fairly and reasonably; and
  - (b) at all times when it is relevant to do so, including on being contacted by a *residential customer*, give the *customer* in a timely manner clear and unambiguous information about the assistance available under this Part; and
  - (c) in a timely manner provide, or use its best endeavours to provide, a *residential customer* who is entitled to receive assistance under this Part with that assistance; and

- (d) give a *residential customer* who is receiving, or is entitled to receive, assistance under this Part clear information about how to access other assistance provided by government or community service providers for which the *customer* is or may be eligible; and
- (e) work cooperatively with any government or non-government service, including the Energy and Water Ombudsman (Victoria), providing support to a *residential customer* who is receiving assistance under this Part to ensure that the assistance being provided by the *retailer* complements, and is provided in a coordinated way with, that support; and
- (f) in relation to a *residential customer* who is receiving, or is entitled to receive, assistance under this Part, comply with any relevant guideline published by the *Commission* relating to *customers* in particular payment difficulty.

(2) **Application of this clause to exempt persons**

This clause applies to *exempt persons* in the following *categories*.

VD2, VR2, VR3 and VR4.

## 90 Assistance beyond the minimum standards

- (1) Nothing in this Part prevents a *retailer* from providing to *residential customers*, who are anticipating or facing payment difficulties, assistance in addition to the minimum standards set out in this Part.

(2) **Application of this clause to exempt persons**

This clause applies to *exempt persons* in the following *categories*.

VD2, VR2, VR3 and VR4.

## 91 Restriction on conditions

- (1) A retailer *must* not impose any condition on the provision of assistance under this Part (whether in accordance with the minimum standards set out in this Part or in addition to them) that requires the *customer* to provide personal or financial information or to waive any entitlement under this Part.

(2) **Application of this clause to exempt persons**

This clause applies to *exempt persons* in the following *categories*.

VD2, VR2, VR3 and VR4.

## 92 Debt

### (1) Restriction on debt recovery

A *retailer* must not commence or continue with proceedings for the recovery of arrears from a *residential customer* who is receiving assistance under this Part.

### (2) Restriction on sale of debt

A *retailer* must not sell or otherwise dispose of the debt of a *residential customer* who is in arrears:

- (a) at any time while the *customer* is receiving assistance under this Part; or
- (b) within 10 *business days* after the *customer* has been disconnected from their *energy* supply under clause 111A.

### (3) Guideline to be complied with on sale of debt to third party

A *retailer* must not sell or otherwise dispose of the debt of a *residential customer* to a third party other than in accordance with the guideline "*Debt collection guideline: for collectors and creditors*" jointly published by the Australian Competition and Consumer Commission and the Australian Securities and Investments Commission.

### (4) Waiver of debt

Nothing in this Part prevents a *retailer* from waiving any fee, charge or amount of arrears for a *residential customer*.

### (5) Application of this clause to exempt persons

This clause applies to *exempt persons* in the following *categories*:

VD2, VR2, VR3 and VR4.

## 93 Supply capacity control product

- (1) A *retailer* must not offer a *supply capacity control product* to a *residential customer* for any credit management purpose.

### (2) Application of this clause to exempt persons

This clause applies to *exempt persons* in the following *categories*:

VD2, VR2, VR3 and VR4.

## 94 Payment by Centrepay (SRC and MRC)

- (1) This clause applies where a *residential customer* requests a *retailer* to permit payment by using *Centrepay* as a payment option (see clause 32).

- (2) If the *residential customer* is applying for or on a *standard retail contract*, the retailer must allow the *customer* to use *Centrepay* as a payment option.
- (3) If the *residential customer* is on a *market retail contract* and *Centrepay* is available as a payment option under that contract, the *retailer* must allow the *customer* to use *Centrepay* as a payment option.
- (4) If the *residential customer* is on a *market retail contract* and *Centrepay* is not available as a payment option under that contract, the *retailer* must undertake a review of the *market retail contract*.
- (5) If, as a result of a review, an alternative *customer retail contract* is considered to be more appropriate, the *retailer* must transfer the *customer* to that alternative contract, where the *retailer* has obtained the customer's *explicit informed consent*.
- (6) Any alternative *customer retail contract* offered to a *residential customer* must make *Centrepay* available as a payment option.
- (7) If, as a result of the review, there is no alternative *customer retail contract* considered to be more appropriate, the *retailer* must make *Centrepay* available as a payment option under the *residential customer's* existing *market retail contract*.
- (8) The *retailer* must not charge the *residential customer* for the review, for any transfer to an alternative *customer retail contract* or any early termination charge or other penalty for the early termination of the *customer's* previous *customer retail contract*.