

# **Origin Energy Retail Limited**

## **Economic Regulation Authority**

### **Performance Audit – Western Australia Gas Trading Licence (GTL13)**

#### **Post Audit Implementation Plan**

November 2022

## Post Audit Implementation Plan

The following table has been prepared using the Recommendations to address current non-compliances controls and deficiencies, from the Performance Audit in relation to Origin's Western Australia Gas Trading Licence (GTL13), prepared by Protiviti Pty Ltd.

### Recommendations to address current non-compliances and control deficiencies

Unresolved the current audit period			
Recommendation reference (no./year)	Non-compliance / Controls Improvement	Auditor's Recommendation	Proposed action by the licensee
01/2022	<p><b>Rating:</b> B2 <b>Obligation(s):</b> 113</p> <p>A decrease in Credit Card fees passed on to the customers in July 2020 due to covid 19 was not communicated to the Minister as required by the Gas Trading Licence</p>	<p>We recommend that all the fee/charges/tariff rate changes (including any decreases in fees/charges/tariff rate) are communicated to the Minister one month prior to the change coming into effect.</p>	<p><b>Management Action Plan:</b> Training and feedback has been provided to the relevant staff. All future fee changes, including reductions in fees, including decreases, will be communicated to the ERA.</p> <p><b>Responsible person:</b> Andrew Reid, Product Delivery and Operations Manager</p> <p><b>Resolution date:</b> Complete</p>
02/2022	<p><b>Rating:</b> B2 <b>Obligation(s):</b> 114*, 115*, 120*, 120A,</p> <p>Through sample verification of call recordings and system screenshots for customer move-in completed during the audit period, it was noted that for one instance the Agent played the regular market explicit informed consent (EIC) agreement to the customer, which was different that the WA specific EIC.</p>	<p>We recommend that Origin complete the following:</p> <ul style="list-style-type: none"> <li>• Provide targeted trainings to its agents and reiterate the processes involved to ensure that the correct explicit informed consent (EIC) recordings are played while obtaining customer's verifiable consent; and</li> <li>• Strengthen the Quality Assurance activities on the agents' interaction calls with Western Australia customers to ensure that all the required information is relayed to the customers.</li> </ul>	<p><b>Management Action Plan:</b> Training to be provided to all Sales Agents on the importance of EIC and how to identify the correct EIC for the sale and customer type. The briefing will also be provided to the Quality Assurance team to ensure agents are aware and can provide the correct feedback as part of their reviews to strengthen the assurance process.</p> <p><b>Responsible person:</b> Charlotte Larkins, Group Manager, Outbound Sales</p> <p><b>Resolution date:</b> Complete</p>

Unresolved the current audit period			
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03/2022	<p><b>Rating:</b> B2 <b>Obligation(s):</b> 137</p> <p>No bill was issued to the customer for a period of 105 days in the following scenario:</p> <ul style="list-style-type: none"> <li>An exception was raised by Origin's system during validation of metering data received from the ATCO, which stopped the bill from issuance to the customer. Origin could not resolve the exception within 105 days from the date of last bill issued to the customer, resulting in the breach of Obligation 137</li> </ul>	<p>We recommend that Origin monitors the system generated exceptions raised during the validation of metering data on a regular basis to resolve the exceptions in a timely manner to ensure that the bill is issued to the customer within the maximum timeframe allowed by the Compendium.</p>	<p><b>Management Action Plan:</b> Origin has reviewed its controls and has found that no further improvements are necessary. The item that was found in breach was the result of distributor providing a late read due to resourcing issues and Origin processed the read as soon as it was available.</p> <p><b>Responsible person:</b> Liz Mistretta, Manager Billing and Sales Fulfilment</p> <p><b>Resolution date:</b> Complete</p>
04/2022	<p><b>Rating:</b> B2 <b>Obligation(s):</b> 155</p> <p>During sample verification, we found instances where the explanatory cover letters were not sent to the customers along with the estimated bills. Accordingly, the information prescribed in Compendium's clauses 4.8(2)(a)-(c) was not relayed to the customers.</p>	<p>We recommend that management introduces a detective control to raise system generated exceptions where the bills are generated without the explanatory cover letters. The exceptions identified through the system controls should be resolved to ensure that the estimated bills are always sent to the customers along with the explanatory cover letter which will include information in clause 4.8(2)(a)-(c) of the Compendium.</p>	<p><b>Management Action Plan:</b> Origin has an automated process to send letters providing the relevant information for an estimated bill. Following the audit a gap in this process has been identified which resulted in letters not being sent when an internal estimation has been generated, which occurs in limited circumstances. Origin is working on a system change for the specific estimation reason codes that are affected.</p> <p><b>Responsible person:</b> Liz Mistretta, Manager Billing and Sales Fulfilment</p> <p><b>Resolution date:</b> 31 December 2022</p>

Unresolved the current audit period			
Recommendation reference (no./year)	Non-compliance / Controls Improvement	Auditor's Recommendation	Proposed action by the licensee
05/2022	<p><b>Rating:</b> C3 <b>Obligation(s):</b> 167</p> <p>During sample verification, we identified that in all the instances where the review resulted in a conclusion that the customer's bill was correct, Origin's agents did not advise the customer of</p> <ul style="list-style-type: none"> <li>the option to request Origin to arrange a meter test; and</li> <li>the existence and operation of Origin's internal complaints handling processes.</li> </ul> <p>Our review of the procedure document developed by Origin for conducting the bill review identified that the requirements to advise the customers of option to request for a meter test and the existence and operation of Origin's internal complaints handling processes were not included in the procedure.</p>	<p>We recommend that Origin do the following:</p> <ul style="list-style-type: none"> <li>Update the relevant procedure document and agents' scripting to include the requirement to advise the customers of option to request for a meter test and the existence and operation of Origin's internal complaints handling processes following a review of a bill;</li> <li>Issue instructions / provide training to agents to ensure that the agents are aware of the new requirements under the procedure; and</li> <li>Perform targeted Quality Assurance activities of reviewing the agents' calls involving customers' bill review queries to ensure that all the relevant requirements are understood and complied with.</li> </ul>	<p><b>Management Action Plan:</b> Process document update to include scripting for bill reviews to advise customers of the Meter and complaint handling process. QA team to review subset of billing related WA calls</p> <p><b>Responsible person:</b> Lindsay Williamson-Hanna, Operations Manager Service Delivery &amp; Ombudsman</p> <p><b>Resolution date:</b> Complete</p>

Unresolved the current audit period			
Recommendation reference (no./year)	Non-compliance / Controls Improvement	Auditor's Recommendation	Proposed action by the licensee
06/2022	<p><b>Rating:</b> C3  <b>Obligation(s):</b> 204, 205 &amp; 211            Through sample verification of customers on payment plan or hardship plan, we identified instances where:</p> <ul style="list-style-type: none"> <li>• the customers assessed to have payment difficulties were:               <ul style="list-style-type: none"> <li>○ not offered additional time to pay, however, instalment plans were offered in such instances.</li> <li>○ not advised of additional assistance that may be available if, due to financial hardship, the residential customers would be unable to meet their obligations under the agreed alternative payment arrangement.</li> </ul> </li> <li>• the customers assessed to have financial hardships were not provided information about:               <ul style="list-style-type: none"> <li>○ Customers' right to have the bill redirected at no charge to a third person;</li> <li>○ Payment methods available to the customer;</li> <li>○ Concessions available to the customer and how to access them;</li> <li>○ financial counselling services available to assist the customer; and</li> <li>○ availability of any other financial assistance and grants schemes</li> </ul> </li> </ul> <p>In addition, for the payment difficulty customers self-enrolled in the payment plan through members' online account (My Account), Origin does not ensure that the information required under the Compendium to be provided to the payment difficulty customers are relayed to such customers.</p>	<p>We recommend that Origin to:</p> <ul style="list-style-type: none"> <li>• Provide targeted trainings to its agents and Customer Advocacy Team to ensure that Origin's staff performing interactions with the customer are fully aware of the requirements of Licence Obligations 204 and 205.</li> <li>• Strengthen the Quality Assurance activities on the agents' interactions to ensure that the procedures in place are adhered to in assisting the customers experiencing payment difficulties or financial hardships.</li> <li>• Ensure that the payment difficulty customers who are self-enrolled through using member's online account (My Account) are provided the information required to be provided to such customers under the Compendium.</li> </ul>	<p><b>Management Action Plan:</b></p> <ul style="list-style-type: none"> <li>• Origin is currently undertaking targeted training to its agent and Customer Advocacy Team to ensure staff are aware of Licence Obligations 204 and 205.</li> <li>• Origin is working to improve the QA activities undertaken on agent interactions to ensure the procedures in place are adhered to.</li> <li>• Origin is implementing a system change to My Account for all WA customers to ensure they received the required information.</li> </ul> <p><b>Responsible person:</b>            Matt Foster, Credit Initiatives &amp; Delivery Manager</p> <p><b>Resolution date:</b>            31 December 2022</p>

Unresolved the current audit period			
Recommendation reference (no./year)	Non-compliance / Controls Improvement	Auditor's Recommendation	Proposed action by the licensee
07/2022	<p><b>Rating:</b> B2 <b>Obligation(s):</b> 206A</p> <p>In few of the sampled customers, we were not provided with the payment plan letters issued by Origin to the customers. Accordingly, compliance to Obligation 206A could not be evidenced in such instances.</p>	<p>We recommend Origin to ensure issuance of payment plan letters that include the information specified in Compendium's clause 6.4(3) in all cases involving payment difficulties or financial hardship within 5 business days.</p>	<p><b>Management Action Plan:</b> Origin's SAP system automatically sends this information to customers unless there is a manual intervention from the agent. Agents have received training and feedback to ensure they do not inadvertently suppress this correspondence.</p> <p><b>Responsible person:</b> Matt Foster, Credit Initiatives &amp; Delivery Manager</p> <p><b>Resolution date:</b> Complete</p>
08/2022	<p><b>Rating:</b> B2 <b>Obligation(s):</b> 222</p> <p>During testing and discussions with the stakeholders, it was noted that although the customers were not disconnected within the 10 business days of the final disconnection notice, however, the disconnection notice issued to the customers included a warning that the disconnection may take place after 5 business days of the date of the final disconnection notice.</p>	<p>We recommend that Origin update the template for final disconnection warning to specify that Origin may disconnect the customer not less than 10 business days after the day on which the disconnection warning is given.</p>	<p><b>Management Action Plan:</b> Origin has reviewed the template and found that the following words were included in the disconnection warning notice, "Make sure you arrange payment of the \$X overdue <b>within 5 business days of receiving this notice</b> or your natural gas may be disconnected". Origin notes this message was included as a recommendation to customers in circumstances where they might not receive the correspondence until several days after it was sent. Origin will revise the template to make it clear that the customer has at least 10 business days.</p> <p><b>Responsible person:</b> Matt Foster, Credit Initiatives &amp; Delivery Manager</p> <p><b>Resolution date:</b> 11 November 2022</p>

Unresolved the current audit period			
Recommendation reference (no./year)	Non-compliance / Controls Improvement	Auditor's Recommendation	Proposed action by the licensee
09/2022	<p><b>Rating:</b> C1  <b>Obligation(s):</b> 254            Sample review noted that Origin needs to improve the process of maintaining documentation to support, that the customer “has agreed with resolution and the complaint does not require further action or escalation to team leader”.</p>	<p>We recommend Origin to update agent scripts/procedures and include the requirement to provide customer with a right to escalate their complaint to a senior employee.</p>	<p><b>Management Action Plan:</b>            Origin is revising its process documents to include improved agent scripts and procedures to require agents to advise customers of their right to escalate complaints to a senior employee.  <b>Responsible person:</b>            Lindsay Williamson-Hanna,            Operations Manager Service Delivery &amp; Ombudsman  <b>Resolution date:</b>            Complete</p>
10/2022	<p><b>Rating:</b> C1  <b>Obligation(s):</b> 255            Recommendation from 2019 to include Ombudsman escalation if unsatisfied with Origin’s response and to provide Ombudsman contact number has been included in the training material, but we could not evidence of a close letter being implemented.</p>	<p>We recommend Origin to update the process documents and agent scripts / procedures to include the requirement of notifying customers of their right to refer their complaints to the Ombudsman if they are not satisfied with Origin’s response. Also, implement a close-out letter as per the prior audit recommendation 07/2019.            Agents must also be trained to capture this on their interaction notes with the customer for audit trail purposes.</p>	<p><b>Management Action Plan:</b>            Origin is updating its process documents and agent scripts to require that agents advise customers of the customer’s right to contact the Ombudsman and the steps on how they can do this. These changes include providing an interaction note against the customer’s account as evidence of this being completed. In addition, Origin has implemented a close-out letter that will be issued to customers who have made formal complaints.  <b>Responsible person:</b>            Lindsay Williamson-Hanna, Operations Manager Service Delivery &amp; Ombudsman  <b>Resolution date:</b>            Complete</p>