



# Notice

14 July 2025

## Synergy

### Compliance enforcement notice issued for licence breach

The Economic Regulation Authority has issued Synergy with a compliance enforcement (rectification) [notice](#) for breaching its Electricity Retail Licence ERL1 for failing to comply with the *Code of Conduct for the Supply of Electricity to Small Use Customers 2022*.

Synergy is the largest electricity retailer in Western Australia and owned by the Western Australian Government. Synergy supplies over 1.1 million residential and business customers through the South West Interconnected System.

#### Breach details

Under clause 30(1) of the Code, if a customer has been overcharged, the retailer must use its best endeavours to inform the customer of the amount overcharged within 10 business days of becoming aware of the overcharge and request instructions to repay the amount to the customer.

Following contact from Services Australia in December 2024, Synergy self-reported the overcharging breach to the ERA in March 2025 because Centrepay payments were being made by customers to closed accounts and credit was accruing on these accounts. This constitutes an overcharge under the Code, as customers were paying for a service they were not receiving.

Specifically, Synergy did not notify 459 Centrepay customers of the amounts overcharged within 10 business days of becoming aware of the overcharges. The breach occurred because Synergy did not have a step in its account closure process to cancel the Centrepay payments and it did not identify these payments being made on closed accounts.

While the breach of the Code affected 459 customers who made Centrepay payments totalling \$239,250 on closed accounts since February 2023, Synergy has reported that the total number of affected customers is 2,845, with overcharges totalling almost \$2.29 million dating back to 2009.

Due to amendments made to the Code's overcharging provisions in February 2023, overcharges on closed accounts have only been considered "overcharges" under the Code since that time. Prior to 2023, the Code required overcharges to be on a bill, and bills are not issued for closed accounts.

#### Impact on customers

Centrepay is a voluntary bill paying service operated by Services Australia that some Centrelink customers use to pay their bills. The customer nominates an amount to be deducted from their Centrelink payment, which is paid to a nominated account that the customer has with a business, such as Synergy, with the remainder of their Centrelink payment deposited in their bank account.

Synergy's failure to cancel Centrepay payments on closed accounts has likely had a material effect on a substantial number of customers, most of whom were probably vulnerable and experiencing financial disadvantage due to being welfare recipients. The failures have been ongoing for an extended period, which has worsened the extent of the overcharges, and the number of customers affected.

Retailers should have systems in place to identify overcharges when they occur and ensure the customer is repaid the overcharged amount in a timely manner. While Synergy had controls in place to identify overcharges, they were not effective for closed accounts.

### **Rectification notice**

Due to the seriousness of the breach, the ERA has used its compliance enforcement powers under section 32 of the *Electricity Industry Act 2004* to issue Synergy with a rectification notice requiring it to rectify the breach by 30 November 2025.

The notice requires Synergy to use its best endeavours to notify the 459 affected customers of the overcharges and repay the amounts owed to those customers. The ERA also expects Synergy to make the same efforts to repay all 2,845 customers and is monitoring Synergy's progress in repaying the customers.

If Synergy fails to comply with the rectification notice, the ERA may take further action under the Act, including ordering Synergy to pay a monetary penalty up to \$100,000.

### **Actions taken by Synergy to resolve the breach**

Since April 2025, Synergy has been contacting the 2,845 affected customers to notify them of the overcharges and arrange repayment.

Synergy has taken several actions to prevent further breaches of the Code occurring, including:

- Cancelling Centrepay payments going to closed accounts.
- Updating its account closure process to ask Centrepay customers if they want their payment cancelled or set up on a new account and, if the customer wants to cancel the payment, to make the request to Services Australia on the customer's behalf.

Synergy is also implementing new controls in its automated account management systems to ensure payments cannot be made on closed accounts to stop overcharges occurring.

### **Further information**

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