



Economic Regulation Authority

Energy retailer overcharges on closed accounts

Decision report

11 November 2025

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We acknowledge their continuing connection to culture and community, their traditions and stories. We commit to listening, continuously improving our performance and building a brighter future together.

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1. Introduction

This report provides an overview of the ERA's investigations this year into overpayments received from customers by electricity and gas retailers on closed accounts to determine if the retailers breached their operating licences by overcharging customers and should be the subject of compliance enforcement action.

1.1 Retailer regulatory obligations

1.1.1 Licence obligations

The *Electricity Industry Act 2004* (Electricity Act) and *Energy Coordination Act 1994* (Gas Act) require electricity and gas retailers to have a licence to supply customers.

Licensed electricity retailers must comply with the *Code of Conduct for the Supply of Electricity to Small Use Customers 2022*. Licensed gas retailers must comply with the *Compendium of Gas Customer Licence Obligations 2024*.

The Code and Compendium are administered by the ERA and are the primary energy customer protection instruments in Western Australia. They require energy retailers to provide protections to their residential and small business customers in areas such as billing, disconnection, reconnection, overcharges, financial hardship, family violence and complaint handling.

Under the Electricity Act and Gas Act, the ERA monitors and enforces compliance with electricity retail and gas trading licences. In the event of a licence breach, our current enforcement powers require us to first serve the licensee with a compliance enforcement notice requiring the licensee to rectify the breach within a specified period. If the licensee does not comply with the notice, we can issue a fine of up to \$100,000.

1.1.2 Overcharging obligations

Under clause 30(1) of the Code (electricity) and clause 22(1) of the Compendium (gas), 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.
- Request instructions on how to repay the amount to the customer.

“Overcharging” under the Code and Compendium includes overcharging of a customer as the result of an error, defect or default for which the retailer or distributor is responsible (including when a meter is found to be defective).

The definitions of “overcharging” in the Code and Compendium were amended on 20 February 2023 and 1 July 2024 respectively to remove the limitation that an overcharge must be on a bill. Overpayments/overcharges on closed accounts do not usually appear on a bill, as retailers do not issue bills for closed accounts once the amount owing has been paid. Accordingly, the ERA's investigation and actions have largely focussed on overpayments/overcharges on closed accounts that occurred after 20 February 2023 (electricity) and 1 July 2024 (gas).

How do overpayments occur on closed accounts?

Overpayments can occur when a customer has an automated regular payment and does not cancel the payment when they close their account or makes single payments to a closed account that exceeds the amount owed or pays the wrong account. Some customers choose to pay a regular amount into their account to contribute to their upcoming bill, rather than waiting to receive and pay the bill.

Payments can be made through various methods, with the most common being BPay, Direct Debit, Credit Card, EFT and Australia Post. Overpayments can also occur when a customer's Centrepay deductions are not stopped when their account is closed.¹

Customer overpayments are common and experienced by all retailers. If retailers have processes in place to identify overpayments when they occur and take reasonable steps to contact customers to return the overpayment then we do not consider the overpayment to be an "overcharge" under the Code or Compendium, as the customer made the payment in error – it was not because the retailer overcharged the customer.

If retailers do not have controls in place to identify overpayments and hold on to the overpayment for a prolonged period, then we consider the overpayment can become an "overcharge" and failing to identify the overcharge and make reasonable attempts to refund the customer can be a breach of the Code or Compendium.

¹ Centrepay is a voluntary bill paying services operated by the Commonwealth Government's Services Australia that some Centrelink customers use to pay their bills.

2. ERA investigations

2.1 Centrepay overcharges (first investigation)

2.1.1 *Synergy breach and compliance action*

Following contact from Services Australia in December 2024, Synergy self-reported to the ERA in March 2025 that it had breached the Code's overcharging provisions by allowing payments from the Centrepay service to continue to be made on closed accounts. Centrepay is a service used by some Centrelink customers to organise automatic deductions from their support payments for goods and services, including utility bills.

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.

The breach of the Code affected 459 customers who made Centrepay payments totalling \$239,250 on closed accounts since February 2023 when the Code's definition of overcharges changed. However, Synergy reported that the total number of affected customers since 2009 was 2,845, with overcharges totalling almost \$2.29 million.

Synergy's failure to cancel Centrepay payments on closed accounts 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 had been ongoing for an extended period, which worsened the extent of the overcharges, and the number of customers affected.

The ERA issued Synergy with a [compliance enforcement notice](#) under section 32 of the Electricity Act on 14 July 2025 requiring it to rectify the breach by 30 November 2025.

The notice required 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 wrote to Synergy to instruct it to use the same efforts to repay all 2,845 customers and implement process improvements to stop the breach from reoccurring.

The ERA has been monitoring Synergy's progress in repaying the customers. At the time of the publication of this report, Synergy has refunded 455 of the 459 customers (99 per cent), and consequently the ERA considers that Synergy has met the requirements of the notice. If Synergy had failed to comply with the notice, we could have fined it up to \$100,000. Synergy has so far refunded 80 per cent of the 2,845 customers overcharged dating back to 2009.

2.1.2 *Investigation of other retailers*

On 4 April 2025, the ERA wrote to all licensed retailers with Centrepay customers to determine if this issue affected more than just Synergy. These retailers were:

- Synergy
- Horizon Power
- AGL Sales

- Alinta Energy
- ENGIE
- Wesfarmers Kleenheat Gas (Kleenheat)
- Origin Energy

The seven retailers reported varying degrees of Centrepay overpayments, but Synergy was the most affected by a substantial amount. The other retailers had processes in place to identify these overpayments when they occur, so they can be quickly refunded to the customer.

All retailers except Synergy reported having a step in their account closure process to make a request to Services Australia to cancel the customer's Centrepay deduction (overpayments can still occur despite this step, due to factors like a delay between the retailer making the request to Services Australia to cancel the deduction and it being actioned by Services Australia).

2.2 Other (non-Centrepay) overcharges (second investigation)

2.2.1 Synergy breach and compliance action

On 23 June 2025, Synergy self-reported to the ERA a second breach of the Code due to receiving other (non-Centrepay) overpayments from customers on closed accounts and not having a process in place to identify those overpayments and refund customers. This breach was identified through the work Synergy did during the ERA's initial investigation into the Centrepay issue.

When it reported this second breach, Synergy only knew that there were other overpayments, not how many or the value. It then began a detailed investigation to identify how many overpayments there were. This was a significant undertaking, as it affected substantially more customers than the Centrepay case. As Synergy's internal investigation was still underway, the ERA could not include these overcharges in the compliance action for the Centrepay overcharges that we issued on 14 July 2025.

Synergy confirmed to the ERA on 30 September 2025 the total number of overpayments it received and the dollar amount. Synergy reported receiving overpayments from 174,522 customers totalling \$40,424,301 since 2009. The breach of the Code (that is, the overpayments received since 20 February 2023) involved 16,092 customers totalling \$3,584,507 (these figures were reported to the ERA on 22 October 2025).

Synergy's breach of the Code is a material and systemic failure of its operational and financial controls and governance. Accordingly, the ERA has issued Synergy with a [second compliance enforcement notice](#) under section 32 of the Electricity Act requiring it to rectify the breach by 30 April 2026.

The ERA will monitor Synergy's progress in refunding the overpayments to customers and the implementation of its other remediation actions to implement process improvements to address the root causes of the breach (noting that Synergy has already implemented some improvements). Synergy recently began contacting affected customers to arrange refunds.

2.2.2 Investigation of other retailers

2.2.2.1 Information request

On 11 July 2025, the ERA made a formal request for information to the six other retailers under clause 4.5.1 of their licences, following the report of Synergy's second breach.

The ERA wrote to the other retailers to ascertain if they had also been receiving these overpayments. Synergy was not part of this information request, as it was already working closely with the ERA on its breach.

All six retailers reported receiving some overpayments on closed accounts, but substantially fewer than Synergy (this can be partly attributed to them having fewer customers). The retailers were given until 25 August 2025 to provide the ERA with data on the full extent of the overpayments and what processes the retailers have in place to identify them and refund customers.

Following the additional information provided by 25 August 2025, the ERA requested further information from some of the retailers in September 2025.

The retailers reported receiving overpayments on closed accounts from a different number of customers - a range of between 66 and 1,500 customers, with an average of 652 per retailer since the Code and Compendium were changed on 20 February 2023 and 1 July 2024 respectively. - It is not a breach of the Code or Compendium to receive an overpayment, but it can be a breach not to identify the overpayment when it occurs and attempt to refund the customer.

Table 1 provides an overview of the data we received from the other retailers, including how many customers have been refunded their overpayments so far and when the retailer put in place process improvements to identify and refund overpayments.

Table 11: Overview of the information provided by each retailer

Licensee	No. of customers affected	Overpayment total	No. of customers refunded to date	Date final process implemented to manage other overpayments
AGL Sales	249	\$23,407.80	216 (87%)	December 2023
Alinta Energy	978	\$155,896.81	313 (32%)	November 2025
ENGIE	66	\$12,018.38	39 (59%)	November 2025
Horizon Power	964	\$213,353.23	84 (9%)	July 2018
Kleenheat	1500	\$175,758.96	896 (60%)	May 2025
Origin Energy	157	\$23,098.36	135 (86%)	January 2025

2.2.2.2 Investigation findings

The six non-Synergy retailers introduced processes to identify other (non-Centrepay) overpayments when they occur at different times. Some of the retailers put in place the process improvements to identify overpayments after the ERA's requests for information. Two

retailers did not finalise these processes until recently (see Table 1).

Horizon Power and AGL Sales reported having processes in place to identify and refund overpayments on closed accounts before the Code and Compendium were amended on 20 February 2023 and 1 July 2024, respectively. Therefore, the ERA considers that Horizon Power and AGL Sales have complied with the Code and Compendium.

Horizon Power has a low rate of refunding overpayments made since 20 February 2023. Horizon Power has advised that this is for several reasons, including:

- Customer contact details provided when establishing an account are not current at account closure.
- An overpayment is made a long time after the account is closed, so contact details are no longer current.
- A large number of customers using pre-paid phones, where the mobile number provided to Horizon Power is no longer associated with that customer.

From the information provided by Horizon Power, the ERA is satisfied that it has complied with the Code. However, Horizon Power is reviewing its overpayment processes to identify what improvements it can make to increase its refund rate.

Alinta Energy, ENGIE, Kleenheat and Origin Energy implemented processes to identify overpayments on closed accounts after the definition of “overcharging” was changed on 1 July 2024. On this basis, the ERA considers that they are likely to have breached the Compendium between 1 July 2024 and implementing their process improvements, which are now being used to stop this problem from occurring.

As the retailers had addressed the problem by the time the ERA had concluded its investigation through identifying all affected customers and making their best endeavours to contact customers to refund overpayments, the ERA is not able to issue them with a compliance enforcement notice under section 11ZB of the Gas Act. A notice can only be issued to rectify a breach that is unresolved. In comparison, Synergy took much longer to identify all the overpayments it had received due to it having a substantially larger customer base and is only just starting to contact customers to arrange refunds, so it has not resolved the breach yet.

The ERA will monitor the effectiveness of the process improvements each retailer has implemented to identify overpayments on closed accounts. This will be done using our regular audits of licensee performance and requiring the retailers to provide us with progress updates on refunding customers.

We will consider requiring retailers to provide us with performance data on overpayments going forward to ensure we have ongoing visibility of overpayments. We will also include overpayments on closed accounts in the next reviews of the Code and Compendium to ensure they are appropriately regulated.