



Notice

11 November 2025

Energy retailer overcharges investigation

Decision report and compliance enforcement notice issued to Synergy

The Economic Regulation Authority has concluded its investigation into energy retailer overcharges on closed accounts and [published the findings of the investigation in a short report](#).

We investigated seven electricity and gas retailers with residential and small business customers to determine if they breached their licences by overcharging customers and should be the subject of compliance enforcement action.

As a result of the investigation, the ERA has issued Synergy with a [compliance enforcement \(rectification\) notice](#) for breaching its Electricity Retail Licence ERL1 by failing to comply with the *Code of Conduct for the Supply of Electricity to Small Use Customers 2022*.

Our notice covers 16,092 customers, who made overpayments of almost \$3.6 million, since February 2023. However, Synergy received overpayments from 174,522 customers, totalling \$40,424,301 since 2009.

The breach occurred because Synergy did not have processes in place to identify overpayments on closed accounts and refund customers.

This is the second rectification notice that the ERA has issued Synergy this year. The first one was issued on 14 July 2025 because Synergy did not notify customers within 10 days of becoming aware of overcharges when it received Centrepay overpayments on closed accounts.

Overcharging obligations

Licensed electricity retailers must comply with the Electricity Code and licensed gas retailers must comply with the *Compendium of Gas Customer Licence Obligations 2024*. Under these customer protection instruments, if a customer is 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.¹
- Request instructions on how to repay the amount to the customer.

¹ The ERA considers an overpayment can become an “overcharge” when a retailer does not have controls in place to identify overpayments and holds onto the overpayments for a prolonged period.

Investigation

The ERA's investigation focussed on overpayments/overcharges received by the energy retailers on closed accounts after 20 February 2023 (electricity) and 1 July 2024 (gas).²

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.

Of the remaining six retailers that were investigated, the ERA considers that four gas retailers are likely to have breached the Gas Compendium because they implemented processes to identify overpayments on closed accounts after the definition of overcharging was changed on 1 July 2024.

As the retailers had rectified the breach by the time the ERA had concluded its investigation through identifying affected customers and making contact to refund overpayments, the ERA is not able to issue them with a compliance enforcement notice under section 11ZB of the *Energy Coordination Act 1994*. Under our current powers, a compliance 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 it is only just starting to contact customers to arrange refunds, so it has not resolved the breach yet.

Further information

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² The definition of "overcharging" in the Code and the Compendium was amended on 20 February 2023 and 1 July 2024, respectively. The amendment removed the limitation that an overcharge must be on a bill.