

# CUSTOMER HARDSHIP POLICY

Version 2.4  
18 January 2017

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## **PREAMBLE**

Tango Energy Pty Ltd formerly Pacific Hydro Retail Pty Ltd (Pacific Hydro) is committed to providing residential customers facing temporary or long term financial hardship the opportunity to establish sustainable payment arrangements to manage their electricity bills through our Customer Assistance Program (Program).

Pacific Hydro recognises that the supply of electricity is an essential service for residential customers.

Through this policy and otherwise, Pacific Hydro understands that, because disconnection can have a significant impact on members of the household, disconnection of the supply of electricity of a hardship customer due to inability to pay electricity bills is a last resort option.

### **1. Purpose**

The purpose of this policy is to identify customers experiencing payment difficulties due to hardship and to assist those customers to better manage their electricity bills on a transparent and consistent basis, through participation in our Customer Assistance Program.

### **2. Processes**

#### **2.1 Identifying Customers Experiencing Payment Difficulties Due to Hardship**

Pacific Hydro will invite a customer to become a participant in our Program when:

- (a) the customer advises us directly that they are having financial difficulties;
- (b) the customer advises us through a third party (e.g. financial advisor, welfare agency) that they are having financial difficulties;
- (c) the customer fails to meet payments in a timely manner on three consecutive occasions;
- (d) it appears to Pacific Hydro that non-payment of a bill is due to the customer experiencing payment difficulties due to hardship; or
- (e) transactions are declined by the customer's financial institution on a regular basis.

#### **2.2 Early Response**

- (a) Once hardship has been identified, Pacific Hydro will assign the customer to a Customer Assistance Team member, suspend all standard account reminders, and contact the customer within two business days (via email or phone) and work with the customer to develop a sustainable payment plan within 10 business days.
- (b) Our Customer Assistance Team member will provide information to the customer on their rights and obligations under the Program, review their electricity use, propose fair and reasonable payment options, and discuss relevant government programs and other support services available to our customers.

#### **2.3 Initial Assessment of Eligibility**

Customers will be considered eligible to participate in the Program where the customer demonstrates that:

- (a) they are willing to meet their financial obligations but do not have the financial capacity to do so;
- (b) they are willing to work with Pacific Hydro to address the impact of the financial circumstances affecting their ability to meet their payment obligations; or

- (c) via internal records, that they have not previously been excluded from the Program due to a failure to meet their obligations under the Program;
  - (i) a customer who has previously been removed from the Program may be allowed to re-enter at the discretion of Pacific Hydro's Customer Assistance Team; and
  - (ii) the provision of further support will be determined on a case by case basis having regard to the customer's willingness to participate and engage in the program requirements.

Our staff will receive regular training to identify, refer and assist customers experiencing hardship in an empathetic, respectful and fair manner.

## **2.4 Assessment of Customer Circumstances**

Where a customer has been determined to be eligible to participate in the Program, the Customer Assistance Team member will, based on each individual case, assess:

- (a) the suitability of the customer's electricity product and tariff, with specific regard to;
  - (i) its cost effectiveness;
  - (ii) the customer's overall energy consumption;
  - (iii) the previous tariff, where applicable (including network tariff); and
  - (iv) the availability or existence of dedicated circuits or controlled loads
- (b) the potential benefits of:
  - (i) available grants, concessions or financial counselling services that may be available, as outlined in *Identifying appropriate programs and services for customers* section of this document, including similar community programs;
  - (ii) conducting an energy efficiency audit, the purpose of which is to establish whether savings can be achieved by altering the type and or use of appliances within the household, either:
    - (A) over the phone, where practical, to assess the type and condition of appliances and their common use; or
    - (B) on-site, where it is appropriate to do so factoring in location, proximity and relevant health and safety requirements, to assess the type and condition of appliances.
- (c) when considering conducting energy efficiency audits the Customer Assistance Team will consider:
  - (i) the location, proximity and resources required to facilitate the audit, whether that be by Pacific Hydro staff or a third party;
  - (ii) the relative age of the property and the types of appliances in use (including their general age);
  - (iii) the type and frequency of use for each of those appliances;
  - (iv) relevant occupational health and safety risks; and
  - (v) for field audits, whether there will be partial cost to the customer, and how the benefits of incurring such a cost will be established.

Note: where a field audit is considered appropriate, Pacific Hydro will consider whether the potential savings that may be achieved exceed the contribution required, communicate the potential benefits to the customer and seek the customers consent to any costs that they may incur as a result conducting a field audit.

- (d) subject to the completion of energy efficiency audit, whether over the phone or on-site, identifying an issue with an appliance specifically, Pacific Hydro will consider appliance replacement or repair which will only be carried out by a suitably qualified trades person.

Note: any appliance replacement will be considered on a case by case basis and negotiated directly, either the customer and or the property owner, depending on the nature of the occupancy, and may be facilitated by a third party.

- (e) where any changes are made to a tariff or where an energy audit, or appliance replacement is considered, whether or not they impose costs, the customer must provide explicit informed consent to these changes, or where the customer cannot provide such consent, such as where the customer is not the owner of a property, they must facilitate consent being obtained.

## **2.5 Customer Assistance Program**

- (a) Customers participating in the program will receive:
  - (i) a Customer Assistance Program welcome pack including:
    - (A) information about their agreed payment plan;
    - (B) a summary of the program including their rights and obligations; and
    - (C) a copy of this Hardship Policy;
  - (ii) a regular review of the customers eligibility to participate in the Program;
  - (iii) a regular review of the adequacy of payments being made under the Program to ensure that they remain sufficient;
  - (iv) a desktop review of the their electricity usage by a trained Customer Assistance Team Member; and
- (b) A customer participating the Program will be expected to adhere to the following behaviours:
  - (i) maintain an active account with Pacific Hydro;
  - (ii) maintain regular contact and advise of any changes in circumstances that may impact on the customers participation in the Program;
  - (iii) make regular payments as per their agreed payment plan;
  - (iv) agree to a review of the customer's eligibility for the Program every three months to ensure compliance with the requirements of the Program;
  - (v) participate in a review of their electricity usage by providing sufficient information to the Customer Assistance Team Member; and
  - (vi) adhere to the behavioural expectations outlined above.
- (c) Pacific Hydro will ensure our Customer Assistance Program participants are:
  - (i) provided with equitable access to flexible payment options;

- (ii) contacted every three months to confirm the payment plan and electricity tariff are still appropriate and ensure that the Program and its components remain appropriate;
  - (iii) not charged late payment fees (note: late payment fees do not apply to any small customers in Victoria) and will not be required to pay a security deposit; and
  - (iv) not be subjected to debt recovery action or disconnection while they are participating with the Program.
- (d) A customer's participation in the Program will cease when the customer:
- (i) successfully completes the Program by returning to regular sustainable payments or informs us that they no longer wish to participate in the Program;
  - (ii) fails to meet material obligations under the Program (such as failing a payment obligation) where we have used our best endeavours to maintain communication with the customer; or
  - (iii) fails to adhere to the behavioural expectations of the Program or fails to demonstrate full commitment or willingness to participate or engage with Pacific Hydro.
- (e) Where participation ceases, by meeting one of the above conditions, the customer will be notified, returned to normal billing and collection cycles and managed in accordance with regulatory obligations and all other relevant codes and guidelines that may be applicable should the customer fail to adhere with the conditions of the Program.

## **2.6 Application Process**

- (a) The process for applying to the Program for customers experiencing hardship is as follows:
- (i) Contact the Pacific Hydro customer service team using the telephone number or email address located on our customer bills, website or welcome pack collateral.
  - (ii) Our customer service team members will collect information from the customer such as:
    - (A) The customer's details;
    - (B) The reason/s why the customer is facing difficulty paying their electricity bill; and
    - (C) The payment arrangements that are suitable from the customer's perspective and are also acceptable to Pacific Hydro.
- (b) Pacific Hydro will develop an automatic acceptance matrix based on the customer's debt level, payment term (maximum of 12 months), the customer's willingness to participate and the reason for the hardship.
- (c) Upon acceptance, a letter and welcome pack will be sent to the customer within two business days setting out the details of the agreed payment plan.
- (d) If further approval is required (for payment plans beyond 12 months), the customer's capacity and willingness to pay, payment history, expected electricity usage and credit history may also be considered.

- (e) Once approved, a letter of acceptance and welcome pack would be sent to the customer within two business days setting out the agreed payment plan details.
- (f) Once the customer is accepted into the Program, standard billing reminders will be disabled and the customer will be reconnected if a disconnection has occurred.
- (g) Our customer's payment schedules will be tracked by the Customer Assistance Team members and reviewed every three months with a follow up call to the customer.

## **2.7 Payment Options**

- (a) Participants in the Program will have several payment options outlined to them which may include:
  - (i) Instalment payments – this will allow customers to pay for their annual electricity use in equal instalments to assist them with managing the peaks in their electricity use and matching their capacity to pay. Instalments may include payment in advance or in arrears;
  - (ii) Deferral of payment due date – to enable the customer to manage short term issues an extension to the due date may be appropriate;
  - (iii) Flexible payments – allowing the customer to pay off the account balance in instalments (or a lump sum) prior to the next bill or in additional amounts added to the next bill(s); or
  - (iv) CentrePay – Customers receiving benefits from Centrelink may wish to utilise CentrePay which automatically deducts payments (>\$10) from a customer's benefits to pay their bill, at no cost to the customer. Further information can be obtained from Pacific Hydro or Centrelink.
- (b) When determining the appropriate, fair and reasonable payment option(s) for a Program participant, our Customer Assistance Team member will consider the customer's capacity to pay (including advice from financial counsellors and others), arrears owing and expected electricity consumption over a one year period.
- (c) Pacific Hydro considers requesting the customer to provide a budget may assist the customer's understanding of their capacity to pay. Our Customer Assistance Team members will provide the customer with contact details of financial counsellors in their area who may assist them in preparing a budget if required. Pacific Hydro regards the preparation of a budget an important element in the customer's commitment to a sustainable solution however does not impose a budget as a condition of entry to its Program.
- (d) Our hardship officers are trained to be empathetic to our customer's circumstances and conscious of privacy laws and the confidentiality of personal information.
- (e) Should a customer notify Pacific Hydro that their circumstances are affecting their capacity to pay, our Customer Assistance Team member will reassess their capacity to pay and suggest appropriate payment options after consulting with the customer on the proposed changes to their plan. A revised payment plan will be provided free to the customer.

## 2.8 Identifying Appropriate Programs and Services for Customers

- (a) Our Customer Assistance Team is trained in dealing with customers in an empathetic and respectful manner and have knowledge of appropriate government concession programs and financial counselling services for participants.
- (b) All participants in the Program are provided with welcome packs that include information about a range of support services available, including financial counsellors and state government assistance and support (concessions, grants, etc.) services.
- (c) These programs and concessions include (but are not limited to):

Jurisdiction	Program	Contact
Australia-wide	Utility Bill Payment Voucher	Anglicare 13 26 22  Salvation Army 13 72 58
Australia-wide	Advance Payment Utilities Allowance Essential Medical Equipment Payment	Department of Human Services 13 62 40
South Australia	Residential Park Resident Concessions Energy concessions	South Australian Department of Communities and Social Inclusion 1800 307 758
Victoria	Utility Relief Grant Scheme Annual Electricity Concession Life Support Machine Electricity Concession Medical Cooling Concession Service to Property Charge Concession Electricity Transfer Fee Waiver	Victorian Department of Human Services 1800 658 521

- (d) Our Customer Assistance Team will discuss with a participant their eligibility against the guidelines set out for each program and identify which one or more may be appropriate. If there is any doubt about eligibility, our team will check with the relevant government agency. We can also help with the application process, if requested.

## **2.9 Reviewing the Customer's Market Retail Contract**

- (a) Once a customer has been accepted for participation in the Program, our Customer Assistance Team will review the appropriateness of the participant's market retail contract including the electricity tariff, payment terms and method of payment. In determining the most appropriate electricity tariff our team member will bear in mind:
  - (i) cost effectiveness;
  - (ii) whether the participant has dedicated off-peak appliances;
  - (iii) the participant's previous tariff (including network charge);
  - (iv) the participant's overall power usage;
  - (v) the participant's previous billing information; and
  - (vi) any other relevant information provided by the participant.
- (b) There is no charge to the customer for this review. We may propose that the customer transfer to a new contract if this will result in reduced payments. If we do, we will not impose any fees for the termination of the original market retail contract.

## **2.10 Assisting Customers with Strategies to Improve their Energy Efficiency**

- (a) State laws may establish programs under which we may be required to offer to assist customers with strategies to improve their energy efficiency.
- (b) We train our Customer Assistance Team members in these energy efficiency programs and they will raise options under these programs with participants and, where necessary, endeavour to make sure a participant is eligible before referring a participant to an energy efficiency program.
- (c) In any event we will provide energy efficiency information together with the welcome letter sent to all new participants in the Program. Furthermore, our team members will provide an opportunity for participants to discuss strategies for improving energy efficiency over the phone and to identify with them the strategies that are most appropriate for their circumstances.

## **2.11 Promoting and Publicising this Policy**

- (a) Pacific Hydro will include a copy of this policy and a summary, plain English version on our website: <http://energythatcould.com.au/support/hardship-policy/>.
- (b) Information about the Program will also be provided to all new customers and again to all customers in all bills, overdue notices and follow-up letters.
- (c) Where it appears to us that non-payment of an energy bill is due to a residential customer experiencing payment difficulties due to hardship, or we have otherwise identified a customer as a hardship customer, we will inform the customer as soon as possible of our Program. We will provide a copy of this policy on request to any appropriate welfare agency or program, at no expense.
- (d) We will also remind our participants in the Program about the Program when payment options are being outlined.
- (e) Customers can always call us on 1800 010 648 to ask about the Program.

### 3. Privacy

The financial and personal information disclosed by a customer through participation in Pacific Hydro's Program will be managed in accordance with our Privacy Policy [[insert hyperlink](#)].

### 4. Complaints

- (a) We encourage customers to resolve complaints directly with our team on 1800 010 648. Customers can also report problems, complaints and feedback relating to this policy through:

our website [www.energythatcould.com.au](http://www.energythatcould.com.au)

via email [[support@pacifichydro.com.au](mailto:support@pacifichydro.com.au)]

phone 1800 010 648

fax 03 8621 6111

or write to us at Pacific Hydro, Level 11, 474 Flinders Street, Melbourne VIC 3000.

- (b) Independent dispute resolution for our electricity customers is also available through the relevant energy ombudsmen in each state jurisdiction below:

Jurisdiction	Ombudsman	Contact
Victoria	Energy and Water Ombudsman (Victoria)	1800 500 509 (freecall) <a href="mailto:ewovinfo@ewov.com.au">ewovinfo@ewov.com.au</a> <a href="http://www.ewov.com.au">www.ewov.com.au</a>
South Australia	Energy and Water Ombudsman (South Australia)	1800 665 565 (freecall) <a href="mailto:contact@ewosa.com.au">contact@ewosa.com.au</a> <a href="http://www.ewosa.com.au">www.ewosa.com.au</a>

- (c) Further information on the management of customer complaints and disputes is available in our Complaints and Disputes Policy [[provide link](#)].
- (d) Pacific Hydro reviews this policy once each year to ensure it remains appropriate and will, or is likely to, contribute to the identification of residential customers experiencing payment difficulties due to hardship and to assist those customers to better manage their electricity bills on an ongoing basis.

- (e)

## Document Control

Version	Date	Comment	Approval	Date Approved	Next Review	Responsible for Policy Revision	Responsible for Policy
4	28/11/2013	For Approval	AER L Crocket	29/11/13	Nov 2014		C D'Alessandro
5	18/03/2014	For Approval	ESCV C D'Alessandro	18/03/14	Mar 2015		R Evans
6	01/08/2014	Further amendments ESCV	C D'Alessandro				R Evans
2.1	16/09/2014	Further amendments ESCV					R Evans
2.2	17/09/2014	Further amendments ESCV					R Evans
2.3	17/09/2014	Minor typos and submitted to ESCV for formal approval.	C D'Alessandro	17/9/14	By AER before publishing on website.		R Evans
2.4	18/01/2017	Tango Energy name change	C D'Alessandro	18/01/17			R Brown