

# EOQ UPDATE

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## Energy Ombudsman's message

Welcome to the fourth issue of *EOQ Update*.

Traditionally January and February are quiet times for many people but this year saw EOQ reach a significant milestone – we closed more cases in the first seven months of the 2008-09 financial year than we did in all of 2007-08.

From 1 July 2008 to 27 February 2009, EOQ closed 8,500 cases compared to 6,743 for the previous financial year.

To handle the increase in complaints, we have hired a number of new staff to help energy consumers. Page three has more details.

In this issue we put the spotlight on contracts, following recent media attention.

I can't stress how important it is for people to read and understand the terms and conditions of contracts before they sign. On page four we discuss how contracts can allow retailers to increase their tariff rates and the case studies on page five show how we can assist customers, and retailers, with their contract disputes.

Another significant outcome in January was the resolution of unbilled accounts which have affected many customers over the last 15 months. See the story on page six.

In addition page two has a full list of the complaints we've investigated this financial year.

**Barry Adams**  
Energy Ombudsman Queensland



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# Complaint statistics

1 July 08 – 27 February 09



Category	Complaint	Description	Total
<b>Account</b>	Account fees & charges	Consumer is querying fees or charges on their account	766
	Account payment difficulty	Consumer is experiencing difficulty in making payment of their energy account	765
	Account responsibility	Consumer has query as to the name on their energy account	535
	Debt collection	Consumer has complaint about contact by a debt collection agency seeking payment	38
	High/disputed account	Consumer is claiming their energy account is unusually high and is disputing both energy consumption and payment	785
<b>Compensation</b>	Damages & loss	Consumer alleges damage or loss of goods as result of incident on electricity or gas network	28
	GSL	Consumer is seeking a guaranteed service level rebate in accordance with the Electricity Industry Code	0
<b>Connection</b>	Existing network	Consumer is seeking a new connection to the existing network (eg new residence)	84
	Extension of supply	Consumer is seeking to have supply extended from the electricity or gas network to their property	14
<b>Competition/ market</b>	Contract issue	Consumer has a complaint over the terms or conditions of their energy contract (market or standard contract)	343
	Market conduct	Consumer complaint regarding the conduct of retailers attempting to sign customers on negotiated contracts	152
<b>Customer service</b>	Customer service	Consumer complaint regarding the manner of contact with their energy supplier (eg call centre contact)	512
<b>Disconnection</b>	Disconnections	Consumer has had energy supply disconnected and is seeking assistance to be reconnected	53
<b>Distribution network</b>	Interruption to supply	Consumer is claiming an interruption to their electricity or gas supply via the network	10
	Quality of supply	Consumer complaint regarding the quality of their energy supply	17
	Vegetation/environment	Consumer complaint regarding the trimming or removal of vegetation near energy assets (eg trees near powerlines)	7
	Equipment/assets	Consumer is seeking to have energy supplier's assets relocated or removed from near or on their property (eg relocation of power pole)	23
<b>Referrals</b>	Referred back to energy supplier	Customer is referred back to their energy provider as they have not initially raised their complaint with their provider	3,191
	Referred to energy regulator	Customer complaint is referred to the Department of Mines and Energy	328
	Referred to OFT	Customer is referred to the Office of Fair Trading	10
	Referred to other agency	Customer complaint is referred to another agency (eg Department of Communities, Electrical Safety Office)	162
	Referred to QCA	Customer is referred to the Queensland Competition Authority	10
<b>General enquiries</b>	General enquiry	Customer is seeking generic information (eg information on FRC)	667
<b>TOTAL</b>			<b>8,500</b>

# What's new

## Got a question?

Everyone has questions, but some are asked more frequently than others. So to help people, we've developed a series of frequently asked questions which are now available on our website.



We hope these will answer some of the more common questions we receive. Of course, if your question isn't answered in our FAQs, or it's a more complex issue, you can email us at [info@eoq.com.au](mailto:info@eoq.com.au) or phone 1800 662 837.

## New Advisory Council member

EOQ is pleased to welcome Nadia Dimmock from Jackgreen as the newest member of the Energy Ombudsman Advisory Council.

Nadia joins us as an industry representative, replacing Tom Gilpin from Australian Power & Gas.

Tom was a foundation member of the Advisory Council since 2007 and his contribution to the Advisory Council and operation of EOQ is greatly appreciated.

The Advisory Council provides advice to the Energy Ombudsman and Minister for Mines and Energy on the operation and independence of the scheme.

## EOQ expands

In response to increased complaints to our office, EOQ recently recruited new staff.

This includes two Investigation Officers and a second Enquiry and Referral Officer. We've also filled a temporary vacancy for the Assistant Investigation Officer.

The Enquiry and Referral Officer is the first point of contact when a client rings us. We expect the second officer will ease the pressure on Investigation Officers to answer general enquiries, allowing them to concentrate on completing investigations.

We now have 23 full time equivalent staff across the three regional offices assisting Queensland's energy consumers.



## Earth Hour

For the second year running, EOQ joined millions of people for Earth Hour on Saturday 28 March.

Earth Hour is a worldwide campaign that aims to educate the community about the threats of climate change, informing individuals and businesses about the difference they can make by reducing their emissions at home and in the workplace.



EOQ turned off all non-essential lighting from close of business on Friday until Monday morning. While it is standard practice to turn off lights outside of business hours, by registering our support with Earth Hour, we demonstrated our commitment to climate change through energy efficiency.

We also wanted to demonstrate our commitment to helping Queensland's energy consumers reduce their energy accounts as a result of lower energy consumption.

# In the spotlight

## Buyers beware – read your contract

A number of media reports have highlighted how important it is for people to carefully read and understand the terms and conditions of market contracts before they sign.



In mid-January 2009 Queensland Electricity announced to 55,000 customers they were increasing Tariff 11 up to 20 per cent above the government-regulated tariff, exclusive of a seven per cent prompt payment discount. The increase was back-dated from 1 January 2009. The service to property charge also increased.

At the request of the Minister, the Department of Mines and Energy asked EOQ to investigate all relevant matters arising from the price increase.

The Department of Mines and Energy has confirmed Queensland Electricity is allowed to increase the service charge.

Energy Ombudsman Barry Adams said it was a matter of 'buyer beware' when it came to energy contracts in the full retail competition market.

"Contracts for the supply of electricity or gas are legally binding," Mr Adams said. "So it is vital that people read all the terms and conditions of the contract and understand what they mean.

"Don't sign or agree to anything if you don't understand the terms and conditions.

"If there is something you don't understand, contact the energy retailer for an explanation."

It is important to remember energy contracts don't have to be signed to be binding.

"A verbal agreement to a contract can be given over the phone if an energy company rings with an offer," Mr Adams said.

"Either way a product disclosure statement must be provided which

outlines the terms and conditions of the contract.

"If the contract contains terms and conditions you don't agree with, use the 10-day cooling-off period to cancel the contract with no penalty."

As EOQ cannot investigate complaints into the setting of tariffs, Queensland Electricity customers contacting EOQ were advised of their options:

- cancel the contract and pay the termination fee
- wait until the contract expires and choose a new retailer or revert to the standard contract
- inform Queensland Electricity of a new offer from another retailer and if they cannot match or better the offer, the contract will be terminated without penalty.

# In the spotlight



## Success stories

### Contract cancelled without penalty

Mrs W agreed to a market contract after a salesperson rang her. But after talking with her husband, they decided it was in their best interests to remain on the standard contract with the government-regulated tariff.

Four working days later, Mrs W received the welcome pack from the electricity company and immediately rang the number provided to cancel the contract within the 10-day cooling-off period.

However she was told she could not cancel the contract over the phone and needed to use the cancellation form provided in her welcome pack. Mrs W advised that the form was not included in her pack and requested another be sent to her. The customer service representative refused to send her one. Mrs W then contacted EOQ to try to cancel the contract without penalty.

EOQ found the company could not explain why the representative told Mrs W she had to cancel the contract in writing when their policy stated contracts agreed to verbally could be cancelled over the phone, or why the cancellation form was not included in the pack. However they did agree that Mrs W was within her rights to cancel the contract within the 10-day period and did not charge her the termination fee.

### EOQ backs retailer

Mr M visited his local shopping centre where he was approached by an energy salesperson who was offering a 10 per cent discount for new customers so Mr M signed straight away.

A couple of weeks later Mr M's previous energy company called him because they wanted to make a counter-offer—a five per cent discount off his electricity bill. Although the 10 day cooling-off period had expired, Mr M's previous energy company pressured him, encouraging him to cancel the new contract because he wasn't made aware of the hidden fees and charges when he signed.

When Mr M called the new energy company he was told that the cooling-off period had lapsed and, as stipulated in the contract, he would be charged a \$95 exit fee if he wished to terminate the contract. At this point, Mr M ended the call. About 15 minutes later, Mr M's old company called back to find out how the conversation about cancelling his contract with the new energy retailer had gone. When he relayed the conversation about being charged exit fees, his previous company told him to contact EOQ.

During the investigation EOQ received a copy of the contract Mr M signed and decided that his new energy company had not acted in error. The cancellation fees and charges were printed clearly on the contract, approximately 10 centimetres from where he had signed the contract. EOQ told Mr M that the contract was valid and he would have to pay the exit fees if he wanted to cancel it. Mr M decided to stay with his new retailer.

### Queensland Electricity honour promise

Shortly after Queensland Electricity announced they were increasing tariff prices, Energy Ombudsman Barry Adams was interviewed on a radio talk back program.

One caller rang to say he contacted his previous retailer after Queensland Electricity increased his tariff.

He then told Queensland Electricity about the new offer from his old retailer and they informed him they could not match or beat the new offer. Under the No Risk Offer, Queensland Electricity then agreed to terminate his contract without a termination fee. The caller was very happy with this outcome.

# In the spotlight

## Unbilled accounts finalised

No-one likes to pay bills and most people would probably be pleased not to receive their bills in the mail.

But for many people, not knowing if they can afford to pay a bill that covers six months or more when it does finally arrive, places enormous financial strain on them.

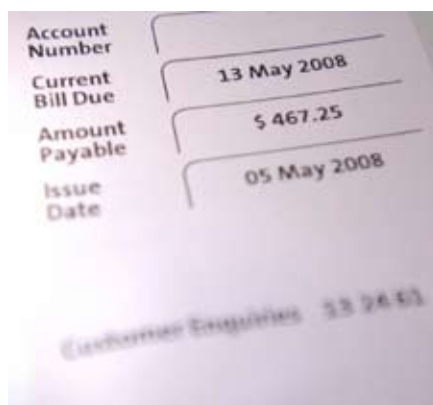
Since September 2007, EOQ has received approximately 200 complaints about accounts not being issued by AGL.

After investigation by EOQ, Energy Ombudsman Barry Adams said he now expects AGL to have the majority of problems rectified by the end of March.

“AGL have advised me they now have a number of measures in place to resolve the issue,” he said.

“This includes a dedicated team working through the account billing

issues to ensure bills are sent on time, customers affected will have the same amount of time to pay the bill as AGL has taken to supply the bill, and those suffering financial hardship as a result of the delay will be offered appropriate support services.”



### Case study

Pensioners Mr and Mrs C contacted EOQ in August 2008 after receiving their last electricity account in January 2008. Mr and Mrs C had unsuccessfully tried to obtain the April and July 2008 accounts from AGL and were extremely concerned about their ability to pay the bills on their limited income.

After investigation by EOQ, AGL agreed to issue the bills and extend the payment due date by two months. They also offered an apology and a goodwill payment for the inconvenience caused.

## Security deposits

EOQ has started to receive complaints from people who have signed market contracts to find their first bill includes a security deposit

In most cases people have always paid their bills on time and have lived at their address for many years – some were already customers of the retailer and just changed to a market contract. None of the complainants were advised a security deposit may be required.

For example, Mr L already had a gas account with one retailer when he signed a market contract with the same retailer to supply both gas and electricity. When he received his electricity bill it included a deposit for \$150. A few months later he received the gas bill which also contained ‘other charges’ for \$150.

EOQ believes the security deposits should not have applied as Mr L was already a customer of the company. Investigations are continuing.

Under the Electricity Industry Code, retailers cannot charge a security deposit unless the customer:

- has outstanding debts with that retailer from a previous address
- has fraudulently acquired or consumed electricity
- is a new customer and hasn't provided acceptable identification
- has not provided credit history information required by the retailer
- has bad or no credit history.

EOQ is working with the retailer involved to ensure they are acting in accordance with the Electricity Industry Code.

# Community outreach

## O Week

EOQ and other ANZOA (Australian New Zealand Ombudsman Association) members went back to university in February as part of O Week celebrations for students.

For the second year running ANZOA promoted 'free, fair and independent' Ombudsman services to students, many of whom have moved out of home for the first time and are unaware of their consumer rights and obligations.

EOQ co-hosted Market Day stands with Financial Ombudsman Services, Telecommunications Industry Ombudsman and the Commonwealth Ombudsman at the Queensland University of Technology and University of Queensland in Brisbane.

EOQ also attended Market Days at James Cook University in Cairns and Central Queensland University in Rockhampton.

Reaching out to over 1,000 students, EOQ staff provided valuable information about:

- ombudsmen services
- opening and closing energy accounts
- managing bills and ways to cut down on costs
- what to do if they have a complaint.

## Have your say

In the coming weeks, EOQ will conduct surveys about our performance and we would like your opinion.

These regular performance checks ensure we are meeting our targets and your needs. It also means we can improve or deliver better services for you.

To achieve this, we're seeking feedback from our scheme members, community groups and welfare agencies, and jurisdictional regulators.

To ensure you have your say, please email your contact details to [info@eoq.com.au](mailto:info@eoq.com.au) and we'll send you a questionnaire. Please encourage your colleagues to register their interest as well.

Results of the surveys will be reported in coming issues of *EOQ Update*.

## Out and about in Queensland

Our new regional manager in North Queensland is getting ready to meet community groups and other stakeholders in the region.

Tula Hewitt has written to over 100 organisations inviting them to meet her and discuss the energy issues facing their clients. If you would like to meet with Tula, call 1800 662 837 to organise an appointment.

Central Queensland's Regional Manager Paul Mitchell visited Mackay in early December. He attended meetings with the Mackay Regional Electricity Council, Anglicare, financial counsellors, Department of Housing, St Vincent de Paul, Centacare and Centrelink.

The most common issue raised was the impact the global financial crisis has on people already in financial hardship and their ability to pay energy accounts. Recent media reports on the proposal to increase the government-regulated tariff also fuelled their concern.

Energy Ombudsman Barry Adams was on ABC Local Radio Brisbane's Morning Show segment 'Ask an expert' in late January. Coincidentally, it was the same week that Queensland Electricity announced their tariff increase.

Barry answered questions about account fees and charges, market contracts including those from Queensland Electricity, customers not receiving accounts, faulty meters, power outages, market misconduct and bulk electricity supply.



O Week Market Day stand at Queensland University of Technology.

# Useful resources

## Contracts

If you have a problem with a contract, the following organisations may be able to help or refer you to someone who can.

**For products and services:**

Office of Fair Trading  
Ph 13 13 04  
[www.fairtrading.qld.gov.au](http://www.fairtrading.qld.gov.au)

**For landline telephones, mobiles or internet services:**

Telecommunications Industry Ombudsman  
Ph 1800 062 058  
[www.tio.com.au](http://www.tio.com.au)

**For banking, insurance or other financial services:**

Financial Ombudsman Services  
Ph 1300 78 08 08  
[www.fos.org.au](http://www.fos.org.au)

**For rental agreements:**

Residential Tenancies Authority  
Ph 1300 366 311  
[www.rta.qld.gov.au](http://www.rta.qld.gov.au)

**If you're Aboriginal or Torres Strait Islander:**

Indigenous Consumer Assistance Network  
Ph 1300 369 878  
[www.ican.org.au](http://www.ican.org.au)

Legal Aid Queensland  
Indigenous information line ph 1300 650 143  
[www.legalaid.qld.gov.au](http://www.legalaid.qld.gov.au)

**If you're a senior:**

Seniors Enquiry  
Line  
Ph 1300 135 500  
[www.seniorenquiryline.com.au](http://www.seniorenquiryline.com.au)

**For legal and Small Claims**

**Tribunal advice:**  
Legal Aid Queensland  
Client information service ph 1300 651 188  
[www.legalaid.qld.gov.au](http://www.legalaid.qld.gov.au)



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## Feedback

We welcome your feedback. If there are any stories you'd like to see in *EOQ Update* or have a suggestion on how we can improve it, please email your comments to [publications@eoq.com.au](mailto:publications@eoq.com.au).

## ABOUT EOQ

The Energy Ombudsman Queensland is a free and independent dispute resolution and mediation service for Queensland's energy consumers.

We are committed to providing an effective, high-quality, fair and confidential service for domestic and small business energy consumers who have been unable to resolve a problem with their energy supplier.



Freecall  
**1800 662 837**



[www.eoq.com.au](http://www.eoq.com.au)



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