

## QEnergy Ltd Payment Difficulties Policy Reference Document (From 1 January 2019)

### Purpose

The purpose of this program is to identify customers that may be experiencing difficulties due to unforeseen events that fundamentally alter the customer's ability to maintain their contractual obligations to QEnergy and its stakeholders.

**Note: The Energy Retail Code, which sets out retailer's obligations and minimum customer entitlements, takes precedence over this hardship policy in all circumstances.**

### Details

The payment difficulties program has been introduced to provide residential customers assistance when they are not able to adhere to their financial obligations. The aim is to provide financial assistance or relief through a number of means including payment plans, energy assistance schemes or concessions, or referral to an external agency that may be able to assist with financial assistance and/or counselling services. The payment difficulties policy is regularly updated to comply with current regulatory and legislative requirements. QEnergy understands that electricity is an essential service and has developed this program to prevent the use of de-energisation.

QEnergy defines 'payment difficulties' as:

**"Residential customers that are willing, but unable to pay their energy bills according to current credit guidelines"**

### Information about minimum assistance

The triggers for providing information to customers about the minimum assistance under this payment difficulties program and how to access it are where:

- the customer has not paid by the due date and contacts QEnergy; or
- The customer has not paid a bill by the due date and has arrears of more than \$55 (inclusive of GST). In this case QEnergy will contact the customer within 21 days of that due date and give them information about the assistance to which they are entitled and how to access it.

Customers will have at least six (6) business days to consider the information provided under this provision, request further information and put forward a payment proposal

Early identification is important to QEnergy. QEnergy staff will advise customers facing payment difficulty of their rights and obligations in respect of the minimum assistance available.

Promotion of the payment difficulties policy can also be found on the QEnergy website, correspondence sent to customers, promotion from a staff member and also referral from an external agent associated with Payment difficulties and QEnergy.

Customers can request a copy of this payment difficulties policy at any time during their time with QEnergy and is not limited to customers on the payment difficulties program. This can be requested from any QEnergy staff member and can be sent by mail, fax or electronically. Any enquiries regarding the Payment difficulties policy can be directed to the Customer Experience Team on 1300 699 982

Assistance in understanding the QEnergy Payment difficulties policy in most languages can be provided by contacting our translating and interpreter services on 13 14 50.

### **Minimum Assistance**

Once the customer has been identified as having payment difficulties, there are several options available. The minimum assistance available to customers is as follows:

- **Standard Assistance** - Helping customers avoid debt

To help customers avoid getting into arrears and to make it easier to pay for their on-going energy use, standard assistance will be made available to customers identified as having payment difficulties. For example, the customer may advise that they only need a short-term payment extension.

Standard assistance will include any three of the following:

- making payments of an equal amount over a specified period;
- options for making payments at different intervals;
- extending by a specified period the due date for a bill for at least one billing cycle in any 12 month period; and
- paying for energy use in advance.

QEnergy will communicate these options to the customer and discuss which the best option for them and document how this payment arrangement was agreed.

- **Tailored assistance** - to help customer repay debt

Customers who continue to experience payment difficulties will be offered tailored assistance as follows:

#### **While in debt but continuing to pay the full cost of their on-going energy use**

- repayment of arrears over not more than two years by payments at regular intervals of up to one month;

- advice about payment options that would enable the customer to repay their arrears over not more than two years;
- advice about the likely cost of the customer's future energy use and how this cost may be lowered;
- advice about any government and non-government assistance (including Utility Relief Grants and energy concessions) available to help the customer meet their energy costs.

#### **If a customer cannot pay the full cost of their on-going energy use**

- advice about the likely cost of the customer's future energy use and how this cost could be lowered;
- advice about government and non-government assistance available to help the customer meet their energy costs;
- assistance to help the customer lower their energy costs including, but not limited to:
  - the tariff that is most likely to minimise the customers energy costs;
  - helping the customer reduce their use of energy; and
  - information about how the customer is progressing towards lowering their energy costs.
- an initial period of at least six months during which:
  - repayment of the customers arrears is put on hold; and
  - the customer pays less than the full cost of their on-going energy use while working to lower that cost;

QEnergy may extend this assistance beyond the initial six months if this would assist the customer to continue to lower the cost of their energy use. After the six month period (or any extended period) the customer may also request the assistance set out above at **“While in debt but continuing to pay the full cost of their on-going energy use”**.

#### **Repayment if arrears is not on hold**

This section applies to a residential customer whose repayment of arrears is not on hold:

QEnergy **will** accept a payment proposal or revised proposal put forward by the customer as follows:

- a) provides for the making of payments of equal amounts at regular intervals of up to one month; and
- b) would result in the residential customer's arrears being fully paid in no more than two (2) years after the first payment; and
- c) provides for payments for energy use being made together with payments to reduce arrears; and
- d) is based on a reasonable forecast of the customer's energy use over the next 12 months.

QEnergy **may** accept a payment proposal or revised proposal that does any or all of the following:

- a) provides for payments of different amounts at different intervals;
- b) would result in the arrears being fully paid by a date later than two (2) years after the first payment;
- c) for payments for energy use being made separately from payments for arrears.

On accepting a payment proposal or a revised proposal, QEnergy will give the customer a written schedule of payments showing:

- a) the total number of payments to be made to pay the arrears; and
- b) the period over which the payments are to be made; and
- c) the date by which each payment must be made; and
- d) the amount of each payment.

If a residential customer receiving this assistance fails to make a payment by the date on which it was payable, QEnergy will contact the customer to discuss their putting forward a revised proposal.

### **Repayment if arrears is on hold**

This information applies to a residential customer whose repayment of arrears is on hold:

- a) If the customer fails to make a payment towards the cost of their on-going energy use by the date on which it was payable, QEnergy will contact the customer to discuss varying the amount payable, or the frequency of those payments, or both, to give the customer more time to lower their energy costs.
- b) If a customer is not meeting their responsibility to implement practical assistance provided by QEnergy, QEnergy will contact the customer and work with them to identify an implementation timeframe.
- c) QEnergy may add any amount unpaid for energy use to the customer's arrears.

### **Continued provision of assistance**

QEnergy will continue to provide assistance to a customer unless:

- a) the customer has refused or failed to take reasonable action towards paying for their on-going energy use and repaying their arrears; or

- b) after QEnergy has contacted the customer about their failure make payments towards their ongoing energy use, and the customer has refused or failed to take reasonable action towards making payments towards the cost of their ongoing energy use; or
- c) the customer is not facing payment difficulties.

### **Other options**

Customers have several options to assist in the payment of their accounts. Customers can opt for a direct debit that allows a nominated amount to be deducted from their selected bank account on a regular basis or even a deduction of the full amount by the stated due date. Centrepay is also available to customers that receive payments from Centrelink and payments are made directly to QEnergy prior to the release of funds to the customer. Manual payments at Australia Post can be made as required by the customer. Customers can also use BPAY and electronic funds transfer which provides them with more control over payments to their accounts.

QEnergy provides training in the skills required to manage customers experiencing financial difficulties along with partnering with government and community agencies to also assist with customer needs.

**Energy Conservation Advice and Auditing**– Customers are educated on strategies to reduce their energy consumption and referral to external auditing agencies that can also assist with energy conservation. QEnergy will assist with part of the cost of this audit. QEnergy will conduct a consumption enquiry. This may include a meter read validation and meter testing to rule out any equipment issues. This will identify any patterns and/or anomalies with their usage. Based on these results, this will then reflect the necessary actions required to refer the customer to one of the external agencies or possible steps to reduce consumption. QEnergy may also assist the customer in replacing appliances through a third party supplier at the customer's cost.

QEnergy will not offer a supply capacity control product to a customer for any credit management purpose.

**Financial Counselling** – QEnergy may refer customers to free financial counselling services that are able to assist with budget planning and general debt consolidation advice. Where a person feels overwhelmed by a personal financial problem, and would like help in effectively communicating with government or non-government organisations, a financial counsellor can advocate on their behalf.

**Government Assistance Programs** – The customer may be entitled to further government assistance such as a government grant. QEnergy will assist Payment difficulties customers to determine their eligibility and to access these government grants. .

**Concessions** – QEnergy will also request information from individuals to confirm eligibility for different concessions that may be applicable. This is confirmed using regular reports received from Centrelink. Once confirmed eligible, customers will receive these concessions/rebates on future bills until deemed ineligible.

**Other Support** – Customers can also be overwhelmed by personal reasons that may be preventing them to pay their accounts and QEnergy are able to refer to other agencies that can assist in these matters, i.e. St Vincent's De Paul and Centrelink. These external agencies are able to provide further assistance that may be required.

### **Expectations of Customer on Payment difficulties Program**

Once the customer has been accepted onto the Payment difficulties program, there are several key requirements to remain on the program. These are advised to the customer once a payment plan has been agreed to and will be sent via letter to the customer. These requirements are as follows:

- **Adherence** – If a payment plan has been agreed to by the customer (in accordance with the minimum assistance guidelines above), it is then expected of the customer to make the payments as agreed or to contact QEnergy by the required payment date to advise if not able to make payment to make other arrangements. This will be monitored on a regular basis to ensure customers are conforming to the requirements of the payment difficulties program. If it is identified that a payment arrangement is not suitable, QEnergy will discuss alternative payment amounts according to the customers' ability to pay and the requirements of this program.
- **Contact** – If for any reason the customer is experiencing further difficulties, QEnergy will discuss amendments of agreed payment arrangements to more suitable payments. A customer can choose to contact QEnergy via email, fax, letter or phone. Customers are advised of this requirement when discussing the payment plan and are also informed on the arrangement plan letter. It is the responsibility of the customer to inform QEnergy of any changes in the circumstances to prevent further financial difficulties for the customer.

### **QEnergy obligations to Customers on Payment difficulties Program**

- Customers on the Payment difficulties program will have peace of mind as they will not risk de-energisation while maintaining the agreements with QEnergy.
- Customers will not incur additional charges such as late payment fees and security deposits when meeting the requirements of the Payment difficulties program.
- QEnergy will monitor these accounts on a regular basis to ensure all requirements are met by both parties involved and will contact the customer should there be any issue.
- QEnergy will provide customers written confirmation of their agreements on the payment difficulties program.
- Any financial information, if disclosed by the customer, is confidential and will not be used for any other purpose other than assessment of an application for assistance.

**Removal from Payment difficulties Program** - QEnergy may cease providing assistance if the customer refuses or fails to take reasonable action towards the steps required of them under this program.

**Return to standard payment arrangements** – Customers who have been successfully managed and returned to a sustainable credit position are advised by letter of their removal from the program. The letter encourages them to continue with regular payments and the account is returned to the normal collection path.

### **Communicating with Customers**

Customers will be notified about assistance options, payment obligations and removal from the program using the customers preferred method. These include:

- Telephone Call
- Fax
- Email
- Letter

In all our contact, customers are treated with respect and we aim to build a relationship with customers to ensure a sustainable credit position

### **Staff Training and skills**

All QEnergy staff will be made aware of the policy and staff involved in the administration of the payment difficulty framework will receive training and have the necessary skills to sensitively engage with customers facing payment difficulty in providing assistance.

### **Escalations and Concerns**

Concerns regarding any aspects of the Payment difficulties program can be discussed with QEnergy on 1300 699 982 or escalated to the relevant Energy and Water Ombudsman below:

Energy and Water Ombudsman Victoria

Phone: 1800 500 509

Postal Address: Reply Paid 469

Melbourne VIC 8060

Email: [ewovinfo@ewov.com.au](mailto:ewovinfo@ewov.com.au)

Website: <http://ewov.com.au>