

Updated July 2020

Statement of Expectations of energy businesses: Protecting customers and the market during COVID-19

The COVID-19 pandemic continues to have a significant impact on the Australian community and our stakeholders. Many people have been affected by dramatic changes to their lives, businesses, income and working arrangements, and those of their friends, families and communities. We have seen changes in energy use and the ability of customers to pay their bills.

We expect that those customers who can pay their bills will go on doing so. This is vital to ensuring the ongoing viability of energy businesses. We recognise many retailers are providing additional assistance to customers and reaching out to their customers and encouraging them to get that help. This needs to continue, particularly through the coming months. Retailers must listen to their customers, who are best placed to know their own circumstances, and be flexible when developing payment plan arrangements. This includes listening to financial counsellors and other representatives that customers have chosen to act on their behalf, noting that customers are not required to engage financial counselling services in order to access retailer supports.

At the same time, customers should contact their retailer as soon as they have concerns they might have trouble paying their bills. No-one who has put their hand up for help should be disconnected. There are important steps we expect energy businesses (and relevant agents and representatives) to action from 1 August for the continued support of their customers.

Our expectations

1. Offer all residential and small business customers who indicate they may be in financial stress (including small businesses eligible for the JobKeeper payment) a payment plan or hardship arrangement. This may include agreeing a period in which no payment will be made.
2. Before 31 October 2020 (and potentially beyond), do not disconnect – other than at their request – any residential or small business customer who may be in financial stress (including a small business eligible for the JobKeeper Payment) who:
 - (a) has made contact with you or responded to communications from you; or
 - (b) is accessing any retailer support.
3. Before 31 October 2020 (and potentially beyond), do not disconnect – other than at their request – any large business customer who may be in financial stress (including a business eligible for the JobKeeper Payment) who is on-selling energy to residential and small business customers and:
 - (a) has made contact with you or responded to communications from you; or
 - (b) is accessing any retailer support.
4. In the event a customer has not made or responded to any contact and has been disconnected for non-payment, the retailer must process an order for reconnection immediately on contact from the customer, and waive disconnection, reconnection and contract break fees.
5. Defer referrals of a retailer's customers to debt collection agencies for recovery actions, or credit default listing until at least 31 October 2020, and potentially beyond.
6. Be prepared to modify existing payment plans if a customer's changed circumstances make this necessary.

7. Waive disconnection, reconnection and/or contract break fees for small businesses that have ceased operation, along with daily supply charges to retailers, during any period of disconnection until at least 31 October 2020.

8. Prioritise the safety of customers who require life support equipment and continue to meet responsibilities to new life support customers.

9. Prioritise clear, up-to-date communications with customers about the issues addressed in this Statement, including by keeping website, social media and call centre waiting and hold messages up to date, particularly those about the availability of retailer and other supports such as payment plans, energy efficiency advice and fault repair.

10. Minimise the frequency and duration of planned outages for critical works, and provide as much notice as possible to assist households and businesses to manage during any outage.

Compliance

Our compliance focus is ensuring customers receive the support they need and protections to which they are entitled. We are continuing to closely monitor compliance with provisions of the National Energy Retail Law, National Energy Retail Rules and exemption guidelines that protect customers facing payment difficulties.

We are also continuing to closely monitor customer outcomes, and the extent to which our expectations as set out in this Statement are met, including through our performance reporting framework and our ongoing engagement with energy Ombudsman schemes.

Contact us at an early stage if current conditions create compliance difficulties. We are continuing to work with all market participants to address concerns and will, where appropriate, consider a more flexible approach to ensure market participants can continue to operate in the long-term interests of end users.

Our priorities

As we recognised in our March Statement of Expectations, there is a need to focus on new and emerging issues of critical importance to the energy industry and to residential and small business customers who are facing a range of difficulties. For the foreseeable future, we will therefore continue to prioritise:

- Ensuring retailers proactively meet the needs of customers – both residential and SMEs – in vulnerable circumstances, particularly where this can minimise debt and hardship, and ensure that all households and small businesses can access the energy they need.
- Protecting customers who may be unable to safeguard their own interests, including customers requiring life support equipment or who are experiencing financial difficulty.
- Actions needed to ensure the safety and reliability of energy supply.
- Being responsive to the rapidly evolving pandemic situation, and preparing for our recovery, including engagement with market participants on specific concerns and new and emerging issues.

We are continuing to work, along with other market bodies, to review the timing of current and upcoming regulatory initiatives and approaches we all have underway and how these might need to continue to change so energy businesses can focus on their business and support their customers.

We recognise that our expectations in this Statement may add to the risks and costs facing energy businesses. We are particularly concerned about the continued viability of energy businesses. We are continuing our proactive work with all stakeholders on options to appropriately balance these risks and costs across the sector and to ensure energy businesses get the assistance they may need in the coming months. This includes through our proposed rule change on deferred network charges.

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If you have an enquiry, please contact us:

- Call us on 1300 585 165 or
- Email us at AERInquiry@aer.gov.au