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MEDIA RELEASE

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AER FINDS RETAILERS NEED TO LIFT THEIR GAME

A rule change to protect vulnerable customers has been put forward following a damning report by the Australian Energy Regulator (AER) on the performance of energy retailers in managing their hardship programs.

The AER's 2017 Hardship Policy Review found:

- that most retailers had deficiencies in at least some aspect of their hardship policy and its implementation;
- a wide variation in the quality of hardship policies, with many lacking specifics on how a retailer will act and what assistance they will provide to a customer; and
- that some retailers were unable to report on how they had implemented their hardship policy or provide basic information on the assistance they provided.

Despite high levels of energy debt across most jurisdictions, the proportion of customers on hardship programs remains low, with most jurisdictions reporting less than one per cent of customers on hardship programs.

The AER also found that only 27 per cent of electricity customers exiting hardship programs did so successfully by paying off their debt.

Late last year, a retailer was fined \$40,000 for wrongfully disconnecting the premises of a vulnerable customer after failing to offer hardship assistance.

Under retailer hardship programs, customers who are in compliance with the agreement cannot be disconnected.

In light of the findings from the Hardship Policy Review, the AER has put forward a rule change that builds on the review's key recommendation to standardise the approach of hardship programs and to provide customers with a clear understanding of their rights and entitlements.

The Turnbull Government will continue to work cooperatively and constructively with the AER and the Australian Energy Market Commission to ensure a better deal for vulnerable consumers.

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