



20 December 2016

Ms Anne Pearson
Chief Executive
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Anne

Re: AEMC Reference ERC0195 – Improving the accuracy of customer transfers

Thank you for the opportunity to comment on *the Improving the accuracy of customer transfers* draft determination.

The Energy & Water Ombudsman NSW (EWON) investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers.

EWON believes that the changes proposed in the draft determination paper provide a positive approach that will improve customer outcomes, and thus reduce the number of customers who approach their retailer and/or EWON with a complaint.

New address standard

In our submission to the consultation paper, EWON supported the concept of introducing an address standard to be used in electricity and gas systems, and considered that AEMO was the appropriate body to develop and implement such a standard.

EWON notes the decision by the AEMC not to make a draft rule. While we still consider that an address standard has merit, we support the data cleanse of existing databases that AEMO proposes to perform at the request of the COAG Energy Council. Such a cleanse will go a long way towards eliminating erroneous customer transfers caused by poor address data.

Resolving erroneous transfers

The AEMC's draft rule proposes a process that two retailers would have to follow if either retailer was approached by a customer after an erroneous transfer. Erroneous transfers are particularly infuriating for customers and the problem the AEMC has been asked to address is illustrated by the following case study:

Case Study: *The customer was told to establish an account they didn't want*

A customer's account was transferred in error to a retailer. On receiving a disconnection notice, the customer contacted that retailer and was told that in order to avoid disconnection and be transferred back to their preferred retailer, he would have to open an account with the new retailer.

EWON supports the process detailed in clause 57A of the draft rule and believes it provides a clear process to be followed to restore a customer to their retailer of choice, with the contract they had previously entered into with that retailer. The process outlined will be followed regardless which retailer is first contacted by the customer, which will avoid the current situation where customers can be 'bounced around' between retailers.

Disconnection

The worst case scenario for a customer who has been erroneously transferred is disconnection. Indeed, sometimes the first inkling a customer has that they have been the subject of an erroneous transfer is a disconnection notice from their 'new' retailer. Disconnections are incredibly stressful for customers and are intended as a last resort. For a customer to face disconnection through no fault of theirs is particularly galling.

To reduce the occurrence of disconnections resulting from an erroneous transfer, the AEMC proposes a new clause 116(1)(j) which will prohibit a retailer disconnecting a customer within 12 months of the customer being transferred from another retailer, if the retailer does not have a record of explicit informed consent for the transfer.

EWON supports this approach. It will provide customers with suitable protection from disconnection after an erroneous transfer, but will not stop disconnections occurring in other circumstances. In addition, the realisation by a retailer that they did not have explicit informed consent for a transfer should prompt the retailer to investigate the circumstances that led to the customer transferring to it.

If you would like to discuss this matter further, please contact me or Rory Campbell, Manager Policy & Research on (02) 8218 5266.

Yours sincerely



**Janine Young
Ombudsman
Energy & Water Ombudsman NSW**