

CUSTOMER PAYMENT SUPPORT POLICY – VICTORIA



INTRODUCTION

Tas Gas Retail (TGR) recognises the benefits of assisting its Victorian gas customers in effectively managing their gas bills, and actively promotes assistance to any customer experiencing financial difficulty in the short or long term.

TGR offers the same service to any customer regardless of their personal or financial circumstances.

This approach builds confidence and trust between TGR and its customers. Further, it enables both TGR and its customers to take early action to prevent long term and unmanageable debt.

As required by Division 4A of the *Gas Industry Act 2001* (Vic) (Act) and Division 4 of the Energy Retail Code of Practice (Code), TGR must prepare a financial hardship policy to deal with domestic customers experiencing financial hardship.

As required by s 48GC of the Act, this policy includes the following:

- flexible payment options for payment of gas bills;
- provision for the auditing of gas usage (whether wholly or partly at the expense of the licensee);
- flexible options for the purchase or supply of replacement gas appliances designed for domestic use from a third party nominated by TGR; and
- processes for the early response by both TGR and domestic customers to gas bill payment difficulties.

This Policy applies to any Victorian residential customer experiencing financial difficulty whether it be temporary or long term.

The Code takes precedence over this Policy in all circumstances.

This Policy is published on the TGR website (www.vic.tasgas.com.au) and can be posted or emailed upon request.

POLICY PRINCIPALS

With the objective of minimising the financial stress experienced by its gas customers, TGR has developed the following principles to assist any customer experiencing financial difficulty:

- acceptance of financial difficulty;
- flexible approaches;
- regular monitoring and evaluation of payment plans;
- collaborative partnerships with not-for-profit and government support organisations;
- regular and effective communication; and
- disconnection as a last resort.

TGR aims to apply best practice in achieving these principles including:

- early identification of customers who are experiencing payment difficulties;
- ensuring customers have clear and unambiguous information about the assistance that is available to them, and their obligations in return for that assistance;
- sustainable payment plans, where the duration is based on customer consultation and is proportionate to the level of debt; and
- partnerships with specialist service providers to help customers with ongoing payment difficulties.

Our Customer Service Representatives (CSR) are fully trained to handle situations where a customer is experiencing payment difficulties, and can offer a range of options designed with the customer's best interests in mind. Our CSRs will not request a customer to provide financial or personal information. All payment plans are based on customer consent, debt, account history and consumption history.

PRINCIPLES IN PRACTICE

Acceptance of Financial Difficulty

Customers are urged to contact the Customer Service Team as soon as they are having difficulty paying their bill.

Contact details are set out on all customer-facing documentation, including TGR's website, letters, and bills.

Typically, customers having difficulties paying their bills will contact the Customer Service Team directly but sometimes contact is made via a financial counsellor or a not-for-profit organisation on behalf of the customer. In the latter instance the Customer Service Team will obtain (and record) the customer's consent to deal with a third party before continuing. TGR respects a customer's privacy and will only disclose information if it is authorised to do so by the customer.

On other occasions the Customer Service and Operations Manager (CSO Manager) may identify a potential problem from debt reports and other automatic system triggers.

TGR's highly skilled and focused CSRs are all authorised to offer standard payment plans to customers who request such assistance. The CSO Manager is authorised to offer further flexibility on a case-by-case basis.

TGR believes that no barriers should be put in the way of a customer seeking a payment plan and actively works with customers to encourage them to engage at an early stage rather than wait until the financial situation worsens. It is TGR's experience that early engagement with any customer experiencing financial difficulty is the main key to success in debt management. This is critical to preventing debt accumulation and reducing disconnections.

TGR acknowledges the chronic financial stress experienced by many households and by offering assistance to all customers without labelling them as being in "hardship",

TGR can actively assist all customers and minimise the number of customer defaults.

Flexible Approach

TGR recognises that any customer could find themselves in a situation where they have the intention to pay their bill, but not the financial capacity to do so. TGR actively seeks to find a way to assist these customers to manage their debt.

Customers are encouraged to engage with TGR in proposing a payment plan. All CSRs have a calculator tool available to assist in advising the customer on a suitable amount and frequency of payment without allowing the debt to build up to unmanageable levels.

Successful agreement on a manageable payment plan hinges upon respectful conversations between the CSR and customer resulting in a fair, reasonable, sustainable, and flexible arrangement.

The CSRs will work with customers to set up a payment plan over a set timeframe. Consideration is given to the customer's arrears and future consumption.

Standard Assistance

TGR offers any customer who is worried about falling into arrears a payment plan. The type of payment plan offered will depend on the customer's personal circumstances and/or request, and will include at least 3 of the following options:

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

Tailored Assistance

TGR will help any customer who has arrears of more than \$55 (incl. GST) and who requires assistance to pay for and/or manage their current energy use and repay their arrears.

1. Where the customer can afford to pay for their ongoing energy use, TGR will at a minimum offer the following assistance:
 - i. repayment of arrears over not more than 2 years by payments at regular intervals of up to one month;
 - ii. encourage customers to repay their arrears as soon as practicable, including advice on payment options that would enable the customer to repay their arrears over not more than 2 years;
 - iii. specific advice about the likely cost of the customer's future energy use and how this cost may be lowered; and
 - iv. specific advice about any government and non-government assistance (including Utility Relief Grants and energy concessions) available to help the customer meet their energy costs.

2. Where the customer cannot pay for their ongoing energy use, TGR will at a minimum offer the following assistance:

- i. specific advice about the likely cost of the customer's future energy use and how this cost may be lowered;
- ii. specific advice about any government and non-government assistance (including Utility Relief Grants and energy concessions) available to help the customer meet their energy costs;
- iii. practical assistance to help the customer lower their energy costs including, but not limited to:
 - the tariff (if more than one is available at the relevant time) that is most likely to minimise the customer's energy costs, based on TGR's knowledge of the customer's pattern of energy use and payment history;
 - practical assistance to help the customer reduce their use of energy, based on the customer's pattern of energy use and where the customer lives, provided there is scope for action to be taken for that purpose; and
 - information about how the customer is progressing towards lowering their energy costs, which is given at sufficient intervals in order for the customer to be able to adequately assess that progress.
- iv. an initial period of at least 6 months during which:
 - repayment of the customer's arrears is put on hold; and
 - the customer pays less than the full cost of their ongoing energy use while working to lower that cost.
- v. any additional assistance in the management of their bill, gas use or payment of their arrears, such as an extension of the time the arrears is put on hold if the extension would assist the customer to continue to lower the cost of their energy use.

The cessation of a customer's arrears hold period will not preclude the customer from being offered or being able to access any of the other services mentioned above

While a customer is receiving tailored assistance and there are unpaid amounts, TGR will advise the customer that these may be added to their arrears. TGR will explain that adding unpaid amounts to the customer's arrears will result in the arrears being larger at the end of the on hold period than it was when the customer first had their arrears placed on hold. This advice will be provided at the commencement of the tailored assistance, during contact with the customer as appropriate, and will be shown on the customer's bill..

Non-payment of amounts towards ongoing energy use

If a customer who has the repayment of their arrears on hold fails to make a payment towards the cost of their on-going energy use by the date on which it was payable, TGR 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.

If a customer is not meeting their responsibility to implement practical assistance, TGR will contact the customer and work with them to identify an implementation timeframe.

TGR may add any amount unpaid for energy use to the customer's arrears.

Continued provision of assistance

TGR will continue to provide tailored assistance to a customer unless:

- the customer refuses or fails to take reasonable steps towards paying for their on-going energy use and repaying their arrears;
- the customer refuses to take reasonable steps towards making payments towards the cost of their on-going energy use;
- the customer is not facing payment difficulties.

Payment Arrangements

The payment arrangements offered by TGR to its customers are designed to include the following elements:

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

Where appropriate the payment plan may be varied so that it:

- provides for payments of different amounts at different intervals;
- results in the arrears being fully paid by a date later than 2 years after the first payment; or
- provides for payments for energy use being made separately to payments for arrears.

If a customer receiving assistance fails to make a payment by the date on which it was payable, TGR will contact the customer regarding the missed payment. Where there is a revised proposal put forward or a payment arrangement is reviewed, a new written schedule of payments will be provided to the customer.

Customer Contact

When a payment plan is agreed, TGR will send a letter to the customer which includes a schedule of payments. The schedule of payments will include:

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

Letters and payment schedules are also sent to customers when:

a payment plan is reviewed; there is a change to an agreed payment plan; or

- where a payment plan is broken.

Customers can contact the Customer Service Team on 1800 750 750 8:30 am and 5:00 pm Monday to Friday if they have any queries, or visit the website at <https://www.tasgas.com.au/vic/contact-us> to fill out an enquiry form or access further information. An interpreter service is also available on 131 450.

Assistance Available

When a customer contacts TGR and that customer has not paid a bill by the pay-by date and has arrears of more than \$55 (inclusive of GST), they will be advised on the assistance they are entitled to. This includes government assistance, non-government assistance, standard assistance, tailored assistance, and payment arrangements. TGR will allow the customer no less than 6 business days to consider the information provided, request further information, and put forward a payment proposal. For customers who need to purchase or replace gas appliances, TGR will provide them with information on available services such as the No Interest Loan Scheme.

For customers who are seeking an audit of their gas use, TGR will assist with referral to any free service available. Where a free service is not available, TGR will work with the customer to arrange a gas use audit at the customer's own expense.

Alternative arrangements

In addition to payment plans, TGR offers customers other options to assist with payment including:

- "Bill Smoothing": Bill Smoothing can be requested by any customer that has been with TGR for over a year. TGR will calculate the customer's annual consumption and will put in place a payment arrangement that averages annual consumption over an agreed regular interval payment plan. The plans are revised on an annual basis by TGR to ensure that if the customer's actual consumption is higher or lower than first estimated, the payments are adjusted (in consultation with the customer);
- Due Date Extensions: Customers can request an extension of up to 10 calendar days once per bill.
- Shorter Billing Cycles (e.g. monthly): Customers can request more frequent bills to assist with managing their finances. For example, a customer who is billed quarterly can request monthly billing. As the meter is only read quarterly, TGR will estimate consumption based on prior history for 2 bills and when the actual meter is read, the estimated consumption will be deducted from the actual read. The balance will be sent out as an actual read bill.
- Diverse Payment Options. Customers can pay by other methods, such as Centrepay, BPAY, Australia Post or online by credit card.

It should be noted that TGR does not offer capacity control products to customers for credit management purposes.

Regular Monitoring of Accounts and Evaluation of Payment Plans

Regular monitoring of all accounts

The Customer Service Team carries out regular checks to identify customers with an outstanding debt of over twenty-

one business days. Customers will be contacted to discuss payment options.

Evaluation of accounts where customers are on a payment plan

Payment plans are reviewed regularly, and customers are contacted where existing payments are too low or too high with a view to varying the payment amount.

Collaborative Partnerships

Developing collaborative partnerships within the community is an important part of tackling issues that may affect energy consumers. This principle is underpinned by the premise that energy affordability is a shared responsibility for all stakeholders, including industry, consumers, governments and not-for-profit organisations specialising in providing financial counselling and/or financial assistance. Partnerships between TGR and not-for-profit organisations provides the ideal context for information exchange and innovation on resolving customer financial difficulties. TGR takes the following collaborative approaches:

- proactive engagement and partnerships with financial counsellors and organisations to enhance customer referral opportunities and actively promote various organisations and counsellors to customers;
- active promotion of the Financial Counsellors Helpline 1800 007 007 as appropriate;
- an agreement with the Victorian Department of Human Services (DHS) to offer the Winter Gas Concession to eligible customers;
- promotion of the DHS's Utility Relief Grant (or other government assistance packages) to customers who may meet the required eligibility criteria; and
- the option of having TGR's Customer Service Team contact a welfare agency to facilitate help on the client's behalf, with the customer's consent.

Regular and Effective Communication

All customer-facing documentation including TGR's website, Customer Charter, letters and bills contain contact details for anyone experiencing payment difficulties, and urge customers to contact the Customer Service Team as soon as they are having difficulty paying their bill.

The standard credit control cycle is strictly followed and includes:

- sending out reminder letters;
- setting up payment arrangements;
- identifying broken payment arrangements;
- issuing disconnection warning notices after reminder letters; and
- using best endeavours to contact the customer after issuing warning notices and before requesting disconnection of the customer's premises, including by phone, email, or text message.

For customers who do not adhere to their payment arrangements, the Customer Service Team will decide the next action based on several factors, which may include:

- monitoring the account (if outstanding amount is less than \$55 including GST);
- calling the customer by phone; or

- sending a formal letter to the customer to advise them they risk possible disconnection if they do not either pay the agreed amount or contact TGR as soon as possible to discuss payment options.

TGR suspends its credit cycle and disconnection processes one week before Christmas and resumes them in the New Year.

In any event, a customer's premises will not be disconnected in the following circumstances:

- if the customer is a registered life support customer;
- if there is a disconnection related complaint that is unresolved;
- if the customer is receiving assistance under this Policy and adhering to the terms of that assistance;
- if the customer has advised TGR, or TGR is otherwise aware, that the customer has made a gas payment assistance application and the application has not been decided; or
- during a Protected Period as defined under the Act, which includes:
 - any time before 8:00 am or after 2:00 pm, Monday to Thursday;
 - any time on a Friday, weekend, or public holiday;
 - the day before a public holiday; or
 - between 20 December and 31 December inclusive.

In addition to the standard processes outlined above, the following initiatives are aimed at assisting with customer communication.

Access to the Customer Service Team

- Customer free call number 1800 750 750;
- Call centre staff can identify if a customer is calling from a mobile phone and offer a call back service;
- Auto call queue options include a request for a call back, leave a message or access the "pay by credit card" function;
- TGR uses text message and email to communicate with customers;
- Proactive communication is used for customers identified as experiencing financial difficulty either by a third party or by the Customer Service Team – via phone, email, text message, and letter; or
- Any customer can contact TGR with a query regarding their account or request a payment arrangement via its website.

Proactive energy saving advice

- Energy saving tips and other useful information are available on the TGR website;
- Call centre staff are trained to offer simple energy saving and cost reduction suggestions to customers; and
- TGR's website includes links to energy saving tools and tips on other websites.

Concessions and non-financial consumer assistance

Where TGR's customers are eligible to receive concessions through a government department, such as the DHS winter concession or a not-for-profit organisation, TGR can discount the customer's bills.

TGR will undertake the following actions for its customers:

- promote any government-funded schemes to customers who may meet the required eligibility criteria;
- establish eligibility for relevant discounts either at the point of application or on request (discounts may be backdated if the provider allows), and provide ongoing monitoring of eligibility for customers with Centrelink;
- apply discounts to gas usage in accordance with the relevant concession discount rules; and
- provide details of how to contact the relevant Energy Ombudsman.

The Customer Service Team has a range of other options it can offer customers on a case-by-case basis, including:

- over the phone energy audits to assist customers to identify possible ways to reduce their consumption;
- referral to an energy expert or not-for-profit organisation in their local area who could provide a home visit energy audit;
- referral to a government scheme or a not-for-profit organisation, who may be able to assist with the cost of replacing or fixing their appliance such as the Victorian Government Initiative VEU program; and
- details of any other available grants, rebates, and capital goods assistance programs.

Open communication

The key to ensuring the success of debt management is dependent on the participation of both TGR and the customer in keeping to the agreed arrangements and continuing with open communication.

TGR's Customer Service Team are very experienced in assisting customers who experience difficulties in paying their bills. In addition, as the customer base is relatively small, team members can establish close relationships with their customers and establish and maintain open communication with them.

Disconnection as a Last Resort

Disconnection of customers experiencing financial difficulties is a last resort action. TGR will continue to help any customer facing payment difficulties until such time they refuse to engage with us.

Under TGR's standard credit control cycle, a customer is only sent a disconnection warning notice if:

- they fail to pay their bill after they have been sent a reminder letter and the reminder notice period contained therein has expired; and
- they do not contact us to request assistance.

Once the disconnection warning period of 6 business days has expired there is a further period of 2 business days

during which the Customer Service Team will use their best endeavours to contact the customer via phone, email and text message in order to provide clear and unambiguous information about the assistance that is available.

If the customer still does not engage with the Customer Service Team and fails to make a payment by the payment date, does not put forward a proposal to vary the amount payable or the frequency of payments, or refuses or fails to take reasonable steps towards rectifying the matter, there will be a request sent to the distributor to arrange for disconnection. On the business day before the day of disconnection, a final attempt will be made to contact the customer. On the day of disconnection, a final check to see if payment has been received will be made prior to disconnecting.

In any event, disconnections will not occur during a Protected Period as defined above.

Evaluation and review

TGR is committed to supporting its customers, and strongly supports refinement and continuous improvement of its processes. The processes implemented include:

- regular evaluation and review of this Policy and the associated program and business practices;
- a willingness to communicate and discuss the results with key stakeholders (including relevant welfare organisations and government departments) including monthly reports and email updates; and
- creating opportunities for stakeholders to collaborate and provide feedback on issues.

Review

This Policy will be reviewed on an annual basis.