

Staying Connected Program – ActewAGL’s Financial Hardship Policy

Corporate policy 7.1.1

Responsible Officer: Staying Connected Supervisor
Policy Custodian: General Manager Retail
Division: Retail
Date of effect: May 2010
Date of last review: 2 March 2012

1. Scope

This policy applies to all ActewAGL employees.

2. Purpose

2.1 Objective

ActewAGL recognises that some residential customers may, at times, be unable to meet their utility payment obligations. The purpose of this policy is to guide ActewAGL representatives in assisting these customers through the Staying Connected Program so they remain connected to utility services (primarily by working with them to put in place affordable payment plans).

ActewAGL recognises that it provides essential services, therefore it strongly supports working in conjunction with customers and all relevant governing and consumer organisations to resolve and manage any issues that customers face as a result of financial hardship.

ActewAGL aims to provide customers experiencing financial hardship with the tools to assess and resolve their situation, and encourages them to make early contact with ActewAGL with a view of entering into an arrangement that takes into consideration individual needs and circumstances. ActewAGL will work with the customer to enter into an arrangement that is both fair and equitable to all parties. This policy has been developed to guide how a customer’s eligibility and payment options are assessed by ActewAGL. A copy of this policy is available to customers upon request, at no cost.

2.2 Background

ActewAGL understands that some customers may experience financial or other types of hardship. ActewAGL’s Staying Connected Program is flexible and may apply to a range of individual and unique situations.

The key objective of ActewAGL’s Staying Connected Program is to achieve an amicable arrangement where the customer and retailer are working towards one goal – to keep the customer connected through flexible and affordable payment plans..

ActewAGL’s Staying Connected Program will be reviewed periodically to ensure it remains sensitive to the customer’s needs and remains an effective policy in line with industry and regulatory standards and requirements. A structured and well managed program is of great benefit to ActewAGL’s disadvantaged and vulnerable customers.

In addition to the program being promoted through the ActewAGL website, electricity and water accounts will contain notices urging customers experiencing difficulties to contact ActewAGL at the earliest opportunity to discuss their situation.

It should be noted this policy has been reviewed and is supported by the Energy & Water Ombudsman NSW (EWON), the ACT Civil and Administrative Tribunal (ACAT) and CARE Financial Counselling Services Inc.

3. Policy

1. Approved corporate procedures in relation to financial hardship must be utilised and complied with by all ActewAGL staff.

Differentiating between 'payment difficulties' and 'financial hardship'

2. Despite the fact that the definition 'hardship' can be inherently subjective and covers an array of situations, ActewAGL defines '**payment difficulties**' as:

"A state of immediate financial disadvantage that results in a *residential customer* being unable to pay an outstanding amount as required by a *retailer* by reason of a *change in personal circumstances*".

"A customer experiencing payment difficulties has the intention but not the capacity to pay bills. 'Payment difficulties' can arise from a variety of situations, which may arise both gradually or suddenly, and occur over a relatively short period. For example, the theft of a wallet may cause a payment difficulty but would not in itself constitute financial hardship".

"Whereas 'payment difficulties' refers to the short-term, financial hardship is of long duration".

3. '**Financial hardship**' is defined as:

"A state of more than immediate financial disadvantage which results in a *residential customer* being unable to pay an outstanding amount as required by a *retailer* without affecting the ability to meet the basic *living needs* of the *residential customer* or a dependant of the *residential customer*".

Financial hardship may be caused by (however is not limited to) one or more of the following factors:

- loss of the customer's or family member's primary income, unemployment / redundancy
- relationship breakdown issues;
- physical and mental health issues;
- the loss of a spouse or a loved one;
- chronic illness of self or family member;
- budget management issues associated with low income;
- business loss/ failure; or
- any other unforeseen factors resulting in a customer's capacity to pay such as a reduction in income or an increase in non discretionary expenditure.

Identifying and engaging with customers in financial hardship

4. ActewAGL will encourage customers to assess their own circumstances and make early contact when experiencing financial hardship. ActewAGL will proactively strive to create an environment where customers feel empowered to do this. Bills and reminder notices will encourage early contact to break the cycle of indebtedness, and allow ActewAGL to work with the customer and individually tailor a solution to their personal situation.

Customers will also be encouraged to use ActewAGL's electronic income and expenditure calculator available on ActewAGL's website. For those with no access, a Staying Connected team member may access this on behalf of the customer with their permission.

5. Customers may be referred to the Staying Connected team via one of ActewAGL's call centres, Credit Management, the Complaints team, Government or through the community sector.
6. ActewAGL representatives will use the Financial Hardship Policy and procedures to ascertain the customer's eligibility for Staying Connected. Where a customer has been deemed eligible for the program, they will be asked if they would like to be referred to a representative in the Staying

Connected team to discuss a solution. First contact staff must be trained on how to correctly execute the referral process.

7. Customers may have been previously unaware that they may qualify for rebates to assist them. A customer's eligibility for any rebates or government concessions will also be assessed and applied where appropriate.

Eligibility criteria

8. To be eligible to participate in the Staying Connected Program, the customer must:

- have an outstanding debt which cannot be paid before the next billing cycle
- be an active, residential customer or small business customer
- be experiencing short or long term financial hardship (based on indicators in paragraph 3)

Customers on life support will automatically qualify for the Staying Connected Program.

9. The customer must acknowledge their obligations and responsibilities under the program prior to being accepted. This may be done over the telephone, or in person with a Financial Hardship Officer.

10. In addition customers must demonstrate a willingness to pay their utility bills by:

- making part-payments (as agreed) towards their account;
- maintain communication with ActewAGL, especially when experiencing payment difficulties;
- considering meeting with a financial counsellor (although not compulsory);
- customers who are abusive will not be assisted in the first instance under Corporate Procedure 7.1 P2.

Acceptance of applicant

11. Staying Connected staff will determine a customer's eligibility for the Staying Connected program. In the event of a disagreement, the Financial Hardship Manager will make the final decision and if appropriate or required, refer the customer to ACAT – EW (ACT) or EWON (NSW).

In addition, where appropriate or required, the customer may also contact the ActewAGL internal complaints team. Further information regarding the ActewAGL internal complaints process is available on the ActewAGL website.

12. The Staying Connected team accepts customer referrals via telephone and email. Customers who are assessed over the telephone will be advised immediately of their eligibility for the Staying Connected Program. Customers who are referred via email will be contacted within one business day. Once accepted a Staying Connected team member will explain the Staying Connected guidelines to the customer including their rights and responsibilities under the program These include:

- making regular payments in accordance with the agreed payment arrangement;
- contacting ActewAGL's Staying Connected team if there is a change of circumstances; and
- working together to close the gap between consumption and capacity to pay by accepting energy saving information and if advised, participating in an energy audit.

This ultimately requires a 'willingness' by the customer to proactively work with the Staying Connected team and alert ActewAGL as early as possible if there have been any changes that may adversely impact the initial agreement.

13. ActewAGL will work closely with accredited financial counsellors. Where a letter of authorisation is provided, the Staying Connected team will communicate with a financial counsellor or other support

worker who is advocating on behalf of a customer. Referrals to other Government and accredited social / welfare agencies may be made where appropriate.

14. If any customer does not demonstrate commitment to the Staying Connected program requirements, or does not cooperate with the Staying Connected team, they may be referred back to the normal credit and collection processes.

Flexible payment arrangements

15. ActewAGL's objective is to support customers in hardship by offering flexible payment arrangements to suit individual situations, and create a supportive environment where the customer feels comfortable. ActewAGL also recognises the need to align each customer's consumption with capacity to pay, always keeping in mind that a regular payment plan must be affordable to the customer.
16. Customers may be asked to nominate an affordable ongoing payment amount, which not only demonstrates a willingness to pay by the customer but also contributes to reducing the overall balance (despite that payments may be nominal). The customer may also be encouraged to increase repayments when they are in a position to do so.
17. ActewAGL recognises that not all customers have the ability to pay utility bills in short periods of time. These customers would be more adequately catered for under long term payment plans. Importance is placed on not over-committing customers who may feel the need to offer more than they can afford for fear of disconnection or because they are anxious to be reconnected.
18. When assessing a customer's capacity to pay as part of establishing a sustainable payment plan, the discussion may include:
 - evaluating the customer's current situation;
 - review of the customer's market retail contract to ensure it is the most appropriate for their circumstances;
 - verifying if the customer is able to make a payment and how much they can afford to pay;
 - the customer's current level of consumption;
 - the total amount owing; and
 - other information the customer may have regarding their capacity to pay, in line with privacy requirements.
19. ActewAGL has a number of flexible payment methods available and will work with customers on the Staying Connected program to choose the payment method that best suits their needs. These payment methods include:
 - Budget pay – where the customer specifies an amount to be paid by instalments and then pays the balance owed by the due date.
 - Even pay – the billing system calculates an average instalment for the customer to pay. The instalment is re-evaluated every six months.
 - Centrepay – the customer specifies an amount to be paid and Centrelink send the monies direct to the customer's utility account. All customers in receipt of Centrelink benefits are eligible to utilise this payment method. All information to set up Centrepay can be obtained through Centrelink.
 - In addition, the customer can pay via instalments through Epayplus, Bpay, Australia Post and the ActewAGL Home Connect Stores.
20. ActewAGL will take into consideration the input of consumer advocates. This includes acceptance of any income and expenditure statements that have been prepared with the assistance of a financial counsellor. ActewAGL recognises that financial counsellors can assist customers with the development of a realistic budget and assess capacity to pay given the individual's overall financial situation.

21. It is ActewAGL's goal to assist customers with establishing a sustainable payment plan, while working closely with the customer to identify strategies for eventually aligning consumption with capacity to pay. Details of how a payment plan is derived will be recorded in the customer's account. The plan must be clear and easily understood by any authorised third party and treated as private and confidential in any other case.
22. ActewAGL intends to reward electricity customers who experience long term hardship who diligently make ongoing and regular payments as agreed. Once a customer has made 5 consecutive payments, ActewAGL proposes to credit the account with one equal installment to the maximum value of \$50.
23. Customers on the Staying Connected Program will not be subject to any additional charges such as late fees, field call fees and reconnection fees. They will not be disconnected whilst on the Staying Connected Program.

Customers who transfer to an alternative market retail contract, as a result of the review of their existing market retail contract by the Staying Connected team, will not be liable for any early termination fees or other penalties.

Furthermore, customers on the Staying Connected Program will not be required to pay a security deposit.
24. With regards to water accounts, suspension of interest will be considered.
25. It may not be possible for all customers to maintain an affordable level of consumption and payment arrangements within a defined period. As a result, there is no specified time limit for the Staying Connected program provided the agreed payment arrangement is been met.

Payment review

26. ActewAGL will conduct regular reviews during the course of the payment plan. The Staying Connected team will liaise with customers to ensure that the plan remains appropriate for the individual's circumstances and ensure the plan is being followed.

Reviews will be conducted for the following reasons:

 - a) if there have been missed payments;
 - b) if there has been a variation in consumption;
 - c) if the account is in credit; or
 - d) if the account has been finalized.
27. Where it becomes apparent that a customer grossly cannot afford consumption, the Staying Connected team will refer the customer to ACAT – EW (ACT) or EWON (NSW).

Removing a customer from the Staying Connected program

28. The objective of Staying Connected is to case manage the customer to the point where they can manage their ongoing payments and maintain supply. This requires commitment and willingness from the customer. ActewAGL considers this central to remaining on the Staying Connected program.
29. If a customer fails to make payments as agreed, the Staying Connected team will contact them via telephone and / or in writing to warn them that they may be removed from the Staying Connected program.
30. The Staying Connected team may also attempt to contact an authorised alternative contact (for example, the customer's financial counsellor) in order to prompt contact from the customer prior to them being removed from the Staying Connected Program.

31. If there is no response from the customer after steps have been taken to contact them, they will be removed from the Staying Connected Program. A letter will be sent informing them of this decision and advising them that the credit collection action will resume and they may face disconnection.

Accepting a repeat Staying Connected customer

32. Customers who have been previously removed from the Staying Connected Program are not excluded from re-acceptance, but must meet eligibility criteria to be reconsidered.

33. Once the customer has been reassessed and is considered eligible for ActewAGL’s Staying Connected Program they may as a requisite of being accepted, have to set up automatic payments from Centrepay or some other deduction program.

34. The customer must acknowledge their obligations and responsibilities under the program prior to being accepted. This may be done over the telephone, or in person with a Financial Hardship Officer.

Engaging with consumer representative organisations

35. ActewAGL has internal and external engagement strategies designed to promote awareness of the Staying Connected Program which relates to stakeholders including ActewAGL staff, government departments and community organisations. ActewAGL will keep these groups informed and engaged with the single purpose of amalgamating various objectives to achieve one goal – to better service the needs of customers in financial hardship.

36. ActewAGL will provide timely responses (within one business day) to any information requests from these organisations regarding the Staying Connected program.

Transparency and accessibility

37. The Staying Connected team will proactively promote awareness of ActewAGL’s Hardship Policy to customers, financial counsellors and other appropriate agencies through the ActewAGL website, and other media. Interpreter services for non – English speakers and services for the hearing and sight impaired will also be available.

38. In addition to the Staying Connected program being promoted through ActewAGL’s website, electricity and water bills will contain notices urging customers experiencing difficulties to contact ActewAGL at the earliest opportunity to discuss their situation.

4. Definitions and abbreviations

Term	Definition
Term	Definition

5. Responsibilities

Position	Responsibility
Staying Connected Supervisor, Retail Finance	Implement and maintain this policy.

6. Legislation and compliance

- National Energy Customer Framework (NECF)

7. Related documents

- Staying Connected Program Financial Hardship Customer Charter

8. Document control

Version	Author/Editor	Description of changes	Approved by/date
1	Harvey Escribano	Minor amendments in line with minimal NECF requirements	Australian Energy Regulator 2 March 2012