

Medically dependent consumer guidelines and vulnerable consumer guidelines

Phase Two: Interim zoom webinar

Welcome: James Tipping Facilitator: Ron Beatty

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Welcome



Our aims today



**RECAP WHERE WE GOT
TO LAST TIME**



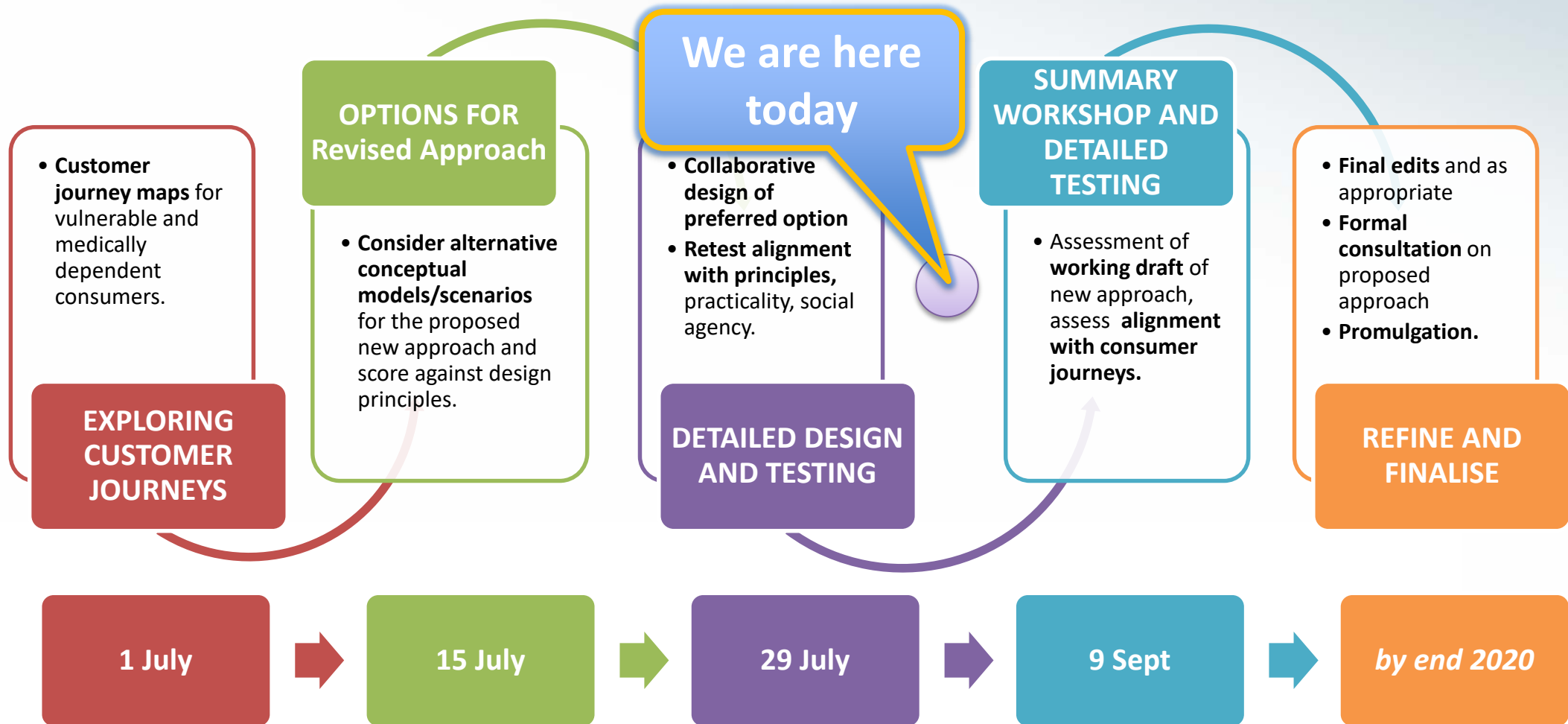
**FURTHER DISCUSSION
ON CURLY QUESTIONS**



REVISIT NEXT STEPS

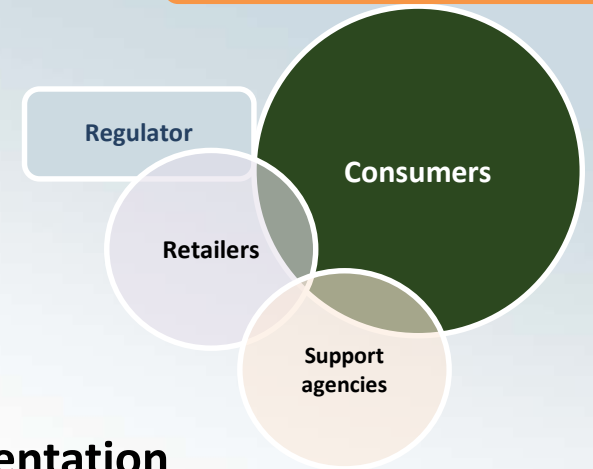
Recap:

Where are we in the overall review process?



Recap:

Our current focus is part of a wider system

**1**

Clear terms – a system to guide retailer/consumer/wider agency engagements

- Principles?
- Guidance: Best practice guidelines?
- Minimum standards?

*(our focus now)***2**

Effective processes

- for how retailers establish whether existing or intending customers are vulnerable or medically dependent
- An accord to guide engagement between
 - retailers ↔ government agencies
 - retailers ↔ wider support agencies

at every step of the customer journey

3

Effective support tools: updating wider documentation

- Medically dependent consumer HP form(incl guidance)
- Emergency management plan (incl guidance)
- Authority's website and fact sheets or similar
- Arrangements with wider support agencies
- Authority minimum standards on customer terms and conditions
- Monitoring forms and publication of monitoring

4

The ability to monitor progress

- Regular engagement with all relevant parties
- Monitoring:
 - vulnerable consumer outcomes
 - medically dependent consumer outcomes
 - adherence to standards
 - enforcement (if aspects are mandatory)



Today's session:

A deeper dive into policy questions

1. Do we need a definition of 'vulnerable'?
2. What happens to consumers that cannot find a retailer?
3. Which suppliers should the new guidelines apply to?
4. How can retailers protect themselves from bad debt?
5. Should suppliers be required to engage with customers after disconnection?

Plus additional associated questions

How to have your say:

<https://www.surveymonkey.com/r/S8MXJ3M>





Question 1

Do we need a definition of 'vulnerable'?

We heard:

- *All customers should be treated alike. If entering a credit cycle, should be treated as vulnerable by default.*
- *All retailers should become aware of a customer's situation at sign up. For everyone else, CSRs flag customers at VC if they mention specific words.*
- *VC is a misnomer if it is talking about financial hardship and non-payment. Vulnerability is also due to a host of other factors and can affect different groups.*
- *If defined, then meeting that definition could in itself create a barrier to someone receiving assistance.*
- *Need to know that all retailers will have the same processes and apply those in the same way.*
- *Perhaps acknowledgment of a fully national framework – provision for everyone – would shift the thinking.*

Supplementary questions:

- A. Should all retailers have policies to cover their engagements with potentially vulnerable and MDCs?
- B. Should vulnerable consumers be defined as a specific group?
- C. Should all consumers who could or do face payment difficulties be offered 'consumer care' assistance?
- D. If all consumers, what should be the characteristic or reason that means 'consumer care' assistance is offered?
- E. Should consumers have to provide proof that they are having difficulty paying in order to get assistance?



Question 2

What happens to consumers that cannot find a retailer?

We heard:

- *A 'retailer of last resort' or central government agency could manage all these relationships.*
- *Not everyone qualifies for MSD hardship assistance*
- *All retailers could have a universal social responsibility to supply residential customers unable to access energy.*

Supplementary questions:

- A. What could a retailer reasonably do for a customer that fails their credit check?
- B. Does the retailer who disconnected the ICP have any obligations to assist the consumer at the premises in providing targeted assistance after the disconnection, or finding a new retailer?



Question 3

Which suppliers should the new guidelines apply to?

We heard:

- *The package could apply to anyone with the power to action an electrical disconnection – not just retailers*
- *Support agencies need predictability in what can be expected from a retailer. Retailers also need to trust the support agencies.*
- *Clarity needed around the term “reasonableness”.*
- *Less prescription is desired to ensure retailers can innovate and respond to customer preferences.*
- *There is a need to future proof the guidelines.*
- *Requirements should not be watered down to accommodate providers’ business models.*

Supplementary questions:

- A. Should the new guidance package apply to anyone that has the power to action an electrical disconnection?
- B. Note that recommendations apply also to secondary suppliers?
- C. Do we need a new definition of ‘supplier’ for this package that encompasses retailers, traders, distributors and secondary providers?



Question 4

How can retailers protect themselves from bad debt?

We heard:

Debate on implications of the term ‘reasonable’

- *What is “reasonable” – is this an expectation on consumers to engage, suppliers, or both?*
- *A definition may not be necessary, but retailers should demonstrate what they did and why they think this is reasonable in the circumstances. All reasonable actions should be judged from the perspective of the residential customer experiencing an inability to pay.*
- *A definition may be helpful in giving Utilities Disputes or others clarity of what should be expected and what redress is appropriate where such expectations are not met.*
- *The framework could use a risk-based analysis, with risks to retailers and consumers clarified, and mitigation processes either recommended or required.*

Debate around customer signup

- *Should norms around bonds be updated?*
- *Should a bond be permitted in all cases (eg even if WINZ redirection occurring)?*
- *What value should the bond be set at? (currently \$150)*
- *A bond is a barrier to connection. People should not be left without the essentials while waiting for strained NGOs and other community services to help them with a bond.*
- *Should a supplier be able to decline an MDC or VC?*
- *Should suppliers be required to engage with customers with poor credit history, if they’re getting support from a recognised agency and pay a bond?*



Question 4 (continued)

How can retailers protect themselves from bad debt?

We heard:

Debate on possible options during a contract

- *Guidelines should encourage customers/consumers to engage with their supplier if situation changes.*
- *If a customer is engaging with a recognised agency (eg FinCap), should the non-payment process be placed on hold to allow discussions to complete? How long for?*
- *Retailers may not be responsible for underlying debt issues, but they must be required to allow people the time and space to find a sustainable way forward instead of jumping to disconnect someone who is in an impossible financial situation or struggling to engage.*
- *Retailers must accept the view and work with recognised agencies to assist residential customers to a sustainable way forward. Recognised agencies and customers should be given appropriate times to action changes where the retailer only requires a contribution based on what the residential customer can afford.*

Supplementary questions:

- *Refer to original discussion points.*



Question 5

Should suppliers be required to engage with customers after disconnection?

We heard:

- *It is unacceptable to disconnect someone from an essential service and no follow-up be made to ensure this person is safe.*
- *Removing an essential service can always put a residential customer in danger.*
- *Disconnection should only occur if it can be established that it is safe to do so, and that a customer is not struggling to pay their bill.*

Supplementary questions:

- A. If a retailer has disconnected a customer, what ongoing expectations do we have of the retailer in relation to that customer relationship?
- B. Should suppliers be required to periodically check in with a customer they have disconnected to see how they are managing, if their status has changed, and revisit targeted assistance and referral?

(Note that under the Code, suppliers remain responsible for points of connection that they are recorded in the registry as being responsible for. Regardless if there is a customer or not.)

Next steps

