



## Small-scale energy networks financial hardship factsheet

### Information for small-scale energy network residential customers who are experiencing financial hardship

Financial hardship is when a residential customer intends to pay their bills but is experiencing, or expecting to experience, financial difficulties. Financial hardship can be temporary or ongoing and can be due to a variety of reasons. Some examples of financial hardship causes are:

- ▶ a death in the family
- ▶ household illness / prolonged illness
- ▶ family violence
- ▶ unemployment
- ▶ reduced income
- ▶ multiple bills due at the same time.

Financial hardship can be due to multiple factors and the above examples are not an exhaustive list of situations which can cause financial hardship.

However, financial hardship does not include a situation where a residential customer has the capacity to pay a bill but does not want to pay this for any reason (for example, a challenge to the legal obligation to pay the bill).

Small-scale energy retailers have obligations under the Small-Scale Electricity Networks Code and Small-Scale Gas Networks Code to engage with and support residential customers experiencing financial hardship.

#### Identifying financial hardship

A residential customer experiencing financial hardship may have an overdue bill, a constant debt, or may approach a retailer by telephone or written communication and advise the retailer that they are experiencing financial hardship. A retailer is entitled to rely on the self-identification of a residential customer as being in hardship.

A retailer may also rely on information being provided to them from a third party to identify a residential customer experiencing financial hardship. This information can come from:

- ▶ an accredited financial counsellor, welfare agency, or other community worker, or
- ▶ a support person assisting a customer in managing their bills.

It is important that financial hardship is identified as early as possible, so a retailer can provide early assistance.

If a residential customer expects to be in a hardship situation in the near future, they do not need to wait. Residential customers can contact their retailer and be given financial hardship assistance early.

#### Rights of customers experiencing financial hardship

A residential customer experiencing financial hardship must receive certain protections and benefits from their retailer to assist them. These protections and benefits include:

- ▶ a waiver of any fee payable under a retail contract for late payment
- ▶ the right to have a bill redirected to a third person, for no additional charge, provided that the third person consents in writing to that redirection
- ▶ information on independent financial and other relevant counselling services that may be able to assist, and

- ▶ general energy efficiency advice and/or a referral to an energy efficiency advice service free of charge.

## Payment plans

The primary method used by a retailer to assist a residential customer experiencing financial hardship is by using a payment/instalment plan.

A retailer must offer residential customers the option to make payments in advance towards future bills and an interest and fee-free instalment plan, or other payment arrangement, under which the customer is given more time to pay a bill or to pay arrears. A retailer may also choose to offer other payment options.

While a residential customer experiencing financial hardship is adhering to a payment plan, a retailer must not:

- ▶ disconnect the customer, or
- ▶ require the customer to pay a security deposit.

A retailer must consider the following factors when negotiating a payment plan with a residential customer:

- ▶ the customer's expected future energy usage
- ▶ the current amount owing
- ▶ the customer's capacity to pay, and
- ▶ the customer's current financial situation.

A residential customer needs to consider their other expenses and how much they can afford to pay when entering a payment plan.

A residential customer does not need to accept a payment plan proposed by their retailer and can offer a reasonable payment plan which is suitable to them.

If a payment plan is agreed upon and circumstances change where the payments are no longer affordable, the residential customer must contact the retailer and inform them of the change and modify the payment plan accordingly.

A residential customer can be removed from a payment plan if:

- ▶ they are no longer a residential customer
- ▶ they have reconnected their electricity or gas illegally
- ▶ they were dishonest about their circumstances
- ▶ their contact details have changed and they have not informed their retailer of the change, or
- ▶ they have not upheld their obligations under the agreed payment plan.

A retailer must renegotiate a second payment plan with a residential customer; however, if a residential customer does not comply with their obligations under the second payment plan, a retailer may initiate their standard debt collection process. This means any outstanding amount from a bill will become payable in full.

A retailer does not have to offer a residential customer an instalment plan if the customer has, in the previous 12 months, had two payment plans cancelled due to non-payment. A retailer may decide to enter another payment plan with a residential customer if the retailer is reasonably satisfied that the customer will comply with the payment plan. The retailer can ask for any documentation in support of another payment plan.

If a residential customer experiencing financial hardship is on a payment plan and decides to move to another retailer while they have an outstanding debt, their payment plan will end, and the remaining balance owing will become payable in full by the date of the next payment in the payment plan.

Once a payment plan is agreed upon, the retailer must send the residential customer experiencing financial hardship the following information (which is not limited to):

- ▶ contact details for the retailer
- ▶ the length of the payment plan
- ▶ the amount payable for each instalment
- ▶ how many payments will be required
- ▶ when the payments are due
- ▶ payment methods, and
- ▶ the calculations and method used to determine the payment amounts.

### Payment methods

A retailer must offer the following payment methods to its residential customers:

- ▶ direct debit
- ▶ in person
- ▶ by mail, and
- ▶ Centrepay.

These payment methods are the minimum a retailer must offer, and a retailer can choose to offer additional payment methods at their discretion, such as BPay.

Centrepay is a free and voluntary service which allows a Centrelink recipient to pay bills and expenses as regular deductions from their Centrelink payments.

### Other options

If a residential customer believes a bill is inaccurate and an error was made, the bill can be reviewed and, where relevant, corrected.

A retailer may offer to extend the due date of a bill, rather than offering a payment plan. It is the retailer's decision whether this option is more suitable than a payment plan and may be preferred where a customer's financial difficulties are temporary.

Retailers are free to offer additional options to customers.

Residential customers on life support are eligible for additional protections from their retailer. Residential customers on life support equipment should refer to their retailer's life support factsheet for further information and/or contact their retailer.

### Energy concessions

Customers on a low income may be eligible for a concession on home energy bills. Eligibility for the energy bill concession can be checked using the [Concessions Finder](#) website.

For assistance or advice:

- ▶ visit the [Department of Human Services \(SA\)](#) website
- ▶ phone the Concessions Hotline on 1800 307 758, or
- ▶ email [concessions@sa.gov.au](mailto:concessions@sa.gov.au)

### Disclaimer

This factsheet is intended as a summary of the rights available to small-scale energy networks residential customers who are experiencing financial hardship. To determine the specific obligations of retailers and distributors customers should refer to the relevant Small-scale Gas Networks Code or Small-scale Electricity Networks Code available on the [Commission's website](#).

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