



# **RED ENERGY HARDSHIP POLICY**

**VICTORIA  
NEW SOUTH WALES  
SOUTH AUSTRALIA**

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## **1. Hardship Policy Overview**

Red Energy has established a hardship policy designed to provide assistance and ongoing support to customers that are experiencing financial difficulties. The Customer Care program offers a range of services to help customers manage their accounts by providing practical assistance that will alleviate both short and long term financial hardship.

To help customers, our Customer Care team is available to provide ongoing support and assistance to customers by providing flexible payment options and additional assistance. The aim of the team is to assist customers to manage both debt and ongoing consumption while providing an environment where customers can regain financial control of their energy bills.

The following policy has been designed to address these responsibilities, and to provide a flexible framework within which Red Energy's Customer Care team can operate.

The main policy objectives are:

- to provide a guide to assessing, assisting and managing customers who are willing but unable to pay their bills
- to develop an organisation-wide appreciation of the importance of identifying these customers,
- to outline a range of options available to assist customers experiencing difficulties and provide ongoing support.

## **2. Customer Care Program**

The Customer Care Program is available to customers identified as having difficulty keeping to standard payment arrangements. Referrals to the program can be initiated from within areas of the business or at the request of the customer, a Financial Counsellor or representative of a Welfare organisation.

The customer must be a known domestic customer with an active account who is unable to meet the standard payment requirements of the normal debt cycle.

Call centre staff, including the debt team, are trained to identify certain signs that may indicate financial hardship. These include:

- customers advising that they are having financial difficulties and are unable to pay their bill by the due date,
- customers advising of recent events within the household that place them in a vulnerable financial position such as job loss, illness or family crisis,
- customers in the process of receiving assistance from a Financial Counsellor or a Welfare agency,
- customers that have a history of late payments or failed payment arrangements.

Consultants will also attempt to gain further information from the customer to further assess the need to refer to the Customer Care team.

The Customer Care team has been established to provide specialist support and management to those customers that have been identified as requiring assistance outside the regular debt management group.

The program provides case management that includes tailored payment options, energy and financial assistance and continuing support outside the standard debt cycle to assist customers with ongoing energy costs.

- all customers indicating 'capacity to pay' issues will be treated with respect and fairness,
- any residential customer who is willing to pay their account but is unable to meet the minimum requirements will be considered for the program,
- any arrangements made will consider the customer's current and future requirements,
- all hardship customers will be offered a tailored payment plan/ instalment option,
- all debt treatment must be suspended while the customer is on the program,
- customers on the program will be ensured uninterrupted power supply,
- if a customer fails to keep to the agreed payment plan twice within 12 months or, fails to contact the company to discuss alternative arrangements, normal credit treatment may be commenced.

### **3. Identifying customers for the Program**

Customers may be referred to the program by staff or by external Welfare or Financial counsellors. The initial discussions will determine the degree of assistance required and will be based on the information given to the Customer Care Specialist by the customer or their representative.

All bills, reminder notices and disconnection warnings contain information advising customers to let us know if they are experiencing difficulties and that options are available to assist them with payments.

**Role of Call Centre Staff:** Customer service staff will refer customers to a member of the Customer Care team whenever possible. Should a call back be required at a more suitable time, this will be arranged with the customer.

#### **Role of Debt Team:**

The Debt team will also assess and refer customers experiencing financial difficulties to the Customer Care team. Debt specialists can also flag a possible hardship customer that has been highlighted for debt action and refer to the program for management.

#### **Role of Customer Care Team**

Customer Care specialists are available to provide immediate support to hardship customers through a number of strategies.

### **4. Assessment Process**

A customer referred to the Customer Care team will be assessed for the program based on the information provided through a series of general questions. This information will be used to ensure an affordable arrangement is established as well as addressing immediate concerns such as financial assistance or grant applications. While an assessment of affordability will be undertaken at this time, the establishment of a payment plan will be based on a negotiated amount reflecting the customer's financial capacity.

These questions are aimed to gather information so that the most appropriate plan can be provided. The customer Care specialist will discuss a range of issues such as payment options, energy audits, grant applications and referrals to external agencies.

The aim of this assessment is to establish open communication with the customer and to alleviate any immediate concerns regarding debt and the ongoing management of the account. By maintaining a respectful and considered approach, the Customer Care specialist will provide individual assistance to the customer. The success of the program is dependant on the participation of both parties in keeping to the agreed arrangements and continuing open communication.

## **5. Providing options**

The Customer Care team have a wider range of options to offer customers in hardship. On a case by case basis, the Customer Care specialist will provide assistance that may include:

Payment options:

- Credit Evenpay- A tailored plan that extends the normal repayment plan to a maximum of 24 months. It is based on fortnightly payments covering both consumption and arrears
- CentrePay- Allows the customer to have their fortnightly payments automatically deducted from their government payments via Centrelink,
- Debt suspension-Assessed on a case by case basis, there is the provision to suspend payment for short term financial assistance
- Debt Waiver-Assessed on a case by case basis, there is provision to waive a portion of debt

Incentive Payments:

- provision to apply a credit for every 6<sup>th</sup> payment on an agreed payment plan

Energy Audits:

- initial energy audit conducted over the phone with a CSC credit management or Customer Care specialist,
- Energy Audit home visit.

Appliance Replacement:

- where replacements identified as a result of an Energy Audit or where the customer has identified that their appliance is no longer working and needs to be repaired or replaced. Red Energy, the customer will be referred to the Home Wise Scheme.

## **6. Ongoing Management**

The Customer Care team will case manage customers on the program. This will include:

- establishing a reasonable payment plan with the customer,
- assistance with applications for the URG and Capital Grant Schemes if required,
- referrals to government departments such as financial counsellors in their area to assist with the customer's application for EAPA vouchers (NSW only),
- referring customers to Families SA (South Australian customers only)
- referrals to Financial Counsellors and Welfare Agencies if required
- ensuring all relevant concessions are applied on the account.
- reviewing payments, payment plans and payment amounts regularly.
- maintaining contact with the customer through calls and correspondence

- arranging over the phone energy audits or visits as required
- arranging referrals to third party for appliance replacement,
- providing ongoing assessment of payment plan to ensure it is suited to the customer's immediate financial capabilities,
- monitor payments and debt to ensure debt is not increasing to an unmanageable amount,
- keeping track of the customers consumption by re-assessing after every bill to ensure their usage has not increased and educating the customer on how to use their energy efficiently.
- Reviewing each bill to ensure that customers on smart meter tariffs are on the most suitable tariff for their individual consumption needs. We will call you to discuss this before we make any changes.

#### **Incentive plan:**

Where long term financial assistance is required, the Customer Care team provides an incentive plan for customers on the program.

This plan is a credit of one fortnightly payment for every 6 payments made by a customer on the program. If the customer keeps to the agreed payment arrangement, this credit is placed onto the account helping to reduce debt.

There is also the option to provide a once off debt waiver for customers on a case by case basis if required.

#### **Referrals to government assistance organisations:**

- Utility Relief Grant Scheme (URG) which provides a one off payment to help customers
- Capital Grant Program
- No Interest Loan Scheme [NILS]
- Families SA
- Financial counsellors in NSW to apply for the EAPA vouchers (NSW only)

## **7. Customer rights and obligations**

The main focus of the Customer Care program is to assist customers experiencing financial difficulties so that they are not subject to the regular debt cycle while there are outstanding amounts owing. The intent of the program is to provide an opportunity for customers to regain control of their energy costs and establish ongoing management of their account.

To ensure the full benefit of the program is achieved, customers are encouraged to maintain contact with the team so that the full benefit of the program can be utilised.

While in the Customer Care Program, the customer can be assured that all debt action will be suspended and disconnection of their energy will not occur. Every case will be assessed and managed by the Customer Care specialist and a range of payment options and incentives are offered that are not readily available outside the program.

To remain in the program, the customer is requested to contribute to the ongoing management of their account by:

- Making the agreed payments as outlined in the plan

- Maintaining contact with the Customer Care team and advising them if there are any changes that may impact the payment plan
- Completing any forms such as the URG and returning them by the due date
- Keeping appointments with Financial Counsellors or other external agencies as agreed
- Responding to letters or phone calls made by the Care team.
- Accepting that the payment plan amount will be reviewed quarterly and that increases may be required to minimise further debt.

## **8. Financial Counsellors & Welfare Agencies**

Welfare and Financial Counsellors that contact the centre on behalf of a customer can request referral to the Customer Care team to discuss clients for the program.

## **9. Energy Audits and Assistance**

The Customer Care team will provide further assistance with energy audits and recommendations to assist customers in the home.

At a time convenient to the customer, our specialists will conduct an initial over the phone audit to identify any areas where consumption can be reduced in the household. This will include a detailed audit of appliances and usage to help identify if there are any cost effective options available to assist the customer reduce their energy bill.

Based on the information provided by the customer and historical information of usage and patterns, the specialist will offer advice on how to increase efficiency in the home. If there is a discrepancy in the usage or an indication that there may be a faulty appliance within the home, it may be necessary to arrange a site visit by an Energy Auditor.

The Energy Audit will be provided free of charge to the customer if there is a clear indication of excessive or unusual consumption within the household and the debt is high. A thorough high bill investigation will be conducted before determining if an Energy Audit is required.

## **10. Replacement of Appliances**

The Customer Care team will undertake a detailed assessment of usage and consumption to assist customers on the hardship program.

If irregular or excessive consumption is identified by either the customer or the Customer care specialist, and the cause cannot be readily identified over the phone, an Energy Audit may be required.

If a faulty appliance is identified whilst speaking to the customer over the phone or if a home energy audit has been completed and found that a appliance will need replacing Customer Care will recommended the Home Wise Scheme (Victoria Only) or refer the customer to government welfare agencies who will be able to assist in replacing or fixing their appliance.

Each case will be assessed individually and further assistance may be required for customers who are in long term financial hardship. In cases where the Home Wise has been declined and a faulty appliance has been identified through the Energy Audit as requiring replacement, Red Energy will assist the customer in sourcing an affordable replacement. This may include access to Community Buying groups or once off negotiations with a retailer.

## **11. Communication**

Details of the Customer Care Program will be available on the website and all customer service staff will be able to advise customers on the details of the program.

The Customer Care team will be available during normal call centre operational hours to assist customers.

The program will also be distributed to Welfare and financial counsellors and other agencies as required.

## **12. Staff Training and Awareness**

The Customer Care program is included in all induction and refresher training for front line staff and management. Refresher training modules are incorporated into the training schedule to ensure call centre staff are provided with the necessary understanding and abilities to identify and refer customers identified as possible hardship.

- All staff in customer service and debt roles participate in ongoing training programs designed for the Customer Care Program
- Customer Care specialists are given specific training on dealing with customers in hardship. This training includes the utilisation of external groups to assist in the sensitive management of customers on the program.

To address the introduction of changes to the Hardship Policy, ongoing refresher training of all front line staff is incorporated into the training schedule. The training modules will address the new requirements of legislation and provide refresher training throughout the call centre.

Staff on the Customer Care Program receive ongoing training and up-skilling to ensure they are capable of handling the special needs and requirements of customers placed on the Hardship program.

## **13. Disconnection policy**

While every effort is made to assist customers on the program and maintain supply to their household, there are circumstances where a customer may be returned to regular debt management.

Customers on the Customer Care program will not be disconnected for debt; however, a customer that does not fulfil their obligations may be returned to regular debt management and can potentially be disconnected under the guidelines of the Energy Retail Code.

The success of the program is dependant on the co operation of both parties and this includes a willingness to keep to the payment arrangement as agreed with the Customer Care specialist. Should a customer fail to participate in the program and does not show intent to keep minimum payments or contact us to discuss other options, the customer will be advised in writing of their referral out of the program.



#### **14. Review of Policy**

Red Energy has an established hardship program that has been modified and expanded to ensure the best outcome for the customer and the business. The policy and processes will be reviewed on an ongoing basis as part of Red's internal compliance program.

## Overview of Process

### **Communication** of Customer Care Program

- Advised to customers during discussions of payment difficulties
- Included in Bill messages, reminder notices, disconnection brochure and disconnection notices
- On Red Energy Website
- Through information provided to Welfare and Financial counsellors

### **Identification** of customer experiencing Financial Hardship

- Via incoming call from customer to call centre or debt team
- Via incoming call from Financial Counsellor or Welfare organisation calling on behalf of client
- Via internal areas ( debt/ billing) where potential hardship customer has been identified

### **Initial assessment** of capacity to pay

- General information gathering with customer using open ended questions indicating that customer is willing but unable to pay account
- Information provided by Financial Counsellor and welfare organisation on behalf of customer
- High outstanding debt/ Broken Payment arrangements identified by internal customer service
- Personal information provided by the customer indicating change of circumstance that has impacted family finances

### **Referral** to Customer Care Team

- Immediate transfer to Customer Care specialist or an arranged time for call back with customer or Financial Counsellor

### **Assessment** by Customer Care Team

- Discussions with customer to determine if financial hardship is short or long term and whether the customer is willing but unable to pay due to this
- Information gathering to find best ongoing payment solution
- Establishment of affordable payment arrangement
- Debt action suspension to ensure ongoing provision of power
- Information regarding energy usage and over the phone energy audit discussions
- Assistance with Utility Relief Grant Scheme application if required
- Assistance with Capital Grants Scheme if applicable
- Assistance with referral to Financial Counsellor if required
- Arrangement of Energy Audit to home
- Arrangement of referral to third party for replacement of appliances

### **Payment Options**

- Credit EvenPay (12/ 18/ 24 month options). Fortnightly payments of an affordable amount that can be reviewed as circumstances change
- Repayment plans that cover consumption only for long term financial hardship customers in crisis situation. Case by case.
- Debt suspension and acceptance of below consumption payment plan for severe hardship situations. These are used only in extreme cases and are assessed on a case by case basis. Plan is for limited periods only, and reassessed for increases at specific intervals.

- CentrePay deductions

**Confirmation** of details of the Customer Care Program

- Letter advising customer of new payment arrangements and requirements to maintain the agreed plan
- URGS applications
- Confirmation of customer in program and number to contact Customer Care team

**Ongoing management** In the Customer Care Program

- Removal from regular debt cycle
- Monitoring of account and payments to minimise further debt
- Reviewing of payment plan and amounts
- Energy assessments and recommendations
- Applying incentive credits
- Maintaining contact via phone and letters
- Advising customers of account changes or reviews
- Maintaining contact with Financial counsellors acting on behalf of customers to ensure affordable payment plan

**Exiting** the Program

- Payment plan completed and account stabilised
- Customer now meets regular debt criteria and no longer needs specialised monitoring by Care team.
- Letter advising customer of program completion

**Referral** back to normal Debt management

- Customer breaks two agreed payment plans
- Customer fails to maintain contact and breaks agreed plan
- Removed from CARE program after three consecutive missed payments and no response to letters or attempted contact.

**External Referrals**

- Financial & Consumer Rights Council (FCRC)
- Energy Auditors (to be confirmed)
- Appliance Assistance (to be confirmed)
- Welfare Agencies