

# Hardship Policy Reference Document

## Purpose

The purpose of this program is to identify customers that may be experiencing difficulties due to unforeseen events that fundamentally alter the customer's ability to maintain their contractual obligations to QEnergy and its stakeholders.

## Definitions

CSR	-	Customer Service Representative
NILS	-	No Interest Loan Scheme
EWON	-	Energy and Water Ombudsman NSW
EWOQ	-	Energy and Water Ombudsman Queensland
EWOSA	-	Energy and Water Ombudsman (SA)
EWOV	-	Energy and Water Ombudsman Victoria

## Details

The Hardship program has been introduced to provide residential customers assistance when they are not able to adhere to their financial obligations. The aim is to provide financial assistance or relief through a number of means including payment plans, energy assistance schemes or concessions, or referral to an external agency that may be able to assist with financial assistance and/or counselling services. The hardship policy is regularly updated to comply with current regulatory and legislative requirements. QEnergy understands that electricity is an essential service and has developed this program to prevent the use of de-energisation. As a last resort, de-energisation will be used but only due to non-compliance by the customer when on the hardship program.

### QEnergy defines 'Hardship' as:

**"Residential customers that are willing, but unable to pay their energy bills according to current credit guidelines, ensuring that a customer's basic standard of living has not been jeopardised."**

Once acceptance to the Hardship program has been granted, QEnergy will attempt to provide as much assistance as possible. With a dedicated Hardship Manager, the customer will be provided assistance through the below means:

- Payment Arrangements
- Referrals to Energy Assistance Schemes and/or concessions (where applicable)
- Education on conservation of energy
- Promotion of financial self-management
- Referral to external Financial counselling agencies (Moneycare)
- Referral to other external Assistance programs (NILS, Centrelink, etc)

## Identification of Hardship Customers

QEnergy will endeavour to assess customers on a case by case basis. This will be carried out whenever a customer makes contact for payment arrangements, or makes a direct request for assistance. To be eligible for the program, several questions will be asked of the customer to determine the extent of a customer's financial difficulties. These questions or identifiers will provide QEnergy a basic overview of the financial position of a customer. Once defined as "Potential Hardship", the customer will then be provided the assistance depending on the level of help needed. (ie: Acceptance on Hardship Program or a payment arrangement that may be over a longer period than the standard collection path).

These identifiers include and are not limited to:

- A customer makes contact to notify that they are not able to make payment (full or part) by due date.
- A customer is only making part payments to invoices/statements regularly.
- A customer continually breaks agreed arrangements.
- A customer is referred by a financial counsellor.
- A customer has 2 or more consecutive outstanding invoices.
- A customer has been referred by a government assistance program.
- A customer holds a pensioner concession card or is on Centrelink payments
- A customer that has been previously been granted acceptance onto QEnergy Hardship program and now removed (graduation or non- compliance).
- A customer has received an assistance payment from a government department
- A Natural Disaster has impacted the customer financially
- The customers usage is greater than they can afford (unable to cover average usage)
- Is a life support customer

Early identification is important to QEnergy. Contact to customers is made shortly after the due date on every invoice. This may also be the case in regards to any of the above identifiers. A Payment plan is negotiated with the customer and also provides the Customer service representative an insight into the customers financial situation in the early stages of the collection timeline. If identified that the customer may require assistance, steps are taken to determine the severity of financial hardship and the appointment of a case manager to manage the account. This will also provide a direct contact for the customer should any further issues arise.

Promotion of the hardship policy can also be found on the QEnergy website, correspondence sent to customers, promotion from a staff member and also referral from an external agent associated with Hardship and QEnergy.

Customers can request a copy of the Hardship policy at any time during their time with QEnergy and is not limited to customers on the Hardship program. This can be requested from any QEnergy staff member and can be sent by mail, fax or electronically. Any enquiries regarding the Hardship policy can be directed to the Customer Service Team on 1300 699 982

Assistance in understanding the QEnergy Hardship policy in most languages can be provided by contacting our translating and interpreter services on 13 14 50.

## Flowchart

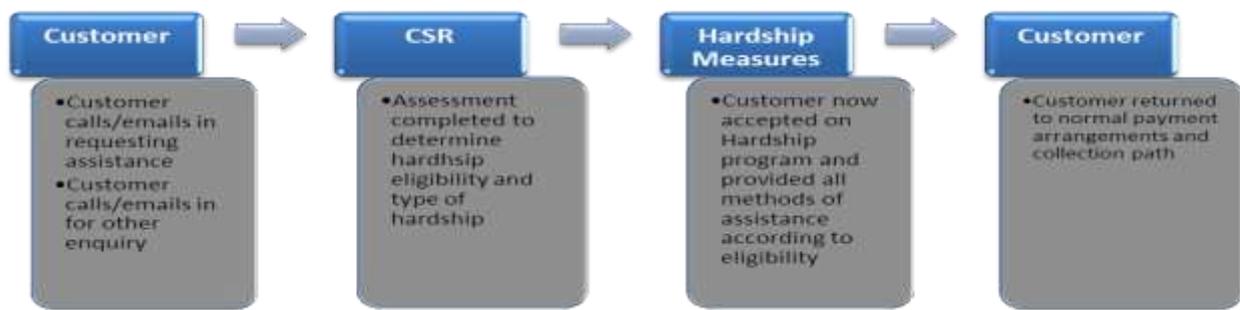


Figure 1

A customer will need to meet one or more of the above identifiers to be eligible for Hardship Case Management. A customer can simply call the Customer Service Team and discuss their concerns. Customers that do not meet these requirements can then be provided other assistance such as a payment plan.

QEnergy provides training in the skills required to manage customers experiencing financial difficulties along with partnering with government and community agencies to also assist with customer needs.

During the assessment process, a customer will then be determined as one of the following forms of hardship:

- **Short Term** – This is when a customer has to manage a temporary change in their financial situation (ie. Excessive bills received in short period of time, incursion of a once off unexpected expense etc)
- **Long Term** – This is when a customer may not be able to meet their contractual obligations to QEnergy on an ongoing basis.

Customers experiencing long term hardship may require ongoing management and possible referral to external financial counselling services to determine sustained solutions.

## Hardship Assistance

Once acceptance to the Hardship program has been granted, there are several options available to assist a customer. Each Solution is tailored to the customers' individual needs. Any additional fees will not apply to a customer on the Hardship program. These may include late payment fees, contract termination fees and transfer fees.

These include and are not limited to:

- **Payment Arrangements** – These are an agreed amount and date set by the customer and Hardship representative. This is a nominated amount and frequency or an agreed date to have the account paid in full. This information is relayed to the customer by a payment arrangement notice, which provides the customer with a schedule outlining the payment amount required by a specific date. These payment plan notices are sent to the nominated email address, postal address or facsimile as per the customer preference. The amounts required to be paid by the customer is calculated based on the customers' capacity to pay, their future energy consumption and any arrears.  
These payment arrangements will be monitored by the Case Manager responsible for Hardship customers as set by QEnergy. It is the responsibility of the Case manager to ensure payments are received as set by the payment plan and to contact customers if any failures to

adhere to payment plans arise. This will also enable the Case Manager to re-negotiate already existing payments plans should any changes to the customers' financial situation arise.

- **Flexible Payment Options** – Customers have several options to assist in the payment of their accounts. Customers can opt for a direct debit that allows a nominated amount to be deducted from their selected bank account on a regular basis or even a deduction of the full amount by the stated due date. Centrepay is also available to customers that receive payments from Centrelink and payments are made directly to QEnergy prior to the release of funds to the customer. Manual payments at Australia Post can be made as required by the customer. Customers can also use BPAY and electronic funds transfer which provides them with more control over payments to their accounts.
- **Energy Conservation Advice** – Customers are educated on strategies to reduce their energy consumption and referral to external auditing agencies that can also assist with energy conservation. QEnergy will conduct a consumption enquiry. This may include a meter read validation and meter testing to rule out any equipment issues. This will identify any patterns and/or anomalies with their usage. Based on these results, this will then reflect the necessary actions required to refer the customer to one of the external agencies or possible steps to reduce consumption.  
QEnergy will provide customers with contact details to these agencies as there is a possibility of a cost for these services and are subject to the terms and conditions of these agencies. Where QEnergy provides a hardship customer with Energy Conservation Advice and this advice identifies an appliance that is responsible for high and unaffordable energy bills QEnergy may, in states where there is a regulatory requirement, consider offering the following:
  - (a) Referring the customer to a government grants scheme;
  - (b) Referring the customer to a No Interest Loan Scheme;
  - (c) Assisting the customer in replacing the appliance through a third party supplier.
- **Financial Counselling** – QEnergy also has access to free financial counselling services that are able to assist customers with budget planning and general debt consolidation advice. Where a person feels overwhelmed by a personal financial problem, and would like help in effectively communicating with government or non-government organisations, a financial counsellor can advocate on their behalf.
- **Market Retail Contracts** – Once identified as Hardship, It may then be necessary to review the customers' retail market contract. This may result in the reduction of the customers' tariff or facilitating a change to a more appropriate tariff if necessary.
- **Government Assistance Programs** – A customer may be entitled to further government assistance such as a government grant, ie. Energy Assistance Schemes or NILS (National No Interest Loan Scheme). QEnergy will assist Hardship customers to determine their eligibility and to access these government grants. .
- **Concessions** – QEnergy will also request information from individuals to confirm eligibility for different concessions that may be applicable. This is confirmed using regular reports received from Centrelink. Once confirmed eligible, customers will receive these concessions/rebates on future bills until deemed ineligible.
- **Other Support** – Customers can also be overwhelmed by personal reasons that may be preventing them to pay their accounts and QEnergy are able to refer to other agencies that can assist in these matters, ie. St Vincent's De Paul and Centrelink. These external agencies are

able to provide further assistance that may be required.

## **Expectations of Customer on Hardship Program**

Once a customer has been accepted onto the Hardship program, there are several key requirements to remain on the program. These are advised to the customer once a payment plan has been agreed to and will be sent via letter to the customer. These requirements are as follows:

- **Adherence** – If a payment plan has been agreed to by the customer, it is then expected of the customer to make the payments as agreed or to contact QEnergy by the required payment date to advise if not able to make payment to make other arrangements. This will be monitored on a regular basis to ensure customers are conforming to the requirements of the hardship program. If it is identified that a payment arrangement is not suitable, QEnergy will discuss alternative payment amounts according to the customers' ability to pay
- **Contact** – If for any reason a customer is experiencing further difficulties, QEnergy will discuss amendments of agreed payment arrangements to more suitable payments. A customer can choose to contact QEnergy via email, fax, letter or phone. Customers are advised of this requirement when discussing the payment plan and are also informed on the arrangement plan letter. It is the responsibility of the customer to inform QEnergy of any changes in the circumstances to prevent further financial difficulties for the customer.

## **QEnergy obligations to Customers On Hardship Program**

- Customers on the Hardship program will have peace of mind as they will not risk de-energisation while maintaining the agreements with QEnergy.
- Customers will not incur additional charges such as late payment fees and security deposits when meeting the requirements of the Hardship program.
- QEnergy will monitor these accounts on a regular basis to ensure all requirements are met by both parties involved and will contact the customer should there be any issue.
- QEnergy will provide customers written confirmation of their agreements on the hardship program.
- The financial information disclosed by a customer is confidential and will not be used for any other purpose other than assessment of an application for assistance.

## **Removal from Hardship Program**

A customer may be removed from the Hardship program for the following reasons:

**Non Adherence** – If a payment is not met as agreed, a letter will be sent to the customer to provide an opportunity to contact QEnergy or make the payment. If no contact is received, an additional letter is sent advising the account has been withdrawn for non-adherence and normal collection will resume. If a customer has been removed from the Hardship program, every opportunity is provided to the customer to contact QEnergy to renegotiate a new payment arrangement. If removed from the Hardship program for non-adherence, 2 consecutive times in a 12 month period, the customer may not be eligible for hardship assistance resulting in normal credit activity.

- **Return to standard payment arrangements** – Customers who have been successfully managed and returned to a sustainable credit position are advised by letter of their removal from the program. The letter encourages them to continue with regular payments and the account is returned to the normal collection path.

## Communicating with Customers

Customers will be notified about assistance options, payment obligations and removal from the program using the customers preferred method. These include:

- Telephone Call
- Fax
- Email
- Letter

In all our contact, customers are treated with respect and we aim to build a relationship with customers to ensure a sustainable credit position

## Escalations and Concerns

Concerns regarding any aspects of the Hardship program can be discussed with QEnergy on 1300 699 982 or escalated to the relevant Energy and Water Ombudsman below:.

### Energy and Water Ombudsman NSW

Phone: 1800 246 545  
 Postal Address: Reply Paid 86550  
 Sydney South NSW 1234  
 Email: complaints@ewon.com.au  
 Website: www.ewon.com.au

### Energy and Water Ombudsman Queensland

Phone : 1800 662 837  
 Postal Address : PO Box 3640  
 South Brisbane, QLD 4101  
 Email : complaints@ewoq.com.au  
 Website : www.ewoq.com.au

### Energy and Water Ombudsman SA

Phone: 1800 665 565  
 Postal Address: GPO Box 2947  
 Adelaide SA 5001  
 Website: www.ewosa.com.au

### Energy and Water Ombudsman Victoria

Phone: 1800 500 509  
 Postal Address: Reply Paid 469  
 Melbourne VIC 8060  
 Email: ewovinfo@ewov.com.au  
 Website: www.ewov.com.au