

Financial Hardship Policy

Neighbourhood Energy

Version NECF 1

Neighbourhood Energy's Financial Hardship Policy

Background

Neighbourhood Energy is a community oriented business. We believe in keeping things fair in your neighbourhood. We understand that energy is an essential service for every household, so disconnection will have significant implications. We want to avoid this wherever possible.

We understand that there can be times when our domestic customers intend to pay their energy bills but, through no fault of their own, may be struggling to pay them by the due date. We accept the general principle that disconnection of an essential service will be the last resort which should only be used when all other options for payment of bills have failed.

This Financial Hardship Policy outlines the minimum standards we will adopt to

- identify domestic customers who are experiencing payment difficulties due to hardship;
- assist customers to better manage their energy bills so that the risk of disconnection is reduced or eliminated.

General training in the Financial Hardship Policy is part of induction and ongoing training for all Neighbourhood Energy staff and contractors. More detailed training is made available for people actively involved in managing the policy.

The policy is freely available by contacting us directly by phone or mail, or on our web site.

If you are in a situation of genuine financial hardship and cannot pay your energy bill please contact us urgently on **1300 764 860** so that we can do our best to help you.

Definitions

For the purposes of this policy, we define domestic customers as:

- Residential customers who purchase electricity or gas principally for personal, household or domestic use at the address specified in the contract for supply of energy.

We define financial hardship as:

- where you tell us you are experiencing difficulty paying your bill, or
- where your payment history suggests that you are having difficulties with payments, or
- where your financial counsellor or welfare agency (acting with your approval) tells us that you are having problems paying your energy bill due to financial hardship.

Our customer values

We recognise that for a whole variety of reasons you might find yourself in times of genuine financial hardship and unable to pay your energy bills.

Our hardship policy is in place to help and support you. We will try to find workable solutions to help you that are fair, equitable, effective and lasting for both you and us.

Our customer charter

Neighbourhood Energy's Customer Charter sets out our values. It is provided to you as part of contracting with us for the supply of energy. It is also available on our website at www.neighbourhood.com.au.

Our Customer Charter refers to our Hardship Policy. It also summarises assistance available to you on such matters as payment plans, guidance, and Government assistance.

Our clear message to you is this:

If you find yourself in financial difficulty and you cannot pay your energy bill, please contact us for assistance as soon as you can and before the bill is due for payment. Our number is 1300 764 860.

Our approach

We have developed a Financial Hardship Program to ensure that our customers have access to the best possible support when faced with energy-related debt.

We have established a specialist team to manage our obligations under this policy. Members of the team have been selected for their ability to provide the best possible customer experience through simple, friendly and professional service. They have been trained in identifying customers in potential financial hardship and how to help them most effectively while also achieving Neighbourhood Energy's commercial objectives.

Part of the team's work is to establish and use processes to identify customers experiencing payment difficulties due to hardship. Their role includes making contact proactively with customers where indicators suggest that they may be experiencing financial hardship. They will have regard to customers' capacity to pay current and future energy-related debts, the amounts currently outstanding and expected energy usage in the future.

If you are our customer, our team is able to assess information about your payment history and, where appropriate, offer you an instalment plan to help manage your energy consumption debt. We can provide you with information about the full range of payment options which are available, and help you decide what option is best in your circumstance. Team members are also able to provide details of concessions, information about energy efficiency and advice about financial counselling options.

Our approach is to treat you with courtesy and respect. We understand that if you are faced with financial stress things need to be managed both with timeliness (to prevent further escalation of the situation) and with the utmost sensitivity.

We will ensure that you are fully informed of your rights and obligations under the terms of your contract, including your rights and obligations under this hardship policy, in relation to:

- additional time to pay;
- appropriate tariff for your circumstances;
- instalment plans;
- Government programs if applicable;
- financial counselling;
- energy audits; and
- payment options such as direct debit and Centrepay (if available).

These are described in more detail below.

Once commitments are agreed, we will establish milestones and actively monitor performance to ensure that everything remains on track. Where problems emerge, we contact customers promptly to resolve them. Depending on circumstances, if commitments are not being met payment instalment plans may be revised or cancelled at this point.

Application of our Financial Hardship Policy

We will ask you to demonstrate your willingness to participate with us in managing your energy-related debt.

You will be asked to agree to a payment instalment plan that offers temporary or ongoing relief, without accumulating more debt.

All our discussions will be in the strictest confidence.

While you meet all your commitments in managing your energy-related debt we will continue to apply this policy. If you fail to meet your commitments normal credit action may be commenced.

While you are participating in the Financial Hardship Program you will not incur late payment fees, nor will you be required to provide a security deposit.

Our process

We have an even-handed equitable approach to assisting you if you experience financial hardship. We also recognise that your situation may well be different to others we have experienced.

Our team members have authority to take all circumstances into account when discussing options with you. We record the nature and subject matter of all calls, emails and other correspondence between us. This enables our team to have access to all relevant information when assisting you. Your privacy is protected at all times by our compliance with privacy legislation.

One of our team members is assigned to each customer under our financial hardship management program, and they report regularly about cases under their care. Detailed file notes are made of all contact and commitments to ensure that they are followed through and are available for review in the future. Team members have clear delegations of authority which enable them to agree with you on the spot in most cases about payment instalment plans and associated actions under this program.

Where we are unable to assist you further under the Financial Hardship program we will communicate this clearly. Circumstances where this may apply are detailed later in this policy.

When you enter the Financial Hardship Program developed under this policy we will review your existing market contract and recommend the most appropriate tariff applicable to your circumstances, bearing in mind:

- cost effectiveness;
- any dedicated off-peak appliances you have; and
- your tariff, power usage, billing patterns and any other relevant information.

There is no charge for this review and assistance under the Financial Hardship Program.

We will monitor your energy usage during your participation in the Financial Hardship Program to ensure that you continue to benefit from the most appropriate tariff. We will monitor payments closely to ensure that debt is reduced and does not accumulate further. We are happy to work closely with you to deal with underlying issues, and will be extremely satisfied if you are able to clear outstanding debts and establish a payment history which positions you to benefit from our generous discounts for payments on or before due dates.

Experience under our Financial Hardship Policy since it was established in Victoria in 2007 shows that some situations are short-term, and others longer-term.

With the shorter-term situation we may be able to help you with a payment instalment plan. We will negotiate fair and reasonable payment levels and timeframes mutually acceptable to you and us.

With the longer-term situation we will work with you to provide a range of options that will provide a more sustainable approach. For example, this may include advice about suitable appliances or referral to financial counselling services.

In all cases, communication between us is critical. If you are suffering financial hardship which is affecting your ability to pay your energy bills it is very important to tell us as soon as possible. We can address it with you in a way best suited to your circumstances.

Some indicators of financial hardship

- You are not paying all or part of your energy bill on an ongoing basis;
- You have broken an agreed instalment plan;
- Your independent financial counsellor or other welfare agency contacts us, with your authority and tells us that you are experiencing financial hardship and unable to pay your energy bill;
- We are advised that you have applied for a Utilities Relief Grant;
- You advise us that you have problems paying your energy bill.

Availability

Our Financial Hardship Policy is available to you at any time that you are experiencing temporary or more permanent financial hardship, resulting in non-payment of your energy bills. We will make every effort to assist you in such circumstances.

While you meet all your agreed commitments in managing your energy-related debt we will continue to apply this policy. If you fail to meet your commitments twice within 12 months, or fail to agree and fulfil revised arrangements, normal credit treatment may be commenced. Opportunities to re-enter the Financial Hardship Program will depend on the circumstances which led to previous failures.

If you have complaints or concerns about our actions under the program, such as your removal or exclusion from participating in the hardship program, you can raise the issue through Neighbourhood Energy's complaints process. Initial contact should be through our Customer Help Line on **1300 764 860**. We will deal with your complaints or concerns promptly, and try to resolve them within 14 business days.

If the matter cannot be resolved within that timeframe we will advise you and agree on a new target date.

If you feel that the matter has not been resolved adequately you are entitled to raise your complaint or concern through the energy ombudsman scheme in your State.

Contact us early

Please contact us on **1300 764 860** before the next payment date if you cannot make the next energy bill payment. All discussions are confidential.

Early alert to your potential hardship issues

We monitor accounts which are overdue or late as part of our normal business management, which alerts us early to potential problems.

We welcome early approaches by customers experiencing financial hardship so that this policy can be implemented.

There are several actions which can be taken to alleviate financial burdens arising from your use of electricity.

Additional time to pay

An extension of time to pay your bill may be arranged, at our discretion, for some or all the amount owed.

Instalment plans

If you would like to make payments in advance of your next bill we can easily arrange this for you.

We can also provide you with the facility to pay amounts in arrears on an agreed instalment plan.

In agreeing an instalment plan with you, we will agree the period of the plan, the amount of the instalments (reflecting your consumption needs and your capacity to pay), the number of instalments, details of the method of instalment calculation and the most appropriate payment method.

We will review progress on your plan for such situations as when supply trends are different to previously estimated, and agree with you any plan changes to adjust for this. Where you successfully complete your participation in the Financial Hardship Program and pay your bills by the due date specified on our accounts, you will receive our generous discounts which will help your future budgeting efforts.

Government programs

If you meet certain criteria you may be eligible for government programs which provide financial assistance to people having difficulty paying their energy accounts.

In Victoria, a range of assistance is available. Full details may be accessed on the Department of Human Services (DHS) web site at <http://www.dhs.vic.gov.au/concessions/entitlements/energy>

Programs in other States have their own eligibility criteria which Neighbourhood Energy is reviewing as part of our commitment to providing the best possible products and services for our customers in all markets in which we operate.

We can help you gain access to all government concessions to which you are entitled.

Payment options

We recommend the use of electronic payment options to maximise your savings. Our bills set out the electronic payment options available to you, including BPAY, internet, telephone, direct debit and POSTbillpay. If you want to pay in person, payments can be made at any branch of Australia Post or by mail.

Arrangements can also be made for payment through Centrepay for Centrelink clients.

Disconnection an absolutely last resort

We will attempt to make both written and verbal contact with you on at least three occasions if you do not pay our bill.

We will genuinely encourage you, if you break a payment plan, to discuss another plan or utilise other resources to help you.

If we contact you at what would normally be the disconnection of supply stage, we will make it clear to you that we will not disconnect your supply earlier than 7 business days after receipt of the disconnection notice.

If you absolutely refuse to provide reasonable assurance of payment, or if you do so and then fail to follow another payment plan, we do have the ultimate legal right to disconnect your electricity supply. **We do not wish to do this.**

We will always seek to negotiate an outcome with you rather than leave you without electricity. Disconnection is our absolutely last resort, and we would consider it only after we have exhausted all other reasonable avenues.

At all stages we will use our best endeavours to contact you to establish if your failure to pay our bill is due to genuine financial hardship.

Continuation of your energy supply

Whilst you are participating as agreed in the payment plan your energy supply will not be disconnected and no debt collection action will be commenced on your energy account with us.

Whilst you are participating as agreed in your payment plan you will not incur late payment fees. You will not be required to provide a security deposit.

Energy efficiency advice

In recognition of the importance of energy conservation, we have instituted a field audit service for our customers. This program aims to achieve significant cost savings by reducing electricity consumption.

The service can identify reasons for the level of electricity consumption and suggest changes to reduce the cost to you.

We can arrange a visit to site by an experienced and qualified person, who will provide you with a report on changes which you can make to your electricity usage.

If you are in financial hardship we can arrange to waive the normal contribution for personalised energy efficiency advice.

Advising you of other support services

We can provide you with information on support services that may be able to assist you overcoming financial hardship issues eg (Centrelink, Department of Veterans Affairs, free independent financial counselling advisory services, and relevant community based groups).

We will work in partnership with such bodies and will take into consideration their advice concerning your bill.

Electrical equipment replacement

If you are experiencing financial hardship we can provide sound and independent advice on the purchase or supply of replacement electrical equipment.

Where a field audit recommends replacement of an appliance to reduce electricity consumption, we can refer eligible customers suffering financial hardship to a panel of reputable electrical appliance retailers who are able to advise you on suitable alternative appliances.

Your privacy is protected

We will protect your privacy at all times in accordance with the Privacy Act 1988.

Review

This policy is reviewed annually.

