

Victorian Hardship Policy

Table of contents

| | |
|---|----|
| Introduction | 1 |
| Identification | 2 |
| Eligibility | 3 |
| Early Identification | 4 |
| Customers with Prepaid Meters | 5 |
| Working with financial counsellors and Community groups | 6 |
| Privacy of personal information..... | 6 |
| What we will do once we identify Hardship | 6 |
| What you can expect in our Hardship Program | 7 |
| Leaving the Hardship Program..... | 9 |
| Training | 10 |
| Complaints | 10 |
| Version Control..... | 11 |
| Schedule A: Letters..... | 12 |
| Schedule B: People Energy Hardship Policy Summary..... | 18 |

Introduction

As part of our commitment to working in the best interests of our customers, is this Customer Hardship Policy. Broadly, this policy sets out key principles that guide our staff in interacting with our customers and their representatives. This also sets out the steps we take to identify and manage hardship.

The principles that underline this Policy are:

- We will deal with you empathetically, respectfully and fairly
- We encourage customers in hardship to self-identify
- We actively look for ways to assist you reducing your energy usage without reducing your standard of living;
- Energy is an essential service and we are being trusted by you to supply energy as your retailer

- Any customer in hardship and participating in our Hardship Program will not be disconnected. Disconnection of energy supply has a significant impact on a customer's life.
- Our customers are our ultimate stakeholders. Our service is integrally tied to your way of life;
- We will always look for ways to assist you with our services, our expertise and our connections; and
- We will never add to issues being experienced by you whether financial or personal by further reducing your standard of living and capacity to overcome difficulty.

This Policy Statement sets out a number of rights that you have under Energy Law and other legislation. In respecting your rights, we must:

- Notify you of the existence of our Hardship Policy as soon as you or we identify that you are in hardship
- Provide you with a copy of our Hardship Policy at no cost
- Put a hold on any external collections or debt recovery action
- Follow our Hardship Policy in managing your account
- Waive any late payment fees applied on your account
- Not charge you a security deposit
- Work with you and any financial counsellors or other advisors assisting you to manage your account effectively and reduce your energy use

The purpose of this Policy is to identify residential customers experiencing payment difficulties due to hardship and to assist those customers to better manage their energy bills on an ongoing basis. This Policy will be updated every six months or immediately as required to reflect the needs of our Hardship Customers. Any amendments to this Policy will be approved by the Essential Services Commission and published on our website.

Identification

Hardship is a circumstance that a customer may face when they have the intention but not the capacity to make a payment within the timeframe required by our payment terms.

We recognise that a variety of circumstances can give rise to hardship including, but not limited to; loss of employment, increased cost of living, personal loss, natural disaster, and temporary or permanent disability.

In accordance with this Policy, Hardship may be identified by you directly or by us. You may contact us using the following details to discuss our Hardship Policy, if you would like to participate in our Hardship Program or discuss any difficulties you are having with payment or account:

People Energy Pty Ltd

Customer Care : 1300 788 970

Fax : 03 8692 0002

email : info@peopleenergy.com.au

Add : Locked Bag 5757 Melbourne GPO Vic 3000

We aim to make self-identification as easy as possible by opening up a variety of communication channels and by ensuring that you are supported and assisted throughout the process.

We will promote our Hardship Program on all reminder notices and disconnection notices as well as over the phone with customers showing any indication of hardship. Our Hardship Policy will also be promoted via our website.

Eligibility

1. Criteria for entry

To be eligible to enter the Hardship Program you must meet the following three criteria:

- Have a current residential customer account with us
- Be experiencing short term or long term hardship
- Demonstrate a willingness to pay

There is no minimum debt threshold for entry into the Hardship Program.

2. Indicators of hardship

There is a range of indicators that we will review to determine if you are experiencing hardship. These include:

1. Factors evident from your account including:

- Self-Identification
- A history of late or missed payments

- A sudden change in payment patterns
- A need for extensions on payments due
- A debt outstanding
- Eligibility for emergency energy assistance including URGS
- Eligibility for concessions, government pensions or payments or rebates including NewStart, Disability Pension payments

2. Environmental circumstances including:

- Occurrence of natural disasters
- Economic downturn

3. Personal circumstances including:

- Loss or change in employment
- Increased cost of living
- Personal loss
- Other debts
- Addiction
- Temporary or permanent disability

We will consider these and any other circumstances you consider to be relevant to determine if you are experiencing hardship.

3. Denied access to the Program

If you do not meet the eligibility criteria listed above, we will deny you entry to the Program. We will notify you over the phone or in writing of the reasons for the denial. You may request an internal review of the decision and a manager within our Hardship Team will conduct that review.

We will deny you access to the Hardship Program if we determine that you have not shown a willingness to pay. This may be evident to us from an examination of the contacts we have had with you in the past and the payment plan offers we have made but have been rejected by you. We accept that willingness to pay will be influenced by your personal circumstances and so we will give you an opportunity to demonstrate willingness to pay if we initially deny you access to the Program on this basis.

Early Identification

Our Customer Enquiries and Hardship Team will endeavour to identify Hardship as early as possible. They will monitor accounts and look for early indicators. Indicators may include any of those listed above.

We will run reports to find accounts with a sudden change of payment pattern or an accumulation of debt. We will contact these account holders to discuss the various payment plans and ways we can assist with account management. We will offer customers with indications of Hardship entry into the Hardship Program.

We will implement extensive system and process support to identify customers who are potentially experiencing hardship. Our Customer Enquiries and Hardship Team will attempt to contact a customer who is believed to be experiencing hardship. An Invitation Letter (HP01) will be sent to any customer who we believe may be experiencing hardship who cannot be contacted initially by phone.

Letter HP01 provides information on the Hardship Program, the range of payment options available, the benefits of the program and information on how to contact us to enter into the Hardship Program. A follow up phone call will be made to customers who have been sent letter HP01.

Customers with Prepaid Meters

1. Obligations to customers with prepaid meters

We do not currently offer contracts to customers with prepaid meters (PPM). If you have signed an agreement with us but have a prepaid meter, you must contact us.

If we do at any point in the future offer market contracts to customers with PPM, we will continue to be bound by this Hardship Policy. Further obligations we have to customers with PPM are set out in this section.

2. Identification of PPM customers experiencing Hardship

We encourage you to contact us (in writing, by phone, email or fax) immediately if you are on a PPM contract with us, and are experiencing hardship. We will identify PPM customers experiencing hardship by the ways listed above under the heading Early Identification. The Eligibility Criteria set out above also applies to PPM customers.

In addition, we will review accounts of PPM customers looking for signs of hardship. These may include any of the factors listed above and also a pattern or number of self-disconnections.

Our Customer Enquiries and Hardship Team will attempt to contact a customer who is believed to be experiencing hardship. An Invitation Letter (HP01) will be sent to any customer who we believe may be experiencing hardship who cannot be contacted initially by phone.

3. Specific assistance offered to PPM customers

In addition to the assistance outlined below, offered to any customer experiencing hardship, we will provide the following assistance to PPM customers in the Hardship Program:

1. We will make immediate arrangements to replace the prepayment meter with a standard meter at no cost
2. Offer an alternative contract and move the customer from the PPM contract to the offer accepted at no cost.

Working with financial counsellors and Community groups

We will aim to make it as easy as possible for a financial counsellor or other authorised third party to refer a customer to our Hardship Program. To do this, we will regularly meet with financial counsellors, community organisations particularly those that work with communities from diverse linguistic and cultural backgrounds, and community legal centres. The purpose of these meetings will be to promote our Hardship Program and ensure that financial counsellors and other authorised third parties have a direct contact within our organisation to refer customers to. The purpose of these meetings will also be to obtain and act upon feedback from financial counsellors. Reports from these meetings will provide us with valuable intelligence into the issues faced by our customers and in the wider community relating to energy retail.

Privacy of personal information

People Energy is bound by the Privacy Act 1988 (Cth) and National Privacy Principles, which regulate the collection, disclosure, use and storage of your personal information. Our objective is to handle information responsibly and in accordance with your instructions.

Personal Information is information or opinion from which an individual's identity may be ascertained. We will collect personal information about you when you contact us to provide us with details about your energy account, eligibility, or participation in

the Hardship Program. We will use personal information provided by you to confirm your eligibility and to determine the level of support appropriate for your account.

We will keep all information disclosed to us for this reason secure and will not disclose your personal information to any third party unless required to do so by law.

You may access and request an update to personal information held by us at any time by contacting us on 1300 788 970 or by writing to us at the address provided above.

What we will do once we identify Hardship

As soon as hardship is confirmed, we will waive any late payment fee applied on your account. We will not charge a security deposit if you are in Hardship. We will ensure that your account is not disconnected whilst you are on the Hardship Program.

The date, method of identification, current arrears, estimated monthly usage, current payment plan, and estimated length of hardship will be noted clearly on your account. An Account Manager will be assigned to your account. Your Account Manager will be responsible for ensuring that your account is managed in accordance with this Policy.

We will send you a letter confirming your entry into our Hardship Program within 48 hours. The letter HP02 will confirm your acceptance into the program, detail all aspects of the program, contain a copy of this Policy, contain the name and direct contact number and email address for your Account Manager and their supervisor.

What you can expect in our Hardship Program

1. Flexible Payment Options

We will speak to you about the range of options you have available to pay any amount outstanding on your account and /or for ongoing consumption.

The payment arrangement we enter into, with your agreement, will take into consideration the amount outstanding on your account, your capacity to pay and your expected energy consumption over the next 12 months.

In setting up the payment arrangement we will discuss with you the circumstances surrounding your entry into the Hardship Program, other financial commitments you

have, any support you are entitled to under government funded schemes, concessions and rebates.

When considering your capacity to pay we will review:

- Any income you are receiving
- Any support you are receiving or are entitled to
- The various personal, household and other expenses you have
- Any dependents that rely on you for either income or any other form of support
- Any likely change to your income and expenditure over the next twelve months
- Any other financial commitments you have
- Any report from a financial counsellor or other authorised third party on your capacity to pay

If you are entitled to receive payments from Centrelink and would like to enter into a Centrepay arrangement, we will ensure that this facility is made available to you. You can contact us for further information on Centrepay using the contact details provided below. All of our contracts make provision for Centrepay payments.

To ensure that an appropriate payment plan is calculated the estimated usage and amount needed to clear arrears over an extended period will be determined. The length of the payment plan will be dependent on the nature of the hardship, the level of debt and your capacity to pay. We will have regard to your expected energy consumption over the following 12 months when establishing a payment arrangement with you.

The final payment plan that has been negotiated with you will be set out in a schedule and confirmed over the phone, and emailed or mailed to you using letter HP03. The confirmation of your arrangement will confirm your current arrears, the date the first payment is due, a schedule of all payments including the dates that payments will be due, confirmation of the amounts of each payment, confirmation of the number of instalments under the arrangement and confirmation of your right to cancel or amend the arrangement upon request. You will have the option of having an arrangement reviewed at any time that you are in the Hardship Program to either decrease or increase payments at any stage.

Your account under the Hardship Program will be reviewed monthly by your Account Manager. Your Account Manager will contact you if an arrangement you have in place is no longer suitable. Your Account Manager has a duty to ensure that they treat you with respect and courtesy at all times. You may contact their supervisor at any time if you are unhappy with the way your Account Manager is managing your account under the Hardship Program.

2. Referral and assistance with Government Rebates, Concessions and Grants

Your Account Manager will be responsible for finding every means possible of assisting you with management of your account. Your Account Manager will work with any existing advisors you have including Financial Counsellors and solicitors. With your permission, your Account Manager will arrange and schedule group meetings to bring all parties together to work on a plan to address your energy account management.

If you join the Hardship Program with no external advisors, we will, at no cost to you, arrange a meeting with a Financial Counsellor.

Your Account Manager will be responsible for providing you with information on any Government Rebate, Concession or Grant that you may be entitled to and will assist you with the application process. Your Account Manager will speak to you about the eligibility criteria and ask you questions to assist you in determining eligibility.

3. Energy Efficient Products and Advice

We have specific expertise in the area of Energy Efficiency and offer a range of Energy Efficiency products via the other areas of our business. Improved efficiency can make a significant difference to energy consumption in an average household.

Within a week of your entry into the Hardship Program, your Account Manager will arrange a telephone or face-to-face discussion between you and one of our Specialists. The Specialist will thoroughly go through the various electrical appliances in your home and the ways that you are using those appliances. The Specialist will then analyse those results and contact you again to give you specific advice on saving energy. The Specialist will also email or mail out a copy of their report.

Where our Specialist is particularly concerned about the consumption measured at your home, they will request your meter to be checked or tested or an electrician visit your home at no cost to you.

Your Account Manager will, in consultation with the Specialist, review whether some appliances in your home need to be replaced. Your Account Manager will research any entitlement you may have to Capital Grants for appliance replacement and Community buying groups in your area to assist you with a reduced cost purchase.

4. Review of appropriateness of market contract

Your Account Manager will be responsible for reviewing the appropriateness of your market contract upon entry to the Hardship Program. This review will take place

within 2 weeks of your entry into the Hardship Program and will be conducted at no cost to you.

If, on review, your Account Manager determines that we can provide you with an offer that is more suitable to your circumstances (i.e. with lower tariffs, different product structure or other benefits) we will ask whether or not you would like to move to the new offer. If you provide your consent to do so, we will move you to the new offer and not charge you any fee to do so. You will remain a participant of the Hardship Program on the new contract.

Your Account Manager will, during the review, determine if your market contract prevents you from using Centrepay and, if it does, will offer you an alternative contract or offer to amend your existing contract to include Centrepay. In all cases, any alternative contract we offer will make Centrepay available as a payment option.

The results of the review into the appropriateness of your current market contract will be communicated to you by phone or in writing within 3 weeks of your entry into the Hardship Program. You will then be given as much time as you need to consider accepting an alternative offer.

Leaving the Hardship Program

You may leave the Hardship Program at any time upon request, successfully complete the program or be removed from the program. In any case, you are able to re-enter the program at any time after that provided you are eligible to do so.

1. Successful Completion

Upon successful completion of the Hardship Program, you will be sent letter HP05 confirming the status of the account and the completion of the program. Your account will no longer be in the credit cycle or in hardship status but will continue to be reviewed to ensure that any ongoing payment arrangements are based on your capacity to pay. Your account will be credited with \$50 to acknowledge the completion. Your account will then return to the usual credit and collection cycles unless you wish to re-enter the program.

2. Removal from the Hardship Program

Whilst you are on the Hardship Program, you must abide by any payment plan in place unless an alternative arrangement is agreed between us both. You must also remain in contact with us and notify us of any change in circumstances. If you fail to keep an arrangement and/or respond to two phone calls and two letters HP04

requesting contact, you will be placed back into the normal collections cycle if you fail to meet two payment arrangements in a row or contact us within 5 months without reasonable circumstances surrounding the failure. If you are removed from the Hardship Program you will be sent a letter HP05 setting out the reasons for the removal from the program and giving you the opportunity to contact us and negotiate a further payment arrangement.

If you are removed from the Hardship Program and wish to re-enter, you will need to demonstrate a willingness to manage your account and provide reasons for the initial failure to meet payment arrangements or maintain contact with us. We will ensure that we give you this opportunity.

Training

Our staff will receive training on this Policy, how to identify customers in potential hardship; training on issues relating to financial hardship; regular refresher training on identification and referral processes and protocols; training in respectful communication to ensure customers experiencing hardship are dealt with in an empathetic and non-judgmental manner.

Our staff will attend meetings and training provided by Financial Counsellors and Community Organisations to assist them in understanding the issues that may be faced by our customers. A record of training will be kept for all staff in accordance with our HR Training Procedures.

Complaints

You have the right to lodge a complaint with us at any time and about any aspect of our services and, if you do so, we are obliged to abide by our Policy Statement on Complaints Handling.

Please contact us if you would like to lodge a complaint about access to, or participation in, the hardship program.