

# Financial Hardship Policy (VIC)

VIC Residential Customers

Revision 1.0

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## 1. Introduction

The Energy Retail Code, which set out retailers' obligations and minimum customer entitlements takes precedence over this hardship policy in all circumstances.

This policy applies to all residential customers living in Victoria experiencing financial hardship.

Our aim is to help you to keep your energy connected.

Flow Power recognises that financial hardship may be suffered occasionally, and in some cases on a permanent basis, by customers who purchase energy principally for personal, household or domestic use. If you should find yourself in financial hardship, Flow Power will strive to keep your energy connected so that you do not lose what is, for all households in Australia, an essential service.

## 2. What is 'Financial Hardship'?

Financial hardship is very difficult to define but it is real and affects many of us from time to time. You should not hesitate to contact us if you believe that you are in financial hardship, whatever your circumstances, and have the intention but not the financial capacity to pay. We have trained staff that are able to help you.

Below are some examples that may trigger or cause financial hardship. Of course, these are only examples and everyone's circumstances are different.

- Your family income has suddenly been reduced
- You or a member of your family has fallen ill and you have unexpected medical bills
- You have recently received an unexpected bill or a bill that is significantly higher than usual. This bill does not necessarily have to be an energy bill
- You have recently lost your job and are unemployed
- Your income is insufficient to pay your reasonable living expenses (which would include normal living expenses, such as groceries, utility bills, rent or mortgage repayments, child support, etc)
- You have been placed in bankruptcy

If you are in short term payment difficulty resulting in an inability to pay your current bill on time or in full, we may be able to offer you standard assistance.

If you believe you are experiencing financial hardship and have a current arrears amount, you may be eligible for tailored assistance.

## 3. Standard Assistance

As a retailer, we put our customer's interests at the centre of everything we do. Flow Power recognises that the supply of energy is an essential service, and that residential customers may experience hardship.

We have developed this policy and internal procedures in accordance with the Retail Law and Rules and the Energy Retail Code framework to provide consistent and compliant support to all our residential customers.

Our customer service team have all received comprehensive training in identifying and dealing with financial hardship as part of their induction and is embedded in their ongoing training programs. This enables the team to engage in compassionate and non-judgmental conversations. We are committed to ensuring that customers have equitable access to all resources outlined in this policy.

Flow Power will provide customers with the following forms of standard assistance to avoid customers going into arrears:

- the ability to make payments of an equal amount over a specified period;
- options for making payments at different intervals;
- the ability to extend the due date of an invoice for at least one billing cycle in any 12 month period;
- the ability to pay for energy use in advance.

Where standard assistance is made available, we will provide you at least 3 of the above options.

## 4. Minimum Assistance (Tailored assistance)

At a minimum, if you are in financial hardship and your account is in arrears Flow Power will provide you with the following forms of tailored assistance.

Tailored assistance consists of the following measures:

- a) repayment of arrears over not more than 2 years by payments at regular intervals of up to one month;
- b) advice from us about payment options that would enable you to repay any arrears amount over not more than 2 years;
- c) specific advice about the likely cost of your future energy use and how this cost may be lowered;
- d) specific advice about any government and non-government assistance (including Utility Relief Grants and energy concessions) available to help you meet your energy costs;
- e) practical assistance to help you lower your energy costs including, but not limited to:
  - i. the tariff that is most likely to minimise your energy costs, based on our knowledge of your pattern of energy use and payment history; and
  - ii. practical assistance to help you reduce your use of energy, based on your pattern of energy use and on the circumstances of where you live, provided there is scope for action to be taken for that purpose; and
  - iii. information about how you are progressing towards lowering your energy costs given at sufficient intervals for you to be able to adequately assess that progress;
- f) an initial period of at least 6 months during which:

- i. repayment of your arrears is put on hold; and
  - ii. you may pay less than the full cost of your on-going energy use while working to lower that cost;
- g) any other assistance consistent with the objective of this section.

You are entitled, at the very least, to the assistance mentioned in subclauses (a) to (d), while continuing to pay the full cost of your on-going energy use and the assistance measures in subclauses (c) to (f) if you cannot pay the full cost of your on-going energy use. We may extend the assistance mentioned in subclause (f) for a further period or periods if the extension would assist you to continue to lower the cost of your energy use.

If you have exercised an entitlement to the assistance mentioned in subclause (f) you may, at the end of the period during which that assistance is provided (including that period as extended), exercise an entitlement mentioned in the paragraph above.

## 5. Information about assistance available

If you have not paid a bill by its pay-by date and contact us, you are entitled to be given information about the assistance to which you are entitled under this Policy and how to access it.

If you have not paid a bill by its pay-by date and are in arrears of more than \$55 (inclusive of GST), we will contact you within 21 business days after that pay-by-date and give you information about the assistance to which you are entitled under this Policy and how to access it.

We will give you no less than 6 business days to consider the information provided and request further information and put forward a payment proposal as detailed under the "Payments Arrangements" section of this Policy.

## 6. Payment Arrangements

This section applies to a residential customer whose repayment of arrears is not on hold under the "Minimum Assistance" provisions above.

We will accept a payment proposal or revised proposal put forward by you under this section that complies with the following: provides for the making of payments of equal amounts at regular intervals of up to one month; and

- would result in any arrears being fully paid in no more than 2 years after the first payment; and
- provides for payments for energy use being made together with payments to reduce arrears; and
- is based on a reasonable forecast of energy use over the next 12 months.

We may accept a payment proposal or revised proposal that does any or all of the following:

- provides for payments of different amounts at different intervals;
- would result in the arrears being fully paid by a date later than 2 years after the first payment;
- provide for payments for energy use being made separately from payments for arrears.

On accepting a payment proposal or a revised proposal, then we will provide you with a written schedule of payments showing:

- the total number of payments to be made to pay the arrears; and
- the period over which the payments are to be made; and
- the date by which each payment must be made; and
- the amount of each payment.

If you are receiving assistance under this section and fail to make a payment by the date on which it was payable, we will contact you to discuss a revised proposal as put forward by us.

## **7. Non-payment of amounts towards on-going energy use**

This section applies where repayment of arrears is not on hold under the Minimum Assistance provisions.

If you fail to make a payment towards the cost of your on-going energy use by the date on which it was payable, we will contact you to discuss varying the amount payable, or the frequency of those payments, or both, to give you more time to lower your energy costs.

If you are not meeting your responsibility to implement practical assistance referred to in the Minimum Assistance provided by the us, we will contact you and work with you to identify an implementation timeframe.

We may add any amount unpaid for energy use to your arrears.

## **8. Continued provision of assistance**

We will continue to provide assistance under this section unless:

- a) after we have complied with the Payment Arrangement section of the Energy Retail Code – Sub Clause 6 (i.e. we have contacted you after you have failed to meet a payment) You refuse or fail to take reasonable action towards paying for your on-going energy use and repaying your arrears; or
- b) after we have complied with the Non-payment of amounts towards on-going energy use section of the Energy Retail Code – Sub Clause 2, (i.e. we have contacted you after you have failed to meet a payment, to discuss varying the amount payable, or the frequency of those payments, or both) and you refuse or fail to take reasonable action towards making payments towards the cost of your on-going energy use; or
- c) you are not facing payment difficulties.

## **9. Providing an Early Response**

Flow Power will provide an early response once you have been identified as in financial hardship. Our response process is as follows:

- you will be referred to the Hardship Assistance team, either after we have contacted you directly or you have been referred by a third party such as a financial counsellor or welfare agency;

- a member of the Hardship Assistance team will speak with you after the call is transferred to the team. If you are unable to wait for the call to be transferred, we will call you within the next 2 business days or at a time suggested by you.
- a member of the Hardship Assistance team will review the appropriateness of your current energy plan; and
- organise to manage your hardship case in accordance with this policy.

Where a payment plan is established, you will be sent a letter confirming the terms of those repayments.

## 10. Communicating between us and you under the policy

Any written communication by us to you under, or in connection with, this section will be:

- expressed in plain language; and
- legible; and
- presented clearly and appropriately having regard to its nature.

We will send by post, any written communication required or permitted to be given or sent under, or in connection with, this section unless you have given explicit informed consent to receiving it in another way.

Information sent by post or registered to you will be taken to be delivered at the time at which it would be delivered in the ordinary course of post or registered post.

We will not impose a charge on you for any written communication sent in connection with this Policy.

Contact us as soon as possible. In this way we don't continue with unnecessary credit and collection processes where we incur expenses. We would rather use this money to positively help you. If you have entered into a payment plan under this Financial Hardship Policy and your circumstances change, we can talk to you about adapting your payment obligations. The sooner you contact us, the sooner we can help you.

## 11. Supply Capacity Control

Supply capacity control products are not offered for credit management purposes.

## 12. Is your energy plan appropriate in your circumstances?

If you call us about financial hardship, one of the very first things our trained staff members will do is to establish if your current Flow Power energy plan is still appropriate for your circumstances.

Usually, a change of energy plan is not sufficient, or even appropriate, for those in financial hardship so we will ask you a number of questions. Understanding your financial position means that we can take it into account to establish how you can best meet your obligations under any financial hardship program. That, after all, should be our mutual objective.

In order to better understand your financial position, we may ask you:

- Has your energy usage changed recently?
- What is the best payment method for you?
- Would you prefer to pay the account a bit at a time?
- How much can you afford to pay now?
- What frequency of payment (e.g., weekly, fortnightly) would best suit you?
- What would be more helpful: paying in arrears or paying in advance?

While you do not have to answer these questions to access assistance, providing this type of information can assist us to understand your circumstances.

If your circumstances should change during the period of the payment plan, you should contact us as soon as possible and together we can review your payment plan. You can rest assured that Flow Power will be there with you every step of the way, happy to discuss your circumstances, monitor your progress and assist you meet your goals with privacy, dignity and respect.

Flow Power will not necessarily offer all the options covered by this Financial Hardship Policy to all of its residential customers in financial hardship but will always provide standard and minimum levels of assistance.

### 13. Disconnection

Flow Power will not disconnect the supply of energy to a residential customer if that customer has entered into an agreement under the terms of this Financial Hardship Policy and is complying with the terms and conditions of that agreement.

### 14. Government and community programs

Flow Power will advise customers in financial hardship of all appropriate government concession programs. We may refer you to a government concession or assistance program, such as the Utility Relief Grant Scheme (Victoria), if you have missed payments continuously or are accumulating a high arrears amount. The amount of the grant is based on the amount you owe at the time of application. It is capped at six months' worth of utility use up to a maximum of \$650. You can apply for separate grants for each utility (electricity, gas and water). As a retailer, we must also assist eligible customers in applying for the Utility Relief Grant Scheme over the phone, unless a customer requests otherwise. This means that we can assist you fill out the online application and lodge it on your behalf.

**Centrepay – the easy way to pay your bills and expenses.** Centrepay is a voluntary bill-paying service that is free for Centrelink customers. Use Centrepay to arrange regular Deductions from your Centrelink payment. You can start or change a Deduction at any time. The quickest way to do it is through your Centrelink account online.

## 15. Programs we may use to assist customers in financial hardship

If you are in financial hardship, we want to work with you to help you achieve the solution that is best for you. Government and the community are also prepared to help you stay connected.

While Flow Power will monitor your account and refer you to the right government concession or assistance program or the appropriate financial counselling service, you should take the time to visit these websites to find out more about what further assistance they may be able to provide to you:

- [www.dhs.vic.gov.au/for-individuals/financial-support/concessions/energy](http://www.dhs.vic.gov.au/for-individuals/financial-support/concessions/energy)
- [www.moneyhelp.org.au/](http://www.moneyhelp.org.au/)
- [www.goodshepvic.org.au/](http://www.goodshepvic.org.au/)

## 16. Energy efficiency programs

Flow Power will propose a field audit where the benefits of the audit would likely, in our opinion, be significant and you express consent to the terms and costs of the audit.

We will discuss the matter in detail with hardship customers giving an honest outline of the experience of other customers who have had audits and an indication of the savings that they have achieved in dollar terms.

Meaningful benefits may, for example, be achieved by those with excessive energy usage relative to the number of rooms in the premises and the number of people living there.

In certain circumstances, Flow Power will pay for field audits if your circumstances would be excessively and unfairly affected by any further expenses.

If after a field audit it is clear that you require replacement appliances, Flow Power will provide financial assistance to those customers who have no ability to act on the advice in the audit. In these circumstances, Flow Power will nominate a third party to provide the appliances on its behalf.

## 17. Accessing our financial hardship program is free

There are no fees or charges to access the Flow Power hardship program. Flow Power will never charge late payment or termination fees to any customer on this Financial Hardship Policy. Nor will we require them to provide a security deposit. We will not commence or continue with proceedings for the recovery of arrears while you are receiving assistance under this Policy.

## 18. Complaints and Dispute Resolution

If you believe we have not acted in line with this policy, or if you have a complaint about our service, you can raise a complaint by contacting us:

- Email us at [complaints@flowpower.com.au](mailto:complaints@flowpower.com.au)
- Write to us at Flow Power, PO Box 6074, Hawthorn VIC 3122
- Call us on 1300 06 08 06

Flow Power's Complaints and Dispute Resolution Policy can be found on its website at <https://flowpower.com.au/help-and-support>. If resolution is not possible, or at the request of the customer, the complaint will be escalated internally. If you're not satisfied with the way we handle your complaint, you can also contact the Energy and Water Ombudsman Victoria on 1800 500 509 or [ewovinfo@ewov.com.au](mailto:ewovinfo@ewov.com.au)

## 19. Language Difficulty

If Flow Power reasonably believes that a residential customer in financial hardship has a language difficulty, an interpreter can be provided for communication between the customer and Flow Power.

## 20. Staff

Flow Power will ensure that all staff involved in the administration of the financial hardship program are aware of this Financial Hardship Policy and have the necessary skills to sensitively engage with residential customers about payment difficulties and the provision of instalment plans and other options.

## 21. Privacy

Flow Power is committed to respecting the privacy and protecting the personal information of our customers in accordance with the Privacy Act 1988 (Cth). The Flow Power Energy Privacy Policy can be found on its website at <https://flowpower.com.au/privacy/>

## 22. Review of the policy

This policy will be reviewed on an annual basis.