



Information disclosure, marketing and customer meter reads

ESC draft decision

18 December 2018

Outline

- Context & background
- ESC draft decision
- Related matters
- Next steps

Context & background

- RMR Recommendation 3: 'Marketing information on prices to be easily comparable'
- ESC has been referred 8 of the sub-recommendations, has already implemented one round of changes to the code.
- Focus of this round: introducing new rules for marketing and information disclosure to make it easier for customers to understand and compare energy plans.
- The Vic framework has some existing information disclosure rules, but limited marketing rules.
- The AER has recently conducted a major piece of work to revise their information disclosure requirements, which included extensive testing with customers using randomised control trials.

Context & background (cont)

- AEMC has recently finalised a new rule about estimated meter reads (and when a customer can request an adjusted bill on the basis of their own self-read)
- In our earlier decision process ('best offer on bills') we flagged our intention to mirror this rule in Victoria.

ESC's draft decision (RMR)

- (Largely) replace existing information disclosure requirements with a new Victorian energy fact sheet (3E)
- The fact sheet is to include a comparison tool which shows the estimated annual cost of the plan for different sized households (3D)
- *New information disclosure rules* specifying when the retailer must provide the customer with the fact sheet (3E):
 - retailer website
 - third party website (ie commercial comparison websites)
 - via telemarketing or door-to-door
 - upon request by customer
- *New marketing rules* requiring retailers to reference the fact sheet in any marketing material that advertises a plan, whether in mass media or social media (3D, 3E)
- The form and content the fact sheet is to be based on the AER equivalent (that has been recently tested)
- The new information disclosure rules and marketing rules based on AER equivalent (that have recently been reviewed and consulted on)
- The typical usage profiles that underpin the comparison tool are to align with the AER equivalents (3C).

ESC's draft decision (estimated meter reads)

- customers who receive estimated bills to be entitled to request bill adjustments on the basis of a self read
- clarified the rules about how a customer must do this
- rules requiring a retailer to inform the customer about their entitlements.

Related matters

- 3A (presentation of discounts) to be addressed through a separate process along with other discount-related recommendations
- 3B (personalisation of direct marketing) is considered implemented via the 'clear advice requirement'
- Code amendments to be finalised through a separate technical consultation (will include what role, if any, for Victoria Energy Compare)

Next steps

- 18 December (9am): public release – published to the website and stakeholder briefing
- January-March: technical consultation
- 5 February: submissions close
- End March: final decision
- July: commencement