

Origin Energy pays penalty after sending disconnection warnings by text message

Origin Energy companies have paid \$450,000 in penalties for the alleged wrongful disconnection of 349 customers after sending text messages that failed to inform customers about payment help.

The Essential Services Commission believes the energy retailer failed to provide clear and unambiguous information about the payment assistance customers were entitled to under Victoria's payment difficulty framework.

Commissioner Sitesh Bhojani says energy retailers must ensure disconnection for non-payment of a bill is a last resort.

"Energy retailers must offer a range of assistance, including flexible payments or bill deferrals and information about relief grants and energy concessions that may be available," he said.

Between 7 February 2019 and 13 February 2020, Origin Energy allegedly wrongfully disconnected 349 customers who were behind on their bills, with many only receiving a vague text message as a final warning.

Evidence obtained by the commission showed the retailer did not satisfy the requirements of the Energy Retail Code which says retailers can only disconnect a customer for not paying a bill if, after issuing a disconnection warning notice, it uses 'best endeavours to contact the customer' and 'provide(s) clear and unambiguous information about the assistance available'.

Origin also compensated the affected customers \$502,857, ranging per customer from \$4 to \$12,000 for 263 electricity customers and \$114 to \$24,000 for 86 gas customers.

Commissioner Bhojani says while Origin Energy has remediated most of the affected customers, it is disappointing their policies and systems were not up to scratch.

"Origin were part of the development of our nation-leading payment difficulty framework and have acknowledged they fell short of the standard required," he said.

Commissioner Bhojani said the commission took into account Origin Energy's timely co-operation, remediation of customers and their acknowledgement of their wrongdoing in keeping the number of penalty notices to 90 at \$5000 per penalty.

Editors' note: The commission can issue penalty notices where it has reason to believe a business has committed a wrongful disconnection contravention. Payment of a penalty is not an admission of a contravention of its retail licence.

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