



AUSTRALIAN
ENERGY
COUNCIL

PRINCIPLES IN PRACTICE RESOURCE

Guidance for retailers seeking to
implement best practice customer
support

Drafted by the Australian Energy Council in collaboration with leading
consumer advocates

Overview

This document is the partner document to the *Best practice energy retail customer assistance - through COVID and beyond Statement of Objectives and Principles* and presents practical guidance for applying the principles it contains. This is a living document and is intended to be further developed and periodically reviewed. Best practice is continually evolving, and retailers and the community sector will seek to continue to develop materials that assist retailers in developing their support frameworks.

Priority issues for future collaboration include:

- > Further analysing what best practice support looks like for customers who have critical needs for support but are not getting it
- > Identifying and collecting case study evidence from retailers and the community sector to better illustrate successful approaches to supporting customers
- > Considering best practice support measures where a customer holds a debt with a previous retailer
- > Further developing an understanding of lead indicators of payment difficulty and capability to identify and respond early to people at risk of payment difficulty

This resource provides guidance to retailers and other stakeholders who assist people in managing their energy costs. For ease of use, the resource considers five different scenarios in which people experiencing payment difficulty might interact with their energy retailer.

Importantly, each scenario sets out an objective to provide a direction for the interaction. The examples provided illustrate practical application of the principles of best practice for retailers and other stakeholders.

The examples are not regulatory checklists; they are a selection of best-practice assistance options. Best-practice assistance options vary in their level of 'stretch' for different retailers. Some practices will be common among many retailers, others not so. Some can be implemented with relatively little change to existing systems, while others can be used to inform future system and process change

decisions. These assistance options are organised across the five interaction scenarios based on where they may best-fit, however this is a guide, and assistance options listed under one scenario may be employed in other areas by retailers, depending on the service choices preferred by a retailer.

The assistance options are underpinned by overarching organisational practices including:

- > That customer service staff incentives are fully aligned with best-practice customer outcomes.
- > That support mechanisms are designed in ways relevant to different customer groups, taking a human-centred design approach.
- > That customers are engaged in ways that are trauma-informed, free from unconscious bias or stigma, are strengths-based as compared to deficit-based and underpinned by a desire to increase trust between parties.

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SECTION I: BUILDING ON EXISTING RELATIONSHIPS

SCENARIO 1: Person is in contact with their retailer for the first time

Objective: Building trust by demonstrating you are acting in the person's best interests

This scenario focuses on people seeking to engage additional services or assistance measures for the first time. Many people have never engaged with their retailer beyond the basic actions required to initiate their account. Commonly, these sign-up actions do not include any specific opportunities for customers to indicate preferences, or make choices, that could provide an effective basis for an ongoing assistance relationship should the need arise. Similarly, due to changing customer circumstances, any assistance that may have been originally discussed at time of customer sign-up may no longer be the best means of addressing the customer's needs.

As this scenario is likely to apply to a large number of people, responses should be able to be provided simply at scale, while linking effectively to processes delivering more tailored assistance for those who need it.

Early engagement approaches that result in effective support and open lines of communication at this point will deliver highest benefits to all: retailers, customers, and support workers. As a means of achieving this, retailers should base the development and discussion of their support frameworks on an expectation that people respond well to simple, suitably layered, and empowering ways to better understand their choices and the support mechanisms available to them.

For these people, best practice responses will result in:

- > Contact that establishes the basis for an effective ongoing relationship (regardless of whether it is customer or retailer initiated).
- > Customer understanding that arrangements are flexible and can adapt to changes, whatever services for assistance measures are utilised for their current circumstances

- > Initiation of simple, practical (from the perspective of the customer) steps for ongoing contact with the customer.
- > Increased customer awareness of broad range of support offered by their retailer, and how that support might be tailored to their needs

To deliver on these objectives, retailers might seek to utilise the following practical assistance options:

1. Establish and enable ongoing contact

- > Provide a range of contact pathways for customers to respond and initiate contact at the point that they are considering their circumstances.
- > Provide contact pathways that align with customer preferences, including direct phone numbers, email and text messaging, online contact and web chat.
- > Make staying in contact as simple as possible by providing an opportunity for customers to advise and utilise their preferred method of contact.
- > Ask if the customer would prefer information in a language other than English (where this is appropriate) and may assist with a more effective ongoing relationship.
- > Establish the importance of effective contact; ensure that correct contact details and preferred contact methods are available and that the customer is given simple means to keep them up to date.
- > Where practical, enable digitally engaged customers to utilise self-service where this supports empowering the customer and simplifying engagement

2. Check and address payments, to minimise energy costs

- > Check during every interaction that the customer is receiving any rebates or concessions they might have become eligible for.
- > Check that the customer is on the best available offer for them, considering their current circumstances. This should include advice regarding how to ensure they remain on the best available offer in the future.
- > Proactively offer alternative billing or payment cycles to better align due dates with income cycles, and to minimise the risk of debt accumulation.

3. Build understanding of the customer's circumstances, understand the immediate issue and begin the process of responding effectively

- > Establish that further assistance and flexibility is possible if and when the customer's circumstances change, providing enabling encouragement for future effective contact.
- > Advise about the availability and benefits of efficiency and consider any referrals to retailer, government or community support programs that might assist them.
- > Understand what the current issue is, establishing trust and developing a broader action plan to respond in this, and ongoing engagements.
- > Identify, where possible, the root cause of the customer's contact and offer broad solutions that increase awareness of the support options that might be available.
- > At the conclusion of any interaction, retailers should provide information on next steps, including an understanding of the need for future contact, agreed payments and the scope for them to be modified, and a relevant pathway to increased support should it be necessary.

Tips to assist support workers in effectively engaging with retailers

At this stage, the usefulness of the following is very high:

- > An understanding of the customer's capacity to pay (high level financial assessment) will be beneficial in setting a payment plan that suits the customer.
- > Financial literacy: That the customer understands their overall financial position, including in particular, their debts and income.
- > Supporting the customer in understanding the importance of staying in touch and being contactable by the retailer, and feeling capable and empowered to do this

Your retailer is going to ask:

- > How much you can afford to pay each week/fortnight/month off your energy bills.
- > Questions to identify your eligibility for concessions and other assistance.

SCENARIO 2: Person has been in contact with their retailer before to seek some form of assistance

Objective: Early assistance according to need, that improves the long-term sustainability of the customer

This scenario is focused on people who have experienced some contact with their retailer, either initiated by them or their retailer, in relation to a difficulty paying their energy bills. This previous interaction may have provided the customer with some form of assistance, which may be ongoing or have lapsed, or due to changes in circumstances, may no longer be the best means of addressing the customer's needs.

In this scenario, there is effective ongoing contact between the customer and the retailer. In contrast to Option 1, the retailer will likely have some understanding of the customer's circumstances and the type of assistance that might be beneficial. While the number of customers in this cohort remains large, they are known, enabling a retailer to better tailor its support pathways to those that they are aware need assistance. Accordingly, approaches will range from more systemic measures to more tailored and substantive measures, with a focus on early provision.

For these people, best practice responses will result in:

- > Ongoing responses that meet the customer's needs early, and through changing circumstances.
- > Assistance that escalates when it will have the most impact on the long-term sustainability of the customer.
- > Every interaction between the retailer and their customer is leveraged to deliver the information and assistance the customer needs.
- > Offers of assistance that are simple to enact and designed to improve outcomes for the customer.
- > A continuing enhancement of the retailer's relationship with the customer, with a focus on building trust and maintaining effective contact.

To deliver on these objectives, retailers might seek to utilise the following practical assistance options:

1. Develop contact and communications to support flexible responses

Utilising timely reminders, nudges or signals that maintain engagement, build literacy, and cultivate positive customer actions based on retailer activities or supports or customer behaviour.

- > Offer opt-in notifications through digital products or via mobile phone to suit customer preferences.
- > Send reminder messages to customers when bills are due to be issued.
- > Proactively alert customers when bills are higher than expected.
- > Send reminder messages to customers when payments are due.
- > Ask the customer if the retailer's service meets their needs and provides simple examples of flexible options to support changing circumstances, if and when the customer may need them.
- > Create new customer service expectations or customer 'habits' that strengthen engagement pathways and support the identification of changing support needs over time. For example, an "Annual review of your energy plan and supports"
- > Develop digital engagement channels for simple and flexible assistance, while ensuring these channels do not enable unsustainable support to be offered.
- > Develop practical indicators of potential financial stress and creating an early response process to respond. This might include requests for payment changes, late payments, incomplete payment amounts, changes in usage above a set threshold (for example, +/- 20% of average bill).

2. Enable customers who are currently receiving some form of assistance to easily flag a change in circumstance and be provided with adapted support

- > Allow flexibility within payment plans within given bounds.
- > Develop simple approaches to enable customers to notify their retailer if a payment might be missed or underpaid.
- > Ensure payment plans are not automatically cancelled if just one payment is missed or underpaid.

- > Utilise reward-based messaging and tactics to engender respect and trust, rather than threat-based messaging e.g., “you missed a payment, is there anything we can do to help”, instead of “you have failed your payment plan”.

3. Enable customers who *are not* currently receiving some form of assistance to easily flag a change in circumstance

- > Where the customer is making an inbound call to the retailer, design call-centre triage and flows to minimise disengagement and any sense of disempowerment between call-to-support journey.
- > Provide the option for relevant energy efficiency advice and referrals to support services based on the customer’s individual circumstances and desire.

Tips to assist support workers in effectively engaging with retailers

It is best to notify your retailer as early as possible if your circumstances have changed or you need further assistance.

SCENARIO 3: Person who is in regular contact with their retailer and has more critical needs

Objective: Using all available tools to keep the customer connected and sustainable

There are many people who require intensive assistance from their retailer to remain connected. This assistance may be needed over an extended period or following a significant one-off event that the customer needs assistance to recover from.

People in this scenario will benefit from flexible long-term payment assistance, a retailer's hardship program and engagement of a more collaborative approach between retailer, customer, and community support workers. The circumstances these people often face mean to avoid disconnection, an open and honest relationship between the retailer and the customer is needed, enabling flexibility, communication, and trust. The number of customers in this cohort is relatively small, resulting in a retailer being able to offer more personalised assistance. In contrast to the above two scenarios, retailer responses will likely be less systematic.

Approaches that keep the relationship between retailer and customer intact to minimise harm are relevant, with the highest priority to strengthen the level of engagement and trust between retailer and customer to enable genuine collaboration. There is increased relevance of the role of expert support workers for this scenario.

For these people, best practice responses will result in:

- > Effective, efficient and focused interactions that reduce the burden of frequent contact and contribute to enhanced outcomes for the customer.
- > Leveraged interactions that enable the optimum information and assistance required for the persons changing circumstance.
- > All available tools, including support from partners (such as community organisations and networks, etc) being employed at the times they will have the most positive impact on the customer.
- > Offers of assistance that are simple to enact and designed to improve outcomes for the customer in the long term.

Being aware and respectful of the customer's state of mind during the interaction, particularly during a time of crisis, and developing after-call processes to ensure relevant information is remembered and understood.

While responses will be individually tailored, it is expected that best practice responses will result in each contact covering several clear steps to ensure the above objectives can be met. These include:

1. Capture information

It is critical that the retailer is aware, to the extent possible, about changes in customer circumstances to inform their response. While it is expected that a customer should not be required to restate their story in each interaction, it will be beneficial for the retailer to develop a methodology to draw out key pieces of information effectively and efficiently from the customer, as well as provide an opportunity for the customer to ask questions and better understand the assistance that is available.

2. Increase awareness about how the support works

Complexity and customer confusion are primary drivers of failed support attempts. Importantly, best practice contacts will see retailers and support workers take the time to explain the procedures and scope of the support options provided to the customer, including follow up information after the call.

3. Continually checking for support options that the customer may be missing

Customer circumstances are not static. During each contact retailers should ensure the customer is receiving all support that they may be eligible for – including government rebates, concessions, emergency relief, retailer support, and community support.

4. Make it as easy as possible to stay engaged

Finally, all steps should be taken by the retailer to make it as easy as possible for customers in this scenario to remain in contact.

To deliver on these objectives, retailers might seek to utilise the following practical assistance options:

1. Ongoing review to inform early changes and responses

- > Develop and promote information materials and communications in languages other than English.
- > Review whether the customer is on the best plan for their circumstances during each interaction
- > Identify options to facilitate the provision of consent to ensure customer remains on the best available offer for them.
- > Ensure the customer is receiving any rebates/concessions currently available to them given their circumstances (and hence eligibility) may have changed.

2. Flexible and adaptive arrangements

- > Encourage a relationship where the customer pays what is agreed or advises if they cannot.
- > Increase awareness about flexibility in payment plans, including the benefits of paying what you can afford rather than missing a payment entirely.
- > Ensure that plans are not immediately cancelled where a customer pays less than their agreed amount for a single payment. This should trigger proactive contact from the retailer to identify whether the plan remains sustainable.
- > Develop approaches that enable a customer to make minor amendments to payment plans online, or without requiring customer to speak directly to the retailer.
- > To mitigate risks of customers self-selecting an unsustainable payment amount, retailers should develop streamlined contact options to discuss other changes directly.
- > Payment reduction requests should trigger further contact to discuss additional assistance where possible

3. Clear and simple communications

- > Information materials should provide, in simple language, key information about the payment plan including what it covers, how it has been calculated, and the length of the plan.
- > Provide a payment schedule and implement reminders to assist customers with meeting their agreed payment plans.

- > Any associated other bill documents should align with the payment plan to prevent confusion.

4. Maintain effective (and efficient) contact

- > Provide clear information to the customer regarding the range of ways the customer can stay in contact - e.g. by text, telephone, including out of hours options - ensuring that the lowest impact means of communicating are available wherever possible.
- > Be mindful that in a time of crisis, it can be difficult for a person to remember all issues that are discussed and agreed. Follow up contact such as written summaries (text, email or letter to confirm details in plain English or another language) may be required.

5. Leverage all available tools

- > Develop a suite of jurisdiction-based assistance information packages to provide customers and remind them of the range of government and community supports, assistance and other services in their area - options to develop the ability to make 'warm transfers' with government and community service providers where appropriate (such as ServiceNSW, The Salvation Army, St Vincent de Paul).

Tips to assist support workers in effectively engaging with retailers

Seek to understand if the customer's circumstances have changed since they last interacted with their retailer. For example:

Has employment changed?

Have energy needs changed?

Is the household size the same?

Are there others in the household who might be able to help cover costs of essential services?

Has the customer recently incurred any unexpected expenses?

Provide information about relevant community support options, and work with the retailer to ensure all government support is provided.

Identify whether customer's payment plan remains sustainable, in particular based on their current capacity to pay (high level financial assessment).

SECTION II: BUILDING NEW RELATIONSHIPS WITH EXISTING CUSTOMERS

SCENARIO 4: Person who would be better off with support, but is not receiving it

Objective: Enable the relationship to develop as early as possible by using data to proactively offer tailored assistance options, and by increasing customer's awareness/literacy to enable self-support

Many people are either unaware of available assistance or are pre-occupied with the circumstances of their lives. While not currently in an active support relationship with their retailer, these people would benefit from the ability to access a range of information and support that would positively impact them in the long-term and prevent them from experiencing critical financial difficulties. It is important for retailers and community support organisations to be aware of the level of information asymmetry that exists in a relatively low engagement sector like energy. Providing a range of pathways to access support, including through collaboration with community partners, will provide the greatest benefits.

This group is significant in scale and diversity of circumstances but represents a key opportunity. Ultimately, there are shared incentives for retailers and customers to improve outcomes in this scenario, particularly given the benefits from early and adaptive assistance that will enable customers to recover sustainably from the impacts of COVID-19 without the need of more comprehensive hardship type support. Given the number of customers in this scenario, it is expected that retailer responses will be mostly systematic, nudge based, and designed to destigmatise payment difficulties by making it as easy as possible for customers to get the support they need.

For these people, best practice responses will result in:

- > Processes and systems that utilise lead indicators to identify likely need for support.
- > Provision of information of relevant retailer and community assistance to customers indicated as potentially.

- > Proactively offering support to customers where indicators highlight signs of payment difficulty.
- > Simple pathways for contact, including utilising appropriate technological solutions.
- > Not relying solely on customer requests or self-identification.
- > Responding with measures that demonstrate value and form an effective basis for ongoing support – that is, converting the relationship into one of the scenarios above, depending upon the needs and circumstances of the customer.
- > Effectively triaging the needs of customers not in contact, depending on the severity of their financial difficulty.
- > Ensuring that information, and messaging around assistance available is in a format that encourages people to engage early.

To deliver on these objectives, retailers might utilise the following practical assistance options:

- > Notifications (possibly through text messaging or in app notifications) prior to bill issue and other important communications. This might include advice about the availability of a short-term payment plan or other support if the bill is larger than expected.
- > Develop mechanisms to capture and utilise indicators of payment difficulty. These indicators might include:
 - > Multiple reminder notices issued the previous six months
 - > Issuing a disconnection warning notice
 - > Incomplete bill payment or underpayment in the last three months
 - > Significant increases or decreases in usage/bills between periods
 - > Application of any emergency assistance in the last 12 months (URGS, EAPA, etc)
 - > Utilise information identified about customers experiencing difficulty and identify proactive steps that might act as an effective nudge to increase access to support or information.

The objective of these proactive steps is to increase positive communication between retailers and their customers. For example:

- > Advice about the availability of better offers
- > offering a regular payment arrangement that better matches the customer's needs – e.g. small fixed weekly/fortnightly/monthly payments that can be varied by the customer – along with a simple means of acceptance

- > Advice about the availability of other assistance, including hardship
- > Energy efficiency information and tips to reduce energy costs
- > Prompts to encourage customers to utilise online account management tools such as apps or self service
- > Develop customer support that can be broadly accessed through phone communication, online portals, and other self-service mechanisms, to enable effective connections with those who prefer different forms of contact
- > Call-back services within telephony systems to mitigate customer costs, particularly where customers might have limited access to free call services
- > Develop simple support materials in accessible language, and in an effective range of community languages. Materials should present assistance and support as a normal part of retail service available to the customer, adapting to their needs and circumstances, rather than being 'hardship help', 'charity' or using other terminology that may inhibit self-identification by the customer.
- > Work in collaboration with networks and community stakeholders to encourage broader stakeholder engagement with different customer cohorts, and progress plans to increase awareness of assistance and more effective means of connecting with customers.

SCENARIO 5: Person who has critical needs for support but isn't getting it.

Objective: Break the cycle to establish contact, through alternative pathways and build an effective basis of trust for ongoing support

Many people are experiencing significant complications in their lives, but due to the nature of their circumstances or previous negative experiences with their retailers, have made an active choice to avoid contact with their retailer. People in these circumstances are likely to have very low trust of retail messaging and ability to help, and they often have very low capacity to initiate, respond to and navigate the more intensive processes required to access it. Circumstances for these people may involve family and domestic abuse, mental health issues, and extreme financial distress.

These are the most complicated people to reach and likely present the biggest challenge to assist. For these people, disconnection is a very real concern with the regulatory framework allowing retailers to send warnings and initiate disconnection processes. While people do respond to these messages, because of their circumstances these messages may create or perpetuate a poor relationship and undermine the effectiveness of ongoing support. In the long term this may leave customers worse off and give retailers less scope to assist meaningfully to mitigate or reverse debt accumulation.

Best practice for these people is not yet well understood, and there is less certainty about the best way to improve outcomes for this group. Given this, better practice might see a retailer make a commitment to explore different ways to 'circuit-break' a dysfunctional relationship to establish contact and initiate a relationship that can put the customer into one of the effective relationship groups outlined above.

Retailers will likely have customers that fall within a number of scenarios, yet ultimately, are at similar risk of disconnection and disengagement. These scenarios include:

- > Where a person has a significant outstanding debt and has not made any payment for some time. This person may have previously participated in a retailer's support programs but is now not receiving assistance.
- > Where a person has received a disconnection warning notice.

- > Where a retailer is seeking to make its final attempts of contact prior to scheduling disconnection.
- > Where a person who has been disconnected is seeking to re-engage.

There is a lack of visibility on the number of customers each retailer has that matches this scenario, however it likely represents a significantly higher number are currently supported by retailer hardship programs. Given the cohort is largely unknown to retailers, there is increased relevance of the role of expert support workers, trusted intermediaries, and other partnership-approaches to assist customers within this scenario.

For these people best practice responses is about:

- > Avoiding the assumption that challenging or failed previous contact means further efforts are futile
- > Not relying solely on regulations that may allow disconnection processes to be initiated
- > Extending efforts to re-set the relationship
- > Establishing or re-establishing contact that can be an effective basis for a positive ongoing relationship
- > Offering assistance in good faith to establish trust
- > Not relying on usual communication methods and processes
- > Ensuring that actions required of the customer are simple, even in acute circumstances
- > Taking every opportunity to re-direct the relationship onto a more positive footing
- > Taking every opportunity to increase awareness about available assistance

Depending on where in a collection cycle the customer finds themselves, there are a range of practical assistance options that may assist and represent positive steps for a retailer to consider prior to progressing a customer towards disconnection. These include:

1. Re-assess the relationship before initiating disconnection threats/process

- > For example, undertake an audit of the customers history, their previous usage, actions and contact to determine where the relationship has broken down and what opportunities may exist for a re-set.

- > Determine responses appropriate to the customers circumstances and initiating action based on this information.

2. Establish positive contact and re-setting the relationship

- > Lead with tangible offers of assistance that suit the needs of the customer. This might include:
 - > Advising the customer on the availability of incentives and other benefits to continuing engagement.
 - > Offering a regular payment arrangement that better matches the customer's needs – i.e., small, fixed weekly/fortnightly/monthly payments that can be varied by the customer.
 - > Advice about the availability of other assistance, including hardship.
 - > Energy efficiency information, and tips to reduce energy costs.
 - > Advice about any emergency supports that may be available (EAPA, URGS) that could help manage their bill.
 - > Provision of direct contact to the appropriate hardship service team.
- > Offer support in language that is simple, inclusive and genuine, focusing on the immediate benefits to customers of taking up support
- > Highlight the broad range of other support options the retailer offers that is able to be discussed with trained support staff to help the customer stay connected and manage their energy.
- > Ensure support staff are available outside of business hours to enable customers unable to take time off work to access assistance.

3. Co-ordinate and collaborate

- > Coordinate with a range of third parties (such as financial counsellors, community organisations, or network businesses) to create alternative pathways to contact.
- > Create simple processes for customers to authorise family members and other trusted parties to act on their behalf.
- > Consider implementing processes to undertake 'in-person' delivery of final disconnection notices explaining how disconnection can be avoided and how to access assistance and support. Messages delivered to customers at this point should supplement regulatory requirements with more positive assistance information and measures.

- > Explore opportunities for partner third parties to directly provide retail assistance on behalf of the retailer – such as agreed payment arrangements, appliance assistance, and best-offer assistance.

In circumstances where a retailer is considering disconnection, it should be confident all reasonable steps have been taken that might enable a customer to reconnect with the retailer without the challenges and costs that arise from actual disconnection. For example:

- > Utilise alternative means of contact, such as a door knock to try and enable engagement.
- > Request a network business to undertake a 'knock before you disconnect' check, to ensure customer is aware of the impacts of further disengagement.
- > Provide customers with contact details of a third-party partner to create different pathways to contact.
- > Ensure there are no health and safety risks from undertaking an actual disconnection.

For a customer who is seeking to engage following a disconnection, best practice approaches will seek to build the relationship – initially by reconnecting the customer and entering into a sustainable payment plan that will avoid the need for future disconnection.