

3 May 2013

Australasian Retail Credit Association  
736/1 Queens Road  
Melbourne Victoria 3004

By email: [CRCode@arca.asn.au](mailto:CRCode@arca.asn.au)

Dear Sir/Madam,

**Re: Credit Reporting Code Consultation Draft**

The Energy Retailers Association of Australia (ERAA) welcomes the opportunity to provide a submission to the Credit Reporting Code Consultation Draft (the draft Code). The ERAA also thanks the Australasian Retail Credit Association (ARCA) for the opportunity to participate in the Code Industry Council, which we joined in March. The ERAA's members have also participated in the Data Standards Working Group.

The ERAA represents the organisations providing electricity and gas to almost 10 million Australian households and businesses. Our member organisations are mostly privately owned, vary in size and operate in all areas within the national electricity market (NEM) and are the first point of contact for end use customers of both electricity and gas. Given the need to reflect the *Privacy Amendment (Enhancing Privacy Protection) Act 2012*, the ERAA broadly welcomes the draft code. However, the draft Code does raise a number of concerns for energy retailers, which are outlined below.

**The implementation timeframe**

The ERAA understands that the Credit Reporting Code of Conduct (the Code) and the Data Standards will not be finalised until June 2013, leaving only nine months until implementation. Currently, the ERAA and its Members are unaware of the exact requirements for compliance from both an operational and information technology perspective. Energy retailers are concerned that this timeframe will be inadequate given the changes required to update systems, databases, websites, letters and contracts.

Energy retailers currently have other significant system changes which they will have to undertake between now and March 2014. For example, the National Energy Customer Framework (NECF) is to undergo harmonisation in January 2014 in Victoria. Despite the introduction of the NECF, Retail Energy Regulation largely remains a jurisdictional responsibility, meaning that longer lead times are required for complex system changes as compared to other industries.

The ERAA recommends that the implementation of the Code should be staggered, with energy retailers required to implement changes one year after the Code and data standards are finalised. This short extension for the energy retailing industry will provide sufficient time for all sectors to implement necessary system changes, and ensure a smoother transition with a reduced risk of initial issues.

**Correction of information**

As understood by the ERAA, if a credit provider receives a correction request in relation to credit reporting data that the credit provider does not hold, it is required to consult with



relevant credit providers and credit reporting businesses to manage that request through to finalisation. The ERAA is concerned about the practicalities of this requirement, as it may be difficult and costly to administer, and will arguably not provide the desired level of swift assistance to the customer. Energy retailers are unsure how they will be able to consult effectively with other credit providers, likely to be outside of the energy industry, and where no business to business relationship exists. This may be able to be achieved with the creation of a central communications system, although this may be costly and would need to be in place by the time of implementation. Also, a system such as this would require monitoring and regulation.

This requirement may not align the benefits to different types of credit providers with the costs they pay. Energy retailers are unlikely to gain the same benefits from this requirement as other industries, and consequentially may pay a disproportionate cost of its implementation. The ERAA recommends an alternative solution whereby credit providers are required to provide customers with a list of key contacts to assist them in finding the data they are seeking. This alternative approach would assist customers in a more cost-effective manner.

### **External dispute resolution scheme**

The ERAA is uncertain about the operation and jurisdiction of external dispute resolution schemes as detailed in the draft Code. There may be a risk that the resulting unnecessary duplication of complaint handling may increase costs and reduce overall effectiveness of the dispute resolution schemes. For example, a customer may escalate a complaint that relates to a default listed by a bank (a member of the Financial Services Ombudsman) to a jurisdictional energy ombudsman. The ERAA is unsure how this complaint will be managed, and which organisation would ultimately be responsible for ensuring a resolution. Furthermore, the ERAA is uncertain whether energy ombudsman schemes currently have the financial expertise that may be required to address these issues.

Each ombudsman scheme has its jurisdiction outlined through legislation (in the case of the Energy and Water Ombudsman Queensland) or its Charter and Constitution (Victoria and New South Wales). ARCA should consider whether the proposed amendments to external dispute resolution will require these ombudsman schemes to amend their Charters or Constitutions to clarify their role with complaints currently outside of their current jurisdiction. These changes, if required, are likely to be complex and would not be implemented in accordance with the required timeframes.

Resolving energy-only disputes can already be a complex process, and the introduction of this uncertainty would make this increasingly difficult and will not benefit energy consumers. To effectively and efficiently deal with energy customer complaints that have been escalated to the ombudsman level, energy retailers should be dealing exclusively with energy ombudsman. The ERAA requests clarification that this will continue to be the case under the proposed Code. Any situation where an energy complaint can be dealt with by multiple schemes will increase confusion and costs, and decrease customer satisfaction.

Should you wish to discuss the details of this submission, please contact me on and I will be happy to facilitate such discussions with my member companies.

Yours sincerely,

Cameron O'Reilly  
CEO  
Energy Retailers Association of Australia