



# Improving consumer experiences and outcomes in energy markets

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Australian Competition & Consumer Commission

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[accc.gov.au](http://accc.gov.au)

# ACCC and legal framework

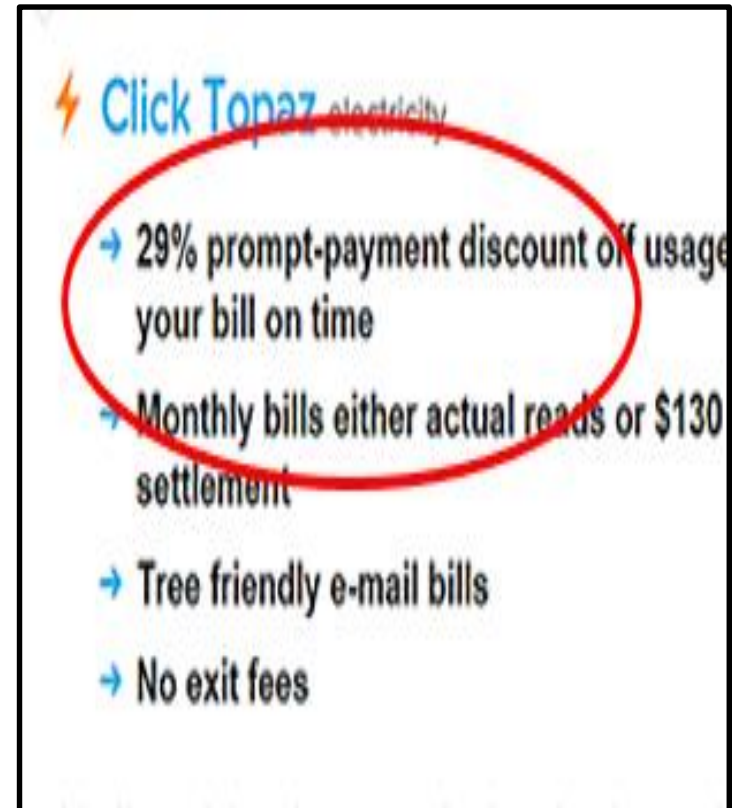
- Independent statutory authority
- Australian Consumer Law (**ACL**)
  - Misleading and deceptive conduct
  - Unconscionable conduct
  - Unfair contract terms, etc
- Enforcement outcomes
  - Court proceedings and Court enforceable measures
  - Administrative resolutions
- Market studies and inquiries
  - “lift the hood” and assess the functioning of a market

# REPI Report found opaque and complex pricing

Poor decisions	Big problems	Proposed solutions
Retailers market by deliberately opaque discounts	Active customers using highest discount often not getting the lowest price	AER set 'default' tariffs to replace standard offers: be base for all discounts
Retailers levy excessive penalties for non-on time payments	Consumers disengage from market, undermining competition	Limit excessive penalties for late payment
Retailers exploit customer "stickiness"	Inactive customers paying too much	Fund groups to facilitate greater consumer, small business switching

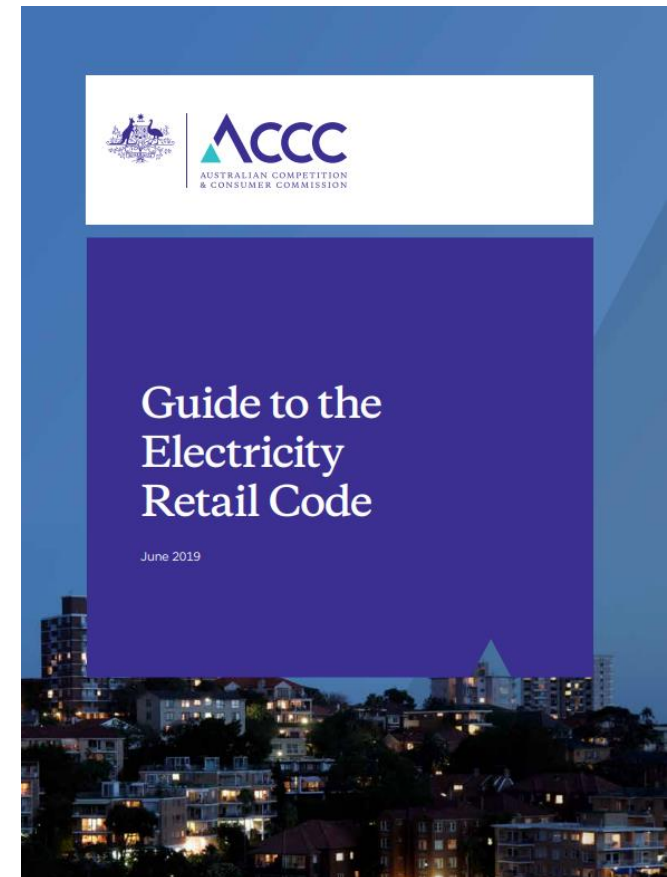
# ACCC proceedings against Click Energy

- In July 2018, alleging false and misleading claims about discounts & savings
- Discounts offered applied to Click Energy's market offer rates, which were higher than standing offer rates
- Click Energy admitted the contraventions and was ordered to pay penalties of \$900,000 by the Federal Court of Australia



# Electricity Retail Code

- Prescribed mandatory industry code
- Came into effect 1 July 2019
- Purpose is to:
  - limit standing offer prices (price cap)
  - allow consumers to more easily compare market offers
  - prohibit conditional headline discounting
- ACCC promotes, monitors and enforces compliance with the code



# Third party intermediaries

- May provide important and beneficial service
  - cut through complex information, analyse consumer's personal circumstances, provide tailored recommendation
- However, may not always
  - recommend offers in the best interests of consumers
  - adequately disclose the number of retailers and offers
- ACCC recommends
  - Mandatory Code of Conduct
  - consumers visit a government run comparator, eg [www.energymadeeasy.gov.au](http://www.energymadeeasy.gov.au)



# ACCC proceedings against iSelect Limited

- In April 2019, alleging false or misleading representations in relation to its energy plan comparison service
- Case concerns claims that iSelect would compare *all plans* available from its partner retailers in a specific location and that it would recommend the *most competitive* plan
- ACCC alleges iSelect did not compare all plans, and did not necessarily recommend the most competitive plan, but rather limited the number of plans based on the commercial arrangements it had with retailers

**Had enough of sky-high electricity bills?**

It might be time to start looking around for a better offer. Find the most competitive rates from our range of electricity providers in your area.

[COMPARE ELECTRICITY NOW](#)

# Direct marketing

- ACL contains specific consumer rights and trader obligations for uninvited transactions away from a trader's premises
- ACCC has taken six retailers to court for misleading practices in relation to door to door selling



**Knock! Knock!  
Who's there?**

