



NT DIVISION

# **Financial counsellors' experience working with Jacana Energy on behalf of clients**

July 2018

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# Introduction

**Financial counsellors often assist financially disadvantaged customers in their dealings with energy retailers. This gives financial counsellors unique insights into the financial hardship practices of energy retailers.**

**The South Australian Financial Counsellors Association – NT Division (SAFCA-NT) is the peak body representing the interests of financial counsellors and money workers and their clients in the Northern Territory.<sup>1</sup> With the aim of informing improvements to Jacana Energy’s financial hardship policy, SAFCA-NT consulted its members about their experiences dealing with Jacana Energy on behalf of clients.**

## **Jacana Energy’s financial hardship policy**

Jacana Energy’s Statement of Corporate Intent 2018–19 highlights service to customers experiencing financial hardship as part of its strategic objectives. Within the broader strategic objective of becoming a valued and trusted brand, Jacana set the goal of ensuring that its vulnerable customers are looked after, and identified specific strategies for achieving this.

Several of these strategies are detailed in Jacana Energy’s hardship policy, Stay Connected. The Stay Connected policy acknowledges the value of non-judgemental approach, recognising that for myriad reasons some customers will experience financial difficulty that leaves them wanting – but unable – to pay.

The Stay Connected policy covers:

- definitions of financial hardship, differentiating between short- and long-term Stay Connected customers
- criteria for entering and remaining in the hardship program
- customer rights and responsibilities
- referral to financial counselling, interpreter, and internal dispute resolution processes
- energy efficiency advice and support
- staff training on hardship issues and vulnerabilities
- annual funding allocation of vouchers and prepaid meter tokens to welfare agencies

Stay Connected incorporates a voucher scheme intended to assist vulnerable customers in crisis situations. Each year, Jacana Energy provides \$175,000 in electronic vouchers and pre-pay meter tokens, which are distributed by five charities on Jacana Energy’s behalf.

In its Statement of Corporate Intent, Jacana Energy signals its intention to make improvements to its hardship policy, with input from stakeholders, as part of its wider efforts to develop a

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<sup>1</sup> SAFCA has represented financial counsellors and money workers in the Northern Territory since July 1 2017.

superior customer experience. Jacana Energy has reported that it intends to adopt a more 'holistic' approach with a particular focus on early intervention and measures that limit debt accumulation.<sup>2</sup>

## **The project**

In order to inform Jacana Energy's efforts to improve its financial hardship policy and practices, SAFCA-NT initiated a project to consult with its NT members about their experiences interacting with Jacana Energy on behalf of vulnerable clients. We wanted to gain an understanding of the issues and the experience of Jacana Energy customers who are clients of financial counsellors. By sharing these perspectives with Jacana Energy, we hope to begin a dialogue that will improve interactions between financial counsellors and Jacana Energy and result in better outcomes for customers.

## **Project approach**

SAFCA-NT worked with its members in the NT to gain an understanding of the experiences of Jacana Energy customers who are clients of financial counsellors and money workers, and of the issues that SAFCA-NT members encounter in this work. To do this, we sought input through an online member survey and a series of meetings. Data was collected between May and July 2018. A comprehensive list of comments is at Appendix 2.

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<sup>2</sup> Utilities Commission (2018) *Power System Review 2016–17*, p. 33.

# Payment plans

**The Statement of Corporate Intent and the Stay Connected policy commit Jacana Energy to providing payment plans to customers experiencing hardship. However, SAFCA-NT members report that the approach to payment plans is inflexible and does not take affordability or customer circumstances into account.**

## Affordability

While the stated intent of the Stay Connected policy is to assist customers who want to pay, but cannot, the process it outlines appears to focus on debt collection rather than keeping customers engaged and connected with the program. The policy suggests that a case-by-case approach is taken and invites customers to nominate an affordable payment amount, but also states that customers can only remain on the Stay Connected program if usage and payment capacity are aligned. To be eligible to participate, customers must agree to a repayment plan aligned with usage.

If a customer does not maintain the payment arrangement, they are considered in 'breach' of the agreement. This policy and the way it is expressed is legalistic, blaming and punitive. Once a customer is in breach of the agreement they are, in effect, exited from the program, and it would appear that debt collection activity begins. In other jurisdictions and sectors, hardship policies identify the failure to meet agreed payment plans as warranting a customer's participation in a hardship program, rather than as a reason for removal.

This inflexible policy guides the payment plans that are made available to Jacana Energy customers. Financial counsellors report that Jacana Energy is unwilling to accept affordability as a method of determining the level of repayment. Clients often feel forced to accept payment arrangements that they can't afford. As a result, they often return to our member agencies seeking Emergency Relief and other assistance. Worryingly, our members reported that they often achieve better client outcomes negotiating with debt collection agencies than with Jacana Energy.

The Stay Connected policy states that assistance to long-term Stay Connected customers will be reviewed every twelve months. In practice, however, financial counsellors report that a total timeframe of twelve months for repayment of usage and debt is often applied, with very little consideration of a customer's particular circumstances. We know of only one instance of the twelve month time limit actually being reviewed and extended (due to a customer's medical condition). This is not industry best practice.

#### Recommendation 1

As a part of the hardship policy improvement process, Jacana Energy should review its approach to payment plans with a view to providing plans that are consistent, affordable and flexible based on customer circumstances.

### **Customer circumstances**

SAFCA-NT is also concerned that there appears to be a blanket approach to customers in financial hardship. Whereas retailers in other states typically have policies concerning family violence, culturally diverse customers and customers with special medical needs, we could find no mention – in the Stay Connected policy or elsewhere – of how Jacana Energy addresses the specific needs of these or other customer groups. It would appear that hardship team members are not given specialist training and are not empowered to provide extra assistance in cases of extreme vulnerability.

One financial counsellor provided the following case study illustrating this lack of specialist assistance:

*The client has two children under two and has been in a domestic violence shelter for three months. She can move into public housing today, however, she cannot get power connected as she has a \$450 debt on previous property that has gone to a debt collector. Her caseworker at YWCA had the Credit Management worker, who she said was very helpful, escalate the matter. However, management declined to reconnect until the bill is paid in full. The caseworker offered to show the Domestic Violence Order and police report as evidence of a case of domestic violence, but Jacana Energy insisted the debt be paid in full to the debt collector before power can be restored. As the bill is with a debt collector, our ER vouchers cannot be used to assist payment. I am currently asking Jacana to recall the debt from the debt collector so we can assist with a voucher as a resolution.*

#### Recommendation 2

In line with other energy retailers, Jacana Energy should develop policies addressing the special needs of culturally diverse customers, customers with medical conditions and customers experiencing family violence.

### **Inconsistency in application of payment plans**

Our members' comments on payment plans were highly variable. We believe this reflects inconsistency with how the policy is applied, in part depending on which team member a financial counsellor deals with on a given day.

# Disconnections

In 2016–17, Jacana Energy disconnected approximately 2,000 retail customers.<sup>3</sup> On the assumption that there were approximately 82,000 retail customers, this represents 2.44 disconnections per 100 customers. By way of comparison, Victorian energy companies disconnected 1.16 per 100 customers for the same period.<sup>4</sup> Equally concerning, in 2015–16 approximately 3,800 customers were disconnected by Jacana Energy, representing 4.52 disconnections per 100 customers. In Victoria, the comparative rate was 1.34 disconnections per 100 customers. Jacana Energy disconnects more than twice as many consumers as retailers in Victoria.

The regulator reported on the reduction in disconnections:

*Jacana Energy sought to address this issue by implementing a new SMS warning service where customers are sent an SMS advising they have two days to pay outstanding monies before they are disconnected.*

*This resulted in a significant reduction in the number of customers disconnected, which more than halved from 2015–16 to 2016–17.<sup>5</sup>*

However, there is an absence of specific and reportable data on the:

- actual number of disconnections
- average disconnection time
- number of wrongful disconnections
- number of reconnections.

As a result, it is very difficult to determine whether Jacana has become more effective at preventing customers from being disconnected on the basis of an SMS warning service. Did these consumers have to take out a payday loan, or go without food, to maintain supply? This appears more of a debt collection tool rather than a collaborative two-way engagement. It also suggests a failure of the retailer to effectively engage with customers at an early stage to prevent the problem escalating. As Jacana Energy is the only energy retailer for most of the NT, we are concerned about the experiences of these disconnected customers.

## Recommendation 3

Jacana Energy should be required to report annually to the regulator on actual disconnections and reconnections.

<sup>3</sup> Estimate based on a diagram in Utilities Commission (2018) *Power System Review 2016–17*, p. 35.

<sup>4</sup> Essential Services Commission (2017) *Victorian Energy Market Report 2016–17*, p. 61.

<sup>5</sup> *Ibid.*, p. 35.

# Working with financial counsellors

**Jacana Energy has stated its intention to work with service providers that understand the circumstances of vulnerable customers. Positively, SAFCA-NT members reported that hardship team members are generally accessible and communicate well. At the same time, however, financial counsellors find that their recommendations are often disregarded.**

## Accessibility and communication

Generally, financial counsellors offered a fairly positive assessment of the accessibility and communication style of Jacana Energy's financial hardship team staff. Although some financial counsellors commented that wait times to speak with a team member seem to have increased in recent times, they generally find hardship team staff accessible. Most financial counsellors said that team members communicate in a friendly, straightforward way.

However, financial counsellors' responses also pointed to some inconsistency. Team members can have different approaches to negotiating an outcome, and occasionally financial counsellors found a team member's attitude to be disrespectful or derogatory. One financial counsellor commented that while the process is acceptable overall, 'sometimes you can hear or feel their irritation through the phone.' Others said that staff are friendly but bound by an unreasonable hardship policy.

Financial counsellors felt that staff communication is affected by the customer's 'temporary' or 'long-term' Stay Connected status and the complexity of the negotiation. It was generally felt that negotiations on behalf of temporary Stay Connected customers are generally positive, while interactions on behalf of long-term customers are not. Financial counsellors also commented that while interactions about the provision of vouchers are straightforward, customer issues that require a more comprehensive examination are not approached in the same positive way.

## Respecting the financial counsellor role

Financial counsellors reported that Jacana Energy is often reluctant to accept financial counsellors' recommendations about appropriate payment plan amounts. Jacana Energy's practices in this area compare unfavourably with the practice of hardship teams of energy retailers and credit providers in other jurisdictions.

The Statement of Corporate Intent commits Jacana Energy to working with service providers who understand the challenges that vulnerable customers face. Financial counsellors have spent time determining the client's actual financial position and what they can afford to pay. In line with Jacana's commitment to work with service providers, team members should have



more regard for financial counsellors' knowledge, expertise and recommendations, particularly concerning long-term Stay Connected customers.

#### Recommendation 4

Jacana Energy should make affordability the major factor in determining the payment plan amounts for both long-term and temporary Stay Connected customers. Financial counsellors should be recognised as having the expertise to recommend that affordable amount.

SAFCA-NT firmly believes that this will lead to better outcomes for both Jacana Energy and its customers. Certainly, it will mean more customers able to keep up their repayments, leading to fewer disconnections. As one step towards this goal, we recommend that team members receive training in the role of financial counsellors and how they can assist.

#### Recommendation 5

Jacana Energy should provide hardship team members with training about the role of financial counsellors and how they can help to determine customers' real financial position and capacity to pay.

# Dispute resolution

**Dispute resolution is an area where Jacana Energy appears to place little emphasis and where practice lags behind other jurisdictions.**

## Internal dispute resolution

Jacana Energy has a facility on its website for lodging a complaint. However, our members rarely use this facility if they believe their client is being unreasonably treated. More often, they ask to speak with a senior person in the hardship team. This is often to little effect if the matter is more complex than a voucher or a temporary Stay Connected customer issue.

Complaint or dispute handling is not addressed in Jacana Energy's Statement of Corporate Intent, despite the document's emphasis on understanding customers' needs and delivering a consistent and positive customer experience. For individual customers, the ability to raise and resolve complaints is an essential component of a positive experience; while for the business, complaints are also a valuable source of information on potential system improvements. SAFCA-NT therefore sees the omission of complaint handling in the Statement of Corporate Intent as a significant gap.

## External dispute resolution

Although the Stay Connected policy does not make reference to an ombudsman scheme, the Northern Territory Ombudsman does accept complaints from Jacana Energy customers. In 2016–17, it received 83 such complaints – an average of about 4.9 per 1,000 customers. The top three issues of complaint – disconnections, excessive charges and financial hardship – are highly relevant to customers in financial difficulty.<sup>6</sup> Even so, it is our members' experience that customers approaching the Ombudsman have sometimes been referred back to NT Power and Water and to Jacana Energy – a process that our members find to be an unsatisfactory.

SAFCA-NT firmly believes that customers in the Northern Territory should have access to free, fair and informal external dispute resolution via a dedicated energy and water ombudsman, as do customers in other states and territories. Such an ombudsman would be more nimble and flexible, have specialist knowledge and be able to develop relationships with retailers and consumer groups.

### Recommendation 6

The Northern Territory Government should appoint an Energy and Water Ombudsman to resolve disputes between energy and water providers and their customers.

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<sup>6</sup> Utilities Commission (2018) *Power System Review 2016–17*, p. 32.

# Conclusion

**Overall, SAFCA-NT members rated Jacana Energy's financial hardship policy and practices at four out of ten, suggesting that there is substantial room for improvement. We believe that the hardship policy needs to be brought into alignment with Jacana Energy's stated corporate values and best practice, making it a genuine response to customers in financial hardship.**

## Best practice

There are a number of areas in which Jacana Energy's hardship approach is lagging behind best practice in other jurisdictions in energy and similar services. We believe that Jacana Energy's planned improvements to its hardship policy should be informed by best practice in other areas. The document itself, which is dense and difficult to navigate, should also be rewritten in plain English in accordance with best practice.

### Recommendation 7

Jacana Energy should enlist a consultant to deliver an independent opinion on industry best practice on financial hardship and how it can be applied in the NT.

## Stakeholder input

SAFCA-NT welcomes Jacana Energy's intention to improve the hardship policy with input from key stakeholders. Financial counsellors regularly work with the Jacana Energy hardship team, and therefore have a good understanding of the positive and negatives of the current Stay Connected policy. They are best-placed to advise on improvements to the hardship policy.

This input should also be ongoing. The current Stay Connected policy makes no mention of review or evaluation of the document by stakeholders such as financial counsellors and consumer advocates. Hardship policies are most effective, however, when they are living rather than static documents.

### Recommendation 8

The Stay Connected policy should be significantly improved with input from financial counsellors and other key stakeholders.

A full list of recommendations is at Appendix 3.

# Appendix 1. Financial counsellors' experience of Stay Connected

CLAUSE	FINANCIAL COUNSELLOR EXPERIENCE
Section 1 Definition of a Stay Connected Customer	
<p>1.3 Long-term Stay Connected Customers are generally those with low or fixed incomes and may require ongoing assistance which will be reviewed at twelve monthly intervals. This is proposed by way of a joint relationship to reduce consumption and manage bills.</p>	<p>Customers will only be allowed to stay on for 12 months, after which all outstanding debt plus usage must be paid. It is not a review but a time limit. Our members reported one example of an extension, which was in the case of a customer who had a medical issue and a large debt.</p> <p>The Jacana team are good and responsive on short-term issues such as extensions to pay the bill, but can be difficult to deal with on long-term issues.</p>
Section 2 Rights of Customers -the customer has a right to:	
<p>2.1(e) propose an amount the customer can reasonably afford to pay on an arrangement plan to demonstrate commitment to reduce the existing debt;</p>	<p>This does not happen. Instead, a formula is applied: 12 months usage is added to the debt and divided by 26 to produce the fortnightly payment. The full amount of usage, not usage minus the concession, goes into the formula.</p>
<p>2.1(g) request renegotiation to Jacana Energy of the amount of their arrangement if there is a change in their circumstances;</p>	<p>This only happens when there has been large drop in usage. Never has reduced capacity to pay meant a reduced arranged payment.</p>
<p>2.1(h) receive, at no cost to the customer, a language interpreter service as requested;</p>	<p>They have not had customers who have had an interpreter service made available to them, and they doubt that customers know they could ask for one.</p>
<p>2.1(k) access energy consumption conservation information to assist in reducing consumption;</p>	<p>Energy saving advice is only offered occasionally and this is dependent on which individual staff member is assisting. The advice has generally been a 'lecture' on the cost of water heaters, air-conditioning and louvre windows.</p>
<p>2.1(n)</p>	<p>Prepaid meters have not been available for some time. We believe they be available from September, but customers need to register. This</p>

CLAUSE	FINANCIAL COUNSELLOR EXPERIENCE
be advised of an electricity prepaid meter as an option to manage affordability in line with consumption.	information has not been disseminated among our members – one found out by a conversation with NT Shelter. Also, prepaid meters won't be installed in flats – only houses.
Section 3 Credit Management of Stay Connected Customers	
3.2(a) The customer should be asked to nominate an amount he or she can afford to pay without defaulting on any arrangement plan. This amount can be negotiated between the customer and Jacana Energy as deemed reasonable.	Financial counsellors believe this does not happen – a formula is applied as per 2.1 (e).
3.2(b) If the customer is unable to agree to a payment arrangement the customer can be advised to seek financial counselling to negotiate fair and reasonable payment plans at fair and reasonable instalment intervals. For example - commit to an amount to meet current consumption plus an amount to meet any outstanding debt.	Most Jacana Energy people are pleasant, but they work within but they work within the confines of a policy that FCs believe do not take affordability and capacity into account.
3.2(c) A moratorium will be placed on debt recovery pending the establishment of an agreed payment arrangement.	Any debt recovery moratorium is for two to three weeks only.
3.2(d) Jacana Energy may accept payment amounts from customers below the standard payment range guidelines for outstanding arrears.	This does not occur.
3.2(e) Referral advice to independent financial counselling service can be offered, at no charge to the customer if they are experiencing financial distress.	The referral usually consists of advising customers to get a voucher from a financial counsellor, rather than having their financial position determined and a recommendation made as to an affordable amount.
3.2(f) Jacana Energy will work with Northern Territory based advocate agencies to coordinate financial assistance and ensure changes and opportunities	Meetings are not arranged by Jacana and invitations made by financial counsellors are not accepted.

CLAUSE	FINANCIAL COUNSELLOR EXPERIENCE
in services available in the sector are updated regularly.	
<p>3.2(g)</p> <p>Jacana Energy will continue to develop working relationships with representatives from community and welfare based organisations to assist disadvantaged customers.</p>	This only happens around vouchers.
<p>3.2(h)</p> <p>Jacana Energy will endeavour to educate customers to reduce their energy consumption.</p>	Energy saving advice is only offered occasionally and this is dependent on which individual staff member is assisting. The advice has generally been a 'lecture' on the cost of water heaters, air-conditioning and louvre windows.
<p>3.2(i)</p> <p>Jacana Energy will confirm details of payment arrangements in writing to the customer within 10 business days and offer a choice of payment methods in accordance with the customer's capacity to pay.</p>	This does not occur.
<p>3.2(j)</p> <p>Customers have the right to contact Jacana Energy to discuss a renegotiation of the amount of their arrangement if there is a further change in their circumstances.</p>	Customers may have the right, but it won't be allowed unless there is a significant reduction in usage. If there has been an increase in usage and no corresponding increase in payment, then customers will be disconnected. There is no flexibility for changed circumstances.
<p>3.2(k)</p> <p>Legal action, electricity supply disconnection and additional debt recovery costs will not be instituted against customers who meet the criteria to be treated as Stay Connected Customers, continue to make payments according to an agreed schedule and advise Jacana Energy immediately of a change in circumstances.</p>	<p>This is generally so, but there is inflexibility ensuring they remain as Stay Connected Customers, meaning that 3.2 (l) then applies.</p> <p>Financial counsellors would like the ability to apply a voucher and set up a Stay Connected arrangement on the day the power is due to be disconnected. However Jacana can usually get a message out to the team not to disconnect, but the fee still applies. According to Jacana this is because it's a third party company and they still charge Jacana for the job.</p> <p>The other factor here is often a two to three week wait before clients can be booked in for an appointment (especially when bills are issued and</p>

CLAUSE	FINANCIAL COUNSELLOR EXPERIENCE
	<p>due). Jacana will allow an extension if the client calls it themselves, but, depending on the severity of the arrears, it's often not long enough for the client. This makes it almost impossible for people to avoid paying this additional fee on their next bill.</p>
<p>3.2(l) If the customer fails to meet the agreed payment arrangement instalments and does not actively work with Jacana Energy to address the situation by advising Jacana Energy of changes in circumstances and/or reducing consumption, they will be advised in writing that standard credit follow up processes will be implemented and the Stay Connected Program will cease to apply.</p>	<p>There is rarely advice in writing before the actual disconnection has occurred.</p>
<p>Ently Jacan Section 4 Proactive Provision of Information</p>	
<p>4.1–4.7</p>	<p>Financial Counsellors were quite sceptical about the provisions under Section 4. They stated that apart from written advice on customer's bills, there was little or no proactivity in providing information about:</p> <ul style="list-style-type: none"> <li>• payment assistance</li> <li>• the interpreter service</li> <li>• the right to lodge a complaint</li> <li>• the Stay Connected policy</li> <li>• prepaid meters</li> <li>• energy saving measures</li> <li>• energy audits (these do not happen – the Home Energy Saving Scheme funding was lost four years ago, and the only service operating today is provided by two volunteers who work one day per week. As a result there is a six to eight week wait for this advice).</li> </ul>

## Appendix 2. Financial counsellors' comments

STATEMENT OF INTENT STRATEGIES	FINANCIAL COUNSELLOR COMMENTS
<p>Provide payment plans to assist customers experiencing financial hardship</p>	<p>Very, very poor. No willingness to work with clients. In all circumstances they require a minimum payment to be the client's usage amount. Limited understanding for client individual circumstances especially if poor history of payments.</p> <p>Customers are not being assisted with flexible options for payment, early identification/assistance with debt. Electricity is disconnected for non-payment.</p> <p>Clients often feel forced to accept payment arrangements that they can't afford and that this leads to them returning to our services for future assistance and ER. Jacana are setting them up to fail and then cutting off assistance. It's futile!</p> <p>In some cases, they will not put the power on until a very large payment is made, these are ours/their clients who receive Centrelink payments and usually have a reason why the power bill is large, many times through no fault of their own, but the stories make no difference to the Jacana team members. I had a situation where a gentleman in his 80s had his power cut off for a \$300 bill.</p> <p>It all depends on what staff member you get.</p> <p>Occasionally individual staff seem less prepared to discuss different flexible options, but this may be due to them all not being clear on what can be offered.</p> <p>It feels like the wider aspects of our job are not in the mind of the team member.</p> <p>If a payment plan if even offered it usually is more than the client can afford, the Stay Connected program in theory could work but Jacana insist it is over one year which can push the fortnightly payment over what is affordable and or sustainable for the client.</p> <p>Often, it's pay half or nothing can happen. Their Stay Connected program isn't offered or available enough</p> <p>Little or no negotiation, customers must take what they are given attitude</p> <p>The bill assistance vouchers used to be allocated to Agencies and Agencies would be able to set guidelines on how to use the vouchers. Now Jacana has tightened up the guidelines</p>
<p>Work with service providers who understand the challenges facing vulnerable customers</p>	<p>I don't think Jacana has this in mind and doesn't see it as their business. Individual staff members are doing their best to assist and usually seem ready to speak to clients in a personal way and will listen to clients explaining why they are in the situation they are. Finding a way to get long-term payment plans in place that reflect usage of the client are the main focus. Having vouchers available helps, but only so much.</p> <p>They seem to have no interest in hearing about the client's situation and only see their clients on black or white (no grey) I have had families move out of their houses into another family members house until they can afford to pay off their power bill and Jacana would not allow me to assist with vouchers</p> <p>We as counsellors and Jacana both understand that paying electricity is a top priority and this should be paid before anything else aside from rent and food. Jacana, like any other creditor, want their debt paid before any other creditor which</p>



	<p>in a sense is fair given the above reasoning -however still ignores the client's whole situation.</p> <p>No Family Violence policy. Extremely hard to get a long term arrangement organised outside their standard 'client needs to pay the minimum usage plus an amount towards the debt'. Have to escalate to high level resolutions for approval for some long term arrangements once client is already disconnected.</p> <p>Unemployment is standard with most clients I see, so no special response expected or received by Jacana staff. I have heard that customers calling Jacana hardship on their own (without backup) have been spoken to rudely - but I have not had that experience when calling from work. Possibly - if that is a problem - it might be sending more people here so they can get a more 'protected' hearing to sort out their situation.</p> <p>Jacana don't seem to have any interest in hearing the client's story. If the client cannot pay, Jacana deem that we are not able to assist. Jacana's care factor is very low to non- existent.</p> <p>Jacana staff are very good in this respect, they pause and wait if the person has bad English and they have a rule where electricity cannot be disconnected if the person has a life-threatening illness' for example someone that requires a ventilator.</p> <p>We helped a client who had a 18 month old who was sick and they hadn't had power for two weeks before they came to see us. They needed a new meter because theirs was damaged, but they didn't know who damaged it. They didn't make a police report when it happened so Jacana refused to give them a new one until a \$600 odd payment was made for a new meter and a reconnection fee. She came into our office on a Friday about 1pm and by the time we got hold of someone in Catholic Care and got them to agree to use a \$200 voucher so we only had to pay the 400 odd dollar difference, we had to pay the afterhours connection fee. It was reconnected at about 5:30 that afternoon. They didn't care at all that there was a sick toddler in the house and the family already hadn't had power for two weeks. It was awful.</p> <p>Disconnections happen A LOT and the fees they charge to reconnect plus the minimum amount of the bill that you also have to pay is ridiculous and way out reach of clients. This puts a lot of stress on the ER providers. I reckon about 45% of our ER money pays Jacana 25% pays for food and 30% rent and/or bond assistance</p>
<p>Continual Improvements of the Hardship Program</p>	<p><i>SAFCA asked its members to rate Jacana in terms of its financial hardship practices over the past twelve months.</i></p> <p><i>The replies were averaged out to 4 /10</i></p> <p><i>We also asked our members to comment on their dealings with Jacana as compared to telcos, banks and debt collection agencies:</i></p> <p>No waiver policy, hardship team can only do few things that's not a solution. Applies a single blanket policy but everyone has different situation.</p> <p>I don't have too many dealings with Jacana opposed to telcos and banks. But when I have had dealings it's been quite poor on Jacanas behalf.</p> <p>Would rather deal with a debt collector than Jacana most days. Often have to advise clients to put Jacana before rent/food/petrol as no options</p> <p>As Jacana is the only provider in the NT, customers have no option other than pay what is asked for. My dealings with Jacana have been easy to deal with.</p>

	<p>Far easier to sort things out, and personnel are generally affable and helpful within what they are allowed to do.</p> <p>More willing to work to an empathetic solution.</p> <p>In 2018 Jacana has been the worst of all the other creditors I deal with. I have found them difficult, unhelpful and so disrespectful to our/their clients' needs. Absolutely no empathy shown or spoken</p> <p>Pretty poor service, not able to negotiate most of the time</p> <p>Jacana won't negotiate or take people's individual circumstances into consideration. I have heard of some big water debts being waved but not without getting lawyers involved.</p> <p>Jacana are much easier to deal with than these other places as Jacana staff are local and have some understanding of the towns issues.</p> <p>Quite good. Email response is timely and generally positive</p> <p>would be a great help if there was a policy/procedure/guidelines of some sort for both Jacana staff and services supporting their customers. Very poor adhoc service delivery overall.</p>
Disconnections	<p>They disconnect peoples power, they then charge between large amounts to reconnect again added to the client's financial hardship.</p> <p>It is pay up or get disconnected.</p> <p>At times Jacana will not reconnect until a certain amount is paid. This can leave homes without electricity for weeks at a time. Not a common scenario but a scenario that should not happen at all.</p> <p>SAFCA note: we found it difficult to ascertain just how much the after hours reconnection fee is, and at what time of the day after hours was applied.</p> <p>Excerpt from a letter sent to a customer on June 2018:</p> <p>'If your electricity is disconnected you will need to contact us to organise reconnection and pay the applicable fee. This fee ranges from \$125 to \$1095 depending on the time of day that reconnection occurs and the type of meter installed on your property. You may be required to pay all outstanding amounts on your account before your service is reconnected.'</p> <p>This in our opinion is excessive and unrealistic.</p>
Debt Collection Practices	<p>Worst I have ever dealt with, every bill is treated like a debt and they're worse to deal with than debt collectors!</p> <p>Extended time to pay seems to be reasonably applied. Stay Connected seems to work for some people. Disconnection and insistence on full repayment before connection can be hard in some circumstances, e.g. older lady who had loaned her electricity via cord to others in complex who had no electricity, and then ran up a large bill that she could not repay. As debt had been in place for a while, whole of large bill (and no voucher allowed) was to be repaid before reconnection. Regular payments were put in place but client would be without electricity (safety aspect is frightening) until then.</p>
Complaints handling	<p>I made a complaint a few years ago to NT Ombudsman and was advised to go back to Power &amp; Water as they were known then and sort it out directly.</p> <p>If I have a complaint I ask to speak with someone more senior, but only get a positive outcome if it is around a voucher – and then not always.</p>

## Appendix 3. List of recommendations

### Recommendation 1

As a part of the hardship policy improvement process, Jacana Energy should review its approach to payment plans with a view to providing plans that are consistent, affordable and flexible based on customer circumstances.

### Recommendation 2

In line with other energy retailers, Jacana Energy should develop policies addressing the special needs of culturally diverse customers, customers with medical conditions and customers experiencing family violence.

### Recommendation 3

Jacana Energy should be required to report annually to the regulator on actual disconnections and reconnections.

### Recommendation 4

Jacana Energy should make affordability the major factor in determining the payment plan amounts for both long-term and temporary Stay Connected customers. Financial counsellors should be recognised as having the expertise to recommend that affordable amount.

### Recommendation 5

Jacana Energy should provide hardship team members with training about the role of financial counsellors and how they can help to determine customers' real financial position and capacity to pay.

### Recommendation 6

The Northern Territory Government should appoint an Energy and Water Ombudsman to resolve disputes between energy and water providers and their customers.

### Recommendation 7

Jacana Energy should enlist a consultant to deliver an independent opinion on industry best practice on financial hardship and how it can be applied in the NT.

### Recommendation 8

The Stay Connected policy should be significantly improved with input from financial counsellors and other key stakeholders.