

Hardship Policy

Introduction

This Hardship Policy outlines the way in which Momentum Energy will assist domestic customers in all jurisdictions that are experiencing financial hardship. It sets out the approach that Momentum take to evaluate hardship and the processes and programs in place for providing customers in financial hardship with the best possible solution.

Momentum would rather assist its customers in addressing financial hardship than disconnect them and have them experience further difficulties without the essential service of electricity.

This policy is publicly available for all residential customers on Momentum's website. Momentum will also provide a copy of this policy in large print as well as a range of languages, free of charge, when requested by a customer, or financial advisor.

Momentum seeks to assist Hardship Customers in line with the AER's national guidelines and strives to enable customers:

- (a) To identify themselves to Momentum.
- (b) To be identified by financial counsellors to Momentum.
- (c) To be identified by Momentum.

What is financial hardship?

Financial hardship is when a domestic customer who has the intention to pay their accounts but does not have the financial capacity to meet the payment requirements set out by Momentum Energy's terms and conditions. A Hardship Customer is unable to pay their accounts because of illness, unemployment or other "reasonable cause". A "reasonable cause" is any other situation that genuinely prevents customers from making payments on time.

Temporary Hardship: when a domestic customer has been affected by temporary illness, unemployment, accident or some form of unexpected temporary financial problem. These customers generally will require flexibility and temporary assistance such as payment extension, a one-off grant e.g. URGS, or an affordable payment arrangement.

Long Term Hardship: when a domestic customer is in a low fixed income group or who may be receiving some government funded grant, e.g. a pensioner or concession card holders, a domestic customer with a permanently disabling illness, customers who have recently experienced death, domestic violence, separation, or simply struggling financially and require ongoing assistance. Customers experiencing long term hardship often require assistance in addressing the underlying issue/cause of debt through the use of a financial counsellor.

Momentum ensures that all customers requiring additional support will be treated individually with respect and sensitivity and in accordance with the requirements of the Privacy Act 1988. We will seek permission before providing details to a third party for support services.

Entry to Hardship Program

It is not uncommon for a domestic customer suffering from hardship to not advise their retailer that circumstances have changed and they are struggling financially. Therefore all retailers have an obligation to proactively identify customers who may be experiencing hardship. Momentum endeavours to identify Hardship customers through consistent monitoring customer accounts for the below indicators:

- A request for alternative payment arrangements such as a Payment Plan or an extension.
- Requests for information or documentation in regards to Energy Saving Tips.
- Any application or enquiry regarding a Utility Relief Grant Payment.
- If the customer advises there has been an unexpected change in their circumstances, life style, employment etc.
- The customer payment history suggests that there have been instances in the past where they have had problems paying their bills on time. Including identifying cycle periods or calendar months.
- The customer has identified that they are having difficulty and has identified what they are able to afford to pay.
- Customer has broken more than two payment plans in a year.
- Customer exceeds Momentum's Hardship debt threshold.
- Customer has been referred to Momentum by a Financial Counsellor or the Ombudsman.

***It should be noted that the above do not necessarily provide evidence that the customer is experiencing hardship, however may provide insights that this may be the case.*

A customer will enter the hardship program after either being identified by a staff member or alternatively by nominating themselves as experiencing financial hardship. Once it has been determined that a customer is experiencing financial hardship, Momentum will provide the customer with information in regards to the support that is available to them whether it is further information about Momentum's Hardship Program or concessions and government support or other assistance available to them such as financial advisors. An agreement will be drawn up between Momentum and the customer which contains payment plan details, terms and conditions and the minimum standards that Momentum will adhere to while the customer is participating in the program.

Momentum is dedicated to assisting customers in hardship to meet their obligations while maintaining their access to the essential service of electricity supply. Although we do proactively seek to identify customers experiencing hardship we are not always able to determine an individual's circumstances and invite domestic customers experiencing genuine difficulties to approach us in the knowledge that they will be supported and treated with respect.

Program features and support

Momentum seeks to support hardship customers in a manner which is appropriate to each customer's individual circumstances. The amount and type of support and assistance a hardship customer will receive will be determined on a case by case basis as all circumstances for hardship are different. The level of support will be ascertained by working with the customer to determine their capacity to pay.

One key form of support that Momentum offers to all customers experiencing hardship is a payment plan. Hardship customers will receive confirmation of their payment plan in writing confirming the dates and amounts of expected payments and information on how they can renegotiate their payment arrangement should they encounter further difficulties. The below are options available to customers in hardship. Momentum acknowledges that this list is not exhaustive and is always willing to explore new and innovative ways to assist its customers.

- Reviewing contracts to ensure the appropriateness for the customer. Factors that will be considered include by are not limited to; Tariff, applicable discounts, contract structure, product, billing cycles etc.
- Extension in Payment Terms.
- Assistance in achieving energy and financial savings through increasing efficiency where required by regulation.
- Provision of Energy Efficiency information, advice and Energy Audits to assist in reducing electricity usage.
- Access to a financial counsellors or assistance through programs such as Kildonan.
- No debt collection, disconnection activity or legal action or costs to be raised against customers experiencing Hardship or during investigation of a complaint with Momentum or the Ombudsman. (Momentum's complaints handling and dispute resolution process can be found on the **website**)
- No late payment fees applied and no security deposit required for customers experiencing financial hardship.
- No fees charged for review of contracts, transfer of accounts or termination.
- Momentum encourages customers to utilise forms of payment that will not incur further charges i.e. Bank handling fee. Because of this, Momentum offers a wide range of payment options for customers, including Centrepay, BPay, Postbill Pay, direct debit, cheque and credit card.

These forms of support are always performed with the ultimate goal being a reduction in debt and exiting the program successfully.

Review of customers on hardship program

When a customer is participating in the hardship program, Momentum will review their account on a monthly basis to ensure that they are adhering with the conditions of being part of the program) and that the program is assisting the customer in reducing their debt. The customer's usage and payments will be monitored to ensure that the customer is benefiting from the support they are receiving. If Momentum sees that payments are not being made or are sporadic, we will make contact with the customer to determine if new terms and conditions need to be drawn up. Consideration will be given to Long Term Hardship customers to extend the terms and conditions at the discretion of the Hardship Review.

Obligations and Responsibilities

Momentum's Responsibility to Customers

- Momentum will prove a copy of this hardship policy free of charge to customers it feels may be facing hardship or have expressed difficulty in paying invoices.
- Momentum will ensure action is taken early to avoid further financial stress to the customer.
- Momentum will attempt to contact the customer with 2 business days to discuss their options and support available to them. If we are unable to contact the customer, we will send them a letter requesting them to contact us to arrange assistance.
- Momentum will ensure that there are appropriate procedures, processes and staff training in place and maintained to ensure Hardship customers are dealt with in a sensitive, confidential manner and according to the guidelines set out in this Policy.
- Momentum will ensure information and advice is readily available to customers in regards to government assistance, concessions and financial advice programs that are available to them.

Customer responsibilities during program

The customer must commit to staying in contact with Momentum. We will not disconnect the electricity of a customer who actively participates in the program by adhering to the agreed repayment schedule. The customer has a responsibility to stay in contact with Momentum and advise it if at any point they are unable to meet the agreed payment terms.

The customer will also be expected to actively participate in reviews of the program to ensure they are benefiting from any assistance provided to them. The customer should also be willing to engage in suggested support services where Momentum feels it would benefit the customer and assist in reducing their debt.

Momentum is committed to working with individual customers, regulators and community organisations to protect the welfare of vulnerable customers. This hardship policy reflects that both retailers and the customers themselves have a responsibility to improve the customer's circumstances. As such, Momentum's policy focuses on a collaborative approach to ensuring that the customer's circumstances do not deteriorate as a result of paying for their electricity supply, with the ultimate goal being a successful reduction in debt without affecting the customer's quality of life and to remove the customer from the program and back on to regular payment arrangements.

Exiting the Program

Customers will exit the hardship program in the following circumstances:

- Customer has fulfilled all obligations of the program, can satisfactorily manage their account and the debt has been considerably reduced.
- Failure to adhere to the terms and condition of the hardship program
- Customer asks to be removed from the hardship program

Re-entering the program

A customer may re-enter the hardship program at discretion of the Hardship Program Manager. This includes a previously excluded customer as well as a customer who has successfully exited the program. The Program manager will assess all re-entry applicants individually through reviewing factors such as; payment history, personal circumstances, current debt on account etc.

Review of policy

This policy will be reviewed at least annually.