

This Hardship Policy outlines the guidelines and minimum standards that Momentum Energy Pty Limited (Momentum) use when dealing with the domestic customers who are experiencing hardship.

The policy sets out the criteria and strategies that Momentum use to evaluate hardship and processes for providing customers in financial hardship with the best possible solution on a case to case basis.

## ESC REQUIREMENTS

As per Guideline 21, Energy retailer's Financial and Hardship Policy and the Electricity Industry Act 2000, and retailers are required to offer domestic customers who are in financial hardship "equitable access to options appropriate to their individual circumstances".

## Identifying Hardship

### Hardship

A Hardship Customer is a domestic customer who has the intention to pay their accounts but does not have the financial capacity to meet the payment requirements within the timeframe set out by Momentum's payment 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 their payments on time.

**Temporary Hardship** – are domestic customers who have 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.

**Permanent Hardship** – are domestic customers who are on low fixed income group or who may be receiving some government funded grant, e.g. a pensioner, a domestic customer with a permanently disabling illness, concession card holders or simply struggling financially and require ongoing assistance.

Momentum's Hardship Policy ensures that all customers requiring additional support will be treated individually with respect and sensitivity.

## ESC REQUIREMENTS

In order for a Retailer to meet its obligations under the ESC Hardship Guideline a retailer must enable domestic customers in financial hardship:

- (A) To identify themselves to the retailer,
- (B) To be identified by financial counsellors to the retailer; or
- (C) To be identified by the retailer;

It is not uncommon for a domestic customer suffering from hardship to not advise a retailer that their circumstances have changed and therefore it is up to the retailer to proactively identify customers in hardship. Momentum will seek to identify Hardship customers through monitoring of accounts.

## Momentum's Responsibility to Hardship Customers

- Momentum will ensure that there are appropriate procedures and processes in place to deal with customers who are experiencing hardship.
- Momentum will ensure appropriate Procedures, Work Instructions and staff training is in place and maintained to ensure Hardship Customers are dealt with in a sensitive manner according to the guidelines set out in this Policy.
- Each Hardship Customer will be treated with respect and sensitivity on a case-by-case basis and have their circumstance kept confidential.

## Eligibility for Hardship

Momentum regularly proactively identifies customers experiencing hardship by regularly reviewing failed payment plans and accumulation of arrears exceeding a determined amount.

### The following are signs that a customer may be in hardship:

- Customer has broken more than two payment plans in a year
- The Customer exceeded Momentum's Hardship debt threshold.
- Customer has been referred to Momentum by Financial Counsellor.

In all dealings with customers, staff will seek detect signs that a customer may be in hardship but has not been identified as such through our hardship criteria. The following are signs that a customer may be in hardship.

- The customer request information for alternative payment arrangements such as Payment Plans or Instalment Plan;
- Discussions with the customer and forwarding documentation in regard to Energy Saving Tips.
- Is the customer eligible for any government funded concession i.e. Concession Card holder entitled to Winter Concession, Multiple Sclerosis etc.
- If the customer has previously applied for a Utility Relief Grant.
- If the customer has requested an extension in Payment Terms
- Customer advises there has been a sudden change in their circumstances, life style 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.
- Financial Counselling Services available through Community and Support Groups.

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

## Forms of Support

The amount and type of support/assistance a hardship customer will receive will be reviewed on a case to case basis as all circumstances for hardship are different. This will be determined through a capacity to pay interview.

The options are available to customers in hardship will be provided to deliver a satisfactory outcome to the customer with the ultimate goal being a reduction in debt levels and exiting the programme, however where Momentum is required by regulation to apply any of the following steps, this will be undertaken in all cases.

- Extension in Payment Terms
- No Legal action to be placed against customers experiencing Hardship.
- There will be NO Disconnection of Power Supply to the premises and additional debt recovery costs will not be instituted against customers who meet the criteria to be treated as Hardship Customers and continue to make payments accordingly to an agreed schedule.
- The customer may be changed to a more manageable Billing Cycle.
- Provision of Energy Audits.

## Review of customers on hardship programme

- Customer's will be reviewed every quarter ensure that they are adhering with the conditions of being part of the programme (what we need to monitor is customer usage and ensuring that the payments are able to cover the usage, and arrears, if the payment plan has taken the arrears into consideration as well).
- Customer may need to be contacted if ME see that payments are not being made or are sporadic if as per above

## Exiting the hardship programme

Customers will exit the hardship programme in the following circumstances:

- Failure to adhere to the terms and condition of the hardship program;
- Customer asks to be removed from the hardship program
- Customer has fulfilled all obligations of the program.
- Momentum's review shows that customer can satisfactorily manage their account and that the debt has been considerably reduced.