

# A guide for energy companies



Financial counsellors provide a vital support for people in financial hardship. However, referrals to them should not replace basic customer services that companies are required to provide. A client should not be told that speaking to a financial counsellor is a condition of getting assistance from the company. Financial counselling is a voluntary service.

## Financial hardship

People are usually very stressed when their bill is in arrears. They often agree to repayments they think they can afford but in reality cannot. When they miss payments, this causes more damage to their repayment record.

## Before making a referral

- › Credit collection departments must refer anyone who is having difficulty paying their bill to the internal hardship department;
- › Check the person is getting all the concessions they are entitled to;
- › Consider offering an energy audit if the person's bill is much higher than would be expected;
- › If the first payment plan has been unsuccessful, offer a more affordable one, taking into account the person's circumstances that you know about. A lower payment plan that is affordable and sustainable, along with incentives from the company

to match payments, will build loyalty and ensure more payments are made.

- › Consider waiving or part waiving the debt.

## What not to do when referring

Please don't give customers an ultimatum to see a financial counsellor within a few days or face being disconnected. These timeframes cannot be accommodated and cause great stress to vulnerable people.

Financial counselling resources are extremely limited across the nation. People can wait up to six to eight weeks for an appointment in the community.

## Making a referral to a financial counsellor

<b>When to refer</b>	When you have tried all the above steps then a referral is appropriate.	
<b>Explain what financial counsellors do and why you are referring</b>	<p><b>What financial counsellors do</b></p> <p>They provide advice, support and advocacy to people in financial difficulty. Their services are free, confidential and independent. They help people: understand their financial position; understand their rights and responsibilities around credit and debt; and access other services they may need, such as legal and health services.</p>	<p><b>What financial counsellors don't do</b></p> <ul style="list-style-type: none"> <li>› Pay bills for clients;</li> <li>› Arrange loans for clients;</li> <li>› Recommend a service provider;</li> <li>› In some states, financial counsellors on the National Debt Helpline will not be able to call the utility provider on behalf of the customer.</li> </ul>
<b>Give your customer this information</b>	<ol style="list-style-type: none"> <li>1. Status — whether a disconnection warning notice has been issued;</li> <li>2. Debt — the amount outstanding;</li> <li>3. Ongoing energy usage — expected cost per fortnight;</li> <li>4. Payment history — if any payment offers have been rejected explain why, and whether a lump sum payment has been requested.</li> </ol>	
<b>Who to refer to</b>	<p>Phone-based financial counselling is available from the National Debt Helpline on 1800 007 007. Your customers can also find a financial counsellor in their community by searching the "Find a Financial Counsellor" map on the NDH website - <a href="http://ndh.org.au">ndh.org.au</a>. Please also refer your customers to this website as it offers extremely helpful information on what people can do when they are in financial difficulty.</p>	