

## Electricity and Gas Debts

### Use this information sheet if:

- you are having trouble paying your electricity or gas bill
- you want information about payment arrangements and your rights

You do have rights under the *Energy Retail Code* or other consumer protections.

If you want to apply to pay by instalments, you can see our sample letter ([hyperlink](#)).

### Case Study

William is a low income earner supporting his young family of four. A few months into Winter he received a gas bill of \$1000. He could not afford to pay this amount by the due date because of increased costs of living and family expenses. His energy company, BUZZ electricity, are demanding he pay all of it otherwise it will disconnect him.

### What should William do if he can't pay his bill on time?

#### 1. Tell your energy company and ask for information

- You **must** tell the company that you are having payment difficulties.
- If you tell the company that you are in hardship, it **must** provide you with information about concessions, Utility Relief Grants, energy efficiency and the availability of financial counsellors in your area.

#### 2. Ask for a payment plan that you can afford

- You can apply over the phone or put your request in writing using our template letter [below](#).

- The company **must** offer you a payment plan (such as to pay the bill in instalments) **unless** you have already been on two or more instalment plans in the last year and you did not stick to them.
- You also have the right to a plan that takes into account your capacity to pay (what you can afford to pay each week or fortnight), not just what the company wants you to pay.
- If the company won't offer you an affordable plan, you can ask to see their calculations about what they think you can afford. You should check that these calculations are correct.

#### 3. Ask about the company's financial hardship policy

- You may be entitled to assistance under the company's financial hardship policy.
- All companies are required to have a financial hardship policy that is available on their website.
- Financial hardship policies must include flexible options for payment of bills, provisions for auditing of customer's usage, flexible options for the purchase of replacement energy appliances, and processes for early response to payment difficulties.

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- If you are complying with a financial hardship policy, you cannot be disconnected.
- 4. Get some advice and/or financial assistance**
- You may be entitled to a **concession** on your bills if you hold a Pensioner or Health Care Card.
  - Ask the company how to apply for a concession.
  - You may want to apply for a once-off **Utility Relief Grant (URG)** to help you pay your current bill.
  - Ask the company how to apply for an URG.
  - The company must not disconnect you if you have applied for an URG and are waiting for a decision.
- 5. What if the Company does not provide me with a Payment arrangement?**
- You can make a complaint to the Energy and Water Ombudsman Victoria (EWOV).
  - EWOV is a free and independent dispute resolution body. You can use the template letter below as the basis for your complaint along with a completed [complaint form](#).

### Need more help?

#### **Consumer Action Law Centre**

For legal advice if you think the company has treated you unfairly

- Call (03) 9629 6300 or 1300 881 020 (local call cost)
- [www.consumeraction.org.au](http://www.consumeraction.org.au).

#### **Moneyhelp**

For free telephone financial counselling

- Call: 1800 149 689
- [www.moneyhelp.org.au](http://www.moneyhelp.org.au)
- Moneyhelp has a [fact sheet on Energy and Water Debt](#)

#### **Tenant's Union of Victoria**

For caravan park and rooming house residents to obtain information on your rights under the *Residential Tenancies Act*

- Call (03) 9416 2577
- [www.tuv.org.au](http://www.tuv.org.au)

#### **Department of Human Services**

For information on concessions and Utility Relief Grants (URG)

- Call the Concessions Unit on (02) 9616 7600 or 1800 658 521 (toll free).

#### **Social welfare and emergency relief groups**

Call the Victorian Council of Social Service (VCOSS) on (03) 9654 5050 or 1800 133 340 (toll free)

#### **Energy and Water Ombudsman Victoria (EWOV)**

To make a complaint about a company.

- Call 1800 500 509 (freecall) or
- write to GPO Box 469D Melbourne, VIC 3001.
- [www.ewov.com.au](http://www.ewov.com.au)

## Electricity and Gas Debts

### Sample Letter applying for Hardship with your Electricity or Gas Company

[Date]

[Your street]  
[Your suburb and  
postcode]  
[Your phone number]

Hardship Manager  
[Gas/electricity/water company]  
[Street number and name]  
[Suburb and postcode]

Dear Hardship Manager,

**Subject: Request for hardship payment plan for [gas/electricity/water] bills**  
**Name: [Your Name] Account Reference No. [your number]**

I request access to your company's hardship program because of my changed circumstances, and while I am adjusting to living on a reduced income. In the meantime, I am attempting to get all of my bills and debts under control and do the right thing by my creditors.

To support my request I have attached the following [if relevant]:

- a copy of my certificate of separation from my former employer
- a copy of Centrelink advice of my entitlement to income support benefits
- details of my income and expenditure to demonstrate that I will be able to make the changed payments if you are willing to vary my contract.

I would like to request a moratorium for [period of time xxx eg 1 month] and to discuss flexible payment arrangements. Please contact me by return letter or by phone [03 xxxx xxxx] with your response.

Would you please also advise me of any concessions, other grants and services for which I may be eligible, given that I am experiencing financial difficulty? I request that you do not add late fees and charges to my account while I am experiencing hardship.

If I have not had a response from you within fourteen days, I intend to take my request for a hardship variation to the Energy and Water Ombudsman.

Yours faithfully,

[your signature]

[Your name]