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Lumo Energy National Hardship Policy



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1. Lumo Energy Client Hardship Policy | Overview

Lumo Energy Australia Pty Ltd (Lumo), and its subsidiaries, Lumo Energy (SA) Pty Ltd, Lumo Energy (QLD) Pty and Ltd, Lumo Energy (NSW) Pty Ltd, has developed this hardship policy in accordance with the regulatory obligations set out with the relevant instruments for within each jurisdiction specifically and with the view of a national consolidate scheme operating across multiple jurisdictions.

Lumo, understanding that clients may at time find it difficult to make payments in full or in part on time due to their individual circumstances, have developed this policy and subsequent procedures to ensure that, where identified, our clients are not disadvantaged and continue to have access to what is fundamentally an essential service.

Our policy is aimed at assessing the client's situation and working in collaboration to establish affordable arrangements that are fair, equitable, effective and sustainable with the ultimate goal of getting the client back on track.

In conjunction with Lumo's Privacy Policy, all information gathered by Lumo will be treated as confidential and handled with the utmost care respect. Our policy is to ensure that any client seeking assistance under this policy is also treated with courtesy, respect and dignity.

2. Lumo Energy Client Hardship Policy | Our Hardship Team

Lumo has established a Hardship Team within the Credit Management department specialising in the identification, assessment and assistance requirements on a one on one basis for all clients either identified or referred as potentially being in hardship.

Lumo's hardship team is referred to as the Energy Assistance Support and Enquires Team (EASE) who, independently of the credit management procedures, assess clients' needs and financial position with the view to provide the most appropriate assistance available.

The EASE team also liaise with financial counsellors, internal departments and clients directly dealing with a wide range of matters while having specialist training and knowledge to assist with the needs of the wider community.

3. Lumo Energy Client Hardship Policy | Assessment of Client Hardship

Within Lumo's Hardship Process, the early identification and assessment of a client's financial position and assistance needs are crucial to the success of the policy objectives.

Lumo assess (in accordance with each jurisdiction's regulatory requirements) a client's financial position through an assessment of that individual's arrears, capacity to pay availability of concessions and grants, fees, charges and particular tariff.



4. Lumo Energy Client Hardship Policy | Definition of Client Hardship

A residential client in hardship is someone who is identified by Lumo, an independent accredited Financial Counsellor or themselves as having the intention but not the financial capacity to make the required payment within the timeframe set out in the business payment terms.

Lumo actively seek to identify clients who may be vulnerable to financial hardship and make sure that they are offered a number of options to help them manage their energy bills.

To categorise hardship is difficult however Lumo considers that it often takes two distinct forms, Short and Long Term.

4.1.Short Term:

A client who is experiencing financial difficulties due to a sudden change in living circumstances e.g.

- High Bill;
- Temporary loss of income;
- A death in the family;
- An unexpected one off expense;
- Several bills at once;
- An unexpected circumstance.

These clients generally require flexibility or temporary assistance such as an extension of time to pay, a one-off grant, or a payment arrangement.

4.2.Long Term:

A client in longer term hardship is a client experiencing difficulty in meeting the cost of their energy usage and any arrears on an ongoing basis.

Clients that are identified as suffering long term financial hardship may need a specific and sustained solution to address the underlying causes of their situation.

5. Lumo Energy Client Hardship Policy | Hardship Indicators

A client can be identified as a Hardship Client through either a self assessment, through an independent accredited Financial Counsellor or through contact with Lumo staff.

Whatever assessment takes place, our EASE team should consider the following indicators when determining a client's eligibility to be treated as a Hardship Client.

- History of broken payment arrangements;
- Identified changes in personal circumstances;
- Self-identification;
- A Financial Counsellor contacts us on behalf of a client;



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- A client finds it hard to pay their energy bills and any arrears despite having an instalment plan.

The above list are simply indicators of possible hardship and is not exhaustive, each client will be managed in accordance with their individual circumstances.

6. Lumo Energy Client Hardship Policy | Client Rights and Responsibilities

6.1. Client Rights under this policy:

Each Lumo client whether experiencing short or long term difficulties has the right to:

- Be treated sensitively on a case by case basis and have their circumstances kept confidential;
- Receive information about alternative payment arrangements, Government sponsored concessions or grants;
- Choose from various payment methods and to receive written confirmation of the agreed payment arrangement within 10 business days of an agreement being reached;
- Renegotiate the amount of their arrangement if there is a change in their circumstances;
- Receive at no cost to the client, timely, independent, financial counselling from an accredited Financial Counsellor;
- Receive, at no cost to the client, a language interpreter service;
- Be shielded from legal action and additional debt recovery costs while they continue to make payments according to the current agreed schedule of payments;
- To receive energy efficiency advice over the phone to be followed with a self audit checklist for completion by the client. The client can then mail the checklist back for assessment;
- A field energy audit at no cost to the client where required and available;
- Lumo to facilitate options for the upgrade/purchase or supply of replacement of electrical/gas appliances for domestic use.

6.2. Informing Clients of their Rights and Obligations

- Where a client has been assessed as being in hardship and eligible to enter into our Client Hardship Program, Lumo shall advise these clients of their rights and obligations in respect of their agreement to enter into the Client Hardship Program by way of:
 - Phone confirmation of Lumo's assessment of the client's financial circumstances;
 - An explanation of Lumo's Client Hardship Policy;
 - An explanation of the client rights and obligations upon entering into Lumo's Client Hardship Program;
 - Provision of information in writing to the client for signing as part of the formal agreement to enter into the Lumo Hardship Program.



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Note: if changes are to be made to a client's account, supply or connection as a result of the recommendations from an assessment including, but not limited to, changes to pricing arrangements, tariffs and or payment frequencies or methods, consent will be required to make those changes which will be obtained where appropriate.

6.3. Client Responsibilities

For a client's financial hardship plan to be sustainable the client must work with us by:

- Budgeting, as much as reasonably possible, to meet the cost of their energy needs and arrears;
- Taking practical steps to keep energy use to responsible levels and within their financial means;
- Clients must also progressively keep in touch with Lumo to ensure that we are collectively informed of the progress and any changes that may impact on the performance of that participation.

Lumo will, where possible, facilitate contact through a range of flexible contact methods to ensure that clients can remain in direct contact with Lumo.

6.4. Lumo Energy Terms and Conditions

Lumo's Terms and Conditions require that:

- A client makes payment in full by the due date shown on the bill; or
- Where the client is experiencing a difficulty in paying their bills by the due date, the client must contact us to discuss how we can assist as soon as possible.

Consistent with the jurisdictional requirements for customer hardship policies, where identified, Lumo will make an assessment of that client's circumstances and provide the most suitable assistance possible.

7. Lumo Energy Client Hardship Policy | Access to External Programs

We will make best endeavours to align ourselves with other government and community programs to provide a coordinated approach to managing customers in financial hardship.

Details of available government sponsored programs are detailed in Appendix's 1 through 4 of this policy.

Referrals to Financial Counsellors - All of our consultants who deal with customers have access to a list of free and independent Financial Counsellors. If a customer tells us that they are in financial difficulty or appear to us to be, they may be referred to one of these Financial Counsellors.

7.1. Concessions

All clients who are eligible for ongoing concession entitlements under each jurisdictional State Government concession or exceptions schemes, on validation of the appropriate



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concession card, will receive those concessions in accordance with the relevant community service and or concessions arrangements within that state.

7.2. Energy efficiency advice

Lumo will provide clients with energy efficiency advice in the form of a phone audit followed by a client self audit pamphlet. We will also provide referrals to websites such as Sustainability Victoria.

7.3. Energy Field Audits

Where necessary we will facilitate a field energy audit at a cost to the retailer.

The circumstances where Lumo will make a field audit available to a hardship client are as follows:

- Where a phone energy audit and self energy audit has been completed but there has been no significant reduction in consumption;
- Where Lumo and the client agree to arrange to conduct of a field energy efficiency audit on the client's premises;
- Where the client has been assessed by an independent Financial Counsellor as having an incapacity to pay their ongoing bills for energy usage at their premise;
- Where a client is unable to cover their ongoing bill arrears and all government assistance has been exhausted; and
- Where a client's usage is substantially higher than the industry average for the household.

The above list is indicative only as a field audit may be required in other circumstances each of which will be addressed on a case by case basis and managed in accordance with their individual circumstances.

The intention of the field energy audit is to provide practical information about current appliance usage and possible steps available to assist the client in the reduction of future usage.

All outcomes and recommendations will be provided to the client to assist their understanding of, and means available to, reduce their energy usage in a practical manner with as little impact on personal comfort as possible.

8. Lumo Energy Client Hardship Policy | Appliance Assistance

Lumo acknowledges that energy efficient appliances contribute to lower levels of energy consumption and as a direct result, lower bills.



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Customers who are experiencing financial hardship are generally unable to afford to replace energy-inefficient appliances.

Where a client has undertaken an in-home energy audit and there has been a recommendation for an appliance to be replaced Lumo will assist with either facilitation of access to community purchasing schemes or direct purchases, replacement or repair of the appliance.

All instances where an appliance is recommended for replacement will be reviewed and approved through Lumo management and addressed on a case by case basis considering the individual circumstances, extent of the client hardship, whether short or long term, and the appliance type.

9. Lumo Energy Client Hardship Policy | Assessment and Assistance

9.1. Assessment and Assistance to Domestic Clients

Where a residential client:

- Contacts us and advises that he/she needs payment assistance or;
- We believe the client is experiencing difficulties in paying their bill we shall escalate in the following way:

9.2. First Point of Contact - Contact Centre or Credit Management

- Client Services Representative – A CSR will actively be aware and seek to identify potential hardship. At the first point of contact this is generally through the client requesting extra time to pay or querying the invoice amount. These flags may mean that there is a potential hardship situation. If after careful questioning hardship or potential hardship is identified the client will be transferred to the EASE Team for further assessment. A CSR may offer an extension on time to pay or a payment plan when relevant. All customers with payment plans will be provided with details of Lumo's Hardship Program.

9.3. Second Point of Contact – Hardship Team

- EASE Team Representative – The client will be carefully questioned as to their situation and the rep will assess what the most appropriate suite of assistance measures should be offered to the client. If the client is not forthcoming with their situation the representative will send out to the customer all information on all levels and modes of assistance available to them. A follow up call will be scheduled giving the client time to read the information and a plan can then be put in place;
- If we can't make an adequate assessment of the client's circumstances and capacity to pay, we will offer to refer them to a Financial Counsellor in their area. Refer *Appendix 5 – Financial Counsellors* in each jurisdiction;
- The client may also be offered an instalment plan. The requirements of the instalment plan are detailed below:



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- Specify the period of the plan and the amount of the instalments (which must reflect the client's consumption needs and capacity to pay), the number of instalments and how the amount of them is calculated, the amount of the instalments which will pay the client's arrears (if any) and estimated consumption during the period of the plan;
- Make provision for re-calculating the amount of the instalments where the difference between the client's estimated consumption and actual consumption may result in the client being significantly in credit or debit at the end of the period of the plan;
- Monitor the client's consumption while on the plan and address payment difficulties a client may face while on the plan; and
- Consider offering the prompt payment discount specified in the client's contract on the hardship client's monthly bill if the client pays the current bills on time and adheres to the payment arrangement agreed upon for the amounts in arrears.

10. Lumo Energy Client Hardship Policy | Entry and Participation in the Program

10.1. Entry into the Hardship Program

Lumo will accept a client on face value and assess their individual circumstances prior to entry into the Hardship Program. Once a client enters the Hardship Program they will be monitored to ensure that all available benefits are exhausted for that individual.

10.2. Participation in the Hardship Program

Lumo requires clients to participate, where possible, with all of the requirements of the Hardship Program including but not limited to, information regarding financial capacity, whether directly or indirectly required by Lumo, access to conduct energy audits or information regarding appliances in use and frequency and, where available, complete and return all relevant documentation if required.

Failure to participate may result in removal from the Hardship Program for non compliance with the requirements of the program.

10.3. Removal from the Hardship Program for non compliance

Lumo endeavours to assist in any way possible however recognise that clients will not always cooperate with the conditions of the Hardship Program. In the event that a client fails to adhere to the conditions of entry and or participate, Lumo will consider that non compliance and subsequently remove that client from the program, but only after using its best endeavours to re-engage the client through either verbal or written communication.



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11. Lumo Energy Client Hardship Policy | Staff Training and Awareness

Lumo will ensure our client service representatives and EASE Team is adequately trained to deal sensitively with clients in hardship and are well informed about:

- Government funded concession schemes;
- Our legal responsibilities (e.g. Customer Contracts/Charters, Australian Consumer Law, Office of Fair Trading, Energy Ombudsman Schemes);
- Our Hardship Policy, procedures and work instructions;
- Hardship indicators and triggers.

The EASE Team will receive ongoing training on a range of social and community issues to assist in improving our understanding of the issues that low income and vulnerable clients face to ensure we provide a supportive and appropriate level of service.

The broader group of Lumo staff are provided training and regular information regarding Client Hardship through induction training and updates on concessions changes, eligibility and other information that may be relevant at the time.

Lumo's Client Hardship Policy is available on the Lumo intranet portal for all staff as well as this version available on Lumo's website with more information regarding available concessions and / or other community programs.

12. Lumo Energy Client Hardship Policy | Policy Development & Commitment

12.1. Policy Development

Lumo will review and enhance this policy and any associated procedures, material or associated information where required by relevant regulations, changes in products or services and or advice or feedback from industry and consumer groups that may improve the overall policy.

12.2. Commitment

Lumo recognises and supports the principles and standards described within the regulatory framework for Client Hardship.

The Lumo Energy Board and senior management encourages and supports a business structure which embraces social equity and is aligned to the company's strategy and business objectives.

In managing Lumo Energy's Hardship Policy, the EASE Team completes regular reviews of processes and procedures as well as regular training on Hardship identification and assistance for all staff.

This policy will be reviewed annually or as required due to legislative changes.



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Appendix 1 | Concessions and Grants Schemes – Victoria

http://www.dhs.vic.gov.au/_data/assets/pdf_file/0004/364540/urgs-brochure.pdf

Appendix 2 | Concessions and Grants Schemes – South Australia

<http://www.dcsi.sa.gov.au/pub/Default.aspx?tabid=164>

Appendix 3 | Concessions and Grants Schemes – New South Wales

<http://www.trade.nsw.gov.au/energy/customers/help>

Appendix 4 | Concessions and Grants Schemes – Queensland

<http://www.communities.qld.gov.au/communityservices/community-support/queensland-government-concessions/every-dollar-counts/concession-schemes/all-concession-schemes/home-energy-emergency-assistance-scheme>

Appendix 5 | Financial Councillors

Queensland:

<http://www.fcqn.asn.au/Lists/Find%20a%20Financial%20Counsellor/Standard%20View.aspx>

Victoria:

<http://fcrc.org.au/>

NSW:

www.fcan.com.au

SA:

<http://www.safca.info/help.html>