News

Consumeraction.org.au/surge-in-disconnections-a-blow-to-thousands-during-covid/

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The latest data from the Essential Services Commission (ESC) reveals a big surge in the number of people being disconnected from their energy supply and increasing numbers of people struggling to keep up with energy bills.

Over 2000 Victorian households (2046 electricity and 110 gas customers) were disconnected from their energy supply in March 2021.

These alarming statistics cover the period prior to JobSeeker reducing and JobKeeper coming to an end at the end of March 2021. Calls to Consumer Action's financial counsellors at the National Debt Helpline on energy-related matters have been trending upwards since July 2020, pointing to the growing number of people facing difficulty with their energy bills.

Consumer Action CEO Gerard Brody says the severe impacts of the pandemic are still being felt by many people and energy companies needed to recognise this and 'step up'.

"Many people calling us are still grappling with the ongoing fallout of COVID-19 and associated financial stresses that have impacted many in our community" he said.

"Many people are in a tough situation and energy retailers need to do their part to help manage bills by complying with regulatory obligations and making it easy for people to seek assistance. While 56,000 Victorians are receiving tailored assistance from their retailer, another 288,000 are currently behind in their bills and are not receiving any payment assistance from their energy companies.

"The economic and social impacts of COVID are not over and the last thing we need is for energy retailers to recommence disconnecting customers who are struggling financially."

The ESC data comes just days after the Australian Competition and Consumer Commission (ACCC) called on electricity retailers to cut people's power bills by passing on reductions in wholesale electricity prices. (<u>link to ACCC release</u>).

Consumer Action is calling on the ESC to lower energy prices for households through the Victorian Default Offer. Average wholesale spot prices have decreased by 58 per cent in Victoria compared to 2019 according to the ACCC.

"It's vital that the energy regulator uses all the tools at its disposal to help Victorian households manage bills. A critical part of this is ensuring energy companies are passing any cost savings through to their customers.

"The ESC should also be making sure retailers are delivering the financial hardship help people are entitled to including payment plans that are affordable and assistance to apply for government grants."

ENDS

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