

South Australian Council of Social Service

Energy fees and charges – the unwanted steak knives that come with energy contracts

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St Vincent de Paul Society
VICTORIA
good works



Retailers impose various additional fees and charges on residential energy customers.

These include the better-known fees such as early termination fees and late payment fees, as well as the lesser known dishonoured payment fee, payment processing fee and a service or administration fee for network related services. (will go though these later)

The amounts charged vary significantly from retailer to retailer, even when the fees relate to the recovery of costs incurred by the retailers (such as a merchant fee for processing credit card payments or rejected direct debit payment).

Many retailers provide ambiguous information about what additional fees and charges they may or may not apply.

Many retailers do not provide information about some fees and charges prior to a final contract being issued (that is the last step in consumers' search process).



Additional fees and charges can make up a substantial proportion of many households' energy costs, particularly for low consumption households.

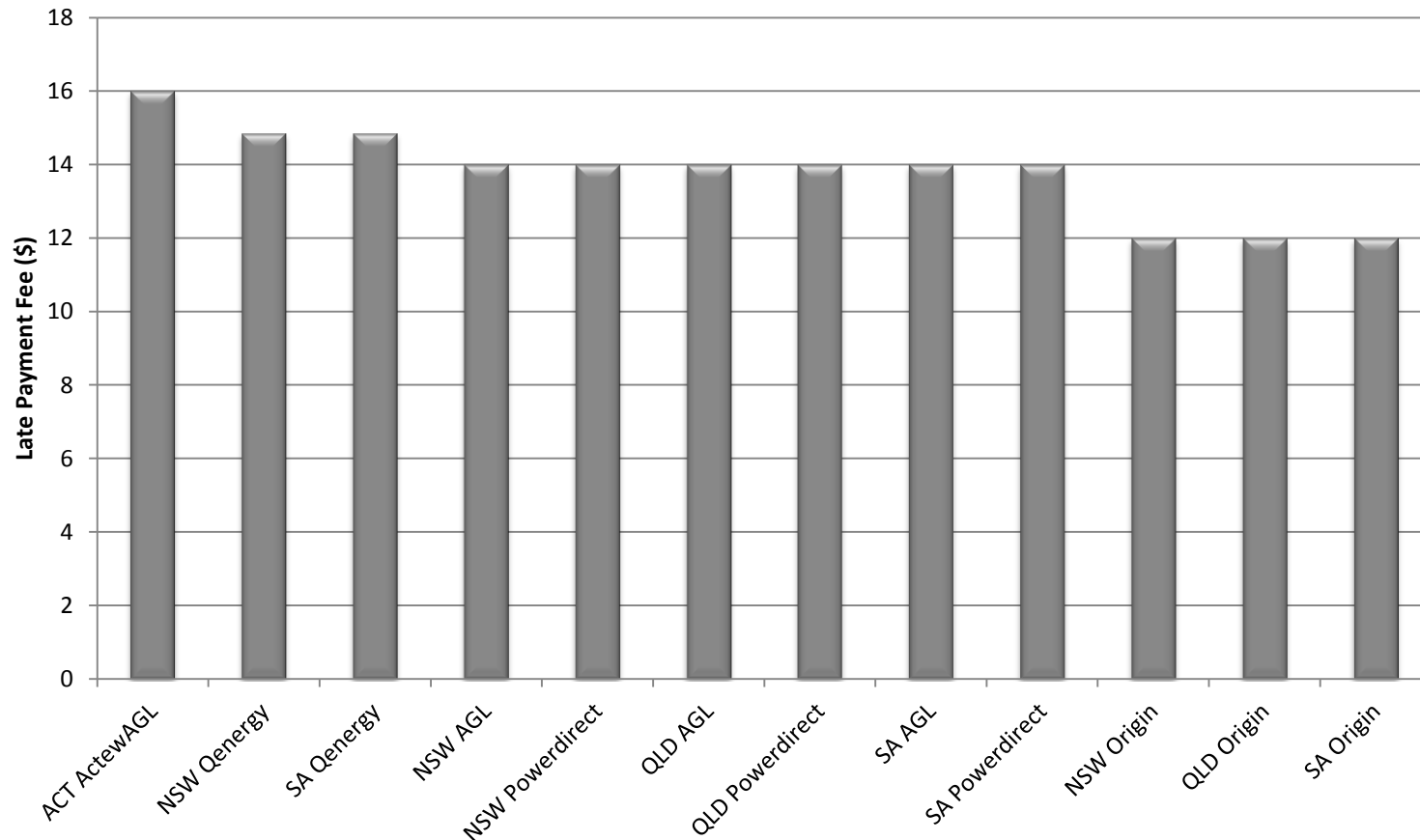
Furthermore, additional fees and charges increase product complexity and the chance of consumers making poor decisions.

Note: The following charts are based on a Vinnies research report from May 2014 and retailers may have removed or introduced charges since then, or changed the amounts charged.

So what are some of them...

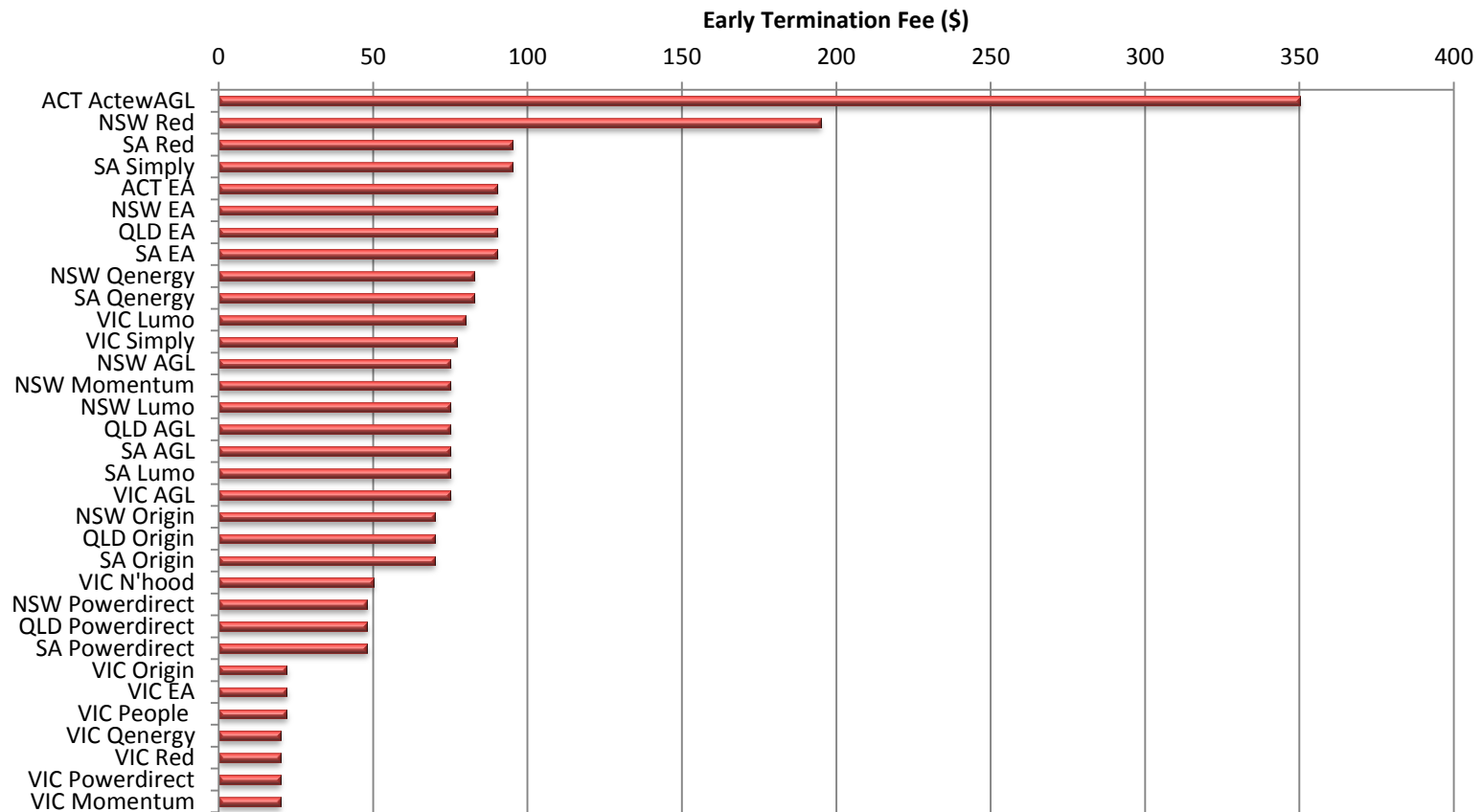


Late payment fee – note banned in Victoria super tricky as not only do you lose the pay on time discount but you get hit with a late fee – this can add up to hundreds of dollars lost



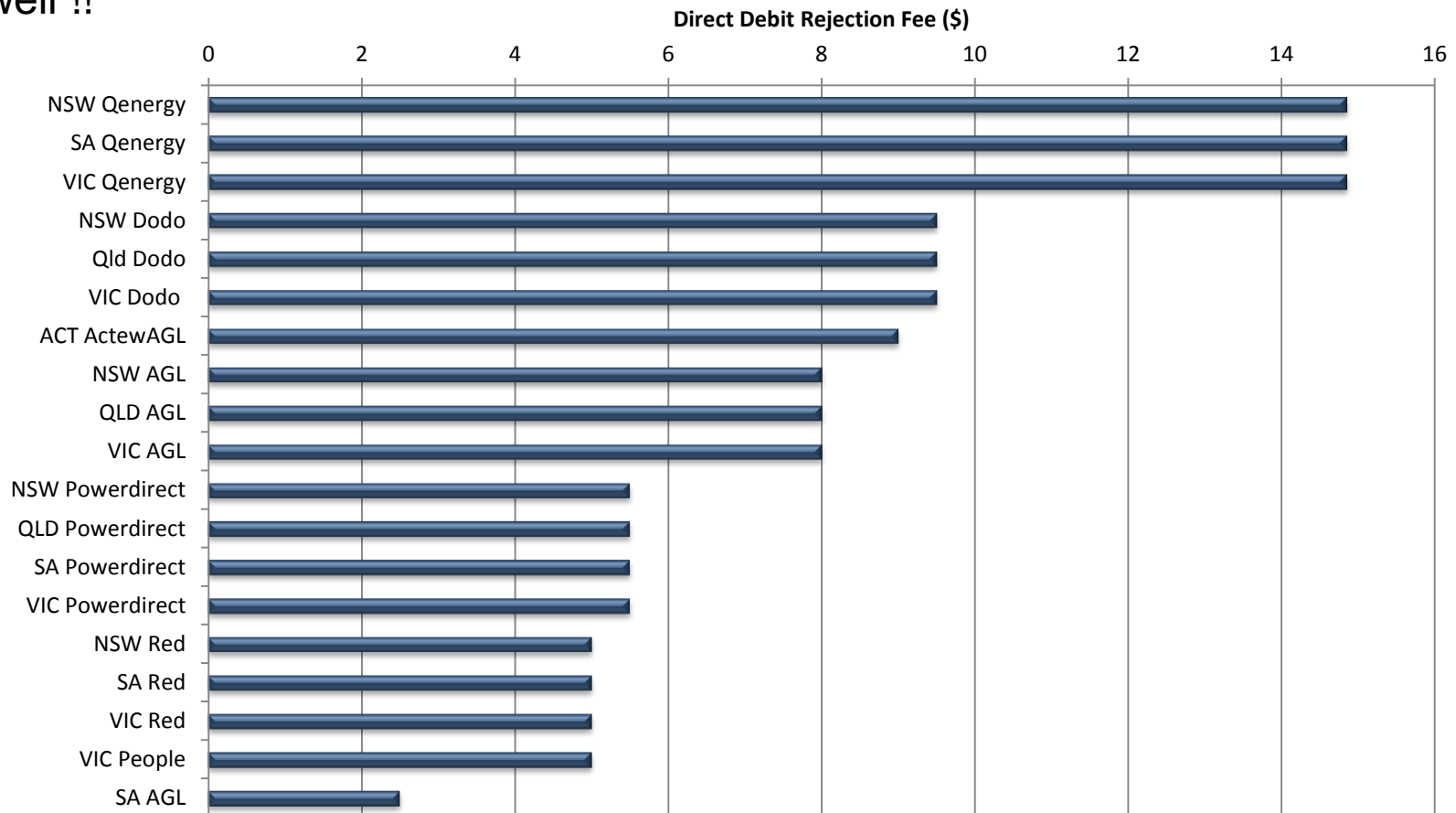


Early termination fee (ETF) is a fee charged to customers if they decide to terminate a fixed term contract. ETFs have been subject to substantial debate, both in terms of the size of the fee as well as its application to contracts where retailers can freely adjust the price.



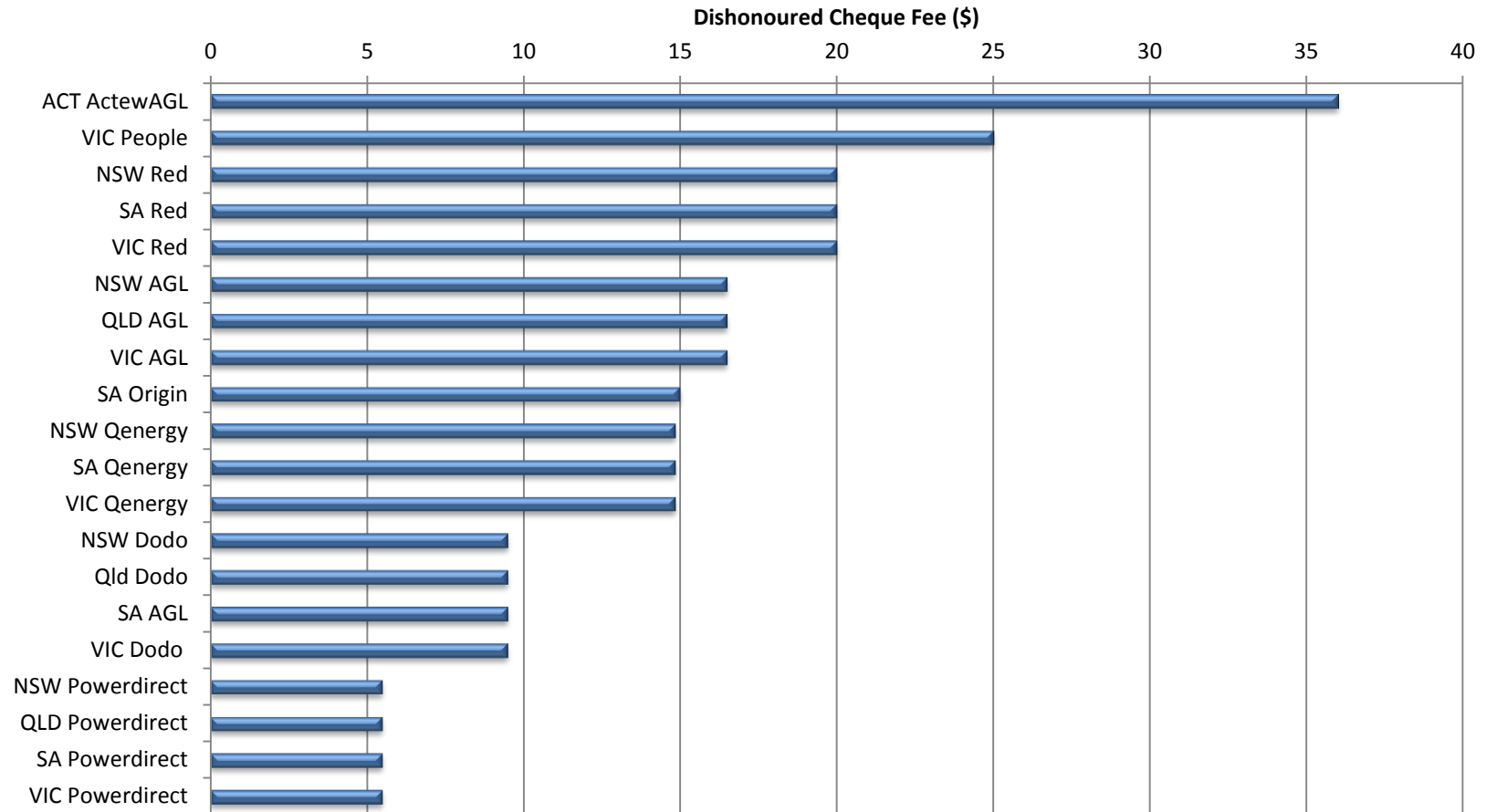


Direct debt rejection fee - note that often discounts are linked with direct debt so get double whammy loose discount and get a fee ! Plus add late payment with that as well !!



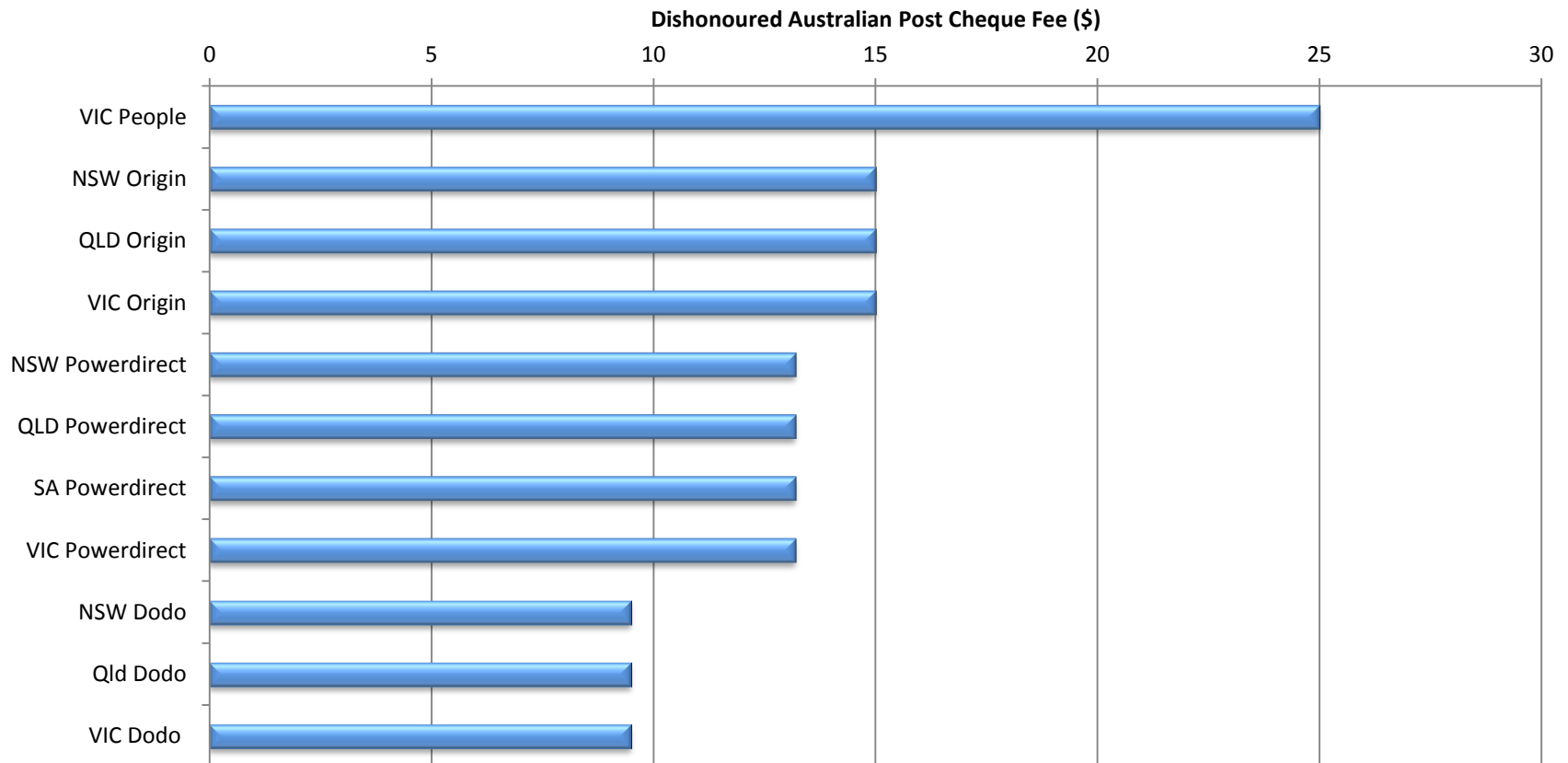


Dishonoured Cheque fee -



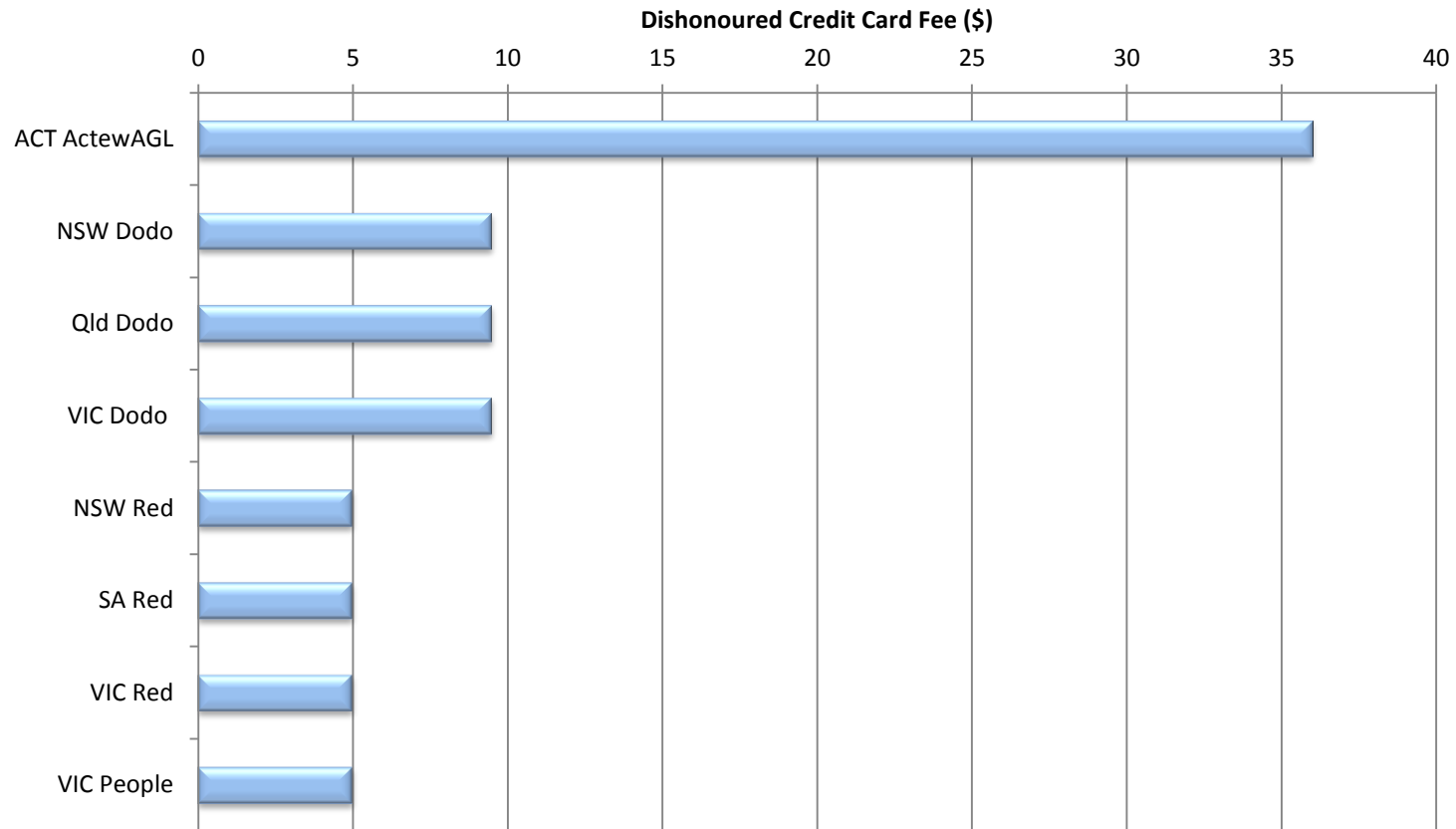


Dishonoured Australia Post Check fee – I didn't know they had a check to put a fee on till we did this project !



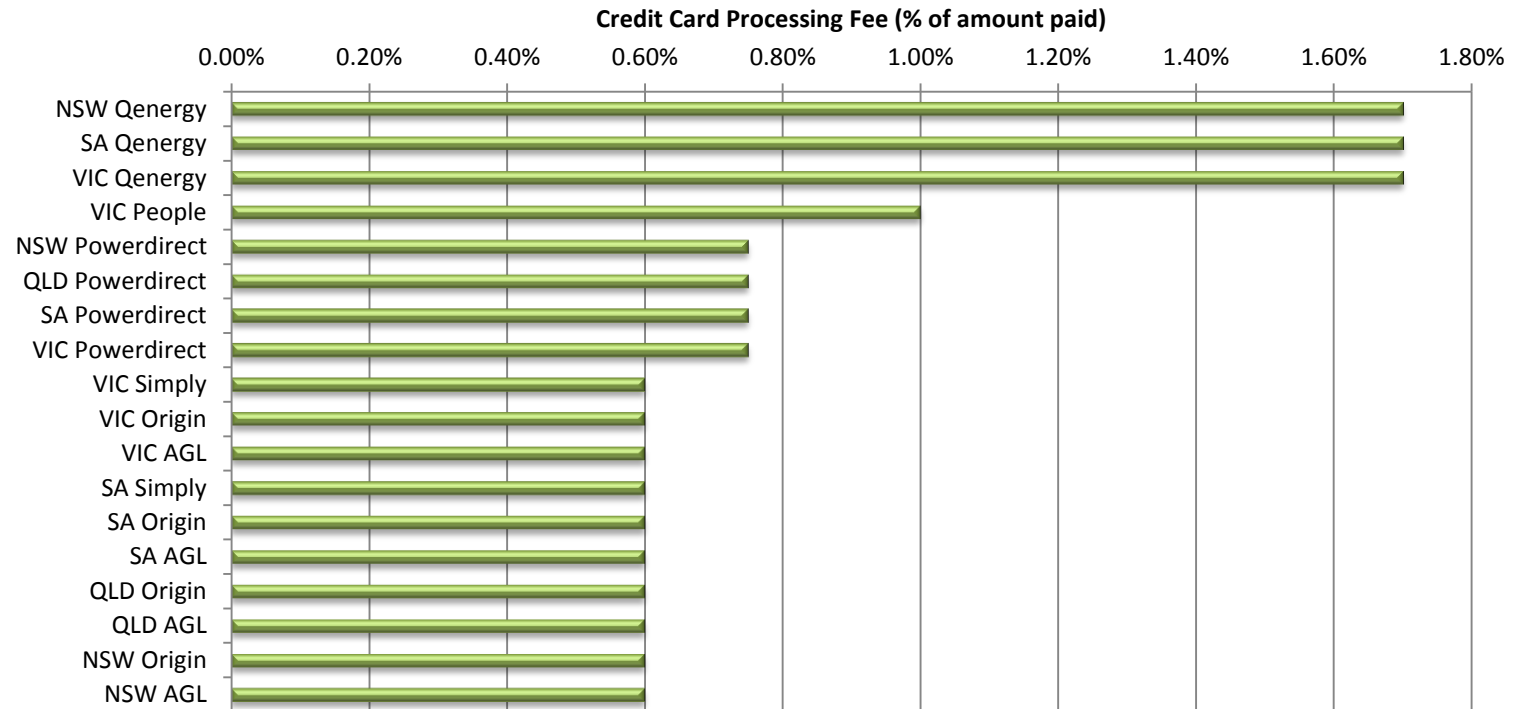


Dishonoured credit card fees





Credit card processing fee – this can add up say particularly in SA with the highest prices as another \$6 to \$16 per \$1000





From a study in Texas they found all these fees

- A minimum usage fee (if consumption is below a set amount)
- Agent assist fee
- Document processing fee
- Summary bill fee
- Move_out date change fee
- Expedited reconnection fee
- Payment plan processing fee
- Payments over phone fee
- Priority move_in fee
- Reconnect after tampering fee
- Meter re_read fee
- Agent assisted payment fee
- E_billing discount forfeiture fee
- Service charge per bill
- Excessive number of payments to account fee
- Credit application review fee