

## MEDIA RELEASE

### AGL to reimburse customers for late payment charges

5 November 2020

**AGL has started to reimburse late payment fees it incorrectly charged to more than 24,000 electricity customers on standing offers in south east Queensland. After the Queensland Competition Authority (QCA) identified that late payment fees were included on AGL's standing offers, AGL reported that it had charged \$12.73 in such fees (per late payment) to many of its customers, often on more than one occasion, between 2015 and 2020.**

Charging late payment fees in these circumstances is inconsistent with restrictions on the types of fees that retailers can levy on their standing offer customers under section 22A of the National Energy Retail Law (NERL). Section 22A of the NERL applies only in Queensland.

The QCA monitors retailers' compliance with section 22A by analysing retailers' standing offers on the Australian Energy Regulator's electricity price comparison website, [Energy Made Easy](#). In July 2020, the QCA identified AGL standing offers that included \$12.73 late payment fees.

AGL informed the QCA in September 2020—after an internal investigation of the issue—that it had unintentionally charged late payment fees to 21,144 residential customers and 3,286 small business customers on a standing offer, between January 2015 and August 2020. The total value of late payment fees charged to standing offer customers was more than \$780,000.

AGL indicated that it will commence remediation of the impacted customers in November and that it will:

- (1) automatically credit the account of each impacted customer to the total value of late payment fees paid between 2015 and 2020
- (2) apply the amount as a credit on the next bill or seek to contact customers to process a direct refund of the credit where the total value of late payment fees charged exceeds the regulatory threshold for overcharging
- (3) attempt to contact all impacted customers who are no longer with AGL to advise they can seek a direct refund of the credit
- (4) process the fee credits as an unclaimed money transaction through the Public Trustee of Queensland for those former customers who do not contact AGL for a direct refund within the prescribed holding period.

QCA Chair, Professor Flavio Menezes, said it is important that electricity retailers meet their obligations regarding customer protections such as the restriction on fees that can be charged to standing offer customers.

"The QCA encourages any former AGL standing offer customers who have been charged late payment fees to contact AGL to find out whether they are entitled to a refund.

"The QCA also notes that the Queensland Government recently reviewed the operation of the NERL in Queensland. Customer protections such as the fee types restriction for standing offer customers were part of that review, and section 22A will continue to apply in SEQ," said Professor Menezes.

A report from AGL on its breach of the fee types restriction is available on the QCA website.

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More information on section 22A of the NERL will be included in the QCA's SEQ retail electricity market monitoring report for 2019–20, to be published on 1 December 2020.