



## **CODE OF PRACTICE**

Debt Recovery

IMS-ADMN-D-0549-SW

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## **1 PURPOSE**

The purpose of the Code of Practice is to describe the process that Solo Water will follow in the event that customer payments for drinking water, wastewater and recycled water services are overdue.

### **1.1 Scope**

This Code of Practice applies to all Solo Water retail customers.

### **1.2 Objective**

The aim of this Code of Practice is to prevent customers from accruing debts in relation to billed charges for water and wastewater services. It explains the obligations and responsibilities of Solo Water and the customer in ensuring timely payment of the bill.

## **2 CUSTOMER CONTRACT AGREEMENT**

Solo Water will put into place a Customer Contract with each retail customer. Each contract will be unique to the scheme; however each agreement will fully define all inclusions and exclusions. The cost to supply the customer will be fully detailed in the Solo Water Pricing Schedule. The Customer Contract IMS-OPER-G-8299-SW is available for download at the Solo Water website [www.solowater.com.au/downloads](http://www.solowater.com.au/downloads).

The customer contract will nominate invoicing arrangements including frequency and payment terms.

### **2.1 What is Solo Water's Responsibility in Debt Recovery?**

Solo Water complies with requirements as set out in the customer contract for debt recovery and hardship. This means:

- Treating customers fairly and in an equitable manner.
- Be compassionate for customers facing financial hardship.
- Providing information to customers in regards to debt recovery requirements.
- Setting aside debts that are in dispute, including holding late payment fees for the duration of the investigation and notification of the outcome to the customer, and;
- Providing information to the customer regarding the external dispute mechanism (The Energy & Water Ombudsman NSW).

### **2.2 What is the Customers Responsibility in Paying their Bill?**

The registered property owner is solely responsible for payment of the accounts in accordance with Solo Water's Customer Contract. All customers are expected to pay their account no later than the day it is due. If a customer fails to pay the account or negotiate alternative payment arrangements, Solo Water will commence action to pursue the debt.

It is the responsibility of customers experiencing financial difficulties to notify Solo Water of their circumstances so that appropriate assistance can be provided.

The customer is responsible to notify Solo Water of any changes to their contact details including postal address, phone contacts and email (where relevant) for accurate billing of the account.

Solo Water does not negotiate credit terms with tenants or non-owners regarding payment of the account. Any recovery action taken will be taken against the registered owner of the property.

### **2.3 What is the Process for Tenants?**

Solo Water does not recognise tenants as a customer. Solo Water expects that the owner or managing agent will pay the account within the payment terms and manage their own arrangements with the tenant.

## 2.4 Solo Water's Debt Recovery Process

Solo Water will take all reasonable measures to contact customers and resolve unpaid accounts. The following general process applies for late and overdue accounts:

- Customers water rate notices have standard due date of 30 days after the bill date to pay.
- Reminder Notices are to be sent out after 21 days after the bill date.
- Overdue Notices are to be sent out after 45 days after the bill date.
- Customers will generally be contacted by telephone after 60 days to discuss and offer the customer to enter a payment plan.
- A late payment fee as per the Customer Contract will be automatically applied to all customer accounts that have an outstanding balance when the next bill is prepared. This effectively gives customers around 90 days to pay without any financial penalty. The late fee will not apply to customers that have already contacted us for a payment plan or to dispute an account.
- In addition to the late fee, for all customers with an outstanding account that is over 180 days (2 bill cycles), interest will also be charged on the account as per the customer contract. Interest charges are in addition to any applicable late fees. Interest charges are discretionary and require manager approval to be applied.
- On a case by case basis and at the discretion of Solo Water Senior Management, and only as a last resort, further debt recovery action would include restriction of the customers supply, and /or sale of the debt to a debt collection agency.
- If a customer sells a property with outstanding debts, the debts will be recovered through the standard conveyancing and change of ownership processes.

If a customer contacts us to dispute a late payment fee, the late payment fee can be waived by providing a credit on the customers account, but this can only happen after payment has been received in full. The credit for the late fee would show up on the next bill. The late fee can not be waived unless payment is received in full as the late fee is an incentive to get customers to pay.

Where accounts remain unpaid for an extended period, Solo Water may choose to restrict supply as set out in the Customer Contract. Where such action is taken, Solo Water will provide a minimum of 14 days notice, or the minimum notification outlined in the customer contract, whichever is greater. Solo Water must also notify the Minster responsible and IPART 14 days prior to any disconnection or restriction of supply.

Restriction of a customers supply is a last resort and can only occur with senior management approval and sign off. Where notice to restrict supply is given to a customer, the conditions under which supply will be recommenced will be clearly stated.

If following the above the payment is still outstanding, Solo Water may decide to sell the debt to a debt collection agency. This is at the discretion of Solo Water senior management and on a case by case basis.

The debt collection process is based on the customer contract.

#### **2.4.1 Payment Plans and Financial Hardship**

All customers have the right to enter into a payment plan with Solo Water. A payment plan is an agreement between Solo Water and the customer that outlines the series of periodic payments that can be made to ensure the debt is cleared by the next bill cycle.

In general payment plans are not specifically for customers facing financial hardship but rather it is a flexible payment process that Solo Water offers to its customers to assist with managing cash flow. In general payment plans require the outstanding amount to be paid off in instalments prior to the next bill, or shortly thereafter. If a customer can not keep up with the payment plan and the bill is increasing the customer will need to contact us and register as suffering from financial hardship.

Records need to be maintained of all customers who register as suffering financial hardship. Solo Water is required to report to IPART the number of customer facing financial hardship as per the IPART reporting manual.

For all customers on a payment plan, or suffering financial hardship, no late fees or interest or restrictions will apply to their accounts or services.

Solo Water will rarely (if ever) offer up a discount on rates notices to customer facing financial hardship, but we do allow for flexible and deferred payments with no penalties.

#### **2.5 What happens if the Customer Disputes the Account?**

If a customer makes a formal complaint in regards to their account being incorrect, Solo Water will investigate the matter in line with group policies. The amount in dispute will be set aside without interest for the duration of the investigation. The customer is required to pay any remaining charges in full as per the standard payment terms.

Once the investigation is completed the customer will be notified of the outcome and requested to pay any outstanding balance within 7 days. At the end of the 7 days, if a debt is still outstanding then further debt recovery steps including interest accrual will commence.

Where a customer is not satisfied with this process (as the customer may approach EWON at any time, and not dependant on the outcome), they may choose to have the process externally reviewed. Solo Water is a member of the Energy and Water Ombudsman NSW (EWON) so that customers have access to an external dispute resolution scheme.

#### **EWON Contact Details:**

Reply Paid 86550  
Sydney South, N.S.W. 1234  
Freecall: 1800 246 545  
[www.ewon.com.au](http://www.ewon.com.au)

#### **2.6 What are Solo Waters Debt Recovery Actions?**

Solo Water may take a series of actions to recover the debt where payment of the account by the due date has not occurred, or no alternative payment arrangement has been made by the customer.



Solo Water is committed to supplying our customers and acknowledges that from time to time, customers may have trouble paying an invoice by the due date.

Where a customer is unable to pay an invoice due to financial hardship, Solo Water will negotiate reasonable alternate payment terms. Failure to comply with the alternate payment terms may result in restriction of supply.

Solo Water will action a series of steps as part of the debt recovery process based on the customer's past payment history. Recovery actions may include referral to a debt recovery agency, legal action or restriction of your water supply. Fees and charges will apply. For more information please refer to your customer contract.