

Summary of the Independent review of Synergy's electricity retail billing practices: Interim report

October 2025

This summary of the interim report is based on the full interim report dated September 2025 prepared by two independent reviewers appointed by the Department of Energy and Economic Diversification being:

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This summary removes potentially sensitive information while reflecting the entire scope of the full interim report. Since the report was prepared, Synergy has commenced a staged and sequenced remediation program for the broader overpayments issue.

1. Introduction

1.1 Background

The Hon. Amber-Jade Sanderson MLA, Minister for Energy and Decarbonisation, has commissioned an independent review (the Review) of Synergy's electricity retail billing practices.

The Review arose following a series of billing issues identified by Synergy that represent breaches of the *Code of Conduct for the Supply of Electricity to Small Use Customers 2022* (Code of Conduct) as described below.

Centrepay Overpayments

In March 2025, Synergy reported to the Economic Regulation Authority (ERA) a breach of the Code of Conduct related to overpayments on inactive customer accounts received via Centrepay where Synergy had failed to inform affected customers and deal with those overpayments in accordance with the overcharging provisions in the Code of Conduct (Centrepay Overpayment issue).

Synergy identified Centrepay overpayments on 2,845 inactive customer accounts from 2009 to 2025, totalling approximately \$2,270,000. Of these, overpayments on 459 accounts totalling \$239,250 were reported to the ERA as breaches of the overcharging clauses under the current Code of Conduct which took effect on 23 February 2023.

On 14 July 2025, the ERA issued Synergy with a compliance enforcement (rectification) notice for breaching its Electricity Retail Licence in relation to the Centrepay

Overpayment issue. Synergy has commenced a remediation process to address the matters raised in the compliance enforcement notice.

Broader Overpayments

In the course of investigating the Centrepay Overpayment issue, Synergy identified a broader range of overpayment issues on inactive customer accounts (the Broader Overpayment issue). These overpayments arose from the full suite of credit sources including: BPAY, Direct Debit, credit card, Australia Post, Electronic Funds Transfer, Centrepay, Mercantile Agents, Cheque (Locked Bag) and Renewable Energy Credits; credits on customer's accounts from government assistance payments and invoice adjustments. The number of customers impacted, and quantum of overpayments associated with the Broader Overpayment issue is much larger than the Centrepay Overpayments issue. Synergy has notified the ERA of the Broader Overpayment issue and developed a proposed remediation plan to address these issues but has not yet commenced implementation of the remediation plan.

1.2 Scope of Review

Given the extent of the overpayment issues identified, and the criticality of accurate billing to maintain customers' trust, the Minister sought an independent review of Synergy's billing practices to identify any systemic issues that may have a detrimental impact on its customers and the public's confidence in Synergy's performance. The scope of the Review is outlined in the Terms of Reference¹, and includes but is not limited to the following topics:

- Synergy's retail billing and related information technology systems, processes, procedures and related documentation;
- Relevant account management, complaints management and call-centre systems, processes, procedures and documentation;
- Governance matters and strategic oversight arrangements at Synergy which enforce legal and ethical standards and provide stakeholder confidence for the public;
- The appropriateness of Synergy's current refund and restitution policies where a detrimental customer impact has been identified; and
- Systems and processes used to monitor and report Synergy's compliance with small use customer billing regulatory requirements including the Code of Conduct for the Supply of Electricity to Small Use Customers 2022.

1.3 Interim Report

The Minister requested that an Interim Report be prepared focussing specifically on the Broader Overpayment issue that Synergy has identified. Given the scale of this

¹ [Terms of reference announced for independent review into Synergy | Western Australian Government](#)

issue, it is critical that the approach taken to identify affected customers and value the overpayments is sound, that Synergy's proposed remediation approach is appropriate and that the execution of the remediation plan has been adequately planned. This document is a summary of the Interim Report. The Final Report covering the full scope outlined in the Terms of Reference will build on the Interim Report.

2. Synergy's Broader Overpayment issue

2.1 Overview of the broader overpayment issue

The Broader Overpayment issue relates to money received by Synergy on an inactive customer account, resulting in the account being overpaid (i.e. in credit)². The Broader Overpayment issue differs from the Centrepay Overpayment issue in that it takes into account all credit sources (not just Centrepay) that result in overpayments on inactive accounts. Synergy's analysis indicates that, as at 10 September 2025, 174,522 customers are affected by the Broader Overpayment issue with overpayments totalling \$40,424,301 since 2009³. Synergy has now put controls in place to identify and respond to **new** overpayments on inactive accounts where there is no historic overpayment.

2.2 Synergy's obligations with respect to overcharging

Synergy's obligations with respect to overcharging are contained in:

- The Code of Conduct;
- Contracts with customers, noting that the overcharging obligations in customer contracts mirror those in the Code of Conduct and do not place any additional overcharging obligations on Synergy;
- Contracts with credit source service providers such as Services Australia and Commonwealth Bank, and legislation associated with specific credit sources (e.g. direct debit); and
- The *Unclaimed Money Act 1990 (WA)* (Unclaimed Money Act)

The current version of the Code of Conduct came into effect in February 2023. The definition of 'overcharging' in clause 3 of the Code of Conduct is as follows: (a) includes the overcharging of a customer as the result of — (i) an error, defect or default for which the retailer or distributor is responsible (including when a meter is found to be defective); or (ii) the retailer basing a bill or bills on estimated energy data that is greater than the actual value (not being a deemed actual value) of energy used where the actual

² Where a credit exists on an active account, separate provisions in the Code of Conduct apply such as clause 35 dealing with payments in advance and clause 31(2) dealing with the treatment of credits on final bills

³ These numbers do not include the customers affected or value of overpayments associated with the Centrepay Overpayment issue

value is derived from an actual meter reading undertaken by a person employed or appointed by the distributor that passes the validation processes in Appendix 2 of the Electricity Industry Metering Code; but (b) does not include an amount charged in accordance with a bill smoothing arrangement.

Synergy's interpretation of this overcharging definition is that - in addition to overcharges arising from retailer or distributor error, defect or default, or over estimation - all payments on inactive customer accounts that result in the account being overpaid (that is, in credit) are considered to be overcharges on the basis that the customer has paid for electricity but has not received an electricity supply.

2.3 Synergy's approach to identifying affected customers and quantifying the Broader Overpayment issue

Following identification of the Broader Overpayment issue, Synergy commenced the complex process of identifying all affected customers and quantifying the overpayments back to 2009, when the current system that holds customer account and payment information (SAP) was implemented.

This required working with Synergy's technology team to develop a process that could extract the relevant data from the source SAP system, including both current and historical records, and report it in a way that could inform remediation decisions. The business logic applied to extract and analyse the data required the identification of customers with accounts that are inactive (i.e. closed) and have an outstanding credit balance owing to the customer after the debt on the final bill was paid. The data was then analysed based on the type of customer and the credit source.

3. Synergy's approach to remediating the Broader Overpayment issue

3.1 Synergy's remediation plan

Synergy created the Payment Remediation Program (PRP) to deliver the remediation activities for the Centrepay Overpayment issue. Synergy refers to these activities as Phase 1 of the PRP.

Synergy intends to extend and adapt the PRP to govern and deliver the remediation plan for the Broader Overpayment issue. Synergy refers to these proposed activities as Phase 2 of the PRP, which is the focus of this Interim Report.

The stated objective of the PRP is to 'deliver overpayment resolution and prevention with transparency and care'.

Synergy explored three options to remediate the historic overpayments. Options differ in terms of customer impacts, operational capacity, meeting regulatory deadlines and legal and compliance risk:

- **Rapid:** Involves identifying and remediating all affected customers in a single phase. This option has the benefit of being fast, but has high operational risk due to demands on resourcing and inability to manage the pace of remediation;

- **Staged and Sequenced:** Involves breaking affected customers into prioritised cohorts and commencing remediation of the highest priority cohorts. Balances speed, fairness, and capacity. Allows targeted engagement and lessons to be incorporated as remediation progresses; and

- **Reactive customer driven:** Puts the onus on customers to drive the process after Synergy publishes a notice of the issue.

Synergy's recommended option is **Staged and Sequenced**. As a result, the remediation plan Synergy has developed is designed to systematically address the historic overpayments through a cohort-driven model, focussing on high priority cohorts first and tailoring the remediation approach for each cohort.

3.2 Cohort prioritisation

Synergy is proposing to initially focus on remediating customers with additional payments on inactive accounts that also have historic overpayments. This will be followed by a tranching approach to remediating any remaining historic overpayments and any new payments on inactive accounts, that have been received.

For the latter, Synergy has identified 30 distinct customer cohorts, the majority of which are various combinations of:

- Customer type (residential or business) and credit source; and
- Customer-specific attributes (e.g. financial hardship, deceased, bankrupt, unmetered).

Through this process, nine groups of affected customers have been prioritised for remediation in tranche 1. Tranche 1 represent 141,206 affected customers (81% of total customers), and \$27,969,431 (69% of the total overpayments). This includes a significant number (37,980 and \$9,675,751) that relate to government assistance payments where money will be refunded to the government rather than to a customer. Synergy is aiming to engage customers in tranche 1 that are eligible for a remediation payment over a three-month period. The remaining cohorts will be addressed in future tranches. A complete list of the 30 customer cohorts is provided in Appendix 1.

3.3 Tailored remediation approach

A tailored remediation approach is being developed to support the delivery of Phase 2 of the PRP, taking into consideration customer needs and principles used to prioritise each cohort into groups, and builds on the communications approach and lessons learned from Phase 1.

To support delivery of the remediation activities, Synergy is proposing a dual-team customer support structure:

- **Specialist team:** The specialist team will manage sensitive remediation for priority customer cohorts. These priority groups will receive an outbound call with tailored communications approach for each cohort.
- **Customer Response Centre (CRC):** The CRC will manage all standard remediation for simple customer refunds.

3.3.1 Goodwill payments

Although it is not obliged to pay interest or otherwise offer compensation under the Code of Conduct, Synergy is proposing to offer affected customers a discretionary one-off goodwill payment in certain circumstances, in line with the approach taken on the payment of goodwill to customers affected by the Centrepay Overpayment issue. In that case, and in the absence of a regulatory requirement or guidance to calculate the value of a goodwill payment, Synergy again considered ASIC's RG277⁴ which states that, for the purposes of calculating foregone interest, an acceptable rate is the Reserve Bank of Australia (RBA) cash rate plus 6% as well as its tariff by-laws. At the time of calculation of goodwill for the Centrepay Overpayment, the RBA cash rate was 4.1%, hence a 10.1% rate for goodwill payments was used. However, where the value of the overpayment was less than \$250, Synergy applied a flat rate of \$25 goodwill payment.

For the Broader Overpayment issue, the eligibility for a goodwill payment proposed by Synergy is as follows:

- For historic Centrepay overpayments⁵: If the customer can be identified and contacted, a goodwill payment will be made of \$25 or 10.1% of the value of the overpayment if the value is greater or equal to \$250. If a customer cannot be identified and contacted, the value of the overpayment will be returned to Services Australia without a goodwill payment.
- For all historic government assistance payments or credits: No goodwill payment will be made.
- For all historic overpayments from other credit sources: If the value of the overpayment is ≤\$5, no goodwill payment will be made. If the value of the overpayment value is >\$5, a goodwill payment will be made of \$25 or 10.1% of the value of the overpayment if the value is greater or equal to \$250.

⁴ [RG 277 Consumer remediation | ASIC](#)

⁵ These are not the same customers being remediated as part of the Centrepay Overpayment issue, but rather a small number of additional Centrepay customers identified as part of the Broader Overpayment issue

3.3 Targeted controls for new overpayments

Synergy has already made targeted changes to its internal systems, processes and customer notifications to identify, control and correct any new overpayments accruing (that is, overpayments on inactive customer accounts where there are no historic overpayments) and prevent future overpayments from occurring.

4. Preventing new overpayments

Synergy is also undertaking a broader suite of initiatives to strengthen the governance of overpayments going forward, which it refers to as Phase 3 of the PRP. Synergy's CFO is the Executive Sponsor for Phase 3 activities although the implementation of initiatives will require the support of multiple business units. Synergy is proposing to use the PRP Steering Committee to govern delivery of the Phase 3 initiatives but has not yet established a delivery structure and further work will be required to define the scope and breadth of initiatives. The requirement for further work is addressed in

Recommendation 2: Strengthen governance and delivery of Phase 3 initiatives.

5. Independent Review's findings and recommendations

5.1 Approach taken to independently review the Broader Overpayment issue

The independent review of Synergy's Broader Overpayment issue was undertaken over a four-week period in August and September 2025. It involved extensive stakeholder engagement and document review including:

- Meeting with representatives from Synergy's Board, Executive and management teams;
- Meeting with representatives from WA-based customer advocacy groups;
- Reviewing documentation prepared by Synergy as part of its remediation plan, and broader documents designed to strengthen overpayment controls going forward;
- Reviewing documents prepared as part of the Centrepay Overpayment issue, including the ERA's compliance and remediation notice;
- Reviewing relevant regulatory and contractual instruments relevant to overpayments; and
- Reviewing precedent cases of overpayment remediations.

5.2 Findings and recommendations

The findings and recommendations outlined in this section relate specifically to the independent review of Synergy's Broader Overpayment issue. A fuller set of findings and recommendations will be made in the Independent Review's Final Report addressing all elements of the Review's Terms of Reference.

Recommendation 1: Synergy to commence the remediation process for the Broader Overpayment issue as soon as practical based on the Staged and Sequenced Remediation approach, including directions on the treatment of low value overpayments, aged credits and communications with vulnerable customers.

Overall, the Review found that:

- Identifying and quantifying customers affected by the Broader Overpayment issue is a complex data exercise extending back to 2009. The process that Synergy has undertaken to identify affected customers and quantify the size, is sound. This will be further validated by an independent SAP subject matter expert, whom Synergy has engaged, to validate that the scripts run across its core billing and payments system are robust;
- The Staged and Sequenced Remediation approach proposed to be used by Synergy is appropriate because it balances the need to focus on high priority customer cohorts first, with Synergy's operational capacity;
- The principles used by Synergy to prioritise the group of customers for remediation in tranche 1 is appropriate;
- Synergy has tailored approaches for customer groups based on their specific needs and complexity; and
- The PRP team established by Synergy, and the customer support resources, are sufficient to manage the remediation plan based on the Staged and Sequenced Remediation approach.

As result, Synergy should now commence implementation of its remediation plan for the Broader Overpayment issue as soon as practical based on the Staged and Sequenced Remediation approach, with specific directions regarding goodwill payments, the treatment of low value overcharges (\$5 or less) and the treatment of aged credit (6 years or more) less than \$100 where a customer cannot be identified.

Treatment of low value overpayments (\$5 or less)

With the exception of Centrepay overpayments that form part of the Broader Overpayment issue, and overpayments arising from government assistance payments, Synergy is proposing that all low value payments are donated to a community service organisation, with whom it already has a relationship, without attempting to contact those affected customers. These funds would be used to help offset electricity debt for customers experiencing extreme hardship, through emergency relief and support services provided by the organisation. Goodwill payments would not apply to the donation. This approach is considered reasonable given the size of the overpayment relative to the cost and customer inconvenience of remediating. However, it is recommended that Synergy has processes in place to enable customers who fit within the low value cohort to be refunded should the customer become aware of the overpayment issue and contact Synergy to confirm if they have been affected.

Treatment of aged credits less than \$100 where customer cannot be identified or contacted

Aged credit refers to any overpayment held by Synergy for more than six years. A gap has been noted in the treatment of aged credits less than \$100 where a customer cannot be identified or contacted, as the provisions of the Unclaimed Money Act only applies to amounts over \$100. Synergy is aware of this issue and is working with the Department of Treasury and Finance to seek a resolution for management of these overpayments.

Rather than these amounts potentially being treated as unclaimed money (despite being less than \$100), it is recommended Synergy donate these amounts to the same community service organisation to which it is proposing to donate the sum of low value overpayments, and have a process in place to refund affected customers in this group should the customer become aware of the overpayment issue.

Development of targeted and accessible support for vulnerable customers

Synergy has established a dedicated function responsible for the management of its customers that are deemed to be vulnerable or require specific treatment and engagement strategies. It is recommended that Synergy address the following matters to ensure the appropriate management of sensitive customer groups:

- Providing accessibility options for affected customers to contact Synergy through alternative modes of communication and to manage any constraints related to impairment, digital literacy and / or access to technology; and
- Engaging an external expert to review the communication and engagement strategy and supporting material for the vulnerable customer group to mitigate the risk of physical or psychosocial harm to these customers.

Recommendation 2: Strengthen governance and delivery of Phase 3 initiatives by establishing a new workstream to be delivered under the PRP so all overpayment initiatives are delivered using the same governance and delivery mechanism.

Synergy has commenced a range of internal reviews to identify initiatives to improve controls around overpayments going forward. There are also related internal and external reviews, which will produce recommendations that relate to overpayments. This includes the end-to-end review of the payment process, adopting an integrated assurance approach, and this independent review. A whole-of-business delivery plan and governance structure will need to be defined and established to provide oversight and ongoing management of this large number of initiatives. This should include agreed business unit roles and responsibilities for each governance and delivery layer and establishing a regular cadence of monitoring and reporting across all initiatives, actions and recommendations.

Recommendation 3: Schedule an independent review of Synergy's progress on its remediation plan three months after commencement.

Given the number of customers affected, Synergy's Staged and Sequenced remediation approach is likely to take several months to complete. It is recommended that an independent review should be undertaken three months after Synergy commences remediation to assess whether the approach is delivering required outcomes.

The reviewer should be appointed by the Minister rather than Synergy.

Recommendation 4: Amend the overcharging clauses in the Code of Conduct to clarify the definition of an overcharge, place an obligation on retailers to proactively identify overcharges and clarify the treatment of overcharges on inactive customer accounts.

Appendix 1 Customer remediation cohorts

#	Customer Cohort	Cohort Type
1	BPAY residential *	Single contract cohort
2	BPAY business	Single contract cohort
3	Direct debit residential	Single contract cohort
4	Direct debit business	Single contract cohort
5	Credit card residential	Single contract cohort
6	Credit card business	Single contract cohort
7	Centrepay Phase 2 residential & business *	Single contract cohort
8	EFT residential	Single contract cohort
9	EFT business	Single contract cohort
10	AusPost residential	Single contract cohort
11	AusPost business	Single contract cohort
12	CBA residential	Single contract cohort
13	CBA business	Single contract cohort
14	Mercantile Agents residential	Single contract cohort
15	Mercantile Agents business	Single contract cohort
16	Renewable Energy Rebate residential	Single contract cohort
17	Renewable Energy Rebate business	Single contract cohort
18	Financial hardship *	Single contract cohort
19	Deceased	Single contract cohort
20	Bankrupt & insolvent	Single contract cohort
21	Unmetered	Single contract cohort
22	Customer directed	Multi contract cohort
23	Multi L2 credit source	Single contract cohort
24	Multi L1 channels	Single contract cohort
25	Multi L1 channels	Multi contract cohort
26	Other	Single contract cohort
27	Other	Single contract cohort
28	Assistance rebates *	Single contract cohort
29	Electricity cost of sales	Multi contract cohort
30	Multi L2 credit sources	Multi contract cohort

**Cohorts planned for remediation in tranche 1*