
From: liyang Powerideas
Sent: Tuesday, 20 August 2019 2:13 PM
To: Adjudication
Subject: HPE CM: AA1000439 – New Energy Tech Consumer Code – submission

Follow Up Flag:
Flag Status: Flagged

Categories: Submission

Australian Competition and Consumer Commission
c/o Theo Kelly
23 Marcus Clarke Street
Canberra ACT 2601

Sent electronically to adjudication@acc.gov.au

Ref: AA1000439 – New Energy Tech Consumer Code

As a **small** of New Energy Tech products, I have direct experience of the financing options currently available for customers who wish to purchase solar panels and battery systems for their homes. This includes popular 'buy now, pay later' (BNPL) products. I believe there will be negative consequences for consumers, my business and the New Energy Tech sector if BNPL products are excluded from the New Energy Tech Consumer Code.

In my experience, BNPL products are highly valued by customers, vendors and installers. As a valid and legal financing option enjoyed by Australian consumers, I do not support the exclusion of BNPL products from the New Energy Tech Consumer Code.

I request the ACCC consider the following points in its determination on this issue:

1. *What is the value of BNPL to my business and my customers?*
 - BNPL products provide me with the peace of mind that I will be paid as soon as the installation is completed;
 - BNPL products help me manage my cash flow by ensuring I am paid as soon as the installation is completed;
 - BNPL products enable me to provide a fast and simple payment solution to my customers at the point of sale;
 - BNPL products enable my customers to invest in solar technology for their homes straight away and immediately access savings to their energy bills. If BNPL was not a payment option *my customers* would be less likely, or unable, to purchase new energy technology;
 - My customers use BNPL products as a budgeting tool because the repayment amounts are clear, and it is a simple and easy way to pay over time;
 - My customers prefer using BNPL to pay for solar as it is convenient and easy to use – other forms of finance take too long and don't offer good customer experience. As such, if this product was not available, many potential customers would be unwilling or less likely to invest in solar technology for their homes;
 - BNPL products are a simple and convenient option for those who have paid off their home loan and don't have access to, or don't wish to explore, further credit options;
 - Customers are able to ensure they are purchasing the right system size to receive substantial benefits as they are able to pay over time instead of being restricted by how much they have in savings.
1. *If BNPL arrangements are excluded from the Consumer Code, I would likely experience the following impacts to my business*
 - I estimate my business would lose up to 80% of total sales;
 - As a result of decreased sales, I may be unable to afford staff wages and would likely be required to lay off staff;
 - I would need to consider the viability of my business as a large portion of my sales are based on utilising BNPL at the point of sale to close a deal on the spot;
 - Solar and battery systems would be too expensive for many households to purchase and my customers would not be able to afford to buy an appropriately sized system;
 - My business would lose revenue as a result of a decrease in average sale size;
 - My business would incur increased costs due to an increase in administrative work and time spent on following up on unpaid accounts.
1. *What would likely happen to the wider solar industry if BNPL is excluded from the Consumer Code?*
 - The availability of BNPL products contributes directly to the sustainable growth of the industry. By excluding these products there will be a decrease in sales and lack of access to solar and battery technology across the community;
 - Given BNPL has been a dominant way for Australian households to finance investment in solar to date, there would be a serious negative impact in the industry with solar now becoming unaffordable for many Australian families;
 - Excluding BNPL products from the New Energy Tech sector would further compound recent problems experienced in the Victorian solar industry and would cripple the industry in that state;

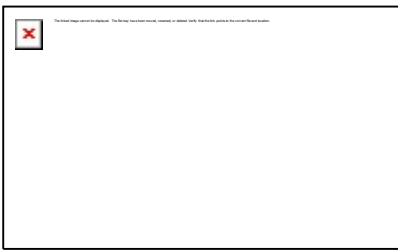
- By limiting the growth of the industry and reducing the ability for households to access the savings that solar and battery technology provides, power would be ceded to the big energy retailers and Australian families would be forced to accept rising energy bill prices;
- By removing BNPL products, this would essentially undo the work of the solar industry's mission to provide solar and battery systems to all households, and effectively limit competition.

Noting the points above, I encourage the ACCC to change the New Energy Tech Consumer Code to include BNPL finance arrangements.

Yours sincerely,

Yang Li
Director of POWER IDEAS

Best Regards



Yang Li | Power Ideas

Renewable Energy Consultant

m:

a: L2, 6 Parkview Drive,
Sydney Olympic Park NSW 2127

w: www.powerideas.com.au

e: liyang@powerideas.com.au