



# Offers, Information and Redress

BEUC's contribution

EREG Workshop  
Obstacles to supplier switching

Paris, 23th September 2008

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Economic Officer



## Once there was a Belgian who wanted to switch...

General information	<input type="checkbox"/> National and regional regulator <input type="checkbox"/> Consumer organisation	<input type="checkbox"/> 1.5 h.
Analysis	<input type="checkbox"/> Discussion at home	<input type="checkbox"/> 2 h.
Current contract	<input type="checkbox"/> Time consuming <input type="checkbox"/> Questions on metering	<input type="checkbox"/> 3.5 h.
Price comparison	<input type="checkbox"/> Different presentation of prices: VAT, yearly vs. total period, unclear bills...	<input type="checkbox"/> 5.2 h.
New contract	<input type="checkbox"/> Price calculator: Necessary <input type="checkbox"/> Conclusion of contract: Easy	<input type="checkbox"/> 6 h.



# List of energy suppliers in Brussels

BRUGEL - Windows Internet Explorer

http://www.brugel.be/Public/Page.php?ID=40&siteID=&language=dut

File Edit View Favorites Tools Help

CREG - Welkom BRUGEL

> OVERHEDEN

> ENERGIESECTOR

> Leveranciers van elektriciteit

Onderneming	Telefoon	Website
E.ON Belgium	02/743 33 33	<a href="http://www.eon-benelux.com">http://www.eon-benelux.com</a>
E.ON Sales & Trading	+49 89 / 12 54 33 52	<a href="http://www.eon-sales-and-trading.com">http://www.eon-sales-and-trading.com</a>
EDF Belgium	070/35 21 21	<a href="http://www.edfbelgium.be">http://www.edfbelgium.be</a>
Electrabel	078/78 20 20 (prof.) - 078/35 33 33	<a href="http://www.electrabel.be/contact">http://www.electrabel.be/contact</a>
Electrabel Customer Solutions	078/35 33 33 - 078/78 20 20 (prof.)	<a href="http://www.electrabel.be/contact">http://www.electrabel.be/contact</a>
Endesa Energía	+33 1 / 44 71 07 57	<a href="http://www.endesa.com">http://www.endesa.com</a>
Eneco Energie International	015/40 41 40	<a href="http://www.eneco.be">http://www.eneco.be</a>
Essent Belgium	0800/32 032	<a href="http://www.essent.be">http://www.essent.be</a>
Lampiris	0800/40 123	<a href="http://www.lampiris.be">http://www.lampiris.be</a>
Nuon Belgium	0800/92 902	<a href="http://www.nuon.be">http://www.nuon.be</a>
Belpower, division of Reibel	02/421 99 11	<a href="http://www.belpower.be">http://www.belpower.be</a>
SPE (Luminus)	078/150.207	<a href="http://www.luminus.be">http://www.luminus.be</a>
Trianel Energie	03/206 19 69	<a href="http://www.trianel.com">http://www.trianel.com</a>

> Leveranciers van gas

Onderneming	Telefoon	Website
Distrigaz	02/557 30 57	<a href="http://www.distrigaz.be">http://www.distrigaz.be</a>
Electrabel Customer Solutions	078/35 33 33 - 078/78 20 20 (prof.)	<a href="http://www.electrabel.be/contact">http://www.electrabel.be/contact</a>
Essent Belgium	0800/32 032	<a href="http://www.essent.be">http://www.essent.be</a>
Gaz de France	02/287 19 70	<a href="http://www.gazdefrance.be">http://www.gazdefrance.be</a>
Lampiris	0800/40 123	<a href="http://www.lampiris.be">http://www.lampiris.be</a>
Nuon Belgium	0800/92 902	<a href="http://www.nuon.be">http://www.nuon.be</a>
SPE (Luminus)	078/150.207	<a href="http://www.luminus.be">http://www.luminus.be</a>

Done

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# Price Comparison Tool: Example from Test-Aankoop (Belgium)

Test-Aankoop - Huis & tuin - Bereken zelf - Wie wordt uw aardgasleverancier - Windows Internet Explorer

http://www.test-aankoop.be/interactief/electricitydc/nl/

File Edit View Favorites Tools Help

Test-Aankoop - Huis & tuin - Bereken zelf - Wie wordt ...

Periodek begintijd	1-1-00
Aantal gezinsleden	2
kVA	10

Uw resultaat (prijzen in €)

leverancier	totaal factuur in €/jaar BTW incl.	index	indexatie prijzen	duurtijd contract	opzeg termijn	groene stroom (%)
<b>Brussel - uw standaard leverancier: Electrabel Customer Solutions</b>						
<a href="#">Sociaal Tarief (1)</a>	258.58	75	variabel	onbepaalde duur	-	0
<a href="#">Nuon / Nuon Flex</a>	342.77	100	variabel	1 jaar	1 maand	60
<a href="#">Lampiris - Test Aankoop</a> <input type="button" value="klant worden"/>	346.16	101	vast	1,2 of 3 jaar	1 maand	100
<a href="#">Power4you - Lampiris</a>	351.16	102	vast	1,2 of 3 jaar	1 maand	100
<a href="#">Nuon / Nuon Comfort</a>	356.85	104	vast	1 jaar	1 maand	60
<a href="#">Electrabel Customer Solutions / Electrabel Optibudget</a>	367.39	107	variabel	2 jaar	1 maand	0
<a href="#">Nuon / Nuon Comfort 3 jaar</a>	368.91	108	vast	3 jaar	1 maand	60
<a href="#">Electrabel Customer Solutions / EnergyPlus ELEK 20</a>	369.79	108	variabel	1 jaar	1 maand	0
<a href="#">Lampiris / Lampiris</a>	370.58	108	vast	1,2 of 3 jaar	1 maand	100
<a href="#">Nuon / Nuon Nature</a>	371.29	108	vast	1 jaar	1 maand	100
<a href="#">Belpower</a>	373.44	109	vast	3 jaar	45 dagen	100
<a href="#">Carrefour-Ecoplanet</a>	373.73	109	vast	1,2 of 3 jaar	1 maand	100
<a href="#">Standaardleverancier / Electrabel Customer Solutions (2)</a>	373.98	109	variabel	onbepaalde duur	1 maand	1
<a href="#">Electrabel Customer Solutions / FixPlus 1 jaar</a>	376.86	110	vast	1 jaar	1 maand	0
<a href="#">Electrabel Customer Solutions / Electrabel Vert</a>	381.75	111	variabel	1 jaar	1 maand	100

(1) Enkel geldig voor mensen die genieten van het sociaal tarief (mindervaliden, OCMW,...)  
 (2) Indien u geen contract heeft getekend met een leverancier, betaalt u het standaard tarief  
 (3) Het Weekend Plus tarief van Nuon is alleen geldig met een tweevoudige teller.

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## Once there was a Belgian who wanted to switch...

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- Overall:
    - Not easy to find detailed information
    - Very difficult to compare offers
    - Price comparison tools are very valuable
    - Concluding contract was easy

⇒ Stage 1 according to ERGEG document of April 2008
  
  - Switching procedure and execution of the switch still to be performed
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## Members views

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- ERGEG good practices for switching: BEUC members concentrate mostly on Stage 1:
    - Information on suppliers and offers
    - Information on costs and consumption
  
  - Attention should also be on:
    - Information on terms and conditions
    - Complaints handling and redress
    - Representation
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# Information on suppliers and offers

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- Number of suppliers vary considerable
    - Greece and Portugal vs. Czech Republic and Norway
  
  - Households currently unlikely to switch every year
  
  - Information on offers only slowly improving:
    - ¼ of members find information readily available, rest partially or not
    - Many consumer organisation provide information
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# Information on costs and consumption

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- Information on cost and consumption
  - Consumers receive more information, especially with the roll out of new meters
  - Still half of our members see no clear improvement
  - Bills remain complicated for consumers



# Information on terms and conditions and complaints handling

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- Information on terms and Conditions:
  - Considerable variation: Finland and Slovenia vs. Spain and Poland
  
- To feel confident, complaint handling and redress should be easy
  - Customer service as a pillar of a well functioning market
  - In many Member States, consumers need to go to court to have claims being resolved
  - Out of court procedures:
    - Present in 2/3 of Member States
    - At many instances through a single body which also provides advice



# Representation and dialogue

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- To ensure consumers are taken into account, representation and dialogue is needed
  - Consumers are not officially represented in many countries
  - Many of our members are in contact with their national regulators informally
  - Changing focus for regulators?



## Switching process

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- Members do not make a distinction between Stage 2 and 3
  
- Switching seems to have become easier:
  - In 2003, BEUC members reported many difficulties with switching
  - Now, switching seems to have become easier
  - But, problems persist: Switching Campaign of VZBV (Germany)



# Case study: switching campaign VZBV (Germany)

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## Run in 2007

- 2000: Liberalisation without a proper functioning switching process
- 2005 – 2006: Legal framework implemented to facilitate switching
- 2007: Consumers to be informed about switching

## Very successful:

- Message: save energy by changing and using less
- 2 mio consumers changed in six months



# Case study: switching campaign VZBV (Germany)

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- VZBV informed consumers on offers and procedure (stage 1)
  
- VZBV encountered problems with switching process:
  - Delays even when deposits were paid
  - Faulty business processes of new entrants
  - Delays with tariff changes: the old supplier was not fully ready/committed
  
- Way forward
  - Improve technical switching process
  - Promote contracts which stimulate trust and competition



# Conclusions

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## Stage 1:

- Information on offers, suppliers, consumption and costs:
  - Considerable variety in Europe
  - Slowly improving
  - Consumer organisations provide information
- A need to address also
  - General information
  - Complaints handling and redress
  - Representation and dialogue





# Conclusions

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- Stage 2 and 3:
  - Members find that that the process has become easier
  - Switching campaign in Germany showed a need to improve the switching process
  
- Contracts which ensure trust and competition



Satisfaction of basic needs



Safety



Information



Choice

**Consumer Rights**



Representation



Redress



Consumer education



Healthy environment