

Paris, December 2nd 2009

**EUROPEAN ENERGY REGULATORS**  
**CONSULTATION ON CUSTOMER COMPLAINT HANDLING**  
**ERDF's ANSWER**

The present ERGEG's proposals are a practical but essential contribution for the implementation of the European Directives regarding the customers concerns.

Due to the very different situations in the European member states, these recommendations should be considered as good practices, leading to the end of major dysfunctions, and giving the several NRAs some guidelines in order to improve their national situations, rather than the content of a new global and detailed European regulation.

ERDF expresses its position on the matters related to the Distribution, or having impacts on the Distributors.

**Recommendation 1:**

Customers should be provided, on their bills, with the contact details of the service provider's customer service.

**Comments from ERDF**

No comment.

**Recommendation 2:**

Customers should be provided by their service provider with the relevant contact information of the relevant third party body in case they want to complain.

The most convenient channels for contacting this reference point / dispute settlement body should be proposed, among the following options: address, phone number, website, email, face to face contact point.

**Comments from ERDF**

No comment.

**Recommendation 3:**

To submit a complaint to a service provider, a wide range of channels should be available, and, in any case, more than one.

**Comments from ERDF**

**ERDF** agrees with this objective.

Generally, for the recommendations 1 to 3, **ERDF** considers that the "most convenient channels" have to be established by the companies, taking into account the real situation of the different service providers.

#### Recommendation 4:

Statutory complaint handling standards common to electricity and gas service providers should be in place. NRAs are best placed to set up these standards, after consultation with stakeholders, as appropriate, and to enforce them.

These standards should cover:

- In cases where a complaint has not been resolved immediately (within 1 day) service providers should provide details of their complaint handling procedures and redress scheme – if available – to the customers who are complaining as well as the information on alternative dispute settlement bodies, with the first acknowledgment of the complaint.
- Lead time for a service provider to deal with a complaint:
  - A prompt first answer or acknowledgement;
  - Final answer either resolving the complaint to the customer's satisfaction or informing on the alternative dispute settlement body should be issued as soon as possible, but within two months.
- Registration of customer complaints preferably using a common classification of the complaints (refer to recommendation 7).

#### Comments from ERDF

ERDF agrees with the principle to define “statutory complaint handling standards”.

In this frame, ERDF agrees with the goal of giving consumers, within a reasonable period, information on the treatment of their complaint.

ERDF agrees on the fact that a maximum period of treatment of complaints by the distributor has to be defined; **however, this period should be established by the NRAs**, according to the real situation of the procedures already in place or being set up.

For the common classification of complaints, please see comments in recommendation n° 12.

#### Recommendation 5:

Redress schemes should be in place to allow compensation in defined cases.

#### Comments from ERDF

**ERDF is very reserved on the principal of automatic compensations by the Distributor.**

Such compensations have to be directly linked to the general balance of the tariff structure, and to its incentive/penalty disposal, if relevant.

The « goodwill gestures » must remain in the distributor's arms, as a commercial act.

**Recommendation 6:**

Service providers should follow the alternative dispute settlement body's recommendations.

**Comments from ERDF****ERDF doesn't agree with this proposal.**

Presently, 2 different ways of appeal are set up:

- One through the court of justice, leading to binding decisions.
- One through the Ombudsman, generally faster and more simple, leading to recommendations or mutual agreement.

**In the interest of the customer**, these two different ways of complaint, with their respective advantages and inconveniences, must be maintained. It means that the recommendations of the Ombudsman are not binding.

**Recommendation 7:**

When a regulator deems it appropriate to receive data on customer complaints, the service provider should give the regulator access to these data.

**Comments from ERDF**

**ERDF** agrees on this proposal: the distributor must give the NRA the data on customer complaints related to its own mission.

In this respect, the way of transmission must be secured in order to guaranty the confidentiality of these data, and reserve those data for the only NRA.

**Recommendation 8:**

A single point of contact should deliver, in every country, free information and advice on consumer issues. Such a single point of contact could deliver, for example, information on suppliers; different types of supply contracts; price comparisons; consumer rights; and how to complain. When the single point of contact receives complaints, it should be able to direct customers to the relevant body to handle their complaints. This service should be set either by government or the NRA (in some cases in cooperation with other bodies in charge of consumer issues). It should be available either by phone, email, written mail (letter or fax) or in person.

**Comments from ERDF**

**No comment.**

**Recommendation 9:**

Before submitting a complaint to a third-party body, customers should first contact their service provider to explain their complaint and try to solve it directly with the provider. Even if the service provider is the first step in the complaint process, customers can naturally ask for information on their rights to an independent body (the single point of contact or an alternative dispute settlement body in case it also deals with information requests), before submitting their complaint to their service provider.

**Comments from ERDF**

No comment.

**Recommendation 10:**

To get in contact with a third-party body, a wide range of channels should be available, and, in any case, more than one, even if – at a later stage – a written document may be necessary for a formal procedure with alternative dispute settlement bodies.

**Comments from ERDF**

No comment.

**Recommendation 11:**

Alternative dispute settlement should be made available for all household customers, preferably without charge or as inexpensively as possible irrespective of the financial amount of the dispute.

**Comments from ERDF**

No comment.

**Recommendation 12:**

Regarding third party bodies, the following complaint handling standards should be effective, in accordance with the above-mentioned Commission Recommendation and with 3<sup>rd</sup> Package legal provisions:

- ☐ A common classification of complaints should be used, as far as possible;
- ☐ Written complaint procedures should be determined within third parties, and made available to all customers. These procedures should include the communication of complaint to the service provider(s) before coming to a decision/recommendation;
- ☐ A prompt first answer or acknowledgement should be issued;
- ☐ A lead time to solve the complaint/dispute should be determined on a national basis.

Final recommendations from a third-party body should be issued as soon as possible, and according to a lead time which is proportionate to the level of complexity of the complaint.

**Comments from ERDF**

As mentioned in recommendation n° 4, **ERDF** agrees on the principal of establishing some “complaint handling standards”.

However, once should think really on the necessity, the utility and the feasibility of a “common classification”.

Except perhaps for administrative goals, the interest of such a common tool, compared with the work and time its definition will need, doesn't appear clearly to **ERDF**.

**Recommendation 13:**

Customers whose complaint has been settled in their favour should be allowed a fair compensation from their service provider.

**Comments from ERDF**

**ERDF** confirms its position written in recommendation n° 5.

**Recommendation 14:**

When a regulator deems it appropriate to collect data on customer complaints, the regulator should have the possibility to receive the relevant information from third parties as well as from service providers (refer to Recommendation 7).

**Comments from ERDF**

**No comment.**

**Recommendation 15:**

The NRA or another third-party body having responsibility on customer complaints could provide and publish reports on complaints they have received. Depending on the level of maturity of the retail market, the report could include information such as:

- Categories of complaints which most frequently appear;
- Proposals of best practices that could be followed by suppliers in their complaint handling processes;
- A list of ADR Board recommendations which have not been followed by service providers, including their names;
- A description of the complaint handling process within each service provider.

The frequency of reporting should be at least once per year.

**Comments from ERDF**

**ERDF** agrees on the global frame of this recommendation, except for one point:

**ERDF doesn't agree with the disclosure of the name of the service provider** (i.e. distributor) which have not followed the ADR board recommendation.

This systematic stigmatization would rapidly harm and jeopardize the efforts of conciliation which are the core guideline of the "Third Party";

#### 4. Complaint classification

##### ERGEG proposal for a consumer complaint classification system

Update: 7 August 2009

- Energy specific categories of complaints
- Categories of complaints already existing within EC draft classification  
*(not exhaustive, given as examples)*

type of business that may be involved		Level 1	Level 2
DSO	Supplier		
		Connection to the grid	Tariff
			Delay
			Obstacles to connection
		Other	
		Metering	Meter reading
			Meter functioning
			Other
		Quality of supply	Voltage quality of supply (electricity)
			Continuity of supply (outages)
			Other
		Unfair commercial practices	
		Pre-contractual information	
		Contractual terms	Unfair terms and conditions
			Changes in contractual terms
		Cooling off period / Right of withdrawal	
		Activation	Moving in
			Reconnection after disconnection
		Disconnection due to no or late payment	
		Invoicing	Unclear invoice
			Incorrect invoice
			Double invoice
			Non issue of invoice or difficult access to invoice/monthly statement
			Consumption estimation
			Other
		Price / Tariff	Price / Tariff transparency
			Price / Tariff change
			Social Tariff
			Other
		Redress	
		Provider change / switching	Delay
			Unwished switch
			Other
		Poor or deficient customer service	