

**CEER Draft advice on
Price Comparison Tools**

A CEER Public Consultation Paper

Ref: C11-CEM-45-5
11-Oct-2011

INFORMATION PAGE

Abstract

On 25 October 2011, CEER launched a public consultation on its Draft advice on Price Comparison Tools (C11-CEM-45-5).

This public consultation document outlines a number of proposals to make improvements on the implementation and quality of price comparison tools.

Target Audience

Energy suppliers, traders, those that both generate and consume electricity, electricity customers, electricity industry, customer representative groups, network operators, Member States, academics and other interested parties.

How to respond to this consultation

Deadline: **22 December 2011** (login request to be performed by **15 December 2011**)

This public consultation, launched on 25 October 2011, is carried out through a **dedicated online questionnaire** on the European energy regulators website. To participate in the consultation please go to the following link:

http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_CONSULT/OPEN%20PUBLIC%20CONSULTATIONS/Price%20Comparison%20tools

and fill in the login request form by 16 December 2011. You will be provided with a login and technical instructions for the questionnaire.

If you have any queries relating to this consultation paper please contact:

Mrs Natalie McCoy
Tel. +32 (0) 2788 73 30
Email: natalie.mccoy@ceer.eu

All responses except confidential material will be published on the website www.energy-regulators.eu.

Treatment of Confidential Responses

In the interest of transparency, CEER

- i) will list the names of all respondents (whether confidential or not) or, alternatively, make public the number (but not the names) of confidential responses received;
- ii) requests that any respondent requesting confidentiality submit those confidential aspects of their response in a “confidential appendix”. CEER will publish all parts of responses that are not marked confidential.

For further information on CEER’s rules, see CEER Guidelines on Consultation Practices.

Related Documents

CEER/ERGEG documents

- GGP on indicators for retail market monitoring for electricity and gas, ERGEG, October 2010, Ref. E10-RMF-27-03, http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Cu stomers/Tab1/E10-RMF-27-03_final%20GGP%20IRMM_12-Oct-2010.pdf
- Status Review of the implementation of EC Good Practice Guidance for Billing, September 2010, Ref, E10-CEM-36-03, http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Gu idelines%20of%20Good%20Practice/Other/E10-CEM-33-05_GGP-ComplaintHandling_10-Jun-2010.pdf
- GGP on customer complaint handling, reporting and classification, ERGEG, June 2010, Ref. E10-CEM-33-05, http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Gu idelines%20of%20Good%20Practice/Other/E10-CEM-33-05_GGP-ComplaintHandling_10-Jun-2010.pdf
- Status review of the definitions of vulnerable customer, default supplier and supplier of last resort, ERGEG, July 2009, Ref. E09-CEM-26-04, http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Cu stomers/Tab/E09-CEM-26-04_StatusReview_16-Jul-09.pdf
- Customer Information Handbook. A review of good practices, ERGEG, December 2006, Ref. E06-CPR-04-03, http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Cu stomers/2006/E06-CPR-04-03_Customer_Info_Handbook.pdf

External documents

- The functioning of the retail electricity markets for consumers in the European Union - Commission staff working paper, EC, November 2010, Ref. SEC(2010)1409 final, http://ec.europa.eu/consumers/strategy/docs/SWD_function_of_retail_electricity_en.pdf
- An energy policy for consumers - Commission staff working paper, EC, November 2010, Ref. SEC(2010)1407 final, [http://ec.europa.eu/energy/gas_electricity/doc/forum_citizen_energy/sec\(2010\)1407.pdf](http://ec.europa.eu/energy/gas_electricity/doc/forum_citizen_energy/sec(2010)1407.pdf)

Table of Contents

EXECUTIVE SUMMARY	5
1. INTRODUCTION	8
1.1. Background.....	8
1.1.1. Objective and Purpose of this paper.....	9
1.1.2. Scope.....	10
2. CURRENT SITUATION.....	11
2.1. Methodology	11
2.2. Overview of case studies and key findings.....	11
3. DRAFT ADVICE.....	13
Independence of the tool	13
Transparency	15
Exhaustiveness	15
Clarity and comprehensibility.....	17
Correctness and Accuracy.....	19
User-friendliness	20
Accessibility.....	21
Background information.....	23
4. CONCLUDING REMARKS AND FURTHER OUTLOOK	25
ANNEX 1 – CASE STUDIES	26
ANNEX 2 – CEER	27
ANNEX 3 – LIST OF ABBREVIATIONS	28

EXECUTIVE SUMMARY

At the 3rd Citizens’ Energy Forum in London in 2010, the European Commission presented an Energy study exploring the benefits the liberalised energy market brings to customers in the EU. One of the key findings of the study was that many customers did not have access to neutral, objective information that empowers them to take an active role in the liberalised energy markets, by switching tariffs or switching suppliers to obtain a better deal. In some cases, this information was provided, but customers had trouble finding it.

Based upon these findings, the European Commission concluded that easy access to neutral, objective information is crucial for the further development of the European energy markets and asked CEER to prepare draft advice on how to provide this information to customers.

In this draft Advice, CEER presents 17 recommendations regarding the way price comparison tools are set up and provide information to the customer. We focus on web-based tools, although other channels for obtaining price comparison information should also be available to customers.

The recommendations are summarised in table 1.

Draft Recommendation	
Independence of the tool	
1	Any price comparison tool should be independent, giving the user a non-discriminatory overview of the market. The provider of a price comparison tool should show all information in a consistent way.
2 A)	Regulatory oversight of privately-run price comparison tools is important to bolster confidence of the customers. This should be a responsibility of the NRA, or another public authority.
2 B)	Alternatively, this could be left to self-regulation by the industry through instruments such as voluntary codes of conduct.
Transparency	
3	Price comparison websites should disclose the way they operate, their funding and their owners/shareholders, to provide a transparent service to customers.

Exhaustiveness	
4	When possible, all prices and products available for the totality of consumers, if relevant to the customer, should be shown as a first step. However, if the presented information doesn't give a complete overview of the market, the price comparison tool should clearly state this before showing the results of the price comparison. Filtering of results should be offered to the customer to select the offerings corresponding with his or her preferences.
5	The customer should be able to specify a request by entering specific data, if the customer wishes to include individual components (not applicable for the totality of customers) into the comparison, such as his/her yearly consumption. It is important to help the customer to determine his/her yearly consumption as accurately as possible.
Clarity and comprehensibility	
6	Costs resulting from the price comparison should always be presented on the primary output screen in a way that is clearly understood by the majority of customers, such as total cost on a yearly basis or on the basis of the unit kWh-price. However, it is also very important to clearly indicate that prices shown as a total cost are an estimation, as they are based on historic consumption and – in the case of floating tariff products – unit prices that are susceptible to change during the contract.
7	Fundamental characteristics of all products – such as fixed tariff products versus floating price products - should be presented and explained on the first page of the result screen. This differentiation should be easily visible to the customer.
8	The price comparison tool should offer additional information on products and services. This information should be available with additional details on a separate page, so the customer has the choice to look at this information or not.
9	If regulated prices exist, they have to be highlighted visibly in the default presentation of the price comparison tool.
Correctness and accuracy	
10	Price information used in the comparison should be updated as often as necessary to correctly reflect prices available on the market.

User-friendliness	
11	The user should be offered help through default consumption patterns or – preferably - a tool that calculates the approximate consumption, based on the amount of the last bill or on the basis of other information available to the user.
Accessibility	
12	At least one additional communication channel (other than the Internet) for getting a price comparison should be provided free of charge or at minimal cost.
13	On line price comparison tools should be implemented in line with the Web Accessibility Guidelines (WCAG) and should ensure that there are no barriers to be overcome to access the comparison.
14	The use of social media and cooperation with other (public) agencies involved in customer information and/or protection should help make the price comparison tool widely known.
Background information	
15	Background information on market functioning and market issues such as price developments should be provided if the customer wants this information.
16	A good practice is to offer additional services on request of the customer, such as a “reminder” if the customer is bound by a contract when doing the price comparison.

Table 1- Summary of draft recommendations for price comparison tools

At the 4th London Forum on 26-27 October 2011, CEER will present the Draft Advice. In the fourth quarter of 2011, the draft advice will also be the subject of a public consultation process.

After concluding this consultation process, a hearing will be organised to discuss the input from stakeholders, probably in the first quarter of 2012. Based on this input, CEER will then develop Guidelines of Good Practice on Price Comparison Tools.

1. Introduction

There is still need for more and better information for energy customers to stimulate them to take part in the energy market in an active way. CEER sees price comparison tools as a crucial instrument to provide information to electricity and gas customers.

According to CEER's GGP on retail market monitoring indicators (E10-RMF-27-03), a price comparison tool can be considered to be reliable if it meets the following requirements:

1. information is correct and not misleading;
2. if bills are calculated, this calculation should be based on clear and transparent assumptions; and
3. key information related to the tariff (e.g. type of contract, duration of any discounts) is clearly presented to the consumer.

Clear and transparent information can best be offered through a price comparison tool available to all customers. There exist a broad variety of price comparison tools not only for energy but also for other market sectors such as insurance and mobile phones. In the energy sector, these tools are either publicly offered by the NRA or an authority dealing with customer protection issues or they can be privately-owned, for example by providers that get a certain fee for mediation or directly by suppliers themselves.

CEER therefore recognises the high importance of analysing the current situation in the Member States and wants to offer some advice for further customer empowerment. CEER has already stated the importance of price comparison tools in its GGP on indicators for retail market monitoring for electricity and gas¹. In these GGP, CEER suggests that the quality of the information could be looked into for greater insight. This could relate to the number of suppliers represented, number of offers, number of customers visiting the websites, etc.

1.1. Background

The European Commission 2010 study of retail energy markets found that many customers do not have access to neutral, objective information that empowers them to take an active role in the liberalised energy markets, by switching tariffs or switching suppliers to obtain a better deal. In some cases, information is provided, but customers have trouble getting access to it. A lack of information hinders the development of a well-functioning liberalised market by also having an influence on the number of switches and therefore the level of prices. The prospect of smart metering enabling innovative pricing formulas, such as dynamic tariffs, will present new challenges to price comparison tools. However, for the moment, CEER focuses on how to ensure that the current operation of price comparison tools is benefitting and empowering customers.

Following its study, the European Commission concluded that easy access to neutral, objective, comparative information is crucial for the further development of the European energy markets and asked CEER to prepare draft advice on how to provide this information to customers.

¹ GGP on indicators for retail market monitoring for electricity and gas (E10-RMF-27-03)

In most of the Member States, there is at least one price comparison tool providing information to household and small business customers.

The following are the primary models for price-comparison tools:

- (i) they can either be owned and run by the NRA or by another public party or
- (ii) they can be run by a private company, either a) with a regulatory oversight through a voluntary code of conduct; or b) without a regulatory oversight.

Each approach (privately-owned or public parties price comparison tools) has its own opportunities and advantages.

CEER does not advocate either model of price comparison tool. However, the independence of price comparison tools from any individual energy supplier in terms of ownership/influence can be seen as a prerequisite for offering customers a transparent and fair overview of products and prices in a liberalised market.

CEER believes that price comparison tools owned, financed or supported in any other way by energy suppliers imply a certain risk of not being able to offer customers the complete and independent information they need to switch suppliers, but this can be avoided when some pre-requisites are met.

NRA- or publicly-operated price comparison tools are often limited to providing purely information, thus being less enabling to the customer. However, there are some price comparison websites (PCW) owned by NRAs that enable the customer to directly initiate a switch by providing all relevant switching formulas and/or providing the possibility of online switching.

Privately-owned price comparison tools can provide added value to customers, by providing a direct link to the supplier of their choice, thus making the process of supplier switching (or contract switching) easier and faster. This can be an important incentive to customers to actively explore the energy market's opportunities. There is an incentive for the provider of the price comparison tool to enable switching and for the supplier to provide data, as in most cases any switch is linked to a fee requested to the energy supplier by the provider of the price comparison tool.

1.1.1. Objective and Purpose of this paper

With this paper, CEER would like to offer advice on how price comparison tools could be implemented in the European Countries and on the main prerequisites for a well-functioning tool. We focus on web-based tools, although other channels for obtaining price comparison information should also be available to customers. The aim of price comparison websites should always be to give information to the customer to give him/her the chance to make an independent choice and select whatever product and supplier suits him/her best.

1.1.2. Scope

The scope of this draft Advice is to provide recommendations and present best practices for Member States, national regulators and market players when designing well-functioning price comparison tools. This advice also provides aspects that should be considered during the development process. However, the objective of the advice is not to define one fully harmonised price comparison tool for all European countries.

The focus of this document lies on the customers' perspective meaning that the recommendations stated in this document aim at increasing customer awareness and information. CEER believes that the importance of energy for the totality of customers leads to the need of having clearly-structured and transparent price comparison tools.

As there are different models for price comparison tools, i.e. those owned and funded by NRAs or a public authority dealing with customer protection issues and others that are privately-run, a distinction between these tools has to be made. CEER believes that all aspects² addressed in Section 3 should be taken into account by all price comparison tools, irrespective of the model adopted.

² independence of the tool, transparency, exhaustiveness, clarity and comprehensibility, correctness and accuracy, user-friendliness, accessibility, background information

2. Current situation

2.1. Methodology

Eleven NRAs³ provided information on either a price comparison tool run by the NRA (or in one case in cooperation with the NRA) or on private price comparison websites (PCW) implemented in their country. One case study⁴ also provided information on the PCW run by a consumer organisation.

Summaries of these case studies are available in an accompanying document (C11-CEM-45-05a).

2.2. Overview of case studies and key findings

Most of the NRAs for which information has been provided offer price comparison tools. In the majority of cases, the NRA-run website co-exists with privately-run price comparison tools. However, there are countries such as Germany, the Netherlands and Great Britain, where only private price comparison tools are available. These are funded through a fee paid by the new supplier when a switch takes place over the website. However, this does not mean that there is no regulatory oversight, in the sense of having some kind of supervision or monitoring of the privately-run price comparison tools.

If price comparison sites are privately-owned, quality is sometimes accredited by a voluntary *code of conduct*. This code is often administered and accredited by consumer bodies – sometimes in consultation with the NRA - to ensure the quality of the private price comparison websites. The voluntary code of conduct sets out minimum requirements that the switching site must meet in order to be, and remain, accredited. For example, requirements with regard to the provision of correct and accurate information by switching sites are contained in these codes. Switching sites must use all reasonable endeavours to meet the terms of these requirements and it is therefore their responsibility to manage the relationship with suppliers. Compliance by switching sites with the requirements of the Code is independently audited on a regular basis.

Some countries go beyond voluntary codes of conduct and set minimum requirements for price comparison tools. However, other countries choose not to regulate the private initiatives. Even though sometimes no regulation exists, this does not mean that price comparison websites cannot be transparent. In some countries, transparency is ensured through the NRA's annual reports, where the publication of different practices leads to consistent calculation methods and standards by evaluating “good” and “bad” sites.

³ Austria, Belgium (Flanders region), France, Germany, UK (Great Britain), Italy, the Netherlands, Portugal, Slovenia, Spain and Sweden

⁴ delivered by the Portuguese NRA

Experience in some countries where no regulation and even no monitoring by the NRA exists has shown that there is often a self-regulatory mechanism, meaning that suppliers control each other's data and providers try to keep the comparison website as transparent as possible by refusing unclear, non-transparent tariffs.

The case studies and an internal technical workshop have shown the existence of several types of implementation that could serve as best practice and could also be used by other providers and NRAs. The case studies have shown the importance of helping the customer use the tool. One barrier for the customer to use the tool could be that he/she has to enter his/her yearly consumption in kWh to get to a result. This information is hardly known to a vast majority of customers. Internal research by several NRAs, for example France and Austria, has shown that it is basically the yearly cost of energy that is known to the customer. In one of the case studies, an NRA picks this issue up and helps the customer calculate his/her approximate consumption in kWh by entering the amount of the last annual or monthly bill.

All tool providers - either private or public - offer some help through information boxes, hotline service, fax, mail, etc. Some also take into account the special needs of handicapped users.

It might also make sense to show the savings or additional costs when switching to a certain supplier on the price comparison site. So far, this is only implemented in the price comparison tool of one NRA. Showing savings and additional costs in the individual switching case makes the information provided more concrete and can help support the decision to finally make a switch.

The existence of different types of contracts, e.g. fixed versus floating tariff-contracts, makes providing clear and objective information on which the customer can base his/her decisions, very complex. Price comparison tools should therefore clearly distinguish between different types of contracts, to avoid customers switching to a new product or contract which does not meet their expectations or preferences.

One NRA provides as an additional service informing customer by mail 75 days in advance of the expiration of his/her contract. The NRA implemented this service as a result of the experience that customers mostly visit the price comparison site while they are bound to a contract. To avoid that by the time of expiration their contract is automatically renewed, the NRA-provided service acts as a reminder for the customer to consider switching.

When the price comparison tool is offered and funded by the NRA, it is mostly the supplier that is responsible for the correctness of the price data on the tool. The NRA itself is responsible for all network data. The tool is often in line with the NRAs' homepage, in the sense that it adopts the look and feel of the NRA website or it is integrated into this website.

Almost all of the price comparison tools in the case studies offer information on product details, such as the type of contract and method of payment. Most of the eleven countries taken into consideration also split up the total price into its components.

3. Draft advice

The case studies, as well as the internal technical workshop, have shown that basically eight aspects should be considered when offering a price comparison tool:

- Independence of the tool;
- Transparency;
- Exhaustiveness;
- Clarity and comprehensibility;
- Correctness and accuracy;
- User-friendliness;
- Accessibility; and
- Background information.

These aspects are considered in more detail in the section below. Recommendations are stated on which CEER would like to have the stakeholders' opinion.

Independence of the tool

As the first goal of price comparison tools (PCT) is to inform and empower the customer, and customers do not want to be misled, independence is a primary concern.

CEER does not advocate a particular model.

CEER considers price comparison tools offered and run by the NRA as always independent.

CEER believes that a price comparison tool that is financed by fees paid by the supplier to the provider of the tool can be independent. Private price comparison tools are often funded through a fee paid by the new supplier when a switch takes place over the website.

However, it must be ensured that the information provided to the customer reflects a complete picture of the market and that this information is presented in a consistent way. No discrimination between suppliers' offers and prices should be made.

To ensure neutrality in the functioning of privately-run price comparison tool, we see in certain Members States a regulatory oversight of privately-run price comparison tools. Sometimes quality is ensured by a voluntary *code of conduct*. This code is often administered and accredited by consumer bodies in consultation with the NRA to ensure the quality of the private price comparison websites. The voluntary code of conduct sets out minimum requirements that the switching site must meet in order to be, and remain, accredited. For example, requirements with regard to the provision of correct and accurate information by switching sites are contained in these codes. Switching sites must use all reasonable endeavours to meet the terms of these requirements and it is therefore their responsibility to manage the relationship with suppliers. Compliance by switching sites with the requirements of the code is independently audited on a regular basis. Two countries set minimum requirements for price comparison tools.

However, some countries choose not to regulate the private initiatives. Although no regulation exists, this does not mean that price comparison websites cannot be transparent. In some countries, transparency is ensured through the NRA's annual reports where the publication of different practices led to consistent calculation methods and standards by evaluating "good" and "bad" sites.

The aim of any price comparison tool should be to inform the customer in a neutral manner. All information must be shown in a consistent, non-discriminatory way. All energy suppliers should be given the possibility to provide information through a price comparison tool if they so desire.

- 1. Any price comparison tool should be independent, giving the user a non-discriminatory overview of the market. The provider of a price comparison tool should show all information in a consistent way.**

Agree
Not agree

Comment box

- 2. A) Regulatory oversight of privately-run price comparison tools is important to bolster confidence of the customers. This should be the responsibility of the NRA or another public authority.**

Agree
Not agree

Comment box

- 2. B) Alternatively, this could be left to self-regulation by the industry through instruments such as a voluntary code of conduct.**

Agree
Not agree

Comment box

Transparency

Transparency means that for customers looking for this information, price comparison websites should disclose their way of operation, their funding and their shareholders/owners, so users of the website/tool know who is providing them with information and in what way this information has been gathered.

- 3. Price comparison websites should disclose the way they operate, their funding and their owners/shareholders, in order to provide the customer with transparent information on the impartiality of their advice.**

Agree

Not agree

Comment box

Exhaustiveness

A price comparison tool is only useful to the customer if its goal is to be exhaustive, meaning that all relevant offers to the customer should be shown in the information available. The goal of exhaustiveness poses a number of challenges, however.

First, there is a link and possible conflict between exhaustiveness and comparability. If the number of offers shown is too extensive, this could confuse rather than help the customer. In some countries, e.g. Sweden, the number of suppliers and contracts is such that filtering of the results seems an inevitable step to be able to provide useful information to the customer. This can be done by letting the user of the price comparison tool make a number of preliminary choices, that reflect his or her expectations and preferences. The results of the price comparison can then be limited to the contract types that match these preferences. In some circumstances, such as countries that have too many suppliers and/or products on the market to be presented in a clear way so that exhaustiveness cannot be ensured without confusing the customer, it should clearly and prominently be made clear that the price comparison website is not exhaustive and which kind of selectivity is used in displaying results.

It can be a choice of a price comparison tool not to include all offers for reasons of clarity. Also, refusal of collaboration by energy suppliers can make exhaustiveness unattainable. CEER feels that in any case, the degree of exhaustiveness provided by the price comparison tool should be clearly mentioned to the user of the tool before showing the results of the comparison.

In most countries, there is no legal obligation to submit the relevant data to the database of the price comparison tools. Suppliers should therefore be encouraged to provide data. In many countries, there is no problem with voluntary participation of suppliers. Many providers experienced that suppliers motivate each other to provide data. Experience shows that suppliers check each other's data and name and shame competitors if they provide wrong and/or incomplete data. If a supplier does not provide data on its own and the tool is run by the NRA, the NRA is often able to use data received through its monitoring devices. However, CEER feels that participation of energy suppliers should ideally be ensured through the legislative framework.

In countries where the number of suppliers and contracts permits, the first step in presenting the results of the price comparison tool should be to show products available to the totality of customers, after which the user can tailor his/her request by entering further details. This allows for a complete overview of all available products and gives the user the chance to refine his/her search.

- 4. When possible, all prices and products available for the totality of customers, if relevant to the customer, should be shown as a first step. However, if the presented information cannot give a complete overview of the market, the price comparison tool should clearly state this before showing the results of the price comparison. Filtering of results should be offered to the customer to select the offerings corresponding with his or her preferences.**

Agree
Not agree

Comment box

Price comparison websites should offer all relevant information that could be important for a customer's decision on the choice of an energy supplier and/or contract. However, the customer should also be given the chance to set an easy and transparent overview. CEER is therefore of the opinion that the first results of the price comparison tool should be given quickly and at a general level. However, the customer should have the possibility to further tailor his/her request to receive more detailed and/or more personalised information.

It is possible that privately-owned sites take into account different default values than NRA-owned sites. CEER feels it is important to help the customer as much as possible in determining his/her yearly consumption. If default values are still used, it is preferable that within one Member State there is a standard practice on this, not to confuse the customer that compares the results of different price comparison websites. This can be included in the legislation, regulatory framework or in a code of conduct.

- 5. The customer should be able to tailor a request by entering specific data, if the customer wishes to include individual components (not applicable for the totality of customers) into the comparison.**

Agree
Not agree

Comment box

Clarity and comprehensibility

Consistency in the way information is presented when using the price comparison tool is crucial. The ranking of the different offers should be logical (e.g. from lowest to highest price, alphabetically, etc.) and information should be presented in a uniform way. The provider of a price comparison tool should e.g. not be allowed to take into account special rebates of a certain supplier while not showing comparable information on the offers of competitors.

As most household and small business customers receive (at least) one yearly bill, the price comparison tool should be able to provide information about total costs on a yearly basis. The period of comparison should always be 12 months, unless the customer deliberately chooses a different reference period. Total costs are the most important issue in customer perceptions. This is why they should always be shown as a first step. However, it is important to indicate clearly to the user of the price comparison tool that all costs shown in the comparison are estimations. Even if historical consumption data is provided by the customer and up to date pricing and tariff information is used for the price comparison, actual costs in the current period will differ due to changing consumption, lifestyle patterns, etc. Also, floating tariff contracts inherently do not allow to accurately predict future price changes. In most cases, the most recent known price information is used as a basis for calculating the estimated costs for the current period. This often confuses customers and can cause frustration.

- 6. Costs resulting from the price comparison should always be presented on the primary output screen in a way that is clearly understood by the majority of customers, such as total cost on a yearly basis or on the basis of the unit kWh-price. However, it is also very important to indicate clearly that prices shown as a total cost are an estimate, as they are based on historic consumption and – in the case of floating tariff products – unit prices that are susceptible to change during the contract.**

Agree

Not agree

Comment box

Additional information on products and services can highly influence a customer's choice of switching supplier. Customers' preferences can be very different, meaning that an aspect important to one customer can be completely unimportant or secondary to another customer. The aim is therefore not only to focus on costs or prices, but also to provide additional information on the products offered, such as the energy mix. This additional information can give customers an incentive to become active market participants and to come to a self-determined decision as preferences might vary between customers. Information on the energy mix (relevant for the contract), type and duration of the contract, method and frequency of payment should be included in the information provided on the first output screen. To ensure transparency and allow the customer to compare prices in detail, all price components have to be shown if the customer so desires in a second step.

CEER emphasises that suppliers should ideally have the possibility to inform of additional services and product characteristics which are not accounted for in the calculation itself. Additional services might be a criterion for the customers' choice and therefore have to be shown but cannot be included in the calculation as they cannot be measured in monetary terms. Even though this information seems to be of utmost importance, in order to make the first output screen as easy to understand as possible, information beyond estimated yearly cost, the energy mix relevant for the contract (at least the overall fuel mix of the supplier, according to the provisions of the 3rd Package), type of contract, method and frequency of payment should not be shown on the comparison page but on a separate page offering details on the product. If quality of service data is available and made public, this can also be included on a separate page.

If fixed and floating tariff products co-exist, the customer should be able to differentiate clearly and easily between them. Fundamental differences in product characteristics should be clearly highlighted. It should always be ensured that the customer can get the best possible and complete comparison

- 7. Fundamental characteristics of all products – such as fixed tariff products versus floating price products - should be presented on the first page of the result screen. This differentiation should be easily visible to the customer.**

Agree
Not agree

Comment box

- 8. The price comparison tool should offer additional information on products and services. This information should be available with additional details on a separate page so the customer has the choice to look at this information or not.**

Agree
Not agree

Comment box

In markets where regulated and non-regulated prices co-exist, the price comparison tool should guarantee that the customer easily perceives what kind of product he/she is informed about. This means that the kind of price scheme needs to be clearly highlighted.

- 9. If regulated prices exist, they have to be highlighted visibly in the default presentation of the price comparison tool.**

Agree
Not agree

Comment box

Correctness and Accuracy

The question of responsibility for the correctness of the data is a challenge in many cases. If the tool is provided by the NRA, it is mostly the NRA that is responsible for checking and updating the data.

A voluntary code of conduct might be an efficient way to ensure correctness and accuracy, by setting minimum requirements that privately-run switching sites must meet in order to be and

remain accredited. This means that switching sites must use all reasonable endeavors to meet the terms of these requirements.

The experience in many countries has led to the conclusion that there is often a self-regulating mechanism, meaning that companies check each other's data and inform the provider or NRA if the data is not correct or transparent.

Volatility in wholesale pricing and changing business strategies means that some suppliers often change prices and rebates. The price comparison tool should only display up-to-date prices and cost information to guarantee the correctness and completeness of the information.

In most cases where price comparison tools are run by the NRA, it is the NRA that is responsible for updating the data on network tariffs. There exists a potential risk for mistakes as the complexity of tariff structures increases.

If an energy supplier announces it will change the price at a future date, there should be a note or signal on the result screen that this supplier is going to change its price in the near future. An alternative can be that the customer is informed about the expiration date of the current offer shown on the website. In any case, any planned price changes must be clearly and easily visible for the customer.

10. Price information used in the comparison should be updated as often as necessary to correctly reflect prices available on the market.

Agree
Not agree

Comment box

User-friendliness

The information that must be provided by the customer to the price comparison tool should be kept to a minimum. On the one hand, internal research has shown that customers rarely know their exact yearly consumption or they do not have the information needed at hand. Helping customers get out of this dilemma could be done by offering default consumption patterns when doing a comparison. This means that either a default consumption value for all customers could be used or the customer could enter the size of the apartment or house or the number of people living there. Alternatively, when the customer knows the amount of his/her previous bill, an application calculating the approximate consumption when the customer enters the amount of the bill makes sense. This helps the customer when filling out the relevant boxes on the website. Even when the customer does not know his/her real consumption values, he/she is able to reach a result by accepting the default values. A default value usually relates to consumption and/or price data.

Also there must be clear information boxes which help the customer use the tool. As not everybody is familiar with the Internet, there should also be at least one additional source of information free of charge, such as a hotline, fax or mail service.

Customers have different information on and knowledge of energy markets. CEER considers that some help must be provided through instructions or explanations for using the tool. This can be offered via a static information box, for example. Phone help lines can also be a very good way of assisting customers.

In any case, there should be as few steps as possible for the customer to get to a result. This means that there should not be too much information requested before the customer gets the results. The basic information necessary for getting a result are postal code, tariff type for electricity and gas consumption.

11. The user should be offered help through default consumption patterns or – preferably - a tool that calculates the approximate consumption, based on the amount of the last bill or on the basis of other information available to the user.

Agree
Not agree

Comment box

Accessibility

In addition to the use of a price comparison tool on the Internet, which should be free of charge, there must be at least one alternative way of getting a price comparison result for customers without Internet access. This additional information channel has to be free of charge or at least be limited to a minimal cost (for example local telephone tariff). Access to communication channels other than the Internet is especially important for disabled and vulnerable customers. These could include a fax, post or a phone hotline service.

12. At least one additional communication channel (other than the Internet) for getting a price comparison should be provided free of charge or at minimal cost.

Agree
Not agree

Comment box

All publicly relevant web content and therefore also price comparison tools should be easily accessible to all customers. When designing the tool, technologies that make usage difficult or even impossible for certain customer groups should be avoided. Accessibility should be maximised by applying the Web Content Accessibility Guidelines (WCAG)⁵. These Guidelines have been developed by the World Wide Web Consortium (W3C) for the accessibility of web contents. To ensure easy accessibility for all customers, including those who suffer from disabilities, the most important content should always be imbedded in the website. The complete guidelines on Web Content Accessibility can be found here: <http://www.w3.org/TR/WCAG/>

It is reasonable to expect that the computer used by the customer will be equipped with the standard software that allows access to general websites. To ensure that there are no barriers to overcome before being able to use the price comparison tool and access the information, no installation of any specific or extra software, nor frequent updates of the software to use the price comparison tool, should be necessary. This helps to reach as many customers as possible. Of course, this does not necessarily mean that the PCW must be accessible with any kind of software.

13. Online price comparison tools should be implemented in line with the Web Accessibility Guidelines (WCAG) and should ensure that there are no barriers to overcome to access the comparison.

Agree
Not agree

Comment box

To make publicly-funded price comparison tools widely known, it is very valuable to promote the accredited price comparison website through government agencies involved in customer information and/or protection and on government websites (also of local governments). Whenever the NRA makes information public regarding switching, a reference should be made to the accredited price comparison tool as a useful instrument. In order to further promote the use of price comparison tools, promotion of the tool through social media seems appropriate. Some NRAs present their tool at workshops and advertise it. This can be a valuable addition to promoting the price comparison tool through traditional public information channels and through the single point of contact for customer information.

⁵ More information on the Web Content Accessibility Guidelines can be found here: <http://www.w3.org/WAI/intro/wcag>

14. The use of social media and cooperation with other (public) agencies involved in customer information and/or protection should help make the NRA-run price comparison tool widely known.

Agree
Not agree

Comment box

Background information

It is important to recognise that information on prices and costs may not be sufficient to empower customers. Often, customers are unsure of how to switch, contractual issues, etc. Background information on market functioning and market issues can help customers to become active market participants and come to a self-determined decision, as preferences might vary between customers.

This information should ideally also be shown by the price comparison website even though it might not be directly relevant for the cost comparison itself. This does not mean that this information should necessarily be incorporated into the price comparison.

Information on NRA and privately-run price comparison tools should therefore not only relate to the products offered, but for example also to information on market functioning (how to switch), or price developments and historical data. It might also be interesting to offer general information about the functioning of liberalised energy markets and the switching process.

15. Background information on market functioning and market issues such as price developments should be provided if the customer wants this information.

Agree
Not agree

Comment box

The providers of price comparison tools should aim at providing added value for customers. A good practice is to offer additional services on request. For example, as customers are often bound by a fixed term contract when using the price comparison tool, the NRA or any other provider could offer the possibility of a reminder two (or different if relevant) months before the renewal date of the contract.

16. A good practice is to offer additional services on request, such as a “reminder” if the customer is bound by a contract when doing the price comparison, if the customer chooses to receive this.

Agree
Not agree

Comment box

4. Concluding remarks and further outlook

At the 3rd Citizens' Energy Forum in 2010, the European Commission concluded that easy access to neutral, objective information is crucial for the further development of the European energy markets. It was stated that price comparison websites can be seen as one of the most important tools to help empower customers and ensure active participation and self-determined decisions in the energy markets.

CEER believes that there are several ways of implementing well-functioning, independent price comparison tools that empower customers and help them to become active participants in liberalised electricity and gas markets. However, experience in Member States shows that some criteria, namely independence of the tool, exhaustiveness, transparency, correctness and accuracy, user-friendliness, accessibility and background information should be fulfilled. To develop Guidelines of Good Practice on price comparison tools, CEER is launching this public consultation and hopes to receive stakeholders' input on this issue.

At the 4th London Forum on 26-27 October 2011, CEER will present the Draft Advice. In the fourth quarter of 2011, the draft advice will also be the subject of a public consultation process.

After concluding this consultation process, a hearing will be organised to discuss the input from stakeholders, probably in the first quarter of 2012. Based on this input, CEER will then develop Guidelines of Good Practice on Price Comparison Tools.

Annex 1 – Case studies

Summaries of the eleven case studies provided by NRAs are available in an accompanying document (C11-CEM-45-05a).

Annex 2 – CEER

The Council of European Energy Regulators (CEER) is the voice of Europe's national regulators of electricity and gas at EU and international level. Through CEER, a not-for-profit association, the national regulators cooperate and exchange best practice. A key objective of CEER is to facilitate the creation of a single, competitive, efficient and sustainable EU internal energy market that works in the public interest.

CEER works closely with (and supports) the [Agency for the Cooperation of Energy Regulators \(ACER\)](#). ACER, which has its seat in Ljubljana, is an EU Agency with its own staff and resources. CEER, based in Brussels, deals with many complementary (and not overlapping) issues to ACER's work such as international issues, smart grids, sustainability and customer issues.

The work of CEER is structured according to a number of working groups and task forces, composed of staff members of the national energy regulatory authorities, and supported by the CEER Secretariat.

This report was prepared by the Customer Empowerment Task Force of CEER Retail Market and Customer Working Group.

Annex 3 – List of abbreviations

Term	Definition
CEER	Council of European Energy Regulators
EC	European Commission
ERGEG	European Regulators Group for Electricity and Gas
EU	European Union
GGP	Guidelines of Good Practice
NRA	National Regulatory Authority
PCT	Price Comparison Tools
PCW	Price Comparison Websites
RMC WG	Retail Market and Customer Working Group
WAG	Web Content Accessibility Guidelines
WG	Working Group