

Paris, 1st December 2009

## **ERGEG Public Consultation on Customer Complaint Handling**

### **EDF observations**

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*EDF welcomes the opportunity given by ERGEG to comment on customer complaint handling.*

*Regarding Consumer Issues in general, EDF welcomes the provisions provided by the second and third Energy Packages. Furthermore, EDF supports the constructive work started by the Citizens' Energy Forum (London Forum) in this field. Due to the various situations in the Member States, it is valuable to gather and analyse information within a subsidiarity framework in order to share good practices.*

*EDF welcomes this pragmatic approach. Seeking harmonization should not necessarily lead to restrictive approaches. Efforts should concentrate on trying to put an end to major discrepancies of treatment for consumers.*

*Regarding this specific consultation, EDF has expressed its position on matters specifically referred to the suppliers.*

*Nevertheless, it has also chosen to give an opinion on some questions designed for mediators when it had a particular opinion to express on these matters.*

**Recommendation 1:**

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

**Comments from EDF**

EDF agrees with this recommendation, which is already compulsory in France.

**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 EDF**

EDF agrees with this objective, which is already compulsory in France.

**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 EDF**

EDF agrees with this objective.

However, EDF wishes to underline that the principle of a general access to a face to face contact, allowing people to submit their complaint in person, implies a great number of contact points. Such an obligation could be considered as a barrier to entry in the market.

**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 EDF**

EDF agrees with the principle of Statutory complaint handling standards and the need to inform consumers about the stage their complaints have reached.

In this respect, EDF agrees with the goal of giving consumers, within a reasonable period of time, elements on the treatment of their complaint.

EDF also agrees with the principle of a maximum period of treatment of complaints by the supplier of two months.

Concerning common classification, EDF agrees with the objective but underlines that a common (*i.e.*, a general) classification of complaints can be irrelevant in some specific cases.

**Recommendation 5:**

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

**Comments from EDF**

From our point of view, customers must be financially compensated for expenses or costs attributable to the specific fault of the supplier.

This obligation – implying a precise definition of applicable rules - could be imposed on all suppliers.

EDF is however not in favour of regulating « goodwill gestures » that suppliers are free to give independently of the compensation itself.

These « goodwill gestures » must remain in the supplier's arms, as a commercial tool.

**Recommendation 6:**

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

**Comments from EDF**

The EDF's opinion is that the Ombudsman's recommendations must remain recommendations and non compulsory to the parties.

If customers want the process of their complaints to lead to binding decisions for the supplier, they can address a court of justice.

These two forms of dispute resolution processes are different and must remain different: Ombudsman with recommendations, Judge with compulsory decisions.

**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 EDF**

NRA must have access to data related to their legal scope of action.

From this perspective, EDF supports the transmission to NRAs of data related to complaints when linked to their legal scope of action, for instance, market functioning.

**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 EDF**

EDF supports the principle of a single point of contact to deliver informations to consumers.

However, pursuing the objective of clearer separation of responsibilities between information and handling of complaints, EDF believes this information single point of contact should be different from the body in charge of handling complaints.

In France, for instance, there is a site devoted to information ([www.energie-info.fr](http://www.energie-info.fr)). This site is specific and differs from the one of the Energy Ombudsman ([www.energie-mediateur.fr/](http://www.energie-mediateur.fr/)).

**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 EDF**

EDF agrees with this recommendation and underlines its importance.

In case of disagreement or dispute, the customer must first contact its supplier, because he is the nearer and the more capable of solving the problem, but customers can naturally ask a Third body for information.

If no agreement can be found at this stage, the consumer must be able to request arbitration by a third party.

**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 EDF**

No comments from EDF.

**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 EDF**

The free access to arbitration proceedings should be provided to consumers.

However, these procedures have a cost that should be fairly charged to the various actors of the system.

**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 EDF**

As already written when commenting recommendation 4, EDF agrees with the principle of Statutory complaint handling standards and the need to inform consumers about the stage of the procedure they have launched.

Concerning the classification issue, EDF understands that Third party bodies want a common classification system of complaints and have no special opinion on this specific issue.

However, EDF mentions that the objectives of such a classification will be closely linked to the status of Third party bodies and could be inappropriate for suppliers or some specific cases.

**Recommendation 13:**

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

**Comments from EDF**

As explained in remarks on recommendation 5, EDF thinks that the use of « goodwill » gesture must be the choice of suppliers.

**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 EDF**

No comments from EDF.

**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 EDF**

EDF agrees with this recommendation, provided that no confidential informations are disclosed.

Therefore, EDF does not agree with the inclusion of the name of service providers which have not followed the ADR Board Recommendations. This sort of pillorying is inconsistent with the conciliation effort that must guide the Third Party.

**4. Complaint classification : comments from EDF**

Suppliers are generally the main contact of the customer, even for complaints related to grid connection, metering and quality of supply.

To be effective, a complaint classification must be customer-and supplier-oriented. Its purpose is to identify customer needs and ways of improvement for the supplier. A complaint classification designed to identify market failures and imposed to suppliers could prove inadequate to achieve this primary objective.

You will find hereunder, as an exemple, the categories currently used by EDF in its first level of classification ; these categories could change following the evolution of complaints, as there is not such a thing as a universal classification. A fixed and too rigid classification could be counter-productive to evaluate and help solve customer complaints.

- RELEVÉ (METERING AND REPORTING)
- FACTURATION (BILLING)
- QUALITÉ DE FOURNITURE & RESEAUX (QUALITY OF SUPPLY & NETWORKS)
- RECOUVREMENT (RECOVERING & PAYMENT)
- CONTRAT (CONTRACTS)
- ACCUEIL (CONTACT & RELATIONSHIPS)
- CONSEIL ET SERVICE (ADVICE AND SERVICES)
- RELATIONS AVEC LE DISTRIBUTEUR (RELATION WITH THE DSO)