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AMG/nh

**Subject: Response to ERGEG consultation on complaint handling**

Dear Mrs. Geitona,

EURELECTRIC is pleased to have the opportunity to respond to the consultation on complaint handling, reporting and classification. Proper complaint handling assist customers to benefit from the competitive market, which contributes to making retail markets function better, one of EURELECTRIC's core objectives.

EURELECTRIC believes that customer's choice and therefore the ability to switch supplier is the best incentive for suppliers to correctly serve their customers. It is also the best guarantee for customers to get customized offers and a "correct" after sales service. In this light the suggested statutory complaint handling standards, to be shared by all service providers, should not hamper the successful development of competitive retail markets.

While the advice refers to service provider, in order to cover both suppliers and DSOs (where appropriate), our comments reflect primarily the views of the electricity suppliers, who in most national markets and customer interactions have primary responsibility for the relationship with the end user.

Furthermore our comments are focused on the household sector. We recognise however that some of the recommendations are equally relevant to customers in other parts of the market, in particular small & medium size enterprises.

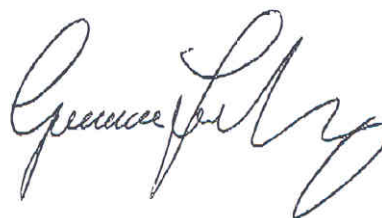
Our response considers each of the individual recommendations in detail, explaining our thinking on specific points. We see no problems in placing our response on the ERGEG website.

We hope that this contribution will prove useful for the ERGEG advice on customer complaint handling, reporting and classification and are at your disposal for any further information/clarification you might need.

With best regards,



Roel Kaljee  
WG Retail Markets Chairman



Gunnar Lundberg  
Markets Committee Chairman

## **EURELECTRIC Response to ERGEG consultation on complaint handling**

### **Recommendations to service providers**

#### **3.1.1. Information on the bill on how to complain**

##### Recommendation 1:

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

##### 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.

##### **Comments:**

EURELECTRIC agrees that appropriate information should be made available to the customers with respect to complaint handling. As a first step, the complaint should be forwarded to the service provider's customer service. In the situation when the customer service is unable to provide proper remedy, the next step is that the complaint should then be escalated to a relevant third party body. Only for this case, the contact information of the relevant third party body is provided (and not initially on the bill).

For the purpose of meaningful statistical assessment of service provider's performance, emphasis should be placed only on those contacts where the service provider has had the opportunity to deal with the matter regarding which the contact is made.

#### **3.1.2. Choice of the complaint channel within service provider**

##### 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:**

EURELECTRIC believes that the customer should have a choice of different channels to submit a complaint to a service provider, at least in writing, but preferably also by telephone and internet.

#### **3.1.3. Statutory complaint handling standards shared by all 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.

##### **Comments:**

EURELECTRIC supports improvement of customer's confidence, where possible. These standards should however not go beyond the status of minimum requirements, as to give suppliers room for competition on service levels.

### **3.1.4. Service providers' redress schemes**

#### Recommendation 5:

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

#### **Comments:**

EURELECTRIC believes that redress schemes should not be over-prescriptive in terms of the provision of compensation. Service providers' complaint schemes should provide for redress to cover a quantified loss, i.e based on wrong meter readings. It should be left to the supplier's flexibility to award further compensations as part of supply conditions.

### **3.1.5. Compliance with alternative dispute settlement body's recommendations**

#### Recommendation 6:

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

#### **Comments:**

EURELECTRIC insists that parties who accept mediation in an attempt to settle a dispute should not subsequently be prevented from initiating judicial proceedings or arbitration in relation to that dispute by the expiry of limitation or prescription periods during the mediation process.

### **3.1.6. Complaint data collection by NRA**

#### 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:**

EURELECTRIC agrees that service providers should have reasonable and proportionate data\*) on customer complaints available for regulators, while the costs for this administrative task should be taken into account.

The data and the way of collecting this data should be as simple as possible and standardized to avoid expensive interventions in IT-systems.

\*) In many countries strict regulation concerning handling of a customer's personal data is in place. Therefore it's necessary to consider to what extent and in which form it is possible for service providers to give access to this data without violating customer privacy.

## **Recommendations to third party bodies (alternative dispute settlement boards, ombudsmen, consumer bodies...)**

### **3.2.1. Single point of contact**

#### 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:**

EURELECTRIC supports transparent information available as for consumers to make their choice and have confidence in market functioning. We therefore welcome, on a voluntary basis, this recommendation which is already captured in the Commission's initiative entitled «Consumer checklist».

### **3.2.2. Prior contact with the service provider**

#### 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.

#### **Comments:**

EURELECTRIC is convinced that such a recommendation should always apply (see comments on recommendation 2).

### **3.2.3. Choice of the complaint channel**

#### 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:**

No specific comments.

### **3.2.4. Free access for all customers**

#### 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:**

No specific comments.

### **3.2.5. Statutory complaint handling standards within third party bodies**

#### Recommendation 12:

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

#### **Comments:**

No specific comments.

### **3.2.6. Financial compensation to customers**

#### Recommendation 13:

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

#### **Comments:**

EURELECTRIC believes that the possibility of compensation should be left to the supplier as part of supply conditions. A set of minimum standards could apply. See also our remarks on recommendation 5.

However EURELECTRIC warns against any widespread scheme of fixed compensation amounts, which will just encourage a complaint or compensation culture.

### **3.2.7. Complaint data collection by NRAs**

#### 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:**

As stated in our comments to recommendation 7, costs and administrative workload should be reasonable.

### **3.2.8. Complaint data publication**

#### 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: [...]. The frequency of reporting should be at least once per year.

#### **Comments:**

No specific comments.

### 3.2.9. Complaints monitoring & indicators

#### Comments:

EURELECTRIC is not convinced that an approach independent of market model (e.g. supplier versus network operator's model) and market characteristics (regulated versus market prices, different levels of public service obligations, ...) is feasible. Inter company and inter country comparisons creates a risk to focus on some quantitative results (number of complaints... ), which are not representative for the service quality and functioning of companies or markets. The proposed approach (complaint data collection by NRA and complaint data publication) should in general be pragmatic and proportionate. Therefore EURELECTRIC sees the need for a clear and consistent definition on the complaints to be reported, clarifying not only the complaint, but also if it is appropriate. Also the reporting framework should be consistent and standardized. A specific focus on complaints dealt with by the third party body (service provider is not able to respond to customers request) would be favoured.