



Le médiateur
national
de l'énergie

ERGEG Public consultation

Draft advice on customer complaint handling, reporting and classification

Le médiateur national de l'énergie's contribution

November 30th 2009

The national energy ombudsman (Le médiateur national de l'énergie - MNE) is an independent French administrative authority. It is responsible for recommending solutions to disputes relating to the performance of contracts for the supply of electricity or natural gas, and taking part in campaigns to inform consumers about their rights.

The field of jurisdiction of the national energy ombudsman is strictly regulated by the law of December 7th 2006 regarding the energy sector.

The ombudsman's recommendations are communicated in writing to the service providers concerned by the dispute, who are free to follow the ombudsman's opinion or not.

The MNE welcomes ERGEG's initiative to contribute to reinforce consumer protection through its recommendations and supports the fifteen ERGEG's recommendations. Our remarks on each recommendation are detailed here after.

Recommendation 1 :

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

MNE's comments:

In France, these informations have already been made compulsory by the ministerial order of July 2nd 2007 on the customers'energy bills.

Recommendation 2 :

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

MNE's comments:

In France, the energy suppliers must mention the MNE's internet site address on their bills. It has been made compulsory by the ministerial order of July 2nd 2007 on the customers'energy bills.

The MNE considers that service providers bills should also mention that the MNE is independent, precise its field of jurisdiction and its address and phone number. This information should be standardized (size, format, location on the bill etc).

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.

MNE's comments:

Customers should be allowed to complain at least by phone, mail or email. A physical point of contact is not easy to set up for the smallest service providers, for which the cost could be prohibitive.

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 case 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 settlement bodies, with the first acknowledgment of the complaint.
- Lead time for a service provider to deal with a complaint :
 - o A prompt first answer or acknowledgment ;
 - o 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.

MNE's comments:

Independent energy ombudsmen are also well placed to set up complaint handling standards.

These standards should include the maximum number of levels of appeal of service providers (not more than two). Indeed, a too large number of levels of appeal can dissuade consumers to assert their rights.

Customers should be informed of the existence of an alternative independent settlement body by the acknowledgment of receipt of their complaints.

If a complaint has not been resolved within 1 day, even if it has been submitted by phone, the service provider should send a written first answer or acknowledgement describing its redress schemes and its complaint handling procedures.

Each complaint should be given a written answer by the service provider, event if it has been resolved within 1 day and by phone

Final answer to a complaint should be given within one month. We consider that the maximum delay of two months for the first answer recommended by the ERGEG is too long for the customers.

Recommendation 5 :

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

MNE's comments:

Minimum required compensation for each defined case should be fixed. NRA and independent alternative dispute bodies are the best placed to define the standards.

Recommendation 6 :

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

MNE's comments:

Nothing to report

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.

MNE's comments:

If the service providers know that the regulators can access to their customer complaints data, there is a risk of loss of reliability of the data.

As long as complaints handling standards won't be enforced, it won't be relevant to compare the different service providers especially since the distinction between a customer inquiry and a customer complaint can be different from one service provider to another.

Recommendation 8 :

A single point of contact should deliver, in every country, free information and advice on consumer issues.[...]

MNE's comments:

This single point of contact exists in France. Energie-Info Customer information service has been set up by CRE and MNE and handles energy customers' inquiries and complaints. It is available by phone, email or written mail.

The MNE considers that the whole coordinates of this service should be mentioned on the service providers' bills (cf. recommendation 2).

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.

MNE's comments:

In France, customers can appeal to the ombudsman two months after their service provider has received their written complaint, even if it has not answered. It is crucial that customer can appeal the ombudsman after a definite period of time (eg 2 months), regardless the complaint being answered or not by the service provider.

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.

MNE's comments:

In France, law provides that a written document is compulsory to appeal to the MNE. However, the single point of contact Energie-Info enables the consumers to contact the ombudsman by phone.

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.

MNE's comments:

In France, the ombudsman can be contacted by mail sent with an unstamped envelope. The calls to Energie-Info are charged at the price of local calls.

Recommendation 12

Regarding third party bodies, the following complaint handling standards should be effective in accordance with the above-mentioned Commission Recommendation and with the 3rd 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 the complaint to the service provider(s) before coming to a decision/recommendation;
- A prompt first answer or acknowledgment 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.

MNE's comments:

Except for the classification of complaints, the other items of the recommendation are provided by the French law. The national energy ombudsman must write his recommendations within two months.

Recommendation 13 :

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

MNE's comments:

The third party body should contribute to define the compensations standards (cf. recommendation 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.

MNE's comments:

NRA are not always the best placed to analyze data on complaints in the countries where independent energy ombudsmen exist, and handle customers complaints.

Recommendation 15 :

The NRA or another third 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 ;
- Proposal of best practices that could be followed by suppliers in their complaint handling process ;
- A list a 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.

MNE's comments:

The MNE informs the ERGEG members that it publishes all its recommendations. Its annual report contains information on the most frequent categories of complaints and the classification of the service providers regarding the number of complaints handled by the ombudsman.

Concerning the proposal of Consumer complaints classification, the MNE drives the ERGEG's attention on the possible complexity to classify certain complaints. Indeed, some of the energy specific categories can be the consequence of other categories, which can complicate the choice. For example, an incorrect invoice can be the consequence of a metering problem. An unwished switch can result of unfair commercial practices.

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