

ERSE RECOMMENDATION N. 1/2017

ADDITIONAL SERVICES OFFERED BY ELECTRICITY AND NATURAL GAS SUPPLIERS

Recommendations

Taking into account that the supply, by registered electricity and natural gas suppliers, of products of a different nature, associated to energy supply, is prone to cause confusion among customers as regards the legal and regulatory regimes as well as the applicable protection of consumers rights; and bearing in mind that the provision of "additional services" should benefit from similar protections as that granted to consumers in respect of their energy supply, since they are provided by the same suppliers, and furthermore that consumers must not face any obstacles to switching their supplier, even if indirectly, the ERSE Board of Directors, within the ambit of its supervisory powers as provided in Article 11 (2) (b) of its Statutes, and under Article 325 of the electricity Commercial Relations Code and Article 267 of the natural gas Commercial Relations Code, issues the following recommendations addressed to energy suppliers:

1. Before supplying electricity, natural gas or both (duo) consumers with "accessory", "optional" or "additional" products or services, suppliers of last resort must:

- a) Identify the target group of consumers of the product or service to be supplied;
- b) Define the marketing strategy and adapt it to the target consumer group and the selected broadcast channel;
- c) Ensure adequate information and training in order to recognize the target group of consumers and place the product or service correctly on the market;
- d) Provide mechanisms for the right to terminate the contract, at no cost to the consumer, whenever the consumer does not fall into the target group of consumers;

2. After placing these on the market, suppliers and suppliers of last resort shall monitor the "accessory", "optional" or "additional" products and services and take corrective measures whenever necessary;

3. The elements referenced in the previous paragraphs shall be recorded in a written record, duly organized and separated by product or service, to be kept for a minimum period of five years after the end of the offer on the market;

4. The consumer must be clearly and unequivocally informed that subscription to "ancillary", "optional" or "additional" services is independent and does not interfere with the provision of essential public services, except for the possible concession of discounts granted by subscription to those services, which must be clearly identified and quantified in the standardized contract form to be delivered to the consumer;

5. The contractual renewal of the provision of "accessory", "optional" or "additional" services must be subject to prior notice and separate from the energy bill, sent in a timely manner to the consumer;

6. Whenever a change of energy supplier:

- a) leads to the cessation of an "accessory", "optional" or "additional" service, this shall not imply any penalty or subsequent payment corresponding to services that have not been effectively rendered;
- b) does not lead to the cessation of an "accessory", "optional" or "additional" service, namely by the customer's choice, that service cannot imply a worsening of the price, conditions or payment terms of the service that remains in force.

7. When, under the law, the completion or expiration of the right to receive a given price for essential services is invoked, this will be understood to cover also the associated and jointly invoiced "accessory", "optional" or "additional" services.