

# **Status Review of the Implementation of the GGP on Complaint Handling, Reporting and Classification as of 1 January 2011**

**Ref: C11-CEM-45-03  
05-09-2011**

## INFORMATION PAGE

### Abstract

This CEER document (C11-CEM-45-03) provides a Status Review on the implementation of the Guidelines of Good Practice (GGP) on complaint handling as of 1 January 2011.

This Status Review follows ERGEG's GGP on Complaint Handling, Reporting and Classification (E10-CEM-33-05) and seeks to establish whether the recommendations that were proposed are being implemented in the CEER member countries.

### Target Audience

Consumer representative groups, energy suppliers, network operators, gas/electricity customers, gas/electricity industry, Member States, academics and other interested parties.

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### Related Documents

CEER/ERGEG documents

- Guidelines of Good Practice 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\\_PAPER\\_S/Customers/Tab1/E10-CEM-33-05\\_GGP-ComplaintHandling\\_10-Jun-2010.pdf](http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPER_S/Customers/Tab1/E10-CEM-33-05_GGP-ComplaintHandling_10-Jun-2010.pdf)
- Guidelines of Good Practice 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\\_PAPER\\_S/Guidelines%20of%20Good%20Practice/Other/E10-RMF-27-03\\_final%20GGP%20IRMM\\_12-Oct-2010.pdf](http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPER_S/Guidelines%20of%20Good%20Practice/Other/E10-RMF-27-03_final%20GGP%20IRMM_12-Oct-2010.pdf)
- Alternative Dispute Resolution practices: case studies. Update to Annex 2 of GGP on Customer Complaint Handling, Reporting and Classification, CEER, June 2011, Ref. C11-RMC-48-03, [http://www.energy-regulators.eu/portal/page/portal/EER\\_HOME/EER\\_PUBLICATIONS/CEER\\_PAPER\\_S/Customers/Tab2/C11-RMC-48-03\\_ADR-CaseStudies-Complaints.pdf](http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPER_S/Customers/Tab2/C11-RMC-48-03_ADR-CaseStudies-Complaints.pdf)

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## EXECUTIVE SUMMARY

Following a request from the European Commission, ERGEG developed recommendations on customer complaint handling, reporting and classification in the energy sector. A set of 15 recommendations were provided in the 2010 ERGEG document Guidelines of Good Practice (GGP) on Customer Complaint Handling, Reporting and Classification<sup>1</sup>, which are in line with the new provisions on customer protection and customer complaint handling within the 3rd Package.

These GGP were presented at the 3<sup>rd</sup> Citizens' Energy Forum (London Forum) in 2010 and were highly appreciated. The London Forum asked regulators to prepare a Status Review regarding the recommendations presented in the GGP. This Status Review, which is based on the GGP, seeks to show the implementation by CEER member countries of the recommendations previously proposed. The analysis done in order to see whether these Member countries follow the recommendation is based on an internal questionnaire circulated to the 29 National Regulatory Authorities (NRAs). The questionnaire followed the structure of the GGP. The analysis is based on the answers received by 23 countries. The recommendations are addressed to service providers, third party bodies and NRAs. In order to have a full picture and to take into account the country-specific models, most of the recommendations regarding service providers include questions for both suppliers and distribution system operators (DSOs).

The results from the internal questionnaire show that most of the recommendations proposed are fully or partially implemented in every country's market design, with some exceptions where more progress needs to be made.

- **Implementation of the recommendations to service providers (suppliers and distribution system operators)**

Depending on the country's market design (i.e. whether there is a one point of contact model or a dual one), these recommendations addressed to service providers are mostly followed. Recommendations like contact details on the bill, wide range of channels to submit a complaint, redress schemes, statutory complaint handling standards or alternative dispute settlement (ADS) body recommendations application are followed in more than 70% of the countries that participated in the analysis. In many of these countries, progress is expected, especially for the statutory complaint handling standards as regards suppliers.

- **Implementation of the recommendations to third party bodies (alternative dispute settlement boards, ombudsman, consumer bodies, etc.)**

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<sup>1</sup> 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/Customers/Tab1/E10-CEM-33-05\\_GGP-ComplaintHandling\\_10-Jun-2010.pdf](http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Customers/Tab1/E10-CEM-33-05_GGP-ComplaintHandling_10-Jun-2010.pdf)

The recommendations addressed to third party bodies are mainly followed, but it should be noticed that not much progress is foreseen. Recommendations like implementation of a single point of contact, prior contact with the service provider, choice of the complaint channel, availability of free ADS access and complaint data publication are followed in more than 75% of the countries. On the other hand, recommendations like statutory complaint handling standards within third party bodies or financial compensation to customers are followed by only a few countries.

- **Other issues**

The 'EREG proposal of consumer complaints classification'<sup>2</sup>, which defines several complaint categories, might be used by NRAs, suppliers, DSOs and third party bodies. According to the analysis, this classification is used by 10 countries, of which in 8 by the NRA. The reason for this could be the time and the cost associated with changing an existing customer complaints classification system that is already in place in the member countries.

It is important to highlight the fact that the analysis was done before full implementation of the 3<sup>rd</sup> Package in some countries. This Status Review is prepared only a half year after the publication of the GGP, which leaves little time for countries to adapt and follow these recommendations. During the course of 2011, one year after the publication of the GGP and with the implementation of the 3<sup>rd</sup> Package, the results should be even more positive. The additional questions in the questionnaire on whether progress is expected confirm this, as many countries answered that progress will follow.

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<sup>2</sup> See section 4 of the GGP on Customer Complaint Handling, Reporting and Classification (E10-CEM-33-05)

## 1 Introduction

According to the definition provided in the ERGEG 2010 GGP on Indicators for Retail Market Monitoring<sup>3</sup>, a complaint is the expression of a customer's dissatisfaction. As one of the most important indicators for market screening, but also as a social and economic reflection from the customer's point of view, data on complaints should be collected and analysed. Although the high number of complaints may reflect the malfunctioning of the market, it could also show at the same time that customers are participating actively on the market and know their rights.

The European Commission requested that ERGEG develop recommendations on customer complaint handling, reporting and classification in the energy sector. Therefore, 15 recommendations were provided in the 2010 ERGEG's GGP on Customer Complaint Handling, Reporting and Classification<sup>4</sup>, which are in line with the new provisions on customer protection and customer complaint handling within the 3<sup>rd</sup> Package.

This Status Review is based on these GGP and seeks to show the implementation by CEER members of the recommendations previously proposed. The analysis that was done in order to see whether the Member States follow these recommendations is based on an internal questionnaire circulated to NRAs.

The results show that the recommendations are mainly followed. This is quite encouraging as the GGP were published in June 2010 and so this Status Review represents only a half-year progress. It should be noted that it takes much more time for this kind of recommendations to be implemented in the system by all relevant market players. In all of the countries answering the questionnaire, but mainly for those that do not follow most of the recommendations as of 1<sup>st</sup> January 2011, the implementation of the 3<sup>rd</sup> Package in their national legislation is still in progress during the year 2011. Therefore, it can be said that these recommendations will soon be applied.

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<sup>3</sup> Guidelines of Good Practice 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/Guidelines%20of%20Good%20Practice/Other/E10-RMF-27-03\\_final%20GGP%20IRMM\\_12-Oct-2010.pdf](http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Guidelines%20of%20Good%20Practice/Other/E10-RMF-27-03_final%20GGP%20IRMM_12-Oct-2010.pdf)

<sup>4</sup> Guidelines of Good Practice 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/Customers/Tab1/E10-CEM-33-05\\_GGP-ComplaintHandling\\_10-Jun-2010.pdf](http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Customers/Tab1/E10-CEM-33-05_GGP-ComplaintHandling_10-Jun-2010.pdf)

## 1.1 Methodology

Further to regulators' 2010 work on the GGP on Customer Complaint Handling, Reporting and Classification<sup>5</sup>, an online questionnaire was developed in early 2011, in order to gather information on CEER members' policies and experiences in the field of complaint handling, reporting and classification. The questionnaire followed the structure of the GGP, with a question for every recommendation. The recommendations are addressed to service providers, third party bodies and NRAs. The online questionnaire was administered to the NRAs of the 29 CEER member countries. Full or partial answers were received from 23 countries as shown in table 1. The questionnaire sought information about the level and manner of implementation of the 15 recommendations presented in the 2010 GGP on customer complaint handling reporting and classification, as well as the ERGEG proposal on consumer complaints classification.

It is to note that in some countries, complaints are under the competence of the autonomous regions and this fact is reflected in some of the responses to the questionnaire.

The results from the questionnaire were used to prepare this Status Review on the Implementation of the GGP on Complaint Handling as of 1 January 2011.

*Table 1 - Countries participating in the Status Review*

Country	Answers to the questionnaire
AUSTRIA	
BELGIUM	
BULGARIA	
CYPRUS	
CZECH REPUBLIC	
DENMARK	
ESTONIA	
FINLAND	
FRANCE	
GERMANY	
GREECE	
HUNGARY	
ICELAND	
IRELAND	
ITALY	
LATVIA	

<sup>5</sup> Guidelines of Good Practice 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/Customers/Tab1/E10-CEM-33-05\\_GGP-ComplaintHandling\\_10-Jun-2010.pdf](http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Customers/Tab1/E10-CEM-33-05_GGP-ComplaintHandling_10-Jun-2010.pdf)



LITHUANIA	
LUXEMBOURG	
MALTA	
NORWAY	
POLAND	
PORTUGAL	
ROMANIA	
SLOVAK REPUBLIC	
SLOVENIA	
SPAIN	
SWEDEN	
THE NETHERLANDS	
UNITED KINGDOM <sup>6</sup>	
	23
YES	
NO	

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<sup>6</sup> In this report, the term United Kingdom refers to Great Britain and is exclusive of the situation in Northern Ireland.

## 2 Implementation of the recommendations to service providers

This chapter presents the implementation of the recommendations to service providers. The term “service provider” covers both suppliers and DSOs. The online questionnaire, however, asked separate questions regarding the recommendation implementation for suppliers and DSOs in order to include the various country-specific situations.

### 2.1 Information on how to complain

#### **Recommendation 1:**

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

This recommendation is followed by all suppliers in 15 countries and in 8 countries by all DSOs, whereas in 6 countries it is followed by some suppliers and in 3 countries by some DSOs. The data for this recommendation is not available for one country: Finland regarding suppliers and in 11 countries regarding DSOs. To avoid misunderstanding, this result is closely linked to the fact that some of these countries where this data is not available like Ireland, Italy, Portugal and Spain have a single point of contact model where the DSO does not send bills. In only 1 country, **Slovenia**, this recommendation is not followed by the service providers.

*Table 2 - Implementation of recommendation 1  
‘Is recommendation 1 followed by suppliers and DSOs in your Country?’*

	<b>YES, by all</b>	<b>YES, by some</b>	<b>NO</b>	<b>n/a (not available)</b>
<b>Suppliers</b>	<b>15</b> Austria Belgium France Greece Ireland Italy Latvia Lithuania Norway Romania Slovak Republic Spain Sweden The Netherlands United Kingdom	<b>6</b> Czech Republic Denmark Hungary Luxembourg Poland Portugal	<b>1</b> Slovenia	<b>1</b> Finland
<b>DSOs</b>	<b>8</b> France Greece Latvia Norway Romania Slovak Republic	<b>3</b> Czech Republic Denmark Lithuania	<b>1</b> Slovenia	<b>11</b> Austria Belgium Finland Hungary Ireland Italy

	Sweden The Netherlands			Luxembourg Poland Portugal Spain United Kingdom
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In the case of **Slovenia**, no predictions can be made regarding any future progress towards this recommendation as it is not clear which amendments and notifications will be proposed in their new draft Energy Act for both suppliers and DSOs (the case is the same for recommendations 2, 3, 4, 6, 7, 8, 10, 11, 12 and 14).

Half of the countries answering the questionnaire have some type of legal provisions regarding this recommendation, the other half do not. However, this does not appear to impede the recommendation being followed.

In **Belgium**, there are legal obligations on a federal level which require the invoice to contain a list of mandatory items. This is similar to the situation in the **Czech Republic, Denmark, France, Hungary, Ireland, Latvia, Lithuania, the Slovak Republic and Spain** (only for suppliers) where there is a law asking the service providers to indicate all the contact details needed regarding their customer service.

In **Italy**, these requirements are issued by the NRA.

In **Luxembourg and Poland**, service providers are required by law to provide a postal address which is not necessarily the contact detail of their customer service.

In the **United Kingdom**, there are no legal provisions, but suppliers provide their contact details on their bills as good practice. The statutory complaint handling standards require suppliers to provide details on complaint procedures in a clear and prominent place on their website. The contact details of the DSOs are sent via suppliers as part of their regular written communication with customers (this is a statutory requirement). The case is similar in **Norway, Portugal, Sweden and the Netherlands** where providing contact details is considered as a usual procedure.

In **Austria**, the law requiring service providers to provide their contact details on the bill will come into force in March 2011. The situation is the same in **Greece**, where legal provisions are being prepared and will come into force as part of the new Electricity Supply Code in 2011 (same for recommendations 2, 3, 4, 7 and 8).

The situation in Norway is different, not only for this recommendation but for all that will follow. It is important to specify that complaint handling in Norway is regulated as part of a general regulation. Subsequently, there is no specific complaint handling regulation for the electricity sector. However, consumer rights in general are well established and developed. That is why the results for Norway are particular.

**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 third party body should be proposed, among the following options: address, phone number, website, e-mail, face to face contact point.***

*Table 3 - Implementation of recommendation 2*  
'Is recommendation 2 followed by suppliers and DSOs in your Country?'

	YES, by all	YES, by some	NO	n/a
<b>Suppliers</b>	<p style="text-align: center;"><b>9</b></p> Austria Belgium Denmark Hungary Ireland Lithuania Norway Romania United Kingdom	<p style="text-align: center;"><b>1</b></p> Portugal	<p style="text-align: center;"><b>9</b></p> France Greece Italy Latvia Luxembourg Poland Slovak Republic Slovenia Spain	<p style="text-align: center;"><b>4</b></p> Czech Republic Finland Sweden The Netherlands
<b>DSOs</b>	<p style="text-align: center;"><b>7</b></p> Austria Denmark Hungary Ireland Norway Romania United Kingdom	<p style="text-align: center;"><b>2</b></p> Lithuania Portugal	<p style="text-align: center;"><b>6</b></p> Greece Latvia Luxembourg Poland Slovak Republic Slovenia	<p style="text-align: center;"><b>8</b></p> Belgium Czech Republic Finland France Italy Spain Sweden The Netherlands

From the table above, it can be seen that in 9 countries recommendation 2 is followed by all suppliers and in 7 countries by all DSOs; in 1 country by some suppliers and in 2 countries by some DSOs; in 9 countries this recommendation is not followed by suppliers and in 6 countries by the DSO; the data for the suppliers is not available in 4 countries and for the DSOs in 8 countries.

In some of the countries where this recommendation is still not implemented, progress is expected.

In the **Czech Republic**, there is a Draft Decree on billing which requires service providers to provide customers with information on customer's rights concerning the resolution of a dispute.

In **France**, there are working groups in place within the Ministry of Economy that are working with all parties concerned in order to establish a new law stating that all suppliers should have on their bills the contact details of the single point of contact, as well as information on complaint handling procedures.

Progress is also expected in **Italy**, the **Slovak Republic** and **Spain**.

The case in **Finland**, for this and some of the other recommendations, is particular. Many of the recommendations fall under the competences of the Finnish consumer authorities, so the NRA was sometimes unable to give appropriate answers to the questionnaire. The Finnish NRA's competence is mainly based on ex post supervision of individual cases where possible law breakings have occurred. This is the reason why the Finnish NRA cannot state with absolute certainty that recommendation 2 is followed by all service providers, even if that issue is regulated by law. However, it can be said that most service providers comply with the regulation and in practice there might be only some rare exceptions to that.

Legal provisions regarding recommendation 2 only exist in 7 countries for suppliers and in 5 countries for the DSOs.

In **Austria**, by law, the Alternative Dispute Resolution (ADR) board has to be mentioned in the general terms and conditions of a contract and also on the bill (starting from March 2011).

In **Belgium**, the legal provisions are stated in the Federal Code of Conduct.

In **Finland, France, Hungary, Ireland and Romania** the situation is similar and there is a law addressing the points in recommendation 2.

In **Luxembourg**, as foreseen by law, all service providers mention the name of the third party body, which is the NRA, in their contracts but without giving any contact details.

In **Norway**, there are no legal provisions for suppliers. However the ADR contract terms state that the supplier is required to provide the contact details of the ADR on their bills. Regarding DSOs, the situation is different, as according to the regulations governing metering, the DSOs are obliged to provide contact details of the ADR on their bills.

In **Portugal**, there are no legal provisions, but some service providers provide the contact details of the NRA as a third party body, mentioned in the contracts and through the information given in their contact centers.

In **Sweden**, additional legislation in the Swedish Electricity Act which will come into force during 2011 will mean that service providers will be obliged to inform customers about third party bodies.

## 2.2 Choice of the complaint channel within service providers

### **Recommendation 3:**

***To submit a complaint to a service provider, a wide range of channels should be available, and, as a minimum, post-mail and phone.***

*Table 4 - Implementation of recommendation 3  
'Is recommendation 3 followed by suppliers and DSOs in your Country?'*

	<b>YES, by all</b>	<b>YES, by some</b>	<b>NO</b>	<b>n/a</b>
<b>Suppliers</b>	<b>19</b> Austria Belgium Denmark Finland France Greece Hungary Ireland Italy Latvia Lithuania Norway Poland Romania Slovak Republic Slovenia Spain The Netherlands United Kingdom	<b>4</b> Czech Republic Luxembourg Portugal Sweden	<b>0</b>	<b>0</b>
<b>DSOs</b>	<b>20</b> Austria Belgium Denmark Finland France Greece Hungary Ireland Italy Latvia Lithuania Norway Poland Portugal Romania Slovak Republic Slovenia Spain The Netherlands United Kingdom	<b>2</b> Czech Republic Sweden	<b>0</b>	<b>1</b> Luxembourg

The number of countries where this recommendation is followed is almost equal for suppliers (19) and DSOs (20), which is encouraging. In 4 countries, this recommendation is followed by some suppliers and in 2 countries by some DSOs. The only country where the data is not available for DSOs is **Luxembourg**.

In the countries where this recommendation is followed, the most usual channels provided are: post address, e-mail, phone number, website, fax and sometimes an online complaint form, personal customer service and face to face contact.

In the **Czech Republic**, where this recommendation is not followed, there is a Draft Decree on billing, stating that the service provider shall provide the customer with relevant information.

In **Portugal**, the quality of service code establishes some rules about the channels to complain, but only suppliers of last resort provide a wide range of channels. The other suppliers only have to ensure one of the channels proposed in the recommendation.

In **Sweden**, a wide range of channels does exist, but if a customer subscribes to a contract on a website, the only way to contact the supplier is by e-mail.

Legal obligations exist in 9 countries.

In **Belgium**, the law on this issue is at federal level and details are provided in the federal code of conduct.

In **Finland**, there are no provisions in the Electricity or Gas Market Act, but there might be some recommendations or requirements from the consumer authorities.

In **Hungary**, these legal provisions are included in the Electricity and Natural Gas Act.

In **Italy**, there is a State Decree and also some NRA rules on the service provider's quality of service. A similar situation exists in **Romania** and in the **Slovak Republic** where the NRAs issue rules or performance standards.

Also in **Spain**, there is an established law on this issue.

In the **United Kingdom**, the complaint handling standards require that customers should be able to submit a complaint by post, phone, e-mail or in person.

In **Ireland**, like in **Norway**, there are no specific legal provisions. However, customers have many channels through which they can submit a complaint.

## **2.3 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. Such standards should be determined at a national level, taking into account the maturity of the market and the national legislative and regulatory provisions on customer rights. NRAs are best placed to set up these standards, after consultation with stakeholders, as appropriate, and to enforce them.***

*Table 5 - Implementation of recommendation 4  
'For the countries having any kind of statutory complaint handling standards, is this recommendation followed?'*

	YES, by all	YES, by some	NO	n/a
<b>Suppliers</b>	<b>12</b> Belgium Czech Republic Denmark Hungary Ireland Italy Lithuania Norway Poland Slovak Republic The Netherlands United Kingdom	<b>1</b> Portugal	<b>0</b>	<b>9</b> Austria Finland France Latvia Luxembourg Romania Slovenia Spain Sweden
<b>DSOs</b>	<b>14</b> Belgium Czech Republic Denmark Hungary Ireland Italy Latvia Lithuania Norway Poland Portugal Romania Slovak Republic United Kingdom	<b>1</b> France	<b>0</b>	<b>7</b> Austria Finland Luxembourg Slovenia Spain Sweden The Netherlands

Statutory complaint handling standards as defined in the GGP on customer complaint handling, reporting and classification are in place in 12 countries regarding suppliers, and in 14 countries regarding DSOs.

In those countries where standards are not in place, some of them plan some progress.

In **France**, a consultation has been organised by the National Consumers Council with one goal: suppliers should apply time standards for processing a complaint. But at the moment, suppliers are mostly opposed to setting these kinds of standards.

In **Greece**, the situation about this issue is a bit particular. There are no statutory complaint handling standards for electricity regarding suppliers or DSOs, in the sense that there is no electricity law/code to enforce them. However, the dominant supplier and the only DSO have complaint handling standards, through "self-regulation" (i.e. the standards were approved by the company's Board). These standards are binding only for the dominant supplier. Another supplier may have better, worse or no standards at all. Still, progress will follow regarding this recommendation for both suppliers and DSOs during 2011 when the new Electricity Supply Code, including new provisions on this issue, comes into force.



In **Luxembourg**, there is no new legislation foreseen, but the current law requires service providers to set up internal complaint handling procedures which should be transparent and understandable.

In **Spain**, progress in meeting this recommendation is expected in future.

In **Sweden**, an additional legislation in the Swedish Electricity Act implies that service providers will be required to establish procedures for complaint handling standards. This provision also states that the NRA can request this information from every service provider.

As this Status Review is also about sharing experiences from different Member States, the following paragraph provides an overview of existing statutory complaint handling standards. Detailed explanations about these standards, as well as the way these standards were set up, can be found in Annex 3 of this document.

**Belgium:** Several regimes are present. At the federal level, regarding suppliers, the federal code of conduct states that suppliers have to give a first (or if possible a final) answer within the period of 5 (or 10 in case of complaints concerning the bill) working days. This answer must state if the complaint is justified or not and if a further investigation is necessary.

In the Walloon region: suppliers must answer any clients request within 10 days. The answer of the supplier has to be justified. It should indicate whether the request is well-founded or not, and whether further investigation is necessary. Some procedural rules also cover the standard financial compensations for damages.

In Brussels: there is also regulation on the procedural rules for standard compensation.

Regarding DSOs, in the Walloon region and Brussels, procedural rules cover the standard compensations for damages.

In Flanders: the DSO has to give a confirmation of reception of the complaint via e-mail or post mail within a period of 10 working days.

There are also procedural rules for the compensation of damages written down in the regulations on connection as set by the DSO.

All of these standards are based on legal requirements.

**Czech Republic:** Based on legal provisions, a supplier is obliged to handle complaints on an invoice. Such a complaint has to be handled within 15 days, and the money refund shall be done within 30 days in total.

Regarding DSOs, legal requirements provide for the following standards:

- standard for the time in which a DSO is obliged to handle a complaint on an invoice;
- standard for the time in which a DSO is obliged to handle a complaint on the voltage duality/duality of gas;
- standard for the time in which a DSO is obliged to handle a complaint on metering and standard for a replacement of a metering equipment.

**Denmark:** A customer may complain to the Energy Supplies Complaint Board. Following the customer's contact, the supplier is obliged to give a statement. Most cases are resolved at this point. If not, the board makes the decision. Sometimes this decision is accepted, but sometimes the consumer may go to the NRA or even to court.

**France:** Statutory complaint handling standards exist only for DSOs. Those DSOs that are subject to these standards must take care of 95% of the customer complaints within a timeframe of 30 days or less.

**Hungary:** There is a legal requirement for the service provider to answer within 15 days. The NRA can then make 2 kinds of decisions regarding complaint handling.

**Ireland:** It should be noted that although statutory complaints handling functions exist in Ireland, they are not the same as recommendation 4. In the case of Ireland, suppliers are required to have a code of practice setting out their complaints handling process. In addition, there is a statutory requirement for the NRA to provide a third party alternative dispute resolution service for customers if they are not satisfied with the resolution proposed for their complaint.

**Italy:** There is an obligation to answer a complaint and a complete answer should be given within 40 days for suppliers (specific standard) and 20 days for DSOs (overall standard). If the specific standard is not met, compensation must be paid to the customer and if the deadline is not respected the service provider may face a fine. These standards are based on the NRA's rules about suppliers and distribution quality standards.

**Lithuania:** The customer needs first to contact the service provider to submit a complaint. The service provider must answer not later than 10 days from the date of the reception of the complaint. When the customer is not satisfied with the answer, there are institutions that can settle these kinds of disputes.

There are legal requirements like the Law on Drinking Water, the Law of Natural Gas, the Energy Law and the Electricity Law which provide complaint handling standards in the energy sector. In addition, there is the Law on Consumer Protection which is common to all consumers and which establishes a common procedure for complaining.

**Poland:** Procedures for complaint handling by service providers are based on legal requirements - the Ministry of Economy regulation obliges service providers to accept customer complaints and answer them within 14 days; and to accept customer continuity of supply complaints at all times (24 hours a day, 7 days a week).

If a customer has problems with receiving compensation, this customer can submit a complaint to the NRA. According to the Polish Energy Law, the NRA can impose a fine on the service provider.

In addition, a best standards proposal, including complaint handling aspects, was developed, consulted and published by the NRA and then recommended to be used on a voluntary basis by service providers (suppliers and DSOs). They are supposed to include these standards as their own good practices code, as an attachment to the contract.

**Portugal:** Last resort suppliers and all DSOs must respond to customer complaints within 15 working days after the date of reception of the complaint. These standards are established in the Quality of Service and Commercial Relations Codes. In case of non-compliance, the last resort suppliers or the DSO must pay compensation automatically in the next invoice, 45 days after the failing occurs.

For the others suppliers, there only exists the obligation to mention in each contract the maximum period for that response.

**Slovak Republic:** The Law on Consumer Protection<sup>7</sup> provides for the standard obligations for sellers of goods and services in general. According to this law, a seller of goods and

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<sup>7</sup> Act No. 250/2007, Section 18

services can be sanctioned when breaking the obligations set out in the relevant legislative provisions.

The Law on Energy<sup>8</sup> provides for the rights of customers concluding a contract with electricity and gas suppliers (including the place, methods and terms of customer complaints). This provision is reflected in the NRA Decision on the rules of operation of service providers (section on rules of complaints).

Relevant legal provisions are set out in both primary and secondary legislation.

**The Netherlands:** Regarding suppliers, new legislation provides for complaints to be solved within a time period of 8 weeks. This new legislation will come into effect from 1<sup>st</sup> July 2011<sup>9</sup>. The NRA can issue a fine or a binding resolution for non-compliance.

Regarding DSOs, there are no specific standards for complaint handling. However, they are obliged to handle all incoming mail (post, e-mail) within a certain time period.

**United Kingdom:** The statutory complaint handling standards for suppliers and DSOs cover domestic and micro business consumers. The standards cover various issues about complaints like definitions, procedures, information and etc. They are set up through a statutory instrument enforceable by Ofgem.

## 2.4 Service providers' redress schemes

### **Recommendation 5:**

***In each Member State, redress schemes should be in place to allow compensation in defined cases.***

*Table 6 - Implementation of recommendation 5  
'For countries having in place redress schemes, is this recommendation followed?'*

	YES, by all	YES, by some	NO	n/a
<b>Suppliers</b>	<b>15</b> Belgium Czech Republic Finland Hungary Ireland Italy Lithuania Norway Poland Romania Slovak Republic Slovenia Spain Sweden United Kingdom	<b>1</b> Portugal	<b>0</b>	<b>7</b> Austria Denmark France Greece Latvia Luxembourg The Netherlands

<sup>8</sup> Act No. 656/2004, section 20

<sup>9</sup> The legislation referred to has come into effect as from 1<sup>st</sup> July 2011. The new obligation is included in the Electricity and Gas Act (Article 95o of the Electricity Act and Article 52d of the Gas Act)

<b>DSOs</b>	<b>18</b> Belgium Czech Republic Finland Greece Hungary Ireland Italy Lithuania Norway Poland Portugal Romania Slovak Republic Slovenia Spain Sweden The Netherlands United Kingdom	<b>1</b> France	<b>0</b>	<b>4</b> Austria Denmark Latvia Luxembourg

In 16 countries, redress schemes are put in place applicable to suppliers and in 19 countries to DSOs. Among these 16 countries, in 15 they are followed by all suppliers, and in 1 country only by some suppliers; the data is not available for 7 countries. In the case of the DSOs, they are followed by all DSOs in 18 countries and by some DSOs in 1 country; the data is not available in 4 countries.

Among those countries without a redress scheme, not many of them are planning to put them in place in near future.

In **Greece**, this is expected to be done through the new Electricity Supply Code. However, there is an exception that concerns only one supplier who compensates customers if the company exceeds 10 days to respond to a written request. The compensation is symbolic (15 Euro).

In **Romania**, there is a plan to make progress on this recommendation, but no detailed explanation is provided.

In **the Netherlands**, there are no plans to apply this recommendation, however, it is important to stress that in case a dispute is settled by an ADR, a redress scheme is allowed, but there is no predefined redress scheme.

## 2.5 Alternative Dispute Settlement (ADS)<sup>10</sup> body's recommendations

### Recommendation 6:

***Service providers should follow the ADS body recommendations even if they are not legally binding.***

*Table 7 - Implementation of recommendation 6  
'Is recommendation 6 followed by suppliers and DSOs in your Country?'*

	YES, by all	YES, by some	NO	n/a
<b>Suppliers</b>	<b>10</b> Belgium Denmark Ireland Latvia Luxembourg Norway Romania Sweden The Netherlands United Kingdom	<b>5</b> Austria Finland Lithuania Portugal Spain	<b>4</b> France Greece Hungary Slovenia	<b>4</b> Czech Republic Italy Poland Slovak Republic
<b>DSOs</b>	<b>8</b> Belgium Denmark United Kingdom Ireland Luxembourg Norway Sweden The Netherlands	<b>5</b> Austria Finland Lithuania Portugal Romania	<b>5</b> France Greece Hungary Slovenia Spain	<b>5</b> Czech Republic Italy Latvia Poland Slovak Republic

Recommendation 6 is generally followed in 10 countries by all suppliers, in 8 countries by all DSOs; in 5 countries it is followed by some suppliers and in 5 countries by some DSOs. This recommendation is not followed in 4 countries for suppliers and in 5 countries for DSOs, whether no data is available in 4 countries for suppliers and in 5 countries for DSOs.

In the **Czech Republic**, the Ministry of Industry and Trade prepared in 2007 a project which created the conditions for a system of out-of-court settlement of consumer disputes. This should allow customers, in addition to a resolution in court, to resolve their disputes with entrepreneurs out-of-court, which should be quicker and less expensive. Since April 2008, activities have been underway in order to ensure this system. Also with the implementation of the 3<sup>rd</sup> Package into national law, new changes are to come.

In **Poland**, conciliation court settlements are binding (equally to civil court judgments) but the decision to raise a problem for conciliation court jurisdiction is left to the involved parties (all should agree); also NRA decisions are binding but they can be issued only in limited cases

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<sup>10</sup> also known as Alternative Dispute Resolution (ADR) body

(listed by the energy law). In other ADS cases, when the recommendations or settlements are not binding it is common that they are followed by service providers.

In **Portugal**, the ADS body’s recommendations are usually not binding. The service providers can follow or not the solution for each case recommended by the ADS body. However, a law published recently established that customers (households) have the option to submit the dispute to an arbitration centre with power to take binding decisions.

In **Italy**, where the data is not available for this recommendation, there is a development in terms of progress. The Italian NRA has been granted the remit to handle out-of-court settlements and arbitrate in disputes between users or consumers and service providers. One or more sets of regulations<sup>11</sup> will define the criteria, conditions, terms and procedure to be followed in conciliation or arbitration disputes between users and the parties operating the service. Likewise, the new regulations will establish the cases in which such conciliation or arbitration proceedings may be submitted in the first instance to arbitration or conciliation commissions set up at the Chambers of Commerce, Industry, Crafts and Agriculture.

The major service providers have developed ADR procedures in agreement with consumers associations. The NRA has supported in different ways the above mentioned procedures. Regarding recommendation 6 not much progress is expected.

## 2.6 Complaint data collection by NRA

### Recommendation 7:

***When a regulator deems it appropriate to receive data on complaints, with the aim of monitoring retail markets, the service provider should give the regulator access to these data.***

*Table 8 - Implementation of recommendation 7  
‘In the countries where the NRA asks for data on complaints, is this recommendation followed?’*

	YES, by all	YES, by some	NO	n/a
<b>Suppliers</b>	<b>10</b> Belgium Denmark Hungary Ireland Italy Latvia Lithuania Romania Slovak Republic United Kingdom	<b>3</b> Greece Portugal Spain	<b>1</b> France	<b>9</b> Austria Czech Republic Finland Luxembourg Norway Poland Slovenia Sweden The Netherlands

<sup>11</sup> Drawn up in compliance with the Article 17, paragraph 1, of the Law no. 400 of 23 August 1988

<b>DSOs</b>	<b>12</b> Belgium Denmark France Greece Hungary Ireland Italy Lithuania Portugal Romania Slovak Republic Slovenia	<b>2</b> Austria Spain	<b>0</b>	<b>9</b> Czech Republic Finland Latvia Luxembourg Norway Poland Sweden The Netherlands United Kingdom
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The NRA asks suppliers for data on complaints with the aim of monitoring retail markets in 13 countries, of which in 10 countries all suppliers provide this data and in 3 countries only some suppliers provide it. In 14 countries the NRA asks for this information from the DSOs, of which in 12 countries all DSOs provide it and in 2 countries this data is provided only by some DSOs. In 9 countries for the suppliers and in 9 countries for the DSOs, this information is not available.

At this point, only 2 countries are planning progress in the future: **Poland**, where complaint handling aspects will be included in the retail market monitoring scheme, starting by a survey in the second half of 2011; and **Portugal** where at the moment only the last resort suppliers must send data to the NRA, but in the near future this kind of data will be provided by all suppliers.

Legal provisions regarding this recommendation exist in 15 countries for suppliers and in 15 countries for DSOs.

In **Austria** the legal provisions are only applied to the DSOs and they should be put in place in March 2011 following the transposition of the 3<sup>rd</sup> Package.

In **Belgium**, in the Walloon Region there is a reporting obligation related to standard compensation requests and their follow-up. In Flanders, there is a general obligation to suppliers to give any information that the regulator deems necessary to fulfil its tasks. Every year, the DSOs are also obliged to submit a report on their quality of service which also includes complaint handling.

In the **Czech Republic, Denmark, Finland, Hungary, Italy, Lithuania, Norway, Portugal**<sup>12</sup>, **Romania** and the **Slovak Republic** a law (in the form of Market Act, Energy Act or Code) exists so that service providers provide the NRAs with the necessary data for an appropriate performance of the NRAs tasks.

In **Ireland**, service providers are required under their licence to provide any data requested.

In **Poland**, there is no specific law saying that service providers should provide data on complaints, but according to the Polish Energy Law, the President of the NRA can recall the service providers for any kind of information needed.

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<sup>12</sup> For the moment in Portugal this is applicable only to last resort suppliers and all DSOs

In **Sweden**, new legislation is on its way during 2011 in which service providers will be requested to establish procedures for complaint handling.

In **the Netherlands**, the NRAs do not ask for data on complaints on a routine basis, but they monitor the energy retail markets with information provided from other sources like the Consumer Authority, for example.

In the **United Kingdom**, there is a statutory requirement for the NRA to receive data. The data covers compliance with complaint handling standards for suppliers, covering the number of complaints, whether timescales have been met for resolving them, and referrals to the Ombudsman. Although the frequency that the NRA receives this data is not prescribed, it is received monthly from the main suppliers.

As mentioned for recommendation 2, the situation is the same in **Finland** for recommendations 7 and 14, which are similar. The Finnish NRA does not collect this kind of data with the aim of monitoring retail markets in general. Usually, it only asks for additional data regarding individual complaints that have been submitted to the Finnish NRA.



### 3 Recommendations to third party bodies independent from service providers<sup>13</sup>

The following recommendations address the customer issues from a customer point of view, but also the need for the customer of an independent and reliable source of information on consumer rights and of an available and effective out-of-court dispute resolution system. In this section, only third party bodies that are independent from service providers are covered. The expression “third-party body”, as defined in the GGP on Customer Complaint Handling, Reporting and Classification, will be used in place of alternative (or out-of-court) dispute settlement body. ERGEG does not consider as “third-party body” the consumer complaint handling mechanisms operated by service providers (e.g. “company ombudsman”) or mechanisms providing complaint handling services operated by or on behalf of a service provider. In some Member States, the regulator may also act as a third party body.

A dispute settlement authority was also defined in the GGP on Customer Complaint Handling, Reporting and Classification as a public authority which settles disputes between customers and service providers. Its recommendations are binding. In some cases, regulators may act as a dispute settlement authority.

Regarding alternative dispute settlement board recommendations, their impact on service providers’ behaviour and processes has to be emphasised. Where alternative dispute settlement boards are in charge of the settlement of disputes between a customer and a professional, their recommendations – even if not binding – have a positive impact on the whole retail market, as they contribute to clarifying the rules and responsibilities of service providers and customers in many concrete situations.

The following tables show how these recommendations are implemented in the countries that answered the questionnaire.

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<sup>13</sup> Alternative dispute settlement boards, ombudsman, consumer bodies, etc.

### 3.1 Single point of contact

**Recommendation 8:**

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

*Table 9 - Implementation of recommendation 8  
'Is recommendation 8 followed in your Country?'*

	YES	NO	n/a
	<b>15</b> Austria Belgium Czech Republic Finland France Hungary Italy Latvia Lithuania Luxembourg Norway Slovak Republic Sweden The Netherlands United Kingdom	<b>8</b> Denmark Greece Ireland Poland Portugal Romania Slovenia Spain	<b>0</b>

A single point of contact which should deliver free information and advice on consumer issues is present in 15 countries, whereas in 8 countries a single point of contact is not available.

Countries like **Ireland** and **Portugal** that do not have a single point of contact at the moment are planning to have one once the 3<sup>rd</sup> Package is transposed in their national laws. In **Spain** progress is also expected.

### 3.2 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.***

*Table 10 - Implementation of recommendation 9  
Are customers required to first submit a complaint to the supplier/DSO before having the possibility to submit it to a third party body?*

	YES	NO	n/a
<b>Suppliers</b>	<p style="text-align: center;"><b>16</b></p> Belgium Denmark France Ireland Italy Latvia Lithuania Luxembourg Norway Poland Portugal Romania Slovenia Sweden The Netherlands United Kingdom	<p style="text-align: center;"><b>6</b></p> Austria Czech Republic Finland Greece Hungary Spain	<p style="text-align: center;"><b>1</b></p> Slovak Republic
<b>DSOs</b>	<p style="text-align: center;"><b>15</b></p> Belgium Denmark Ireland Italy Latvia Lithuania Luxembourg Norway Poland Portugal Romania Slovenia Sweden The Netherlands United Kingdom	<p style="text-align: center;"><b>7</b></p> Austria Czech Republic Finland France Greece Hungary Spain	<p style="text-align: center;"><b>1</b></p> Slovak Republic

In 16 countries, customers are required first to submit their complaint to the supplier before submitting it to a third party body, and in 15 countries this is the case for DSOs. In 6

countries for suppliers and in 7 countries for DSOs, customers are not required to do this. In only 1 country the data is not available.

In the **Czech Republic**, customers are not obliged to contact their service provider first, but usually this is the case as they ask for help elsewhere once they failed to reach an agreement with the service provider. This is similar to the situation in **Finland** and in **Greece**. But also in **Hungary**, with the difference that this country will have a new provision for prior contact with the service provider which will come into force in July 2011.<sup>14</sup>

### 3.3 Choice of the complaint channel

**Recommendation 10:**

***In order for a customer 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 the ADS bodies.***

*Table 11 - Implementation of recommendation 10  
Can a customer contact a third party body through more than one channel?*

	YES	NO	n/a
	<p style="text-align: center;"><b>21</b></p> Austria Belgium Czech Republic Denmark Finland France Greece Hungary Ireland Italy Latvia Lithuania Luxembourg Norway Poland Portugal Romania Spain Sweden The Netherlands United Kingdom	<p style="text-align: center;"><b>1</b></p> Slovenia	<p style="text-align: center;"><b>1</b></p> Slovak Republic

<sup>14</sup> The amendment of the Act LXXXVI of 2007 on electricity and amendment of the Act XL of 2008 on natural gas supply came into force on 1st July 2011

In 21 countries, there is more than 1 channel like: post mail, fax, e-mail, online form, telephone or face to face contact, to get in contact with a third party body. This recommendation 10 is not followed by 1 country and for 1 country the data is not available. In 8 countries, there are legal provisions regarding this recommendation. It is usually done in the form of a law like in **Belgium, Denmark, France, Lithuania, Hungary** and in the **United Kingdom** or NRA rules like in **Italy**. In many other countries, legal provisions do not exist regarding this issue, but the recommendation is however followed.

### 3.4 Free access for all customers

**Recommendation 11:**

***Alternative dispute settlement (ADS) should be made available for all household customers preferably without charge or as inexpensively as possible irrespective of the financial amount of the dispute.***

Table 12 - Implementation of recommendation 11  
 'Is ADS available in your country? Is ADS available free of charge for customers?'

	YES	NO	n/a
<b>ADS available</b>	<b>21</b> Austria Belgium Czech Republic Denmark Finland France Greece Hungary Ireland Italy Latvia Lithuania Luxembourg Norway Poland Portugal Romania Spain Sweden The Netherlands United Kingdom	<b>2</b> Slovak Republic Slovenia	<b>0</b>

<b>Free of charge</b>	<b>19</b> Austria Belgium Czech Republic <sup>15</sup> Finland France Greece Hungary Ireland Italy Latvia Lithuania Luxembourg Norway Poland Portugal Romania <sup>16</sup> Spain Sweden United Kingdom	<b>2</b> Denmark The Netherlands	<b>2</b> Slovak Republic Slovenia
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In 21 countries, ADS is available, whereas in 2 countries it is not. In 19 countries among those where the ADS is available, the service is free of charge whereas in 2 countries there is a charge. The data is not available in 2 countries.

In those countries where there is a fee for the customer, the amounts and procedures vary between countries.

In the **Czech Republic**, the system seeks to provide a cheap, effective and speedy resolution of customer disputes. The expected result of an out-of-court settlement of the dispute is a binding agreement (in case of mediation) or an enforceable arbitral award (in case of arbitration proceedings). The advantage of this system is primarily its cost -mediation that is free-of-charge as the remuneration of the mediator is provided for by the Ministry of Trade and Industry. In the event of arbitration proceedings the party filing the complaint will have to pay a fee for the proceedings, which is 3 % of the value of the dispute, or a minimum of CZK 800. The remuneration of the arbitrator is again provided for by the Ministry of Trade and Industry.

The alternative dispute resolution route is also advantageous for the entrepreneurs and customers alike. The primary advantage is the speed of the proceedings. It can be expected that the entire proceedings resulting in an out-of-court settlement will be concluded in a reasonably short period of time.

In **Denmark**, the customer is charged about 20 Euro.

In **Poland**, in general all ADS procedures under the auspices of NRA, local governments' customer rights ombudsmen, conciliation courts and merchant inspections are free of charge or - at least - inexpensive. However, there is a new institution, the Energy Arbitration Court in Warsaw, created by large energy customers but opened even for households, with a very

<sup>15</sup> In the Czech Republic, there are several steps of the procedure and only one is charged to the customer.

<sup>16</sup> In Romania, ADS is available for pre-contractual disputes.

high arbitration fee (nearly about 675 Euro per case), therefore, the fee is perceived as a barrier to take advantage of this court action.

In **the Netherlands**, the customer is charged 25 Euro, but this is reimbursed if the dispute is settled in favour of the customer.

### 3.5 Statutory complaint handling standards within third party bodies

**Recommendation 12:**

***Regarding third party bodies, complaint handling standards should be determined at a national level and be effective.***

*Table 13 - Implementation of recommendation 12  
For those countries having in place statutory complaint handling standards, are they followed by third party bodies?*

	YES, by all	YES, by some	NO	n/a
<b>Third party bodies</b>	<b>7</b> Belgium Denmark France Hungary Lithuania The Netherlands United Kingdom	<b>1</b> Czech Republic	<b>0</b>	<b>3</b> Austria Italy Finland

In 11 countries, statutory complaint handling standards regarding third party bodies have been determined. Among these 11 countries, in 7 of them these standards are followed by all third party bodies, in 1 country they are followed by some third party bodies and in 3 countries the data is not available.

The following paragraphs give an overview of the existing statutory complaint handling standards regarding third party bodies. More details can be found in the case studies in Annex 4 of this document.

**Austria:** There are rules established by the NRA explaining how the ADR board can be reached, the need of a written form for a formal proceeding, which cases are dealt by the ADR board, how the case will be concluded, etc. There are only recommendations and no legal provisions.

**Belgium:** At a federal level, the Federal Ombudsman for energy has to notify the customer within 20 working days when he decides not to handle a complaint (any further). After investigating the complaint, the ombudsman tries to mediate between the parties to find a solution and when not possible, the ombudsman will give a recommendation to the electricity or gas company within a period of 40 working days after receiving the complaint (this period can be prolonged once with the same period).

If the gas or electricity company doesn't follow the recommendation, it has 20 working days to justify its decision to the ombudsman and to the customer who submitted the complaint.

In the Walloon Region, a client who wishes to complain must raise the issue firstly with the supplier/DSO; there are few steps and deadlines to follow.

**Czech Republic:** The ADR Project is based on the existing legal framework.

In the event where there is a dispute between an entrepreneur and a customer, then they have the possibility to turn to a contact place for assistance with alternative dispute resolution of the customer dispute. Basically, all it takes is to fill in a simple form and send it to a competent contact place.

The contact place staff will then be able to provide qualified information and to give recommendations regarding the method of the dispute resolution. If the dispute is not resolved outright, the staff will then arrange for mediation or arbitration proceedings.

**France:** The Ombudsman receives complaints and makes recommendations for the customer within a period of 2 months from the reception of the complaint. The Ombudsman has to be informed by the supplier mentioned in this complaint within a period of 2 months since the recommendation was sent to the customer to see if progress was made. In case the issue is not within the Ombudsman jurisdiction, it has 1 month from the reception of the complaint to inform the customer about this and mention another third party body.

**Hungary:** Depending on the nature of the case, a complaint is managed by either the NRA or the Hungarian Authority for Consumer Protection (HACP).

The HACP's administration time limit is 30 days; the NRA's is 2 months. The NRA and the HACP contact the supplier and investigate the case. There is a deadline for the company to resolve the problem and to report it to the NRA. Arbitration board proceedings are opened upon the consumer's request. The arbitration board shall conclude the proceedings within 90 days of the time of opening. The legal provisions concerning the proceedings of NRA and the HACP are in the Act on the General Rules of Administrative Proceedings.

**Italy:** In Italy, there are rules about how to send a complaint to the 'Consumer Help Desk'<sup>17</sup>, kind of cases dealt with, how a case can be closed. The help desk has to meet some Service Level Agreements (SLA), defined in the approved Project. Minimum public service standards will be probably fixed in 2012.

**Lithuania:** Third party bodies such as the State Consumer Rights Protection Authority, the National Control Commission for Prices and Energy and the State Energy Inspectorate<sup>18</sup> investigate complaints.

Upon the receipt of an application of a consumer, an authority for the settlement of disputes shall send to the seller/service supplier a notification about the received application of the consumer not later than within 10 days of the receipt of the notification. There are steps to be followed, depending whether the dispute is settled between the consumer and the service supplier or other institutions have to intervene. These standards are set up by the Law on Consumer Protection.

**The Netherlands:** There is regulation on the adequacy of dispute settlement, which states that disputes should be settled quickly, and that the procedure should be transparent, simple and cheap.

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<sup>17</sup> Sportello per il consumatore di energia

<sup>18</sup> 'State Energy Inspectorate under the Ministry of Energy of the Republic of Lithuania'



**Poland:** There are no specific statutory complaint handling standards, but there are some procedures in place. By law, the President of the Polish NRA is empowered to resolve disputes. In this frame, the NRA acts as third party body and resolves disputes according to a procedure set out in administrative law (Code of Administrative Procedure); hence the procedure is compulsory. On the basis of the procedure, the regulator is obliged to resolve the dispute within 30 days. Furthermore, there are consumer Ombudsmen dealing with customer complaints.

**United Kingdom:** The ombudsman scheme has 4 main criteria which need to be met under the application for approval by Ofgem. Ofgem has a statutory duty to appoint the Ombudsman (under the Consumer, Estate Agents and Redress Act 2007).

In these countries where the standards are already defined, there is still some room for progress to be made. For example, in **Austria** there is a specific guideline for the ADR board which is part of the regulator. In the **Czech Republic** there is a complaint board which acts as ADS for normal household clients, but there is also the NRA that may handle complaints (other than supplier or DSO disputes with household customers); however this is not statutorily standardised.

There are also countries where these standards are not determined, but where progress is expected in the future.

In **Ireland**, there is a plan to introduce a Customer Charter to support the statutory complaint handling process. This will set a number of standards with respect to complaint handling. In **Luxembourg**, the NRA is currently elaborating an internal procedure. In **Spain** progress is also expected regarding this recommendation.

As regards the use of the ERGEG proposal for customer complaint classification by third party bodies, the results of the questionnaire show that in 3 countries this classification is used by all third party bodies, in 4 countries by some third party bodies, in 8 countries this classification is not used, and in the rest of the countries the data is not available.

In only in 2 countries (**Ireland** and **Sweden**) there is a plan to start using the ERGEG proposal for customer complaint classification.

### 3.6 Financial compensation to customers

#### Recommendation 13:

**Customers whose complaints have been settled in their favour by an alternative dispute settlement body should be allowed a fair compensation from their service provider.**

Table 14 - Implementation of recommendation 13

'Are customers whose complaints have been settled in their favour by an ADS body allowed a fair compensation from their service provider?'

	YES, in all cases	YES, in defined cases	NO	n/a
	<p><b>2</b> Ireland United Kingdom</p>	<p><b>9</b> Belgium Czech Republic Finland Hungary Italy Luxembourg Spain Romania The Netherlands</p>	<p><b>8</b> Austria Denmark Greece Latvia Lithuania Portugal Slovenia Sweden</p>	<p><b>4</b> France Norway Poland Slovak Republic</p>

Regarding recommendation 13, different situations exist. In 2 countries, fair compensation from the service providers to customers is allowed in all the cases where the complaint has been settled in favour of the customer. In 9 countries, this kind of compensation is allowed only in defined cases, in 8 countries there is no compensation granted to customers and in 4 countries this information is not available.

In **Belgium**, only customers in the Walloon area can receive compensation in defined cases. In the other regions and at federal level there is no legal basis for mandatory compensation by the market parties.

In the case of the **Czech Republic**, either the right for a fair compensation has been settled by legal provisions or the customer is entitled for fair compensation in accordance with its contractual agreement.

In **Portugal**, there are no compensations allowed by the service providers because the dispute resolution through ADS does not alone determine the compensation. This has to be done through the courts.

In **Finland**, the compensation depends on which third party body is involved. Regarding complaints that fall into the Finnish NRA's competence, the NRA may in its decision order a refund to a customer of certain fees incorrectly charged to him/her. NRA decisions are binding but can be appealed in court. The Consumer Disputes Board's decisions are in a form of recommendations and are not binding, so they cannot be enforced by coercive measures. However, the majority of companies comply with those decisions including the recommendations for compensation.

### 3.7 Complaint data collection by NRAs

**Recommendation 14:**

***When a regulator deems it appropriate to collect data on complaints, with the aim of monitoring retail markets, it should have the possibility to receive relevant information from third party bodies as well as from service providers. Data on complaints can be used by a regulator who decides to publish reports on complaints, within the framework of its retail market monitoring activities.***

*Table 15 - Implementation of recommendation 14*

*When the NRA asks suppliers, DSOs and third party bodies for data on complaints, is the requested information provided?*

	YES	NO	n/a
<b>Suppliers</b>	<b>12</b> Belgium Denmark Greece Hungary Ireland Italy Latvia Lithuania Portugal Romania Slovak Republic United Kingdom	<b>0</b>	<b>0</b>
<b>DSOs</b>	<b>13</b> Belgium Denmark France Greece Hungary Ireland Italy Latvia Lithuania Portugal Romania Slovak Republic Slovenia	<b>0</b>	<b>0</b>
<b>Third party bodies</b>	<b>10</b> Belgium Denmark France Hungary Ireland Italy Lithuania Spain Sweden United Kingdom	<b>1</b> Greece	<b>0</b>

When the NRA is collecting this kind of data, suppliers (in 12 countries) and DSOs (in 13 countries) provide them. As regards third party bodies, in 10 countries information is provided, while in only 1 country the NRA does not receive the data needed.

Progress is expected in the countries where this recommendation is still not implemented.

In the **Czech Republic**, according to the Energy Act, the NRA shall be entitled to ask for this kind of information and the service provider is obliged to give it to the regulator.

In **Greece**, since the data required are not always available, there is a proposal to set up a legal requirement for complaints collection not only from suppliers and DSO, but from third party bodies too. This is still under consideration by the NRA.

In **Poland**, there is the plan to include the complaint handling aspects into the retail market monitoring scheme, starting with a survey in the second half of 2011; and according to the Energy Law, the President of the NRA can recall the service providers for this information. However, although there is no obligation for third party bodies to answer regulatory questions, there is good history of cooperation on a voluntary basis, and the NRA expects to get all the available information requested.

In **Portugal**, as regards suppliers, this is only requested to the suppliers of last resort. However, for third party bodies, some agreements were recently established between the NRA and some ADS bodies in order to collect this information.

In **Spain**, progress is expected.

In **Sweden**, additional legislation in the Swedish Electricity Act during 2011 implies that service providers will be required to establish procedures for handling consumer complaints. This must be clearly outlined on the website and details for this must be available on request. Through the provision of the Electricity Act, the Energy Market Inspectorate will have the opportunity to request this information from every specific supplier/DSO.

There are some different situations, like the one in the United Kingdom and in Hungary which are detailed below.

In **Hungary**, the data is provided partly, because the NRA collects data from the National Authority for Consumer Protection, but it does not get data from arbitration bodies (they are alternative dispute resolution bodies).

In the **United Kingdom**, collecting data from DSOs is done in the context that DSOs are monopoly companies subject to price controls which include a range of performance criteria to be met for allowed revenues. Information regarding the performance of the DSO is gathered for this purpose.

In **the Netherlands**, there are no plans to progress with this recommendation (as for recommendation 7). If necessary, the NRA can ask for this data however, the NRA receives on a yearly basis about 15000 complaints and inquiries from consumers through 'Consuwijzer', an information and complaints desk set up by the Consumer Authority, the Telecom Authority and the NRA. This provides for plenty of information in order to monitor the energy retail market.

### 3.8 Complaint data publication

**Recommendation 15:**

***Third party bodies having responsibility for customer complaints could provide and publish reports on complaints they have received.***

*Table 16 - Implementation of recommendation 15  
 Are there any publications on customer complaints done by third party bodies in your country?*

	YES	NO	n/a
	<b>18</b> Austria Belgium Czech Republic Denmark Finland France Greece Hungary Ireland Italy Lithuania Norway Poland Portugal Romania Sweden The Netherlands United Kingdom	<b>4</b> Latvia Luxembourg Slovenia Spain	<b>1</b> Slovak Republic

In 18 countries, publications on customer complaints are done by third party bodies. In 4 countries there are no published reports on this issue and in one country the data is not available.

Except for **Spain**, progress is not expected in any other country where this recommendation is not followed.

## 4 Use of the ERGEG proposal of customer complaints classification

*Table 17 - Use of the ERGEG proposal of customer complaints classification  
'Is the ERGEG proposal of customer complaints classification used in your country?'*

YES, by suppliers	YES, by DSOs	YES, by the NRA	YES, by third party bodies	NO	n/a
<b>2</b> France Lithuania	<b>0</b>	<b>8</b> Austria Greece Hungary Italy Portugal Romania Spain Sweden	<b>0</b>	<b>10</b> Czech Republic Denmark Ireland Luxembourg Norway Poland Slovak Republic Slovenia The Netherlands United Kingdom	<b>2</b> Belgium Finland

In many countries, either where the ERGEG proposal of customer complaints classification is not used or where it is used as a complementary tool, other classifications are used.

In **Belgium**, in the Walloon Region a classification that is compatible is used: complaints are classified as follows: default of answer, metering, technical issues, dispute regarding the default of payment process, problematical moving, dispute about the protected client quality, late reimbursement and late invoicing.

In the **Czech Republic**, the complaints classification system used concerning the electricity/gas supply or distribution is the following:

- complaint of an electricity supplier;
- complaint of a gas supplier;
- complaint of an incorrect electricity invoice;
- complaint of an incorrect gas invoice;
- complaint of a connection to a grid – obstacles with connection according to photovoltaic generation;
- complaint of disconnection;
- complaint of the NRA's decision;
- complaints passed to State Energy Inspection.

In **France**, the Ombudsman sometimes uses another classification that is more detailed than the ERGEG one, but only in some cases of complaints depending on their subjects.

In **Ireland**, there is a customer management system which includes a classification of complaints.

In **Lithuania**, a computer program is used to classify complaints, which is also designed to monitor the timely response to complaints.

In **Norway**, all complaints addressed to the NRA are registered according to their subject in the archive which is public.

In **Poland**, the Ombudsman for Fuel and Energy Customer keeps a register of customer complaints. The classification divides complaints by:

- gas, electricity and heat;
- bills settlement; disconnection; contractual problems

In **Portugal**, information sent to the regulator by last resort suppliers and DSO does not comply with ERGEG's classification.

In **Romania**, classification of petitions to the NRA is similar, but not following exactly the same structure.

In **Spain**, another classification is also used. Within the NRA, there is an internal classification and management procedures.

In **Sweden**, the Consumer Electricity Advice Bureau uses another classification system. However, there are ongoing discussions to coordinate this between the Energy Market Inspectorate and the Consumer Electricity Advice Bureau.

In **the Netherlands**, the NRA uses a complaint classification system especially set up for Consuwijzer. This system enables us to react swiftly to certain issues in the energy market. Overall, it resembles the classification proposed by ERGEG, but it differs in some points, because the NRA shares the system with the Telecom Authority and the Consumer authority.

In the **United Kingdom**, each supplier uses its own classification. Ofgem has not imposed a classification although there are broad similarities. The Ombudsman also uses its own classification although there are also similarities.

For those countries already having a classification system that is different from the ERGEG proposal, changing an existing customer complaints classification system is a slow process. It takes a long time period but also it can involve high costs.

## 5 CONCLUSIONS

This Status Review is a follow up to ERGEG's GGP on Complaint Handling, Reporting and Classification and seeks to give an overview through different examples and experiences of how complaints are handled among CEER member countries and whether ERGEG's recommendations are followed.

The results obtained from the NRA questionnaire were analyzed and presented in this document. A general conclusion can be drawn by saying that these results show that most of the recommendations are followed, either by all service providers (suppliers and DSOs) or by some of them and that they are fully or partially implemented in every country's market design. This is a positive result, as the Status Review is done only half a year after the GGP were released.

Recommendations like contact details on the bills, various channels to complain, redress schemes put in place or availability of ADS are mainly followed in all countries regardless of whether there are legal provisions on these issues. For some countries, these issues are even considered as an obvious obligation that does not require legal provisions in order to be followed. Other recommendations, like contact information for third party bodies, complaint data collection by NRAs, statutory complaint handling standards as regards third party bodies or financial compensation to customers, are less widely followed. As regards the statutory complaint handling standards, which is a major subject in the recommendations, the difference in the number of countries having these standards is important between standards for service providers and those for third party bodies. By sharing countries' specific national experiences, a step forward is made for those countries that still do not have these standards in place. It might encourage them to take the example and define these kinds of standards at a national level, taking into account their market design.

It should however be highlighted that this report contains results as of 1<sup>st</sup> January 2011, a period before full implementation of the 3<sup>rd</sup> Package. The GGP's recommendations are in line with the provisions of the 3<sup>rd</sup> Package. Indeed, the GGP on Customer Complaint Handling, Reporting and Classification, which is the base of this Status Review, aimed to provide Member States and NRAs with input on how to translate the 3<sup>rd</sup> Package provisions into operational modalities.

The fact that some of the recommendations are still not followed should therefore not be seen as a negative point. As implementation is in progress during 2011 in many of the countries concerned, most of these recommendations will soon be applied. Therefore, a clearer picture will follow once these new legal provisions are transposed in all national laws, which will lead to more harmonised standards and procedures on complaint handling issues. This Status Review is done only half a year after the GGP were released and already it can be seen that the Member States are aiming for these recommendations to be followed. It is clear that more progress needs to be made, but taking into account some country-specific models, this is a slow process. Reconstructing a whole system and allowing everyone to adapt to it takes time and money. It can be concluded that more progress will follow in the near future.



## Annex 1 – 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 Customers Working Group.

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## Annex 2 – List of abbreviations

Term	Definition
ADR/ADS	Alternative Dispute Resolution / Alternative Dispute Settlement
CEER	Council of European Energy Regulators
DSO	Distribution System Operator
ERGEG	European Regulators Group for Electricity and Gas
GGP	Guidelines of Good Practice
HACP	Hungarian Authority for Consumer Protection
n/a	Not available
NRA	National Regulatory Authority
Ofgem	Office of Gas and Electricity Markets, British NRA
ROS	Regional ombudsman service
SLA	Service Level Agreement

### Annex 3 – Statutory complaint handling standards within service providers: case studies

**Belgium:** Regarding suppliers, the Federal Code of Conduct states that suppliers have to give a first (or if possible a final) answer within 5 working days<sup>19</sup>. This answer states if the complaint is justified or not and if a further investigation is necessary. If the complaint is not justified, the answer must include a motivation why the complaint is not justified. If further investigation is necessary, the answer shall state when the consumer will receive the final answer. In its answer, the supplier must also state whether information from third parties is necessary, what information is needed and from whom, when it will give an answer to the consumer after having received the necessary information from the third party. When a complaint on billing is justified or there needs to be further investigation conducted, the supplier must suspend the invoicing of the disputed amounts immediately after receiving the complaint. The answer received from the supplier must clearly state this and must also mention the outstanding and undisputed amount, and by the deadline for the payment by the consumer.

These standards are based on legal provisions and are written down in the Section VII of the Federal Code of Conduct.

In the Walloon region, suppliers must answer any request of their clients within 10 days. The answer of the supplier has to be justified. It should indicate whether the request is well-founded or not, and whether further investigation is necessary. Some procedural rules also cover the standard financial compensations for damages.

These standards are based on legal requirements<sup>20</sup>. Sanctions for non-compliance are periodically applied by the regulator (100 Euro for each infringement).<sup>21</sup>

In Brussels, there is also regulation on the procedural rules for standard compensation.

Regarding DSOs, in the Walloon region and Brussels, procedural rules cover the standard compensations for damages. This is based on legal requirements<sup>22</sup>.

In Flanders, the DSO has to give a confirmation of the reception of the complaint via e-mail or post mail within 10 working days.<sup>23</sup>

There are also procedural rules for the compensation of damages written down in the regulations on connection as set by the DSO.

**Czech Republic:** Decree no. 540/2005 (providing for quality standards in electricity supply) and Decree no. 545/2006 (providing for quality standards in gas supply) set the standard for the time in which a supplier is obliged to handle a complaint of an invoice (i.e. such a

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<sup>19</sup> 10 days in case of complaints concerning the bill

<sup>20</sup> Article 7, paragraph 1, item 15 of the Decree of the Walloon Government on Public Service Obligations in the Electricity Sector (AGW-OSP) dated 30 March 2006

<sup>21</sup> Articles 31bis et seq. of the Decree of 12 April 2001 (relating to the organisation of the electricity market in the Walloon region); and Articles 30ter et seq. of Decree of 19 December 2002 (procedural rules for standard compensations)

<sup>22</sup> Article 25bis et seq. of the Decree of 12 April 2001; and Article 25bis et seq. of the Decree of 19 December 2002

<sup>23</sup> Article I.1.2.2. of the Flemish technical regulations for electricity and gas.

complaint has to be handled within 15 days, and the money refund shall be done within 30 days in total).

Regarding DSOs, Decree no. 540/2005 (providing for quality standards in electricity supply and related services) and Decree no. 545/2006 (providing for quality standards in gas supply and related services) set the following standards:

- standard for the time in which a DSO is obliged to handle a complaint of an invoice;
- standard for the time in which a DSO is obliged to handle a complaint of the voltage duality/duality of gas;
- standard for the time in which a DSO is obliged to handle a complaint of metering and standard for a replacement of a metering equipment.

**Denmark:** A customer may complain to the Energy Supplies Complaint Board. Following the customer complaint, the supplier is obliged to give a statement. Most cases are resolved at this point. If not, the Board makes a decision which is normally accepted by the company in question. If not, the consumer may bring it up to the NRA, which may issue a fine. The consumer can also bring the issue before the court.

**France:** Statutory complaint handling standards exist only for DSOs. The DSOs subject to these standards must take care of 95% of customer complaints within 30 days or less. These standards are defined within the framework of incentive regulation of quality of service implemented via the transmission tariffs. In general, if these standards are not respected, no financial penalties are foreseen. Only for natural gas, if the main DSO is not respecting the goals of these standards, a financial penalty will be applied.

**Greece:** Regarding suppliers, the dominant supplier standards foresee that a written request from a customer should receive a written response within 10 working days.

Regarding DSOs, in Greece there is only 1 DSO with the following standards:

- Replacement of security system of electricity power: within 4 hours;
- Electricity supply offer: within 15-25 days (depending on construction requirements);
- Construction of simple power supply: within 30 days;
- Installation of electricity meter: within 3 days;
- Written response to written customer requests: within 10 working days;
- Reconnection to distribution system after disconnection due to debt: within the same day;
- Reconnection to distribution system after request: within 2 days;
- Compliance with an agreed appointment for technical reasons: within 3 hours from agreed time.

Previous legislation required all companies offering public utility services (e.g. water, telephone and electricity) to issue a list of service standards, without defining the exact levels of those quality standards.

**Hungary:** There is a legal requirement for the service provider to answer within 15 days. There are two decisions of the NRA regarding complaint handling.

The first one provides for the yearly complaint handling indicators. In case of non-compliance with these indicators, the service provider has to pay a fine.

The other NRA decision provides for minimum quality requirements concerning customers. In case of non-compliance with the minimum quality requirements for responding to a complaint, the service provider has to pay 5000 HUF to the customer.

**Ireland:** It should be noted that although statutory complaint handling functions exist in Ireland, they are not the same as recommendation 4. In the case of Ireland, suppliers are

required to have a code of practice setting out their complaint handling process, including a way to escalate their complaint if they are not satisfied and a time frame for having their complaint dealt with. In addition, there is a statutory requirement for the NRA to provide customers with a third party alternative dispute resolution service, if they are not satisfied with the solution proposed.

Concerning this issue, there are legal provisions foreseen. Relevant rules are also set up in the supplier licence and the NRA guidelines for suppliers when drafting their code of practice. Suppliers are required to guarantee financially their code of practice. The NRA may award compensation to a customer if the complaint has not been processed appropriately.

**Italy:** Complaint handling standards have been defined for suppliers. First of all, suppliers must register each written complaint. There is an obligation to provide a complete answer within 40 days for suppliers (specific standard) and 20 days for DSOs (overall standard).

If the supplier specific standard is not met, compensation must be paid to the customer (maximum 1 complaint per customer per year). Service providers are requested to send to the NRA information regarding the number of complaints received and the compensation paid<sup>24</sup>. Moreover, the NRA will publish a ranking of the suppliers on the basis of complaints received.

When the supplier needs to be provided with technical data by the DSO in order to respond to customers' complaints, the DSO must respond to the supplier's request within 15 working days. If the DSO doesn't comply with this deadline, it must pay compensation.

These standards are based on the NRA's rules about suppliers and distribution quality standards. Suppliers or DSOs may be fined for non-compliance.

**Lithuania:** When a consumer believes that a seller/supplier has infringed his rights or the interests protected by law, he/she must first of all contact the seller/supplier and specify his/her request. If the seller/supplier does not meet the consumer requests and the consumer thinks that his/her rights have been breached, the consumer must contact the seller/supplier in writing, clearly stating his/her requests. The seller/supplier must provide the customer with a justified answer within 10 days from the date of receipt of the consumer written request, unless differently stated by other laws. A copy of relevant documents must be attached to the reply of the seller/supplier to the customer. The sellers/suppliers must consider consumers' applications free of charge. The following institutions deal with the settlement of customer disputes<sup>25</sup>: 1) the State Energy Inspectorate under the Ministry of Economy, in the field of the consumer rights protection provided for in the Law on Energy; 2) the National Control Commission for Prices and Energy, in the field of customer rights protection provided for in the Law on Energy; 3) other institutions, in the cases provided for in other laws; 4) the State Consumer Rights Protection Authority. The National Council for Consumer Protection under the Ministry of Justice shall hold a preliminary extra-judicial hearing of complaints by natural persons concerning application of unfair conditions in the sale or service agreements. The State Energy Inspectorate shall hold a preliminary extra-judicial hearing of complaints concerning malfunctioning of energy facilities and breakdowns of equipment and metering instruments, breaches of the requirements of maintenance, energy quality, accounting of and payment for energy, accidents, interruption, suspension or restriction of energy supply. The Commission shall hold a preliminary extra-judicial hearing of complaints concerning acts or

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<sup>24</sup> Every 6 months, suppliers must send monthly data concerning the previous 6 months. Every year, DSOs must send data concerning the previous 12 months

<sup>25</sup> referred to as the "authorities for the settlement of disputes"

omissions of energy enterprises in supply, distribution, transmission, storing of energy, failure to grant them a right to use networks and systems, connection, balancing of energy supply flows, application of prices and tariffs.

The Law on Drinking Water, the Law of Natural Gas, the Energy Law and the Electricity Law provide complaint handling standards in the energy sector. Furthermore, the Law on Consumer Protection is common to all customers and establishes a common procedure for complaining.

**Poland:** The Ministry of Economy Regulation on the functioning of the power system states that service providers must accept and register customer complaints and answer them within 14 days. With reference to continuity of supply issues, service providers must accept customer complaints at all times (24 hours a day, 7 days a week).

There are legal requirements: customers can ask for financial compensation, but compensation concerns only some types of complaints, specified in the regulation. The level of financial compensation is determined in accordance with the Regulation on tariffs and (in some cases) the Regulation on grid tariffs, approved by the NRA. If a customer has the same problems with receiving compensation, he/she can submit a complaint to the NRA. According to the Polish Energy Law, the NRA can impose a fine on the service provider.

**Portugal:** Last resort suppliers and all DSOs must respond to customer complaints within 15 working days after the date of reception of the complaint. These standards are established in the Quality of Service and Commercial Relations Codes. In case of non-compliance, the last resort suppliers or the DSO must pay compensation automatically in the next invoice, 45 days after the failing occurs.

For the others suppliers, there only exists the obligation to mention in each contract the maximum period for that response.

**Slovak Republic:** The Law on Consumer Protection<sup>26</sup> provides for the standard obligations for sellers of goods and services in general. According to this law, a seller of goods and services can be sanctioned when breaking the obligations set out in the relevant legislative provisions.

The Law on Energy<sup>27</sup> provides for the rights of customers concluding a contract with electricity and gas suppliers (including the place, methods and terms of customer complaints). This provision is reflected in the NRA Decision on the rules of operation of service providers (section on rules of complaints).

Relevant legal provisions are set out in both primary and secondary legislation.

**The Netherlands:** Regarding suppliers, in order to obtain a license, a supplier must have adequate complaint handling standards. Furthermore, new legislation provides for complaints to be solved within 8 weeks. This new legislation will come into effect from 1<sup>st</sup> July 2011<sup>28</sup>. The NRA can issue a fine or a binding resolution for non-compliance.

Regarding DSOs, the so-called 'Netcodes' include standards for various administrative issues. The handling of complaints is not mentioned as such. However, for instance, DSOs

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<sup>26</sup> Act No. 250/2007, Section 18

<sup>27</sup> Act No. 656/2004, section 20

<sup>28</sup> The legislation referred to has come into effect as from 1<sup>st</sup> July 2011. The new obligation is included in the Electricity and Gas Act (Article 95o of the Electricity Act and Article 52d of the Gas Act)

are obliged to handle all incoming mail (post, e-mail) within a certain time period. 'Netcodes' are binding regulation. The NRA can issue a fine or a binding resolution for non-compliance.

**United Kingdom:** The statutory complaint handling standards for suppliers and DSOs cover domestic and micro-business consumers. These are set and enforced by Ofgem. The standards cover the definition of complaints; the requirement to record information; the requirement to signpost the complaint handling procedures; the requirement to signpost the redress scheme; the requirement to make arrangements for contacts from Consumer Direct and from Consumer Focus; the resourcing of the complaints function; and the requirement to publish information. They are set up through a statutory instrument enforceable by Ofgem.

## **Annex 4 – Statutory complaint handling standards within third party bodies: case studies**

**Austria:** There are rules established by the NRA explaining how the ADR board can be reached, the need of a written form for a formal proceeding, which cases are dealt by the ADR board, how the case will be concluded, etc. There are only recommendations and no legal provisions.

**Belgium:** At a federal level, the procedure used by the Federal Ombudsman for energy is written down in the Royal decree of 18<sup>th</sup> January 2008, concerning the Ombudsman for energy. The Federal Ombudsman for energy has to notify the consumer within 20 working days when he decides not to handle a complaint (any further). He informs the electricity or gas company against which the complaint is submitted. The electricity or gas company gives its point of view. After investigating the complaint, the Ombudsman tries to mediate between the parties to find a solution. If this is not possible the Ombudsman will give a recommendation to the electricity or gas company. This recommendation will be given within a period of 40 working days after receiving the complaint (this period can once be prolonged with the same period).

If the company doesn't follow the recommendation, it has 20 working days to motivate its decision to the ombudsman and the consumer who submitted the complaint.

In the Walloon Region, the process for dealing with consumer complaints is described in a Decree of the Walloon government.<sup>29</sup> A client who wishes to complaint must raise the issue firstly with the supplier/DSO. Acknowledgement of receipt of the complaint by the regional ombudsman service (ROS) must occur within 30 days, informing the complainant about the complaint admissibility. The complaint must be notified to the opposing party by the ROS without delay, while the opposing party must notify its remarks to the ROS within 40 days. The recommendations of the ROS to the parties must be available 90 days after the introduction of the complaint at the latest.

**Czech Republic:** The ADR Project is based on the existing legal framework (legal requirements and contractual usage). Rules for the realisation of the Project were adopted by the Ministry of Trade and Industry, in co-operation with the other participants in the Project (the Ministry of Justice, the Ministry of Finance, the Chamber of Commerce of the Czech Republic, the Court of Arbitration of the Chamber of Commerce and Agriculture of the Czech Republic the Association of Mediators and Consumer Organisations).

The basic principle of the system is on a voluntary basis. The proposal uses the possibilities of the existing legal system of the Czech Republic and also ensures the objectivity and transparency of the individual processes.

The entire system is based on 3 fundamental principles (methods of dispute resolution), which are provisions of qualified information and recommendations, mediation and arbitration. Mediation should be understood as resolution of the dispute by mutual communication mediated by a qualified individual - the mediator. The aim of the mediation is to reach a consensus between the participating parties.

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<sup>29</sup> Decree of the Walloon government of 8 January 2008, concerning the regional mediation service for energy



If there is a dispute between an entrepreneur and a consumer and the parties believe it would be easier to resolve such dispute otherwise than in the court, then they have the possibility to turn to a contact place for assistance with alternative dispute resolution of such consumer dispute. Basically, a simple form must be filled in and send to a competent contact place.

The contact place staff will then be able to provide qualified information and to give recommendations regarding the method of the dispute resolution. If the dispute is not resolved outright, the staff will then arrange for an initiation of mediation or arbitration proceedings. The entire system is built on the voluntary participation of both parties. In order to start mediation or arbitration, both parties need to agree with their participation therein. Arbitration is an alternative resolution of a property dispute by an independent arbitrator, where the result is a binding arbitral decision. This arbitral decision is legitimate and judicial review is possible only for procedural reasons.

**France:** According to the law, the Ombudsman receives complaints from customers through an online form or by letter sent via post and informs the customers about the nature of the complaint. If the subject of the complaint is not in the framework of the relevant law, the Ombudsman has 1 month from the reception of the complaint to inform the customer that this complaint is not within its competencies and should be dealt with within another third party body. The Ombudsman should specify the name of the other third party body. In case the Ombudsman is able to deal with the complaint, a recommendation has to be made for the customer within 2 months from the reception of the complaint. The Ombudsman has to be informed by the supplier mentioned in this complaint within 2 months as from when the recommendation was sent to the customer, in order to see if progress was made.

**Hungary:** The Act on Electricity divided the competence of complaint management amongst the NRA and the Hungarian Authority for Consumer Protection (HACP) on 1<sup>st</sup> January 2008.

The NRA manages the following types of complaints:

- non-residential consumers: all complaints;
- residential consumers: complaints related to connection, accessibility and the appropriate availability of the network, and other complaints not managed by the HACP.

The HACP manages the following type of complaints for residential consumers:

- accounting, billing, metering, and payments;
- suspension or disconnection of the electricity supply because of delayed payments.

The HACP's administration time limit is 30 days; the NRA's is 2 months.

The NRA and also the HACP contact the supplier and investigate the case. The investigation is concluded by a resolution of the NRA or the HACP, which in turn can be challenged in front of the court. If the supplier or the DSO breaches the law, the NRA can pass a resolution and oblige the company to correct the failure. There is a deadline for the company to resolve the problem and to report it to the NRA.

Arbitration board proceedings are opened upon the consumer request. The arbitration board shall conclude the proceedings within 90 days as from opening.

The legal provisions concerning the proceedings of the NRA and the HACP are in the Act on the General Rules of Administrative Proceedings.

The proceedings of arbitration boards are regulated in the Act on Consumer Protection.

**Italy:** In Italy, there are rules about how to send a complaint to the ‘Consumer Help Desk’<sup>30</sup>, kind of cases dealt with, how a case can be closed. The help desk has to meet some Service Level Agreements (SLA), defined in the approved Project. Minimum public service standards will be probably fixed in 2012.

**Lithuania:** Third party bodies such as State Consumer Rights Protection Authority, National Control Commission for Prices and Energy, State Energy Inspectorate under the Ministry of Energy of the Republic of Lithuania within its competence, investigate complaints. Upon receipt of a customer complaint, an authority for the dispute settlement shall send to the concerned supplier a notification about the received application of the consumer, the copies of the complaint and its attachments, requesting a written exhaustive explanation and the relevant documents within 10 days as from the receipt of the notification. If a customer appeals to an authority for the dispute settlement without having previously contacted the supplier on the issue, or if he/she contacted it without receiving any replies within the time limit fixed by the Law, the authority for the dispute settlement must send the customer complaint to the supplier and propose to settle a dispute peacefully within the fixed time limit. If the supplier does not agree to settle a dispute peacefully, a justified explanation and the proof substantiating must be submitted to the authority for the dispute settlement. The authority for the dispute settlement shall not settle a dispute if the supplier proposes to settle the dispute peacefully within the time limit fixed by the authority, and the customer agrees with this or fails to indicate within the time limit that he/she does not agree with such way of dispute settlement. An authority for the dispute settlement may appeal to state and municipal institutions which are responsible for the sphere related to the dispute, requesting conclusions regarding the request specified in the customer complaint or the explanations submitted by the supplier. When necessary, the above-mentioned authorities shall carry out an expert examination or laboratory tests. State and municipal institutions responsible for the sphere of consumption related to the dispute shall submit conclusions to the authority for the dispute settlement at its request within the time limit fixed by this authority, but not later than 20 working days. If due to the objective reasons, conclusions may not be submitted within the aforementioned time limit, the latter may be extended not longer than 10 working days. These standards are set up by the Law on Consumer Protection.

**The Netherlands:** There is regulation on the adequacy of dispute settlement, which states that disputes should be settled quickly, and that the procedure should be transparent, simple and cheap.

**Poland:** There are no specific statutory complaint handling standards, but there are some procedures in place. Complaints are wide category that includes also disputes. By law, the President of the Polish NRA is empowered to resolve disputes related to a refusal to conclude a grid connection contract, an energy sale contract or a transmission and distribution contract. In this frame the NRA acts as third party body and resolves disputes according to a procedure set out in administrative law (Code of Administrative Procedure); hence the procedure is compulsory. On the basis of the procedure, the regulator is obliged to resolve the dispute within 30 days. In Poland there are also general consumers Ombudsmen, set and financed by the local governments. They deal with customer

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<sup>30</sup> Sportello per il consumatore di energia

complaints using their own standards and procedures. Furthermore, conciliation courts have their codes of practice.

**The United Kingdom:** the ombudsman scheme has 4 main criteria which need to be met under the application for approval by Ofgem:






















- Independence: the ombudsman must be, and must be seen to be, independent from those whose disputes are being solved;
- Accessibility: the ombudsman is, and is seen to be, accessible to consumers including its awareness, the process and procedures for timely access and ease of use across all groups of consumers;
- Effectiveness: the dispute procedure has to be prompt, cost effective, fair and impartial. All representations must be dealt with on a fair and equitable basis;
- Public accountability: the ombudsman is transparent about all aspects of its operations, including its decisions and any statistical information that informs the public about the performance of the scheme.




The Ombudsman has put in place a number of procedures and service levels to meet these criteria and publishes an annual report on its performance.

Ofgem has a statutory duty to appoint the Ombudsman (under the Consumer, Estate Agents and Redress Act 2007).

## Annex 5 – Overview of the implementation of the GGP on complaint handling in CEER member countries

Table 18 - Overview of the implementation of the GGP on complaint handling

Implementation of the recommendations by service providers	
1) Customers should be provided, on their bills, with the contact details of the service provider's customer service	 90% Countries for suppliers
	 50% Countries for DSOs
2) Customers should be provided by their service provider with the relevant contact information of the relevant third party body	 45% Countries for suppliers
	 40% Countries for DSOs
3) To submit a complaint, a wide range of channels should be available	 100% Countries for suppliers
	 95% Countries for DSOs
4) Statutory complaint handling standards determined at national level and common to service providers should be in place	 55% Countries for suppliers
	 65% Countries for DSOs
5) Redress schemes should be in place to allow compensation in defined cases	 70% Countries for suppliers
	 80% Countries for DSOs
6) Service providers should follow the ADS body recommendations	 65% Countries for suppliers
	 55% Countries for DSOs
7) When the NRA deems it appropriate to receive data on complaints, the service provider should give the NRA access to these data	 55% Countries for suppliers
	 60% Countries for DSOs
Implementation of the recommendations by third party bodies	
8) A single point of contact should deliver free information and advice on consumer issues	 65% Countries for suppliers
9) Before submitting a complaint to a third party body, customers should first contact their service provider	 70% Countries for suppliers
	 65% Countries for DSOs
10) In order for a customer to get in contact with a third party body, a wide range of channels should be available	 90% Countries for suppliers
11) ADS should be made available for all household customers, preferably without charge or inexpensively as possible	 90% Countries where ADS is available
	 80% Countries where ADS is free of charge
12) Complaint handling standards should be determined at national level for third party bodies	 35% Countries for third party bodies

<p>13) Customers whose complaint has been settled in their favour by an ADS body, should be allowed a fair compensation from their service provider</p>	<p> 35% Countries</p>
<p>14) When a regulator deems it appropriate to collect data on complaints, the third party body should provide it</p>	<p> 40% Countries for third party bodies</p>
<p>15) Third party bodies could provide and publish reports on complaints they have received</p>	<p> 80% Countries for third party bodies</p>