



Offers, Information and Redress

BEUC's contribution

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Economic Officer

EREG Workshop
Obstacles to supplier switching

Paris, 23th September 2008



Once there was a Belgian who wanted to switch...

General information	<input type="checkbox"/> National and regional regulator <input type="checkbox"/> Consumer organisation	<input type="checkbox"/> 1.5 h.
Analysis	<input type="checkbox"/> Discussion at home	<input type="checkbox"/> 2 h.
Current contract	<input type="checkbox"/> Time consuming <input type="checkbox"/> Questions on metering	<input type="checkbox"/> 3.5 h.
Price comparison	<input type="checkbox"/> Different presentation of prices: VAT, yearly vs. total period, unclear bills...	<input type="checkbox"/> 5.2 h.
New contract	<input type="checkbox"/> Price calculator: Necessary <input type="checkbox"/> Conclusion of contract: Easy	<input type="checkbox"/> 6 h.



List of energy suppliers in Brussels

BRUGEL - Windows Internet Explorer

http://www.brugel.be/Public/Page.php?ID=40&siteID=&language=dut

File Edit View Favorites Tools Help

CREG - Welkom BRUGEL

> OVERHEDEN

> ENERGIESECTOR

> Leveranciers van elektriciteit

Onderneming	Telefoon	Website
E.ON Belgium	02/743 33 33	http://www.eon-benelux.com
E.ON Sales & Trading	+49 89 / 12 54 33 52	http://www.eon-sales-and-trading.com
EDF Belgium	070/35 21 21	http://www.edfbelgium.be
Electrabel	078/78 20 20 (prof.) - 078/35 33 33	http://www.electrabel.be/contact
Electrabel Customer Solutions	078/35 33 33 - 078/78 20 20 (prof.)	http://www.electrabel.be/contact
Endesa Energía	+33 1 / 44 71 07 57	http://www.endesa.com
Eneco Energie International	015/40 41 40	http://www.eneco.be
Essent Belgium	0800/32 032	http://www.essent.be
Lampiris	0800/40 123	http://www.lampiris.be
Nuon Belgium	0800/92 902	http://www.nuon.be
Belpower, division of Reibel	02/421 99 11	http://www.belpower.be
SPE (Luminus)	078/150.207	http://www.luminus.be
Trianel Energie	03/206 19 69	http://www.trianel.com

> Leveranciers van gas

Onderneming	Telefoon	Website
Distrigaz	02/557 30 57	http://www.distrigaz.be
Electrabel Customer Solutions	078/35 33 33 - 078/78 20 20 (prof.)	http://www.electrabel.be/contact
Essent Belgium	0800/32 032	http://www.essent.be
Gaz de France	02/287 19 70	http://www.gazdefrance.be
Lampiris	0800/40 123	http://www.lampiris.be
Nuon Belgium	0800/92 902	http://www.nuon.be
SPE (Luminus)	078/150.207	http://www.luminus.be

Done

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Price Comparison Tool: Example from Test-Aankoop (Belgium)

Test-Aankoop - Huis & tuin - Bereken zelf - Wie wordt uw aardgasleverancier - Windows Internet Explorer

http://www.test-aankoop.be/interactief/electricitydc/nl/

File Edit View Favorites Tools Help

Test-Aankoop - Huis & tuin - Bereken zelf - Wie wordt ...

Periodek begintijd	1-1-00
Aantal gezinsleden	2
kVA	10

Uw resultaat (prijzen in €)

leverancier	totaal factuur in €/jaar BTW incl.	index	indexatie prijzen	duurtijd contract	opzeg termijn	groene stroom (%)
Brussel - uw standaard leverancier: Electrabel Customer Solutions						
Sociaal Tarief (1)	258.58	75	variabel	onbepaalde duur	-	0
Nuon / Nuon Flex	342.77	100	variabel	1 jaar	1 maand	60
Lampiris - Test Aankoop <input type="button" value="klant worden"/>	346.16	101	vast	1,2 of 3 jaar	1 maand	100
Power4you - Lampiris	351.16	102	vast	1,2 of 3 jaar	1 maand	100
Nuon / Nuon Comfort	356.85	104	vast	1 jaar	1 maand	60
Electrabel Customer Solutions / Electrabel Optibudget	367.39	107	variabel	2 jaar	1 maand	0
Nuon / Nuon Comfort 3 jaar	368.91	108	vast	3 jaar	1 maand	60
Electrabel Customer Solutions / EnergyPlus ELEK 20	369.79	108	variabel	1 jaar	1 maand	0
Lampiris / Lampiris	370.58	108	vast	1,2 of 3 jaar	1 maand	100
Nuon / Nuon Nature	371.29	108	vast	1 jaar	1 maand	100
Belpower	373.44	109	vast	3 jaar	45 dagen	100
Carrefour-Ecoplanet	373.73	109	vast	1,2 of 3 jaar	1 maand	100
Standaardleverancier / Electrabel Customer Solutions (2)	373.98	109	variabel	onbepaalde duur	1 maand	1
Electrabel Customer Solutions / FixPlus 1 jaar	376.86	110	vast	1 jaar	1 maand	0
Electrabel Customer Solutions / Electrabel Vert	381.75	111	variabel	1 jaar	1 maand	100

(1) Enkel geldig voor mensen die genieten van het sociaal tarief (mindervaliden, OCMW,...)
 (2) Indien u geen contract heeft getekend met een leverancier, betaalt u het standaard tarief
 (3) Het Weekend Plus tarief van Nuon is alleen geldig met een tweevoudige teller.

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Once there was a Belgian who wanted to switch...

- Overall:
 - Not easy to find detailed information
 - Very difficult to compare offers
 - Price comparison tools are very valuable
 - Concluding contract was easy

⇒ Stage 1 according to ERGEG document of April 2008

 - Switching procedure and execution of the switch still to be performed
-



Members views

- ERGEG good practices for switching: BEUC members concentrate mostly on Stage 1:
 - Information on suppliers and offers
 - Information on costs and consumption

 - Attention should also be on:
 - Information on terms and conditions
 - Complaints handling and redress
 - Representation
-



Information on suppliers and offers

- Number of suppliers vary considerable
 - Greece and Portugal vs. Czech Republic and Norway

- Households currently unlikely to switch every year

- Information on offers only slowly improving:
 - ¼ of members find information readily available, rest partially or not
 - Many consumer organisation provide information



Information on costs and consumption

- Information on cost and consumption
 - Consumers receive more information, especially with the roll out of new meters
 - Still half of our members see no clear improvement
 - Bills remain complicated for consumers



Information on terms and conditions and complaints handling

- Information on terms and Conditions:
 - Considerable variation: Finland and Slovenia vs. Spain and Poland

- To feel confident, complaint handling and redress should be easy
 - Customer service as a pillar of a well functioning market
 - In many Member States, consumers need to go to court to have claims being resolved
 - Out of court procedures:
 - Present in 2/3 of Member States
 - At many instances through a single body which also provides advice



Representation and dialogue

- To ensure consumers are taken into account, representation and dialogue is needed
 - Consumers are not officially represented in many countries
 - Many of our members are in contact with their national regulators informally
 - Changing focus for regulators?



Switching process

- Members do not make a distinction between Stage 2 and 3

- Switching seems to have become easier:
 - In 2003, BEUC members reported many difficulties with switching
 - Now, switching seems to have become easier
 - But, problems persist: Switching Campaign of VZBV (Germany)



Case study: switching campaign VZBV (Germany)

Run in 2007

- 2000: Liberalisation without a proper functioning switching process
- 2005 – 2006: Legal framework implemented to facilitate switching
- 2007: Consumers to be informed about switching

Very successful:

- Message: save energy by changing and using less
- 2 mio consumers changed in six months



Case study: switching campaign VZBV (Germany)

- VZBV informed consumers on offers and procedure (stage 1)

- VZBV encountered problems with switching process:
 - Delays even when deposits were paid
 - Faulty business processes of new entrants
 - Delays with tariff changes: the old supplier was not fully ready/committed

- Way forward
 - Improve technical switching process
 - Promote contracts which stimulate trust and competition



Conclusions

Stage 1:

- Information on offers, suppliers, consumption and costs:
 - Considerable variety in Europe
 - Slowly improving
 - Consumer organisations provide information
- A need to address also
 - General information
 - Complaints handling and redress
 - Representation and dialogue



Conclusions

- Stage 2 and 3:
 - Members find that that the process has become easier
 - Switching campaign in Germany showed a need to improve the switching process

- Contracts which ensure trust and competition



Satisfaction of basic needs



Safety



Information



Choice

Consumer Rights



Representation



Redress



Consumer education



Healthy environment