



**NATIONAL  
ENERGY  
OMBUDSMAN -  
2010  
ACTIVITY  
REPORT**



**Informer, conseiller, protéger**

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# EDITORIAL

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**T**

he national energy ombudsman is an independent administrative authority set up by the legislators with the remit to advise and protect electricity and natural gas consumers. By maintaining a continuous dialogue with operators and by listening to consumers, we propose solutions to individual disputes and suggest avenues for improvement in terms of the general interest.

I am pleased to present our activity report for the third year of operations.

The report covers the key aspects of our actions in 2010, along with important general recommendations for operators and consumers, and an overview of energy ombudsmen in Europe.

The year was also marked by the drafting, in the autumn, of the report commissioned by the Minister of Energy on suppliers' billing methods, consumer information and complaints handling. In particular, we have recommended improved energy bill clarity, closer client relationships on the part of suppliers, and greater efficiency in complaints handling procedures. As shown by our 2010 activity report, the number of disputes continues to rise, and we received a total of nearly 17,500 requests from consumers asking for our help. This figure also translates consumer concerns at a time of rising energy prices.

By way of our general recommendations, we seek to prevent similar disputes recurring by highlighting malfunctions likely to affect other consumers. These recommendations may also be the subject of dialogue with public authorities and represent a source of proposals for legislative or regulatory change. The five general recommendations highlighted in this report have helped contribute to work on changing current practices for the benefit of all stakeholders.

Accordingly, in 2010, we were pleased to see some of our recommendations on consumer information, the automatic repayment of overpayments and switching back (i.e. the possibility for consumers to switch back to regulated energy tariffs) now included in the Electricity Market New Organisation law (*loi NOME - Nouvelle organisation du marché de l'électricité*) which came into effect on 7<sup>th</sup> December 2010.

We are determined to continue our action to ensure that further progress will be achieved in 2011.

**Denis Merville**  
National energy ombudsman



**A LAW TO REFORM THE ELECTRICITY MARKET, BETTER GUARANTEES FOR CONSUMER RIGHTS, A SIGNIFICANT RISE IN ELECTRICITY AND GAS PRICES, CONTROVERSY OVER COMMUNICATING METERS... THESE ARE A FEW OF THE KEY EVENTS OF 2010 IN THE ENERGY SECTOR, THREE YEARS AFTER THE MARKET WAS OPENED UP FOR HOUSEHOLD CLIENTS.**

**I**n terms of developments on the energy market, 2010 was eventful. An eagerly-awaited law, the Electricity Market New Organisation law, known as the NOME law (Nouvelle Organisation du Marché de l'Electricité) came into effect on 7<sup>th</sup> December. Its main aim is to stimulate competition within the sector, by obliging EDF to sell a portion of its nuclear production to other operators.

#### **BETTER CONSUMER PROTECTION**

Article 18 of the NOME law also strengthens consumer rights, for example by obliging suppliers to reimburse overpayments rapidly. As requested by the ombudsman since 2008, all residential electricity and gas consumers now have the possibility of switching back to their original energy supplier with regulated tariffs, in all cases, and without any time restrictions. Furthermore, French consumers incurred energy price rises during the period, as evidenced by the numerous letters received by the ombudsman. During the first half year of 2010 regulated gas tariffs increased by over 15%, and rose again by 5% in April 2011. Regulated electricity prices increased by an average of 3% in August 2010, and again by 3% in January 2011. This is an unprecedented level of increase, not seen in France for the past 20 years. However, the majority of European countries also experienced similar situations.

#### **QUESTIONS MARKS HANGING OVER COMMUNICATING METERS**

The year was also punctuated by controversy over trials of the Linky communicating electricity meter conducted by ERDF in two regions. These devices are the cornerstone for future smart grids and should enable consumers to monitor real-time changes in their consumption and thereby help them to achieve energy savings by changing their habits. It has already been proved that the project will provide productivity gains for the distribution system operator (DSO), and will enable suppliers to adapt their offers to different energy consumption profiles.

However, the debate is still raging over the interest of such a device for the consumer, with legitimate concerns being raised by consumer associations and the National Federation of Public Service Delegating Authorities (*FNCCR, Fédération Nationale des Collectivités Concédantes et Régies*) over the costs to be borne by households and personal data security risks.

Without as such evading the questions raised, the ombudsman considers that the communicating meters project represents a genuine step forward in the general interest. To enable individual consumers to be aware of their actual electricity consumption, the plan is to deliver and install a remotely-located simplified display with each meter. This should encourage users to consume better and consume less. In fact, this is the only way to offset the inevitable rise in energy bills.

# **2010 – A TRANSITIONAL YEAR FOR THE ENERGY MARKET**



# GREATER TRANSPARENCY AND CLOSER CLIENT RELATIONSHIPS

SUPPLIER BILLING METHODS WERE THE CORE ISSUES ADDRESSED IN THE REPORT SUBMITTED ON 16TH DECEMBER 2010 BY THE NATIONAL ENERGY OMBUDSMAN TO ÉRIC BESSON, THE MINISTER OF ENERGY. THE REPORT CONTAINS RECOMMENDATIONS TO ENSURE THAT CONSUMERS RECEIVE CLEARER AND FAIRER ENERGY BILLS. INTERVIEW WITH DENIS MERVILLE, THE NATIONAL ENERGY OMBUDSMAN.



Denis Merville, national energy ombudsman, presenting the report proposing recommendations for clearer and fairer energy bills on 16th December 2010, in the presence of Éric Besson, Minister of Industry, Energy and the Digital Economy.

**W**hat were the circumstances that prompted Jean-Louis Borloo, then Minister of Energy, to ask you to report on the situation?

During the summer of 2010, the media reported on the high level of consumer criticism over energy bills and on suspicions that suppliers were generating cash by overcharging users on the basis of excessively high energy consumption estimates. In addition, some consumers were complaining about suppliers actually backdating tariff increases, i.e. applying higher charges to the period prior to the introduction of the increase. The Minister asked for our help because we have our finger on the pulse of the problems encountered by French energy consumers. In fact, around 17,500 people contacted my departments in 2010. Be that as it may, it was difficult to provide a clear statement of the underlying situation without conducting a more in-depth study.

**How did you carry out your investigation?**

In the first instance, we held meetings with energy market businesses and consumer associations. In order to broaden the debate, we organised a public consultation with all stakeholders and launched a call for testimonies, so that consumers who had not appealed to the ombudsman could express their problems. The

information we collated enabled us to draw up an exhaustive status report on billing practices and this resulted in an initial conclusion that operators are not actually deliberately attempting to overcharge consumers. Almost all of the 160 million gas and electricity bills comprise at least a certain amount of estimation, and this can lead just as much to under-estimated bills as to over-estimated bills. Moreover, we did not reveal any cases of backdated price increases.

**Nevertheless, the report does highlight a billing system that is open to improvement.**

The complicated nature of the bills and the calculation methods used for estimates do not generate consumer confidence. Distribution system operators (DSO) are obliged to read the meter at least once a year. Currently, they do no more than fulfil this minimum obligation, and not even this in every case. This situation would explain the sometimes large variances between estimated consumption and the final bill balance based on actual consumption. Furthermore, suppliers do not always take account of the data forwarded by the DSO and continue to build on the basis of their own estimates. Consumer associations have highlighted over-charging, but under-charging presents just as many problems, as it only serves to defer the point of dispute until

the time of final settlement. The situation is even worse in the event of switching supplier, as the latter is responsible for sending the "catch-up" bill. This is incomprehensible for consumers who have changed energy companies in order to benefit from better tariffs. In an open market, there can no longer be any place for these long-standing under-estimated energy bill practices.

**What are you recommending to meet consumer wishes for clearer and fairer billing?**

We are advocating greater transparency. Consumers must be able to understand the basic data used to calculate an estimate, in the same way as its author for example (supplier or DSO). We also recommend that operators' Internet sites allow access to additional information. Furthermore, pending the widespread introduction of more sophisticated meters which will solve part of the problems raised by estimates, we are calling for greater consideration to be given to meter readings taken by consumers than is currently the case. By way of example, if a consumer currently takes a meter reading at the point of a change in tariff and forwards it to the supplier, the latter never takes it into account when preparing the actual bill. More specifically, consumer meter readings should be accepted systematically when it is a matter of correcting over-estimated

bills. This would represent a considerable step forward for the consumer, along with the automatic reimbursement of over-payments.

**You observe that energy companies do not respond adequately to consumer complaints, the number of which is constantly increasing. What improvements should be introduced?**

Consumers clearly have the feeling that nobody is listening to them. We consider that all operators should be subject to an obligatory maximum complaint handling time. This means that they should reorganise their systems to limit their complaint handling procedures to a maximum of two levels, in order to avoid the consumer having to negotiate a veritable assault course. Furthermore, we believe it is essential for operators to build up a relationship with their clients, and even if this is not a close relationship in terms of a neighbourhood physical presence, it should at least be a personalised one. We are also suggesting the introduction of dedicated contact people to communicate with elected officials and consumer associations, as these bodies pass on the problems encountered by frequently struggling consumers.

**What follow-up action is occurring as a result of the report?**

The NOME law on energy market reform which came into force on

7th December introduces changes in line with our recommendations. For example, the law requires suppliers to set up a department to receive and process consumers' own meter readings. Henceforth, the gas conversion factor from m<sup>3</sup> into kWh for each community, which is a key parameter in gas billing, is available on the GrDF distribution system operator's Internet site. This is a first step forward. We are participating in expert meetings held by the relevant Government departments and organised straight after the report was submitted. As can be expected, we will be monitoring the progress of our recommendations very closely.

*“Concerning complaints and the client relationship, I share the ombudsman’s observations: improvements can certainly be introduced to improve response times, transparency and closer client relations.”*

Éric Besson,  
Minister of Industry and Energy.

## 3,211

CONSUMER TESTIMONIES WERE COLLATED VIA THE QUESTIONNAIRE POSTED ONLINE ON THE NATIONAL ENERGY OMBUDSMAN'S WEBSITE.

## 72%

OF THEM HAVE HAD TO RESUBMIT THEIR COMPLAINTS TO THEIR SUPPLIER MORE THAN THREE TIMES.

## 350,000

WRITTEN COMPLAINTS WERE RECEIVED BY ENERGY SUPPLIERS IN 2009, REPRESENTING A TENFOLD INCREASE OVER 2007.

# FRENCH MEDIATION SEEKING ITS IDENTITY

MEDIATION, NAMELY AN AMICABLE WAY OF SETTLING DISPUTES, IS BECOMING INCREASINGLY POPULAR IN FRANCE, BUT CONSUMER ASSOCIATIONS, ENTERPRISES AND PUBLIC BODIES HAVE WIDELY DIVERGING VIEWS ON ITS WORKING PRINCIPLES. THE NATIONAL ENERGY OMBUDSMAN IS CHAMPIONING THE IMPORTANCE OF INDEPENDENCE AND TRANSPARENCY.

**M**ediation unarguably has the wind in its sails. Public bodies, enterprises and associations all agree on the virtues of generalising this alternative mode of dispute settlement, which is much more straightforward and faster than taking cases to court. Businesses not only see the benefits of mediation in terms of avoiding costly legal proceedings, but also as a means of rebuffing attempts to introduce French-style class actions that would enable consumers to file a joint case before a judge. Be that as it may, this basic consensus splits asunder as soon as it becomes a question of defining the principles of mediation and the conditions for its objectivity.

Furthermore, France presents a unique panorama where all sorts of ombudsmen cohabit. This situation leads to confusion in people's minds. In various areas, there has been an increase in the number of in-house ombudsmen. In fact, "sector" ombudsmen, financed by enterprises within a business sector, have been set up, as exemplified by the electronic communications sector in 2003, and by the water sector in 2009. These ombudsmen present a noticeable difference, insofar as the persons tasked with mediation have never been employees of the businesses involved: the telecoms ombudsman is a magistrate and the water ombudsman is the former President of the Midi-Pyrénées Regional Council. Alongside these ombudsmen, public institutions such as the Ombudsman of the Republic and the national energy ombudsman remain few and far between.

## MEDIATION IS FREE FOR CONSUMERS

A broad consensus exists over the importance of mediation being free of charge for the consumer. During this difficult budget period for the government, public funding for mediation is simply not on the agenda and enterprises are called on to contribute to funding the service. "In France, we confuse the issue of financing with that of control and independence," explains Stéphane Mialot, the national energy ombudsman's services director. "In Anglo-Saxon countries, sector mediation services exist, funded by enterprises, but with genuinely independent decision-making bodies, and their activity is scrutinised by public authorities." Nevertheless, a few public initiatives in France in the area of mediation should be mentioned, namely the credit ombudsman set up in 2008 during the economic crisis to settle disputes between banks and SMEs, and the inter-industry relations ombudsman set up in April 2010 to settle problems between large enterprises and their subcontractors. We should also note the creation of a public mediation service as part of the French national consumer Institute (*INC, Institut national de la consommation*) to help travellers who suffered the consequences of the Eyjafjöll volcano eruption. However, this structure only operated for a few months and the tourism sector in France does not yet have its own ombudsman.



Denis Merville surrounded by Bruno Léchevin and Stéphane Mialot.

However, at the end of 2010, the Net ombudsman that had been operating for seven years actually closed down, as the subsidy granted by the Ministry of Industry, which represented a major portion of its funding, was not renewed.

## IMPARTIALITY OR INDEPENDENCE?

Will the Mediation Commission created by the law of 1<sup>st</sup> July 2010 and installed in October by Hervé Novelli, Secretary of State for Consumer Affairs at the time, result in a clearer situation? Its role is the subject of debate and the two main consumer associations, namely UFC-Que Choisir and CLCV have declined to be involved in it. Tasked with defining a professional code of ethics, the Commission will have to take a stance on the issue of ombudsmen impartiality and independence. Does an ombudsman necessarily have to be independent by its status? If this is not the case, how can it guarantee its impartiality without real independence? And in any event, which type of organisation offers the greatest protection for consumers, and how can they be helped to identify the right course of action among the various forms of mediation?

## MEDIATION IN THE GENERAL INTEREST

The national energy ombudsman has been operational for the past three years and champions a conception of mediation based on independence and transparency. It is an administrative authority established by law and funded by consumers via the Public Electricity Service Charges Contribution (*CSPE, Contribution aux charges de Service Public de l'Electricité*). By way of its status, it is genuinely independent of stakeholders, in accordance with European Commission recommendations. This situation is perfectly clear for consumers, for whom the solutions proposed to resolve their disputes are beyond reproach. Furthermore, based on their specific cases, the ombudsman issues general recommendations in the general interest by encouraging operators to improve their practices.

This mediation, calling on acknowledged legal and technical expertise, certainly comes at a cost, but the national energy ombudsman's operating resources are subject to total transparency. Its budget is set by three Ministers and published in the Official Journal. It reports on its activity to the French Parliament and is audited by the French National Audit Office (*Cour des comptes*).

## A REPRESENTATIVE WHO STANDS FOR THE RULE OF LAW AND FAIRNESS

"We are all in favour of the development of mediation. It is a quick and effective means for consumers to resolve disputes for which they would not go to court, when the amounts in question are not necessarily that significant, for example. Irrespective of their complaint, with the ombudsman, they have a representative who stands for the rule of law and fairness and who provides them with an answer. Nonetheless, we feel that mediation should also go hand-in-hand with the possibility of filing class actions which, in addition to settling repetitive disputes, fulfil a learning purpose.

To guarantee consumer rights, the ombudsman must benefit from a strong status. The ombudsman must have the power to prove businesses wrong, without being subject to pressure. This is the reason why we champion the existence of sector and independent ombudsmen, such as the national energy ombudsman, that are not linked to corporate interests. It is somewhat unhelpful when two types of mediation coexist as they maintain confusion among consumers. One of the roles of the Mediation Commission of which we are members will be to eradicate any ambiguities, by defining non-negotiable points for any organisation seeking to call itself an ombudsman."

## CHANTAL JANNET

Member of the Board of Directors of the Rural Families Association and the Consumer Mediation Commission



Meeting with consumer associations.

# REDUCING ENERGY POVERTY

FOR HOUSEHOLDS ON THE LOWEST INCOMES, THE PROPORTION OF THEIR BUDGET SPENT ON ENERGY, ESPECIALLY ON HEATING, IS BECOMING A MAJOR AND SOMETIMES INSURMOUNTABLE BURDEN. MANY CONSUMERS ARE NOW TURNING TO THE NATIONAL ENERGY OMBUDSMAN FOR HELP AS IT IS COMMITTED, ALONGSIDE OTHER BODIES, TO COMBATING ENERGY POVERTY.

# O

n a daily basis, the national energy ombudsman witnesses this energy poverty that is affecting an ever-increasing number of French people. In 2006, the French National Statistics Institute (INSEE) estimated that 3.4 million households devoted 10% of their income to energy expenditure. «With the effects of the crisis, the increase in gas and electricity prices and a series of long and severe winters, this figure is certainly much higher nowadays,» states Bruno Léchevin, the ombudsman's chief representative.

The ombudsman is being asked for help by an increasing number of consumers who are unable to pay their bills and are threatened with being disconnected. On some days, this can represent up to 20% of appeals submitted. These consumers are single mothers, unemployed people or only receiving basic unemployment benefit (*RSA, Revenu de Solidarité Active*), and retired people on modest pensions, one-third of whom live in the Greater Paris (Ile-de-France) and Nord-Pas-de-Calais regions of France. This is the case for Emmanuelle B., living in the Pas-de-Calais, and who is bringing up her three children on her own with a monthly income of €1,200. She has to pay a bill for total arrears of €3,200 for which she does not have the resources. Nevertheless, she had been chasing her supplier for several months to obtain a detailed bill. "Consumers can find themselves in a state of energy poverty due to a dispute that has been poorly handled by the operators, observes Bruno Léchevin. These problems are in addition to those concerning consumers encountering payment problems, and whose appeals are inadmissible for consideration by the ombudsman. However, because we have a remit to act in the general interest, we strive to find solutions for every one of the dossiers submitted to us by vulnerable people."

## HELP AND ADVICE FOR CONSUMERS IN DISTRESS

The ombudsman's departments act in a concrete manner: they contact the appropriate staff at energy suppliers to ask them to restore the energy supply and set up a payment schedule. "The suppliers play the game, because we contact them about genuine problems," explains Marie-Claude Lassadi, the manager in charge of the appeal vetting department. For example, in December, when the temperature was well below freezing point, a social worker alerted us to the case of a lady over 80 years of age in the Loiret region whose heating had just been disconnected. With our intervention, her gas supply was rapidly restored." Discussions between consumers in distress and impersonal advisers in call centres often come to an abrupt end, and the ombudsman's action enables the dialogue to be restored. In accordance with its mission, the ombudsman also informs consumers of the ways of gaining access to social gas and electricity tariffs, as well as access to other existing aid such as the payments from the Housing Solidarity Fund (*FSL, Fonds de Solidarité pour le Logement*).

In the fight against energy poverty, the national energy ombudsman also works at other levels by participating, alongside the environment and energy control Agency (*ADEME, Agence De l'Environnement et de la Maîtrise de l'Energie*), in the creation of the energy poverty Observatory, officially launched by the relevant government Ministers on 1st March 2011.

The Observatory's aim is to analyse this phenomenon in depth. Over and above a financial contribution of €100,000 over a three-year period, the ombudsman will contribute its expertise and its views on these energy poverty situations.

## SOCIAL ENERGY TARIFFS HARD TO OBTAIN

"We are well and truly up against the problem of energy poverty, as energy has become an expensive commodity for the foreseeable future" highlights Bruno Léchevin. "However, keeping warm and having light are basic essentials in a modern and united society and should be accessible for everyone."

In this respect, the national energy ombudsman is calling for an increase in financial help with paying gas and electricity bills, and for this aid to be made available to a larger number of beneficiaries. A major proportion of households at the poverty level do not take advantage of their rights due to a lack of information and the complicated nature of the procedures involved:

how can the consumers concerned understand that the social tariff for gas can be offered by all suppliers, whereas for electricity only the historical supplier has the right to offer this assistance? The entire system would benefit from being harmonised.

The operators estimate that 2 million households could be eligible for the Basic Needs Tariff (*TPN, Tarif Première Nécessité*) because they are eligible for Supplementary Universal Healthcare Coverage (*CMU-C, Couverture Maladie Universelle Complémentaire*). To benefit from the Basic Needs Tariff, a person first has to be the named individual on an energy supply contract. In the case of a single person, the monthly income must be less than €634. For a couple with two children the monthly income cap is €1,332. However, there were only 650,000 beneficiaries of the Basic Needs Tariff at the end of 2010, and this figure was significantly down on the 940,000 beneficiaries listed in 2009. There has been no satisfactory explanation produced to date to elucidate this significant decline in the number of beneficiaries. With regard to the Special Solidarity Tariff (*TSS, Tarif Spécial de Solidarité*), which entitles households to reductions in their gas bills, 300,000 households benefited from this scheme in 2010, whereas the operators estimate that 800,000 households would be eligible.

## AMOUNT OF AID NEEDS TO BE INCREASED

The government has decided to increase aid for energy bill payment: in 2011, the average annual discount on the energy bill for households benefiting from the BNT will be €95, compared with €75 previously. For households benefiting from the SST, henceforth the reduction will be €142 on average, as opposed to €118 in 2010. In addition, the government wishes the attribution of social tariffs to become an automatic process, linked to social welfare bodies' databases. For Bruno Léchevin, while these are steps in the right direction, they will not be enough to eradicate energy poverty. He explains: "Low-income households often live in housing that is a genuine "energy sieve" and therefore devote a greater proportion of their budget to heating costs than other households. A paradox exists insofar as the energy bill reduction offered by the BNT only covers the first 100 kilowatt hours per month, i.e. basic needs such as lighting, running the refrigerator, etc. In practice, spending on heating always exceeds this ceiling, and is not subject to any specific reduction. Furthermore, whereas the Public Electricity Service Charges Contribution (*CSPE, Contribution aux charges de Service Public de l'Électricité*) paid by all consumers went up by 66% in 2011, the share devoted to the BNT actually fell and now only represents 1.4% of the sums collected. We are faced with society choices."

Particularly as the French population is well aware of the need for solidarity. According to the 4th barometer conducted in the autumn of 2010 and published by Energie-Info on the opening up of the energy market, 43% of households questioned are aware that they are funding the BNT and the SST via their electricity and gas bills, and 53% would be prepared to double the amount of their contribution, which currently stands at around one euro per household and per year.

***"In a context of expensive energy for the foreseeable future, reducing energy poverty amounts to a genuine society choice."***



**Bruno Léchevin,**  
chief representative of the national  
energy ombudsman.



# OMBUDSMAN'S ACTIVITY IN FIGURES

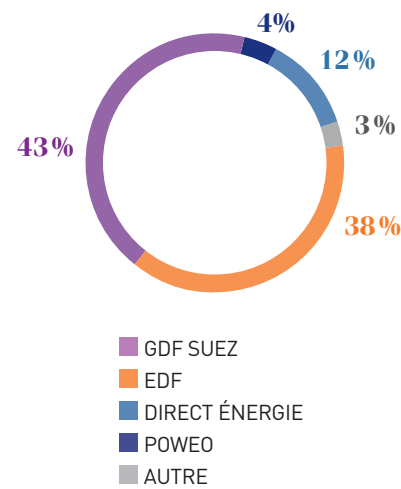
STRONG GROWTH IN ACTIVITY FOR THE THIRD CONSECUTIVE YEAR, THEREBY CONFIRMING CONSUMER EXPECTATIONS IN TERMS OF BOTH INFORMATION AND SETTLING DISPUTES.

**1,041,000**  
CONSUMERS INFORMED BY ENERGIE-INFO IN 2010

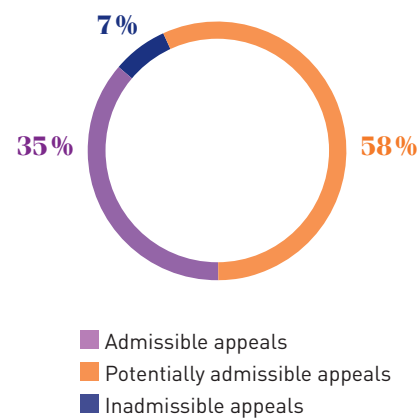
**560,000**  
CONSUMERS CONSULTED THE WEB SITE ENERGIE-INFO.FR

**481,000**  
CONSUMERS CALLED THE ENERGIE-INFO SERVICE

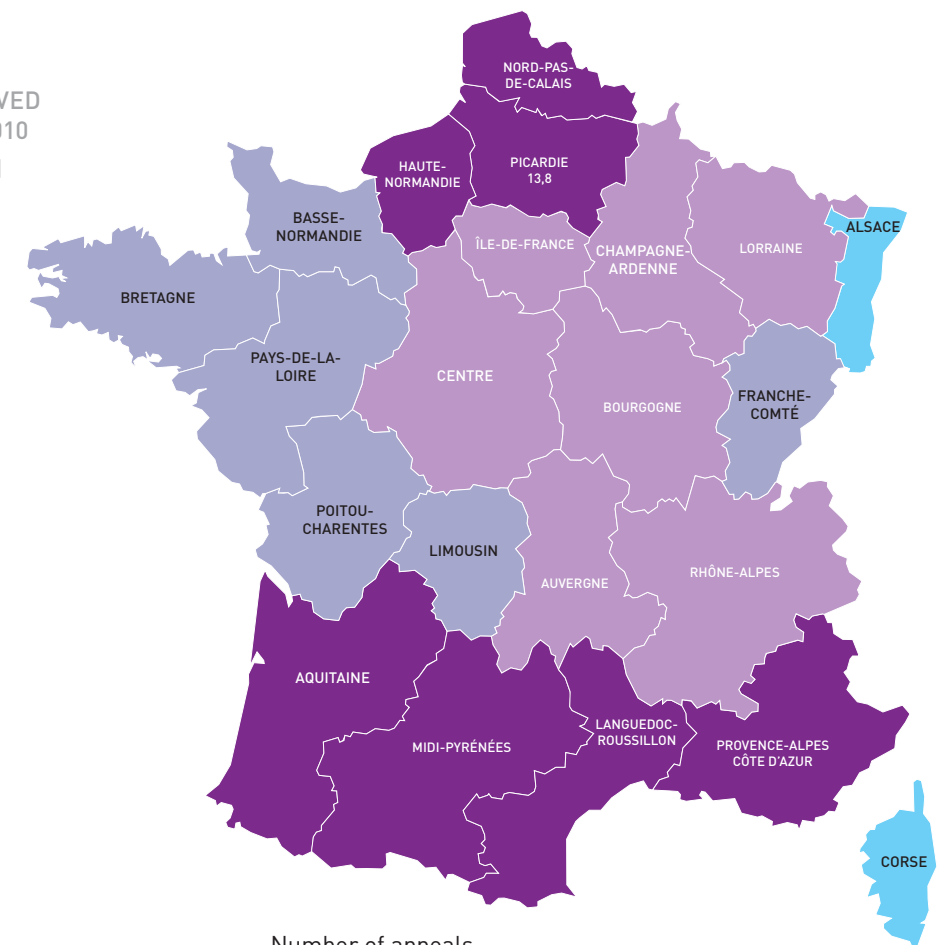
APPEALS RECEIVED BY SUPPLIER IN 2010



ADMISSIBILITY OF APPEALS RECEIVED IN 2010



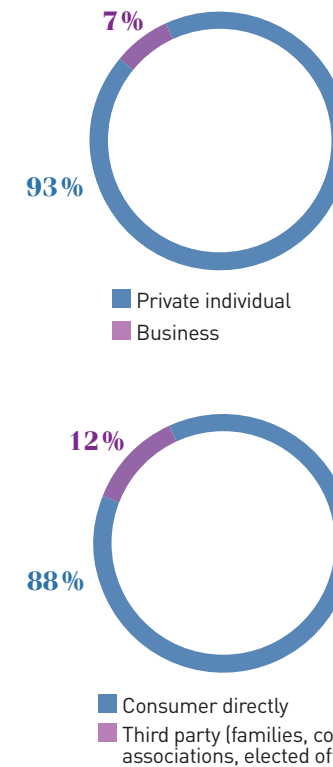
GEOGRAPHIC BREAKDOWN OF APPEALS RECEIVED IN 2010



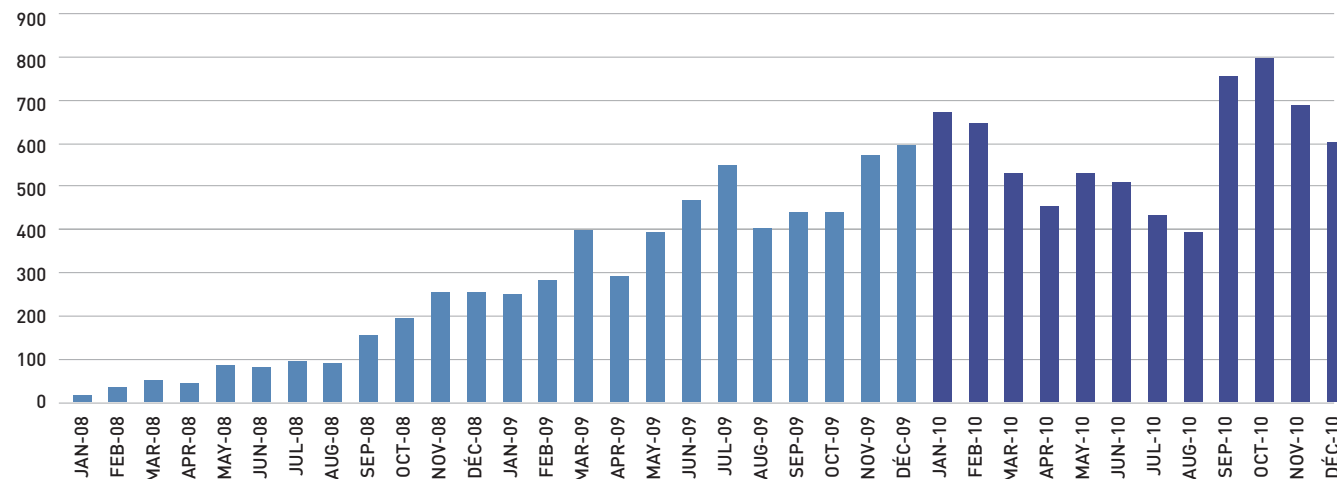
**7066**

WRITTEN APPEALS RECEIVED BY THE OMBUDSMAN IN 2010

WHO APPEALED TO THE OMBUDSMAN IN 2010?



APPEALS RECEIVED SINCE 2008



Number of appeals per 100,000 inhabitants

- Fewer than 6
- Between 6 and 10
- Between 10 and 12
- Greater than 12

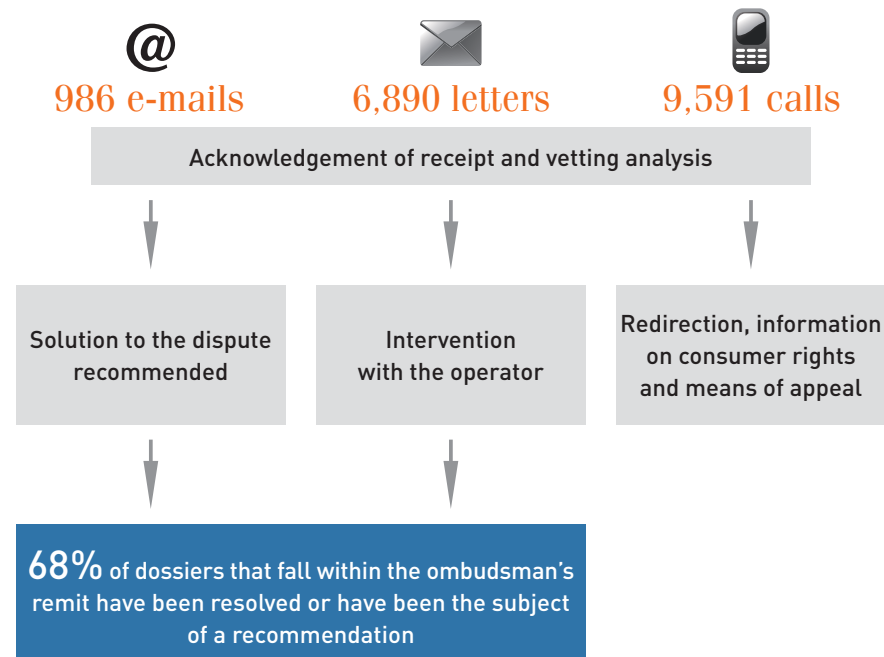
National average: 10.8 appeals per 100,000 inhabitants

# OMBUDSMAN'S ACTIVITY IN FIGURES

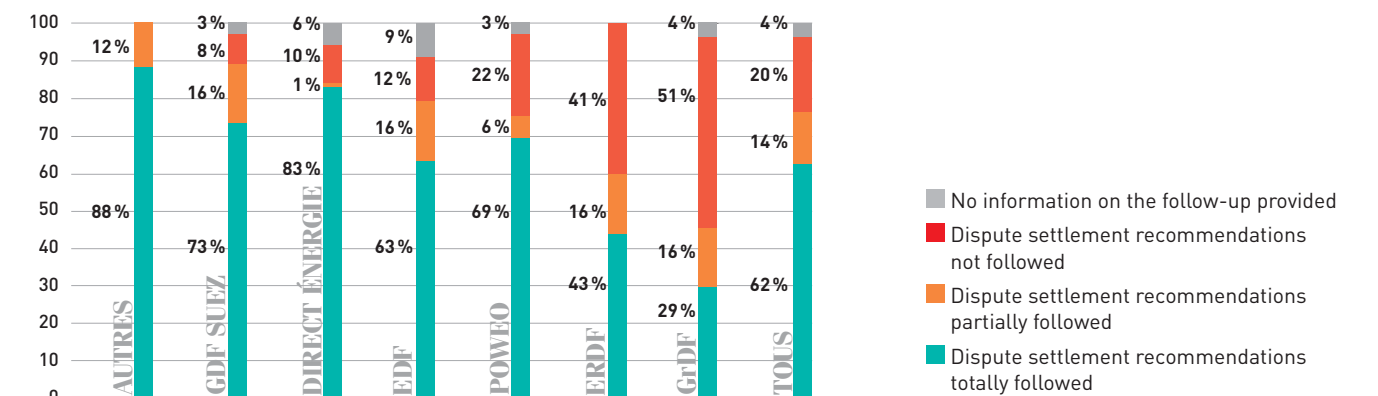
# 17,467

COMPLAINTS RECEIVED IN 2010

## DISPUTE HANDLING PROCEDURE

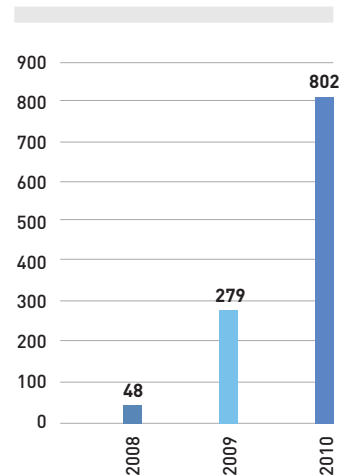


## RECOMMENDATION FOLLOW-UP IN 2010



The ombudsman's recommendation for a solution to a dispute can comprise several different proposals (e.g.: corrected bill, compensation). The follow-up of recommendations is analysed by individual proposal.

## RECOMMENDATIONS ISSUED PER YEAR



# 67

GENERAL RECOMMENDATIONS  
ISSUED IN 2010

# 26,700

LETTERS SENT IN 2010

# 2,484

APPEALS INVESTIGATED AS PART  
OF THE "SECOND CHANCE"  
PROCESS IN 2010

# €373

AVERAGE AMOUNT OF REIMBURSEMENT  
AND COMPENSATION OBTAINED PER  
CONSUMER FOLLOWING  
RECOMMENDATIONS IN 2010

# 183 DAYS

AVERAGE TIME TAKEN TO REACH A  
SETTLEMENT FOR AN ADMISSIBLE  
DOSSIER IN 2010

# 10 DAYS

AVERAGE TIME TAKEN BY ENERGIE-INFO  
TO ANSWER COMPLICATED QUESTIONS  
AND COMPLAINTS IN 2010



# EUROPEAN CONSUMERS INCREASINGLY WELL PROTECTED

THE EUROPEAN COMMISSION IS INCREASING ITS INITIATIVES TO STRENGTHEN CONSUMER PROTECTION. THE ENERGY SECTOR IS AT THE FOREFRONT OF AMICABLE DISPUTE SETTLEMENT, WITH THE DIRECTIVES CONTAINED IN THE "THIRD LEGISLATIVE PACKAGE" INTRODUCING INDEPENDENT OMBUDSMEN TO SETTLE DISPUTES BETWEEN CONSUMERS AND SUPPLIERS. MEETINGS WITH THE FIRST TWO MEDIATION SERVICES SET UP IN EUROPE.

## C

onsumer protection has become a major concern at European level. Starting back in 2008, the directive on cross-border disputes encouraged recourse to mediation as a means of achieving amicable settlements to disputes regarding both civil and trade matters. In particular, the directive stipulates the rules of operation for quality mediation and confirms the principle of independence. Under the leadership of two European Commission Directorates General with converging missions, greater consideration is starting to be given to consumer rights in the energy market. The Directorate General for energy has taken a leading role regarding ways of handling disputes. As a result, "third energy package" directives now provide for the setting up of independent ombudsmen in member States to settle disputes between citizens and electricity and gas suppliers. For its part, the Directorate General for health and consumers is working towards energy suppliers increasing their "experience" by recommending better information, via the development of price comparators for example.

#### MOVES TOWARDS CREATING A EUROPEAN NETWORK OF ENERGY OMBUDSMEN

The French national energy ombudsman participated in the third edition of the citizen's energy Forum held in London in October 2010. This Forum brings together representatives of the European Commission and member States, regulators and consumer associations. The list of subjects up for debate included the guidelines of good practice on customer complaint handling, reporting and classification drafted by the ERGEG (European Regulators'

Group for Electricity and Gas) and which advocates independent dispute resolution. At the end of this event, the participants agreed on the principle of setting up an independent energy ombudsman network. This project has been taken up by the Belgian Presidency of the European Union with the support of the Commission.

The Forum also welcomed the creation of a working group to focus on the extrajudicial settlement of disputes for gas and electricity consumers. This initiative on the part of the DG of Energy and Consumers aims to focus on experience-sharing, a practice which varies greatly from one country to another, and on identifying best practices. As the energy directives are one step ahead in terms of amicable methods for handling disputes, their example could be useful for other sectors.

*Consumer protection  
has become a major concern  
in Europe.*

## INTERVIEW WITH ÉRIC HOUTMAN

BELGIAN ENERGY OMBUDSMAN SERVICE



## W

hat is the status of the Belgian energy ombudsman?

A royal decree of 18<sup>th</sup> January 2008 created a federal and autonomous energy mediation service, headed by two managers, a Dutch-speaker and a French-speaker. I was appointed on 1st September 2009 with a five-year term of office which can be renewed once, and we are awaiting the appointment of my Francophone counterpart. Our independence is guaranteed by our status. We do not receive any instructions from any authority whatsoever. We prepare our own budget forecast which is approved by the government. For 2010, our budget was €832,000 and it will be €1.75 million in 2011. The funds are derived from a fee paid by electricity and gas suppliers.

Do many consumers call upon your services?

More and more! During the first quarter of 2011, we have already registered almost 2,000 complaints, compared with 3,936 last year. According to a recent survey, 50% of Belgians are aware of the existence of the Energy ombudsman service. As a result, we plan to increase our team which currently comprises 13 people. In 2010, only 1,800 requests were admissible and fell within our somewhat broad remit which also includes contract formation. In fact, 31% of complaints related to meter reading problems, 28% to prices and tariffs (social), and 15% to payment problems. Even though it is not provided under the law, we pass on inadmissible complaints to the

operators concerned when consumers have not made previous direct complaints, and request them to provide us with a copy of their dispute handling action. In these cases, we note that they make every effort to settle complaints in order to avoid the ombudsman being called in again.

How do you investigate the dossiers?

The law sets out certain principles such as the admissibility deadline, and the suspension of debt collection procedures for bills in dispute, etc. but the actual operating framework is covered by agreements that I have signed with operators with a view to achieving an amicable settlement in the majority of cases. After the investigation, these operators have 24 working days to come up with a proposed compromise that they forward to the ombudsman service. We review their proposals to see whether improvements still need to be added or whether it is acceptable to propose an amicable settlement to the consumer who then has to reply to us within 10 working days, so that the solution to an admissible complaint is found within a period of 40 working days. The timescale for reaching a compromise can be extended by another 40 days, and this often occurs. For some dossiers, we hold a hearing for the parties involved. When a satisfactory solution has been found, the service sends a notification of agreement to the consumer and to the energy company. This procedure produces

good results, as consumers have more confidence in us than in the energy companies. Accordingly, in 2010, 70% of complaints ended in amicable agreements, and 11% in partial agreements.

What becomes of those complaints for which attempts to reach a compromise have failed?

For complicated dossiers, the recommendation procedure comes into play. The ombudsman is responsible for checking whether operators have complied fully with the legal provisions governing their activities and, in the event of a divergence in legal interpretation, whether the citizens' interests have been taken into account. I state my position in these recommendations. For example, in the case of a consumer who failed to follow the rules when switching both his gas and electricity suppliers, I considered that, even though he chose two energy sources in a contract with the supplier, he should not be fined twice. The operators have 20 working days to answer the recommendation, and are obliged to present their reasons if they decide not to comply with it. In 2010, I wrote 17 recommendations which have been published with the name of the enterprises involved. The aim of this "naming and shaming" process is to change practices. To achieve this, I also have the authority to send policy opinions to the Federal Energy Minister. I have done this on three occasions, notably to force a supplier to grant the social electricity tariff automatically.

# MEETING WITH THE BRITISH OMBUDSMAN SERVICE

THE BRITISH OMBUDSMAN SERVICE RESOLVES DISPUTES BETWEEN CONSUMERS AND ENTERPRISES IN SEVERAL SECTORS, INCLUDING THE ENERGY SECTOR, MANAGED BY RICHARD SILLS, THE ENERGY OMBUDSMAN. CHIEF OMBUDSMAN SINCE 2009, LEWIS SHAND SMITH HAS IMPLEMENTED CHANGES TO STRENGTHEN THE SERVICE'S INDEPENDENCE AND TO COPE WITH THE GROWTH IN DISPUTES.

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he ombudsman's offices, installed in a former brewery in Warrington near Liverpool, resemble a busy bee hive. On a large platform, wearing headsets and looking at their computer screens, 45 employees receive consumer complaints. Last year, 78,500 consumers called on the ombudsman service, which has existed since 2003, to handle energy sector disputes that account for 40% of all disputes. The ombudsman also handles disputes in the telecommunications, real estate and music licence sectors.

The ombudsman receives 72% of the complaints by telephone, as its telephone number is listed on consumer bills. This "information service" decides whether the appeal is admissible and operators have eight weeks to complete investigations after a complaint has been received. Once the investigation is completed, a form summarising the dispute is sent to the consumer who must return it within 21 days. In 2010-2011, 5,800 disputes (compared with 6,400 in 2009-2010) were investigated in the energy sector.

*“Independence is vital so that consumers can have confidence in mediation”*



Lewis Shand Smith,  
Chief Ombudsman.

#### FUNDED BY ENTERPRISES

The ombudsman service employs a total of 140 staff to provide 4 mediation services. The service's values are clearly displayed on its front door: independence, transparency, integrity and financial responsibility. This non-profit-making enterprise receives no public funding and is financed by the various sector operators that are obliged to belong to the service. As Lewis Shand Smith explains, "50% of our budget is based on the fixed annual subscription paid by each company, with the remainder being calculated in relation to their use of the ombudsman service, which charges an amount of £260 (€300) for each dispute we investigate and in which they are involved." In 2010-2011, the ombudsman's budget was £6.6 million (€7.4 million), 41% of which was devoted to complaints from the energy sector.

#### GREATER INDEPENDENCE

The body is governed by a board with nine members who have no responsibility for its operations and whose role is to safeguard its independence. For Mr. Smith, this aspect is "vital" so that consumers can be sure and certain that there is no interference whatsoever in the decision-making process, and that they can have confidence in the ombudsman. In 2011, the make-up of the board changed to strengthen the organisation's independence: "Previously, the board included three members representing the enterprises. They were able to influence our activity, particularly by raising problems at the time that the budget was voted," explains Mr. Smith. "However, from now on all board members are independent individuals, without any links to business."

#### OVERLOADED OMBUDSMAN SERVICE

Every year, an increasing number of British consumers call upon the ombudsman's services. In terms of the most frequent complaints, energy bills lead the field (83% of disputes), followed by problems with switching suppliers (7%) and sales (5%). However, complaints about pressure selling are on the decline as operators have adopted a Code of Good Practice to curb doorstep selling. In fact, the growth in appeals is preventing the team tasked with investigating dossiers (45 people, including 17 specialised in the energy sector) from meeting its targets. Project leaders have to propose a solution to both parties in a "provisional report" at the latest six weeks after having received the appeal. During the 2009-2010 period, this deadline was only met in 36% of cases, whereas the target was 90%.

Moreover, a considerable number of consumers are dissatisfied with the outcome at this stage and therefore the dossier is passed on to the investigation team's managers who produce a "decision". However, both the operator and the consumer can still dispute this decision.

In this event, the dispute is then handled by the ombudsman in each sector, whose "final decision" represents the last stage in the process. "In 2009-2010, 45% of all disputes were passed up to my level," states Richard Sills, the Energy Ombudsman. "As a result, with my assistants, we issued 2,475 final decisions." The majority of the appeals were settled within a period of three months, but over one-third of cases required more than seven months to bring to a conclusion.

#### SPEEDING UP DISPUTE HANDLING

The ombudsman service has changed its organisation in order to become more reactive.

The major innovation? Mediation over the telephone for straightforward disputes. This involves a team of around 10 people who talk directly with consumers and operators' complaints departments to find a compromise solution as quickly as possible. Initial results appear promising, as 80% of the cases handled via telephone mediation result in a "mutually accepted agreement". In addition, for slightly more complicated dossiers, the "report" written by the investigation team's project leaders proposing a solution has been simplified, insofar as previously it presented the opposing positions of both parties, and tended to raise tempers, particularly on the part of consumers who then decided to take their case to the highest level of the ombudsman service. "The aim of this new organisation is to reduce the number of dossiers that are passed up from the investigation level to the ombudsman level and therefore to speed up dispute handling times," explains Mr. Sills. "In 2010-2011, my team wrote 1,150 final decisions, which corresponded to 23% of admissible complaints." Now that 80% of appeals are covered by telephone mediation or by a simplified report, 50% of the files are closed at this initial level, and this represents a far greater proportion than under the old organisation.

#### COMPENSATION AND... APOLOGIES

In all other aspects, nothing has changed in our procedures. Operators have 28 days to implement the ombudsman's decisions and they generally comply with this requirement. In addition to simply resolving the dispute, these decisions sometimes call upon operators to provide explanations or... offer apologies. In 73% of cases, compensation is called for and this can be for amounts up to £5,000, although the average private consumer claim corresponds to £100 (€113). Furthermore, with transparency in mind, the ombudsman actually publishes 10% of its "final decisions".

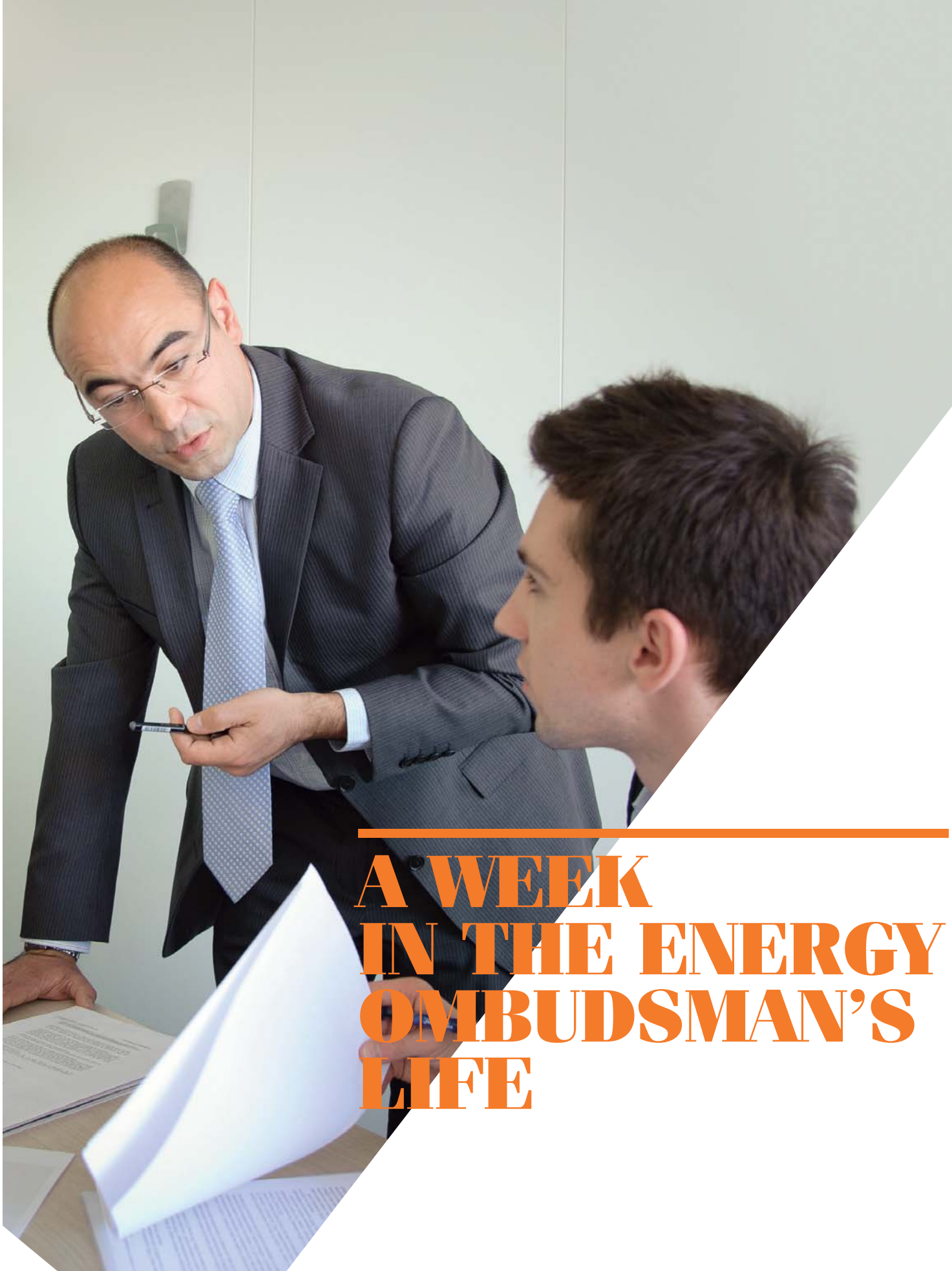
*“Our new, more flexible organisation aims to provide faster solutions to consumers who call upon our services.”*

Richard Sills, Energy Ombudsman.

#### BRITISH OMBUDSMAN'S JURISDICTION

The ombudsman service has authority over individual consumer disputes (80% of the dossiers handled) and complaints from small businesses employing fewer than 10 people, with turnover of less than €2 million (or consuming less than 55,000 kVA of electricity or less than 200,000 kWh of gas). It can intervene in disputes arising over billing practices and consumption readings, switching suppliers, sales contracts and the supply of energy.





# A WEEK IN THE ENERGY OMBUDSMAN'S LIFE



The national energy ombudsman's activities are divided among three departments within the service: the Energie-Info department to answer consumers' requests for information, the vetting department to review the grounds of appeals and the recommendations department which focuses on dispute resolution. Here is a snapshot of how they spend their days...

**Monday • 8h30** In the Energie-Info department, consumer calls forwarded by the telephone platform arrive on the computer screens of five team members. Bruno Monginoux is talking with Jeanne D. She lives in Toulouse and is threatened with having her electricity supply cut off. The elderly lady's panicked explanations lead him to believe that the contract has been terminated for an unexplained reason. To find out more, he contacts her daughter on her mobile: "Do you know whether somebody has tried to sell your mother a new contract or if she has signed a contract in a shop? Has she received a cancellation bill?" The young woman explains that an ERDF employee visited her mother and told her that her electricity would be cut off unless she paid €222 straightaway, and that her mother has paid the sum to the EDF by money order. "You should now send a letter to EDF mentioning the notice of interruption of supply served on your mother at home, along with a copy of both sides of the latest bill and the money order. If you send me a copy of this dossier by fax, I will pass on your request to EDF to find out whether your contract has been terminated due to a technical error or pressure selling practices."

**•11h00** In the vetting department, Alexandra Bidot is reviewing an appeal from Jacques F. who is refusing to pay a bill he considers to be too high. This appeal is accepted, as the dispute appears to be based on a meter reading problem: "He has complained on several occasions that he is not satisfied with the supplier's answers. These have been supplied by the first level of their customer service department and are not very detailed. Accordingly, I am not going to forward the dossier immediately to the recommendations department, but I am sending it to the supplier who will have two months to propose a more appropriate solution as part of the "second chance" process."

**•14h00** Raphaël Desmaris, a project leader in the recommendations department, starts his afternoon with the appeal from Séverine S., who paid her electricity bill with a cheque for €87, which has been paid into the bank by her supplier. However, the amount has been carried forward as unpaid on her next bill with a non-payment charge of €30. He reads the observations provided by the supplier which acknowledges "an error on the part of its accounts department" and indicates that a reimbursement was made on 14<sup>th</sup> October 2010. He calls the consumer to check that this is true. The latter claims she has not received anything: "In this case, Madame, I am going to prepare a draft recommendation which will be sent to you and to the supplier."





**TARGETS**

The teams are set targets to speed up appeal handling. In the vetting department, the acknowledgement of receipt of a consumer's letter must be sent out within two days of its arrival. The review of appeals to decide whether or not they are admissible must be completed within an average maximum period of 15 days. In the recommendations department, team members have a target of drafting 100 recommendations within the year.



He immediately drafts a text calling on the operator to take "all necessary action to ensure that the payment is effectively recorded against the client's account." With regard to the amount of compensation, Raphaël has no hesitation in suggesting an amount of €75, as the dispute is straightforward but almost one year has elapsed between the original complaint and the appeal addressed to the ombudsman.

**•18h00** Just as at the end of each day, 80 letters providing replies to consumers are placed on the ombudsman's desk. Each letter has already been approved by the relevant department manager. The letters are then signed by Denis Merville or Bruno Léchevin and will leave with the morning mail.

**Tuesday • 9h30** Devika Ashok, an administrative assistant in the vetting department, returns to her office with the day's mail of around 100 letters from consumers. With three colleagues, she is going to input them into the computer system. In another office, Thierry Duprat, an analyst, handles the letters that he has taken from the "priority dossiers" basket. There is a letter from Marie-Jeanne C. with a cry for help: "My electricity has been cut off for a month because I am unable to pay my bill of €1,139. (...) You are my last hope." Thierry is unable to contact the consumer who has not provided her telephone details, so he immediately sends an e-mail to his contact at the supplier asking him to pay special attention to this person whose only source of income is her adult disability allowance.

**•10h30** Just as every Tuesday, the management committee meets with the ombudsman. This is the opportunity to review the week's agenda and the activity in the various departments. It is also a necessary opportunity for a dialogue on current issues and their impacts on the national energy ombudsman: implementation of the NOME law, the work of the French National Consumer Council (CNC), the ombudsman's contributions to the French energy Regulator's (CRE) consultations, response to European Commission consultations...

**•17h15** In the Energie-Info department, Bruno Monginoux is dealing with a small struggling catering company which complains that: "We have attempted to negotiate a payment schedule for the € 3,500 of arrears we owe. But the three monthly payments proposed by the supplier are just too high and now we are threatened with having our electricity disconnected." The adviser writes an e-mail to the supplier to explain the dossier, and the need to stagger the debt repayment over several months. He also points out that "the lack of a recent meter reading meant that the business was unaware of its situation and was not able to adjust its consumption".

**Wednesday • 9h45** David Grebil, deputy head in the vetting department, distributes and prioritises the letters received.

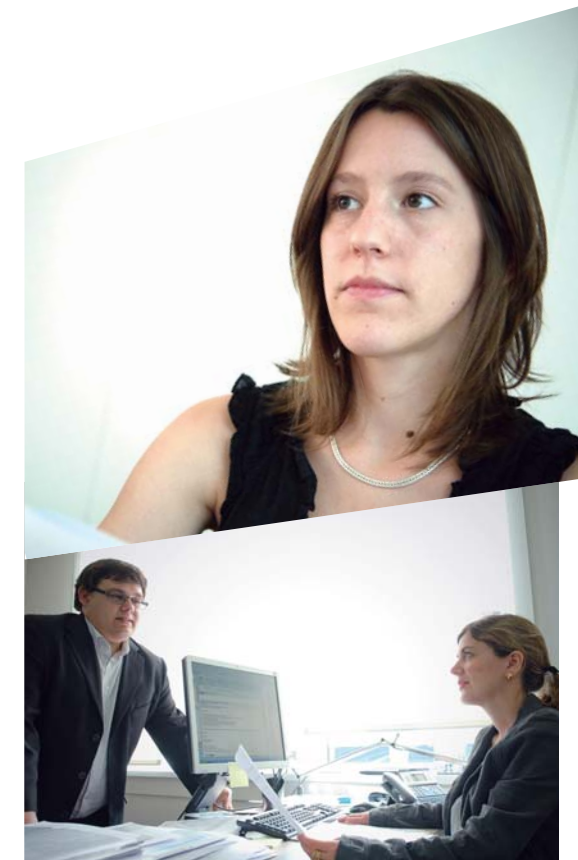
A letter from Jessica G., who is unable to pay her bill of €575 because she only receives basic unemployment benefit, goes into the "priority dossiers" basket. The one from Annie L. detailing her billing problems associated with incorrect consumption estimates is dispatched to the assistants, who will send a letter to the consumer asking her to fill in the appeal form and to send the ombudsman copies of her bills and her complaint to her supplier. Another letter from Jean-Pierre B., who wants the ombudsman to analyse the «staggering amount of taxes that make electricity an extremely luxury product», is forwarded to Energie-Info. The request from Marcelle H., the owner of a hairdressing salon, complaining about a tangled mess of invoicing errors, and who has attached all the supporting documentation, lands in the basket for appeals to be handled.

**•10h45** Christian Souletie, project leader at Energie-Info, reads the letter from Janine F. forwarded by the vetting department. She has written to the ombudsman about the "excessive increase in tariffs". He then drafts an explanatory letter detailing the change in tariffs in her particular case, namely the regulated tariff, off-peak option and 12 kVA capacity, and provides her with the contact information for the energy suppliers in her community, Savigny-le-Temple.

**•15h00** In the recommendations department, Yann Morin is reviewing the dossier from Jean-Pierre M., who is disputing his gas arrears bill and who had requested that his meter be changed. The solution proposed by the supplier in its observations, namely to spread the payment of the arrears over a period of one year, with a discount of 10%, seems to him to be a step in the right direction. He calls the consumer to see whether he wants to continue with his appeal. Mr. M. states "They have made a gesture and so have I, compared with my initial request. But before you intervened, I had no response whatsoever about my complaints. This is cannot be right." Yann explains, "The supplier failed to handle the complaint correctly and the ombudsman can recommend compensation. I want to continue the procedure, not for the compensation but for the principle, as it helps other consumers afterwards if you reprimand the supplier."

**•17h30** In his office, Frédérique Coffre, the head of the Energie-Info service, is signing off letters drafted by his team before they are sent to consumers. Christian Souletie interrupts her to ask for his opinion: "Mr. Jean-Claude M. is complaining that his gas consumption has increased considerably. Should I pass on his complaint to the recommendations department?" After having reviewed the bills provided by the consumer, Frédérique considers that this increase is not particularly excessive. "The increase between 2008 and 2010 is only 7%. You can send him a letter explaining that the change in his consumption is not abnormal and may be due to the severe weather during the past two winters or incorrect settings on his boiler."

**Thursday • 9h00** In the recommendations department, Alix Harlé is carefully studying the pile of energy bills received from a consumer who is disputing an amount of €1,573. The young woman is analysing the consumption history before and after the meter was changed. Has there been an equipment malfunction, increased consumption due to the more severe winter, a mistake in reading the meter, an illegal connection to the electricity supply by a third party? After consideration, she favours the first assumption.



**ZOOM**

The vetting and recommendations departments hold internal meetings every fortnight to review their activity. They review the reporting on their colleagues' appeals follow-up timescales, talk about problems encountered with certain dossiers, exchange information about ongoing training, and issues such as adapting and upgrading the computer system, or more technical aspects such as supplier billing methods. These sessions are also devoted to informing the field teams about the half-yearly meetings between the ombudsman and each of the operators, or about progress in debates with consultation groups involving the various energy market players under the aegis of the French energy regulation Commission (CRE, Commission de Régulation de l'Énergie).



**ZOOM**

In addition to managing their teams, the heads of the three departments involved in covering the energy ombudsman's services, namely the consumer Energie-Info, vetting and recommendations departments, and their deputies participate in consultation groups organised by the energy regulation Commission. These groups are known as the energy demand control working group (GT "MDE", groupe de travail Maîtrise de la demande d'énergie), focused on smart meter deployment, and the GT2M, a working group focused on the relationships between clients, suppliers and DSO. They provide the ombudsman's positions on all the issues addressed by these debating bodies.

**•11 h 00** Stéphanie Cavel is examining the complaint from André T., who is criticising his electricity supplier for having calculated his bills on a tariff higher than the one agreed. She reads the observations communicated by the supplier very carefully. In fact the latter acknowledges that it should have applied a lower tariff and confirms that it will reimburse the sum of €20 for the period in question. Stéphanie checks to ensure that this amount actually corresponds to the difference in the consumption and subscription charges.

**•15 h 00** Marie-Claude Lassadi, head of the vetting department, calls her team together and, after presenting a status report on the appeals handling progress, reports on the meeting between the ombudsman and the operators about the initial results of the "second chance" operation that is currently in its trial phase.

**•16 h 30** On the telephone, Summit Joseph, project leader at Energie-Info, is handling another case of an unexplained contract cancellation. Stéphane C., who is on holiday, has been alerted by the facility manager at his building that an ERDF technician was coming to cut off the electricity supply to his flat. By phoning his supplier, he learned that his contract had been terminated due to a switch of supplier. Nevertheless, the project leader continues his investigation: "When did you receive your last bill? Did it mention the word cancellation? Is money still being taken from your bank account? Right... I'm going to send an e-mail to EDF to request that the electricity supply be reconnected at your flat and that they provide you with an explanation forthwith about the reasons for this cancellation which has apparently led to the disconnection ..."

**Friday • 10 h 00** The recommendations rereading committee is holding a meeting. Around the table there is Guillaume Girot, the head of the department, Catherine Lefrançois, his deputy, the project leaders and Stéphane Mialot, the services director. They are discussing the most complex recommendations. Two legal experts from the energy regulation Commission are also in attendance to provide their expertise. The debate is centred on the case of Thierry O., who cancelled his gas contract by telephone after he moved house and is now disputing his final bill. "Here we have a case of supplier negligence as the consumer was not advised that he had to confirm his cancellation in writing," comments Guillaume Girot. "Furthermore, the supplier should have asked questions about its letters being returned marked "not known at this address". Catherine Lefrançois adds, "But we must be careful not to absolve the consumer of all responsibility, as he did not react when he did not receive his final cancellation bill." Other points of view are presented; namely that the supplier did not cut off the gas supply even though it had not received payment. Moreover, the consumer had asked for the energy supply to be maintained for the owner who was going to take over the flat. The initial recommendation called upon the supplier to meet the costs of the final cancellation bill, but after this exchange of points of view, this recommendation is going to be reviewed...

**•14 h 30** "Hello Mme P. You have called Energie-Info about a problem with your Linky meter. What is happening?" asks Franck Delaunay, answering a call from the consumer who explains that the display has gone dead on her new "communicating meter". (These smart meters have been installed as part of trials in two French regions). "I'm going to give you the free phone number of the ERDF department dedicated

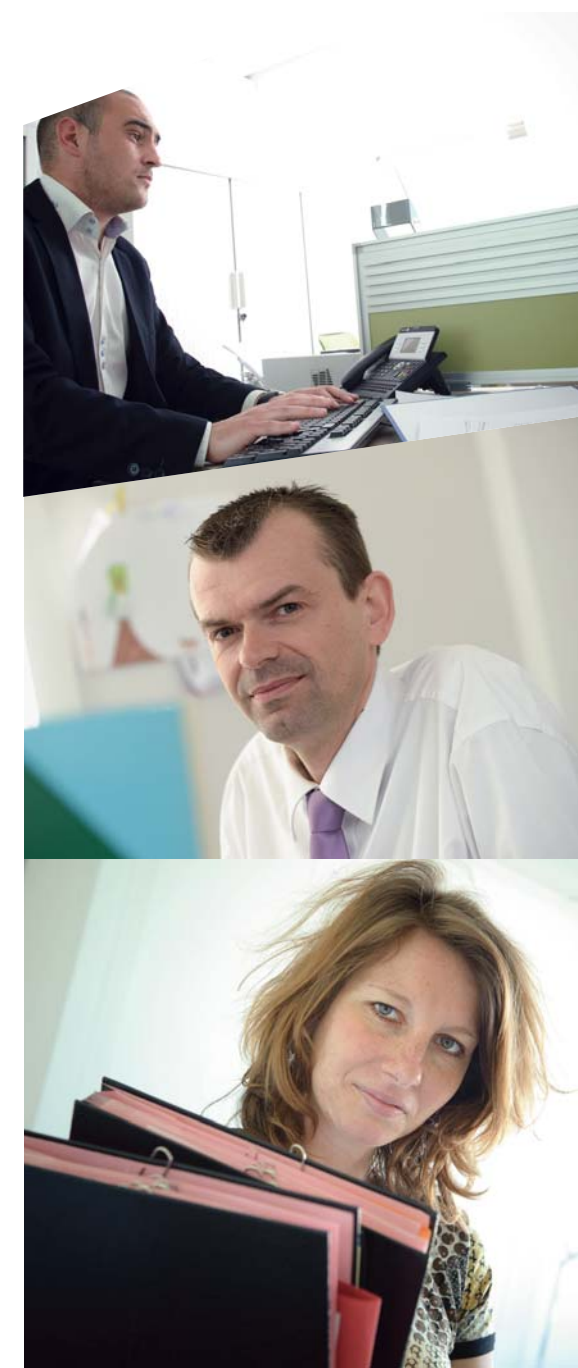
**TARGETS**  
When they draft their recommendations, project leaders have to follow certain principles. For example, the use of words with heavy connotations, value judgements or criticisms have no place in these recommendations. Be that as it may, the energy ombudsman's neutrality does not prevent the service from having a point of view on the dossiers it handles, but this must be expressed with rigour and restraint, and supported by concrete facts.

to these smart meters. Before you call, I suggest you find your bill containing your technical reference number, as the operator is going to ask you for it in order to check whether there is an anomaly. Does this answer your question, Madame? Thank you. Goodbye..."

**•15 h 30** In the vetting department, Thierry Albertos, tasked with monitoring appeals passed on to suppliers for a "second chance" is drafting a recommendation for Stéphane B. After not receiving his energy bills, this consumer is requesting a 50% discount on the amount of the arrears, namely €1,600, and a payment plan covering 40 months. "The solution proposed by the supplier with a commercial gesture of €170 for the unpleasantness suffered and a payment plan over 20 months is in line with the ombudsman's recommendations in this type of situation. Accordingly, we are going to recommend to the consumer that he accepts his supplier's proposals," explains Thierry.

**•15 h 45** In the Energie-Info department, Jocelyne P. is again attempting to settle a problem with her defective Linky meter. Franck Delaunay explains to her that the service is unable to do anything directly: "In this case, I advise you to send your supplier a registered letter with details of the problems you are encountering. I suggest you indicate that you have already contacted the Energie-Info service. If you do not receive a satisfactory reply to your complaint within two months, you can then appeal to the ombudsman." After noting the consumer's address, Franck prepares a letter summarising the procedure for appealing to the ombudsman. Madame P. will receive the letter within a few days.

**•17 h 30** Ophélie Potier, an administrative assistant in the recommendations department, places a pile of around 10 folders on the ombudsman's desk. Denis Merville reviews all the recommendations, and then his attention is drawn particularly to one of them involving a dispute with Pierre M. over the supplier rounding up the amount of VAT charged on his bill. The ombudsman calls the head of the recommendations department, Guillaume Girot: "This consumer has appealed to me for a few centimes and we are recommending compensation of €50. Even if we seek to teach the industry best practices, don't you think this is a bit excessive?" Guillaume goes over the arguments debated at the rereading committee meeting to justify this amount, and particularly the numerous requests for information which remained unanswered by the supplier. The ombudsman considers that the reasoning is sound and therefore signs the recommendation. We are almost at the end of a very busy week at the national energy ombudsman service...





# COMBINING QUALITY WORK AND EFFICIENCY

IN 2010, AN EVER-INCREASING NUMBER OF CONSUMERS CALLED UPON THE SERVICES OF THE NATIONAL ENERGY OMBUDSMAN. TO COPE WITH THIS RISE IN ACTIVITY, WE HAVE REORGANISED OUR DEPARTMENTS AND INCREASED OUR WORKFORCE, WHILE ALWAYS TAKING CARE TO ENSURE THAT WE MAINTAIN A HIGH LEVEL OF QUALITY IN OUR WORK. INTERVIEW WITH STÉPHANE MIALOT, SERVICES DIRECTOR.



## How has the ombudsman managed the considerable growth in the number of appeals?

It has led us to continuously consider how we can improve our productivity, under the dual constraints of abiding by the rules governing our activity and maintaining the level of quality we owe to consumers. One of the major changes has occurred in the appeals vetting process with trials of the "second chance" operation being conducted in agreement with the operators. The aim of this process is to focus the ombudsman's resources on those dossiers for which the operator has actually responded to the complaint, without as such providing a satisfactory outcome. In fact, the role of the ombudsman is not to handle straightforward complaints but to settle disputes, i.e. complicated complaints over which the parties are unable to reach an agreement.

## Has this "second chance" operation produced satisfactory results?

The trial period is still under way and we are expecting even better results from it. Currently, around 36% of the appeals transferred are not reviewed by operators within the two months' timeframe and it has to be said that this is regrettable. For those dossiers reviewed by the operators, 43% of consumers consider that they are satisfied with the proposed solution. Accordingly our teams' workload is reduced, as these closed dossiers will no longer be the subject of an in-depth analysis with the view to formulating a written recommendation. However, a large majority of consumers maintain their appeal, doubtless in the hope of obtaining more from the ombudsman. Be that as it may, the solutions and the compensation possibly offered by operators as part of the "second chance" process are

sometimes justified and match our standards of requirements. This state of affairs has led us to restructure our recommendations differently. Now, when we consider that the supplier or DSO has made a suitable proposal, we list it as a "compliant recommendation" and suggest that the consumer accepts it. When we consider that the planned solution almost answers the problem, we call on the operators to take that extra small step, something which they generally accept to do. We then produce a "compliant recommendation with supplementary offer".

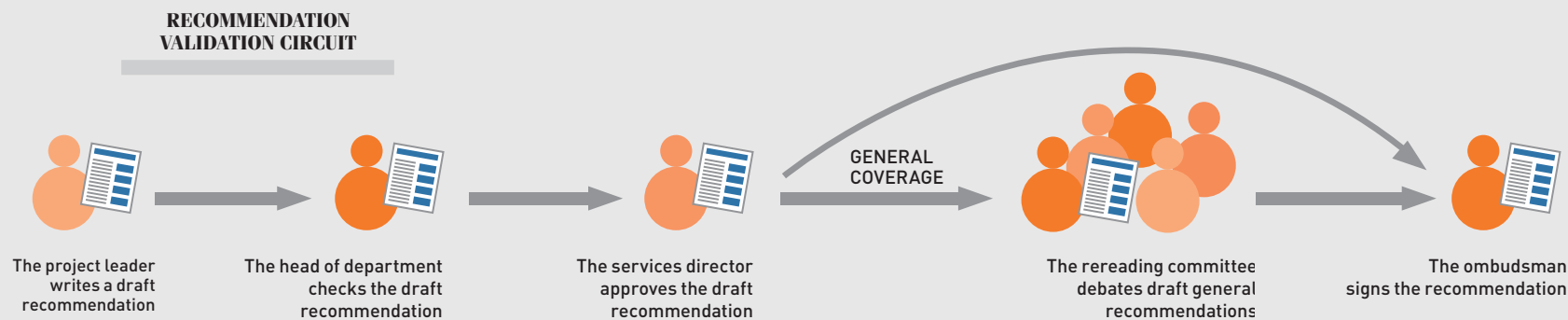
adapt the means of investigation to the complexity and the challenges involved with each appeal. This means that we can resolve many more disputes with the same level of rigour in terms of solutions, while concentrating our efforts on general recommendations. However, it has to be stressed that the procedure for approving each recommendation issued remains the same in order to guarantee irreproachable quality for the parties [refer to the diagram below].

.../...

## How do these different types of recommendation result in productivity gains?

Before, all admissible dossiers were handled in the same way and, given the sheer increase in the number of appeals, this would have called for a major increase in resources. Now we gradually

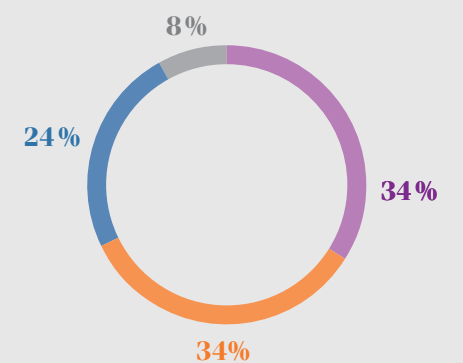
*"We adapt the way we investigate to the complexity and the challenges of each appeal."*



**LEVEL OF PRIOR COMPLAINT HANDLING BY THE OPERATORS**

- No handling
- Customer service department handling (Level 1)
- Consumer department / internal ombudsman (Level 2)
- Not known

Source: Admissible appeals received in 2010



## COMPLAINTS HANDLING STANDARDS ARE REQUIRED

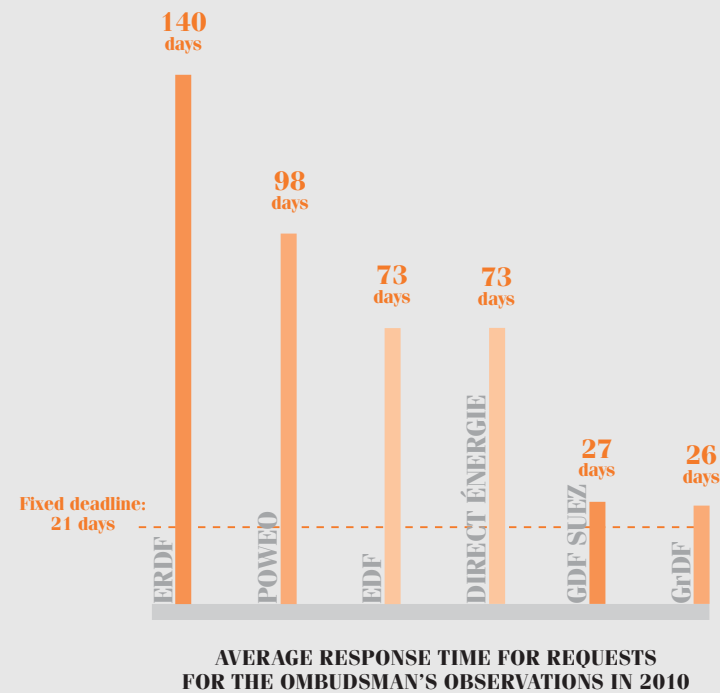
The ombudsman has to consider as disputes, all complaints that have not been handled in a satisfactory manner. Therefore, the quality of the way in which operators handle complaints is vital if we want the mediation process to operate effectively. In absolute terms, if all complaints were handled well, there would be no need for an ombudsman! Conversely, if far too many complaints are not handled correctly, the ombudsman becomes snowed under, and this is currently the case with the national energy ombudsman.

Since the outset, the ombudsman has been sounding the alarm over the shortcomings in operators' prior complaints handling processes. Of course, several thousands of complaints are handled correctly but, unfailingly, every month since 2008, the ombudsman has received several hundred written complaints that have remained without any response from the operators for over two months. Accordingly, a total lack of response to a written complaint is nothing out of the ordinary [refer to chart below].

To remedy this situation, the ombudsman considers that the operators have to adopt quality standards for complaints handling, such as those advocated by energy regulators at European level. Similar provisions are already in force in several countries and in the telecommunications sector in France. Suppliers and DSO must commit to maximum deadlines for answering consumer concerns, warn consumers if they fail to meet this deadline due to certain exceptional situations, and be transparent about the handling process for the complaint and how consumers can appeal against their decisions. The work under way at the National Consumer Council offers an opportunity for defining such standards. If necessary, regulatory or legislative provisions will be introduced to govern the industry's energy commitments to its clients.



**“It is not the ombudsman’s vocation to handle straightforward complaints but rather to settle disputes, i.e. complex complaints over which the parties are unable to reach an agreement.”**



The law provides for the ombudsman to hear the parties' appeals "within a timeframe that it sets." We have set this deadline at three weeks for each operator in order to comply with the regulatory requirement of issuing a recommendation within two months. We are forced to observe that some operators have not deployed the resources required to meet these deadlines, to the detriment of the overall time taken to resolve the dispute for the consumer. The average response time in 2010 was 63 days, and in these circumstances it is impossible for the ombudsman to issue a recommendation within two months, as required by the regulations.

**What other measures have been introduced to speed up dossier handling?**

We have simplified the layout of recommendations by re-copying the operators' observations entirely instead of rewriting them. The obligatory claim form that has been in use since March 2010 is helping the vetting department to save time as dossiers are better presented. During the summer of 2010, we introduced a new computer system which manages the entire life cycle of a dossier from the point of vetting to the actual follow-up given by operators. This is an important tool for team members who are working on many dossiers at the same time, and it relieves them from doing repetitive tasks.

**You fell behind with treating the backlog of claims at the end of 2009. What is the current situation and what have you done to reduce the backlog?**

Faced with the never-ending rise in complaints (+38% en 2010), during the year we started by recruiting eight extra staff. We have also set up a special team to handle the backlog of all the claims received in 2009 which had not yet been investigated.

In 2009, the average time taken by the vetting department to handle an appeal was 45 days, but this has now been cut to 15 days. In 2010, we produced 802 recommendations compared with 279 during the previous year, but the average time taken to issue a recommendation has risen from 7 months in 2009 to 10 months in 2010. Nevertheless, due to our intervention 1,200 dossiers have been closed with an amicable solution, and without any formal recommendations. These disputes have been resolved within an average time of 86 days. Overall, the average time taken to reach an amicable settlement for a claim is 183 days, and we are well aware that it is still too long. We are doing everything we can to reduce this timescale.

**Do you have any information to compare your performance with that of other ombudsman?**

Unfortunately very little, as there are very few ombudsmen who share our concern for transparency by publishing information about their resources and their staff levels. However, we will be able to compare our productivity with that of independent energy ombudsman

as they are being set up gradually in all member States (1) in application of the 2009 European directives. In any event, we intend finding the optimum balance between making the best use of the funds allocated to us and our mission as a public service which involves high quality recommendations directed at consumers and operators. We also have to make decisions constantly about the allocation of our resources between "curative" action, i.e. handling individual disputes, and "preventive" action by way of general recommendations intended to improve industry practices.

(1) See Europe portraits page.



As a consequence of the delays in receiving answers to requests for observations, the ombudsman has been obliged to issue numerous recommendations without having the benefit of any observations from the operators concerned. This represents 16% of all recommendations, and is a somewhat delicate situation which significantly complicates dossier analysis (e.g. without the meter reading history, some energy bills are incomprehensible).

**“SECOND CHANCE”**

The "second chance" process has been in place since 1st June 2010. This initiative aims at reducing the time taken to resolve disputes and it has been deployed in agreement with suppliers and distribution system operators. Admissible dossiers, based on regulatory criteria, which have not previously been handled, are sent to operators who then have two months to come up with a solution for the consumer. The ombudsman has to be informed of the proposed solutions, which are subject to systematic analysis. If the consumer is satisfied with the solution proposed by the operator, it means that the dossier is closed more quickly without having to produce a recommendation. If the consumer is not satisfied, either the solution proposed by the supplier is in accordance with the proposals that the ombudsman would have recommended, and in this case the latter recommends that the consumer accepts the offer ("compliant recommendation"), or the solution proposed is unsatisfactory, and in this case the dossier continues to be handled by the ombudsman's departments.

## EXPERTISE AND DIVERSITY

THE NATIONAL ENERGY OMBUDSMAN IS SURROUNDED BY A TEAM WITH SOLID LEGAL AND TECHNICAL EXPERTISE. THE MAJORITY OF TEAM MEMBERS HAVE PROFESSIONAL EXPERIENCE IN HANDLING DISPUTES AND KNOWLEDGE OF THE ENERGY SECTOR, AS WELL AS A RIGOROUS AND STRAIGHTFORWARD APPROACH AND GOOD HUMAN RELATIONS SKILLS IN ORDER TO COMMUNICATE EFFECTIVELY WITH CONSUMERS. THEY ARE ALSO MOTIVATED BY WORKING IN A PUBLIC INSTITUTION AND SERVING THE GENERAL INTEREST. HERE IS AN INSIGHT INTO SOME OF THEIR PROFILES.

### FREDERIQUE COFFRE HEAD OF THE ENERGIE-INFO CONSUMER INFORMATION SERVICE

Frédérique has a degree in energy engineering and is a business school graduate. She started her career as a consultant specialising in the management and organisation of projects to transform large enterprises in the energy sector. In particular she was involved with the plans to create the GDF SUEZ energy distribution subsidiary, GrDF. In 2007, she joined the energy regulation Commission where she was responsible for managing the gas sector working groups, known as the GTG. These bodies were set up to develop consultations between suppliers and DSO and were tasked with defining the rules of operation of the open market, particularly in the area of client management procedures. Since April 2009, Frédérique has been in charge of the Energie-Info consumer information service. She oversees the consumer service which comprises an outsourced call centre and a team of five people within the ombudsman structure. She also represents the ombudsman in consultation groups set up under the aegis of the energy regulation Commission.



### THIERRY DUPRAT ANALYST IN THE VETTING DEPARTMENT

With a vocational training certificate (*BTS, Brevet Technicien Supérieur*) in sales techniques, he first started working in Dublin, Ireland. He used to manage telephone operations and dossier follow-up in the customer service department for a manufacturer involved in a "defective battery" recall campaign. On his return to France, he continued his career at a French education sector mutual benefits fund where he was in charge of handling members' complaints. Thierry speaks English and Arabic, which he learnt at the University of Damascus. He joined the Energie-Info consumer information service in 2008 and his experience of contact with the public makes it easier to dialogue with consumers seeking information or help when they are threatened with having their electricity or gas cut off. Becoming familiar with the specific features of the energy sector, Thierry is currently an analyst in the vetting department where he reviews the admissibility of complaints submitted to the ombudsman.



### LEILA ZEROUALI

#### PROJECT LEADER IN THE RECOMMENDATIONS DEPARTMENT

Leila managed to combine studying law and working as a customer adviser at a bank. After obtaining a master's degree in commercial law and working as an intern in a law firm, she was employed by Canal+ as a legal expert specialising in consumer and retail law. Her experience in the communication group's mediation department, where she handled disputes and lawsuits, is an advantage for her work as a project leader in the recommendations department since 15th March 2010. She investigates admissible appeals, drafts the ombudsman's recommendations and is in constant contact with consumers and operators.



### DAVID GREBIL

#### DEPUTY HEAD OF THE VETTING DEPARTMENT

David has a vocational training certificate in sales team management and started his professional career as a sales executive. He was then recruited by EDF as a customer adviser, at the customer service centre in Pantin. At the same time, he continued his studies and obtained a master's degree in business management, and then moved into client relationship management in Paris in charge of handling complaints, before becoming the client-supplier expert at the operational head office for the Greater Paris region (Ile-de-France) for the electricity DSO ERDF, where one of his main tasks was to create a regional "client listening" (*Écoute client*) team. David joined the ombudsman as deputy head of the vetting department on 11th October 2010, and provides the service's teams with his expertise on complaints handling and consumer relationship management, as well as his experience in the energy sector.



### CATHERINE LEFRANÇOIS

#### DEPUTY HEAD OF THE RECOMMENDATIONS DEPARTMENT

After graduating with a master's degree in commercial law and specialising in contract law, Catherine spent the early part of her professional career at a national consumer organisation. Her main activity is the amicable and legal settlement of disputes. She was one of the first people recruited by the ombudsman when the team was formed in 2008. As the deputy head of the recommendations department since 1st March 2010, she supports the day-to-day work of the project leaders and provides them with her expertise in resolving disputes. The re-reading of recommendations during the first validation stage requires this level of rigour. Catherine also represents the ombudsman in working groups within various bodies such as the French National Consumer Council (*CNC, Conseil National de la Consommation*).



### YANN MORIN

#### PROJECT LEADER IN THE RECOMMENDATIONS DEPARTMENT

As a legal specialist in contract and consumer law, during his studies Yann offered his legal knowledge free of charge to the consumer housing and living environment Association (*CLCV, Association Consommation, Logement et Cadre de Vie*) in Angers. As a vocational degree graduate, he joined the French fuel and heating federation (*Fédération Française des Combustibles, Carburants et Chauffage*) as a legal affairs executive. At the federation, he was involved in handling dossiers relating to contract, energy and environmental law. He then pursued his career as a legal author at an insurance company before joining the recommendations department team on 22 March 2010, where his expertise in the dual spheres of the law of contract and dispute settlement is invaluable for conducting investigations into dossiers and drafting equitable, legally-based recommendations.





# SOLUTIONS FOR IMPROVING PRACTICES

THE NATIONAL ENERGY OMBUDSMAN'S MISSION IS TO RECOMMEND SOLUTIONS TO DISPUTES BETWEEN CONSUMERS AND ELECTRICITY AND GAS SUPPLIERS. FROM THE VERY OUTSET, THE OMBUDSMAN IMPOSED THE REQUIREMENT OF IMPLEMENTING ITS GENERAL RECOMMENDATIONS WHICH ARE NOT LIMITED SOLELY TO THE SETTLEMENT OF INDIVIDUAL CASES. THESE GENERAL RECOMMENDATIONS AIM TO ENCOURAGE PLAYERS TO IMPROVE THEIR PRACTICES TO ENSURE THAT SIMILAR DISPUTES DO NOT RECUR.



## WHAT IS A GENERAL RECOMMENDATION?

Over and above the settlement of a particular incident, it highlights a malfunction or a problem with practices that may concern other consumers. The text recommends solutions as a means of improvement for all energy market players in order to prevent similar disputes from recurring. In fact, the time spent and the skills mobilised to resolve the dispute have a cost for the industry in general and the energy ombudsman considers it necessary to rationalise these costs by inviting players to improve their practices. Moreover, during hearings about general recommendations, the operators have stressed that the ombudsman's views are important and that it has the responsibility for formulating proposals for improvement.

## WHY ARE THEY PUBLISHED?

In 2010, we published 67 general recommendations, while maintaining consumer and operator anonymity. Publication is required when there is an interest in sharing the lessons learnt from disputes handled by the national energy ombudsman with all players. Opting for transparency is also a way of consolidating the strength of these recommendations which are neither sanctions nor binding requirements.

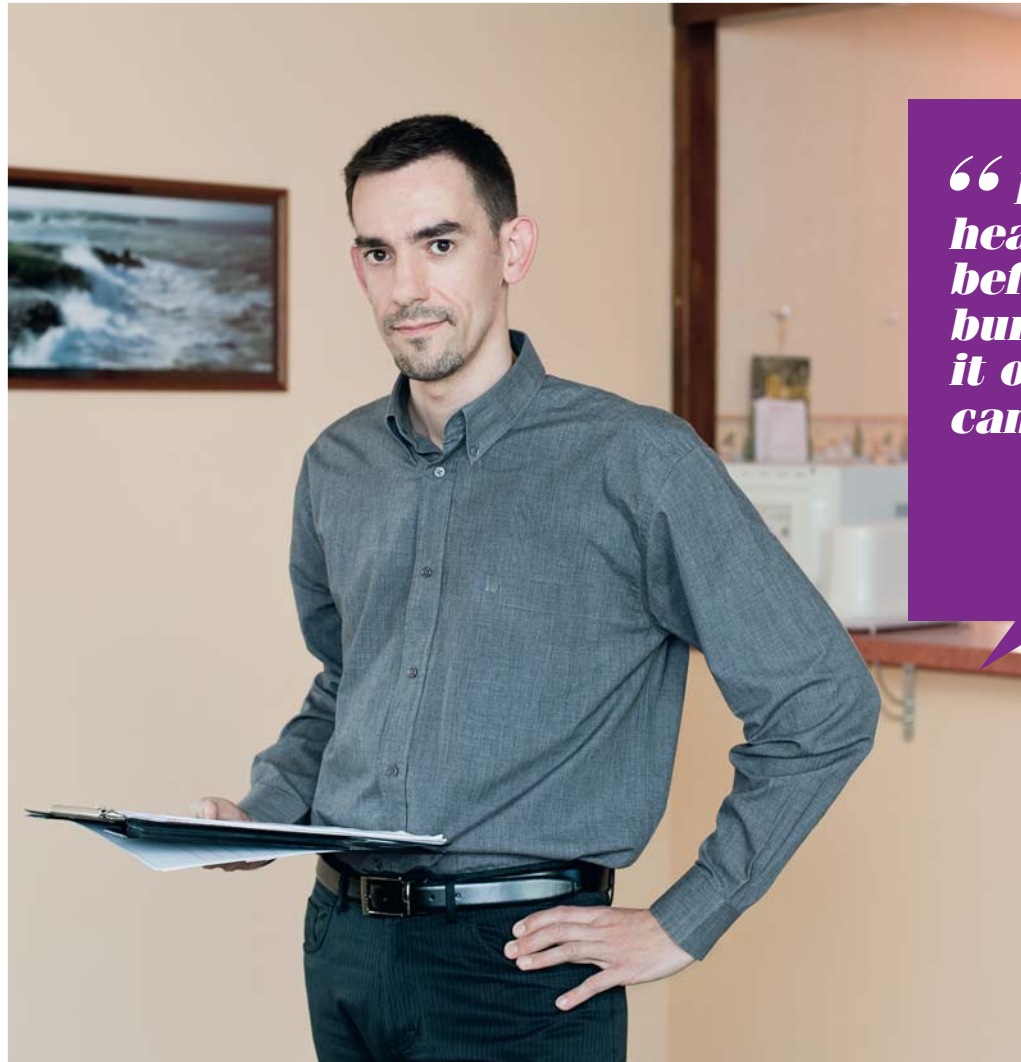
## HOW ARE THEY MONITORED?

General recommendations concerning a single operator are subject to regular follow-up during meetings between the latter's representatives and the ombudsman's teams. The ombudsman presents recommendations focused on changes in procedure to the consultation groups set up under the aegis of the energy regulation Commission. Unfortunately, it has to be stated that operators and particularly DSO managers have recently been demonstrating very little enthusiasm in responding to these recommendations. The ombudsman deplors this stonewalling situation and we observe that operators appear to prefer having their practices improved by legislation and regulation rather than by consultation, which is obviously a more flexible approach.

## WHAT ISSUES DO THE RECOMMENDATIONS COVER?

The five issues detailed in the following pages illustrate the importance of the areas where the national energy ombudsman has improved practices for the benefit of consumers. The social electricity tariff is going to be extended to a larger number of struggling households. Energy account overcharges below €15 will now be automatically and quickly reimbursed to consumers. The 140,000 dwellings covered by "multi-owner contracts" (forfaits cuisine) are going to be billed on the basis of their actual consumption. On more complex matters such as bill clarity and the correction of incorrectly estimated meter readings, the industry has yet to follow the ombudsman's recommendations but we have no intention of letting up our pressure on energy operators.





**“ I had to move heaven and earth before EDF reimbursed the €6.74 it owed me. This cannot be right.”**

Sébastien Laporte, Dijon (Côte d’Or).

WHEN THERE IS A CHANGE OF CONTRACT, EDF DOES NOT REIMBURSE ANY OVERCHARGED AMOUNTS BELOW €15 UNLESS ITS CLIENTS EXPRESSLY REQUEST THIS. THE NATIONAL ENERGY OMBUDSMAN CONSIDERS THIS UNACCEPTABLE AND HAS RECOMMENDED ON SEVERAL OCCASIONS THAT THE COMPANY CEASES THIS PRACTICE. **MARCEL JOCRISSE, PROJECT LEADER, EXPLAINS.**



## OVERPAYMENTS BELOW €15

When he moved home in September 2007, Sébastien Laporte received a cancellation bill showing a credit in his favour of €6.74, with a statement that this amount would be repaid to him “on request”. This rule has been applied by EDF for many years, i.e. if the credit balance is below €15.24 (previously 100 Francs), the consumer is not automatically reimbursed. It was a year later when Sébastien Laporte contacted the company to obtain his balance, and he was informed by the customer service department that he no longer had access to his contract after such a length of time.

However, consumers have five years to claim the reimbursement of credit amounts in their favour. Despite all his telephone calls and letters, nothing happened. So, in February 2009, he appealed to the ombudsman who does not consider his case to be a “small matter” despite the modest sum involved. EDF has now handled his dossier, reimbursed him by cheque with a letter and granted him, in line with our recommendation, compensation of €25 for the excessive formalities imposed by this unjustified practice.

### AN OBSTACLE COURSE DESIGNED TO DISSUADE CLAIMS FOR A FEW EUROS

Millions of contract cancellations and changes occur every year. Accordingly, a great number of consumers are potentially concerned by this practice. For the ombudsman, it is unacceptable for a supplier not to reimburse money spontaneously, on the grounds that it only involves modest sums. Moreover, when the operator’s customer service department declines to consider their requests, consumers are obliged to submit written complaints by registered letter for which the cost is almost that of the sum they are seeking to recover. Obviously, this means that they are discouraged from proceeding with their claim. This obstacle course is nothing rare, as we have been called upon several times to settle such cases when the operator fails to reimburse overpaid amounts.

### AN ABUSIVE PRACTICE THAT HAS TO STOP

Starting with its first recommendation on this issue, the ombudsman called on EDF to cease this unacceptable practice of not spontaneously reimbursing accounts with a credit balance below €15 forthwith. At the time, the supplier indicated that it had forwarded this request to its department in charge of billing. Be that as it may, consumers have continued to complain to the ombudsman, which has reiterated this general recommendation on each occasion. Following meetings with our departments, EDF actually undertook to implement changes but at the end of 2010, it was not possible to confirm whether this practice had disappeared completely.

### LEGISLATORS PAY ATTENTION TO THIS GENERAL RECOMMENDATION

This position defended by the ombudsman in its recommendations, and restated forcefully in its 2009 activity report, has been the subject of exchanges with the French competition, consumer and fraud protection general Directorate (DGCCRF, Direction générale de la concurrence, de la consom-

mation et de la répression des fraudes). As part of the NOME law of 7<sup>th</sup> December 2010 on the new organisation of the electricity market, article 18 covers this issue: “Once a contract is cancelled, suppliers must send a final bill within four weeks and then have a maximum period of 15 days to reimburse any possible overcharges.” This step forward for consumers is finally being achieved via legislation. It illustrates the usefulness of the ombudsman’s general recommendations which actually brought an unacceptable practice into the open.

## The point of view of...

### THE DGCCRF (competition, consumer and fraud protection general directorate)

“The NOME law of 7<sup>th</sup> December 2010 introduces provisions that alter consumer law. One of the new measures to protect consumers applies in the event of contract cancellation, and now the consumer must receive the final bill within a maximum period of four weeks. If this bill shows an overpayment on the part of the client, the reimbursement must be made within a period of two weeks from the date of issue of this bill, irrespective of the amount involved. This provision aims at eradicating a practice that consists of waiting for the consumer’s request to reimburse amounts due at the end of the contract. Finally, another provision stipulates that a decree is to be issued to define the conditions for reimbursing or carrying forward overcharges during the period of the contract.”

**Axel Thonier,** head of the energy, raw materials and public works office .

### OTHER DISPUTES:

- *Jean-Michel B. appealed to the ombudsman because, after one year of trying, he has been unable to obtain the reimbursement of €8.59 owed to him by EDF since he received his cancellation bill.*
- *For seven months, Catherine F. called, sent letters and fax messages to EDF without managing to obtain the reimbursement of an overcharge of €5.42.*
- *René H. took almost 2 years to obtain the reimbursement of an overcharge of €13.35 from his supplier.*
- *Alain C. appealed the ombudsman to complain that he had been unable to obtain the payment of a credit balance of €7.34 corresponding to the balance in his favour on his cancellation bill, despite his numerous written and telephone requests.*
- *It took Jacques P. over seven months to obtain the reimbursement of €7.85 from his supplier, EDF.*



**“Call centres where I never spoke with the same person twice actually damage the client relationship.”**

Catherine Dréano,  
daughter of Léone Heyvaert,  
Guidel (Morbihan).

ENERGY CONSUMPTION ESTIMATES BY DSO MANAGERS AT THE TIME OF CONTRACT CANCELLATION DUE TO A CHANGE OF ADDRESS OR A SWITCH OF SUPPLIER, DO NOT ALWAYS CORRESPOND TO THE VALUES CONSUMERS READ ON THEIR METERS. MANY CONSUMERS APPEAL TO THE NATIONAL ENERGY OMBUDSMAN, WHICH IS ADVOCATING THE INTRODUCTION OF EFFICIENT CONSUMPTION CORRECTION PROCEDURES. **STATUS REPORT WITH ALEXANDRE RODRIGUES, PROJECT LEADER.**

## ESTIMATED ENERGY CONSUMPTION

After having switched her supplier to Poweo, Léone Heyvaert received her final cancellation bill from GDF SUEZ and considered it somewhat excessive, at €205. This retired lady only receives a modest pension, lives alone in a small flat and is very careful about her energy expenditure. Above all, she noted that GrDF estimated the gas meter reading at the time of changing suppliers at 10,601 m<sup>3</sup>. This did not correspond to the display on the meter which showed 10,215 m<sup>3</sup>. Over a period of eight months, helped by her daughter Catherine, she has sent four letters of complaint to her new supplier, which she also criticises for sending her gas bills based on excessively high estimates.



However they have not managed to get the switch-over meter reading changed. Under the threat of having her gas supply cut off, Mrs. Heyvaert has paid the disputed bills and her daughter has appealed to the national energy ombudsman.

### METER READERS' READINGS... REJECTED

During the lengthy period when this dispute was going on, GrDF meter readers came to read Mrs. Heyvaert's meter as normal at six monthly intervals. However, the supplier decided to ignore these readings, even though they were physically taken by a meter reader, and to replace them with estimated readings, higher than the readings calculated at the time of switching suppliers. Accordingly, the new supplier Poweo received considerably overestimated meter readings from the previous DSO, which Mrs. Heyvaert naturally found incomprehensible as her bills had nothing to do with the actual readings on her meter. As part of the investigation into the appeal, a meter reading taken in July 2010 showed that the meter value had hardly reached the level of the calculated switchover reading... estimated two years earlier! For the ombudsman, it is completely unacceptable that this overstated consumption estimate means that this consumer with a modest income is forced to pay for her energy consumption two years in advance, and that this anomaly was not corrected earlier. The operators should have been alerted by the complaints they received and the readings taken every 6 months, and should have corrected the situation forthwith.

### CASES OF DOUBLE BILLING

This example is a good illustration of the problems encountered by consumers when the estimated readings at the time of switching suppliers or cancelling a contract are too far removed from reality. When they are overestimated, consumers are obliged to pay for the equivalent of several months

of energy that they have not actually consumed, and this can cause serious financial difficulties for people on low incomes. Moreover, when a consumer cancels the contract at the time of moving home, a mistake in the calculation of the cancellation reading can lead to double billing. We have observed this state of affairs in several complaints, including the one submitted by David C. who took his own meter reading and sent it to his supplier, but it was not taken into account in his final bill, based on estimated consumption higher than his actual gas usage. Conversely, a lower consumer meter reading was accepted without any problem when connecting the supply for the tenant who came after him. Therefore the energy consumed was billed twice, once to Mr. C. and once to his successor.

### IT MUST BE POSSIBLE TO CORRECT METER READING ERRORS

The ombudsman has clearly stated its position in various general recommendations: consumption estimates calculated by distribution system operators must be corrected free of charge as soon as requested by a consumer. When the initial meter reading for a new occupant is below the estimated cancellation reading of the former occupant, operators should systematically revise their bills and reimburse any overpayments. With regard to switching suppliers, since 2008 for electricity and 2010 for gas, a meter reading below the switchover reading is no longer rejected and gives rise to the billing of "negative" consumption. While this is a satisfactory solution for small amounts, it is unsatisfactory when the calculation error is significant because it requires the consumer to pay in advance. We should also point out that this rectification method is hard to understand as the consumer is overcharged by one supplier and then reimbursed by another at a different price...

### ESTIMATED READINGS, MAJOR SAVINGS FOR DSO MANAGERS

Consumer meter readings and estimated readings have become common practice with the opening of the energy markets. In this way, since 2005, as a distribution system operator, ERDF has been able to save the cost of several million visits by its meter readers in the field every year, by systematically not visiting the premises involved when a request for account cancellation is received. In this case, the DSO bases its billing either on the reading provided by the consumer or a default estimated calculation. Both distribution system operators also carry out all supplier switchovers based solely on estimated readings, without any site visits. Without wishing to question these choices that have resulted in major savings, the ombudsman observes that they have led to some consumers being penalised, as they find themselves victims of overcharging due to unavoidable calculation errors. The ombudsman proposes that estimated readings or consumer readings, both for contract cancellation and switchover, are quite simply corrected in the case of an error, at no expense to the consumer, with the DSO sending out a special statement if necessary at its expense. Correcting such mistakes free of charge for the consumer would only cost a very reasonable amount for these processes which concern millions of clients. It is a solution based on good common sense which does not pose any threat to the financial viability of the decisions taken by the players involved.

### COURT RULING THAT DSO WILL HAVE TO TAKE INTO ACCOUNT

In 2010, Gérard M. took his case to the Senlis County Court. After having switched suppliers, he received a final cancellation bill for €1,171 based on an estimate with no relation whatsoever to the figures on his meter. After taking a meter reading and sending it to the supplier, he contacted his bank to stop direct debit payments for his following bills which still referred to the erroneous calculated consumption reading. On 17th January 2011 he won his case, as the court found in his favour and sentenced the supplier and GrDF to pay him €400 for the prejudice suffered and €600 for the costs incurred. This legal ruling serves to strengthen the ombudsman's position on the issue of correcting estimated meter readings.

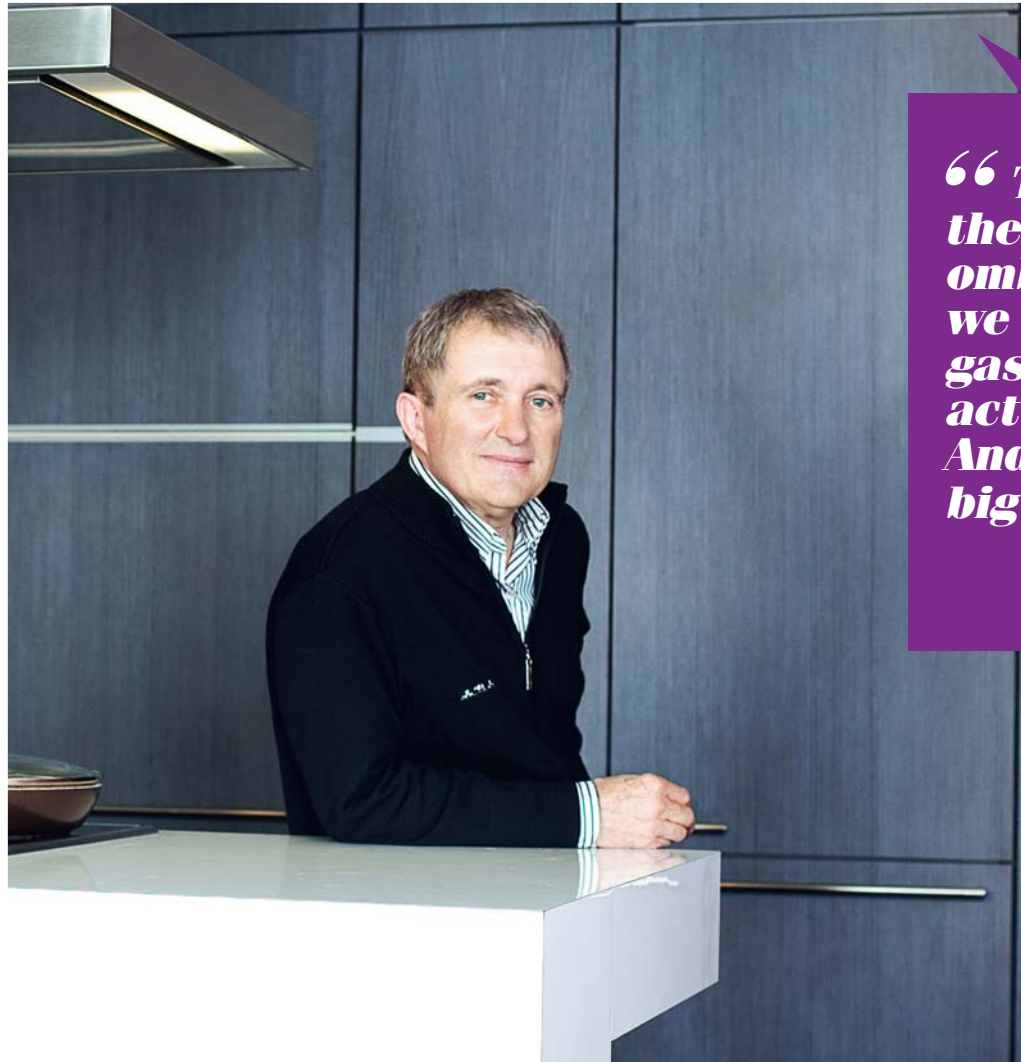
### The point of view of...

#### DIRECT ÉNERGIE

"The quality of bills issued by energy suppliers is very broadly dependent on the reliability of initial meter readings forwarded by DSO managers at the time of switching suppliers or connecting supplies. The chronic poor quality observed in respect of these readings – ERDF estimated in October 2008 that 56% of supplier switchover meter readings were underestimated compared with reality and nothing would indicate that the situation has improved since – naturally generates customer dissatisfaction and leads to complaints. In fact, the consumer is unable to understand the reasoning behind the supplier's catch-up bills when the initial consumption reading is underestimated, or the fact of having to make advance payments in the event of an overestimated initial consumption reading. This lack of understanding leads to unpaid bills and/or the supplier losing the end customer. The supplier is solely responsible for handling the complaints generated by this state of affairs and the obvious risk to its reputation."

**Martial Houlle,**  
director of legal  
and regulatory affairs.





**“ Thanks to the energy ombudsman, now we only pay for the gas that we have actually consumed. And that makes a big difference! ”**

Daniel Heitmann,  
Pontarlier (Doubs).

IN RESPONSE TO AN APPEAL RECEIVED FROM A BUILDING MANAGING AGENT, THE ENERGY OMBUDSMAN HAS TAKEN AN INTEREST IN “MULTIPLE OWNER TARIFFS” THAT ARE NO LONGER OFFERED BUT STILL CONCERN 140,000 HOUSEHOLDS. ITS RECOMMENDATION, ISSUED IN 2009, RESULTED IN THE MULTIPLE OWNER PROPERTY DISPUTE BEING RESOLVED. THE GENERAL PART OF THE RECOMMENDATION HIGHLIGHTED SEVERAL GLOBAL FAILINGS THAT THE OPERATORS HAVE NOW CORRECTED. **CAROLINE KONTER, PROJECT LEADER, EXPLAINS.**



## MULTIPLE OWNER TARIFFS (FORFAITS CUISINE)

Following several fruitless complaints, Jean-Luc Bouveret, representative of the building management agent for a multiple owner property with 16 dwellings at Pontarlier, appealed to the ombudsman. He wanted the amount billed under the “multiple owner tariff” contract signed by residents in 1992 to be reduced, as the occupants of four flats were no longer using gas. We then started to analyse this unusual form of contract which is gradually being withdrawn. Under the terms of this contract, there are no individual meters

and the inhabitants were billed on the basis of a fixed annual gas consumption of 1,163 kWh for cooking purposes. Under the terms of the tariff agreement, it was impossible to obtain a reduction in the number of lump-sum contracts if some inhabitants did not use gas. However, our investigations unveiled other major anomalies.

### SIGNIFICANTLY OVERESTIMATED CONSUMPTION FOR THE ENTIRE BUILDING

In fact, the contract stipulated that the fixed volume of gas could be increased or decreased every two years, based on the consumption measured in the main supply meter installed in the building which recorded the combined consumption of all the flats. However, the meter had not been read for almost 10 years and this meant that the billing had never been adjusted to actual consumption. During the review of this appeal, a meter reading indicated that the inhabitants at the property had consumed 6,920 m<sup>3</sup> between 1992 and 2009, i.e. four times less than the 29,000 m<sup>3</sup> billed with the “multiple owner tariff” of 1,163 kWh/year. The ombudsman’s intervention resulted in the dispute being settled for the inhabitants of the building represented by Mr. Bouveret. The amount of the fixed gas volume was adjusted and the bill fell from €1,676 a year to €550. In addition, the occupants were reimbursed €3,000.

### GENERAL RECOMMENDATION REQUIRED

During the analysis of the dossier, the benchmark consumption of 1,163 kWh/year used as the basis for the multiple owner tariff appeared overestimated and unjustified.

In addition, the contract was no longer compliant with regulations since the decree of July 2007, which obliges suppliers to present a bill based on a physical meter reading at least once a year. These aspects prompted us to draft a general recommendation to call on operators to comply with current regulations in respect of these contracts of another age, and to propose justifiable benchmark annual consumption levels as part of such fixed tariffs.

### GENERAL RECOMMENDATION IMPLEMENTED IN 2010, EFFECTIVE IN 2012

Starting at the end of 2009, and in 2010, under the aegis of the Energy and Climate General Directorate (DGEC), the DSO GrDF and the supplier GDF SUEZ held meetings to consider the changes to be implemented in order to render these offers compliant with the new legal obligations. It was decided to install multiple owner meters in every building where they were not present (6,000 out of 7,000) and to take account of actual readings when adjusting the fixed tariffs. This operation represents a major investment for the DSO and will be completed by the end of June 2012. At this date, the supply tariff and sales tariff will have to take account of the new procedures for billing fixed tariffs, i.e. based on a share of the total consumption of each building and on six monthly meter readings. Around 140,000 households are going to benefit from these changes which should result in an average reduction of at least €45 (1), and even much more in some cases, as illustrated by the dossier at the origin of the general recommendation.

### OTHER OFFERS SHOULD CHANGE

While the multiple owner tariffs are undergoing changes, other contracts such as divided gas sales contracts (VGR, Vente de gaz réparti) also pose a problem in this new open market climate. The aim of the divided gas sales contract is to divide the consumption used to fuel a multiple owner heating system between the various occupants of the building, based on their actual usage, via individual hot water and heating meters installed and read by the supplier. However, this complicated system suffers from a lack of technical accuracy and correcting errors is unimaginably complicated. In fact, if just one hot water or heating meter proves defective, the billing for all the building occupants has to be revised for the entire duration of this malfunction, as the division of the total bill amongst the individual users would have been incorrect. Moreover, even though the contract is signed with the building management association, the supplier bills each occupant directly in accordance with a payment delegation system. This unusual situation is a source of confusion for consumers, who sometimes imagine that they are actually the contract holders. It also confuses alternative suppliers who ignore the existence of this type of offer. Several changes of supplier have been requested, leading to the building heating contract being switched to the name of an individual consumer, who is then surprised to receive bills for several thousand euros! The ombudsman considers that these divided gas sales contracts should be modified to take account of the new context and the increased requirements with regard to consumer information.

### The point of view of...

#### GrDF

“Following the two recommendations issued by the ombudsman, we initially entered into consultations with GDF SUEZ over procedures for handling, in a reactive manner, requests submitted by the managing agents of the multiple owner properties concerned by these multiple owner tariffs. The process consisted of reading the existing meters or installing a meter to be read at the end of a six-month period, so that the supplier can readjust the amount of the fixed consumption volume to actual consumption. With these curative measures we managed to settle 150 complaints in 2010. Furthermore, with the various players involved, we worked on a proposal for a DSO offer, usable by all suppliers and compliant with the energy billing decree that stipulates that the use of energy must be billed against measured consumption. Together, we decided that the best solution is to install meters at the base of the main inlet pipe in 6,000 buildings. In fact, installing individual meters in each of the 140,000 homes would have been too complicated and too costly, and even technically impossible in some flats. We have undertaken to complete this operation by 1st July 2012 and the work represents an investment of € 3.5 million.”

Jacques Gérard,  
director of  
the conveyance-delivery  
section.

(1) based on a price per kWh of €0.91 at the basic tariff, for a difference of 503 kWh.





**“EDF refused to grant me the social tariff because my meter is too powerful. My appeal to the ombudsman settled my problem.”**

Catherine Haudebeault,  
Freigné (Maine et Loire).

THE NATIONAL ENERGY OMBUDSMAN HAS SUCCEEDED IN CALLING INTO QUESTION EDF'S RESTRICTIVE INTERPRETATION OF THE 2004 DECREE THAT INTRODUCED THE BASIC NEEDS TARIFF (TPN, TARIF PREMIÈRE NÉCESSITÉ) FOR ELECTRICITY. THIS ERRONEOUS READING OF THE DECREE HAS LED TO THE BASIC NEEDS TARIFF BEING REFUSED TO 30,000 STRUGGLING CONSUMERS SINCE 2005. **THIERRY ALBERTOS, PROJECT LEADER, EXPLAINS.**



## BASIC NEEDS TARIFFS

Since her husband lost his job, Catherine Haudebeault has been trying to cope with their financial problems. Her health insurance fund told her that it is possible to benefit from the basic needs tariff (BNT) which offers a 30% to 50% reduction on part of the electricity bill. Accordingly, via her social worker, she submitted a request to her energy supplier, but this was refused, based on the fact that the 12 kVA supply capacity subscribed for her meter placed her outside the allocation criteria for this basic needs tariff. So Mrs. Haudebeault then decided to reduce the capacity to 9 kVA,

at the risk of causing the main fuse to trip out frequently on her installation. She was awarded the basic needs tariff once she agreed to reduce her supply capacity, but she approached the energy ombudsman to request the backdating of the new tariff.

### RESTRICTIVE INTERPRETATION OF THE 2004 DECREE

The complicated nature of the procedure and criteria for granting basic needs tariffs for electricity and gas is the source of numerous complaints over the actual date of application. The dispute involving Mrs. Haudebeault prompted us to review in greater detail the conditions governing approval for these tariffs. Our analysis of the decree that introduced the basic needs tariff differed from the energy operators' general interpretation, insofar as the subscription capacity and tariff are not criteria that govern the granting of the basic needs tariff, but simply factors to take into account for its calculation. Exchanges with the Energy and Climate General Directorate (DGEC, Direction Générale de l'Energie et du Climat) supported our analysis.

### 30,000 STRUGGLING HOUSEHOLDS DEPRIVED OF THE BASIC NEEDS TARIFF

At a final hearing with the energy ombudsman before the recommendation was issued, EDF acknowledged that it had interpreted the wording of the regulations in an excessively restrictive manner. According to EDF, as a result, around 6,000 low income households would have been deprived of this basic needs tariff each year, namely around 30,000 households in difficulty since the regulations came into effect on 1st January 2005. Accordingly, EDF has committed to apply the basic needs tariff without any capacity or tariff conditions as of 1st July 2010, and is also attempting to identify all those consumers who should have benefited from it in the past. Legal provisions governing personal privacy protection prohibit EDF from keeping the files of users who had requested the BNT for more than one year. Unfortunately this means that only a small number of the wronged consumers are going to benefit from the backdated application of the BNT in the form of a commercial gesture corresponding to the reduction that they should have received. For Mrs. Haudebeault, this has meant a credit of €70, deducted from her next bill, corresponding to the backdated application of the BNT for six months, as well as €50 in compensation for the unpleasantness caused.

### IMPORTANCE OF TAKING THE LAW INTO ACCOUNT IN MEDIATION

For the energy ombudsman, this appeal demonstrates the advantage of adopting a legal approach as the basis of the argument in support of the majority of its recommendations. This is even more fundamental for the general recommendations aimed at encouraging operators to improve their practices. Technical expertise and dispute settlement experience alone are not necessarily sufficient for exercising a mediation mission adequately in the field of consumer affairs. In the first instance, all the legal questions posed by the dispute must be analysed, with the notion of equity only being used, if needed, in the second instance.

### OTHER DISPUTES:

- On 11<sup>th</sup> January 2010, Jacqueline G. appealed to the ombudsman because, despite having chased EDF on several occasions since November 2008, she has not managed to obtain the BNT for which she considers she is eligible. The supplier states that it has not received the consumer's notice of eligibility and in this instance the ombudsman considers that the consumer should be given the benefit of the doubt. Furthermore, EDF has followed the ombudsman's recommendation and backdated the application of the BNT, which equates to the reimbursement of €156.
- Gérard-Gorges V. requested GDF SUEZ to grant him the special solidarity tariff (TSS, Tarif Spécial de Solidarité) that provides reductions to the gas bill. The supplier only agreed with his request in December 2008, and argued that before this date he did not actually benefit from the BNT, which is a condition for granting the SST, in accordance with the decree of August 2008 which introduced the social gas tariff. The ombudsman recommended that GDF SUEZ should apply the SST from the date of the decree as it is granted to individuals receiving complementary universal health coverage benefits (CMUC), as is the case for this consumer since March 2008. However, in this instance, GDF decided not to follow the recommendation as it considers that the SST cannot be granted to a consumer who has not requested the BNT, even if he or she is eligible. In all likelihood, the authorities will have to clarify this aspect of these social tariffs.

### The point of view of...

#### EDF

“In 2010, the new reading of the 2004 decree proposed by the national energy ombudsman helped to define the procedures for awarding the BNT to consumers. We are now applying these new procedures and eligible clients who subscribed for a supply capacity above 9 kVA can now benefit from the BNT. Fewer than 1% of our clients benefiting from the social tariffs are concerned, as few low income households have high-capacity supply contracts. After the publication of the recommendation, we also conducted a search going back 12 months, and as far as was possible with the data history in our possession, aimed to identify clients who should have benefited from the tariff. As a result, around 4,000 households have been able to benefit from the BNT and we have backdated the reductions available to them. In broader terms, EDF is working to ensure that the BNT is awarded to all eligible clients and for this reason we are all in favour of the draft decree aimed at extending the number of social tariff beneficiaries, and automating the application procedure.”

**Marc Aldebert,**  
national consumer  
department director.

**€600 000**

TOTAL AID RECEIVED EACH YEAR BY THE 6,000 NEW CONSUMERS NOW ENTITLED TO THE BNT, FOLLOWING THE OMBUDSMAN'S RECOMMENDATION.



**“After I moved in, anarchy ruled with my energy bill, which alternated between debits and credits.”**

Arnaud Longefay,  
Gournay-sur-Marne (Seine-Saint-Denis).

CONSUMERS SOMETIMES FIND THEIR ENERGY BILLS COMPLETELY OPAQUE, PARTICULARLY WHEN THEY CONTAIN CORRECTIONS. THE NATIONAL ENERGY OMBUDSMAN RECOMMENDS THAT OPERATORS PROVIDE MORE EXPLANATIONS, AND THAT THEY SHOULD ADOPT A COMMON LANGUAGE UNDERSTANDABLE BY ALL. **DELPHINE FILIPPA, PROJECT LEADER, EXPLAINS.**

## ENERGY BILL CLARITY

Arnaud Longefay was unable to decipher his energy bills, so he contacted the energy ombudsman in February 2010 after he had failed to obtain clear explanations from Poweo, his gas and electricity supplier. Various events contributed to this muddle. First of all, he disputed a bill for €373 which he considered to be too high and which did not indicate the coefficient of conversion of gas into kWh. Then, he blocked the direct debit payment and, to prove his good faith, settled part of the sum by cheque, namely €200. Following this, Mr. Longefay changed his place of residence, but



he only received his final cancellation bill with a credit of €73 six months later. In the meantime, the bills corresponding to his former home and the adjustment bills arrived and created confusion. Only after an in-depth analysis of these figures and with the help of a summary chart forwarded by the supplier with the amounts due and payments made by the consumer, were we able to unravel the tangled situation. In fact, Mr. Longefay was actually up to date with his payments, but the billing was so convoluted... that he was totally unaware of this.

### EXPLAINING BILLING CORRECTIONS

The lack of clarity with regard to energy bills, and particularly those issued to rectify errors acknowledged by the supplier, pose a comprehension problem for consumers and unfortunately many of them complain to the ombudsman problem in an attempt to see clearly. After having been involved in a number of disputes over unexplained postponed billing or cancellations of incorrect bills, followed by hard to understand corrections, we decided to lay down a few principles based on sound common sense. Accordingly, the ombudsman recommended that suppliers send out an explanatory letter with all bills that are out-of-the-ordinary in order to justify their reasoning. Moreover, we recommend that in complicated cases, a customer account summary is attached detailing the amounts billed and the amounts paid. Consumers need this transparency and have the right to demand that they understand what they have to pay and that they can check the bill in a straightforward manner. It is also a guaranteed way of reducing the number of disputes.

### ABSTRUSE DESCRIPTIONS

Even if they consider they are less concerned by this problem, because they invoice their services to suppliers who then passed them on to their clients, distribution system operators cannot escape from the need to provide clear information. This is illustrated by the complaint from Robert L., who installed a heat pump in his home with a three phase meter. When he received his EDF bill, he did not understand the costs he had to pay for work carried out by ERDF. It has to be said that headings such as “INTERVENT 3 APPLIANCES PART= €113”, are at the least abstruse, even for specialists. Even by referring to the ERDF services catalogue, it is difficult to establish a link between the work carried out at the consumer's home and the items listed on his bill.

### MORE CLARITY FROM DSO MANAGERS

Accordingly, we issued this general recommendation: suppliers should state in a clear manner on their bills, the nature of the technical intervention carried out by the distribution system operator and the date on which it was performed. To fulfil this requirement, distribution system operators have to communicate precise details of their services, with a description understandable by the general public and which corresponds to their services catalogue. DSO managers, via the suppliers' invoice, are actually communicating with consumers rather than industry professionals. Therefore they should ban any excessively technical jargon and adopt easily comprehensible vocabulary. The ombudsman has every intention of ensuring they comply with this transparency requirement.

### ANOTHER DISPUTE:

*Following a malfunction on his gas meter, Dominique M. disputed the corrected bill sent by his supplier GDF SUEZ which contained no fewer than four incomprehensible rectification bills covering different months. The ombudsman noted several inconsistencies: the four documents corrected bills that had not been sent to the consumer and, moreover, were charging him twice for the same consumption period due to carried forward balances. The ombudsman noted in its recommendation that “this meant that Dominique M. was unable to understand the basis for the corrected bill”. Another factor which added to the confusion was that the consumer was alerted to the problems affecting his gas meter via a letter on headed notepaper from ERDF, but the meter had been replaced by GrDF...*

## The point of view of...

### GDF SUEZ

“We are in total agreement over the continuing need to explain more clearly the principles of energy billing to our clients, who have the legitimate right to expect easily understandable information. It is also in our interest to improve this understanding.

The bill is an important document for the consumer who is seeking information and therefore temptation is quite high to mention everything on this document.

However, an excessive amount of information makes it very

hard to read the main elements which must appear on the bill, namely how much do I have to pay and by when? Accordingly, we hope that the regulations would not impose greater obligations on us and would allow us to indicate only essential details on the energy bill. Having said that, as part

of our continuous improvement system, we focus on any aspect that can improve the understanding of our bills, and take account of the feedback from workshops organised with our clients. As a result,

for 2011, for example we have already scheduled a few changes in terms of indicating systematically on our bills the annual consumption for the past two years and to provide a better explanation of the basis for the estimated consumption calculation.”

**Jean-Pierre Hervé,**  
director of external relations at the Home and Business Clients Department in the Energie France division.

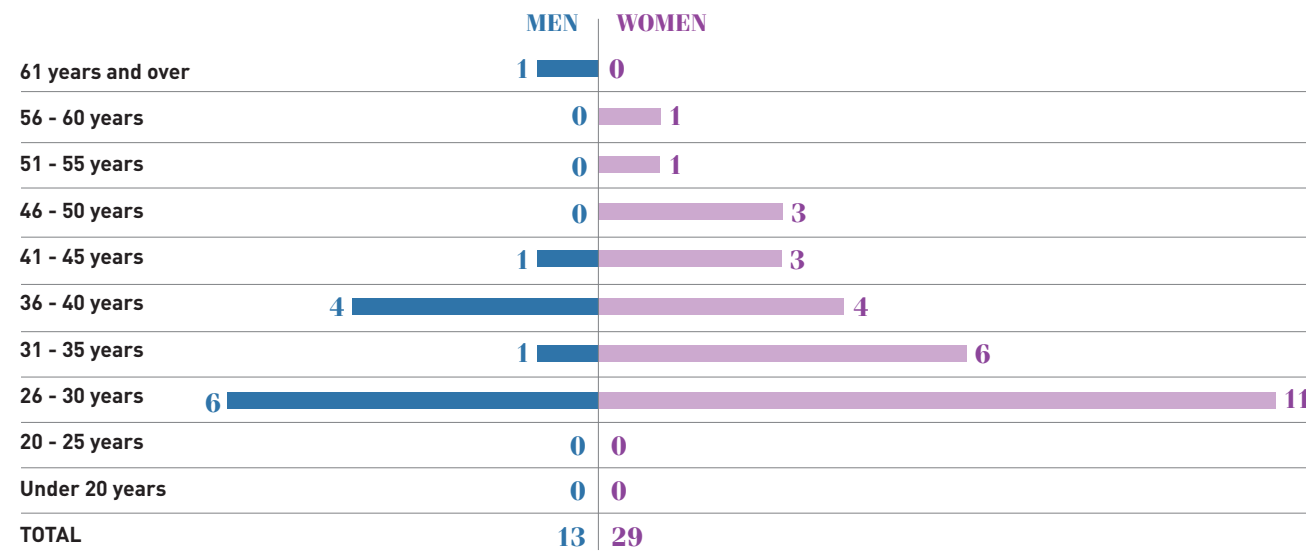


# SOCIAL INDICATORS

**35 years**  
AVERAGE AGE OF THE NATIONAL ENERGY OMBUDSMAN'S WORKFORCE

**42**  
NUMBER OF PEOPLE EMPLOYED AT 31ST DECEMBER 2010

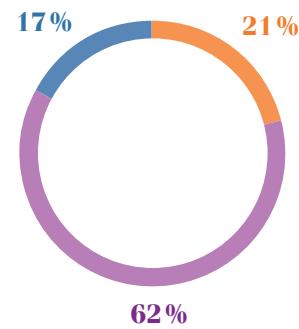
NATIONAL ENERGY OMBUDSMAN STAFF AGE PYRAMID



**46**  
AUTHORISED NUMBER OF FULL-TIME STAFF IN 2010

**39,8**  
EQUIVALENT FULL-TIME STAFF IN 2010 (ANNUAL AVERAGE)

- Informing consumers about their rights
- Recommending solutions to disputes
- Support Services (Management, Administration - Finance, Communication)

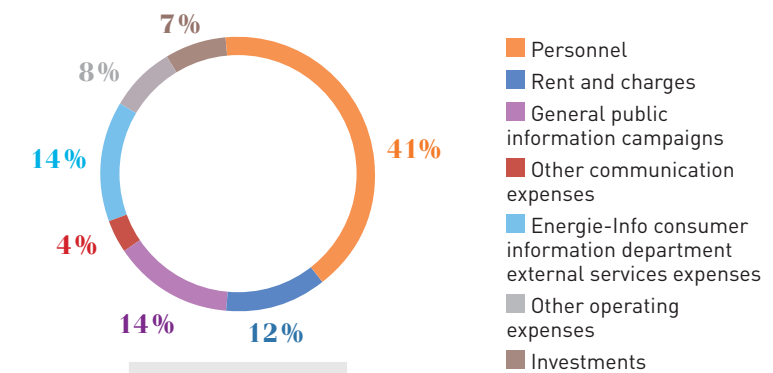


EMPLOYEE BREAKDOWN BY MISSION

# FINANCIAL REPORT

THE NATIONAL ENERGY OMBUDSMAN'S BUDGET IS SET BY THE MINISTERS IN CHARGE OF THE ECONOMY, ENERGY AND CONSUMER AFFAIRS, BASED ON RECOMMENDATIONS FROM THE MINISTRY IN CHARGE OF THE BUDGET. PART OF ITS FUNDING IS PROVIDED BY THE ELECTRICITY PUBLIC SERVICE CHARGES CONTRIBUTION (CONTRIBUTION AUX CHARGES DU SERVICE PUBLIC DE L'ELECTRICITE - CSPE).

(IN EUROS)	2009			2010			
	FORECAST BUDGET	ACTUAL BUDGET	% PERFORMANCE	FORECAST BUDGET	ACTUAL BUDGET	% PERFORMANCE	
<b>TOTAL</b>	<b>7781000</b>	<b>7330147</b>	<b>94,21%</b>	<b>6725000</b>	<b>6714363</b>	<b>99,84%</b>	
<b>Personnel</b>	<b>1690000</b>	<b>1685027</b>	<b>99,71%</b>	<b>2795000</b>	<b>2725394</b>	<b>97,51%</b>	
<b>Operating expenses excluding personnel</b>	<b>6001000</b>	<b>5562950</b>	<b>92,70%</b>	<b>3510000</b>	<b>3506618</b>	<b>99,90%</b>	
<b>Including</b>	Rents and charges	610000	569118	93,30%	740000	821710	111,04%
	General public information campaigns	3840000	3575440	93,11%	1000000	947195	94,72%
	Other communication expenses	200000	154503	77,25%	400000	261897	65,47%
	Energie-info consumer information department external services expenses	910000	894234	98,27%	900000	916733	101,86%
	Other operating expenses	4410000	369655	83,82%	470000	559083	118,95%
<b>Investments</b>	<b>90000</b>	<b>82170</b>	<b>91,30%</b>	<b>420000</b>	<b>482351</b>	<b>114,85%</b>	



ITEMISED BUDGET BREAKDOWN AND ACTUAL EXPENDITURE



# GENERAL RECOMMENDATIONS

THE OMBUDSMAN CONSTANTLY STRIVES TO IDENTIFY WAYS OF INTRODUCING GENERAL IMPROVEMENTS, LIKELY TO PREVENT THE OCCURRENCE OF SIMILAR DISPUTES. THE FOLLOW-UP GIVEN TO THESE RECOMMENDATIONS IS REVIEWED WITH EACH OPERATOR, AND WITH THE AUTHORITIES IF NECESSARY. THE TABLE BELOW LISTS THE MAIN GENERAL RECOMMENDATIONS ISSUED AND THE CURRENT SITUATION IN TERMS OF THEIR IMPLEMENTATION.

Issue	Content	Recommendation N°	Follow-up given by the operators
Switching supplier	The DSO should not authorise recourse to the supplier switchover procedure for a change of offer.	2010-0042	No follow-up
	The DSO should provide accurate meter readings at the time of switching suppliers.	2009-0111 / 2009-0052	Follow-up under review
	The supplier should indicate on the final cancellation bill that the supplier switchover meter reading is estimated and not an actual reading.	2009-0065	Commitment to follow up on recommendation
	A procedure should be introduced to correct inaccurate meter readings when switching suppliers.	2009-0053	Follow-up under review
	The DSO should correct the meter reading when switching suppliers in the event of a consumption history anomaly.	2009-0004	Follow-up under review
Contract	The supplier should send new general terms and conditions of sale by post to clients before they come into effect.	2010-0275	Commitment to follow up on recommendation
	The supplier should date its general terms and conditions of sale.	2010-0275	Suivie
	The supplier and the DSO should not unilaterally impose an amendment to the supply contract, such as a change of capacity.	2009-0025	No information on the follow-up
Meter malfunctions/fraud	Malfunctions on instruments associated with the meter, such as remote reporting devices, should be taken into account in procedures.	2010-0190	Follow-up under review
	Corrections should be billed on the basis of the price in force during the period of malfunction and not on the basis of the price in force on the bill's date of issue.	2009-0151	Commitment to follow up on recommendation
	The 10% reduction offered in the event of malfunctions could be applied to the peak hours/off-peak hours ratio.	2009-0099	Follow-up
	In the event of a billing correction in favour of the consumer, the correction timeframe should not be restricted by a previous change of supplier.	2009-0027	Follow-up under review
	The capacity subscribed should be re-established after fraud has been revealed.	2009-0025 / 2008-0046	Follow-up
	The DSO should not call one of its departments "anti-fraud department" as this leads to confusion.	2008-0034	Commitment to follow up on recommendation
	The procedure should include reasonable case handling timescales.	2008-0033	No information on the follow-up
	Bill corrections could be more personalised in certain situations.	2008-0032	Commitment to follow up on recommendation
	The DSO should provide information about the ways in which personal factors are taken into account when correcting bills.	2008-0032	Follow-up under review

Issue	Content	Recommendation N°	Follow-up given by the operators
Meter malfunctions/fraud	Information about the precautions to take in the event of an electricity cut could be improved.	2008-0021	No follow-up
	The DSO should inform the consumer of the parameters used to correct the bill.	2008-0019	Commitment to follow up on recommendation
	Standard letter clarity could be improved.	2008-0004	Commitment to follow up on recommendation
Billing	Any bill with out-of-the-ordinary aspects should be accompanied by an explanatory letter.	2010-0762	No information on the follow-up
	The description of the DSO's interventions should be easily understandable for the consumer.	2010-0714 / 2008-0007	Follow-up under review
	For clients paying monthly, the balance owing at the end of the period should be debited in two monthly payments and not in a single payment if it exceeds the amount of a regular monthly payment.	2010-0275	No follow-up
	Consumers should be informed if a contract is maintained for an installation to which the supply has been disconnected.	2010-0032	No follow-up
	The supplier should make available to the consumer information about the ways of changing the billing schedule.	2009-0171	Follow-up under review
	The practice of not systematically reimbursing credits below €15 in the event of contract cancellation should be stopped.	2009-0160	No follow-up
	Suppliers should intervene as quickly as possible in the event of a mistake regarding the reference of the point of delivery.	2009-0041	No information on the follow-up
	The issue of bill clarity could be the subject of work as part of the consultation bodies' missions.	2009-0023	Follow-up under review
	All the meter readings taken by the DSO should be taken into account by the supplier in billing.	2008-0041	Follow-up under review
	Fairer billing procedures in the event of price changes could be introduced.	2008-0029	Follow-up under review
	The kWh/m <sup>3</sup> conversion coefficients should be published for each community on the DSO's Internet site.	2008-0016	Follow-up
	The consumer should be informed in the event of a lack of a physical meter reading for a long period.	2008-0012	No follow-up
	The parameters taken into account to establish a monthly payment plan should be communicated to the consumer.	2008-0008	Follow-up under review
	The supplier must check the relevance of the costs billed by the DSO.	2008-0007	Follow-up under review
	The DSO's date of intervention must be indicated on the bill.	2008-0007	Follow-up under review
Unpaid bills	The supplier should ensure personalised follow-up of the dossier in the event of billing problems.	2008-0001	No information on the follow-up
	The supplier should not cut off the energy supply for an unpaid bill unrelated to the supply contract.	2010-0097	No information on the follow-up
	The supplier should not charge any other penalties than those provided in the contract.	2009-0125	No follow-up
	The supplier should state in the general terms and conditions of sale its procedure for managing a rejected direct debit.	2009-0009	Follow-up under review

Issue	Content	Recommendation N°	Follow-up given by the operators
Unpaid bills	The DSO should remove any out-of-date details from the text of «amicable agreements for payment default».	2008-0034	Commitment to follow up on recommendation
	The supplier should not implement the debt collection procedure without having provided a response to the consumer's complaint.	2008-0019	No information on the follow-up
Distribution system operator services	The DSO could send the consumer a written report after a breakdown intervention.	2010-0135	No follow-up
	The DSO could send the consumer a registered letter after two consecutive absences when its technician has attempted to read the meter.	2010-0087	Follow-up under review
	Consumers should be informed if the DSO cancels a rendez-vous.	2010-0033	Commitment to follow up on recommendation
	The clarity of the information in the DSO services catalogue could be improved.	2009-0172	No follow-up
	Obvious meter reading errors should be corrected rapidly.	2009-0095	Commitment to follow up on recommendation
	Details of the various options for unpaid bills services could be made available	2009-0063	Commitment to follow up on recommendation
	Consumption history data should be corrected in the event of an incorrect meter reading.	2009-0056 / 2008-0044	Commitment to follow up on recommendation
	Services for which the prices are regulated should be clearly indicated in the services catalogue.	2009-0037	Suivie
	Documentation about the meter accuracy controls should be made available to consumers.	2009-0015	No follow-up
	The consumer should not have to pay the costs of mandatory work to render a meter compliant (e.g.: when moving into premises where the meter has to be replaced).	2009-0013	Follow-up under review
	The consumer and the supplier should be informed by the DSO as soon as it detects any meter reading inconsistency.	2008-0006	No follow-up
	The DSO should deploy all resources available to it to access meters at least once a year.	2008-0003	Follow-up under review
Electricity supply quality	The DSO should not oppose any amicable expertise procedure provided in the contract in the event of a disagreement over the reason for compensation.	2010-0207	No follow-up
	The means of redress in the event of poor supply quality should be made clear to the consumer by the DSO.	2009-0100	No follow-up
	Consumers could have better information about the various connection options and their impact on supply quality.	2009-0037	No follow-up
	The procedure for handling requests for compensation should be clearly stated in the general terms and conditions of sale, on the Internet, and in letters in response to complaints.	2009-0001	No follow-up
Cancellation/Connection	A request to cancel the contract on the part of the previous supplier should not be an obstacle to a consumer's previous request to switch suppliers.	2010-0623	Follow-up under review
	A cancellation meter reading should be systematically corrected when the connection meeting reading of the following supplier indicates a lower value (double billing in favour of the DSO).	2010-0584	Follow-up under review
	A reading taken by the consumer should not be rejected in favour of an estimated reading without investigation or justification.	2010-0417	No follow-up

Issue	Content	Recommendation N°	Follow-up given by the operators
Cancellation / connection	The cause of an unexplained cancellation should be systematically investigated in order to apply the appropriate corrective procedures.	2010-0137	Commitment to follow up on recommendation
	Provisions governing supply suspension in the event of unpaid bills should also be applied to cases of contract cancellation.	2010-0096	Commitment to follow up on recommendation
	The contract start default meter reading should not be the previous resident's cancellation reading if the DSO has a more recent meter reading.	2010-0054	No follow-up
	The supplier should not require a registered letter from the consumer to cancel a contract.	2010-0025	No follow-up
	The DSO should not charge for correcting a mistaken meter reading taken by the consumer.	2009-0103	No follow-up
	The DSO should bear the consequences of continued supply to a site if it has not implemented a request for cancellation.	2009-0007	No follow-up
Special tariffs	Tariff option (e.g.: off-peak tariff) and the subscribed capacity are not conditions governing the award of the basic needs tariff (BNT).	2010-0361	No follow-up
	Individual heating and hot water meter reading for a divided gas sales contract should be synchronised with the building gas meter reading.	2010-0301	No information on the follow-up
	In the event of a malfunction of an individual heating or hot water meter, the billing for all the occupants in a building with a divided gas sales contract should be corrected.	2010-0301	No information on the follow-up
	The procedures applicable in the event of a malfunction of an individual hot water or heating meter should be published.	2010-0301	No information on the follow-up
	All occupants should be able to obtain a copy of the divided gas sales contract and details of the delegated signature arrangements.	2010-0300	No information on the follow-up
	Divided gas sales bills should show the overall energy coefficient, the quantity of gas consumed by the building, the period covered and the sum of individual heat and hot water consumption.	2010-0300	No information on the follow-up
	The meaning of «tariff being discontinued» should be made clear in contracts.	2009-0176	No information on the follow-up
	The delay in activating tariff signals of the Tempo type and the permissible tolerance threshold should be clearly indicated by the DSO. Compensation should be provided when the DSO fails to meet the requirements.	2009-0166	No follow-up
	Studies should be carried out to render multiple owner contracts compliant with current regulations.	2009-0091	Follow-up
	Complete information on the operating and billing methods for the Tempo option should be made available for consumers.	2009-0016 / 2008-0019	No information on the follow-up
Complaints handling	Other offers similar to the Tempo and Off-peak options should be available.	2009-0013	Follow-up under review
	A malfunction in the emission of tariff signals should systematically result in the DSO correcting the consumer's consumption.	2008-0042	No follow-up
	The DSO should respond directly to a consumer complaint or forward it to its supplier if it is not involved in the complaint.	2010-0140	Commitment to follow up on recommendation
	The supplier should respond to a complaint via the same channel used by the consumer.	2009-0158	No information on the follow-up

# HOW TO APPEAL TO THE OMBUDSMAN?

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Any individual or business consumer<sup>(1)</sup> can appeal to the national energy ombudsman free of charge. Before submitting a case, the consumer must send a prior written complaint to the supplier, ideally via registered letter with acknowledgement of receipt. If no satisfactory reply has been obtained within two months of the supplier receiving the complaint, or in the event of no reply whatsoever, the consumer has two months to submit the dispute to the ombudsman. The dossier must include all the items needed for it to be reviewed (copies of letters exchanged, bills, the contract, justification of costs incurred...), as well as the ombudsman appeal form which can be downloaded from the [www.energie-mediateur.fr](http://www.energie-mediateur.fr) Internet site or sent out on request by calling the phone number 0 810 112 212 (tariff of a local call). The appeal should then be sent without a stamp to the following address:

**Médiateur national de l'énergie**  
**Libre réponse n°59252**  
**75443 PARIS Cedex 09**

You can also appeal to the ombudsman online at:  
[www.energie-mediateur.fr](http://www.energie-mediateur.fr)

(1) Business consumer signing up for electricity capacity less than or equal to 36 kilovoltampères or consuming less than 30,000 kilowatt hours of natural gas per year.

**TO FIND OUT EVERYTHING ABOUT  
YOUR PROCEDURES AND YOUR RIGHTS:**

[www.energie-info.fr](http://www.energie-info.fr)

 **N°Azur 0 810 112 212**  
PRIX D'UN APPEL LOCAL DEPUIS UN POSTE FIXE





Informer, conseiller, protéger