

Consumers' experience with switching

Monika Štajnarová



**CEER hearing on the
draft GGP on Retail
market design, with a
focus on supplier
switching and billing**

Brussels

6th October 2011



Key points

- ❑ **Supplier as the first point of contact & where to find more information**
- ❑ **Switching period - difference between pre-smart & post-smart**
- ❑ **Low switching rate - how to make it work**
- ❑ **Who should stop the switch**
- ❑ **Information on how to launch a complaint**



First point of contact

- ❑ Suppliers should be considered as the main contact to whom the consumer may address questions regarding switching
- ❑ Consumers may seek more general information and advice on switching via centres or other parties providing independent advice (information should be detailed on any communications/literature relating to switching)
- ❑ Single point of contact: key role when guiding consumers and providing them with information on their rights and on dispute settlement, ADR bodies and their role.



Switching period

- ❑ **3rd Energy Package** - less than three weeks
- ❑ **Pre smart:** Online survey (UK, March 2010):
 - three weeks or less - 78%
 - maximum three weeks - 15 %
 - maximum one week - 35%
 - as soon as the technology allows (preferably same day) - 28%
 - the rest happy with longer time frames
- ❑ **Post smart:**
 - deployment of smart meters - the switch to be executed within 24 hours or as soon as the technology allows
- ❑ A switch should be possible any day of the week;
- ❑ In case of distance and off-premises contracts, consumers may benefit from a cooling off period;



Switching from consumer's perspective

□ Low switching rate:

- tariff complexity
- non-comparability of offers
- limited access to alternative supplier
- less than two thirds of consumers are satisfied with their supplier (*Consumer Market Scoreboard, 2009*)
- only 60% of switchers achieve a price reduction when they switch (UK)

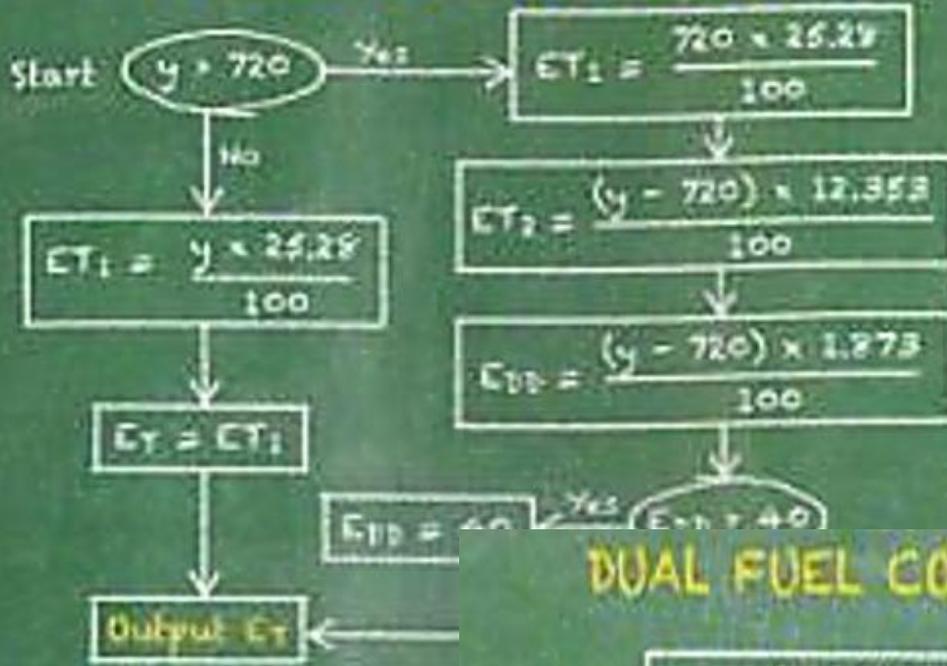
□ Is the switching process smooth?

- Lack of information about the exact switching date and when exactly the new tariff applies
- Insufficient communication between suppliers during the switching process => 2 bills
- Need for a harmonized model/standard of data exchange for switching

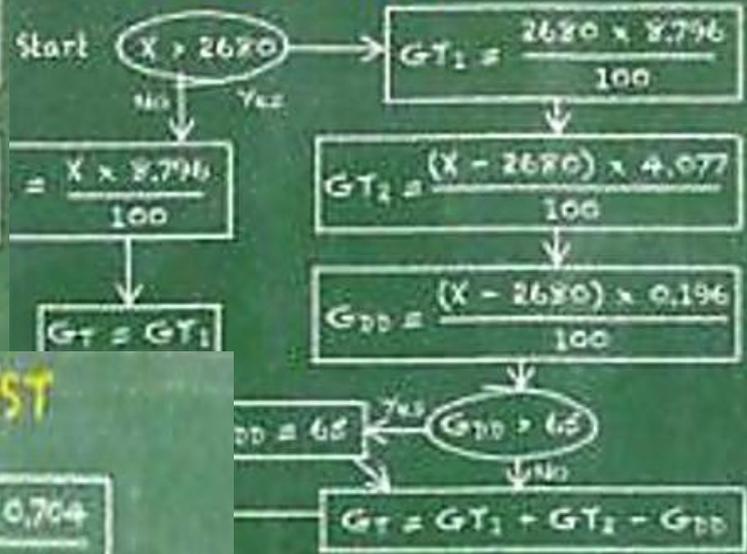


Life experience...

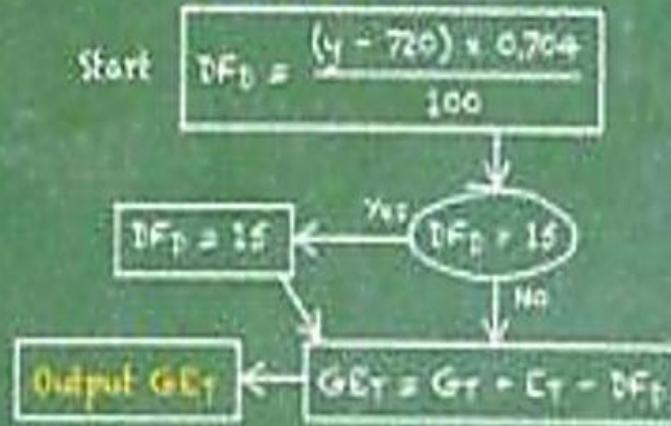
ELECTRICITY COST



GAS COST



DUAL FUEL COST



How to make it work?

- Provide information on offers in a clear and concise manner
- Information must be in a common format across all suppliers to enable the customer to compare deals on a like for like basis
- Cost projections, based on their actual usage over a number of seasons
- Price comparison websites (impartial, up to date and accurate)
- Ensure tariffs are more transparent and comparable
- Deployment of smart meters (interoperability)



Who should stop the switch

- ❑ Consumer should always have the right to stop the switching process;
- ❑ Supplier may currently be able to do it as well in the limited number of situations (in case of debt) BUT those situations should be limited and regulated accordingly by the public authorities so that the debt or credit on customer's account is settled with the old supplier and the switch is not prevented.



How to launch a complaint

- All relevant information should be easily available to consumers:
 - information in the contract terms about the complaint handling of the supplier BUT the contract is not sufficient (contract terms are very often too complicated)
 - different means of information easily accessible
 - complaint handling standards (suppliers to provide information on complaint handling procedures), what kind of sources of independent advice and help are available – via bills/annual statements, on websites, in writing;



Thank you for your attention

More information on
www.beuc.eu



[EC transparency register](#): identification number 9505781573-45

