

NEON Working Group on the complaints of the future: round table overview

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1. INTRODUCTION

The aim of the workshop held at the Catalan Ombudsman office in Barcelona, on the 2nd September 2015, was to analyze the agenda for the coming years on energy and rights provisions and their impacts on consumer experience of the market. With the Third Energy Package (directives 2009/72 and 73/EU) and the consumer ADR directive (2013/11/EU) as guiding regulations in mind, participants (a mixture of academics, ombudsmen, regulators and energy companies) discussed the following questions:

- How is the energy market developing and what will consumers face?
- What will the citizens of tomorrow expect from the energy sector and its ADR bodies?
- What can we learn from looking outside the EU?

The office of the Catalan ombudsman hosted the working group, as a member of the National Energy Ombudsman Network (NEON). NEON is an independent, not for profit Europe-wide network made up of ombudsmen and mediation services in the energy sector, recognised as independent providers of Alternative Dispute Resolution in their respective countries and regions, consistent with EU directives 2009/72 and 73 ("Third Energy Package") and Directive 2013/11 on alternative dispute resolution for consumer disputes and Regulation (EC) No 524/2013 on online dispute resolution for consumer disputes.

2. KEYNOTE AND TWO ROUNDTABLES

The format was a round table discussion. The Catalan Ombudsman Rafael Ribó, welcomed the participants and outlined the agenda. Naomi Creutzfeldt held the keynote speech, offering the context for the day by outlining recent developments in consumer ADR in the EU. Then, setting the scene (Creutzfeldt, 2013) for the discussion on energy complaints of the future, she presented findings of her research project.¹

The main findings of her empirical study, comparing recent users of energy ombudsmen in France, the UK and Germany, were the following:

- The data shows that citizens' expectations of the ombudsmen go beyond

¹ <http://www.law.ox.ac.uk/projects/Ombudsmen>

their responsibilities.

- Expectations change, narratives change throughout the complaint journey.
- It's about managing expectations from the outset.
- There needs to be an overarching approach of best practice for establishing *trustworthy behavior*.
- People in the study saw the ombudsman as part of the legal system despite the fact that he/she provides *out-of-court* dispute resolution.

The main reason people contact an ombudsman is about complaints relating to billing and supply of energy.

Not all consumers are the same; they need to be treated as human beings with rights. Broadly speaking, Rafael Ribó grouped them into three categories:

1. the average consumer;
2. the extra consumer, well-informed and conscious of their rights; and
3. the vulnerable consumer, to which the society needs to pay special attention.

These three types of consumers need to be treated differently and energy companies, regulators and ombudsmen need to take that into consideration when dealing with consumers.

The keynote was followed by two roundtable sessions, with seven speakers in total.² The highlights of the debate of workshop one '*energy consumers: what is coming?*' and workshop two '*energy companies: what to expect*' will be presented.

Roundtable one

The main focus of the first round table was to determine the areas of change in the energy sector and what this means for the consumer.

- In the open energy market the competition needs to grow and measures have to be implemented to keep the developments consumer friendly.
- An example is the electricity bill that is far too complex to understand.
- The complaints in the energy sector will keep rising; the consumer has to be put at the centre also of the complaints management by companies and ombudsmen.
- Using behavioural economics insights might help to identify the right approach to nudging consumers not only towards the right energy deal but also in dispute resolution strategies.
- Ombudsmen need to be fast and efficient to enable consumer confidence.
- The benefits of efficient energy supply needs to be communicated appropriately to the consumer, in an accessible language.

² The speakers at the first round table: **Arseni Gibert i Bosch**, president of the Authority for Competence; **Joan Ramon Borrell**, Associate Professor in Economics at the University of Barcelona; and **Josep Puig i Boix**, President of Ecoserveis.

The speakers at the second round table: **Isabel Buesa**, general manager Endesa in Catalonia; **Cristina Lopez**, Gas Natural Fenosa; **Lluís Martínez Camps**, Consumer Council AGBAR; and **Santi Martínez**, executive director Estabanell Energia.

The consumer needs help to understand the use of devices to save energy from the energy providers. One of the ombudsman's roles in the diverse energy markets is to engage in a constructive dialogue with regulators, energy providers and consumers. Adding to the already complex energy provision landscape, new technologies, big data and privacy protection become more and more important.

Roundtable two

This roundtable provided the floor for energy companies to voice their opinion about upcoming challenges.

- At present the main consumer complaint is about metering. With upcoming smart meters the type of complaints will change.
- With this change, the relationship between the client and the company will change too (for example the means of communication).
- It is a real challenge to fulfil consumer expectations in an open energy market with low consumer confidence.
- Business processes need to be rethought and the consumer put at the centre. Consumers need to be empowered and culture in companies has to change.

Some challenges identified with technology and the strive towards an energy-efficient future are, for example: smart meters provide real time consumption measure, but what happened with all the collected data about individual consumers? Belgium and the Czech Republic said no to smart meters because of possible privacy infringements. Whereas smart meters are being installed in the UK and Catalonia and there are no such concerns.

3. CONCLUSIONS AND POLICY IMPLICATIONS

Smart meters are not smart; it's just a meter. The consumers need to be smart.

The consumer has to be educated to strive towards the long-term benefits of efficient energy use. Consumers cannot be treated the same, they are all individuals with different needs. However, they all are actors in the same market and within this face challenges. Consumers in the market need to be engaged, responsive, protected, and informed. The energy companies, energy regulators and ombudsmen all have their role to play in managing consumer expectations and protecting them. Alongside consumers growing education and expectations, companies have to adapt their culture to growing demands.

Technological advances will change the relationships between consumer and provider. It becomes more and more difficult to meet consumer expectations in the open and competitive energy market. To be able to meet consumer needs, all stakeholders need to adopt a flexible, consumer centred approach.

With new developments in the energy sector, new complaints will arise. The system has to adapt to this and the ombudsman will play a central role in informing the companies and regulator about trends in complaints.

This working group did not identify specific complaints of the future, however the trends towards new technologies and their challenge for consumers were discussed.

NEON's role in the European energy market can be that of creating a network that promotes shared values and best practice to help consumers to navigate the complex market.

Reference

Creutzfeldt, N. 2013. "The Origins and Evolution of Consumer Dispute Resolution Systems in Europe." In *Resolving Mass Disputes: ADR and Settlement of Mass Claims*, 223–46. Hodges and Stadler. UK: Edward Elgar.

Acknowledgements

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