



Publishing date: 22/09/2014

Document title:

We appreciate your feedback



Please click on the icon to take a 5' online survey
and provide your feedback about this document

Contribution NEON – ACER report
17/12/2013

As far as NEON (the national energy Ombudsmen network) is concerned, the most important part of this report is the third discussion paper (Consumers and Distribution Networks), as it includes the 2020 Vision for Europe's Energy Consumers "that puts smaller consumers first."

As NEON supported this 2020 Vision, we strongly believe that is essential for a document entitled "A bridge to 2025" to continue and reinforce the same path, in relation to the principles of affordability, simplicity, protection and empowerment.

The lack of appropriate information towards consumers and energy poverty are two of the main problems we detect every day in our institutions.

The question of the information asymmetry is very well raised in the "Future challenges" part (n°4) : "It is increasingly important that consumers are sufficiently well informed not only to make good choices about their energy purchases, but also that their voice is heard so that they are able to influence the development of the market on the same basis as industry players. (...) there will always be an information gap which is a systemic barrier to the full engagement of consumers in the development of energy markets. The difficult challenge is to find ways to bridge this gap."

As Ombudsmen, we witness that the lack of information (or misinformation) affects the offers, the prices, the bills, etc., and therefore the functioning of the market (as an example, a lot of people still faces difficulties to make the difference between distributors/DSO and commercial suppliers and therefore do not take the appropriate measures to solve their problems).

In relation with energy poverty, in Catalonia, the Síndic has produced a report to highlight the lack of a public policy in Catalonia regarding this new reality. The Spanish Government has to establish specific supply conditions for certain customers that should be considered "vulnerable customers" due to their economic, social or supply characteristics, but presently this provision has been only applied for electricity consumers ("bono social"), despite is urgent to redefine this tariff.

As independent Ombudsman, we also note that disputes constitute a crucial indicator in drawing a picture of the results of the liberalisation of the market.

We believe that the national regulators must continue to play their role of independent guardians, by devoting sufficient attention to the organisation of the energy market and the interests of all consumers. But even a good functioning of the energy market, and even a high rate of supplier switching does not yet mean that fair prices are being applied, nor that no more households are facing energy problems.

As mentioned before, a large part of the disputes handled by NEON Members are related to:

- The clarity and transparency of energy bills and the prices and tariffs charged (question of the information asymmetry);
- Payment problems and disconnections, or dropping of consumers, consequence of a default of payment, leading to energy poverty.

By analysing the disputes we receive, we understand that these problems are mainly due to the internal functioning of the free, self-regulating market and the blind belief in it by some politicians in charge and organisations. Nevertheless, today, in many Member States the results are striking: a chaotic situation with lots of different and complex tariffs, a frenetic succession of price rises, and millions of European citizens who can no longer pay their bills and do live in fuel poverty.

Naturally, NEON members, backed by their expertise in this field, want to make a contribution by improving consumers' rights and interests of energy customers, together with national authorities and regulators. We believe that regulated prices, social tariffs and public service obligations imposed to the market players can be useful and (even temporally) helpful to reach the goals of the 2020 vision for Europe's vulnerable energy customers, largely endorsed by all stakeholders in the energy sector.



Publishing date: 22/09/2014

Document title:

We appreciate your feedback



Please click on the icon to take a 5' online survey
and provide your feedback about this document