



Ref. 48071842408730/SM

## **RECOMMANDATIONS n° 2008-007**

### **relating to the case brought by Ms K on 22nd February 2008 concerning a dispute with X**

#### **The case**

On 22nd February 2008 Ms K referred a dispute with X, her electricity supplier, to the national energy mediator.

Ms K, who resides in the United Kingdom, criticises X for not responding to her questions regarding the payment of invoices for the supply of electricity to her secondary residence.

The case was declared admissible pursuant to article 43-1 of law n° 2000-108 and decree n° 2007-1504.

#### **Examination of the case**

##### **The complaint**

Ms K acquired a secondary residence in France in April 2005. She took out a contract with X in May 2005 and states that she was surprised from the beginning by the high amounts of the invoices she received. She also observed that X did not appear to take account of certain payments made by cheque or bank transfer. She was unable to obtain satisfactory explanations from X and ceased paying her invoices from June 2006.

##### **Observations**

Ms K has sent the mediator copies of her invoices since her connection on 24th May 2005 and of various e-mails exchanged with X.

Responding to the request of the national energy mediator, X communicated the following observations:

- A table of the history of Ms K's invoicing shows that she only made two payments since her connection: the invoices dated 24th May 2005 and 15th February 2006.
- X confirms that a cheque for 191.31 Euros was indeed cashed in July 2006. The customer service advisor with whom Ms K exchanged e-mails in November 2007 was unable to find any trace of this payment, because he thought it concerned a payment made in July 2007, not July 2006.

- The high level of Ms K's invoices is due to the cost of her subscription contract - with the tariff option 9kVA Peak/Off-peak - which probably does not correspond to her requirements. X states that it offered Ms K a tariff optimisation study by letter dated 24th April 2006, to which she did not reply.
- Ms K's meter is not accessible and the consumer was absent on each of the periodical readings of her meter for the past 3 years.
- On 10th April 2008 the ERDF cut the electricity supply at the connection.
- X decided to terminate Ms K's contract on 12th June 2008. Her termination invoice issued on 13th June 2008 shows a debit balance of 718.23 Euros including VAT.

The invoices provided by Ms K and the details given by X show, under the heading "Other services":

- Since her connection, the consumer was invoiced five times with costs shown on the invoice as "DEFAULT DE REGLEMENT" (PAYMENT DEFAULT) for a unit price of 38 Euros excluding tax (45.45 Euros including VAT),
- The consumer was invoiced four times for costs shown as "DEPLACEMENT SANS INTERVENTION" (VISIT WITH NO WORK UNDERTAKEN) for a unit price of 22.53 Euros excluding VAT (27 Euros including VAT), including three times on her invoice for January 2008.

The mediator desired to analyse in more detail the invoicing of costs shown under the heading "Other services" as "PAYMENT DEFAULT" and "VISIT WITH NO WORK UNDERTAKEN". The results of this analysis are as follows:

- Costs entitled "PAYMENT DEFAULT" do not correspond, as one might think, to costs invoiced by the supplier as penalties for late payment or other costs connected with overdues, but to a service entitled "INTERVENTIONS POUR IMPAYES" (OPERATIONS FOR OVERDUES) in the catalogue of the distributor ERDF (sheet 200 B). The heading "PAYMENT DEFAULT" does not allow a consumer to identify the nature of the service which is being invoiced.
- These costs should be shown under the heading "Technical services", in compliance with article 5 of the order dated 2nd July 2007 concerning invoices for the supply of electricity or natural gas. In fact these costs are invoiced by X with the CSPE (Contribution to the Public Electricity Service) under the heading, "Other services", which can only increase the consumer's confusion regarding the nature of these costs.
- The consumer is given no date for the performance of these services. This detail is particularly necessary for costs concerning "VISIT WITH NO WORK UNDERTAKEN" or when several identical costs are shown on the same invoice.
- The "OPERATIONS FOR OVERDUES" service is a set fee that includes a visit for power limitation or disconnection, the reconnection service and two visits between the first visit and the reconnection.
- X was unable to explain why this service had been invoiced five times to Ms K, whereas the suspension of supply at the connection, the only intervention possible in Ms K's situation, was undertaken once only by X in April 2008.
- Nor was X able to justify satisfactorily the costs shown as "VISIT WITHOUT WORK UNDERTAKEN" (invoiced three times on the invoice dated January 2008 and once in June 2008).

### The mediator's conclusions

- The differences between the pricing systems and the presentation of invoices in France and the UK can explain Ms K's questions on receiving the first electricity bills for her secondary residence in France.
- Ms K was unable to obtain a satisfactory reply to her questions from X, partly due to the language barrier.
- Ms K aggravated the dispute by refusing to settle her invoices, even partially.
- The fact that an X customer service advisor was unable to confirm that Ms K's payment of July 2006 had been accounted for, thinking it concerned a payment in July 2007, confirmed Ms K's doubts and did nothing to make the resolution of the dispute easier.
- X tried to provide answers to the questions of its English-speaking customer, but essentially in French.
- X is under no legal obligation to offer an English-language service and information to its English-speaking customers. Nevertheless, X stated that one of its customer relation centres was being specialised for dealing with English-speaking customers.
- The presentation of costs related to the distributor services "OPERATIONS FOR OVERDUES" on Ms K's invoices is unsatisfactory for the following reasons:
  - the wording of these costs is not explicit and is not consistent with that of the distributor's catalogue of services
  - the invoice heading under which these costs are shown is not in compliance with the regulations quoted above
  - no date is shown for the performance of these services.
- X was not able to justify the multiplication of "distributor" costs for "OPERATIONS FOR OVERDUES" and "VISITS WITHOUT WORK UNDERTAKEN" invoiced to Ms K, which seem to relate either to one single service or to services which were not carried out.

### **The mediator's recommendations**

The national energy mediator recommends to X:

- to put Ms K in contact with an English-speaking customer service consultant, to explain the principles of French pricing and invoicing procedures to her, and offer her advice on tariff optimisation for her secondary residence,
- to deduct from Ms K's debt all costs relating to distributor services which were invoiced prior to 13th June 2008 inclusive, except for the service which actually led to the suspension of supply, which amounts to a sum of 289.57 Euros, including VAT, to be deducted,
- to propose a new contract to Ms K at a tariff which corresponds to her usage as soon as the debt has been cleared.
- to modify in future the wording of costs invoiced for distributor call-outs, in order to make them clearer for consumers, and consistent with the distributor's service catalogue,
- to ensure that costs invoiced by the distributor are appropriate before billing the consumer, especially if these costs are invoiced several times when a single call-out was requested,

- to provide consumers, on invoices or by any other means, with details of dates on which the distributor services invoiced to them were carried out,

The national energy mediator recommends to Ms K:

- to settle the balance of her debt to X without delay, after deduction of the sums stated above,
- to provide access to her meter at least once per year, as all electricity supply contracts stipulate, or to install a remote reading device so that the meter may be read in her absence,
- if she wishes to change suppliers, to analyse the available offers from referenced suppliers on the Internet site [www.energie-info.fr](http://www.energie-info.fr).

The national energy mediator advises consumers who contest an energy bill with their supplier to settle, at least in part, in order to avoid aggravating the dispute.

This recommendation is conveyed today to the President of X as well as to the complainant. A translation in English is also conveyed for information to the complainant.

Pursuant to the provisions of article 3 of decree n° 1504 dated 19th October 2007, X will inform the mediator within 2 months of the action taken as a result of these recommendations.

Issued in three copies in Paris, 25th June 2008.

The national energy mediator

Denis MERVILLE