

THE NATIONAL ENERGY OMBUDSMAN



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Progress report 2019



Le médiateur
national
de l'énergie

The National Energy Ombudsman is an independent public authority established by the law of 7 December 2006 concerning the opening up the natural gas and electricity markets to competition. It has two legal missions: to participate in informing consumers about their rights and to propose solutions to disputes.

THE NATIONAL ENERGY OMBUDSMAN

Progress report 2019

THE EDITORIAL

By Olivier CHALLAN BELVAL



"The opening of energy markets is progressing. As the European directives expressly state, it must be for the benefit of consumers".

OLIVIER CHALLAN BELVAL, NATIONAL ENERGY OMBUDSMAN

For the National Energy Ombudsman's office, 2019 was a year of transition, since in November I took over from Jean GAUBERT, and I would like to pay tribute to his vigorous and determined efforts over the past six years to defend energy consumers.

I would also like to take the opportunity of this annual report to **warmly thank my 41 staff members** who, even during the lockdown period, carried out their public duty, which I have seen is particularly close to their hearts, to inform consumers, protect them and ensure that their rights are respected, in complete independence.

Following on from my discovery report* which was published in my January 2020 newsletter, I would like to say once again that it is not normal for the National Energy Ombudsman to have so many disputes referred to him which could, and above all should, have been settled without my intervention, if the energy sector operators had strictly applied the rules and procedures that are imposed on them. I would like to remind them of their obligation to act responsibly so that the number of disputes I have to deal with will be greatly reduced.

In saying this, I am obviously thinking about ENI, which accounts for 19% of the disputes received by the Ombudsman (mainly billing problems), with a rate of disputes far higher than that of all its competitors. And this supplier is still not managing to implement, even after several reminders, certain recommendations that I have made and on which it has nevertheless made its agreement known!

The opening up of the energy markets is progressing. As the European directives expressly state, it must be for the benefit of consumers.

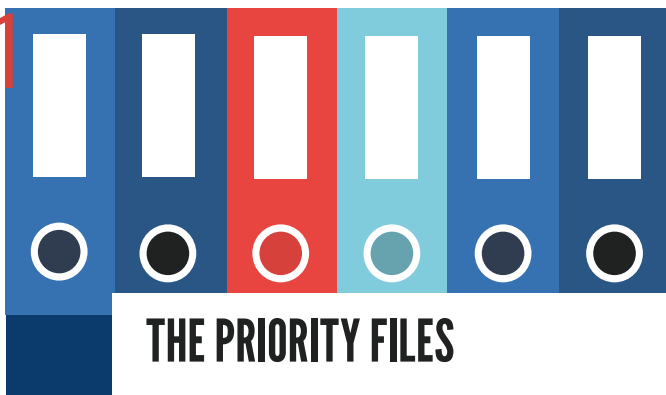
By 2023, regulated gas sales tariffs will all have disappeared, and consumers will then have to subscribe to market deals. There are already some that are cheaper than the regulated tariffs, as shown by the National Energy Ombudsman's price comparison tool, which I urge them to consult before subscribing to a new energy supply offer and to bring competition into play. The current installation of smart meters will enable them to have better real-time knowledge of their energy consumption and give them the opportunity to choose a deal that is even more adapted to their needs and more environmentally friendly, with higher prices during peak hours.

In this period of **increasing competition, canvassing practices are changing**, and I have unfortunately seen that aggressive or abusive canvassing has also increased. These exasperate our fellow citizens and too often lead to questionable or even fraudulent contractual situations. Short of banning canvassing outright, I have put forward proposals to strictly regulate canvassing and ensure that the consumer's informed consent is always fully obtained. I am also proposing more severe punishment for suppliers who do not respect this fundamental principle, allow fraudulent behaviour to flourish and hide behind their service providers to avoid liability.

Energy consumers must be aware that they can count on the National Energy Ombudsman to inform, protect and help them resolve any disputes that may arise with operators in the sector, in complete independence, as provided for by law.

* Letter from the National Energy Ombudsman no. 38, January 2020.

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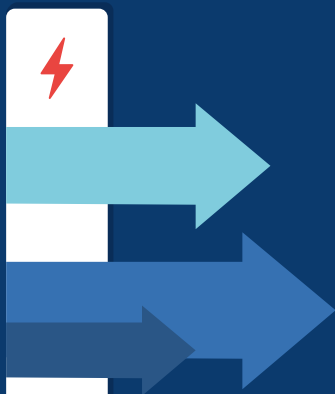
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The priority FILES

Appointed on 25 November 2019, the new National Energy Ombudsman, Olivier CHALLAN BELVAL, has identified his priority issues:

- Continuing to inform consumers about the opening up of the energy markets;
- Supporting them in the run-up to the end of regulated gas sales tariffs;
- Continually assisting in resolving their disputes with energy sector operators;
- Increasing vigilance to protect consumers against abusive practices, even if it means publicly condemning offending energy suppliers and distributors.



OPENING UP MARKETS FOR THE BENEFIT OF CONSUMERS

REMEMBER

- + **The energy market** has been open to competition for all individuals since 1 July 2007.
- + **30%** of consumers have already subscribed to an electricity market deal (26% with an alternative supplier). In gas, this figure is 63% for residential customers (32% with an alternative supplier).
Source: CRE [French Energy Regulatory Commission] Retail Market Observatory, Q4 2019
- + **Thanks to digital tools** (smart meters, consumption monitoring via the Internet, connected devices), consumers have the opportunity to better manage their energy consumption.

— Necessary support

The opening up of energy markets in France began 20 years ago. Initially reserved for businesses, it was gradually extended to domestic consumers. It allowed the **"historical" gas and electricity suppliers (EDF and GDF, now ENGIE)** to compete with other, so-called **"alternative"** suppliers.

Since 1 July 2007, by giving everyone the possibility to choose their gas and electricity supplier, the opening of the markets has created **new opportunities for consumers**. The diversity of deals today makes it possible to choose an energy supplier according to price, proximity, sustainable development or services.

Private consumers traditionally had a contract for the supply of gas or electricity at the regulated sales tariff, which was set by the Government.

"The opening up of energy markets is a source of opportunities for consumers, who can find deals that best match their usage patterns."

OLIVIER CHALLAN BELVAL, NATIONAL ENERGY OMBUDSMAN



By opting for a market deal, energy consumers now choose to pay more or less, depending on their wishes. For example, for electricity, some suppliers offer savings of up to 10% compared to regulated sales tariffs, others offer **more adapted deals in terms of consumption times** thanks to the smart meter; some even choose higher prices so that they will only be supplied with energy from producers of electricity from renewable sources in France.

Opening up the energy market to competition has taken place within the framework of the rules laid down by the European Union, the **aim of which is to create a single market for the benefit of the consumer.**

The evolving European regulatory framework takes into account issues of security of supply, competitiveness and environmental protection.

In 2019, a new European directive entitled "Clean Energy for All Europeans" was published. *"It provides a whole range of rights for consumers. Clarity on deals and bills is obviously part of this. The legislation also provides for free access to at least one certified price comparison tool,"* says the National Energy Ombudsman, Olivier CHALLAN BELVAL.





The National Energy Ombudsman ensures a proper transition, between 2020 and 2023 depending on the type of consumer, towards market deals for around one million sites for electricity and almost 4 million for natural gas.

— A regulated market, a vigilant ombudsman

Consumer protection is an essential condition for energy markets to be able to open up. Article 26 of the 2019 European directive thus provides that all “final customers” must have **access to an “independent dispute resolution mechanism”**. In France, **the National Energy Ombudsman has fulfilled this role** since the post was created in 2006. The law has also entrusted the Ombudsman with the task of ensuring that consumers are properly informed.

The opening up of the energy markets will soon move on to two new stages, following the adoption of the Law on Energy and Climate on 8 November 2019:

- The abolition of regulated gas sales tariffs, **from 1 December 2020 for businesses**, and **from 1 July 2023** for individual consumers (see page 20).
- **From 31 December 2020**, the end of regulated electricity sales tariffs for non-residential customers, i.e. businesses, local authorities, associations, etc., with the exception of companies with fewer than 10 employees and/or a turnover of less than 2 million €, who will continue to be able to purchase electricity at regulated tariffs, as will domestic consumers.

The National Energy Ombudsman ensures a proper transition towards market deals for about 1 million sites in electricity and nearly 4 million in natural gas. The price comparison tool (see opposite), made available on its website, is a very useful tool to help all consumers take advantage of this opportunity.

THE ONLY OFFICIAL PRICE COMPARISON TOOL FOR FRANCE IS COMPARATEUR.ENERGIE-INFO.FR

The National Energy Ombudsman's price comparison tool is set out by law to help you choose a gas or electricity supplier.

On the Internet, you can find many commercial price comparison tools, for travel, accommodation, insurance, etc. The supply of energy is no exception to this: there are now a number of such comparison tools that make it possible to compare prices for gas or electricity suppliers. However, not all of these websites offer guarantees of independence and neutrality insofar as they are, with the exception of those on consumer association website, in reality energy brokers: they are paid by suppliers each time a sale is made through them.

The National Energy Ombudsman's price comparison tool was set up in 2009, on the website energie-info.fr. The law of 8 November 2019, relating to energy and climate, gave it an official status set by Article L.122-3 of the French Energy Code. **The law provides that incumbent suppliers should inform potential customers about the existence of the National Energy Ombudsman's price comparison tool.** *"All energy suppliers are obliged to join this independent comparison tool and to update all their deals without delay", explains Caroline KELLER, head of the information and communication department. "We check their data and organise them in a neutral and comprehensive manner".*

The National Energy Ombudsman's price comparison tool lists nearly 80 offers for electricity and 50 for natural gas. It allows each consumer, whether an individual or a business, to identify all the existing deals in their local area. It evaluates the annual bill that each of the deals would incur, according to the consumption indicated by the consumer. As required by law, the National Energy Ombudsman's price comparison tool also displays the deals according to the share of renewable energy benefiting from guarantees of origin.

In 2019, more than 653,000 consumers used the price comparison tool on the energie-info.fr website, i.e. an average of 54,000 Internet users per month. *"There was an increase in site traffic by the end of 2019 to about 70,000 people per month", says Caroline KELLER. This trend has become even more pronounced in 2020 with regulated gas sales tariffs coming to an end alongside the information being provided by government bodies. Consumers use the price comparison tool to evaluate the difference between their current bill and the deal they would have to choose at market price".*

THE INTERVIEW



"The markets opening up brings innovation, in connection with the energy and digital transitions, to meet consumer expectations."

CHRISTINE GOUBET-MILHAUD

CHRISTINE GOUBET-MILHAUD

President of the French Electricity Union (UFE)

"The UFE was created when the energy markets were opened up in 2000. In 20 years, competition has become a reality: it has intensified, for example, with more than 33 suppliers active in the residential market alone. It also brings innovation in connection with the digital and energy transitions: new deal will be more personalised to meet consumer expectations (green deal, self-produced consumption, peak/off-peak consumption management, deals adapted to electric vehicles, etc.). This diversity is a *"plus"* if the trust is there.

For all consumers to be able to make a choice in this changing and competitive world, transparency and good information are needed. The National Energy Ombudsman's price comparison tool makes a neutral and independent approach possible.

For their part, suppliers must be able to continue their mission of advising consumers to help them to control their energy consumption, in particular. They must also be exemplary and avoid any abusive canvassing that is detrimental to the entire profession. We have to clean up practices: we are working on this together with all the UFE's member suppliers, which will also enable us to take a position on the proposals recently made by the Ombudsman.

Another point of attention is data management. Data recovered from the LINKY smart meters allows billing to be done based on actual consumption, which is a good thing for consumers. Data also is also useful in managing consumption or accessing new services, via connected equipment. To go further, the consumer must entrust their data to their supplier. We will ensure that this is done transparently and with the informed consent of consumers.

The UFE will be active on all these issues."



— A market in transition, an increased number of players, a need for information

The opening of energy markets has removed the monopoly of the historical suppliers. **The competition that has developed between energy suppliers has led to an increase in the deals available.** The process of opening up the markets is still in progress and has not yet delivered all the expected benefits for consumers. Alongside the tariff deals that are now on offer, innovative services, for example to reduce peak electricity consumption, should now be able to develop with the widespread installation of LINKY meters.

According to the list drawn up by the National Energy Ombudsman's office, at the end of 2019 there were **35 gas and electricity suppliers** in the country offering services to individual consumers.

The profiles of these suppliers are very different. **The two incumbent suppliers still account for the majority of the market shares** (74% in electricity and 67% in natural gas according to the Energy Regulatory Commission's Retail Market Observatory). **They lose up to tens of thousands of customers every month.** The oldest alternative suppliers on the French market have established their reputation and now have portfolios exceeding one million contracts.

Some suppliers who previously specialised in other fossil fuels, were previously involved in mass distribution, or until now restricted to a single territory, have also diversified their deals or their customer base.

Finally, new players are positioning themselves on the market. They are generally foreign companies attracted by the French market, or "newcomers" who offer original targeted deals (environmentally friendly, or with very precise tariff bands allowing energy savings, or dedicated to minimal consumption or second homes, etc.). In many cases, these have not yet reached the 100,000 customer threshold.

Gas and electricity consumers have access to deals from suppliers with whom they are not always familiar, if at all. **It is necessary that trust is built up**, despite the problems posed by abusive or aggressive canvassing (see page 29).

New options, more aware of consumers' habits and needs, may encourage them to choose market deal, whether it is a question of obtaining better adapted power in terms of electricity, energy saving services, connected home automation, group purchases allowing lower prices, etc.

The National Energy Ombudsman advises consumers to think carefully before choosing an energy supply deal, and to **always check whether or not the proposed offer is comparable to the one they have**, and whether or not it includes the same billing elements, such as the subscription and the cost of transmission. Non-residential consumers (businesses, condominiums, communities, etc.) must also **ensure that they are not contractually committed to their current supplier for a period that has not yet expired**.



AN EASY WAY TO CHANGE YOUR DEAL: GROUP PURCHASES

Group purchases are practical and reliable if you adopt a few simple reflexes.

One way to access a cheaper energy supply deal is to participate in a group purchase. Consumer associations, local authorities or private companies organise this type of operation, which enables suppliers to publicise their deals, while reassuring customers. The method is appealing to consumers, who rely on a *"trustworthy third-party"*.

Nevertheless, consumers should carefully consider the deal that they are offered. It can sometimes look more attractive than it actually is. In some cases, the deal is only valid for one year and consumers may be faced with increases the following year that they did not anticipate.

Moreover, in most cases, the organiser of the group purchase is not involved in the signing of the contract between the consumer and the supplier. It does not provide any after-sales service in the event of a dispute. Sometimes, some group purchase organisers use consumers' contact information that they have obtained in this way and then canvass them.

In view of the disputes brought before him, **the National Energy Ombudsman recommends that consumers:**

- always **consult the National Energy Ombudsman's price comparison tool** (<https://comparateur.energie-info.fr>), before signing a new energy supply contract, in order to verify the relevance of the deal you have been offered. Indeed, an individual approach often makes it possible to achieve an equally reduced tariff ;
- thoroughly **check the general terms and conditions of the contract**, which may provide a guaranteed price for one year only ;
- **as with any change of supplier, take your own meter reading and communicate it to your new supplier**, so that the change is made on the basis of known and reliable consumption figures.

THE END OF REGULATED GAS SALES TARIFFS

REMEMBER FOR GAS

- + **On 1 December 2020**, all professional consumers will have to have subscribed to a market sale for the supply of gas.
- + Individual consumers, for their part, will have to **subscribe to a market deal before 1 July 2023**, if they still hold a regulated gas sales tariff contract on that date.
- + **Leaving the regulated tariffs is simple, free of charge**, and can be done without having to give notice. All you have to do is sign a new gas supply contract, as a market deal, with the supplier of your choice. The consumer does not need to take any steps to cancel the previous contract.
- + **There's no risk of a power outage.**

— A gradual phasing out since 2014

The opening up of the energy markets as decided by the European Union implies, in the long term, the end of regulated sales tariffs, which are currently set by government authorities. This is the necessary condition for genuine competition between all suppliers, whether "*historical*" or "*alternative*".

The issue is politically sensitive, as it concerns consumers' purchasing power. However, the price of electricity has risen in recent years, and even though there are already market deals cheaper than the regulated tariffs, individual consumers have not seen a reduction in their electricity bills and are hesitant about the market opening up to competition.

Regulated tariffs have been gradually abolished since then:

- **on 19 June 2014** for gas, with stages in January 2015 and January 2016. It has progressively concerned all non-residential sites consuming more than 30,000 kWh/year, condominiums consuming more than 150,000 kWh/year and all local distribution companies (LDCs);
- **on 1 January 2016** for electricity, with the disappearance of the green and yellow tariffs for consumers using more than 36 kilovolt ampères (kVA).



The law of 22 May 2019 for an action plan for the growth and transformation of companies (abbreviated in French as PACTE), included article 213 which organised the end of regulated natural gas tariffs. But this article was suppressed by the Constitutional Council because it had no link with the original bill.

The law of 8 November 2019, relating to energy and the climate, put an end to regulated gas sales tariffs on 1 December 2020 for business customers and on 1 July 2023 for private individuals. Regulated gas sales tariffs have been phased out and are no longer marketed for new contracts: they are therefore no longer offered to consumers when they change supplier or move house

Leaving the regulated tariffs is simple, free, and can be done without notice. All you have to do is sign a new gas supply contract, as a market deal, with the supplier of your choice. For individual consumers, terminating your previous supply contract, whether at the regulated sales tariff or in the form of a market deal, can be done automatically because the new supplier takes care of it. As with telephone contracts, the new provider takes care of everything. **No charges are levied** at that point by either the old or the new supplier or by the distribution system operator. **No notice can be imposed** either.

This is also the case for business customers with a regulated tariff contract. On the other hand, business customers who currently have a market deal must check their contract for the notice period and fees in case of early termination and they must terminate their current contract before changing.

For any change of supplier, and in order to avoid any dispute, **the Ombudsman's services strongly recommend that the consumer provides their own meter reading, and that the supplier requires them to do so**, except in special circumstances which must remain exceptional.



— Reinforced information and increased vigilance

The National Energy Ombudsman will monitor in particular the transition from the regulated gas sales tariff to market deals. As shown by the 13th Energie-Info 2019¹ barometer, although more and more French households have heard about regulated sales tariffs (65% compared to 60% in 2018), they still know little about the conditions of the market opening up.

¹Energy-Info Barometer carried out in September 2019 on a representative sample of 1,301 people.



4 million
gas consumers
affected by the end
of regulated tariffs



20
competing
national gas
suppliers

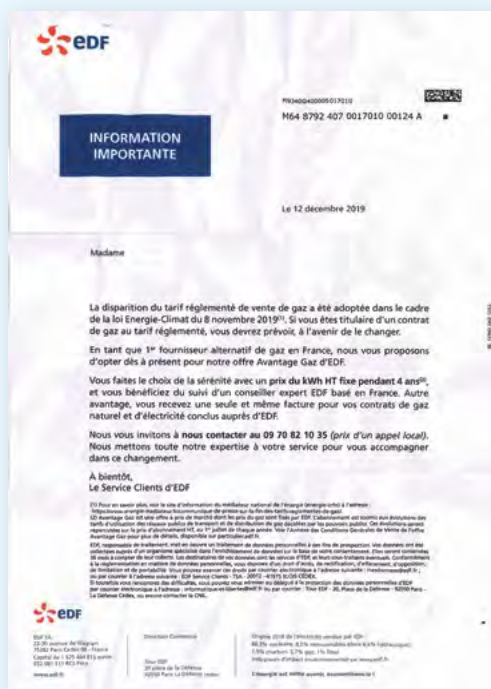
"I will be particularly vigilant in protecting consumers against any abuses that may occur. And I will not hesitate to use all the means at my disposal to achieve this."

OLIVIER CHALLAN BELVAL, NATIONAL ENERGY OMBUDSMAN



At the end of 2019, government authorities published information on the end of regulated gas sales tariffs for individual and business customers, notably on the site of the Ministry for the Ecological and Inclusive Transition *ecologique-solaire.gouv.fr/tarifs-gaz*, on the site of the national consumer institute *inc-conso.fr* and on the site of the Ombudsman's Energie-Info site: *energie-info.fr*.

In order to inform consumers about the end of regulated natural gas sales tariffs, five letters will be sent by suppliers. This official information should not be confused with the letters (*see below*) sent in October 2019 by the supplier EDF. The National Energy Ombudsman regrets this initiative by this historic electricity supplier which, using its reputation, has raised many questions from consumers.



A confusing letter

EDF sent its customers a letter headed **"IMPORTANT INFORMATION"** to inform them that the regulated natural gas sales tariffs were going to be abolished. The first letters were sent even before the law regarding energy and climate was enacted, without specifying the deadline for their abolition. **There is doubt about the purpose of these letters**, which were most probably intended not to inform them about the opening up of the gas market but to encourage them to subscribe *"as of now"* to a gas supply deal, thus taking its competitors by storm. The National Energy Ombudsman recommends that natural gas suppliers who canvass new customers should refrain from causing confusion with incomplete or imprecise messages, which may mislead customers.

"The transition from regulated sales tariffs to market deals must be made with all suppliers' strict compliance with the rules set by government authorities."

FRÉDÉRIQUE FERIAUD, DIRECTOR GENERAL OF SERVICES

A working group on information about the end of regulated tariffs, led by the services of the National Energy Ombudsman and the Energy Regulatory Commission (CRE), has been set up. Practical guides will be disseminated first for business customers and then for individual customers.

The law of 8 November 2019, relating to energy and climate, provides for the designation of "suppliers of last resort" to guarantee energy is supplied to consumers who have not found a supplier. The law also requires the Energy Regulatory Commission to set up a monthly reference price. *"It was a request from my predecessor, Jean GAUBERT, which I share,"* says Olivier CHALLAN BELVAL.

Since the cessation of the marketing of regulated gas sales tariffs, the National Energy Ombudsman's information service has had to intervene on numerous occasions, often as a matter of urgency, for consumers whose contracts have been wrongly terminated.

There are two main reasons for these terminations:

- An unsolicited change of supplier as a result of fraudulent business practices;
- Meter reference errors (unfortunately numerous) between two consumers, the first being cancelled instead of the second, because a supplier has misidentified the meter concerned by the change in deal. In a minority of cases, the gas supply has even been cut off (see Case Study page 28)!

These difficulties are not new, and the cut-offs are due to the fact that suppliers are not correctly applying the procedures defined in the consultation groups convened under the aegis of the Energy Regulatory Commission (see page 66 and following pages).

These malfunctions are a source of difficulties, particularly for people whose contract on a regulated gas tariff has been terminated by mistake. Indeed, as these have been abolished, it is no longer possible to take out a new contract on a regulated tariff. **The intervention of the National Energy Ombudsman's services nevertheless makes it possible to settle these disputes.**



■ End of regulated electricity sales tariffs for business customers

Regulated electricity sales tariffs will be abolished on 31 December 2020 for business consumers that employ 10 or more people and/or whose annual turnover, revenue or balance sheet total exceeds 2 million euros.

The entities concerned (companies, local authorities, associations, administrations, etc.) will have to choose a market deal for their electricity supply before 1 January 2021. The National Energy Ombudsman recommends that you consult the energie-info.fr/pro website and anticipate the steps to be taken, particularly for situations involving a bidding process.

The procedure is the same as for gas. Olivier CHALLAN BELVAL says: *"I will pay particular attention to ensuring that this transition to market deals takes place under good conditions for consumers. Suppliers must offer clear deals, which can be easily understood by consumers, which are not misleading, for example by misrepresenting falsely lowered prices which would not include the transmission tariff, subscription or taxes, without clearly stating this."*

The National Energy Ombudsman cannot legally act in the mediation of disputes concerning companies with 10 or more employees, or with a turnover of more than 2 million euros, which are excluded by law from his field of competence. In the event of a dispute, the companies' mediators may then be called upon.

Individuals and small businesses (less than 10 employees and with a turnover of less than 2 million euros) are not yet affected by the abolition of regulated electricity sales tariffs. In its decision of 18 May 2018, the Council of State ruled that the regulation of electricity sales tariffs fulfilled an objective of general economic interest, which is not the case for gas. The difference in judgement between these two types of energy is due to the fact that **electricity is the only type of energy to be recognised as a "basic necessity" by the French Energy Code (article L121-1).**

NOT ENOUGH COMPETITION ON THE TERRITORY OF LOCAL DISTRIBUTION COMPANIES

Alternative suppliers have little presence in the territory of Local Distribution Companies (LDCs).

The Local Distribution Companies directly manage the distribution of electricity and gas on their areas, which were excluded from the scope of EDF and GDF's jurisdiction during the nationalisation of 1946. These territories have still received little, if any, investment from alternative suppliers. At present, only a few suppliers have deals and generally limit them to business customers. This situation is regrettable for the National Energy Ombudsman, Olivier CHALLAN BELVAL: *"The inhabitants of these territories should be able to change energy suppliers if they are not satisfied with their own, and benefit from market deal like all other French people"*.

For domestic consumers, the company Ekwateur markets deals in certain LDCs, particularly in areas where the historical supplier is Gaz Electricité de Grenoble and Electricité de Strasbourg. This is also the case for the supplier ENI, in Gaz de Bordeaux's historic supply area, but only by door-to-door canvassing, excluding of any other sales channel.

The National Energy Ombudsman wants action to be taken to ensure that the opening up of energy markets can be implemented quickly throughout the country.



"Everyone must mobilise, calmly and in accordance with good practices, for the opening of the markets to be a success."

SOPHIE MOURLON

SOPHIE MOURLON

Director of Energy at the Directorate General for Energy and Climate Change

"The opening of the markets is a 20 year story. Since 2007 in particular, everyone has been able to choose their electricity and gas supplier, finding a deal that suits them. This is a real benefit for consumers as long as they have access to reliable and objective information. On this point, the National Energy Ombudsman is a trusted third party to whom people can naturally turn. This information work must continue, particularly with the end of the regulated gas sales tariff. When that happens, many consumers will have their first contact with the open energy market. In order to support them, a guide will be edited in a concerted manner between all the actors, and the Ombudsman's official price comparison tool will be developed to make it even more user-friendly and informative. Everyone must mobilise, calmly and in accordance with good practice, for this to be a success.

The Ministry for the Ecological and Inclusive Transition will carry out information and monitoring activities. Together with the DGCCRF [the French government organisation in charge of regulating products and services available on open markets], we will ensure that fraudulent practices, inappropriate behaviour, canvassing, etc. are sanctioned. It is also the sector's responsibility! For their part, public players must coordinate with each other to have enough room for manoeuvre in terms of resources. All these actions must all align with each other.

Overall, the energy transition objectives will lead to managing consumers' energy consumption and reducing their bills. Smart meters, the labelling of green deals or the creation of deal with a fixed commitment period will open the way to new services. This transition period is being closely monitored to ensure that the most vulnerable households are protected. The creation and improvement of the energy cheque is a step in this direction."

EXCEPTIONAL PROCEDURES TO RETRIEVE THE REGULATED GAS SALES TARIFF IN THE EVENT OF AN ERROR

On her 75th birthday, on 9 November 2019, Ms C. received an unexpected piece of information: her contract to supply gas at the regulated tariff had been terminated. However, she had not made any such request to her supplier, ENGIE. Despite contacting their Customer Service department, nothing was done about it. The system operator GRDF stopped her gas meter on 12 December. She was deprived of heating and hot water and was obliged to move into other temporary accommodation. The gas was not restored until 20 January 2020, after the Ombudsman's services intervened. Since regulated natural gas tariffs are no longer marketed, ENGIE refused to resume her contract at the regulated tariff and Ms C. did not want to take out another contract, since she did not make the mistake.

Ms C. had a crossed meter: another person who has opted for a contract with another vendor has been assigned to her meter. As a result, her ENGIE Regulated Gas Tariff contract was automatically terminated. Due to a lack of experience with exceptional procedures, ENGIE did not carry out a search for the cause of the termination and the correction of the error. However, this is possible if there is an error for which the consumer is not responsible or if the consumer did not request the activation of a new contract.

The National Energy Ombudsman's Energie-Info service was contacted by Ms C. By intervening quickly with ENGIE and the other supplier at behind the error, Energie-Info enabled its gas supply to be recommissioned. By applying this exceptional procedure, Ms C. was returned to her contract at the regulated tariff, with the suppliers having to compensate Ms C. for these errors, which obliged her to renew her procedures after not processing her initial claim.

N.B.: in order to better deal with these situations, exceptional procedures for errors in gas meter readings and estimated bill or subscription disputes were updated as a matter of urgency during lockdown (plenary telephone meeting on 7 April 2020). Hopefully they will be well respected!

COMBATING ABUSIVE CANVASSING PRACTICES



75%

**of canvassing is done
by telephone¹.**

— Ban or strictly regulate canvassing!

Since its establishment as an independent public authority in 2006, **the National Energy Ombudsman has seen a sharp increase in abusive or aggressive commercial practices.** In addition to the rules or procedures they do not always follow (*see page 63*), some suppliers seek to win new customers by any means, including sometimes in a fraudulent way. Canvassing by telephone or on the doorstep is a source of difficulties.

A number of suppliers explain that canvassing contributes to a better information for consumers on the markets opening up to competition. This argument deserves to be put into serious perspective, as it is too often an opportunity to harass consumers and to make them enter into contracts by deceiving them.

The deals offered by canvassers are often not the most interesting on the market.

As the 13th Energie-Info Barometer in 2019¹ shows, **61% of households have been asked to change their energy supply deal**, compared to only 56% in 2018 and 36% in 2017. Seventy-five per cent of canvassing is done by telephone.

At a time when regulated natural gas sales tariffs are to be abolished, **we cannot allow unhealthy commercial practices to continue**, which are all too often dishonest and which risk bringing the opening up of energy markets to competition into disrepute by making people forget the benefits this will bring to consumers.

¹Energie-Info Barometer carried out in September 2019 on a representative sample of 1,301 people.

In many of the cases referred to the National Energy Ombudsman, consumers have found themselves with energy supply contracts that have been activated against their will, sometimes even without their having asked for anything at all! In 2019, **1,883 disputes, involving canvassing** were referred to the National Energy Ombudsman's office. There were 1,416 in 2018, 1,519 in 2017 and 1,140 in 2016. **In three years, that's a 65% increase!**

Some suppliers argue that the number of disputes due to abusive canvassing would be very low, if compared to the hundreds of thousands of consumers who change supplier every year, but this argument is not acceptable. Disputes received by the National Energy Ombudsman *"are only the tip of the iceberg, and there were nearly 2,000 this year!"*, Olivier CHALLAN BELVAL reiterates.

In addition, **these disputes often reveal fraudulent, dishonest practices, particularly with regard to vulnerable consumers.** *"In the disputes we receive, we see some surprising practices,"* says Catherine LEFRANÇOIS-RIVIÈRE, head of the mediation department.

"For example, some canvassers fill out contracts for consumers, or pose as technicians who come to install the LINKY meter. Others pretend to come and take care of the energy bill or take advantage of the frailty of the elderly. We have even seen a contract signed by a minor and another one signed by a person on holiday..."

Of the **1,883 disputes received in 2019 by the National Energy Ombudsman relating to abusive canvassing**, 37% involved ENGIE and 33% ENI. Next come TOTAL DIRECT ENERGIE (12%) and Iberdrola (6%), even though Iberdrola did not start canvassing until the middle of the year.

The Ombudsman's services intervene to settle consumer disputes and generally obtain the cancellation of disputed subscriptions quickly. However, if, as is commonly the case, the canvasser has proposed to the consumer that they request the immediate transfer of his contract (with their agreement or without their knowledge), it is very difficult to restore the contract that the consumer held before canvassing took place, especially if it was a contract with regulated gas sales tariffs.

Canvassing



+ 65%

disputes in 3 years



REMEMBER

- + **61%** individuals were approached in 2019 for a market deal.
Source: 13th Energie-Info barometer
- + **A few suppliers have been sanctioned** recently by the DGCCRF, for abusive commercial practices: ENGIE for abusive canvassing and ENI for failure to respect consumers' right of cancellation.
- + The National Energy Ombudsman has proposed, if not a ban, **then a very strict regulation of canvassing instead**, because the number of disputes brought before him relating to this practice has risen sharply (by 65%) in three years.

— Systematically sanctioning abusive canvassing

Whenever the Ombudsman's services observe fraudulent behaviour, **they report it to the Directorate General for Competition, Consumer Affairs and Fraud Control** (the DGCCRF, in French).

Faced with abusive canvassing, the National Energy Ombudsman decided to draw the government authorities' attention to it and made proposals.

In particular, it suggests that, in the period leading up to the disappearance of regulated gas sales tariffs, a complete ban on doorstep canvassing should be introduced. Such a solution would be legally possible, including under European law. The law already does this in the area of social health services.

In the absence of a ban, canvassing should be very strictly regulated: the National Energy Ombudsman has made proposals to this effect (see next page and page 88 "Proposals").



1,883

disputes received in 2019 by the National Energy Ombudsman

"In some cases, if the 14-day cancellation period has not been respected, with the consumer's agreement or without their knowledge, returning to the pre-canvassing contract is sometimes very difficult, particularly with the end of regulated natural gas sales tariffs."

CATHERINE LEFRANÇOIS-RIVIÈRE, HEAD OF THE MEDIATION DEPARTMENT

Sanctions are applied by the government services. In 2019, the DGCCRF handed ENGIE with a fine of nearly 900,000 euros for abusive canvassing. It did the same with ENI in February 2020 (a fine of 315,000 euros) for failure to respect consumers' right of withdrawal.

Consumer associations are also concerned about the consequences of abusive canvassing practices. **In January 2020, a dozen of them joined together to call for a ban on telephone canvassing.**

The Ombudsman has no power to impose sanctions, but he can systematically use his power to report to public authorities with this power. He will not hesitate, where appropriate, to **publicly denounce suppliers who, contrary to their claims, do not comply with the rules** and cover up the practices of their subcontractors, behind which they hide.

FOCUS ON...

ACTING DECISIVELY ON CANVASSING

The National Energy Ombudsman proposes to prohibit door-to-door canvassing or, failing that, to regulate it very strictly.

Disputes referred to the National Energy Ombudsman in relation to canvassing reveal situations in which the consumer's informed agreement has not been really expressed, or has even "extracted" from them under such conditions that they cannot reasonably be deemed to have freely given it. These disputes also show the difficulties encountered in obtaining the reinstatement of the contract prior to the abusive canvassing, in particular if it is a supply contract at the regulated natural gas sale tariffs, which are now on the way out.

- In the absence of a ban on canvassing, **on 24 February 2020, the National Energy Ombudsman proposed four measures which enable it to be strictly regulated:**
- a ban on collecting consumers' signatures directly where canvassing;
- a ban on implementing the new contract before the 14-day withdrawal period, except in urgent cases (moving in);
- absolute nullity of the contract if the procedural rules for transferring contracts are not respected (particularly to allow the previous contract to be reactivated without delay);
- an administrative sanction for the withdrawal of the energy supply licence of suppliers practising, or allowing the practice of, fraudulent canvassing.

The Ombudsman's column on this issue, published on his website, has been the subject of numerous media reports. It has been well received by consumer associations, parliamentarians and even several suppliers.



"Checks on supplier practices are under way, both in terms of canvassing and the fairness of commercial offers."

VIRGINIE BEAUMEUNIER

VIRGINIE BEAUMEUNIER

Director General of the Directorate General for Competition, Consumer Affairs and Fraud Control (DGCCRF)

"The DGCCRF is heavily involved in monitoring energy markets to ensure that consumers actually benefit from the low prices and innovative deal that opening up the markets to competition should encourage. In particular, supplier canvassing practices were subject to exemplary controls and sanctions in 2019. The DGCCRF's services in the Hauts-de-Seine department notified ENGIE and ENI Gas & Power France of several administrative fines totalling 892,500 euros and 315,000 euros respectively, together with obligations to keep consumers informed through advertising.

Regular exchanges between the National Energy Ombudsman and my services are essential in order to document practices that are constantly changing. The Ombudsman systematically transmits to us the consumer reports he receives when they fall within the scope of the DGCCRF's control duties. Since the amount of the penalties provided for by the French Consumer Code for practices deemed to constitute doorstep selling applies to each proven infringement, the pooling of alerts enables the penalties to reach a dissuasive amount, proportional to the economic damage caused.

Further checks on supplier practices are under way, both with regard to canvassing and the fairness of commercial offers. An investigation is also under way into the relations between energy suppliers and their commercial canvassing providers, in order to determine whether the abusive practices observed are the result of isolated initiatives by the providers or are encouraged by the suppliers.

The DGCCRF's actions have led energy suppliers to develop procedures for monitoring the quality of their providers' canvassing practices. Joint work by suppliers to better control their respective canvassing service providers (exchange of good practices, professional charter) seems to me to be a step in the right direction, provided that the commitments made are effectively implemented."



NUMEROUS COMPLAINTS RELATED TO ENGIE'S BUSINESS PRACTICES

In his previous reports, the National Energy Ombudsman has condemned ENGIE's aggressive or abusive canvassing practices, which had committed to providing better supervision of its subcontractors. Nevertheless, 358 complaints were still received in 2019 from consumers complaining that they had become ENGIE customers without having wanted to. As it now systematically does, cases in which the National Energy Ombudsman considers that the condemned practice constituted fraud or abuse have been reported to the DGCCRF.

Disputed *"sales"* took place in shopping centres. Ms S. was approached by a salesman who *"presented"* her with some energy supply deals. He asked her to sign a document certifying that she had received the corresponding sales brochure. 15 days later, she received a confirmation of the subscription of an offer with her signature under the special conditions of sale!

On the phone, the situation is no better. Mr B., who is regularly canvassed, finally agreed to receive documentation from ENGIE. The same day, he received an e-mail confirming his subscription to a new energy supply contract! He then used his legal right of cancellation... but this was not taken into account by the supplier!

When canvassing on the doorstep, sales representatives' practices are sometimes even more questionable. Mrs S. was approached by people claiming to be EDF employees. They asked her to sign a document for a procedure related to her current contract. But then she realised that she had, in fact, signed a new contract with ENGIE! Another example: while Mr and Mrs X. were away from home, their daughter was canvassed and *"strongly urged"* to sign a contract with ENGIE, even though it was not ENGIE that held the current contract.

The National Energy Ombudsman has taken note of ENGIE's action plan which was presented to him by the sales department in order to strictly regulate its teams and service providers. The Ombudsman will monitor very closely the results of these actions in 2020.

ADVANCING PRACTICES

— Condemning operators who have too many disputes

The National Energy Ombudsman's office has the power to issue recommendations to settle disputes brought before him. It has no direct coercive powers, including the power of injunction, against energy suppliers or gas or electricity system operators. Where necessary, it does not hesitate to publicly condemn disputed practices.

By revealing the anomalies encountered by consumers with operators in the energy sector, **the National Energy Ombudsman encourages the companies involved to improve their practices**, in particular their marketing methods.

REMEMBER

- ✚ For several years, the **Supplier ENI** has promised the National Energy Ombudsman to improve its practices, particularly those related to bad billing. In 2019, with a higher rate of disputes than any other supplier, and an increase compared to the previous year, ENI is, according to the National Energy Ombudsman, **the worst supplier of the year!**
- ✚ **ENEDIS is the operator with whom it is most difficult to carry out constructive mediation** because of its response times, its often overly standardised responses and insufficient follow-up of the Ombudsman's recommendations.

In 2019, the National Energy Ombudsman's office noted a significant increase in the number of disputes referred to it (see pages 50 and 56). Some are due to non-compliance with the rules and others to inappropriate or even fraudulent behaviour. Once again this year, **ENI is the energy supplier on which the National Energy Ombudsman was most frequently consulted and with whom disputes are the most difficult to resolve.** That is why a chapter has been devoted to this supplier in this year's report, together with the system operator ENEDIS. **These two actors are the ones who present the Ombudsman with the most difficulty.**

In the course of settling the disputes he receives, the National Energy Ombudsman identifies errors, malfunctions and breaches of the operators' obligations.

He shares its findings at meetings that he systematically organises with the main energy suppliers and system operators. He draws their attention to the difficulties encountered and asks them to improve their practices.

Each year in the activity report published by his office, he reports on recurring unsuitable practices; he may also highlight good practices or progress he observes.



— ENI: the National Energy Ombudsman's worst "customer"

The numerous malfunctions of the supplier ENI have been reported and have been mentioned in each of the Ombudsman's annual reports since 2014. Several recurring anomalies have been the subject of regular discussions with ENI's management in France; despite repeated promises each year, the situation has still not improved. **ENI France's management limits itself to minimising the difficulties, without seeking to seriously address the origins of the problems encountered by its customers**, for which it is unable to find a rapid solution. **ENI even has to be very regularly reminded by the Ombudsman's office** to implement measures that it has nevertheless agreed to in the context of amicable mediated agreements.

The National Energy Ombudsman's annual report for the year 2019 is an opportunity to give a serious signal to the supplier ENI. It must put in place measures to drastically reduce the number of disputes it has with its customers. The progress that is expected is significant: **ENI is affected by a far greater amount of disputes than other energy suppliers**; many of the disputes concerning billing problems are almost non-existent with other suppliers.

In 2019, the supplier ENI had **a rate of 329 disputes per 100,000 gas or electricity contracts for residential customers in its portfolio**.

"This rate is well above other suppliers. By way of comparison, TOTAL DIRECT ENERGIE's dispute rate, which is quite high, is 93 disputes per 100,000 contracts, ENGIE's rate is 96 and EDF's rate is 39. In addition, ENI's dispute rate was 253 in 2018 and 207 in 2017. There has been therefore, whatever ENI's leaders may say, a clear increase in litigation in 2019. You may legitimately wonder when and where it will end!", says Catherine LEFRANÇOIS-RIVIÈRE, head of the mediation department

"The time taken by ENI to process anomalies, including in mediation, is abnormally long compared to other suppliers. This is unacceptable in the case of amicable agreements in which ENI undertakes to grant compensation within one month. Mediation services are very often forced to chase issues up with them, sometimes for several months."

FREDÉRIQUE FERIAUD, DIRECTOR GENERAL OF SERVICES



329

disputes per 100,000 contracts (almost 5 times more than the average for suppliers)



Disputes between the supplier ENI and its customers mainly concern billing problems (*see details on the following pages*). Another difficulty is the excessive amount of time it takes to resolve customer complaints and to implement the National Energy Ombudsman's recommendations.

Four main categories of problems were identified, three of which relate to billing failures.

Too many inaccurate bills

Billing issues account for approximately **40% of recommendations** involving the supplier ENI. **This percentage is 4 to 6 times higher than with other suppliers!** Handicapped for several years by a billing system that it does not seem to have mastered, ENI has apparently not invested enough in upgrading it, despite the promises it has regularly made to the Ombudsman. This results in many recurring cases of billing freezes, which can range from a few months to several years. When a bill is adjusted for more than 14 months of consumption, the ENI supplier is in breach of the law (*see page 72*). However, following the intervention of the Ombudsman's office, 12% of the recommendations concerning ENI resulted in the reimbursement of a bill that had been outstanding for more than 14 months.

In a number of disputes, the annual billing rhythm schedule between the customer and the supplier is not respected by ENI. Display anomalies (bills without an index, incorrect consumption calculations, etc.) complete the picture. These malfunctions lead to a **lack of clarity for consumers regarding bills**, especially since ENI cancels and corrects its bills, sometimes several times, making them incomprehensible.

When catching up on late bills, the consumer does not benefit from staggered payments, and may end up with a very large sum to pay. If they do not pay immediately, they are quickly contacted again by ENI or a debt recovery company appointed by the supplier!



EXAMPLES OF ENI BILLING DISPUTES

- Ms D. did not receive a bill for 18 months and the settlement bills sent to her contained incorrect amounts and were incomprehensible. After verification by the National Energy Ombudsman's office, the total amount billed was correct, but there were several display errors, as the Ombudsman found in many cases. ENI also had to apply a rebate on the amounts billed, which were for consumption going back more than 14 months, which is prohibited by Article L.224-11 of the French Consumer Code.

Recommendation No. D2019-13774

- Mr T.'s gas supply termination bill did not include any amount to be paid! However, ENI claimed that he owed them 529 euros including VAT. After analysing the consumption data, the National Energy Ombudsman found that this amount was consistent. However, to guarantee a modicum of transparency with its customer, the Ombudsman recommended that the ENI supplier should send the customer a properly accurate bill, in compliance with the order of 18 April 2012.

Recommendation No. D2019-08188

- Ms B. did not receive a gas bill between April 2014 and February 2019, following an anomaly with ENI's computer system. On 15 February 2019, she received 29 bills, for an amount exceeding 6,000 euros! With regard to the date of GRDF's last statement, and in application of the law which prohibits catch-up bills for a period exceeding 14 months (Articles L.224-11 and L.218-2 of the French Consumer Code), the National Energy Ombudsman recommends the cancellation of the consumption from April 2014 to October 2017, as well as the corresponding subscription and transmission tariff contribution, i.e. a total of more than 4,000 euros. He recommends that the outstanding balance be spread over twelve monthly payments.

Recommendation No. D2019-07461

- Mr V. no longer understands his billing: in a few months he received 14 bills, 7 of which cancelled previous bills! One of them is totally incomprehensible: it has no index and it has a credit balance. After verification by the National Energy Ombudsman's offices, all of these errors ultimately benefit the consumer. ENI has agreed in an amicable mediation agreement not to make any further corrections and not to add to the confusion!

Recommendation No. D2019-15370

Wrongly charged payments

Issuing a bill is one thing, collecting payment is another. ENI also has a problem with this: **13% of the disputes** that resulted in recommendations from the National Energy Ombudsman for this supplier are due to incorrect payment charges.

In some cases, monthly payments are not deducted or the amount is changed without explanation. Sometimes payments are not taken into account, including payments with an energy cheque. In other cases, the refund for an overpayment is too late, or payments are credited to other consumers by mistake, for example because of two customers sharing the same name.



13%

of disputes which have been the subject of a recommendation by the National Energy Ombudsman for ENI are due to incorrect payment charges.

Delayed termination bills

When a consumer terminates their contract with their energy supplier, the latter must send them a final bill once they have closed their account within one month of termination (Article L.224-15 of the French Consumer Code). In many of the disputes referred to the mediator, ENI issued this bill late, sometimes with a delay of several months!

The customer is obliged to take steps of their own, for something that should be issued automatically. In addition, often monthly installments are taken from the consumer after termination, generating a credit note that ENI is then late in repaying.



X, 5 March 2019: @eni @med_energie ENI customer for 2 years, terminated in December 2018, today ENI is sending me threats because I'm not pay my monthly payments anymore! I'M NO LONGER A CUSTOMER OF YOURS!!!! Had to open a dispute with the energy ombudsman! Your Customer Service is a mess!





MISTAKES WITH DIRECT DEBIT

- As a result of anomalies due to the fact that his contract was linked to someone with the same name, ENI was taking Mr M.'s monthly payments by direct debit. He was forced to settle his situation, which he did by paying his debt once by cheque, but also by paying it a second time to the debt recovery agency that ENI appointed, which was unjustly re-billing him. Mr M. only managed to get the overpayment refunded thanks to the Ombudsman's intervention, after a year of fruitless efforts.

Recommendation No. D2018-13227

- In April and May 2019, three direct debits were incorrectly taken by ENI from Mr L.'s account, amounting to a total of 354 euros. His bank details had been erroneously assigned to a third party account. Mr L., despite his claims, was unable to obtain full reimbursement for the overpayment. It took an intervention and several reminders from the Ombudsman's office for the reimbursement of the missing 215 euros to finally be made in January 2020!

Recommendation No. D2019-14815

- Ms L. terminated her contract with ENI at the end of January 2018. However, 40 euros was still being taken from her account each month for the following eight months. After referral to the National Energy Ombudsman, an amicable mediation agreement was reached: ENI finally (18 months later!) issued the bill for closing its contract in July 2019, reimbursed the overpayment and paid her 50 euros in compensation.

Recommendation No. D2019-12094

Canvassing practices particularly open to criticism

ENI is not exempt from the **general criticism of the National Energy Ombudsman on canvassing**. Many cases illustrate this: some canvassers pretend to be what they are not (a system operator technician there to read the meter or prepare for installing a LINKY meter); the signature of a slip "*approving a visit*" or on a tablet is obtained from the consumer without specifying that it is in fact a supply contract; false arguments are given about an alleged reduction in the bill (up to 50%!); private information (meter reference) is obtained without the customer's consent, etc.

Added to all these anomalies is the fact that the **ENI does not always take into account cancellation requests from consumers that it has canvassed** (for which it was fined 315,000 euros by the DGCCRF at the end of 2019).

For the people affected, this practice is problematic since, if the cancellation is not taken into account, they cannot rejoin their former supplier under the original contractual conditions again.

Finally, in addition to the excessive time it takes to settle disputes with its customers, **ENI sometimes continues to remind them to pay the disputed bills during mediation**, which should be a "*truce period*".

The only positive point in this long list: "*ENI has agreed to slightly increase the compensation paid to consumers. Better responsiveness has also been noted, even if we still have to call ENI's customer service managers very frequently for late responses or amicable agreements that have not yet been implemented*", says François-Xavier BOUTIN, head of the gas and networks division of the National Ombudsman's office.

SPECIFIC CASES

ABUSIVE CANVASSING PRACTICES

Mr L. was approached by ENI and his son was concerned about this sale that he considers abusive. He indicates that his 92-year-old father is a vulnerable person who is not in a position to fully understand the scope of what the canvasser was making him sign up to. His right of cancellation, which he exercised within the legal time limit, was not taken into account by ENI, who blamed the issue on an erroneous reference number. Following the Ombudsman's intervention, ENI finally agreed to cancel the contract.

Recommendation No. D2019-11196

In many other cases concerning canvassing (e.g. recommendations D2019-13831, D2019-15545 and D2019-14516), ENI did not take into account the right of cancellation which the consumers had exercised within the legal time limit. It activated the contract and billing. Only after the Ombudsman's intervention did ENI reimburse the payments received and compensate the consumers.

FOCUS ON...

A "BEST SUPPLIER OF THE YEAR" TROPHY THAT RAISES A LOT OF QUESTIONS

The fact that ENI was named "*Best Energy Supplier of the Year*" raises questions about the reliability of the decision process for this award.

In 2018 and 2019, ENI received the award of the "*Best Energy Supplier of the Year*," which it systematically displays in his communications. The National Energy Ombudsman, in view of the numerous and recurrent malfunctions he has observed, questions the credibility of this award!

According to the information provided by the organiser, this prize is awarded by "*The Inma Stratmarketing Institute*," which is a marketing company based in Barcelona, which presents itself as carrying out "*high quality behavioural studies*". However, there should be more transparency regarding the reliability and objectivity of the selection process carried out by this company.

The National Energy Ombudsman is thus surprised at the initial selection of companies competing for the prize, which is said to be freely made by Internet users, but which results in the supplier with the largest market share being absent from the final selection. He also wonders about the "*consumer panel*" which rates the 3 finalists "*in a face-to-face investigation*." It is unlikely that the respondents are customers of the 3 suppliers in the final selection who would therefore be able to rate them on the basis of their actual customer experience. It also notes that the use of the official logo of "*best supplier of the year*" is subject to licensing fees...

— Enedis: persistent difficulties

Because of its role as the electricity distributor system operator in across most of mainland France, ENEDIS is called upon to make observations in nearly 70% of disputes in mediation. It may be directly involved in the dispute or may simply be asked to provide information essential to the resolution of the dispute, such as consumer data.

In 2019, out of the 6,784 recommendations for a solution issued by the Ombudsman, **4,712 involved ENEDIS, even though it was not always responsible for the dispute, i.e. 41% more than in 2018.** Faced with the increasing number of electricity disputes, it is essential that ENEDIS collaborates effectively with the National Energy Ombudsman's office.




4,712

recommendations
for a solution made
by the Ombudsman
involved ENEDIS.

A lack of responsiveness

ENEDIS' response times are sometimes excessively long, even when it is only a question of communicating consumption meter readings! Thus, in 2019, **only 61% of requests for comments were answered by ENEDIS within the three-week period.** 14% were even more than 30 days late. The Ombudsman's office is often obliged to call its correspondents up to 5 or 6 times to obtain answers. When no information is received from the distributor within the time limit sets under Article R122-1 of the French Energy Code, the National Energy Ombudsman is unable to resolve the disputes referred to him within the maximum period of 90 days set down by regulation.





"ENEDIS" excessively long response times are detrimental to our mediation work and penalise consumers."

OLIVIER CHALLAN BELVAL, NATIONAL ENERGY OMBUDSMAN

*"ENEDIS" excessively long response times are detrimental to our mediation work and penalise consumers", remarks Olivier CHALLAN BELVAL. "In addition, our correspondents at the electricity distributor network operator often have a very inflexible or even unhelpful attitude. The biggest issue is the lack of precision in the information provided, which does not shed any light on the difficulties involved." The fact they are an energy distributor does not explain this situation, since the **mediation with the distributor GRDF has been going very well.***

The comments provided by ENEDIS are sometimes incomplete, or even insufficiently precise or reasoned. This is particularly the case for disputes relating to the quality of supply (supply interruptions, power surges, etc.): ENEDIS is therefore singularly lacking in transparency and seeks instead to free itself from any responsibility.

ENEDIS' answers are often imprecise about the circumstances causing an incident on the network. For example, an olive oil manufacturer suffered a power outage for approximately one hour in January 2019, which affected its production. ENEDIS insisted on blaming the "failure of an MV structure" to pass up any responsibility on its part, without giving any details that would allow a better understanding of what may have happened (Recommendation No. D2019-15204).

On the other hand, the National Energy Ombudsman notes that, for disputes concerning billing problems, which account for the largest number of cases, ENEDIS have made great efforts and are now showing greater diligence. In a number of cases, they also endeavour to make proposals for the amicable settlement of disputes.



An unhelpful attitude towards disputes related to the quality of electricity supply

Mediation requires a minimum of cooperation and adaptation to the case at hand. However, ENEDIS **too often send standardised responses, or answers marked by excessive legalism**. So, quite often, the response is: *"Consequently, in light of the above-mentioned elements, the distributor cannot grant the request for additional compensation"*, even though the incident is acknowledged, the inconvenience suffered by the consumer is not disputed and ENEDIS does not provide any explanation to support its refusal.

In disputes concerning work that needs to be carried out on a riser duct, ENEDIS very often replies to consumers before referring the matter to the National Energy Ombudsman: *"It is up to the distributor alone to decide whether or not to carry out the work"*. This response was even given in the case where an expert appraisal carried out by the condominium had shown that safety was at stake (Recommendation No. D2019-10438). This approach does not prevent disputes, even though an on-site visit by the distributor is essential to establish a diagnosis of the safety issues in condominiums, as is the case with obsolete riser ducts (see page 68).

The National Energy Ombudsman regrets that it is **more difficult to reach an amicable mediation agreement with ENEDIS than with other operators**. Amicable agreements and compliant recommendations, in which the Ombudsman approves the operator's proposal, account for 69% of the recommendations made in a dispute with ENEDIS, whereas this rate is 75% when the electricity system operator is not involved. *"Given the increase in the number of disputes, it is not always possible to call ENEDIS again to obtain precise answers, or to seek a compromise,"* notes Catherine LEFRANÇOIS-RIVIÈRE, head of the mediation department. *"Until recently, I had to intervene personally on several occasions to get ENEDIS to accept an amicable agreement on a case in which the financial stakes were important for the town council involved and in which no disagreement was possible!"* (Recommendation No. D2019-21320).



ENEDIS is **too reluctant to follow the recommendations made by the National Energy Ombudsman**: its follow-up rate is 87%, while that of other system operators is over 90%. This rate is 76% for recommendations concerning disputes relating to connections to the distribution network. It is only 66% for those relating to the quality of the supply!

This is even more pronounced with regard to the sums that the National Energy Ombudsman recommends be paid to consumers as compensation:

ENEDIS pays only 73% of the amounts it recommends. Even if the issues with gas and electricity are different, it should be recalled that this rate is 93% for GRDF.

ENEDIS is the distributor that follows the National Energy Ombudsman's recommendations the least in cases involving disputes over riser ducts and *"the quality of the supply"*, where the financial stakes are higher. It prefers to take the risk of being convicted when the consumer takes the matter to court (see below).

FOCUS ON...

CONSUMERS WIN COURT CASE AGAINST ENEDIS

When consumers go to court, ENEDIS may be ordered to pay higher compensation than that recommended in mediation.

By choosing not to follow the recommendations of the National Energy Ombudsman, ENEDIS runs the risk of a more severe court sentence than the one recommended in mediation, when consumers go before a judge.

For example, a dispute in which ENEDIS contested a recommendation made in 2017 by the National Energy Ombudsman (Recommendation No. D2017-04626) to compensate for damage suffered by a consumer following a problem with the quality of the electricity supply, was ruled on at the end of 2019. Not only was the compensation recommended by the Ombudsman (234 euros) confirmed by the Puteaux District Court, but the court also ordered the distributor to pay 1,200 euros to the consumer for the costs incurred by the lawsuit.

While ENEDIS can always appeal the court's decision, it may also lose the appeal, as shown by the ruling handed down by the Dijon Court of Appeal in September 2019 in the case of a power surge that damaged a household's electrical equipment (Judgment of 10 September 2019).

Sometimes, the mere fact that the consumer takes legal action may lead ENEDIS to reconsider its position and comply with a recommendation from the National Energy Ombudsman. Mr B. had complained to the Ombudsman about the technical solution chosen by ENEDIS to connect his home, which he considered too expensive. In mediation, ENEDIS refused to change the route included in its connection proposal, which the National Energy Ombudsman had nonetheless considered to be ill-founded. The consumer then referred the matter to the Dispute Resolution and Sanctions Committee of the Energy Regulatory Commission, and ENEDIS *"spontaneously"* reviewed its proposal before the Committee begins to examine the matter (Recommendation No. D2019-14041).





2019

THE REPORT

2019 saw the highest number of disputes registered by the National Energy Ombudsman since the creation of the post.

- The number of suppliers has increased and the subjects of complaints have become more varied.
- Billing problems and unsolicited contract terminations (errors or disputed contracts) still make up the majority of complaints.
- A number of suppliers' and network operators' practices are still unsatisfactory. And commercial canvassing is increasing significantly in the energy sector, with too many abuses of this.

With its current, unchanged resources, the organisation of the National Energy Ombudsman's office has reached the limit of its capacity to handle disputes, despite substantial productivity gains achieved in particular through the digitalisation of mediation processes and improved methods of analysing cases.

MEDIATION IS INCREASINGLY IN DEMAND



22,807

disputes received in 2019

"This is a worrying record because we are now reaching saturation point. In the past, we have always managed to cope with the increase in the number of disputes, in particular by digitising our processes, increasing the number of less time-consuming amicable agreements, or by cutting administrative positions in favour of mediation. But these gains in productivity are now reaching their limit."

FRÉDÉRIQUE FERIAUD,
GENERAL DIRECTOR OF SERVICES

— 2019: a record number of disputes

The total number of disputes received by the National Energy Ombudsman increased again this year, from 12,319 in 2015 to 16,934 in 2018 and **22,807 in 2019**. This is a record since the creation of this independent public authority: between 2009 and 2017, the number of disputes had always remained between 12,200 and 15,700. The National Energy Ombudsman's office has nevertheless managed to cope with this **35% increase in activity** in one year, and even by 85% compared to 2015, with constant staff numbers, and despite reduced financial resources.

As a result of the gains in productivity achieved, the National Energy Ombudsman issued **6,784 recommendations for solutions in 2019**, a third more than in 2018, and almost three times as many as in 2014.

However, the time taken to process consumer referrals in mediation is getting worse: **70 days on average in 2019** compared to 63 days in 2018. The legal deadline of 90 days to reach a recommendation for mediation was met in only 76% of cases.



Since its human resources have been frozen at 41 FTEs (full-time equivalent) since 2014, **the National Energy Ombudsman is concerned about the risk of a deterioration in the conditions in which it carries out its tasks.** It has alerted the public authorities several times in 2019, and has asked, unsuccessfully, for it to be granted 2 additional full-time equivalents in 2020.

It considers that this job authorisation ceiling, which had been lowered by 5 FTEs in 2014, in order to contribute to the general public finance effort, no longer allows it today to deal with all consumer requests within the 90-day period.

In the 2019 and 2020 finance bills, the net subsidy allocated to the national energy ombudsman remained at 4.85 million euros, unchanged despite the Senate's attempt to increase it to take into account the increase in its activity over the past several years. *"As senators have noted, we are only able to balance the budget by drawing on our working capital, since our financial resources are actually decrea-*

sing by 4%," said Béatrice GAUDRAY, head of the administration and finance department. *"With our budget cuts, we no longer have any room for manoeuvre."*

REMEMBER

- + 34.7%**
This is the increase in the number of disputes received in 2019 by the National Energy Ombudsman compared to 2018.
- 4.1%**
The budget of the National Energy Ombudsman will decrease between 2018 and 2019.
- + 70 days**
This is the average processing time for consumer referrals in 2019, which is 7 days longer than in 2018.



— A budget in decline since 2009

Since 2009, the National Energy Ombudsman's budget has been cut by 32%! Optimising its processes and streamlining its expenditure affected all parts of the organisation: new markets, partnership agreement framework, eliminating certain services, streamlining IT resources and site management with the Energy Regulatory Commission, use interministerial public procurement and the union of public purchasing groups. Payroll management and back-to-work assistance has been transferred to external public service providers, respectively the Regional Directorate of Public Finance and Pôle emploi, the French national employment agency. In order to contribute to the State's efforts at fiscal discipline, **the National Energy Ombudsman reduced its budget for 2019 (5.320 million euros) by 4.1% compared to 2018 (5.546 million euros).**

The increase in the number of disputes handled is leading to uncontrollable direct expenses (postage, digitisation costs, telecommunication costs, call centre). The Ombudsman's IT tools, and in particular the price comparison tool and online mediation platform, require major IT developments to take into account market developments, in particular the end of regulated gas tariffs.

"It is not possible to outsource all our activity, at the risk of losing skills and independence," says Frédérique FERIAUD. Already, the sharp increase in activity in 2019, with constant human resources, has resulted in **only 76% of disputes being handled in less than 90 days**, which is the regulatory deadline set for the National Energy Ombudsman to make recommendations for mediation. This percentage was 81% in 2018 and 87% in 2017. Only an increase in budgetary and human resources could enable it to deal effectively with the growing demands of consumers.

"We need additional resources so the quality of service we provide to consumers does not suffer. All the more so as, with the scheduled end of regulated natural gas sales tariffs, the Ombudsman must be able to respond to consumers who will inevitably have to call on his services for information and assistance."

FRÉDÉRIQUE FERIAUD, DIRECTOR GENERAL OF SERVICES

THE INTERVIEW



"I will once again campaign to ensure that the budget and human resources allocated to the Ombudsman are in line with the increase in his activity."

DENISE SAINT-PÉ

DENISE SAINT-PÉ

Senator for the Pyrénées-Atlantiques department

"Energy is a commodity unlike any other and its commercialisation is undergoing a profound change. The National Energy Ombudsman must above all ensure his role in settling disputes and informing consumers, especially the most vulnerable. He must also act as a whistleblower by publicly denouncing questionable supplier practices. I encourage him, to that extent, to take a *"name and shame"* approach to change supplier behaviour for the benefit of consumers.

During the review of the 2020 finance bill, I alerted the Government to the stability of the resources granted to the National Energy Ombudsman, despite the fact that the number of disputes he deals with continues to increase. I believe that mediation missions must be strengthened, in particular to support the large part of our population that is, unfortunately, suffering from fuel poverty. I shall therefore once again advocate that the budget and human resources allocated to the Ombudsman should be proportionate to the increase in and the validity of his activity.

Support for disadvantaged people should also be provided by sanctioning suppliers who do not respect the ban on catch-up bills dating from more than fourteen months previously, by making it compulsory for all suppliers to contribute to the housing solidarity fund, or by extending the ban on cuts to LPG in the system during the winter truce.

I would also like to point out that digital solutions, which are often prioritised, do not solve everything. Thirteen million of our fellow citizens remain unfamiliar with technology. Many energy consumers therefore need education and local support, e.g. to access their energy consumption data, implement the energy cheque and associated rights, etc.

It is very important to me that we put people back into taking into account the most vulnerable consumers and more generally in the functioning of this market, even if this means putting more pressure on the economic operators in the sector."

Many disputes have their origin in the same malfunctions. While each dispute is treated individually to take into account the consumer's personal situation, the study of recurring cases makes it possible to define common frames of analysis, which make it possible to improve efficiency. The use of an amicable agreement between parties also makes it possible to reach a solution more quickly. As soon as the solution proposed by the National Energy Ombudsman's office in the context of the investigation is accepted by the parties, it will be implemented more quickly and fully. **Amicable agreement are a solution that is favoured by consumers, who are 99% satisfied** (vs 90% overall satisfaction). In 2019, 59% of the National Energy Ombudsman's 6,784 recommendations were resolved by amicable agreement.

In 2019, "grouped" mediations were conducted by the services of the National Energy Ombudsman to resolve disputes common to several residents in one housing complex (see opposite).

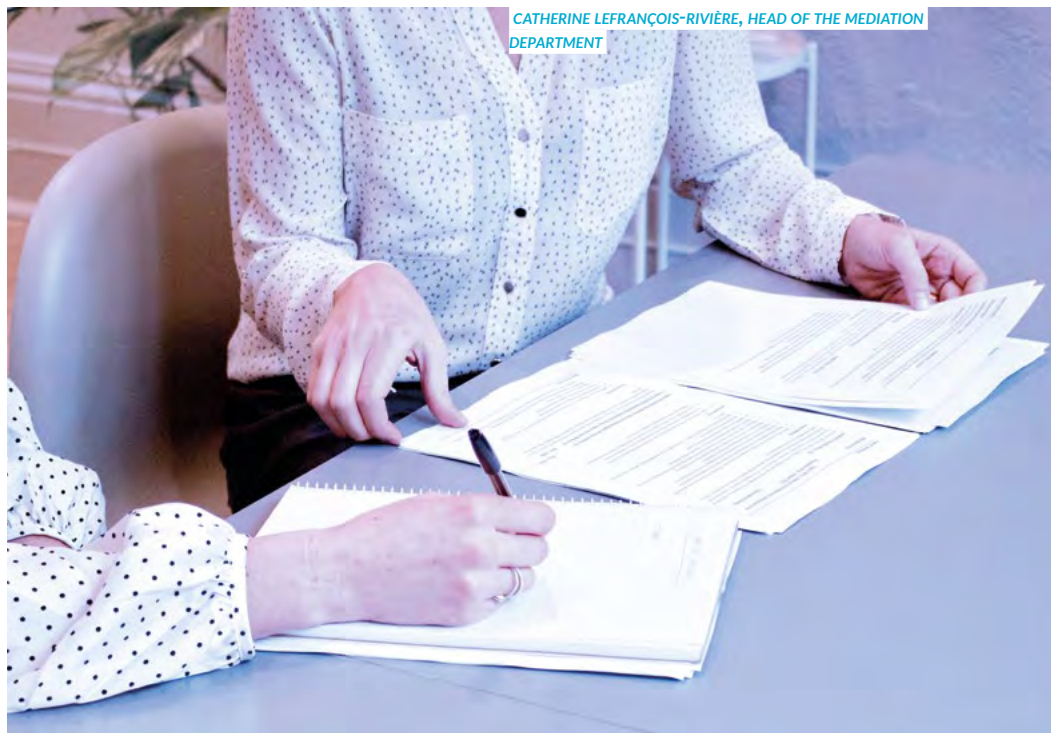


59%

of the 6,784 recommendations made by the National Energy Ombudsman were resolved by amicable agreement.

"Faced with the large influx of cases that all originated from malfunctions within the same billing system, we have organised ourselves to customise the solutions proposed on the basis of a common analysis base for all these disputes. With the aim of being efficient and fast, we have managed to resolve the disputes of several dozen consumers simultaneously."

CATHERINE LEFRANÇOIS-RIVIÈRE, HEAD OF THE MEDIATION DEPARTMENT



SPECIFIC CASES

CASES OF GROUPED MEDIATIONS

The services of the National Energy Ombudsman have dealt with disputes shared by several occupants of the same residence.

Two "grouped" mediations were conducted in 2019. The first case concerns a residential hotel in the Oise department, where the electricity bill for 141 dwellings was disputed by the lessor. The bills for 37 of the dwellings was settled as they had been billed for use over a period of more than 14 months due to a lack of meter readings. The National Energy Ombudsman's office carried out a billing audit of all points of consumption, which resulted in a recommendation that the electricity system operator and the supplier should compensate consumers.

Recommendation No. D2019-12054

A consumer association applied to the National Energy Ombudsman for a residence in the Puy-de-Dôme department: the heating and domestic hot water use bills of 41 residents did not respect the schedule agreed with the supplier, despite individual "connected" meters ("Vertuoz" contracts for the sale of distributed gas). The intervention of the Ombudsman's office resulted in the recommendation that compensation should be paid, tailored to each consumer's case.

41 recommendations including No. D2019-12423

REQUESTS FOR INFORMATION AND DISPUTES STILL ON THE RISE

— 183,000 toll-free number calls and 22,807 disputes received in 2019

The abolition of certain regulated sales tariffs will significantly increase the workload of the National Energy Ombudsman's office, in order to maintain the quality of its information mission and handling of the disputes brought before it. Within the Energie-Info system, the toll-free number +33 (0) 800 112 212 is the leading resource for the National Energy Ombudsman to fulfil his missions of information and handling of disputes. With the elimination of regulated natural gas sales rates, it will be even more so until 2023.

In 2019, of the 183,000 calls received, there were fewer visits to the automated voice response system to obtain the list of vendors (94,000 requests in 2019 compared to 107,000 in 2018), and more contact with the telephone advisers, who handled 89,000 calls, 10 per cent more than in 2018.

The second level of the Energy-Info service, which concerns more complex telephone requests and requests received via the website,

is still in high demand, with 10,000 requests processed in 2019, the vast majority (93%) in less than two days.

Of the 22,807 disputes received by the Ombudsman's office, the most frequent requests from consumers for help and guidance in their dealings were made by telephone (8,689). They were also sent in by email and via the form on the energie-info.fr website (2,522). The second most frequently used contact channel is the SOLLEN internet platform (7,522), with 4,010 email referrals.

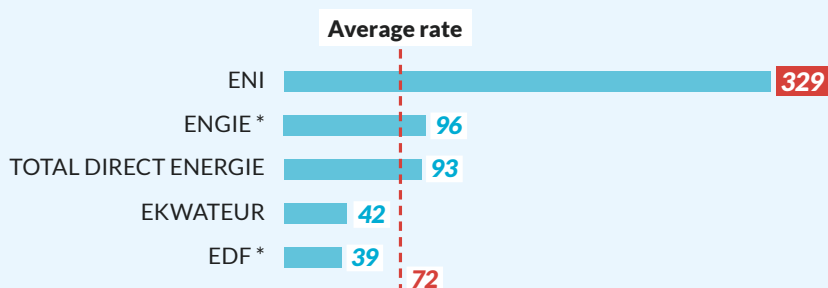
REMEMBER

- + **183,000 calls received** by the toll-free number 0 800 112 212 (free service and call).
- + **22,807 disputes received in 2019**, including 7,197 admissible disputes, i.e. 30% more than in 2018.
- + **6,784 disputes** were the subject of a recommendation for a solution in mediation.

"SOLLEN is a very practical IT tool that allows the exchange between the parties and their traceability. To do so, we collect data and ensure its confidentiality. Since our procedures were made compliant in May 2018, the General Data Protection Regulation (GDPR) has been integrated into our processes."

PIERRE-LAURENT HOLLEVILLE, POLICY OFFICER FOR THE DIRECTORATE GENERAL,
DATA PROTECTION OFFICER (DPO)

Rate of disputes by supplier



Disputes received in 2019 for residential customers per 100,000 gas or electricity contracts in their portfolio.

The overall dispute rate in 2019 is 72 per 100,000 residential contracts. It is increasing sharply (61 in 2018).

This rate is calculated on the basis of the "average" number of contracts in 2019, i.e. the average between the number of contracts between the beginning and the end of the year to take into account growing portfolios.

There are wide disparities between suppliers. Some are due to particular difficulties specific to certain operators, such as ENI (see pages 37 and following).

Some disparities can be explained by the fact that so-called "dormant" consumers (those who have not changed contracts and remain on the historical suppliers' regulated tariffs), are less attentive to their bills than those who are active in the market, unless they receive an abnormally high bill. Other disparities can be explained, at least in part, by the fact that the customer portfolio for new suppliers increased sharply at the end of 2019 (in the case of EKWATEUR thanks to group purchasing).

Note: only national suppliers with more than 100,000 customers in the ENEDIS/GRDF area are shown.

*In the interest of fairness, disputes received by internal mediators from suppliers who have such a team are also accounted for.

ENERGIE-INFO.FR: THE OMBUDSMAN'S WEBSITE HAS BEEN REVAMPED

Informing consumers online through an intuitive and accurate website.

From home or on their mobile phone, every consumer wants to have access to the most complete and reliable information. Ergonomic and intuitive, **the energie-info.fr website is the National Energy Ombudsman's information service.** It's also a gateway to the price comparison tool (*see page 15*) and to SOLLEN, the online solution for filing and tracking a complaint. The energie-info.fr site was renovated and modernised in 2019. The new version better highlights the tools consumers need and the news that concerns them. *"We've made the site more modern, with graphics suitable for all digital uses,"* explains Sophie MARIN, communications officer. *"It provides access to tools and all useful news, and in particular provides energy consumers with practical information sheets, which are widely consulted."* Consultation of these practical sheets accounts for a third of the visits. **The tools remain the majority with 64% of visits,** of which half are for the price comparison tool, one third for the calculators and the rest for the list of suppliers.

An educational effort has been made, which includes animations and videos, a more user-friendly search engine with filters, and a section on *"Frequently Asked Questions (FAQ)"*, for any questions that consumers often ask.

Although the overhaul of the energie-info.fr site in June led to a drop in site traffic, by the time it was back on the search engines, it nevertheless received 1.7 million visits in 2019 (-5% compared with 2018). Interest in the site has increased, with visitors viewing an average of 3.4 pages (+3%) and staying on the site for 9 minutes (+12%). **The site is mostly consulted by individual consumers** (97%), half of which arrive directly on the site (which shows that they are aware of its existence), and the other half through search engines.

"Out of the 11,211 disputes for which consumers contact Energie-Info by telephone or using the online form on the website, the steps we advise them to take are sufficient in 96% of cases. However, in 4% of cases, the dispute remains unresolved and the case must then be dealt with through mediation."

CAROLINE KELLER, HEAD OF THE INFORMATION AND COMMUNICATION DEPARTMENT

In 2019, of the 22,807 disputes received, 94% were from domestic consumers. The majority of them do this personally (91%), while the rest go through an intermediary (family, consumer association, social worker, legal protection, elected representative, etc.). Three-quarters of the 15,610 disputes "not eligible for mediation" were not formal referrals, but telephone or email requests, essentially requiring consumers to be guided through the process. The remaining quarter consisted of referrals that did not comply with the three conditions laid down by law to be admissible: the dispute must have been the subject of a prior written complaint to the supplier or network operator, you must wait until two months after the complaint had been made before referring the matter to the National Energy Ombudsman, and you must provide the necessary supporting documents (bills, etc.).

— A majority of disputes in the electricity sector

64% of the 7,197 admissible disputes concern electricity, 23% concern gas, and 10% concern both electricity and gas. Other energy sources (mainly tank gas) account for 2% of admissible disputes.

The spread of these disputes among energy operators-sometimes involving several suppliers or distributors at the same time - remains more or less the same as last year: 28% of disputes involve EDF, 24% involve ENGIE, 21% involve TOTAL DIRECT ENERGIE, 19% involve ENI and 9% involve system operators alone.

46% of admissible disputes relate to contesting the level of consumption people have been billed for. This share has increased by 2% compared to 2018.

Admissible disputes concerning commercial practices increased from 2% to 3%. If this percentage, even if it is on the rise, may seem low, it is in fact due to the fact that the vast majority of this type of dispute is resolved before the expiry of the two-month period prior to referral to the National Energy Ombudsman. They account for 11% of all disputes referred to the Ombudsman.

"As soon as consumers contact us, often via the energie-info.fr website, we invite them to first contest the disputed contract in writing with the supplier in question and to alert the DGCCRF. And, if this is not enough to cancel the contract, we intervene with the supplier to relay their complaint. This prevents these simple disputes from overloading the mediation service," says Caroline KELLER, head of the information and communication department.

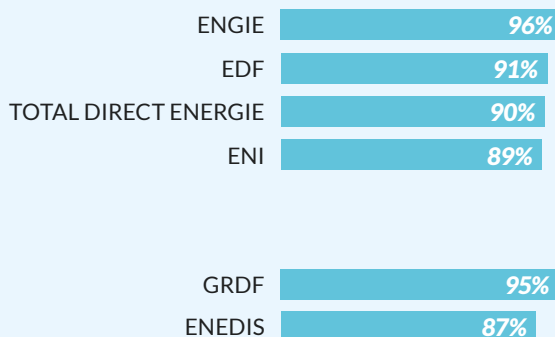
THE OMBUDSMAN'S RECOMMENDATIONS SHOULD ALL BE FOLLOWED BY THE OPERATORS

The National Energy Ombudsman considers that any recommendations made should be systematically followed up by the players involved.

As provided for by law, the National Energy Ombudsman makes recommendations for the resolution of disputes submitted to the office, which must be substantiated. The analyses on which it is based are based on the application of existing rules of law, but also, in the case of mediation, on considerations of fairness and common sense. Unlike court decisions, these recommendations are not legally binding.

In 2019, 90% of the National Energy Ombudsman's recommendations have been followed up by operators. This rate varies from one operator to the next (*see below*). *"These follow-up rates are still not enough."* Olivier CHALLAN BELVAL believes. *"All the recommendations I make are reasoned and based on rigorous and independent analysis. I consider that all my recommendations should be followed by the operators. I'm clearly aiming for 100%!"*

Following up on the Ombudsman's recommendations*:



All operators: 90%

*Follow-up rate calculated for companies having received more than 500 recommendations from the Ombudsman in 2019.

REMEMBER

- **2.1 million** consumers found the information they were looking for directly through the Energie-Info system in 2019.
- **183,000 calls to the toll-free number +33 (0) 800 112 212.**
- **1.7 million visits to the energie-info.fr website** and 202,000 visits to the energie-mediateur.fr website (+ 6.5% compared with 2018).

— The National Energy Ombudsman in the media

In 2019, the National Energy Ombudsman was very much active in the media. Nine press releases were issued. All types of media reported more about the National Energy Ombudsman, who was mentioned 1,130 times, 25 per cent more than in 2018. *"The National Energy Ombudsman's media presence has helped to increase his reputation from 25% to 31% in one year, which has undoubtedly also been one of the factors in the increase in the number of disputes received."* says Caroline KELLER.

Jean GAUBERT, the former National Energy Ombudsman, delivered most of the messages in 2019, before the appointment of Olivier CHALLAN BELVAL in November 2019. The issues on which the National Energy Ombudsman has been heard most are canvassing and energy supply cuts for unpaid bills. The publication of the 2018 Annual Report was also a highlight (172 quotations). *"Most of the quotations appear in print media or on the web and give a positive image of the ombudsman,"* explains Émilie POURQUERY, communications officer. *"Television or radio appearances are shorter, but they then generate more hits on our website."*

The National Energy Ombudsman also has a strong presence on social networks. Every year he has more "followers" on Twitter, Facebook or LinkedIn (from 1,112 to 4,560 depending on the network). In 2019, the office also published 3 newsletters and 17 electronic newsletters. This more direct communication is directed towards businesses or those identified as representatives.

Finally, in October 2019, the National Energy Ombudsman brought together 70 people for a debate on *"the liberalisation of energy markets and the impact on consumers"*, in partnership with the consulting firm Wavestone.



In 2019, the partnership with the National Institute for Consumer Affairs (INC), which began in 2011, has led to the production of educational videos: 5 "ConsoMag" programmes broadcast on public television channels (each seen by 2.2 million viewers) and 10 "Minute pratique" [Practical Minute] videos published on the Ombudsman's website and on social networks. The National Energy Ombudsman has also updated the "Practical Guide to the Electricity and Natural Gas Markets", produced with the INC: *"This guide is very useful for associations that want to explain the opening up of markets and the associated procedures in the sector, particularly with regard to the energy cheque,"* adds Émilie POURQUERY.

The partnerships initiated with the National Federation of Concessionary and Regulated Communities (FNCCR), the National Fuel Poverty Monitoring Centre (ONPE) and students at Sorbonne-Energie are continuing. A new partnership signed on 16 October 2019 between the national energy ombudsman and Electriciens Sans Frontières [Electricians without Borders] will enhance the international solidarity actions carried out by this NGO (electriciens-sans-frontieres.org/en).

FOCUS ON...

A SATISFACTION SURVEY THAT IS ALWAYS VERY POSITIVE

Conducted every year since 2013, the satisfaction survey for consumers who have used the National Energy Ombudsman's services is very positive.

At the beginning of 2020, a new telephone survey was carried out by the Market Audit Institute among 352 people who had referred a matter to the National Energy Ombudsman. For the past seven years, this type of survey has made it possible to evaluate the service provided to consumers. 90% of consumers surveyed indicated that they were satisfied with the Ombudsman's intervention, and 93% said they would recommend it.

The availability and friendliness of the Ombudsman's services are praised by more than 95%. The quality of the exchanges remains very satisfactory, whether in terms of the clarity (95% of respondents completely or somewhat satisfied), precision (94%) or personalisation (92%) of the responses.

The image of the Ombudsman is very positive, as he is recognised as being accessible, friendly, independent, responsive and competent, although 23% of respondents believe that he should nevertheless gain influence.

There's one downside to this picture, though: 14% of consumers surveyed are dissatisfied with the time it takes to process disputes, compared to only 9% in the previous survey.

TOO MANY UNSATISFACTORY OPERATOR PRACTICES

— Rules and procedures need to be better respected by suppliers and network operators

The National Energy Ombudsman has been saying for years that many of the disputes brought before him could be avoided by simply but strictly applying the regulations and procedures in force. *"Applying laws, regulations and procedures should be systematic,"* insists Olivier CHALLAN BELVAL. *"However, we see that recurring bad practices persist among operators, even though the legal and regulatory framework is well defined and perfectly clear."*


Suppliers, like distributors, must apply the rules and implement the procedures defined by the Energy Regulatory Commission's consultative bodies, without seeking to circumvent or distort them.

"Applying laws, regulations and procedures should be systematic."

OLIVIER CHALLAN BELVAL, NATIONAL ENERGY OMBUDSMAN

REMEMBER

- **Laws, regulations and procedures** provide a framework for the activities of suppliers and network operators, to ensure that competition takes place under good conditions and that the market operates for the benefit of consumers.



A lot of disputes are referred to the National Energy Ombudsman that should never have been disputes or that should have been settled without his intervention. This is particularly the case with billing problems, and more specifically with the application of the ban on billing for consumption beyond 14 months (see page 72).

"The National Energy Ombudsman must all too often remind operators that they cannot cut loose from applying regulation. This year, 35% of the National Energy Ombudsman's generic recommendations were aimed solely at reminding operators of legal or regulatory provisions that apply to all market players", explains Catherine LEFRANÇOIS-RIVIÈRE, head of the mediation department.

— Suppliers who do not comply with the rules must be sanctioned, in order to better protect consumers

The government authorities (DGE, DGCCRF, CRE, etc.) have the power to impose sanctions or use means of coercion against operators who do not comply with the regulations.

The National Energy Ombudsman, who settles disputes amicably, reminds operators of the rules they have not respected and recommends that they change their practices to prevent disputes recurring.

He does not hesitate, when necessary, to publicly condemn persistent bad practices.

Among the practices that are at the origin of recurrent disputes are the following:

- delivery point errors (see page 66);
- the activation of contracts on the basis of estimated indexes, in the absence of a reading or a self-reading (see page 73 and Proposal page 90);
- pricing options unsuitable for the way in which natural gas is consumed, which result in additional costs;
- price changes without prior information;
- undervalued monthly payment schedules;
- contractual offers for the supply of business consumers which fail to specify the cost of transport.



When the National Energy Ombudsman observes practices that violate the provisions of the Consumer Code, he systematically reports them to the DGCCRF, which has the powers to investigate and sanction. It also encourages operators to adopt practices that are more respectful of the rules and consumer interests by making generic recommendations.

90% of the 38 generic recommendations issued in 2019 by the National Energy Ombudsman have been followed by operators. *"This is a positive indicator, which shows that operators can change their practices without waiting for new legal obligations and meet consumer expectations,"* adds Catherine LEFRANÇOIS-RIVIÈRE.

In 2019, the National Energy Ombudsman's attention also focused on the lack of transparency of certain energy supply deals, which can mislead consumers.

As a result, more and more tariff deals are not well understood by consumers. There are, for example, contracts for propane gas supply at a fixed price for two years. However, once this period has elapsed, the price is determined on the basis of the scale in force on the day of delivery, which the consumer often discovers when paying their bill. In one of the disputes referred to the Ombudsman (Recommendation No. D2019-21004), the price per tonne of the propane gas had more than doubled!

Sometimes, electricity or natural gas supply deals are presented as "fixed-price" deals, whereas this only concerns the price of consumption, but not the price of the contract (Recommendation No. D2018-07389) or the transmission tariff (Recommendation No. D2018-18679 or Recommendation No. D2018-00234), which themselves can change.

Good consumer information and understanding of the devices applicable to them is essential and must be better ensured by suppliers.

“The coordination of operators is essential to prevent the risks of double billing or the power being cut.”

CHRISTIAN SOULETIE, HEAD OF THE ELECTRICITY DIVISION

Errors at electricity delivery points or gas meter points are causing more and more frequent problems. It should be noted that the electricity delivery points and gas meter points are the technical references for the consumption point (i.e. housing for individual consumers). They are identified by 14-digit numbers, which notably appear on bills. Billing is correctly established when the electricity delivery point number (MPAN) or gas meter point number (MPRN) is correctly associated with the meter of the dwelling involved. Sometimes, it happens that suppliers or system operators do not assign the right MPRN / MPAN number to the right meter: this is known as a “crossed meter”.

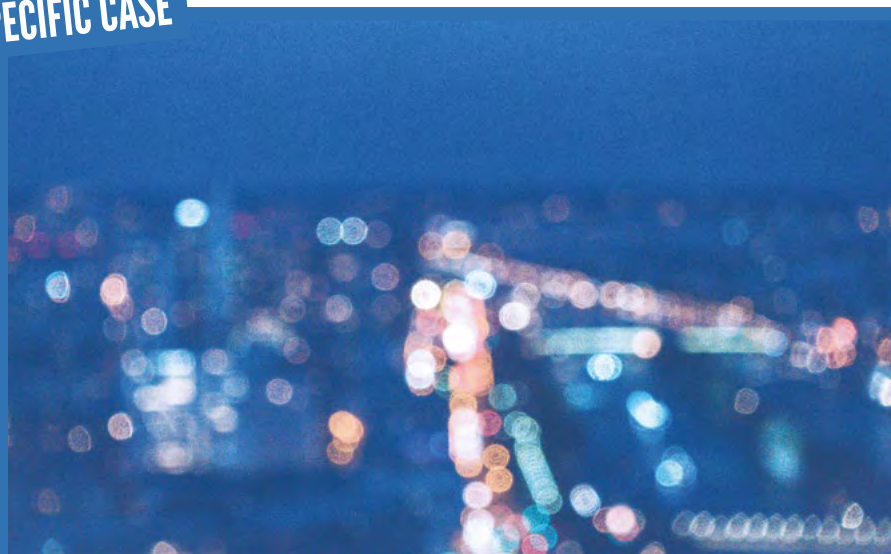
— **Too many errors in identifying delivery points**

These errors lead to serious complications for consumers. *“These disputes often arise when a change of supplier occurs, especially during set-up. Either the distributor entered the information incorrectly in its information system or the supplier did not correctly identify the correct MPAN/MPRN.”*, explains François-Xavier BOUTIN, head of the gas and networks division. However, these identification numbers can be easily verified: in the event of a change of supplier, they are indicated on the previous supplier’s bills; in the event of a move, the distribution system operator can find them by referring to the address and possibly the name of the previous occupant.

When a mistake is made, the consumer is not charged for their own consumption, but for that of a third party. Returning to normal is often an obstacle course, as the operators concerned are not reactive enough to initiate corrective procedures. Instead they blame each other. The consequences of a supplier’s inaction in such cases are serious, as it may result in a consumer’s energy supply being interrupted. *“Beyond the reference error itself, which can take a long time to detect, electricity suppliers tend to terminate the erroneous contract and reactivate another one, which is not in line with the procedures in force.”*, explains Christian SOULETIE, head of the electricity division. *“The coordination of operators is essential to prevent the risks of double billing or the power being cut”.*

Resolving this type of dispute is often complicated. Once the error has been corrected, settling the bill can lead to a refund or, on the contrary, a catch-up bill. The Ombudsman systematically ensures that the consumer will not be charged for more than 14 months of consumption.

The National Energy Ombudsman strongly urges suppliers and distributors to make an effort to make the identification of MPANs/MPRNs more reliable and to look for possible errors, in order to avoid interruptions in energy supply, when they are not resolved quickly.



AN INCORRECTLY REFERENCED DELIVERY POINT

Mr D. was a customer of EDF for electricity and ENI for gas. While he had not requested anything, both contracts were terminated simultaneously on 17 December 2018. These terminations resulted in his gas supply being cut off on April 10, 2019 and his electricity capacity being decreased on 24 May 2019. After many efforts, the gas was finally restored on 16 April, and the contractual electricity capacity on 1 June 2019.

A third energy supplier, TOTAL DIRECT ENERGIE, entered into contracts for one of its customers. However, instead of taking its customer's delivery and meter point references, it had mistakenly taken the references of the meters attached to Mr D.'s dwelling, which had the effect of terminating his current supply contracts. Realising its mistake, TOTAL DIRECT ENERGIE notified the system operators ENEDIS and GRDF on 30 January 2019, so that they could request EDF and ENI to reactivate Mr D.'s contracts that had been terminated by mistake. As these two suppliers did not respond promptly to Mr D.'s requests for the reinstatement of his previous contracts, TOTAL DIRECT ENERGIE requested the decommissioning of the electricity and natural gas supply.

By the time the matter was referred to the National Energy Ombudsman, energy had already been restored. EDF had paid 20 euros compensation, ENI had granted two months of subscription free of charge (worth 47.26 euros) and TOTAL DIRECT ENERGIE had paid the cost of restarting the gas service to take into account the inconveniences suffered. The Ombudsman recommended that the three suppliers grant additional compensation to Mr D. in view of the difficulties he had to overcome in order to have his original contracts reactivated and his energy supply restored.

Recommendation No. D2019-05808



MORE RISER DUCT DISPUTES

— The Elan law set the legal framework

Riser ducts are the electrical cables inside buildings that supply electricity to apartments in the same building. The law of 23 November 2018 regarding the evolution of housing, development and digital technology (known as the "Elan law"), put an end to discussions on the heritage status of these works which were the subject of disputes between condominiums and the electricity system operator ENEDIS. According to article 176 of the law, **all riser ducts shall be integrated into the distribution network by 23 November 2020 at the latest**. Until this date, the co-owners have the opportunity to notify ENEDIS, who cannot oppose it, of the immediate transfer of their riser ducts to the public distribution system.

One might have thought that once the status of riser ducts had been clarified in this way by law, the National Energy Ombudsman would no longer have to deal with disputes concerning them.

However, it has received even more disputes than in 2018 (167, compared to 121 in 2018) and has conducted some 30 mediations between ENEDIS and condominiums. Two types of difficulties have been submitted to it: on the one hand, **there is a lack of support from ENEDIS and the lack of transparency in its responses** when safety risks due to the age of a riser duct are reported to it, and the other due to the **almost systematic refusal by ENEDIS of requests to increase the power supply** to a dwelling or to connect a new unit created in the condominium to electricity, which would updating the riser duct given its age and/or its unsuitability to the current needs of consumers.

REMEMBER

- **1.6 million**
This is the estimated number of electricity riser ducts. Half are already owned by the public distribution network, the other half will be owned by the end of November 2020.
- It is estimated that **200,000 to 300,000** riser ducts need renovating and upgrading.
- In 2019, **despite the enactment of the Elan law** The National Energy Ombudsman had to intervene in some thirty disputes between condominiums and ENEDIS.

The law of 23 November 2018 allows any condominium to transfer ownership of a building's riser ducts to the public distribution system before 23 November 2020. The notification of this request must be voted for in a general meeting of the condominium, by simple majority. No agreement from the electricity distribution system operator is required.

According to the National Energy Ombudsman's services, several of the French Energy Code's provisions, in particular Articles L.346-1, L.332-8, L.322-12 and D.342-1, require ENEDIS, in its capacity as manager of the electricity distribution system, to carry out, at its expense, the renovation of riser ducts, including the collective or individual bypasses of floors.

"Two cases are particularly important," says Pierre SABLIERE, energy law consultant for the National Energy Ombudsman. "The first is the necessary upgrading of the duct when its service life has clearly been exceeded (generally 40 years), in order to avoid any risk, particularly a fire starting. The second is the adaptation of the duct when one or more owners need to increase the electrical power of their dwellings to allow each of them to be able to use electrical energy normally."

The National Energy Ombudsman also recommends that, when renovating a riser duct, ENEDIS should take charge of the work (such as masonry or carpentry work) involved in the building's common areas to restore the premises to their original state at the end of the works, ensuring that its subcontractors comply with this obligation.

"Condominiums shouldn't have to come to me to get a clear answer from ENEDIS."

OLIVIER CHALLAN BELVAL, NATIONAL ENERGY OMBUDSMAN

— **Bringing riser ducts up to standard is one of ENEDIS' missions**

The National Energy Ombudsman notes that ENEDIS too often gives the people it deals with a terse or stereotypical response, which does not allow them to understand it. In a number of cases, the only response from ENEDIS services, including sometimes to the Ombudsman himself, is that *"ENEDIS is the only decision-maker, as the system operator, that can assess whether it is appropriate for it to carry out work"*. This kind of response given to condominium owners who alerted ENEDIS to their concerns about the safety of their building due to the riser duct's condition is not acceptable. When the Ombudsman intervenes in such cases, he usually gets ENEDIS to visit the site, to give an opinion on the issue of safety and, if necessary, to clearly indicate a timetable for the work. *"Condominiums should not have to refer to me to get a clear answer from ENEDIS"* says Olivier CHALLAN BELVAL, the National Energy Ombudsman.

Another source of disputes referred to the National Energy Ombudsman concerns ENEDIS' refusal of requests to increase the power supply to a dwelling or to connect a new unit created in a condominium to the electricity supply, on the grounds that the riser duct needs to be reinforced or renovated.

Once the issue of integrating riser ducts into the distribution system has been settled by law, and will be effective for all of them by the end of November 2020, the distribution system operators (ENEDIS and local distribution companies) must organise themselves so that the **renovation and upgrading to standards of the 200,000 to 300,000 riser ducts that require it can be carried out within a reasonable period of time**. This operation is necessary to guarantee all our citizens access to their electricity needs, which is a basic necessity. It is also designed to enable new uses of electricity, such as recharging electric vehicles or using collectively self-produced electricity.

The National Energy Ombudsman is also calling on ENEDIS and its services to **improve the transparency of the information it gives to consumers**, which must be clear and comprehensible.



DESPITE THE TRANSFER OF OWNERSHIP OF THE RISER DUCT, RENOVATION WORK IS SLOW TO BE CARRIED OUT

As in many former condominiums, work is needed on the communal electrical installation in Mr V.'s building in the Paris region. In August 2018, he requested the installation of an additional meter. ENEDIS then informed him that this addition of a meter required the renovation of the riser duct and sent him a quote for the work. In November 2018, the condominium voted to transfer ownership of this riser duct to the distribution system, under article 176 of the law of 23 November 2018, and asked ENEDIS to quickly take over the renovation work on the riser duct. In December 2018, ENEDIS informed the condominium that *"its transfer request was under review"*. Without any further response, Mr V. finally referred the matter to the National Energy Ombudsman in June 2019.

Following the intervention of the National Energy Ombudsman, the dispute was settled by an amicable agreement in September 2019. ENEDIS confirmed the transfer of ownership, assumed responsibility for maintaining the electrical work and offered to schedule a site visit to assess the urgency of the work and establish a schedule for the work.

As this matter was finally settled in accordance with the condominium owner, so much time has been needlessly wasted!

The National Energy Ombudsman laments the fact that, in addition to the excessively large number of responses which show a lack of transparency, the National Energy Ombudsman has observed that ENEDIS has been slow to react to the disputes referred to the Ombudsman.

Recommendation No. D2019-05830



BILLING FOR CONSUMPTION AFTER 14 MONTHS IS BANNED

— The law must be respected

When billing consumers, electricity and natural gas suppliers must comply with very precise rules, set by the order of 18 April 2012 on electricity and natural gas bills, which indicates the information that must appear on the bill, such as the customer's reference and meter number, the commercial name of the deal subscribed to, the billing period, the price of the monthly subscription, details of consumption, the unit price per kWh, etc. The law of 17 August 2015, on energy transition for green growth, introduced Article L.224-11 into the French Consumer Code, which **expressly prohibits the billing of energy consumed more than 14 months previously**. This period, which applies in the event of (abnormal) late billing, is calculated from the last meter reading or self-reading.

Since its entry into force in August 2016, the application of this statutory rule has been the subject of a generic recommendation by the National Energy Ombudsman (Recommendation No. D2016-00610).

Yet in 2019, 8.5% of the recommendations issued by the National Energy Ombudsman highlighted non-compliance with the ban on billing after 14 months. *"All too often, suppliers still don't naturally apply the law, and they need to be reminded to comply,"* says Catherine LEFRANÇOIS-RIVIÈRE, head of the mediation department. *"Some suppliers do not specify the calculation methods they use when cancelling consumption dating back more than 14 months; some even make a restrictive interpretation of the law, which nevertheless lays down a general principle!"*

In the disputes investigated by his office, the National Energy Ombudsman observes three cases in which the 14-month billing period is not observed: the bill blocked from being issued, a meter malfunction for several months (or sometimes even years) and billing on the basis of actual consumption after an excessively long billing period that was based on estimated consumption.

In the latter case, billing for consumption poses a problem either because the distributor did not (or could not) read the meter or because the supplier did not take into account the consumption readings that had been transmitted to it.

REMEMBER

- + Electricity and natural gas suppliers cannot bill consumers for energy that was consumed more than 14 months ago, as this is expressly prohibited by the Consumer Code.
- + **8.5%** of the recommendations issued in 2019 by the National Energy Ombudsman highlighted non-compliance with the provisions of Article L.224-11 of the Consumer Code.
- + Systematically asking the consumer to take their own meter reading during commissioning or changes of supplier is the safest way to avoid billing disputes and the resulting litigation.

FOCUS ON...

SELF-READING: THE REQUEST MUST BE SYSTEMATIC IN THE EVENT OF A CHANGE OF SUPPLIER

If the consumer is required to take a meter reading, this should always be requested by suppliers when a smart meter is not yet installed. Many disputes would thus be avoided.

Problems relating to the preparation of consumption bills in the event of a change of supplier are still the source of many disputes submitted to the National Energy Ombudsman (6% of admissible disputes). Too often, bills are made on the basis of "estimated" Consumption, and not on the basis of actual consumption.



The current installation of the smart meters, **LINKY** for electricity and **GAZPAR** for gas (see page 82), **will enable billing based on actual consumption and will eliminate disputes due to missing or incorrect readings.** However, the National Energy Ombudsman considers that suppliers too often rely on this argument to justify the current complacency. He considers that it is always preferable, both for the supplier and for the consumer, for billing to be based on actual consumption rather than on an estimate which is, by its nature, questionable.

Solutions exist: the supplier can request a **visit to the property by an employee of the distributor** to raise the consumption reading. The cost will always be lower than settling a dispute with a consumer, or through mediation.

An easy solution is for **the consumer to read the gas or electricity meter themselves** in order to transmit the consumption reading to their supplier. This self-assessment procedure has been recommended by the Energy Regulatory Commission since 2007!

If it were applied systematically by suppliers, many disputes arising from questionable estimates would be avoided, particularly during commissioning, changes of deal or changes of supplier. The argument that consumers do not always have easy access to the meter or are not sure how to read it is unacceptable. Suppliers should take advantage of contacting them, most often during a telephone exchange, to support them and explain the point of this self-reading. *"Suppliers don't have to wait for all the smart meters to be installed,"* says Frédérique FERIAUD, general director of services. *"They must immediately adapt their IT systems in order to correctly calculate and bill consumption".* **A good customer service department must also know how to prevent difficulties** linked to the ban on billing consumption beyond 14 months, by training its advisers to deal correctly with cases of excessively high bills and to identify those that would involve catching up on more than 14 months' consumption.

"There is still no case law on this subject, which leads some players to develop interpretations that would be more favourable to them."

CHRISTIAN SOULETIE, HEAD OF THE ELECTRICITY DIVISION

— A lack of case law

Some players have different interpretations of Article L.224-11 of the French Consumer Code, which concerns the billing of consumption for more than 14 months. *"There is still no case law on this subject, which leads some players to develop interpretations that would be more favourable to them,"* says Christian SOULETIE.

For example, some suppliers refuse to apply the 14-month consumption limit in cases where the catch-up is due to an error in the delivery point, even though this hypothesis is not included in the list of exclusions provided for by law. Others hold the distributor responsible for underestimated bills in cases where the distributor has not taken meter readings.

In addition, the law requires distribution system operators to send a letter informing consumers that they are **obliged to allow access to the meter to enable a reading to be taken**. In the event of difficulties, the burden of proof that this information was sent by registered letter with acknowledgement of receipt shall lie with the system operator.

The National Energy Ombudsman points out that sending a registered letter does not enable the operator to charge for consumption over an indefinite period. It recommended that ENEDIS should send a new registered letter, when the one sent 14 months earlier did not allow a reading by a consumer to be collected (Recommendation No. D2019-18759).

However, the Ombudsman points out that while the distributor can take advantage of registered letters, which authorise it to bill for more than 14 months, **it should not bill for more than two years of consumption** as was the rule before the introduction of Article L.224-11 to the French Consumer Code. *"Reversing these principles would constitute a regression and this is in no way the spirit or meaning of Article L.224-11 of the Consumer Code,"* says Catherine LEFRANÇOIS-RIVIÈRE.



IT IS A WASTE OF TIME FOR EVERYONE WHEN THE NATIONAL ENERGY OMBUDSMAN HAS TO INTERVENE TO ENSURE THAT THE REGULATIONS ARE APPLIED!

Ms K. contested an electricity bill of 5,746 euros including tax which she received in August 2017 from EDF. This bill included a charge for consumption since January 2012, which had been estimated for the 5 years in question, because the network operator ENEDIS had not been able to access her meter to take the reading.

Following the intervention of the National Energy Ombudsman's office, the distributor acknowledged that it had not implemented all the actions required to obtain access to the meter and cancelled part of the consumption billed. EDF also agreed to rectify the billing by applying Article L.224-11 of the French Consumption Code, and cancelled all consumption for the period from 4 January 2012 to 16 February 2016, representing an amount of 3,687 euros including tax, i.e. two-thirds of the initial bill.

This referral to the National Energy Ombudsman could (and should) have been avoided, if the supplier and the distributor had, before sending the bill, analysed the reasons why it was abnormally high. They should, at worst, have carried out that analysis at the time when Ms K. addressed her complaint to them and should have applied the regulations in force instead of terminating, as they did, her contract due to non-payment.

Recommendation No. D2019-01664



NO LET-UP FOR FUEL POVERTY

— Sharp increase in interventions over unpaid bills

In 2019, **5.8 million low-income households received an energy cheque**, for an amount between 48 and 277 euros, depending on the level of resources and household composition.

However, this government aid for paying energy bills does not solve the financial difficulties of the poorest consumers. Thus, interventions carried out at the request of energy suppliers for unpaid bills (power reductions, supply suspensions, contract terminations) have increased sharply, **from 572,440 in 2018 to 672,400 in 2019.**

"This 17% increase is worrying," says Caroline KELLER, head of the information and communication department. "In view of the increase in the number of interventions for unpaid bills from the first half of 2019 (+ 18% for electricity and + 10% for gas), we alerted on this issue as early as October. This is the first time this has ever happened to us!"

REMEMBER

- + **Fuel poverty affects 12% of the French population**, who spend more than 8% of their income on paying their energy bills.
- + In 2019, the number of interventions for unpaid electricity or natural gas bills **increased by 17%.**

"Fuel poverty has an impact on the National Energy Ombudsman's activity, as he is confronted each year with an increase in consumer demands before and after the winter truce."

CAROLINE KELLER, HEAD OF THE INFORMATION AND COMMUNICATION DEPARTMENT

According to the National Fuel Poverty Monitoring Centre (ONPE), **nearly 12% of French people spend more than 8% of their income on paying their energy bills.** Very often, some households with very low income, turn off the heating to limit their energy expenses, which they are no longer able to afford.

The figures from the National Energy Ombudsman's Energie-Info 2019 barometer confirm this situation: 15% of respondents said they had suffered from the cold in their homes, and one-third of the households surveyed had turned down their heating so as not to have to pay too high a bill. Among young people (18-34), these figures are even more worrisome, with 26% having suffered from cold and 45% restricting heating to avoid high bills. 17% of them report having difficulty paying their energy bills.

This is the case, for example, when billing is disrupted and generates a catch-up bill, when the compulsory sending of two payment reminder letters was not observed before a supply interruption, or when non-payment led to the power being cut during the winter truce, which is banned by Article L.115-3 of the French Social Action and Families Code.

"When a consumer with payment problems contacts us, we advise them to contact social services. They can support them, and provide them with financial assistance and appeal to the supplier's solidarity and deprivation correspondent. However, not all providers a designated solidarity correspondent and, if they do, their contact details are not known to social services." adds Caroline KELLER.

— Not enough solidarity and deprivation correspondents among suppliers

When billing anomalies at suppliers aggravate the financial situation of consumers living in poverty, the Ombudsman takes this into account in his analyses.





POWER OUTAGE DURING THE WINTER TRUCE!

Ms S., an ENI gas and electricity customer since April 2018, opted for monthly payments. She received normal bills for electricity but not for gas. In fact, Ms S. received three gas bills in October 2018, two in November 2018, two in February 2019, two in May 2019, one in June 2019 and nine in November 2019! She was surprised by these multiple letters and the amounts being billed that she could not understand. She therefore stopped paying her bills as of April 2019 and repeatedly asked her supplier for explanations, while requesting credit facilities as she is experiencing financial difficulties. In September 2019, she learned that ENI has asked ENEDIS and GRDF to terminate her two contracts by the end of October 2019 (before the beginning of the winter truce). GRDF, which had been slow to act, suspended the gas supply on 12 November 2019, in the middle of the winter truce.

After analysis of the file, it appears that the amounts billed were justified. However, ENI has not implemented monthly gas payments, which it has acknowledged on the grounds of "*a computer malfunction*". In addition, it did not comply with the regulations in the event of unpaid bills because it sent only one payment reminder letter instead of two.

The National Energy Ombudsman's recommendation led GRDF to agree to pay compensation for the suspension of energy during the winter truce. ENI, for its part, agreed to compensate Ms S. for 20% of the balance of the bill and to set up a payment plan compatible with its repayment capacities.

Recommendation No. D2019-19767

Some players working in the field of fuel poverty consider that government measures are insufficient (*see Interview next page*). Thus, Law no. 2019-1147 of 8 November 2019 set up a system to target the renovation of homes that consume a lot of energy. But it is only an incentive and an information tool, which does not guarantee the transformation of these 7 to 8 million dwellings, about half of which are occupied by low-income households.

Funding from the housing solidarity fund (FSL) also deserves to be improved. It is not subscribed to by all suppliers as it should be through agreements with each department. In order to better assist consumers, the National Energy Ombudsman advocates replacing the current public financing of the FSL that passes through suppliers with direct state aid to the departments (*see page 95*).



FOCUS ON...

THE ENERGY CHEQUE AT THE FOREFRONT

For households living in poverty, the energy cheque is a necessary aid. They are therefore weakened when it is not taken into account by suppliers.

The energy cheque can be used by the households that receive it to pay energy bills for their dwelling (electricity, gas, fuel oil, LPG, wood, etc.), as well as for certain energy saving works. The National Energy Ombudsman is concerned that suppliers do not take this means of payment into account properly, by failing to deduct it from bills and deadlines. Like Mrs P. who, despite reminders, had to wait for almost a year and for the Ombudsman's intervention before her 144 euro energy cheque was taken into account.

Recommendation No. D2019-10238

THE INTERVIEW



"The energy transition must respond to the issue of social justice, by providing appropriate support for households experiencing fuel poverty."

MARIE MOISAN

MARIE MOISAN

Facilitator at the RAPPEL network and head of fuel poverty projects at the CLER network for energy transition

"Since 2007, the RAPPEL network of actors against poverty and fuel poverty in housing has been supported and led by CLER and the Solibri association. We have more than 1,000 members with a wide variety of profiles, but all of them share one concern in the field: the rise in fuel poverty among our fellow citizens. Progress has certainly been made with, for example, the Habiter Mieux [Better Living] programme and the introduction of the energy cheque. But the first only addresses the energy efficiency work of homeowners, which leaves out the entire rental sector. The second, which we had called for, is so far imperfect. Indeed, the energy cheque still has a non-take-up rate of 22%, even though the households concerned receive it directly at home through the tax authorities. Moreover, we still feel that the amount is too low, 150 euros per year on average in 2019, whereas the ONPE (the French National Fuel Poverty Monitoring Centre) has shown that we should aim for 700 euros so that people can escape fuel poverty. To help them pay their bills, all suppliers should be contributing to the housing solidarity fund (FSL).

Overall, we feel that national policy does not allow the quantitative leap necessary for an energy transition that addresses the issues at stake and in particular that of social justice. Thus, we finance housing renovation measures, but the dispersal of aid is inefficient and, for households in poverty, they still have problems with paying for everything else. There is therefore a need to simplify the systems and to support the actors on the ground who support households. There are jobs and profiles to be developed! For our part, we are already working to identify people in fuel poverty through the Slime programme, an energy management initiative, supported locally by local organisations."



A TOOL FOR MANAGING ENERGY CONSUMPTION

REMEMBER

As of 31 December 2019:

- 23 million LINKY electricity meters have been installed out of the 35 million planned.
- 4.9 million GAZPAR gas meters installed out of the 11 million planned.
- Real-time monitoring of consumption thanks to smart meters should reduce the number of energy billing disputes.
- The installation of LINKY and GAZPAR meters has brought to light specific disputes, which can be submitted to the National Energy Ombudsman.

— Smart meters for the 21st century

Smart electricity or gas meters are being installed. In addition to being a more efficient tool for managing distribution systems, they allow **consumers to be billed on the basis of their actual energy consumption**, rather than on an estimate based on their consumption measured twice a year. They will also enable consumers to monitor their consumption in real time, and to manage it in accordance with their needs and lifestyle habits.

Since 2015, LINKY smart meters have been progressively installed in electricity consumers' homes. As of 31 December 2019, **23 million had been installed**, or two-thirds of all electricity meters. For gas, the GAZPAR meter has been installed since 2016. **4.9 million meters had been installed as of 31 December 2019**. This major project should be completed in 2021 for LINKY and 2024 for GAZPAR. Meter replacement is mandatory and is free for all consumers.



By making it possible to know about consumption precisely as it happens, the installation of smart meters should lead to **a reduction in disputes concerning the level of energy consumption**, particularly when the contract is terminated or with a change in deal or supplier. In particular, the National Energy Ombudsman believes that disputes due to the lack of a self-reading or errors with readings should disappear. Disputes over consumption bills exceeding 14 months should also cease.

According to the Energie-Info 2019 barometer, **90% of respondents were aware of smart meters**, even in households that are not yet equipped with them. But only half of the respondents knew that changing the meter is mandatory. The fact that they remotely monitor consumption levels and the fact that they are installed free of charge is well known, and is even continuing to grow: 94% and 83% of respondents in 2019, compared with 89% and 79% respectively in 2018.

62% of people surveyed in 2019 think that smart meters make it possible to better monitor their energy consumption, compared with 55% in 2018. This rate is 66% for households already equipped with a smart meter.

— New deals with smart meters

77% of respondents, whether or not their household is equipped with them, though that LINKY and GAZPAR meters would not allow them to save money on their energy bills. However, smart meters, which allow consumers to know what their actual consumption is, are an essential part of energy management. The distributor and the supplier may give the consumer access to their consumption data, with their consent for the most detailed information.

"Consumers are quite familiar with the existence of smart meters for electricity and gas. Distributors must install them with as little disruption as possible and suppliers must take better account of them and inform customers about the opportunities offered by these new meters."

OLIVIER CHALLAN BELVAL,
NATIONAL ENERGY OMBUDSMAN

Suppliers will be able to provide consumers with **deals that better match their needs and lifestyles**, including deals to supply electricity at different prices depending on the day or time of day.

Some suppliers are already offering electricity supply offers adapted to the LINKY meter. They can then offer new tariff options (week/weekend; peak, off-peak or super-off-peak hours; summer/winter) or make it possible to take out a contract with a power level that is better adjusted to needs or observed consumption. No more traditional 3, 6 or 9 kVA level: **it is now possible to adjust the power output to the nearest kilovoltampere, between 1 and 36 kVA.**

The National Energy Ombudsman has adapted his price comparison tool to include these new deals.



The Energie-Info 2019 barometer shows that there is still a gap between half of the respondents who are in favour of smart meters and the other half who are not. The main reasons given by the latter are **the loss of jobs for meter reading technicians, the risks associated with electromagnetic waves, unreliability and fear of protected data breaches.**

FOCUS ON...

ACCESS YOUR CONSUMPTION DATA

Improving energy control with a smart meter thanks to access to its consumption monitoring

The energy consumer can, as before, read their consumption data on their smart meter, but they can also consult them on the internet platform managed by the distribution system operator or by their supplier.

Thanks to a personal area on the system operator's site, which is protected and free of charge, the energy consumer can monitor their consumption per month, week or day. They can also set up an alert if a certain consumption level is exceeded. They can also see a comparison of consumption levels with similar households. Unless they have received specific authorisation from their customers, energy suppliers only have access to monthly consumption data, which are necessary for billing purposes.

Where the consumer has authorised the communication of more detailed data on a daily or half-hourly basis (for electricity only), the supplier may offer deals better adapted to consumption and, where appropriate, more accurate monitoring of consumption. By being better informed and knowing more about their consumption, consumers become more knowledgeable and can decide to take action to save energy.

For consumers producing part of their own electricity or needing to recharge an electric vehicle, the LINKY meter is needed to manage the interaction (in injection or withdrawal) with the electricity distribution system.

THE INTERVIEW



"It is essential that users are able to keep control of their consumption data being read by the LINKY and GAZPAR smart meters."

MARIE-LAURE DENIS

MARIE-LAURE DENIS

President of the French National Commission for Data Protection

"The National Commission for Data Protection (CNIL) is particularly vigilant about the conditions of implementation for processing operations related to smart meters. It is essential for users to be able to keep control of their data: their consent is required for the collection of critical information that may reveal habits in their private lives (waking and sleeping times, periods of absence, possibly the number of people present in the dwelling). In order to assist professionals in this respect, the CNIL has published recommendations on the rules to be respected by network operators and suppliers.

The CNIL's objective is to ensure that these players comply with the rules and the protection of user data, using, where appropriate, the various measures available in the existing legal arsenal, which includes financial penalties. Recently, we recently served EDF and ENGIE with a formal notice for shortcomings.

The security of data collected via LINKY meters has been the subject of work with the French National Cybersecurity Agency (ANSSI). Data from LINKY and GAZPAR meters circulating on public networks are encrypted. In addition, the information transmitted by the meters does not contain any directly identifying data (name, address, etc.); the assignment of the data to the customer is made in the information systems of the distribution system operator (DSO) (see <https://www.cnil.fr/en/node/23936>).

The "data protection" culture needs to be more widely disseminated among professionals, and each of the players must take ownership of it. The CNIL is focusing in particular on raising awareness and communicating with "network coordinators" (groups, professional and interprofessional federations, data protection officer communities, etc.) to improve their skills."

— Disputes specifically relating to smart meters

Until all smart meters (35 million for electricity and 11 million for gas) are installed and operational, specific disputes concerning their installation are referred to the National Energy Ombudsman.

The actual installation of the meter itself can be problematic. Ms M. complains that she was misinformed about the installation of GAZPAR at her home, which was carried out in her absence. The gas supply, which was not recommissioned for safety reasons, failed in the middle of winter, resulting in a large cost for calling out a plumber (Recommendation No. D2019-05566).

After the installation of the electricity smart meter, a departmental energy union discovered that electrical disturbances had damaged the alarm in her building. ENEDIS acknowledged that the damage was due to a faulty reset of the fuses after the installation of the LINKY meter, and committed, following the intervention of the National Energy Ombudsman's office, to reimbursing the full amount of the damage, estimated at 3,870 euros (Recommendation No. D2019-15985).

Secondly, **difficulties have also arisen in the transfer of data.** *"For example, there are problems with transmitting meter readings from the GAZPAR meter to the supplier, due apparently to the distributor's information system,"* explains François-Xavier BOUTIN, head of the gas and networks division. Thus, Ms S., a pharmacist, has not received any bills since the installation of the communicating gas meter in April 2018, which did not transmit any consumption data! She had to wait for another GAZPAR meter to be installed in January 2019 before her situation could be resolved (Recommendation No. D2019-08429).

The transmission of consumption data from the LINKY meter sometimes causes problems at the local level. In fact, when less than 70% of the meters in a district are LINKY meters, the signal transmitted by power line communication (PLC) is not powerful enough to reach the hub where the data is centralised. Sometimes it is when the hub is located in an area that is too far underground that the telephone communication signal cannot be transmitted to the distributor.

The National Energy Ombudsman was called upon for a case in which ENEDIS had discovered that disturbances caused by a consumer's computer on the electricity network prevented the communication of the signal transmitted by the LINKY meter by power line communication (PLC) (Recommendation No. D2019-14308).

Thirdly, the installation of a smart meter *"may reveal that **the previous meter had underestimated energy consumption for years**, as is often the case with very old meters,"* says Christian SOULETIE, head of the electricity division (see next page).

Smart meters also improve the accessibility of data relating to the quality of energy supplied. For example, the LINKY meter provides **additional protection in the event of power surges.** In the event of an incident, it also makes it possible to get information about the voltage data, which helps to resolve disputes.



The installation of the LINKY meter sometimes reveals that the old meter over or underestimated electricity consumption.



THE INSTALLATION OF A LINKY METER MAY REVEAL THAT THE OLD METER WAS FAULTY

Although, in the vast majority of cases investigated by the National Energy Ombudsman's Office, the old meter that has been replaced by a LINKY meter "undercounted" the actual electricity consumption, it can sometimes be the other way around.

For example, Ms M. discovered that her electricity consumption recorded by her new LINKY meter was much lower than that recorded by her previous meter. Following the intervention of the National Energy Ombudsman's office, the level of over-consumption billed for almost seven years was estimated at more than 60,000 kWh! An amicable agreement was then reached with ENEDIS, which cancelled the share of consumption unduly counted and billed. Ms M. then received 8,760 euros (including VAT) from her supplier EDF, as reimbursement of the overpayment.

Recommendation No. D2019-16472

Sometimes, the installation of the LINKY meter confirms the validity of a consumer's suspicion that an estimation of their consumption is too high. For example, Mr N. had requested a inspection of his old electricity meter. ENEDIS, having found that it was over-recording consumption by 25 to 30%, had a LINKY meter installed, which actually recorded lower consumption. An adjustment of the consumption was then made for the period from January 1996 to March 2019 and EDF reimbursed Mr N. more than 20,000 euros! Having considered that ENEDIS should have detected the old meter's failure earlier and that during all these years Mr N. had been financially weakened by excessively high electricity bills, the National Energy Ombudsman recommended that the distributor should grant him compensation.

Recommendation No. D2019-08886



The 10 proposals for improving **THE FUTURE**

The National Energy Ombudsman's activity enables him to identify a number of malfunctions in the energy supply market. The National Energy Ombudsman's observations of problems, in particular, has led him to identify avenues for progress in order to improve practices and reduce the number of disputes. He has thus formulated 10 proposals concerning the strict framework of commercial practices, billing, the simplification of payment for consumers, the fight against fuel poverty and distributors' responsibilities.

1 ► Regulating business practices



Proposal No. 1

short of being banned, doorstep canvassing should be very strictly regulated.

Findings A very large number of energy consumers complain about aggressive or fraudulent canvassing practices, which lead to a number of energy supply contracts being signed under conditions that do not allow for informed consumer consent. However, as with any commercial transaction, the energy consumer must be properly informed, so that they properly understand the contract they are signing, without any pressure.

Solution The National Energy Ombudsman proposes that, instead of banning canvassing, collecting a signature from the consumer for any kind of commitment directly on the doorstep should be banned. This would give the consumer a few days to think about it, find out more information and compare deals. He also proposes that, except in exceptional and strictly limited cases (for instance, moving house), implement a new energy supply contract before the 14-day withdrawal period provided for in the Consumer Code has expired should be banned. He proposes the pure and simple cancellation of the supply contract should be provided for if these rules have not been respected and that the previous contract should be automatically reactivated. Finally, he proposes that the penalties applicable in this area, particularly administrative penalties, should be reinforced, and that provision should be made to suspend or withdraw the energy supply authorisation from the suppliers involved in the event of repeated fraud.

2► Improving billing conditions



Proposal No. 2

Taking a reading of the meter consumption data should be mandatory when commissioning or when changing supplier or deal, including for consumers who do not yet have a smart meter.

Findings Disputes over the level of consumption billed make up almost half of the disputes referred to the National Energy Ombudsman. One of these disputes could easily be avoided if a reading of the meter's consumption data was systematically carried out at the time of commissioning, termination or change of supplier or deal. Most of these disputes will be resolved with smart meters becoming more widespread, but in the meantime and for each consumer not equipped with a smart meter, reliable billing must also be ensured.

Solution Suppliers should not accept commissioning or contract terminations until they have a reading of the meter's consumption data. Where the meter is not a smart one, suppliers should systematically ask their customers to take a self-reading of their meter and be obliged to take it into account, unless the self-reading is reported as inconsistent by the system operator. If the consumer refuses to take a self-reading, or if an inconsistent self-reading is transmitted, the meter will be read by the system operator. The consumer could be charged if they do not submit a self-reading or if the self-reading they submitted is incorrect. In the case of a change of supplier, or a change of deal, the use of an estimated reading could only be accepted on the double condition that the meter has been read within the previous six months and that the consumer has expressly accepted it.

Proposal No. 3

Suppliers should be obliged to offer at least one supply deal including monthly billing based on actual consumption.

Findings Energy consumption is a concern for 70% of households and energy expenditure is a significant part of the expenditure for 63% of households. Suppliers are obliged to inform consumers at least once a quarter of the cost of energy consumed that has not yet been billed (Article D.224-9 of the Consumer Code). However, while some consumers wish to make monthly payments to spread their expenses out over the year, others prefer to manage their energy expenses month by month by paying their actual consumption each month.

Solution The National Energy Ombudsman recommends that suppliers should systematically offer at least one energy supply deal with monthly billing based on actual consumption to consumers equipped with smart meters. This recommendation could be subject to regulatory development.

Proposal No. 4

In the event of the termination of an energy supply contract, the date requested by the consumer must be respected.

Findings Article L.224-14 of the Consumer Code states that "*termination takes effect on the date requested by the consumer and, at the latest, 30 days from the supplier being notified of the termination*". Some suppliers interpret these provisions as allowing them to systematically apply a 30-day period for termination. They include this rule in their General Terms and Conditions of Sale, which is a source of disputes (see, for example, Recommendation No. D2019-16222).

Solution The National Energy Ombudsman proposes that the legal framework should be clarified, to specify that the termination must take place on the date requested by the consumer, which must be chosen by the consumer within 30 days of the request.

3 ► Making it easier for consumers to pay and avoiding the cost of unpaid bills

The opening up to competition has increased the number of players in the market and contractual conditions have multiplied. In order to make this environment safer for consumers, some rules need to be simplified or modified.



Proposal No. 5**The deadline for the payment of energy bills by consumers should be extended to three weeks after the date of issue.**

Findings The deadline for payment of an energy bill is currently set at 14 days after its date of issue, in line with the decree of 13 August 2008. Such a period, which includes the time needed to issue and send the bill, and in the case of a cheque payment the time needed to send it, is too short, and too often puts the consumer at risk of non-payment. Given postal delays and operators' internal processing times, there is usually just only one week in which to pay a bill.

Solution The National Energy Ombudsman is proposing to amend the decree of 13 August 2008 regarding the procedure applicable in the event of unpaid electricity, gas, heat and water bills, in order to extend the time limit to three weeks for payment of a bill after it has been issued.

Proposal No. 6**The method for calculating the transmission tariff contribution (TTC) on gas bills must be simplified and harmonised.**

Findings In a market open to competition, a good understanding of the basis on which bills are issued is essential. An indication of the basic billing elements on the bill must enable the consumer to identify the allocation and correct calculation of the various amounts (subscription, consumption, taxes, etc.). The method for calculating the transmission tariff contribution (TTC) on gas bills was defined by Decree No. 2005-123 of 14 February 2005 and by an order of 26 April 2013. It should be reviewed, as the methods of its calculation are too complex, cannot be understood by a non-expert consumer and, above all, are unverifiable, as some parameters depend on each supplier's gas supply method and as this data is commercially sensitive information, which cannot be communicated to them (Recommendation No. D2019-09122).

Solution The National Energy Ombudsman proposes, as the Energy Regulatory Commission and the majority of suppliers have done already, that the method of calculating the transmission tariff contribution (TTC) should be changed so that its amount no longer depends on each supplier's gas supply method of each of the suppliers and so that the consumer can verify the calculation.

4 ► Fighting fuel poverty



Proposal No. 7

Funding from the housing solidarity fund (FSL) must no longer be channelled through energy suppliers.

Findings The terms and conditions for the payment of aid under the housing solidarity fund (FSL) stipulate that the aid is first paid by the suppliers to the departments with which they have previously concluded an agreement. They are then compensated by the state. Not all suppliers are contributing to the FSL as they should, resulting in disparities between potential beneficiaries, depending on the area and the supplier, which runs counter to the principle of equal treatment.

Solution The National Energy Ombudsman proposes that the FSL scheme be simplified and based on a direct payment by the State to the departmental councils, which would be set in proportion to the number of households benefiting from the energy cheque in the department. Suppliers would retain the option of making a voluntary additional contribution to the departments, but this would not be reimbursed from public funds.

Proposal No. 8

A "universal supplier of last resort" must be established for electricity consumption.

Findings Consumers - individual or business - who are unable to conclude a contract with an energy supplier, in particular because of financial difficulties, should be able to benefit from a basic supply of electricity, which is a basic necessity. The issue is particularly sensitive in areas where there is only one supplier (some local distribution companies) and where competition is therefore not yet effective. The consumers involved, often among the frailest, can then find themselves in inextricable situations.

Solution The National Energy Ombudsman is calling, as he has already done in his 2016 progress report, for the creation of a universal supplier of last resort for electricity consumption. The Law concerning energy and climate covered a similar solution for a natural gas supplier. It is becoming urgent to also put it in place for the basic necessity of electricity.

5 ► Clarify distributors' responsibilities



Proposal No. 9

The electricity distribution system operators must take charge of the renovation and upgrading of riser ducts.

Findings Law no. 2018-1021 of November 23, 2018, known as the ELAN law, has gradually integrated all electricity riser ducts into the distribution networks. However, given the number and age of the riser ducts recently transferred to it, ENEDIS refuses, as long as the work to be carried out does not meet a need for safety, to take charge of work to bring these riser ducts up to standard or renovate them with the sole aim of increasing the power of electricity or installing an additional meter (see page 68).

Solution The National Energy Ombudsman is calling on ENEDIS to assume its role as an electricity distribution system operator and to take charge of the renovation of riser ducts, including the reinforcement work required when a consumer needs to change the power to which they have subscribed.

In view of the major project that the renovation and upgrading of riser ducts will occur in the coming years, the National Energy Ombudsman recommends that the precise obligations of the electricity distributor in this area should be defined with the Energy Regulatory Commission.

Proposal No. 10

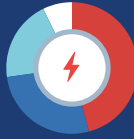
The gas distribution network must go all the way to the meter and include what is known in France as the "*Parisian tip*".

Findings The "*Parisian tip*" is the part of the gas pipe between the meter and the individual switch-off device in common areas or private installations. It is, notably in some Parisian buildings, "*under the care of the user*" without them knowing about it!

In the minds of everyone, including many specialists, the consumer's responsibility covers the gas installation inside their home and stops, in any case, at his meter. However, a complex legal debate has developed around ownership and liability on the "*Parisian tip*", which leaves uncertainties about liability in the event of an accident and the obligation to maintain it.

Solution The National Energy Ombudsman proposes to put an end to this situation by law, which could have consequences in terms of liability. He proposes that, as was done for electricity riser ducts, a legislative provision should be made for the transfer of ownership and integration into the gas distribution system of the entire facility upstream of the meter, which would include the "*Parisian tip*" which, contrary to what its name might suggest, concerns all of France.





2019

KEY FIGURES

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Information and communication

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Disputes received

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Disputes handled in mediation

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Organisation of the institution

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Staff

p.110

Budget

INFORMATION AND COMMUNICATION



2.1 million

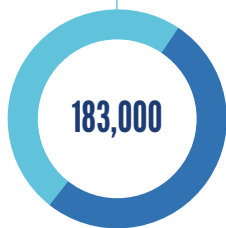
consumers
informed by the National
Energy Ombudsman



Through the toll-free number

+33 (0) 800 112 212

94,000
for the list of
suppliers



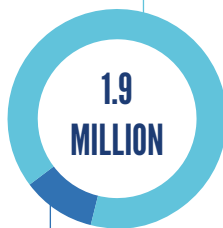
89,000
calls handled by
advisers



Through the Ombudsman's websites

1.7 million
on energie-info.fr

(39% used
the price
comparison
tool).



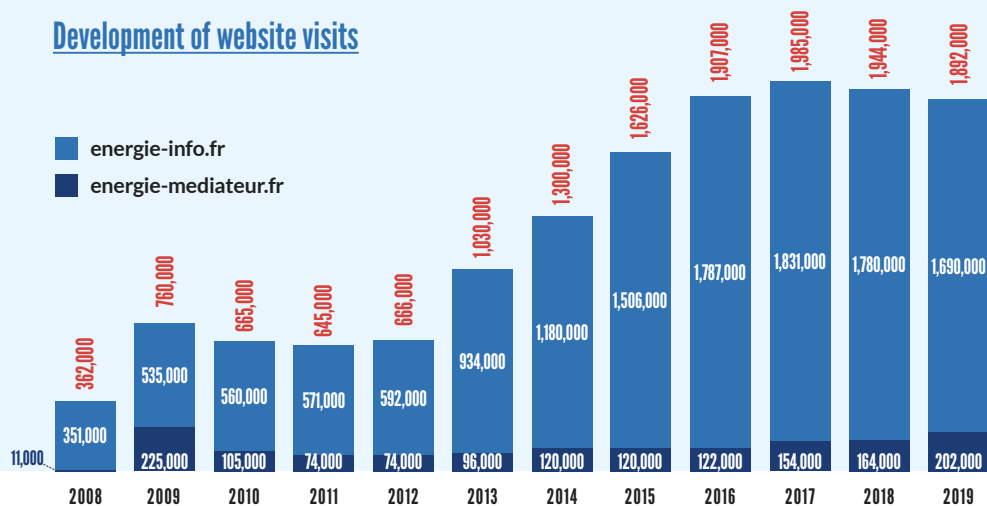
202,000
on energie-mediateur.fr



10,000

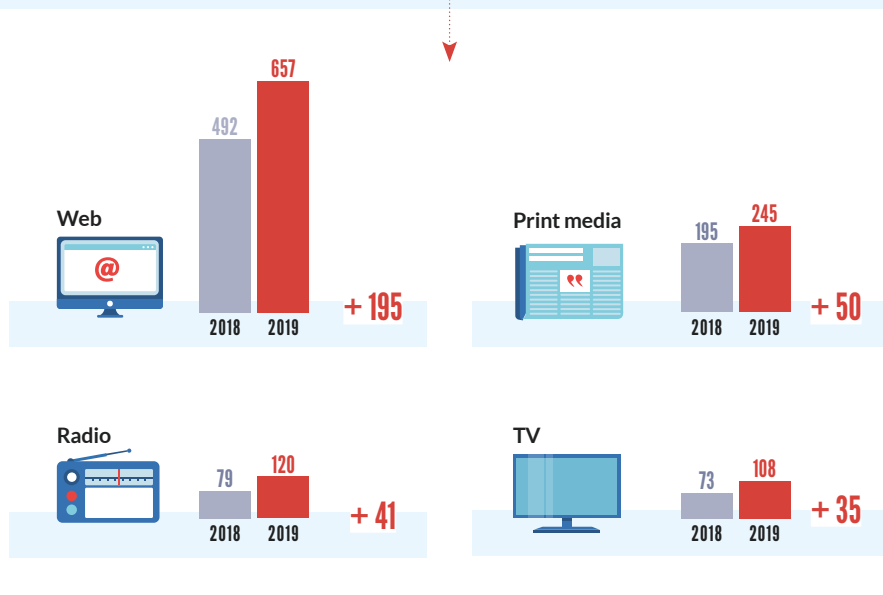
requests handled by level 2 of the
Energie-Info information service

Development of website visits



The Ombudsman in the media

1,130
quotes this year in the media
(839 in 2018).



The most popular topics



Group purchases Barometer Mediation Poverty Power outage
 Rising prices for regulated **Canvassing** End of regulated sales tariffs
 sales tariffs **Annual Report 2018** Smart meter Energy cheque
 Comparison tool Renovation Riser ducts

The Ombudsman on social media



4,560 (+ 673)
 subscribers in 2019



1,314 (+ 298)
 subscribers in 2019



1,112 (+ 380)
 subscribers in 2019

Information disseminated by the Ombudsman



52

videos
 viewed by 22,000
 Internet users



17

electronic letters
 each sent to 1,490
 subscribers



5

**Consomag
 programmes**
 each seen by
 2.2 million viewers

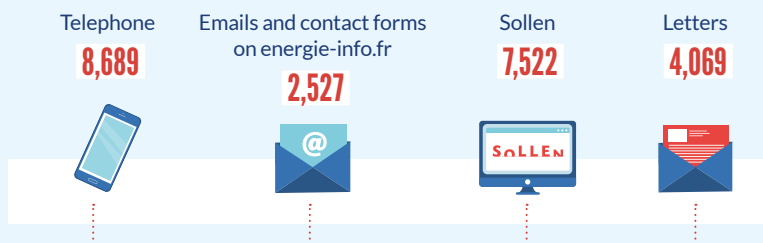


3

newsletters
 sent out in
 3,100 copies

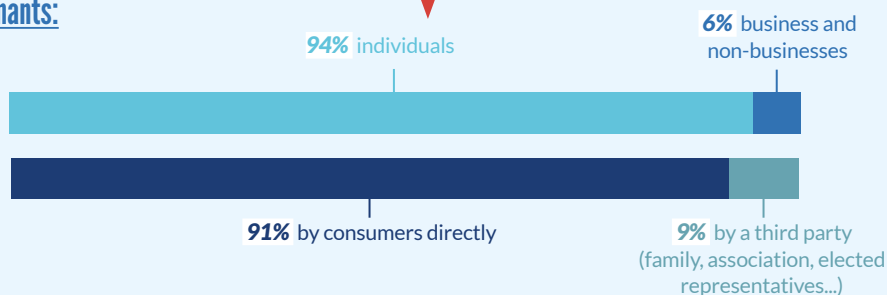
DISPUTES RECEIVED

Reception channel:

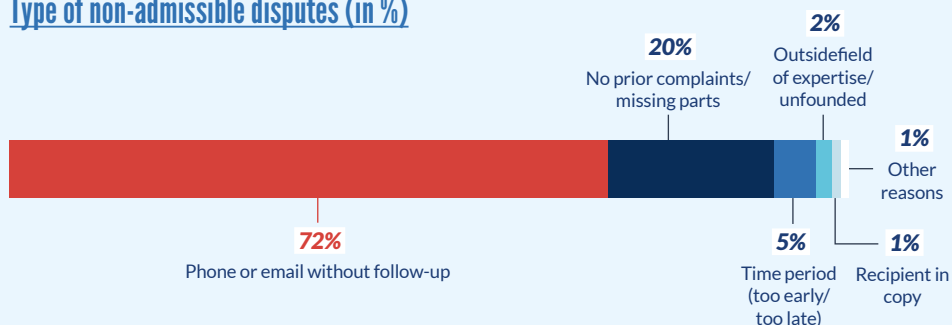


22,807 disputes received
(of which **7,197** admissible in mediation)

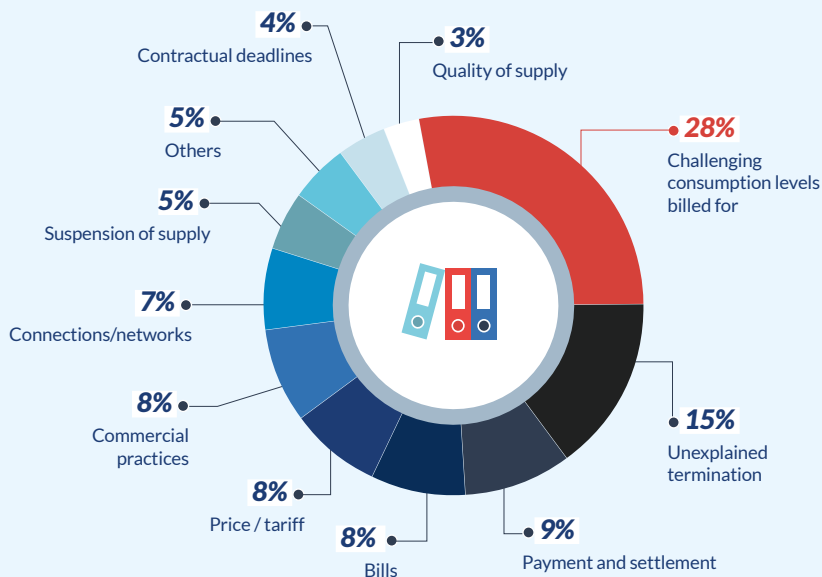
Profile of claimants:



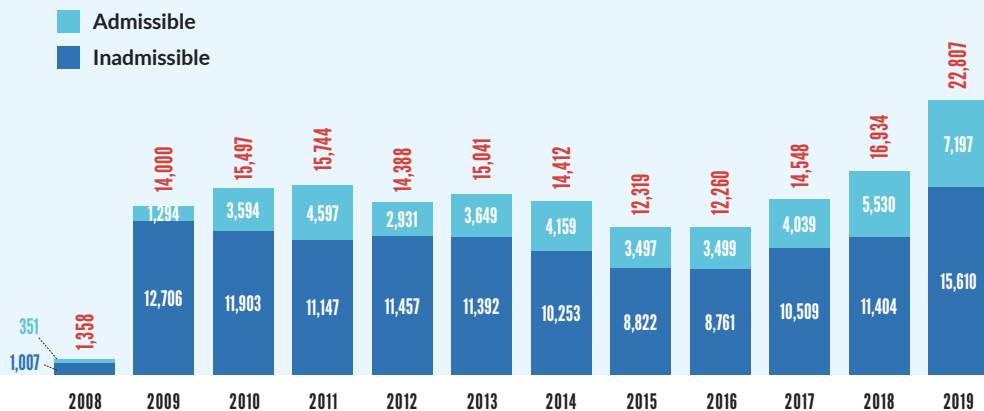
Type of non-admissible disputes (in %)



Type of the 22,807 disputes received (in %)

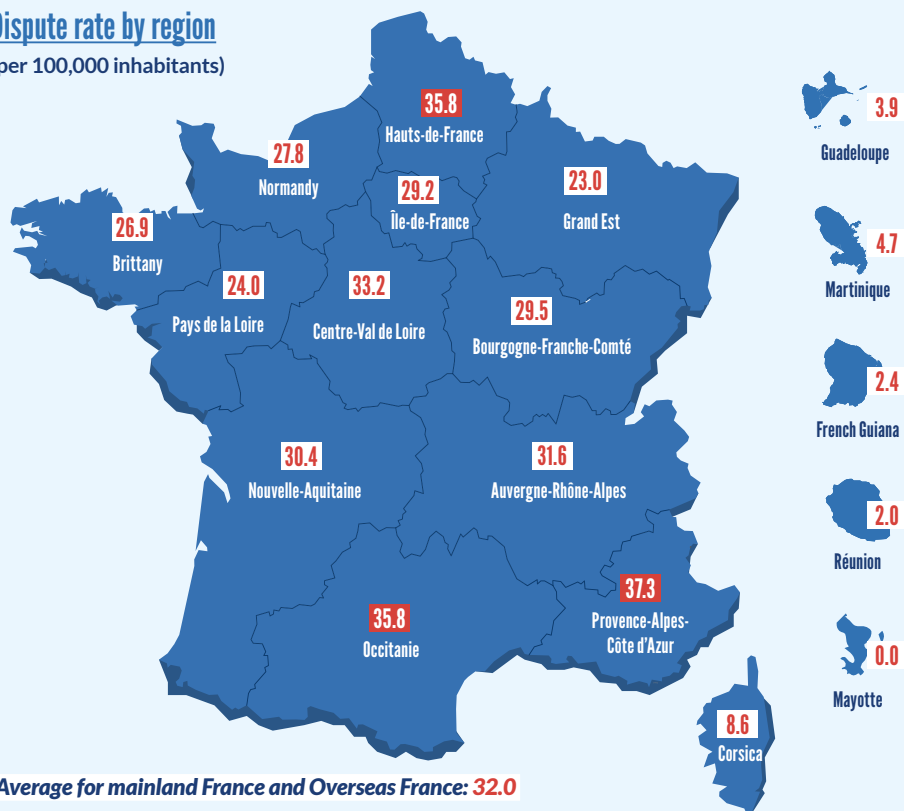


Change in the number of disputes received



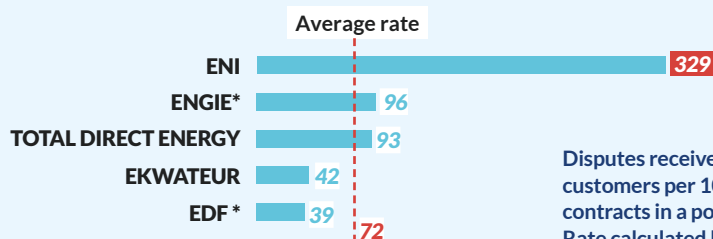
Dispute rate by region

(per 100,000 inhabitants)



Average for mainland France and Overseas France: **32.0**

Dispute rate by supplier



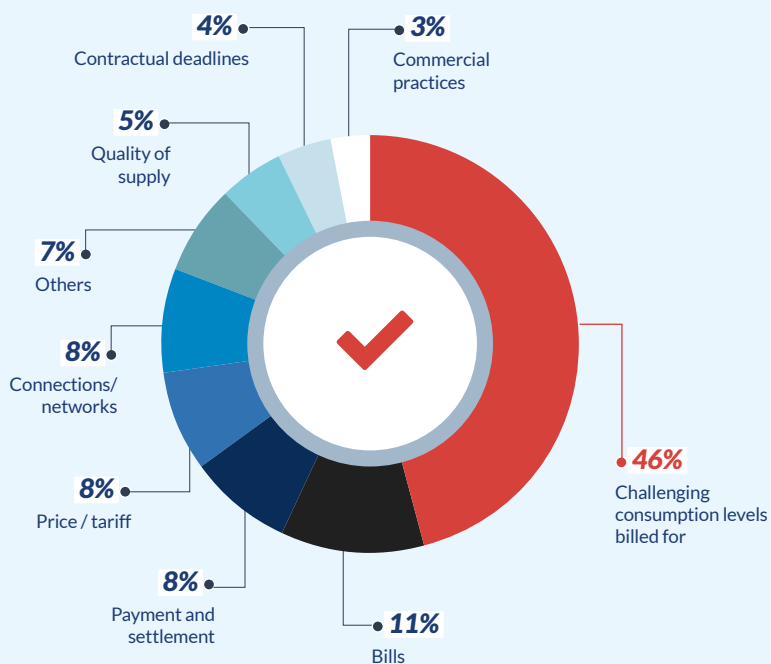
Disputes received in 2019 for residential customers per 100,000 gas or electricity contracts in a portfolio.

Rate calculated based on the number of average contracts in 2019.

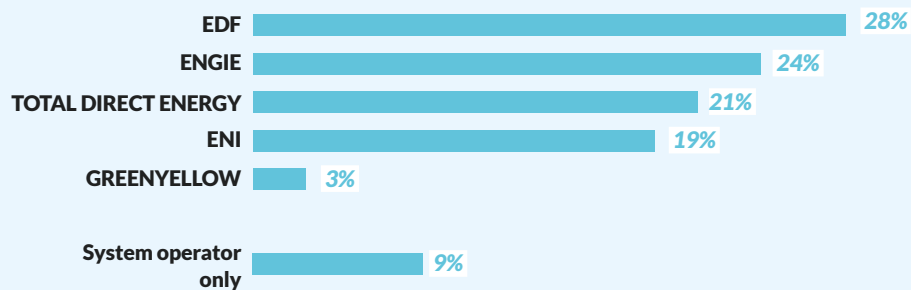
Note: only national suppliers with more than 100,000 customers in the ENEDIS/GRDF area appear.

*In the interest of fairness, disputes received by internal mediators from suppliers who have them are also accounted for.

Type of the 7,197 admissible disputes (in %)



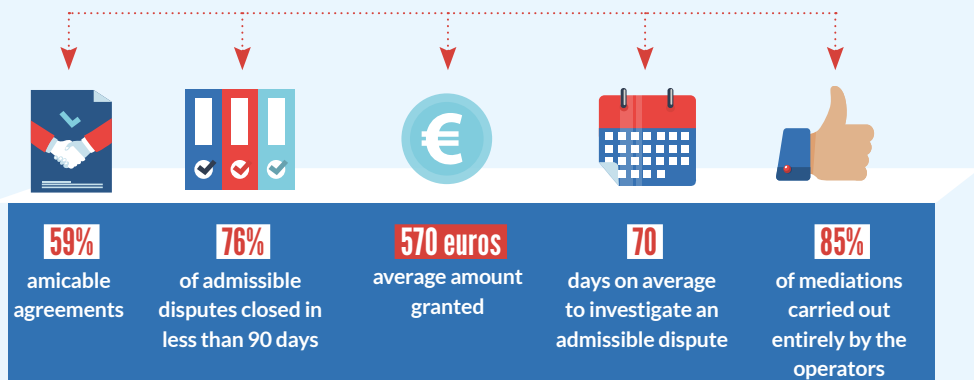
Breakdown of admissible disputes by supplier (in %)



DISPUTES HANDLED IN MEDIATION

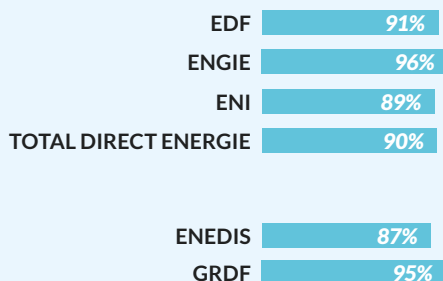
6,784

recommendations and amicable agreements in 2019



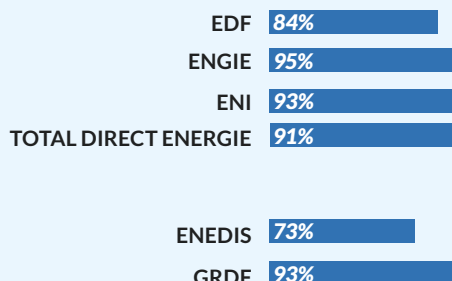
Follow-up of recommendations

Financial and non-financial



All operators: 90%

Financial (% granted on average)



All operators: 83%

Note: only operators with at least 500 recommendations are shown.

Consumer satisfaction

Telephone survey carried out by the Market Audit Institute between 5 and 7 February 2020 with a sample of 352 respondents who had referred matters to the National Energy Ombudsman.



92%

of consumers were willing to recommend the National Energy Ombudsman to a friend or relative.



90%

of the interviewees were satisfied with the Ombudsman's action.

The Ombudsman's teams were deemed



90%
expert

96%
accessible



91%
competent



94%
nice

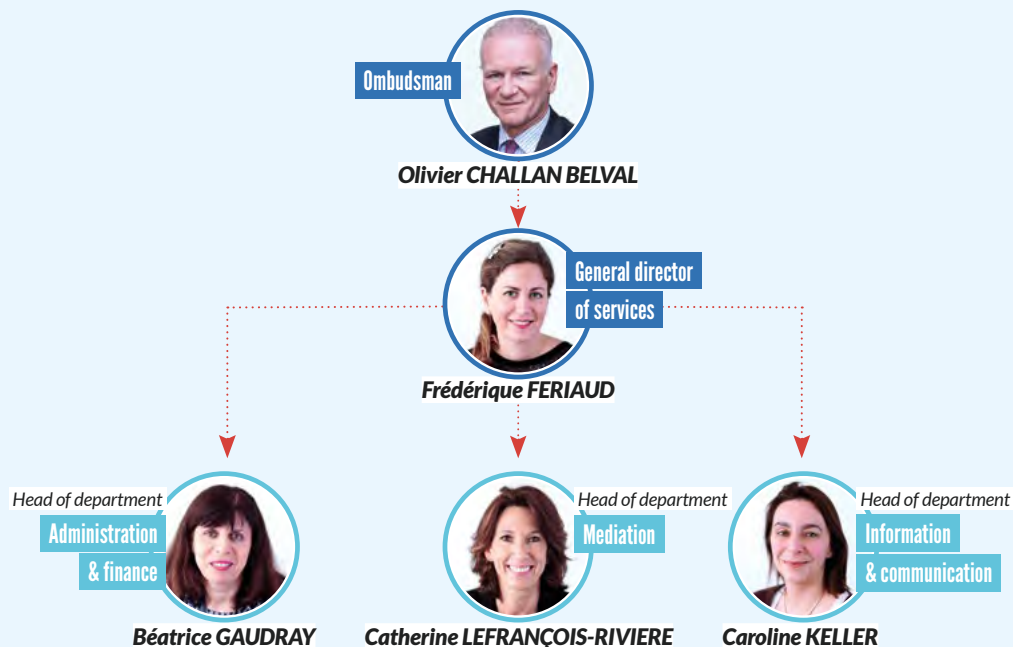


92%
responsive

92%
independent



ORGANISATION OF THE INSTITUTION



Olivier CHALLAN BELVAL was appointed National Energy Ombudsman on 25 November 2019 for a six-year term. He has been a State Councillor since December 1999; he has served in particular in the litigation division, then in the public works division. In the energy sector, he was first Director General of the Energy Regulatory Commission (CRE) from 2003 to 2008, then Commissioner at the CRE from 2011 to 2015. Most recently, he was a member of the CRE's Dispute Resolution and Sanctions Committee (CoRDîS in French) from March to November 2019.

Jean Gaubert was the National Energy Ombudsman from November 2013 to November 2019.

STAFF

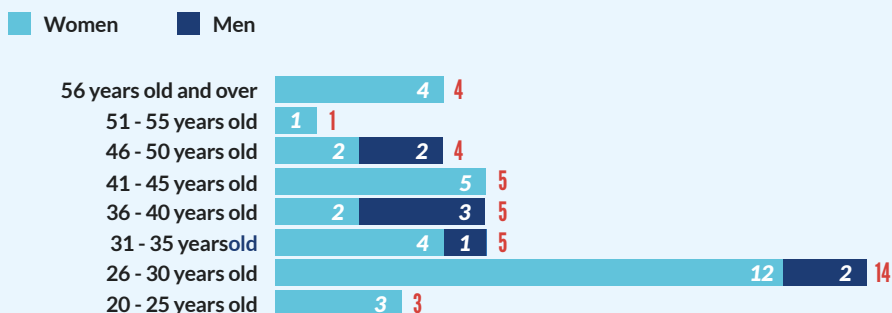
Breakdown of staff by duty



Teams as of 31 December 2019



Age pyramid for the National Energy Ombudsman's employees



Total: 41 employees

BUDGET

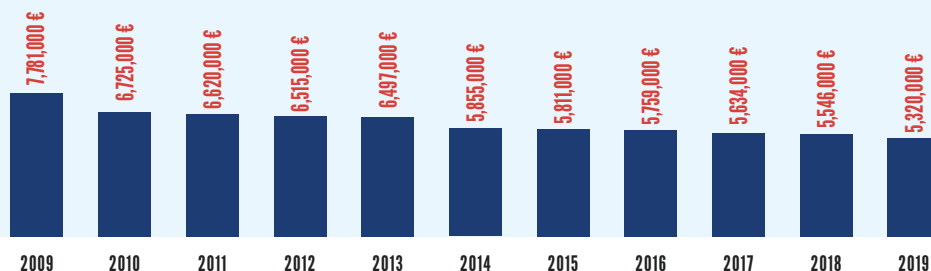
Budget by programme

Duties	Estimated budget	Actual budget	% budget execution
Resolving disputes	2,118,200 €	2,192,163 €	103%
Informing consumers	1,150,000 €	1,158,188 €	101%
Guiding performance	2,051,800 €	1,919,336 €	94%
TOTAL	5,320,000 €	5,269,687 €	99%

Breakdown of the actual budget by item

Items	Amount in €	%
Personnel	2,843,493 €	54.0%
Non-personnel operations including:	2,181,224 €	41.4%
Rent and property costs	924,698 €	18%
Information measures for the general public	237,040 €	4%
Other communication expenses	59,439 €	1%
External services for the Energie-Info consumer information system	321,628 €	6%
Other operating expenses	206,770 €	4%
Training	14,133 €	0.3%
Logistical and IT support	91,754 €	2%
Depreciation charges	227,086 €	4%
Provisions for risks	98,676 €	2%
Investment	244,970 €	4.6%
TOTAL	5,269,687 €	100%

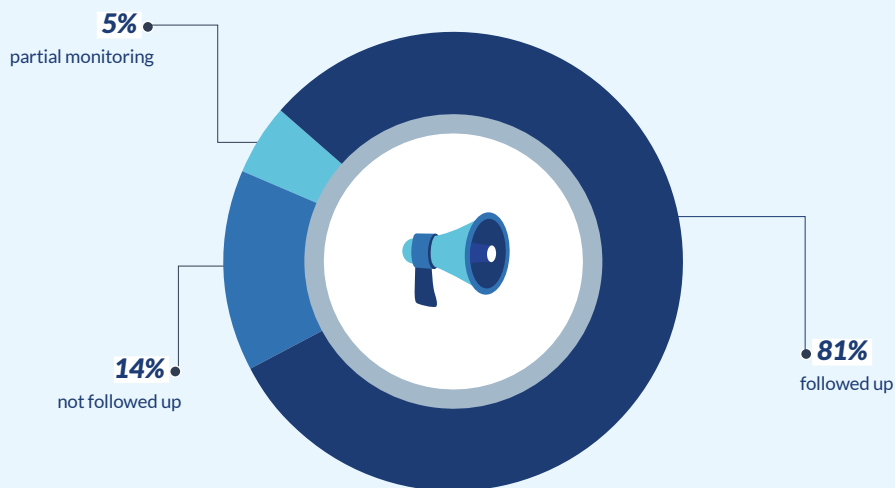
Estimated budget





GENERIC RECOMMENDATIONS


38 generic recommendations
issued in 2019 by the Ombudsman,
i.e. **403** since the position was created



GENERIC RECOMMENDATIONS ISSUED IN 2019


The generic recommendations propose changes to energy players to improve the functioning of the market, for the benefit of consumers and to prevent disputes.

A reminder about the regulations

-  The supplier must show on the bills the history of consumption in kWh over a full year preceding the bill's establishment, distinguishing between actual and estimated consumption (Article 4 of the Order of 18 April 2012 on electricity or natural gas supply bills, their terms of payment and the conditions for deferring or reimbursing overpayments).


Recommendation No. D2019-06966



-  The supplier must settle the billing of estimated consumption by:
- allocating consumption between two readings, before and after a price change, according to the duration of each period;
 - taking into account, where appropriate, the climatic coefficients adopted by the supplier;
 - using a single conversion coefficient over the settled period (Article 6 of the order of 18 April 2012).


Recommendation No. D2019-12999



-  The supplier must bill estimated consumption based on actual consumption previously recorded for similar periods (Article L.224-12 of the Consumption Code).


Recommendation No. D2019-12999



-  The supplier shall not put on "actual ENEDIS reading" its bills to account for the readings estimated by the supplier.


Recommendation No. D2019-11478



-  The supplier must apply a method of apportioning consumption pro rata temporis, in the event of a change in price and in the absence of readings, unless it provides for weighting coefficients in its General Terms and Conditions (Article 6 of the Order of 18 April 2012 on electricity or natural gas supply bills, their payment terms and the conditions for deferring or reimbursing overpayments).

Recommendation No. D2019-11478




-  The supplier must specify on its bills whether the consumption taken into account is actual or estimated or has been transmitted by the customer (Article 6 of the Order of 18 April 2012 on electricity or natural gas supply bills, their payment terms and the conditions for deferring or reimbursing overpayments).

Recommendation No. D2019-06966




A reminder about the regulations (continued)

-  The supplier must indicate on its bills the estimated date of the next bill and the deadline for repayment of the overpayment (Articles 4 and 11 of the Order of 18 April 2012 on electricity or natural gas supply bills, their terms of payment and the conditions for deferring or reimbursing overpayments).

Recommendation No. D2019-04262



-  The supplier must respect the deadline for informing customers in advance in the event of a change in the selling price of a ton of LPG (article L.224-22 of the Consumer Code).


Recommendation No. D2019-02320



-  The supplier must not call into question the commitment to a guaranteed price before it expires.


Recommendation No. D2019-01048



-  The distributor must send a new registered letter to the consumer before a period of 14 months expires, after sending an initial letter that did not allow a reading to be taken (Article L.224-11 of the Consumer Code).


Recommendation No. D2018-18759



-  If the supplier offers its customers the possibility of paying by direct debit, it must also offer them the possibility to subscribe to deals allowing them to pay their bills by cheque and in cash.


Recommendation No. D2018-12607



-  The supplier must not refuse a request for a Braille transcription of an energy bill (Article L.224-2 of the French Consumer Code).

Recommendation No. D2018-14620




-  The supplier must respect the termination date requested by its customers in accordance with Article L.224-14 of the Consumer Code.

Recommendation No. D2019-04183




Change of supplier

-  The supplier must define, on a transitional basis, with the distributor and in consultation with the CRE, a solution that guarantees customers the free choice to change supplier without opposing the unavailability of the seasonal transmission tariff formula.


Recommendation No. D2019-07653



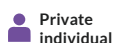
-  The supplier must rapidly upgrade its information system in order to be able to subscribe to all the transmission tariff formulas provided for by the TURPE.

Recommendation No. D2019-07653




-  The supplier should not unilaterally make supplier change data corrections (see generic recommendations 2012-0718; 2012-0636; 2012-0593).

Recommendation No. D2018-18809




Riser duct

-  The distributor must immediately and fully take charge of reinforcing the riser duct, integrated into the grid, whenever a request for a power increase shows that the riser duct needs to be reinforced. This cost is covered by the TURPE, the tariff for use of the public electricity distribution system.

Recommendation No. D2019-10895




Counting

-  The supplier must strictly apply the procedure for correcting a reference point measuring error during a LV contractual service ≤ 36 kVA, established under the aegis of the Energy Regulatory Commission, by urgently requesting commissioning to prevent or end a power supply interruption to the customer, particularly when the meter in question is a Linky meter.


Recommendation No. D2018-16690



-  The supplier must develop its procedures so that it does not refuse its customers who suspect an inversion of delivery point a 7-day time period to process their complaint.

Recommendation No. D2018-16155




-  The supplier must deal without delay with complaints from its customers whose contracts have been terminated in error and who suspect a delivery point inversion, and develop its internal procedures accordingly.

Recommendation No. D2018-16155




General terms and conditions of sale

-  The supplier shall not change its contractual conditions before the expiry of the initial term of commitment.


Recommendation No. D2019-11478



-  The supplier must reciprocally provide for the application of early termination penalties in the event that the contract is terminated because of the supplier before its term.

Recommendation No. D2019-09064




-  The supplier must draw up the transfer clause in a balanced manner, specifying :
- the conditions under which the supplier may object to a contract transfer;
 - the possibility for the customer to oppose the transfer of their contract to another supplier, for a legitimate reason, without paying penalties.

Recommendation No. D2019-09064




Tariff advice

-  The supplier must allow a customer to change their gas consumption class during the performance of the contract, without imposing a seniority condition.

Recommendation No. D2019-04395




Billing

-  The supplier must indicate the actual date of the reading or self-reading and not the billing date to account for a reading.


Recommendation No. D2019-07334



-  The supplier must specify on its bills the terms and conditions of price breakdown for the monthly subscription displayed.


Recommendation No. D2018-16750



-  The supplier must allow the consumer to refuse the revaluation of the monthly payments offered to them during the period and to modify the general terms and conditions of sale accordingly by informing the consumer of this possibility.


Recommendation No. D2019-09549



-  The supplier shall not issue a settlement bill before the due date, without legitimate justification (schedule incorrectly adjusted, no bill for a reading in the previous year) and without first notifying the client.


Recommendation No. D2018-18492



-  The supplier must provide for a monthly payment schedule of an amount and duration appropriate to the expected date of the first settlement bill, if it is to be issued before one year.


Recommendation No. D2018-18492



-  The supplier must specify on the bill the unit price of the various components of the TURPE [tariff for use of the public electricity distribution system] and the calculation bases taken into account for billing.

Recommendation No. D2019-00234




-  The supplier shall not charge a commissioning fee to its customers who switch from a regulated tariff to a market deal.

Recommendation No. D2019-05963




Information

-  The supplier must inform its customers in the event of a change in selling prices resulting from a change in regulations and respond quickly to complaints made on this subject.


Recommendation No. D2019-02833



-  The supplier must correct its subscription offer so as not to lead consumers to believe that any decrease in the regulated tariff would result in an equivalent decrease in the price per kWh for the coming year, which is not always the case. In the context of an increase in the regulated sales tariff followed by a decrease, the decrease is only taken into account if it does not bring the sales price below the subscription price.


Recommendation No. D2019-03129



-  The supplier must respect the one-month notice period to inform the customer of any price change (article L.224-10 of the Consumer Code).


Recommendations No. D2019-05527 and D2018-16750



-  The supplier must present the special offers and conditions of sale, indicating all the components of the TURPE to be added to the subscription and kWh price, so that consumers, and even businesses, can compare, in full knowledge of the facts, the prices of competing offers.

Recommendations No. D2019-00234 and D2018-18679




-  The distributor must inform the owners of the methods for disposing of green waste caused by pruning.

Recommendation No. D2019-14163




Payment

-  The supplier must take the direct debit on the due dates provided for in the monthly payment plan and clearly show the total amount of the monthly instalments taken on the settlement bill.

Recommendation No. D2019-04262



-  The supplier must systematically propose to its monthly customers a reassessment of the monthly payments when an interim reading reveals that the monthly payment plan initially drawn up is not in line with the consumption recorded by the reading.

Recommendation No. D2019-05701



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Drafting: Suo Sciente

Graphic design: Caracter

Printing: Clumic

ISSN: 2417-3231

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the National Energy Ombudsman.

Texts to be completed by Tuesday 9 June 2020



10-31-1614

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