



Consumer study on “Pre- contractual information and billing in the energy market – improved clarity and comparability”

Final report

EUROPEAN COMMISSION

Produced by Consumers, Health, Agriculture and Food Executive Agency (Chafea) on behalf of the European Commission Directorate-General for Justice and Consumers

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Consumer study on “Pre-contractual information and billing in the energy market – improved clarity and comparability”

Final report

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Luxembourg: Publications Office of the European Union, 2018

PDF	ISBN 978-92-9200-926-7	doi: 10.2818/770778	EB-01-18-609-EN-N
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Glossary

Country codes

AT	Austria	IT	Italy
BE	Belgium	LT	Lithuania
BG	Bulgaria	LU	Luxembourg
CZ	Czech Republic	LV	Latvia
CY	Cyprus	MT	Malta
DE	Germany	NL	Netherlands
DK	Denmark	PL	Poland
EE	Estonia	PT	Portugal
EL	Greece	RO	Romania
ES	Spain	SE	Sweden
FI	Finland	SI	Slovenia
FR	France	SK	Slovakia
HR	Croatia	UK	United Kingdom
HU	Hungary		
IE	Ireland	IS	Iceland
		NO	Norway

Abbreviations used

ACER	Cooperation of Energy Regulators
BEUC	The European Consumer Organisation
CEDEC	The European Federation of Local Energy Companies
CEER	Council of European Energy Regulators
EAN	European Article Numbering
EC	European Commission
NEON	National Energy Ombudsmen Network
NRA	National Regulatory Authority
Ofgem	Office of Gas and Electricity Markets (UK)
PCT	Price comparison tool
SPOC	Single Point of Contact
QR code	Quick Response code

Abstract

In order to provide a fair deal for energy consumers, the European Commission wants to make sure that Europeans have access to better information, more possibilities to engage in the energy market and are more in control of their energy costs. The current study provides results to assist the Commission in putting this objective in practice. This is done via investigating minimum requirements and options for standardisation of energy offers and bills that ensure increased clarity and comparability, and by putting forward better alternatives of “bill design”. The study also examines the main factors discouraging energy consumers from switching, with a focus on the impact of exit fees in this decision. Finally, price comparison tools (PCTs) in the energy sector are examined and (independent) verification schemes for such tools are identified.

The study covers all EU Member States, Iceland and Norway. Between December 2016 and March 2018, the following activities were carried out: consultations with national stakeholders (e.g. energy regulators and managers of PCTs); a consumer survey focussing on consumers’ experiences with electricity and gas suppliers; a behavioural experiment testing different ways of presenting pre-contractual information and bill formats; a data collection exercise gathering data on switching and exit fees and on information provided in energy offers and bills; and, a review of a sample of energy PCTs.

1. Introduction and background

1.1 Objectives and scope of the study

On 30 November 2016, the European Commission (EC) presented the Energy Union's "Clean energy for all Europeans" legislative package. This package has three main goals:

1. Putting energy efficiency first;
2. Achieving global leadership in renewable energies; and
3. Providing a fair deal for consumers.

By providing a fair deal for consumers, the EC wants to make sure that every European has access to better information, more possibilities to engage in the energy market and is more in control of their energy costs. It is also central to this goal that consumers can trust the energy policies and services. To this purpose, the EC wants to increase transparency in energy costs and prices.

Looking at the proposal for the revised Electricity Directive,¹ Chapter III of this Directive reinforces pre-existing consumer rights and introduces new rights that aim at putting consumers at the heart of the energy markets by ensuring that they are empowered and better protected.

Chapter III of the revised Directive also sets rules on clearer billing information. These new rules on clearer billing are an important step towards the Commission's objective of helping consumers understand their energy usage and bills. The objectives of the current consumer market study on "Pre-contractual information and billing in the energy market – improved clarity and comparability" are linked to the Commission's objectives specified above. More specifically, the study focusses on the following objectives:

- Investigate possible **minimum requirements and options for standardisation of pre-contractual information (offers) and bills** that could ensure **increased clarity, comparability and transparency** of contractual conditions, energy prices and consumption information.
- **Put forward better alternatives of "bill design"** that prominently display key information elements; this was accomplished by:
 - Making an in-depth analysis of consumer decision making processes (including preferences and behavioural biases) when reading pre-contractual information and bills; and
 - Identifying and testing through behavioural experiments different ways of presenting pre-contractual information and bill formats that contribute to increased clarity and comparability for the consumer.
- Explore how **different groups of consumers** engage with different balance of content, timing and formats of their energy bills as well as with different means of presenting the information.

An important challenge when delivering a "new deal" for energy consumers is that the average consumer tends to be disengaged with the energy market; most consumers only interact with their energy supplier when they have to pay their bill or deal with a problem. While the opportunity to switch between offers and gain the benefit of lower prices exist, consumers who do not actively search the market for better offers will not reap the benefits of lower prices. The EC wants to change this so that it will be easier for Europeans to compare offers and switch energy suppliers.

¹ Proposal for a Directive of the European Parliament and of the Council on common rules for the internal market in electricity (recast). COM/2016/0864 final/2 - 2016/0380 (COD)

As such, another important objective of the current study is:

- To examine the **main factors discouraging gas and electricity consumers from switching** (e.g. in particular burden of costs involved - **exit fees and their inter-play with other factors** such as administrative burdens, behavioural biases, presentation of offers etc.), and the extent to which each of these plays a role in their decisions.

Chapter III of the revised Electricity Directive, not only sets rules on clearer billing information, but also introduces new provisions on **certified price comparison tools (PCTs)**.

Although comparison tools have become an important tool for consumers to compare offers of different energy suppliers, the European Commission's 2nd Consumer Market Study on the Functioning of Retail Electricity Markets for Consumers in the EU² identified some issues related to comparison tools – for example, estimating potential savings appears to be difficult with many comparison tools.

The current study will build on the 2nd Electricity Market Study and the European Commission's study on the Coverage, Functioning and Consumer Use of CTs and 3rd-Party Verification Schemes:³

- To examine **possible issues concerning PCTs** in the energy sector, **identify (independent) verification schemes** where they exist, and make recommendations on which are the **best practices across the EU** with regard to establishing certification requirements for comparison tools that ensure a high level of transparency and quality of the information provided.

1.2 Main tasks and methodology used

This consumer study on "Pre-contractual information and billing in the energy market – improved clarity and comparability" addresses the objectives listed in the previous section via the following main tasks:⁴

- **Main Task 1** – Overall analysis of national policies related to pre-contractual information, billing, requirements on switching, including situations in which exit or termination fees "cannot be avoided", and certification schemes of PCTs in the energy sector.
- **Main Task 2** – In-depth consumer surveys in the 28 Member States plus Norway and Iceland, and comparative analysis of the results.
- **Main Task 3** – Collecting information provided in contracts and bills, and comparing information in bills and offers (including full disclosure on fuel sources). Collecting data on switching and exit fees, highlighting whether the information on such fees is available in contracts, bills and other material. Review of a sample of energy PCTs.
- **Main Task 5** – Behavioural experiments aimed at identifying which format(s) of pre-contractual information, and which key elements of energy offers and bills, enable comparability and best support optimal consumer choice and understanding.

² Available at: http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=53331

³ Available at: https://ec.europa.eu/info/sites/info/files/final-report-study-on-comparison-tools_en.pdf

⁴ Consumer market studies under the EU Consumer Programme (2014-2020) can use five main tasks to address the study objectives; in this specific contract, Main Task 4 (Mystery shopping) was not used.

1.2.1 Main Task 1 – Regulatory review and stakeholder consultation

Main Task 1 consisted of three data gathering channels: a literature review and review of the EU regulatory framework on information provision to consumers (Sub-task 1), a stakeholder consultation (Sub-task 2) and a consolidated presentation of the information collected in the different sub-tasks at a national level in 'country fiches' (Sub-task 3).

The **literature review** focussed mainly on available data on the retail electricity and gas markets, such as reports commissioned by the European Commission, legislative proposals by the European Commission, and reports published by the Agency for the Cooperation of Energy Regulators (ACER) and the Council of European Energy Regulators (CEER). At the same time, the review included literature available at national level, such as reports from national regulators and academic studies (e.g. studies focussing on energy poverty and switching behaviour).

The literature review at the EU and country level aimed at collecting information and data to get an in-depth understanding of relevant topics related to pre-contractual information, billing, requirements on switching and exit fees, and certification schemes for PCTs in the energy sector. The literature review was mainly conducted between December 2016 and February 2017.

In addition, the literature review of the **EU regulatory framework** on information provision to consumers consisted of examining the EU level legislation and regulatory framework affecting information provision for energy consumers across the EU28, Norway and Iceland. The study in particular verified the Electricity and Gas Directives, the Energy Efficiency Directive and the Renewable Energy Directive.

For the **stakeholder consultation**, the study relied on several communication methods that were directly deployed to stakeholder groups across each of the 30 countries included in this study. The consultation took place between April and September 2017. The consultation focused on collecting data on relevant aspects related to pre-contractual information, billing, requirements on switching, the functioning of PCTs and the legal framework in the energy sector at the national level.

As part of the stakeholder consultation, **national energy regulators and managers of PCTs** were surveyed using an online survey tool. Fieldwork took place between the 20 April 2017 and the 20 September 2017 for both stakeholder groups. The study received, in total, 12 responses from 40 regulators and 7 responses from 115 PCT managers sampled across the 30 countries in scope.

The stakeholder surveys were supplemented with dedicated communication addressed to a sample of **energy suppliers, industry representatives and consumer associations** in which they were asked to participate in the study by means of sharing relevant information. In total, 12 stakeholders replied to the communication request. In addition, the consultation included interviews with industry representatives and consumer organisations at the European level, taking into account differences in resources, roles and experience of these stakeholders in the market. Five in-depth phone interviews were conducted between June and September 2017.

The regulatory overview of **existing national rules (country fiches)** provides for each country in scope an overview of the EU and national legal framework in relation to the energy market, focussing on requirements for pre-contractual information, billing and PCTs.

The **country fiches** were compiled via integrating: (i) output from the legal review of the EU and national regulatory framework per country; (ii) output from desk research on the existing national rules and practices in relation to pre-contractual information, energy bills and PCTs; (iii) information collected through the PCT exercise (see Main Task 3); and (iv) contributions from the stakeholder consultation.

1.2.2 Main Task 2 – Consumer survey

In-depth consumer surveys were carried out between 11 September and 13 November in the **28 EU Member States, Iceland and Norway**. In total, **20,244 interviews were carried out via an online methodology**.⁵ The 'on the ground' execution of the online fieldwork was carried out by the Ipsos Interactive Service Bureau (IIS).

The target population for the consumer surveys were energy consumers, responsible (or jointly responsible) for paying the energy bills in their household. Consumers who did not receive energy bills, e.g. because energy costs are included in their rent, were excluded from the survey.

The consumer survey focussed on consumers' experiences with electricity and gas suppliers. More specifically, the survey looked at:

- Consumers' evaluation of the bills they receive from their energy supplier (gas and/or electricity);
- Consumers' evaluation of pre-contractual information and offers received from energy suppliers (gas and/or electricity); and
- Consumers' experiences with PCTs for comparing electricity and gas offers.

Across the EU28, 61% of consumers surveyed replied that they used both electricity and mains gas in their residence,⁶ while 40% only used electricity. Among the former respondents, those who used the same supplier for both electricity and mains gas outnumbered those using different suppliers (35% vs. 26%).

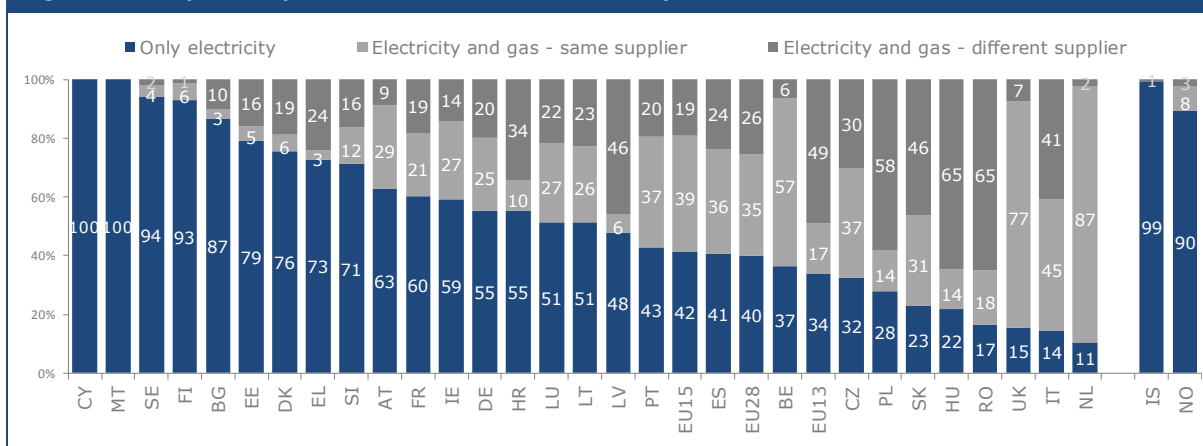
Figure 1 shows that there are large differences across countries in using the same versus different suppliers for mains gas and electricity. In countries like the Netherlands and the UK, a large majority of consumers with both electricity and mains gas in their residence use the same supplier for both types of energy. In countries like Hungary and Romania, on the other hand, a vast majority of consumers have both electricity and mains gas in their residence, but use different suppliers.

More details about the methodology of the consumer surveys is presented in Annex 3 of this report.

⁵ In Cyprus, no high-quality online access panels is yet operational and a telephone survey was conducted.

⁶ The survey only focussed on mains gas (or piped gas) and excluded the use of gas in bottles or tanks.

Figure 1: Sample composition of the consumer surveys



Note: Computed variable based on:

Q1. Do you use both electricity and mains gas in your residence? Please do not consider gas bottles or tanks.

Q2. Are you using the same supplier for gas and electricity?

Base: All respondents (EU28: n=19,239)

Source: Main Task 2 Consumer surveys

1.2.3 Main Task 3 – Data collection exercise on information provision in energy offers and bills, switching and exit fees, and energy PCTs

The overall objective of Main Task 3 was to understand current practices with respect to information disclosure in energy offers and bills. The exercise included:

- Collecting prices for green energy offers, brown energy offers, etc.;
- Comparing information in offers and bills;
- Collecting data on switching and exit fees;
- Reviewing the functioning of PCTs;
- Conducting research on additional aspects related to pre-contractual information, contracts, bills, presentation of information, etc. by consulting the websites of energy suppliers, energy regulators and PCTs; and
- Comparing information on offers and bills in both offline and online documents.

In particular, the data collection was performed on the basis of:

- **Online data collection** – collection of information available on the websites of energy suppliers, energy regulators and PCTs; and
- **Offline data collection** – comparison of information on energy offers and bills in both offline and online documents.

For the **online data collection**, three stakeholder sub-categories were defined: (1) energy suppliers, (2) PCTs and (3) energy regulators. Information was collected on energy offers and bills, on switching and exit fees, and on the overall functioning of, and information provision by PCTs. These activities were performed across the 28 EU Member States, Iceland and Norway.

The online data collection exercise was performed through a survey tool, available in spreadsheet file format, referred to as the 'Price Collection Matrix'. In the course of February until June 2017, this matrix was completed for each country and guarantees the consistency of information collected across all countries. For each country, native speaking researchers were requested to complete the matrix, by collecting available online information on pre-defined topics (e.g. pre-contractual information, tariffs displayed, example bills, general stakeholder information) from the following sources:

- Sample of up to six energy suppliers for electricity and gas;
- Sample of up to five energy PCTs; and
- Energy regulator in the country.

The data collection on information disclosure in bills was extended from example (online) bills, collected through online channels, to paper bills (**offline data collection**). The objectives of the offline data collection were to analyse energy bills on different parameters and verify whether energy bills in paper format objectively communicate tariff information, display peak/off-peak and special tariffs etc.

Paper energy bills were collected and analysed between February and September 2017 through the following methods:

- Through the European network of Deloitte employees, native speaking researchers for the countries in scope were asked to gather a sample of anonymised bills from energy suppliers in their country;
- By sending an email request to energy suppliers asking for a sample of energy contracts and bills for household consumers.

The detailed methodology for the price collection exercise is presented in Annex 4 of this report.

1.2.4 Main Task 5 – Behavioural experiments

The **online behavioural experiment** was conducted in conjunction with the consumer survey in 10 countries: France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The behavioural experiment lasted for 15 minutes, in addition to the time allocated to the consumer survey. In total, **10,134 respondents participated in the experiment across the 10 countries**.

The online behavioural experiment was made-up of the following stages, described briefly below:

- The **switch-or-stay** stage assessed both the objective comprehension of bill elements as well as the subjective perception of the bill, and the impact of clarity, comparability and search effort on consumers' ability to choose the optimal deal. Participants were given the task of choosing the cheapest deal. They were given a mocked-up bill for a given energy consumption profile, and asked whether they would like to remain with their original deal or switch to an alternative deal which may be at a lower price. The experiment varied whether participants could easily find switching and comparability-related information, whether participants were prompted to compare deals, whether exit fees would be charged, whether bills used the same language as PCTs, and the effort required to compare deals.
- The **willingness-to-switch** stage was a subjective choice stage that examined consumers' willingness to switch to alternative deals depending on exit fees and whether participants were informed about their savings from switching.
- The **billing** stage assessed participants' objective comprehension of a mocked-up bill, their subjective preferences and intention to change future behaviour. The experiment varied how easy it was to find information related to switching, and how energy consumption and the final energy price was presented.
- The **fuel mix** stage assessed participants' subjective perception of fuel mix presentation and intention to change future behaviour e.g. by finding out fuel mix of their own energy plan, or switching to a tariff with more renewable energy in the fuel mix.

In addition, **a laboratory experiment and focus groups** were carried out with 240 participants in **Germany and Slovenia**. The laboratory experiment groups included general groups as well as groups of vulnerable consumers, e.g. consumers 65 years and over, economically inactive consumers younger than 65, lower educated consumers etc. The focus groups were skewed towards vulnerable groups, since previous research has

shown that vulnerable consumers have difficulty engaging in and understanding energy markets (European Commission, 2016).⁷

In addition to this focus on vulnerable groups in the laboratory experiment, the data from the online behavioural experiment (and the consumer survey) were analysed taking into account the following socio-demographic characteristics:

- Age (over 64 year-olds, compared to under 65 year-olds);
- Activity status (economically inactive, compared to economically active respondents);
- Level of education (low level of education, compared to medium or high level of education); and
- Engagement in different online activities, such as reading news online, using social networks, using online banking etc. (low engagement in online activities, compared to medium and high engagement).

In the analysis of the data, specific attention is also paid to affordability, distinguishing between respondents who sometimes (or often) could not pay their energy bills on time and respondents who could afford paying their electricity bills. This characteristic was found to be a stronger predictor of perceptions and behaviour than other socio-demographic characteristics.

The laboratory experiments and focus groups are described in more detail in Annex 5 of this report.

⁷ European Commission (2016), 2nd Retail Electricity Market Study; Available at: http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=53331

2. Energy offers and pre-contractual information

The challenges that consumers face when seeking an alternative energy deal may constitute a key barrier to engaging with the market and controlling their energy costs. This is why this study looks at **consumers' understanding of energy offers**, and attempts to assess **which measures can help customers to easily and quickly understand the key elements of energy offers** available in the market and select the one(s) that best suit their needs.

Before presenting the findings on consumers' understanding of energy offers (see Section 2.3), the current situation with respect to content of energy offers and pre-contractual information is assessed. Section 2.1 looks at the **content of energy offers and requirements for pre-contractual information** at EU and national levels. Section 2.2 describes current practices with regard to **breakdown of price in energy offers**. Section 2.4 touches upon the topic of **bundled offers**. The last section of this chapter describes measures that can help customers understand the key elements of energy offers.

2.1 Content of energy offers and pre-contractual information

2.1.1 Requirements set in EU legislation

Energy suppliers should offer quality services at competitive prices to energy consumers allowing them to make meaningful choices. In order to do so, the EU legal framework requires energy suppliers to provide specific information prior to the conclusion of a contract in a clear and comprehensible manner.

This section provides an overview of the requirements set out in EU legislation with respect to the provision of **pre-contractual information (i.e. the content of offers)**. Specific pre-contractual information requirements are set out in the Electricity Directive⁸ and Gas Directive.⁹ The section also looks at the Consumer Rights Directive¹⁰ and the Unfair Commercial Practices Directive.¹¹

In Annex I, the **Electricity Directive 2009/72/EC** lists measures on consumer protection, including the right for a consumer to have a contract with the electricity service provider that specifies specific elements (see Box 1 below). The Directive further states that these elements shall be provided to the consumer prior to the conclusion or confirmation of the contract (pre-contractual).

⁸ Directive 2009/72/EC of the European Parliament and the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC

⁹ Directive 2009/73/EC of the European Parliament and the Council of 14 August concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC

¹⁰ Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council.

¹¹ Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council

Box 1: Extract from the Electricity Directive 2009/72/EC (Annex I)

(a) consumers have a right to a contract with their electricity service provider that specifies:

- The identity and address of the supplier
- The services provided, the service quality levels offered, as well as the time for the initial connection
- The types of maintenance service offered
- The means by which up-to-date information on all applicable tariffs and maintenance charges may be obtained
- The duration of the contract, the conditions for renewal and termination of services and of the contract and whether withdrawal from the contract without charge is permitted
- Any compensation and the refund arrangements which apply if contracted service quality levels are not met, including inaccurate and delayed billing
- The method of initiating procedures for settlement of disputes in accordance with point (f)
- Information relating to consumer rights, including on the complaint handling and all of the information referred to in this point, clearly communicated through billing or the electricity undertaking's web site

Conditions shall be fair and well-known in advance. In any case, this information should be provided prior to the conclusion or confirmation of the contract. Where contracts are concluded through intermediaries, the information relating to the matters set out in this point shall also be provided prior to the conclusion of the contract.

Source: Directive 2009/72/EC of the European Parliament and the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC

The **Gas Directive 2009/73/EC** establishes consumer protection requirements for Member States implying that "they shall ensure high levels of consumer protection, particularly with respect to transparency regarding contractual terms and conditions, general information and dispute settlement mechanisms" (Article 3). An extract from the Gas Directive on these requirements is presented in Box 2.

Box 2: Extract from the Gas Directive 2009/73/EC (Annex I)

ANNEX I (Measures on consumer protection)

(a) have a right to a contract with their gas service provider (...). Conditions shall be fair and well-known in advance. In any event, that information should be provided prior to the conclusion or confirmation of the contract. Where contracts are concluded through intermediaries, the information relating to the matters set out in this point shall also be provided prior to the conclusion of the contract;

(b) are given adequate notice of any intention to modify contractual conditions and are informed about their right of withdrawal when the notice is given. (...) Member States shall ensure that customers are free to withdraw from contracts if they do not accept the new conditions notified to them by their gas service provider;

(c) receive transparent information on applicable prices and tariffs and on standard terms and conditions, in respect of access to and use of gas services;

Source: Directive 2009/73/EC of the European Parliament and the Council of 14 August concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC

The **Consumer Rights Directive 2011/83/EU** (hereafter the 'CRD') applies to business-to-consumer contracts including "contracts for the supply of water, gas, electricity or district heating, including by public providers, to the extent that these commodities are provided on a contractual basis". In particular, the CRD sets out pre-contractual information requirements and regulates the right of withdrawal.

Article 5 (information requirements for on-premises contracts) and Article 6 (information requirements for distance and off-premises contracts) of the CRD set out requirements for information to be provided to the consumer before the contractual engagement. The information requirements that are relevant to the energy market are the following: characteristics of the service, identification of the supplier, geographical address, price including all additional charges and taxes or information about how the price is calculated, conditions such as costs associated with termination of the contract, arrangements for payment and delivery of the service, information related to the right of withdrawal,

customer assistance measures, duration of the contract, and the possibility of having recourse to an out-of-court complaint and redress mechanism.¹²

Article 7 (formal requirements for off-premises contracts) of the CRD further states that for off-premises contracts “the trader shall give the information provided for in Article 6(1) to the consumer on paper or, if the consumer agrees, on another durable medium. That information shall be legible and in plain, intelligible language.” Accordingly, in off-premises contracts, consumers should continue to receive all pre-contractual information on a durable medium.¹³

Box 3: Extract from Consumer Rights Directive 2011/83/EU (Article 5)

Article 5 Information requirements for contracts other than distance or off-premises contracts

1. Before the consumer is bound by a contract other than a distance or an off-premises contract, or any corresponding offer, the trader shall provide the consumer with the following information in a clear and comprehensible manner, if that information is not already apparent from the context:

(a) the main characteristics of the goods or services, to the extent appropriate to the medium and to the goods or services

(b) the identity of the trader, such as his trading name, the geographical address at which he is established and his telephone number

(c) the total price of the goods or services inclusive of taxes, or where the nature of the goods or services is such that the price cannot reasonably be calculated in advance, the manner in which the price is to be calculated, as well as, where applicable, all additional freight, delivery or postal charges or, where those charges cannot reasonably be calculated in advance, the fact that such additional charges may be payable

(d) where applicable, the arrangements for payment, delivery, performance, the time by which the trader undertakes to deliver the goods or to perform the service, and the trader’s complaint handling policy

(e) in addition to a reminder of the existence of a legal guarantee of conformity for goods, the existence and the conditions of after-sales services and commercial guarantees, where applicable

(f) the duration of the contract, where applicable, or, if the contract is of indeterminate duration or is to be extended automatically, the conditions for terminating the contract

(g) where applicable, the functionality, including applicable technical protection measures, of digital content

(h) where applicable, any relevant interoperability of digital content with hardware and software that the trader is aware of or can reasonably be expected to have been aware of

2. Paragraph 1 shall also apply to contracts for the supply of water, gas or electricity, where they are not put up for sale in a limited volume or set quantity, of district heating or of digital content which is not supplied on a tangible medium.

3. Member States shall not be required to apply paragraph 1 to contracts which involve day-to-day transactions and which are performed immediately at the time of their conclusion.

4. Member States may adopt or maintain additional pre- contractual information requirements for contracts to which this Article applies.

Source: Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council

¹² The paragraph provides a general overview of the requirements on information but does not use the actual paragraphs of the CRD. Please, refer to article 5 for the full list of information requirements (Box 3).

¹³ Durable medium means any instrument that enables the consumer or the trader to store information addressed to them personally in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored.

Box 4: Extract from Consumer Rights Directive 2011/83/EU (Article 6)

Article 6 Information requirements for distance and off-premises contracts

1. Before the consumer is bound by a distance or off-premises contract, or any corresponding offer, the trader shall provide the consumer with the following information in a clear and comprehensible manner:

- (a) the main characteristics of the goods or services, to the extent appropriate to the medium and to the goods or services
- (b) the identity of the trader, such as his trading name
- (c) the geographical address at which the trader is established and the trader's telephone number, fax number and e-mail address, where available, to enable the consumer to contact the trader quickly and communicate with him efficiently and, where applicable, the geographical address and identity of the trader on whose behalf he is acting
- (d) if different from the address provided in accordance with point (c), the geographical address of the place of business of the trader, and, where applicable, that of the trader on whose behalf he is acting, where the consumer can address any complaints
- (e) the total price of the goods or services inclusive of taxes, or where the nature of the goods or services is such that the price cannot reasonably be calculated in advance, the manner in which the price is to be calculated, as well as, where applicable, all additional freight, delivery or postal charges and any other costs or, where those charges cannot reasonably be calculated in advance, the fact that such additional charges may be payable. In the case of a contract of indeterminate duration or a contract containing a subscription, the total price shall include the total costs per billing period. Where such contracts are charged at a fixed rate, the total price shall also mean the total monthly costs. Where the total costs cannot be reasonably calculated in advance, the manner in which the price is to be calculated shall be provided
- (f) the cost of using the means of distance communication for the conclusion of the contract where that cost is calculated other than at the basic rate
- (g) the arrangements for payment, delivery, performance, the time by which the trader undertakes to deliver the goods or to perform the services and, where applicable, the trader's complaint handling policy
- (h) where a right of withdrawal exists, the conditions, time limit and procedures for exercising that right in accordance with Article 11(1), as well as the model withdrawal form set out in Annex I(B)
- (i) where applicable, that the consumer will have to bear the cost of returning the goods in case of withdrawal and, for distance contracts, if the goods, by their nature, cannot normally be returned by post, the cost of returning the goods
- (j) that, if the consumer exercises the right of withdrawal after having made a request in accordance with Article 7(3) or Article 8(8), the consumer shall be liable to pay the trader reasonable costs in accordance with Article 14(3)
- (k) where a right of withdrawal is not provided for in accordance with Article 16, the information that the consumer will not benefit from a right of withdrawal or, where applicable, the circumstances under which the consumer loses his right of withdrawal
- (l) a reminder of the existence of a legal guarantee of conformity for goods
- (m) where applicable, the existence and the conditions of after sale customer assistance, after-sales services and commercial guarantees
- (n) the existence of relevant codes of conduct, as defined in point (f) of Article 2 of Directive 2005/29/EC, and how copies of them can be obtained, where applicable
- (o) the duration of the contract, where applicable, or, if the contract is of indeterminate duration or is to be extended automatically, the conditions for terminating the contract
- (p) where applicable, the minimum duration of the consumer's obligations under the contract
- (q) where applicable, the existence and the conditions of deposits or other financial guarantees to be paid or provided by the consumer at the request of the trader
- (r) where applicable, the functionality, including applicable technical protection measures, of digital content
- (s) where applicable, any relevant interoperability of digital content with hardware and software that the trader is aware of or can reasonably be expected to have been aware of
- (t) where applicable, the possibility of having recourse to an out-of-court complaint and redress mechanism, to which the trader is subject, and the methods for having access to it.

2. Paragraph 1 shall also apply to contracts for the supply of water, gas or electricity, where they are not put up for sale in a limited volume or set quantity, of district heating or of digital content which is not supplied on a tangible medium.

3. In the case of a public auction, the information referred to in points (b), (c) and (d) of paragraph 1 may be replaced by the equivalent details for the auctioneer.

7. Member States may maintain or introduce in their national law language requirements regarding the contractual information, so as to ensure that such information is easily understood by the consumer.

Source: Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council

The CRD (Article 22) also requires traders to seek express consent of consumers to additional payments (options); such consent cannot be inferred from using default options ("pre-ticked boxes").

Finally, the **Unfair Commercial Practices Directive 2005/29/EC** is also relevant since it prohibits more generally misleading information and omission of information. As set out in Article 6, a misleading action is any misleading commercial practice containing information that "is likely to cause [the consumer] to take a transactional decision that he would not have taken otherwise." The article specifically mentions "the price or the manner in which the price is calculated, or the existence of a specific price advantage." Article 7 prohibits omissions of material information that consumers need to take informed transactional decisions.

Box 5: Extract from Unfair Commercial Practices Directive 2005/29/EC (Article 6)

Article 6 Misleading Actions

1. A commercial practice shall be regarded as misleading if it contains false information and is therefore untruthful or in any way, including overall presentation, deceives or is likely to deceive the average consumer, even if the information is factually correct, in relation to one or more of the following elements, and in either case causes or is likely to cause him to take a transactional decision that he would not have taken otherwise:

(a) the existence or nature of the product

(b) the main characteristics of the product, such as its availability, benefits, risks, execution, composition, accessories, after-sale customer assistance and complaint handling, method and date of manufacture or provision, delivery, fitness for purpose, usage, quantity, specification, geographical or commercial

origin or the results to be expected from its use, or the results and material features of tests or checks carried out on the product

(c) the extent of the trader's commitments, the motives for the commercial practice and the nature of the sales process, any statement or symbol in relation to direct or indirect sponsorship or approval of the trader or the product

(d) the price or the manner in which the price is calculated, or the existence of a specific price advantage

(e) the need for a service, part, replacement or repair

(f) the nature, attributes and rights of the trader or his agent, such as his identity and assets, his qualifications, status, approval, affiliation or connection and ownership of industrial, commercial or intellectual property rights or his awards and distinctions

(g) the consumer's rights, including the right to replacement or reimbursement under Directive 1999/44/EC of the European Parliament and of the Council of 25 May 1999 on certain aspects of the sale of consumer goods and associated guarantees (1), or the risks he may face.

2. A commercial practice shall also be regarded as misleading if, in its factual context, taking account of all its features and circumstances, it causes or is likely to cause the average consumer to take a transactional decision that he would not have taken otherwise, and it involves:

(a) any marketing of a product, including comparative advertising, which creates confusion with any products, trade marks, trade names or other distinguishing marks of a competitor; (b) non-compliance by the trader with commitments contained in codes of conduct by which the trader has undertaken to be bound, where: (i) the commitment is not aspirational but is firm and is capable of being verified, and (ii) the trader indicates in a commercial practice that he is bound by the code.

Source: Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council

In summary, the EU legislation applicable to pre-contractual (and contractual) information allows consumers to be better protected against malpractices and requires traders to provide consumers with transparent contractual terms and conditions as well as information relative to their rights and the means of dispute settlement available to them.

2.1.2 Transposition of the Consumer Rights Directive into the national legislation

Most articles in the Consumer Rights Directive 2011/83/EU (hereafter the 'CRD') are implemented on the basis of a maximum harmonisation approach. The concept of 'full harmonisation' is laid out in the CRD in Article 4. It states that "Member States shall not maintain or introduce, in their national law, provisions diverging from those laid down in this Directive, including more or less stringent provisions to ensure a different level of consumer protection, unless otherwise provided for in this Directive."¹⁴ In justifying the use of the principle, Recital 7 of the Directive indicates that "full harmonisation of some key regulatory aspects will considerably increase legal certainty for both consumers and traders." The effect of this harmonisation should be able to "eliminate the barriers stemming from the fragmentation of the rules and to complete the internal market in this area."

In that perspective, the CRD has fully harmonised certain consumer protection rules applying to off-premises and distance purchases of goods and services, as well as the provision of digital content, mainly related to pre-contractual information requirements and the right of withdrawal. For example, while Article 5 on the 'Information requirements for contracts other than distance or off-premises contracts' requires a minimum harmonisation (allowing Member States to go beyond these requirements), Article 6 requires full harmonisation.

The current section provides an overview whether the CRD has been transposed into the national legislation. The analysis is based on an evaluation performed by the EC in 2017 (Study on the application of the Consumer Rights Directive 2011/83/EU).¹⁵ In parallel to this evaluation, the EC carried out an open public consultation (OPC) from 12 May to 12 September 2017 as part of the Fitness Check of EU consumer and marketing law. The study established the degree to which the objectives of the CRD have been achieved within the EU28 Member States, with respect to a high level of consumer protection and the contribution to a proper functioning of the internal market.

Table 1 (on the next page) sets out the different legislative pieces that implement the CRD at the individual country level.¹⁶ It is important to note that in some cases, the CRD has been implemented by amending existing legislation, and the implementation date with reference to these amendments is also provided in the table below.

¹⁴ Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council.

¹⁵ European Commission, 2017. Results of the Fitness Check of consumer and marketing law and of the evaluation of the Consumer Rights Directive. Study on the application of the Consumer Rights Directive. Available at: http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=59332

¹⁶ Detailed information regarding the national implementation of the CRD in each of EU28 Member States can be found in dedicated country fiches in Annex 1 of the 'Study on the application of the Consumer Rights Directive'. The country fiches show the previous situation and changes compared to the previous situation per country. Available at: http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=59332

Table 1: Transposition of the Consumer Rights Directive in the national legislation		
	Main implementing legislation	Date of implementation
AT	Verbraucherrechte-Richtlinie-Umsetzungsgesetz (the "Austrian Act")	July 2014
BE	Book VI of the Economic Law Code on Market Practices and Consumer Protection (the "Book VI Act")	December 2013
BG	Consumer Protection Act of 25 July 2014 amending Consumer Protection Act of 10 June 2006	July 2014
CY	The 2013 Law on Consumer Rights, Law 133(I)/2013	November 2013
CZ	Act No. 89/2012 Coll. (i.e. Civil Code)	January 2014
DE	Act Implementing the Consumer Rights Directive (CRD) and amending the law regulating the property agency (Gesetz zur Umsetzung der Verbraucherrechterichtlinie und zur Änderung des Gesetzes zur Regelung der wohnungsvermittlung)	June 2013
DK	Danish Consumer Rights Act (Lov om forbrugeraftaler)	December 2013
EE	Estonian Law of Obligations Act (the 'ELOA'), and the Consumer Protection Act	January 2014
EL	Joint Ministerial Decision No Z1-891/2013 amending Law No.2251/1994 on consumer protection	June 2014
ES	Law 3/2014 of 27 March 2014 amending Royal Legislative Decree 1/2007 of 16 November 2007	March 2014
FI	Finnish Consumer Protection Act	June 2014
FR	French Law on Consumer Protection (Law no. 2014-344)	February 2014
HR	Consumer Protection Act (CPA) NN 41/14 = Zakon o zaštiti potrošača (ZZP)	March 2014
HU	Government Decree 45/2014 of 26 February 2014 laying down detailed rules for contracts between consumers and undertakings	February 2014
IE	European Union (Consumer Information, Cancellation and Other Rights) Regulations 2013	December 2013
IT	Legislative Decree No. 21/2014	February 2014
LT	Lithuanian Law on Consumer Protection (10 November 1994, No. I-657)	June 2014
LU	The Law of 2 April 2014 (amending the 2011 Luxembourg Consumer Code)	April 2014
LV	Consumer Rights Protection Law ("CRPL")	April 2014
MT	Consumer Rights Regulations 2013	June 2014
NL	Dutch Civil Code (as amended)	June 2014
PL	Act dated 30 May 2014 on Consumer Rights	May 2014
PT	Law Decree n. 24/2014 (Decreto-Lei n. 24/2014, de 14 de fevereiro)	February 2014
RO	Government Emergency Order No 34/2014 on consumer rights under contracts concluded with traders, and amending certain legislative acts	June 2014
SE	Swedish Consumer Sales Act (SFS 2014:11)	January 2014
SI	Consumer Protection Act (Official Gazette of RS, No. 98/2004, 126/2007, 86/2009, 78/2011, 38/2014)	May 2014
SK	Act No. 102/2014 Coll. "On consumer protection in the sale of goods or provision of services under remote agreements or agreements executed outside business premises of the Seller"	June 2014
UK	Consumer Rights Act 2015 ("CRA")	October 2015

Note: The table lists the transposition of the CRD in the national legislation for the EU28 Member States (no data is available for Iceland and Norway)

Source: 2017 European Commission Study on the application of the Consumer Rights Directive 2011/83/EU

The comparative analysis performed by the European Commission of the legislative situation pre-CRD and post-CRD highlighted that, for many of the key provisions of the CRD, consumer protection has been strengthened in most, if not all, Member States. The evaluation further showed that the level of pre-contractual information that traders are required to provide to consumers in the CRD under Article 5 and Article 6 has increased in

all Member States since the implementation of the CRD. Nevertheless, there remain some provisions where awareness is low (e.g. inertia selling). Other provisions are not being applied by traders as much, such as the provision of withdrawal forms or a complete set of information about the trader as required in Article 6(1) and Article 5(1). Lastly, the study noted that compliance overall varies according to the sector with lower compliance in some sectors, such as the energy sector and telecommunications sector.

2.1.3 Presenting information on final energy price and its components

Annex I of the **Electricity Directive 2009/72/EC**¹⁷ specifies that consumers have a right to “receive **transparent information on applicable prices and tariffs** and on standard terms and conditions, in respect of access to and use of gas services”. Moreover, the **Consumer Rights Directive 2011/83/EU**¹⁸ stipulates that information requirements for contracts other than distance or off-premises contracts shall include “the total price of the goods or services inclusive of taxes, or where the nature of the goods or services is such that the price cannot reasonably be calculated in advance, **the manner in which the price is to be calculated**, as well as, where applicable, all additional freight, delivery or postal charges or, where those charges cannot reasonably be calculated in advance, the fact that such additional charges may be payable.”

In Main Task 3, researchers analysed pre-contractual information presented on suppliers’ websites and recorded which price elements were displayed. The table below presents the number of suppliers (out of a sample of up to seven suppliers per country) that breaks down the price of their cheapest offer for a consumption level of approximately 2,500-3,500 kWh.

In total, 145 energy suppliers’ websites were analysed. A majority of these suppliers (91 out of 145, or 63%) **provide a breakdown of the price of the cheapest energy offer** published on their website. The analysis table below also shows that energy suppliers’ practices vary within countries; for example, in Denmark, two of the six suppliers analysed provide a breakdown of the price of their cheapest energy offer, while the remaining suppliers only display the price of their offers.

	Number of suppliers breaking down the price	Energy price	Distribution	Network	Taxes and levies	VAT	Discount
AT	5 out of 6	6	0	1	1	5	1
BE	5 out of 6	6	4	5	5	3	1
BG	0 out of 4	4	0	0	0	0	0
CY	0 out of 1	1	0	0	0	0	0
CZ	1 out of 4	4	1	0	0	1	0
DE	5 out of 6	6	5	0	0	1	1
DK	2 out of 6	6	2	0	1	1	0
EE	3 out of 3	3	0	0	0	1	0
EL	1 out of 5	5	1	1	0	1	0
ES	4 out of 6	6	0	4	1	0	0
FI	0 out of 6	6	0	0	0	0	0
FR	6 out of 6	6	5	5	6	6	0
HR	4 out of 6	6	5	1	2	3	0

¹⁷ Directive 2009/72/EC of the European Parliament and the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC

¹⁸ Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council.

Table 2: Price elements displayed for the cheapest offer (consumption level of 2,500-3,500 kwh)

	Number of suppliers breaking down the price	Energy price	Distribution	Network	Taxes and levies	VAT	Discount
HU	5 out of 6	6	5	4	0	4	0
IE	5 out of 5	5	0	0	4	5	5
IT	3 out of 5	5	3	3	0	0	0
LT	0 out of 2	2	0	0	0	0	0
LU	4 out of 6	6	2	4	1	0	2
LV	3 out of 4	4	3	0	0	3	0
MT	1 out of 1	1	0	0	1	1	0
NL	7 out of 7	7	7	7	7	7	0
PL	5 out of 6	6	0	0	5	5	0
PT	0 out of 2	2	0	0	0	0	0
RO	1 out of 4	4	0	0	1	1	0
SE	6 out of 6	6	0	0	4	5	2
SI	6 out of 6	6	1	1	1	6	0
SK	6 out of 6	6	1	1	0	5	0
UK	0 out of 5	5	0	0	0	0	0
IS	3 out of 3	3	0	0	0	3	0
NO	0 out of 6	6	0	0	0	0	0
TOTAL	91 out of 145	145	45	37	40	67	12

Source: Main Task 3 Data collection exercise

The table above also shows **which price elements** (other than the total price) are generally displayed on the websites of energy suppliers. The data was collected again for the cheapest offer published on the energy supplier's website for a consumption of approximately 2,500-3,500 kWh. The results indicate that, for the sample of 145 suppliers, the price breakdown generally displays the following elements:

- **Distribution costs**, in 31% of the cases (45 out of 145 suppliers);
- **Network costs**, in 26% of the cases (37 out of 145 suppliers);
- **Taxes and levies**, in 28% of the cases (40 out of 145 suppliers);
- **VAT**, in 46% of the cases (67 out of 145 suppliers); and
- **Discounts**, in 8% of the cases (12 out of 145 suppliers).

Finally, 14 suppliers also include other price elements in the breakdown, such as the price of other services included in the offer, a monthly fee and a subscription fee.

2.2 Consumers' understanding of energy offers

It was noted in the previous section that the Consumer Rights Directive 2011/83/EU requires suppliers to provide customers with pre-contractual information about their offers in a clear and comprehensible manner. Despite this Directive being implemented in most Member States, and even stricter regulatory requirements being in place in some countries (see Section 2.1.2), consumers across the EU are facing difficulties in comparing offers and choosing the right one for them.

For example, a survey in the Netherlands conducted by a consumer association in 2016¹⁹ observed that consumers are facing difficulties to compare energy offers. In that survey, 36% of Dutch consumers reported that price information is displayed in an easy and simple way, whereas 31% indicated this was not the case. Comparisons were described as difficult because suppliers each have another approach to display the total price and structure of the prices. In Main Task 2, survey respondents were asked a similar set of questions focussing on the ease of comparing energy offers; the results are presented in Section 2.3.3. However, before presenting the results on comparability of offers, the survey findings with respect to the proportion of respondents who have compared offers and most used channels to compare offers are presented.

2.2.1 Searching/receiving energy offers

Figure 2 (on the next page) presents, for each country covered in the consumer survey,²⁰ the total proportion of consumers who had searched for, or received, offers from alternative providers in the past 12 months. This indicator provides information on the **level of consumer engagement with the energy market when it comes to searching for a better offer**.

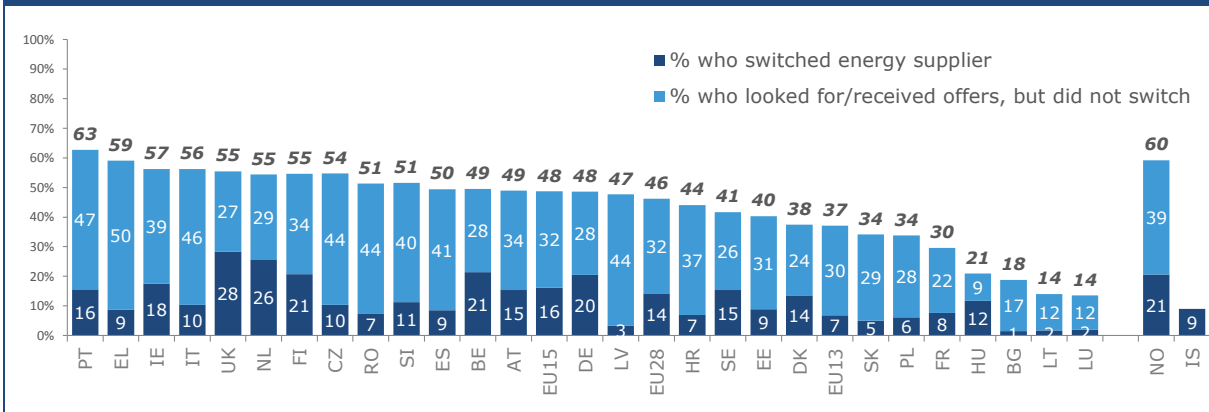
The proportions presented in Figure 2 were calculated based on the responses to two questions in the survey. Respondents were first asked whether they had switched energy suppliers in the past 12 months; all respondents who had switched were counted in the proportion, as these respondents would need to have looked for, or received, alternative offers before switching. Respondents who had not switched supplier were asked explicitly whether they had looked for, or received, any offers from other energy suppliers in the past 12 months.

In Portugal, 63% of energy consumers had looked for, or received, offers from other energy suppliers in the 12 months preceding the interview. The average figure for the EU15 countries is 48%; Greece is placed closest to Portugal (with a proportion of 59%), while Luxembourg is the outlier with just 14% of consumers who had looked for, or received, offers from other energy suppliers in past 12 months. France, Denmark and Sweden also score considerably lower than the EU15 average.

¹⁹ Accessed from: https://www.acm.nl/sites/default/files/old_publication/publicaties/17245_energiemonitor-voor-consumenten-tweede-helft-2016.pdf

²⁰ This indicator was not calculated for Cyprus and Malta since switching is not yet possible in these two countries.

Figure 2: Consumers who received or searched for alternative offers (combining consumers who switched and those that did not switch) (by country)



Note: Computed variable based on:

Q18a. Have you switched energy supplier (gas and/or electricity) in the past 12 months?

Q20b. In the past 12 months, have you received or looked for deals from other energy suppliers?

Base: All respondents (EU28, excl. CY and MT: n=18,223)

Source: Main Task 2 Consumer surveys

In the EU13 countries, the proportion of consumers who had looked for, or received, offers from other energy suppliers in the past 12 months tended to be lower than in the EU15 countries, with an average result of 37%. Lithuania, Bulgaria and Hungary are found at the bottom of the country ranking (with proportions between 14% and 21%), while Latvia, Slovenia, Romania, and the Czech Republic join the EU15 countries at the higher end of the country ranking (with proportions between 47% and 54%).

Younger and higher educated respondents and those finding it easy to make ends meet were more likely than their counterparts to have looked for, or received offers from other energy suppliers in the past 12 months. Respondents who indicated that they used the internet regularly for various activities were overall the most likely to have looked for, or received offers from other energy suppliers (58%, compared to 47% of 'medium' internet users and 36% of 'low' internet users).

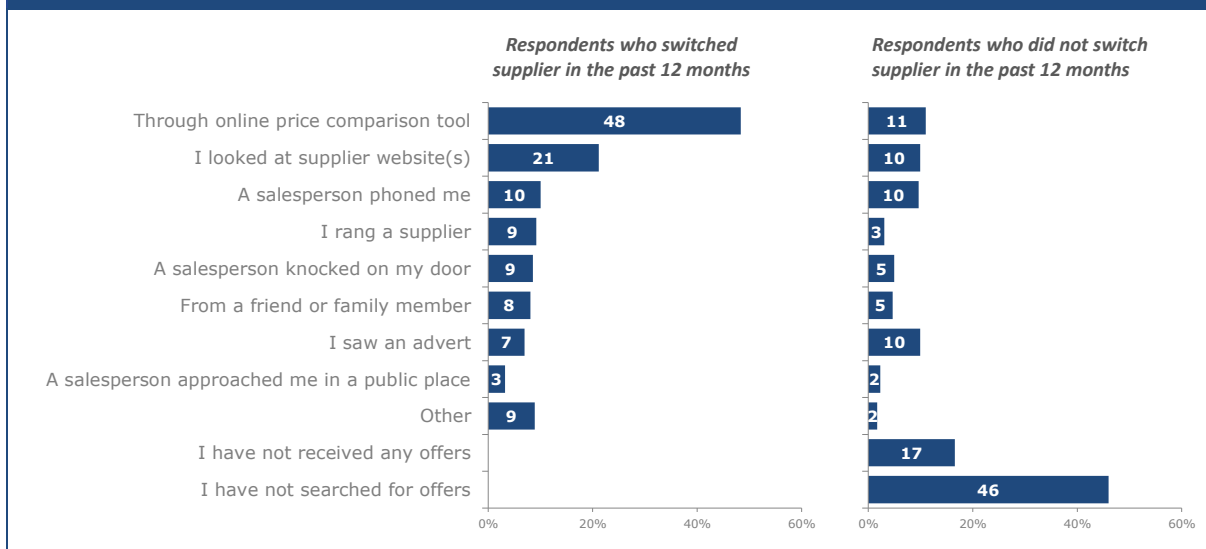
2.2.2 Most common channels to receive/look for energy offers

The largest share (48%) of survey respondents who had switched suppliers in the past 12 months has found out about alternative deals via an online price comparison tool (PCT) and one in five (21%) of these respondents had looked at suppliers' websites. The current study confirms that the **use of energy PCTs has risen significantly across the EU**. Chapter 3 of this report is dedicated to energy PCTs.

Door-to-door and other uninvited sales channels were less important; for example, 10% of survey respondents who had switched suppliers in the past 12 months had found out about alternative deals through a phone call by a salesperson. The corresponding figures for a visit by a salesperson and contact with a salesperson in a public space were 9% and 3%, respectively. Although this type of channels was less important at EU level, the results in Table 3 (further down) illustrate that door-to-door and other uninvited sales channels remain important in selected countries (such as Italy and Portugal).

Consumers who had not switched in the past 12 months were also asked if they had received or had looked for deals from other energy suppliers. A majority (63%) of these consumers had not looked for, or received any offers from other suppliers during this timeframe. The remaining respondents, for example, had used a PCT to look for deals (11%), had looked at supplier's websites (10%), had seen an advert (10%) or had been phoned by a salesperson (10%).

Figure 3: Most common channels to receive/look for energy offers (EU28)



Question wording:

Q20a (chart on the right). Thinking about the last time you switched energy supplier, how did you find out about the deals offered by the supplier you switched to? Base: Respondents who switched supplier in the past 12 months (EU28, excl. CY and MT: n=2,239)

Q20b (chart on the left). In the past 12 months, have you received or looked for deals from other energy suppliers? Base: Respondents who did not switch suppliers in the past 12 months (EU28, excl. CY and MT: n=15,984)

Note: Questions not asked in Cyprus and Malta

Source: Main Task 2 Consumer surveys

The individual country results presented in Table 3 (see next page) show that PCTs were most frequently used in the UK: 35% of survey respondents had used such a tool in the past 12 months to look for deals from other energy suppliers. In Austria, the Netherlands and Germany, this figure was between 22% and 29%. In the Czech Republic, Slovenia and Romania, one in six respondents had looked at suppliers’ websites in the past 12 months, while fewer respondents had used PCTs (between 10% and 14%).

In Greece, Romania and Latvia, roughly one in four consumers (between 24% and 27%) answered that they had seen an advert with deals from other energy suppliers; in the Netherlands, on the other hand, just a handful (3%) had seen such an advert.

In Ireland and Portugal, one in five respondents had received a visit from a sales person, while a quarter of respondents in Portugal, Italy and Norway had received information about alternative offers for gas and/or electricity from a sales person who had phoned them up.

Table 3: Most common channels to receive/look for energy offers (by country)

	Through online price comparison tool	I looked at supplier websites	I saw an advert	A salesperson phoned me	A salesperson knocked on my door	From a friend or family member	I rang a supplier	A salesperson approached me in a public place	Other
*EU28	16%	12%	10%	10%	6%	5%	4%	2%	3%
EU15	18%	12%	8%	10%	5%	5%	4%	2%	3%
*EU13	8%	11%	14%	7%	6%	6%	3%	2%	3%
UK	35%	16%	4%	3%	2%	3%	4%	1%	3%
DE	29%	10%	9%	6%	3%	5%	3%	2%	2%
NL	24%	12%	3%	10%	12%	1%	2%	5%	5%
AT	22%	10%	18%	2%	2%	8%	4%	4%	4%
EL	19%	14%	24%	26%	2%	12%	5%	5%	1%
FI	19%	12%	9%	16%	2%	4%	4%	10%	4%
BE	18%	9%	5%	11%	6%	3%	3%	4%	8%
SE	16%	6%	4%	12%	2%	3%	3%	2%	3%
IE	14%	11%	14%	6%	21%	6%	6%	4%	2%
SI	14%	17%	21%	6%	7%	8%	5%	2%	5%
LV	13%	16%	27%	7%	1%	6%	3%	0%	2%
EE	13%	12%	12%	11%	0.4%	5%	2%	4%	3%
CZ	12%	17%	22%	13%	9%	8%	5%	2%	3%
PT	11%	12%	11%	24%	20%	4%	6%	4%	3%
IT	10%	14%	11%	25%	8%	6%	6%	3%	2%
RO	10%	18%	24%	6%	11%	10%	5%	5%	4%
HR	9%	14%	17%	8%	10%	9%	2%	2%	1%
PL	8%	8%	10%	9%	4%	4%	3%	2%	1%
ES	7%	16%	9%	10%	9%	10%	7%	3%	2%
SK	6%	7%	10%	7%	11%	5%	3%	2%	1%
FR	6%	7%	8%	6%	4%	3%	3%	1%	3%
DK	5%	3%	4%	17%	2%	2%	3%	5%	4%
BG	5%	8%	7%	2%	2%	5%	2%	1%	2%
HU	3%	4%	5%	2%	1%	1%	3%	0%	8%
LU	3%	4%	6%	1%	1%	3%	1%	1%	2%
LT	3%	3%	4%	2%	0%	3%	2%	1%	1%
NO	11%	8%	13%	26%	5%	4%	4%	8%	4%
IS	1%	2%	1%	1%	0%	0.4%	1%	0%	3%

Computed variable based on:

Q20a. Thinking about the last time you switched energy supplier, how did you find out about the deals offered by the supplier you switched to?

Q20b. In the past 12 months, have you received or looked for deals from other energy suppliers?

Base: All respondents (EU28, excl. CY and MT: n=18,223)

Note: Questions not asked in Cyprus and Malta

Source: Main Task 2 Consumer surveys

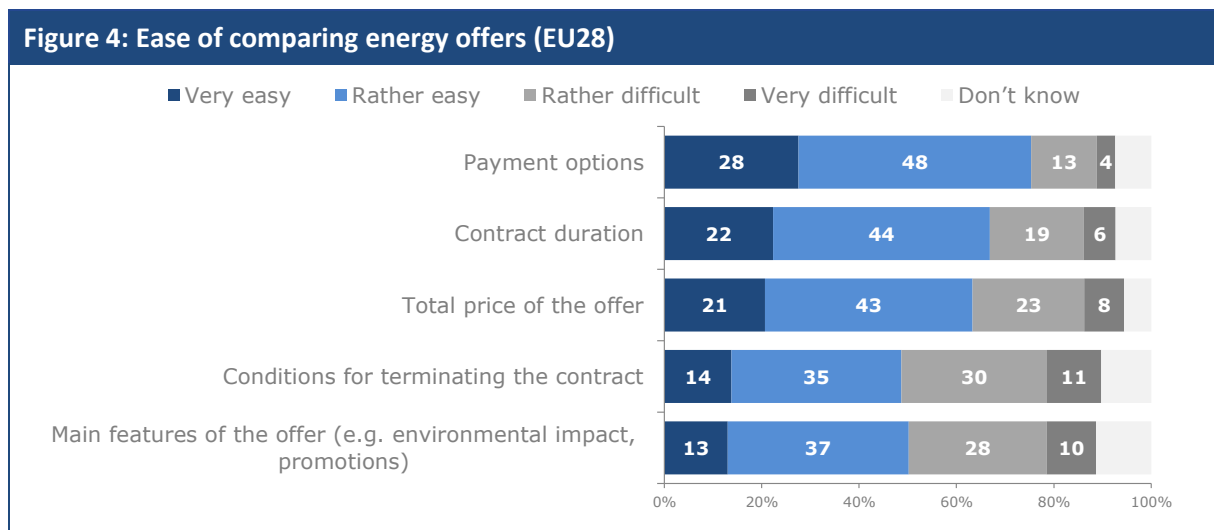
2.2.3 Consumers' perceptions about the ease of comparing energy offers

Across the EU28, 28% of survey respondents who had received or looked for energy deals answered that it had been *very easy* to compare **payment options**, and 48% said this had been *rather easy*. **Contract duration** and the **total price of the offer** were also perceived as *rather easy* to compare (66% and 64%, respectively, of "very easy" and "rather easy" responses).

The proportions of consumers who said it had been at least *rather easy* to compare the **main features of the offer** and the **conditions for terminating the contract** were lower than for the other items (50% and 49%, respectively, of "very easy" and "rather easy" responses).

Respondents who had switched energy suppliers in the past 12 months were more likely to think that comparing offers had been easy, compared to respondents who had searched for or received offers, but had not switched. For example, 60% of the former respondents, compared to 46% of the latter, replied that comparing main features of the offers had been *very* or *rather easy*.

More vulnerable consumer groups were not only less likely to have compared energy offers in the past, those who had compared offers were more likely than the non-vulnerable groups **to state that the comparison had been difficult**. For example, 35% of those in the group with respondents for whom it was not easy at all to make ends meet, answered that it had been *very or rather difficult* to compare the information on contract duration, while among those who stated that it was very easy to make ends meet, just 28% expressed this view.



Question wording: Q22. Thinking about the last time you received or looked for energy deals, how easy was it to compare the following elements of the different offers? Base: Respondents who received or looked for energy deals (CY/MT - Base: Respondents who changed tariff) (EU28: n=8,170)
Source: Main Task 2 Consumer surveys

Respondents' evaluations of the ease of comparing offers varied by the **type of channel they had used to compare offers**. Respondents who had used PCTs to look for alternative deals tended to be most likely to think that comparing energy offers had been easy, while respondents who had received offers via door-to-door and other uninvited sales channels were less likely to describe comparisons as easy. For example, 41% of respondents who had used PCTs to look for alternative deals answered that it had been "very easy" to compare the contract duration of the different offers; the corresponding figure for those who had received offers through a phone call from a salesperson was 23%.

The Ministry of Economic Affairs and Employment of Finland reported in the context of this study that consumer problems often concern inappropriate marketing techniques used when **selling electricity by phone**. In Finland, 16% of respondents had found out about alternative deals through a phone call by a salesperson (see Table 3). They further

explained that electricity is a complicated product and consumers may have difficulties in making a rational decision when they are offered a new contract through an uninvited channel (e.g. they have no possibility to check with a PCT if the offer is advantageous).

Table 4: Ease of comparing energy offers (by country)					
	Payment options	Contract duration	Total price of the offer	Main features of the offer (e.g. environmental impact, promotions)	Conditions for terminating the contract
EU28	75%	67%	63%	50%	49%
EU15	76%	68%	64%	52%	49%
EU13	71%	63%	58%	42%	46%
DE	85%	80%	79%	65%	54%
UK	85%	84%	75%	56%	65%
EE	83%	78%	69%	57%	63%
IE	81%	66%	60%	53%	47%
SK	81%	59%	55%	51%	41%
EL	80%	77%	70%	51%	47%
PT	80%	60%	54%	48%	45%
CZ	78%	63%	58%	39%	45%
AT	77%	74%	69%	54%	53%
NL	76%	80%	69%	52%	59%
LV	75%	66%	58%	37%	53%
SI	75%	64%	67%	45%	47%
RO	74%	69%	63%	48%	51%
*LU	74%	57%	39%	48%	32%
*LT	70%	46%	62%	49%	36%
IT	69%	51%	47%	45%	36%
ES	69%	57%	59%	44%	45%
BG	69%	55%	58%	39%	42%
HR	68%	59%	44%	30%	30%
PL	67%	61%	56%	41%	44%
FR	67%	50%	58%	43%	42%
BE	67%	64%	57%	43%	45%
SE	66%	65%	59%	48%	46%
FI	65%	73%	62%	49%	47%
*MT	63%	46%	49%	48%	37%
HU	60%	43%	46%	40%	42%
DK	58%	42%	38%	36%	37%
*CY	34%	29%	25%	29%	25%
NO	53%	44%	50%	34%	40%
*IS	32%	20%	18%	20%	20%

Question wording: Q22. Thinking about the last time you received or looked for energy deals, how easy was it to compare the following elements of the different offers? (% Very easy or rather easy). Base: Respondents who received or looked for energy deals (CY/MT - Base: Respondents who changed tariff) (EU28: n=8,170)

Note: * n < 100

Source: Main Task 2 Consumer surveys

It was noted above that **contract duration** was perceived as rather easy to compare (66% of “very easy” and “rather easy” responses), while information about the **conditions for terminating the contract** was seen as more difficult to compare (49% of “very easy” and “rather easy” responses). In Iceland, just 20% of survey respondents replied that it had been easy to compare the conditions for terminating the contract across energy deals; in Cyprus, Croatia and Luxembourg, between 25% and 32% shared this view. In the Netherlands, Estonia and the UK, on the other hand, twice as many consumers thought it had been easy to compare contract termination conditions (between 59% and 65%). In Chapter 4, the topic of contract termination fees is further analysed.

2.2.4 Why are energy offers difficult to compare?

With the focus groups in Germany and Slovenia, the study tried to collect further evidence why energy offers may be difficult to understand. Additional evidence was also collected during the stakeholder consultation as part of Main Task 1.

In the focus groups, participants were asked to explain which elements make it hard for them to compare energy offers; references were made to complex terminology, important information that is being hidden in the small print, and package deals that are not comparable.

*“I really feel I **do not understand all terminology** used by suppliers when a deal is presented on their website.” (Slovenia, participant in a group with lower educated consumers)*

*“At first sight, all deals seem so tempting, with lots of benefits etc. but I am always suspicious, **there is always the small print**, things they don’t tell you.” (Slovenia, participant in a group with economically inactive consumers younger than 65)*

*“For me it is problem, since some suppliers have packages and those **packages are not comparable** or you should be very, very good at interpreting what each package includes.” (Slovenia, participant in a group with low-income consumers)*

During the interviews conducted as part of the stakeholder consultation (Main Task 1), the Austrian regulator mentioned that problems occur because **suppliers offer discounts** (including first year discounts) to consumers depending on the consumer’s consumption level; however, consumers find it difficult to understand what type of consumption data was used for calculating the discount. This type of challenges with discounts, and with bonus systems in Germany, was also mentioned during the focus groups.

“One supplier gives a discount for a 2-year long contract, another gives you a discount based on kWh and consumption?” (Slovenia, participant in a “general public” group)

“A bonus is useful, but it is difficult to understand if a bonus is paid at the beginning or at the end of the contract term or if each monthly payment is reduced. This can mean that the end result is unclear.” (Germany, participant in group with 65+ consumers)

The regulator survey verified whether regulators were aware of any malpractices in relation to discounts, advertising etc. offered to consumers by energy suppliers. Five out of 12 respondents (42%) indicated that malpractices occurred in their country.

A stakeholder at NEON, the National Energy Ombudsmen Network, indicated that problems also arise because **suppliers’ offers change continuously**. The same applies for offers published on PCTs, with as consequence that consumers may not select the best offer because some offers may not be applicable anymore.

2.3 Type and prevalence of bundled offers (energy and non-energy services)

Many energy suppliers are looking at expanding their services; by bundling energy services with utility bills, with services enabled by smart meters and smart home technology, and/or with other products (such as heating maintenance, home security etc.). In the 12th Implementation Report of the European Commission,²¹ bundled offers are defined as “a product where operators offer a variety of services for a single overall price, provided through different platforms for the benefit of consumers.” In the context of this study, bundled services/offers are defined as **an offer that included different types of services, which may include both gas and electricity offers, and/or other unrelated services.**

2.3.1 Type and prevalence of bundled offers

As part of Main Task 3, energy suppliers’ websites for the 30 countries in scope were analysed to find information on (i) the number of bundled tariffs for households presented on the suppliers’ websites and (ii) the type of bundles offered. In each country, a sample of up to six supplier websites was analysed.

The exercise showed that for **14 out of 30 countries, none of the sampled energy suppliers offered bundled services on their website.** This is the case for Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, Hungary, Iceland, Lithuania, Luxembourg, Norway, Romania and Sweden.

The **number of bundled services** offered by the energy suppliers in the remaining **16 countries** varied between one bundled offer/product and 19 such offers/products. The types of bundled services offered across these countries mainly include:

- Bundling of (green) electricity and gas services;
- Bundled offers including smart meters and connected products;
- Bundling of energy services and maintenance services; and
- Bundling of energy services and non-energy services such as telecommunications, TV packages, insurance services and maintenance services.

Table 5: Overview of number of bundled offers (by country, based on a sample of suppliers)

	Number of bundled services offered for the sample of suppliers	Total number of bundled services offered for the sample of suppliers	Type of bundled services offered for the sample of suppliers
AT	2 out of 6 energy suppliers offer between 1 and 3 bundled services	In total, 4 bundled services offered	<ul style="list-style-type: none"> • Smart and connected products that can be controlled from smartphone or tablet • Maintenance services
BE	3 out of 6 suppliers offer between 1 and 6 bundled services	In total, 9 bundled services offered	<ul style="list-style-type: none"> • Smart house box • Installation services • Advantages offered on other products in case of purchasing one specific energy offer • Smart options resulting in discounts on specific offers
BG	0 out of 4 energy suppliers offer 1 bundled service		
CY	0 out of 1 energy supplier offer bundled services		
CZ	0 out of 6 energy suppliers offer bundled services		
DE	4 out of 6 energy suppliers offer between 1 and 2 bundled services	In total, 9 bundled services offered	<ul style="list-style-type: none"> • Package with telecom (TV 1 year contract)
DK	0 out of 6 energy suppliers offer bundled services		
EE	0 out of 3 energy suppliers offer bundled services		

²¹ European Commission, 2010. ‘BEREC report on impact of bundled offers in retail and wholesale market definition’. Accessed in November 2017. Available at: http://ec.europa.eu/information_society/newsroom/cf/dae/document.cfm?doc_id=6041

Table 5: Overview of number of bundled offers (by country, based on a sample of suppliers)

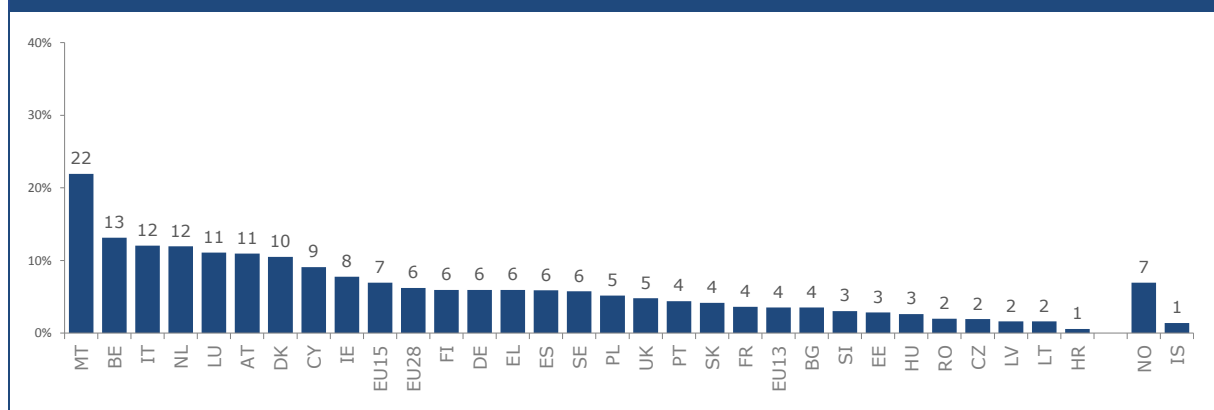
	Number of bundled services offered for the sample of suppliers	Total number of bundled services offered for the sample of suppliers	Type of bundled services offered for the sample of suppliers
EL	1 out of 5 energy suppliers offers 1 bundled service	In total, 1 bundled service offered	<ul style="list-style-type: none"> • Package with telecom and TV
ES	4 out of 6 energy suppliers offer between 1 and 2 bundled services	In total, 7 bundled services offered	<ul style="list-style-type: none"> • Electricity and gas bundled offers • Maintenance services
FI	0 out of 6 energy suppliers offer bundled services		
FR	4 out of 6 energy suppliers offer between 1 and 2 bundled services	In total, 9 bundled services offered	<ul style="list-style-type: none"> • Electricity and gas bundled offers
HR	0 out of 6 energy suppliers offer bundled services		
HU	0 out of 6 energy suppliers offer bundled services		
IE	5 out of 6 energy suppliers offer between 2 and 6 bundled services	In total, 19 bundled services offered	<ul style="list-style-type: none"> • Unrelated services (gas boiler services, energy efficiency incentive) • Maintenance services (smart heating system repair, replacement and repairs, heating controls)
IT	4 out of 5 energy suppliers offer between 1 and 4 bundled services	In total, 7 bundled services offered	<ul style="list-style-type: none"> • Maintenance services • Insurance services • Unrelated services (telecom package)
LT	0 out of 6 energy suppliers offer bundled services		
LU	0 out of 6 energy suppliers offer bundled services		
LV	3 out of 4 energy suppliers offer between 3 and 10 bundled services	In total, 16 bundled services offered	<ul style="list-style-type: none"> • Transmission costs
MT	1 out of 1 energy supplier offers bundled services	In total, 1 bundled service offered	<ul style="list-style-type: none"> • Smart meters • Maintenance services (general maintenance of electrical equipment, associated control and protection systems, cable jointing works, general testing of equipment and systems)
NL	4 out of 7 energy suppliers offer between 1 and 9 bundled services	In total, 12 bundled services offered	<ul style="list-style-type: none"> • Electricity and gas bundled offers • Green electricity and gas bundled offers • Wind power and gas bundled offers
PL	4 out of 6 energy suppliers offer bundled services between 1 and 5 bundled services	In total, 13 bundled services offered	<ul style="list-style-type: none"> • Products for self-generation • Guarantee of a stable price • Insurance services
PT	2 out of 2 energy suppliers offer between 3 and 4 bundled services	In total, 7 bundled services offered	<ul style="list-style-type: none"> • Maintenance services included in the gas/electricity offer
RO	0 out of 6 energy suppliers offer bundled services		
SE	0 out of 6 energy suppliers offer bundled services		
SI	3 out of 6 energy suppliers offer each 1 bundled service	In total, 3 bundled service offered	<ul style="list-style-type: none"> • Electricity and gas bundled offers • Unrelated services (telecom)
SK	1 out of 6 energy suppliers offer 1 bundled services	In total, 1 bundled service offered	<ul style="list-style-type: none"> • Dual band rate for supply points with a heat pump
UK	1 out of 6 energy suppliers offer each 1 bundled service	In total, 2 bundled service offered	<ul style="list-style-type: none"> • Providing a smart meter free of charge in combination with a electricity offer
IS	0 out of 3 energy suppliers offer bundled services		
NO	0 out of 6 energy suppliers offer bundled services		

Source: Main Task 3 Data collection exercise

2.3.2 Results about bundled offers and products from the consumer survey

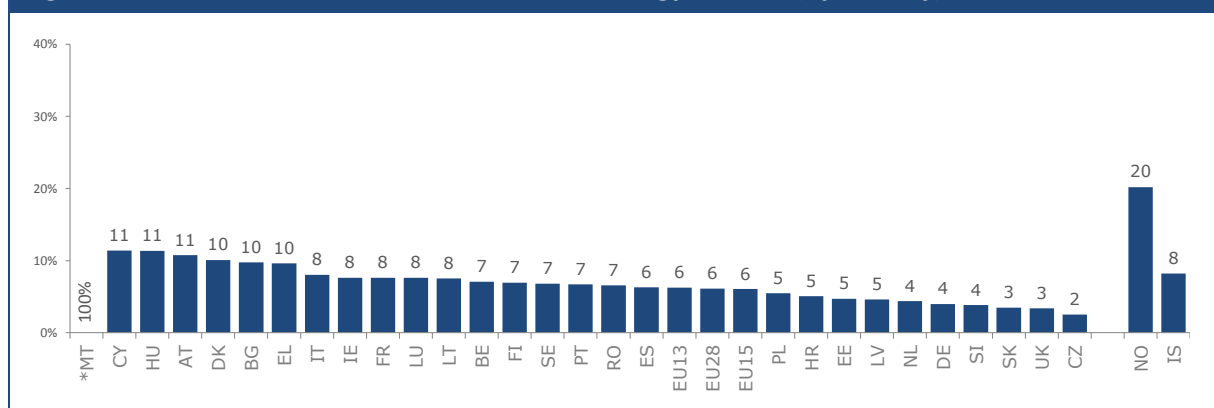
In the consumer survey, respondents were asked whether their energy contract consists of bundled goods and services. Across the EU28, 6% of energy consumers reported that their energy contract was bundled with other energy services (such as solar panels); this figure varied between 1% in Croatia and Iceland and 22% in Malta.²² Similarly, 6% of energy consumers replied that their energy contract was bundled with non-energy services (such as broadband internet services); the latter type of bundling was most frequently observed in Norway (20%). In Malta, consumers have a bundled contract for utilities, combining electricity and water supply services.

Figure 5: Prevalence of bundled contract – energy services (by country)



Question wording: Quad. Is your energy contract bundled with other energy services (for example solar panels etc.)? Base: All respondents (EU28: n=19,239)
Source: Main Task 2 Consumer surveys

Figure 6: Prevalence of bundled contract – non-energy services (by country)



Question wording: Q4b. Is your energy contract bundled with non-energy services (for example broadband internet services etc.)? Base: All respondents (EU28: n=19,239)
Source: Main Task 2 Consumer surveys

Although the current study collected limited evidence on bundled offers, bundled contracts are being offered in a majority of EU Member States. Moreover, the prevalence of bundled contracts varies across Member States and problems may exist. For example, in the stakeholder consultation, the Associação Portuguesa para a Defesa do Consumidor (DECO) explained that information on sales of bundled services is sometimes misleading.

As such, the EC is expected to call for provisions on bundled offers and on regulators to monitor the development of those offers.²³ Bundled contracts may also function as a barrier to switching. In Section 4.2.2, it is noted that 5% of respondents, who would be charged

²² Some caution should be exercised when interpreting these findings, as it might be that some respondents did not fully understand the question – it could be that some respondents confused the concept of bundling of services and goods, such as for self-generation equipment, with feed-in tariffs.

²³ See conclusions of the 9th Citizens' Energy Forum; available at: <https://ec.europa.eu/energy/sites/ener/files/documents/conclusions.pdf>

an exit or contract termination fee when ending their contract, explained that this fee would be related to recuperating costs of bundled goods, such as solar panels. The importance of the levels of such exit fees is illustrated in the behavioural experiment; the experiment results suggest that participants are statistically significantly less likely to switch at higher levels of exit fees (for more details, see Section 4.4.2).

2.4 Measures to help customers easily and quickly understand key elements of energy offers

The EU and national legal frameworks require suppliers to provide certain information prior to closing a contractual agreement. Despite these regulatory requirements being in place, the consumer survey confirmed that many consumers across the EU find it difficult to compare offers, especially in terms of main features of the offer and the conditions for terminating the contract (see Section 2.2.3).

In complex markets such as the energy market, specific attention should be paid to the **type and amount of information** provided to consumers. A study conducted by Ofgem in the UK (2008) indicated that common problems for consumers are linked to jargon-heavy content communication, lack of information on the tariffs' portfolio and poor information on switching procedures provided.²⁴

Moreover, the 2nd Electricity Market Study²⁵ concluded that the comparability of offers and tariffs could be improved, for instance, by **better structuring of information** and by presenting information that is required to assess the total cost of offers up front. The study also suggests **standardising the presentation of information** as nearly eight in ten consumers (79%) correctly identified the cheapest offer when the marketing material was standardised, compared to less than seven in ten (67%) when the material was not.

In this section, an overview is presented of current measures in place to increase clarity and comparability of energy offers (based on the findings of Main Task 1), followed by a discussion of consumers' perceptions about the effectiveness of various measures to increase clarity and comparability (based on the findings of Main Task 2).

2.4.1 Practices in the energy market in relation to pre-contractual information

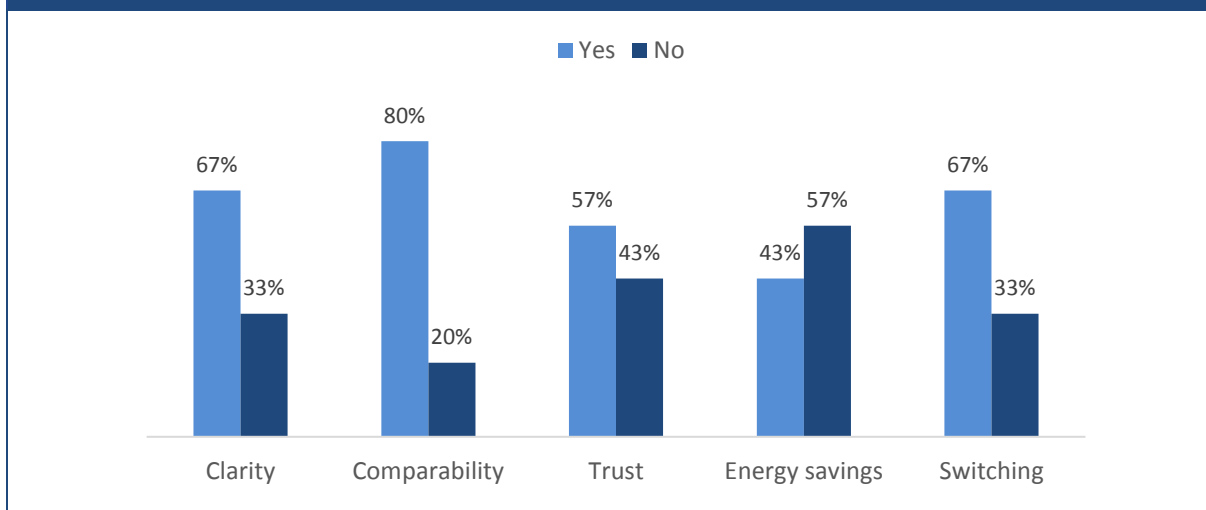
An important aspect of pre-contractual information is to display the information in such a way to increase the clarity and comparability of the energy offers. In the regulator survey, energy regulators were asked whether there are any measures in place to increase clarity, comparability, consumer trust, energy savings and switching activity with respect to advertising of energy offers and the provision of pre-contractual information to consumers. In total, 12 national regulators replied to this question.

In relation to measures to increase the **comparability** of offers and pre-contractual information, 80% of the regulators in the survey indicated to have established such measures. In addition, 67% of respondents replied having measures in place to increase the **clarity** of offers, and a similar share (67%) referred to such measures to increase **switching behaviour**. Moreover, a majority of respondents reported to have measures to increase **consumer trust** (57%). Only for **energy savings**, 57% of regulators indicated NOT to have established measures that specifically focus on this objective. Out of the 12 national regulators that replied to this question, two regulators reported not to have established any measures to increase the elements above.

²⁴ Hannah Mummery and Gillian Cooper (2011), "Missing the mark Consumers, energy bills, annual statements and behaviour change". Consumer Focus. Report.

²⁵ Available at: http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=53331

Figure 7: Measures to increase elements with regards to advertising of energy offers and the provision of pre-contractual information for households (Regulators survey)



Note: Regulator survey, Q. 27: Do you have any measures in place to increase the elements below with regards to the advertising of energy offers and the provision of pre-contractual information for households? Number of respondents: 12 (Clarity: 9, Comparability: 10, Trust: 7, Energy savings: 7, Switching: 9) Source: Main Task 1 Regulator survey

A few regulators in the consultation provided additional information about the type of measures implemented. The **Austrian regulator** mentioned that their approach mainly focussed on information campaigns, in which they inform consumers in a broad sense about how much they can save, switching behaviour of consumers in a specific year, etc. The regulators in Italy and Portugal indicated that they had introduced initiatives to standardise energy offers.

In **Italy**, as of January 2018, 'the standard PLACET offer (Free Standards for Equivalent Protection Conditions - PLACET)' is available for small customers. This is the result of a working group between a delegation of consumer associations and the competent authority. The PLACET offer consist of a more clear and comprehensible offer for households and small businesses with prices and contractual terms defined by the authority. The objective of this initiative is to identify the minimum contractual conditions and requirements that suppliers must respect **to ensure comparability and homogeneity between offers**.

The Italian organisation, Acquirente Unico, plans to **create a web portal for collecting and publishing all offers in the market**. This portal will allow households and small businesses to compare and choose the electricity or gas offer that best suits their needs. Furthermore, in terms of transparency and comparability of offers, another initiative will identify the guidelines for promoting electricity and gas offers for group purchases and create an e-platform facilitating the aggregation of small customers.

The Associação Portuguesa para a Defesa do Consumidor (DECO) reported that, since April 2015, energy suppliers in **Portugal** are obliged to follow specific standards for information requirements and provide this information to all consumers that show an interest in the offer presented. The information that should be present in this **normalised contract sheet** (ficha de caracterização padronizada) includes the following:

- Identification of the supplier including contacts for customer support, complaints, meter reading and power failure;
- Type of offer, billing, contract duration, validity of the offer, payment methods and bundled services;
- Detailed information on tariff and price; and
- Information on social tariffs and special needs.

Although a normalised contract sheet is considered as a good practise, DECO observes that suppliers do not always provide the sheet (especially in case of doorstep selling) and that the sheet is often hard to find on suppliers' websites.²⁶

In France, an initiative was launched that requires energy suppliers to provide consumers, in one dedicated place, with key information regarding their energy offers. The initiative was introduced by consumer associations in 2007, but it is not enforced by law. Energy suppliers are requested to provide consumers with a '**fiche descriptive de l'offre**'. Consumers have access to the information sheets through suppliers' websites or they can directly request the sheet from the supplier.

The '**fiche descriptive de l'offre**' covers the following information:²⁷

- Characteristics of the offer and relevant options – see Article 2 of the general terms and conditions ('Conditions Générales de Vente' – CGV);
- Price of the offer –Article 5 of the CGV;
- Conditions to amend the price –Article 5 of the CGV;
- Duration of the contract – Article 3 of the CGV;
- Payment methods and billing conditions – Article 6 of the CGV;
- Conditions related to contract termination –Article 10 of the CGV; and
- Customer services and claims –Articles 12 and 13 of the CGV.

Over the past few years, EU energy actors BEUC, Eurelectric, Eurogas and CEDEC have also urged energy suppliers to take measures to ensure that consumers **receive pre-contractual information in a clear and comprehensible manner**. In a joint statement, they argued that "energy suppliers, acting competitively, can further support the comparability of energy offers and help customers navigate the market more easily."²⁸ Specifically, they recommend that the following information should always be present on websites and in marketing material:

- Product name and main features including, when relevant, information on environmental impact, clear description of promotions (e.g. temporary discounts) and additional services (e.g. maintenance, insurance, etc.);
- Total price (fixed/variable), which includes all cost components, and conditions for price changes;
- Contract duration, notice period (renewal/withdrawal, where relevant) and conditions for termination, including, when relevant, fees and penalties;
- Payment frequency and method options (e.g. cash/cheque/direct debit/standing order/pre-payment);
- Supplier's contact details (e.g. customer service address, telephone number and/or email, including, where relevant, identification of any intermediary).

The key information on offers should be provided in one place in a short and easily understandable manner. Between March and April 2017, BEUC evaluated 40 offers on 40 suppliers' websites in 13 EU countries, but observed that 0 out of 40 offers displayed the

²⁶ BEUC, 2017. Energy markets of the future: how the EU's energy transition should work for consumers. Accessed in December 2017. Available at: http://www.beuc.eu/publications/beuc-x-2017-062_mst_energy_markets_of_the_future_-_how_the_eus_energy_transition_should_work_for_consumers.pdf

²⁷ These topics are representing different articles set in the Code de commerce Article L441-6, the general terms of conditions ('Conditions Générales de vente'). Available at: <https://www.legifrance.gouv.fr/affichCodeArticle.do?cidTexte=LEGITEXT000005634379&idArticle=LEGIARTI000019294314>

²⁸ BEUC, Eurelectric, Eurogas and CEDEC (2016), "Joint statement on improved comparability of energy offers". Position Paper.

key information in a short, easily understandable, prominent way as agreed in the joint statement.²⁹

In addition, a 2017 policy paper of BEUC on the future of the energy market³⁰ highlights that key information on energy offers provided to customers by suppliers should be provided in one place, in a short and easily understandable manner. Moreover, it recommends that:

- Energy suppliers should inform the customer about the best offer before they sign a contract and, upon signature, continue to inform them about the best offer at least once per year; and
- Energy offers and conditions need to be clearly communicated and transparent; in particular, key conditions related to, for instance, discounts should be identified and highlighted.

It should, however, be noted that, as suggested by the behavioural economics literature, **the introduction of more content does not necessarily lead to better understanding for consumers**. This is also one of the findings of 2nd Electricity Market Study³¹, which suggested that "the framing of information is very important in helping consumers to access, assess and act upon information." The UK consumer association Which? worked with EDF Energy to see how information should be displayed to consumers to enable better understanding.³² They concluded, for instance, that simple pricing would help consumers choose the cheaper offers.³³

A high number of energy offers/tariffs offered to consumers can make it rather complex for the consumer to keep an overview and to make the best choice. **In the UK**, Ofgem published a press release in 2014 pushing for '**simpler energy tariffs**', banning suppliers from offering complex tariffs, for example where consumers are initially charged a higher rate that falls the more energy is used.³⁴ The reforms also meant that, once a consumer has decided how they want to pay for energy, they only had four tariffs to choose from for gas and four for electricity, from each supplier. A stakeholder in the UK, however, reported that this measure did not work in practice and was removed after a certain time.

In the regulator survey, regulators were asked to indicate whether they have considered **establishing a cap on the number of offers** that energy suppliers can provide to consumers. Out of 12 respondents (Denmark, Estonia, Finland, France, Germany, Lithuania, Luxembourg, Malta, Portugal, Romania, Slovenia and Sweden), all reported not to have considered establishing such a cap.

2.4.2 Consumers' views about policy options to increase comparability of energy offers

Respondents in the consumer survey were presented with a number of policy options that can be implemented to increase the comparability offers and make it easier for consumers to calculate savings.

When respondents were asked whether they agreed or disagreed that these policy options would help them compare offers and calculate savings, few differences were observed between the policy options (see Figure 8). For each policy option, roughly one in two respondents strongly agreed, and somewhat more than one in three respondents somewhat agreed. For example, 53% of respondents strongly agreed, and 33% somewhat

²⁹ BEUC, 2017. Energy markets of the future: how the EU's energy transition should work for consumers. Accessed in December 2017. Available at: http://www.beuc.eu/publications/beuc-x-2017-062_mst_energy_markets_of_the_future_-_how_the_eus_energy_transition_should_work_for_consumers.pdf

³⁰ Idem

³¹ Available at: http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=53331

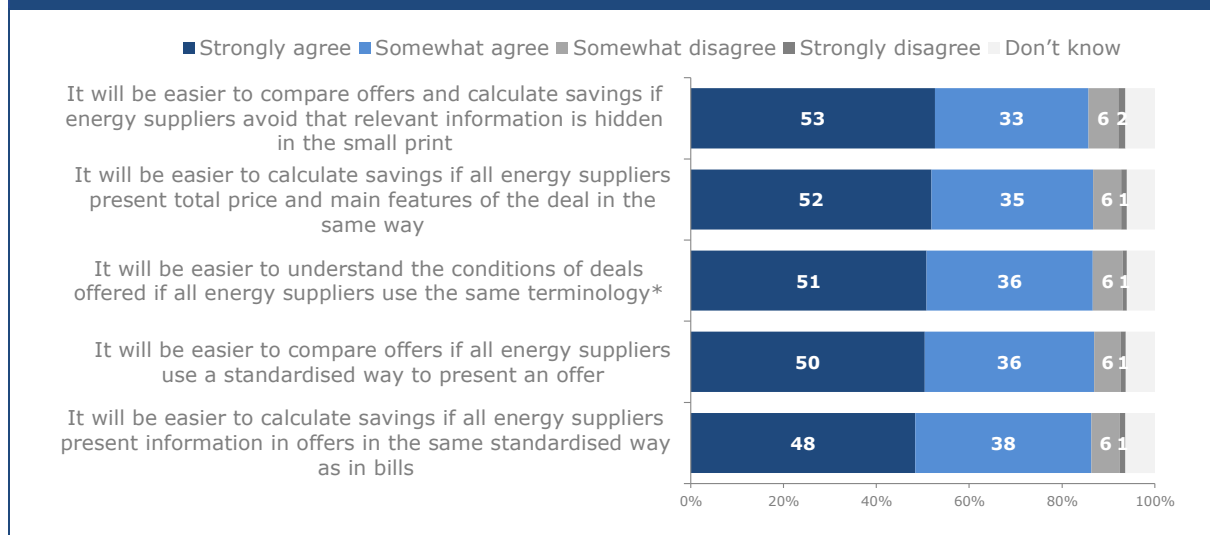
³² Please, refer to the website for further information. Accessed December 2016: <http://www.which.co.uk/about-which/company-info/what-is-which/>

³³ Which (2015), "Simple Pricing: Helping consumers to make better energy choices".

³⁴ Available at: <https://www.ofgem.gov.uk/publications-and-updates/simpler-energy-tariffs>

agreed, that it would be easier to compare offers and calculate savings if energy suppliers avoid that relevant information is hidden in the small print. Few respondents expressed doubts whether the policy options would help to increase the comparability of offers and make it easier for consumers to calculate savings.

Figure 8: Policy options to increase comparability of energy offers, level of agreement (EU28)



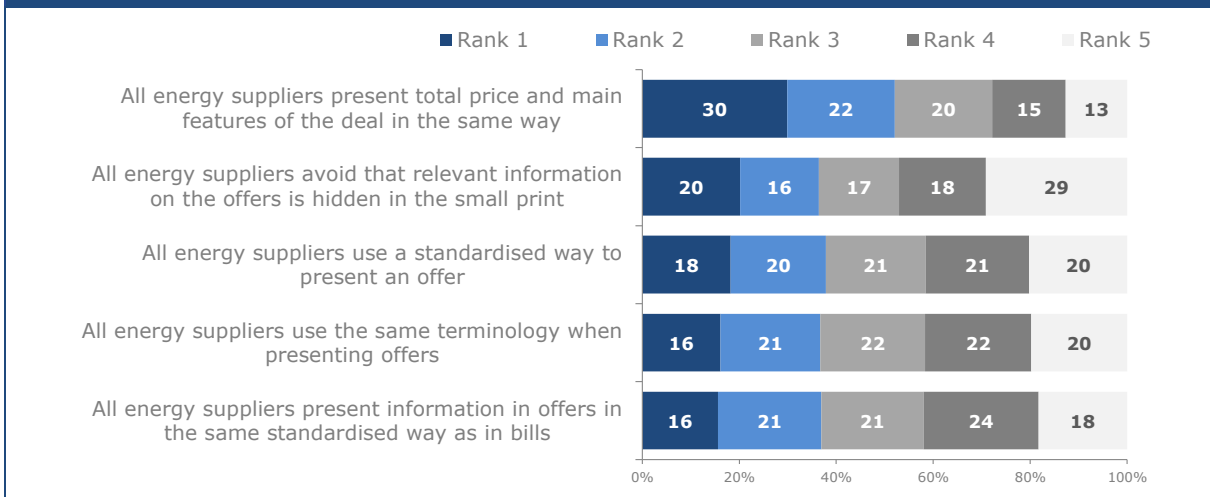
Question wording: Q23a. To what extent you agree or disagree with the following statements? Base: All respondents (EU28, excl. CY/MT: n=18,223)
Source: Main Task 2 Consumer surveys

Respondents were also asked to rank the five policy options in terms of their efficiency. Looking at the results of the ranking exercise (see Figure 9), there seems to be a tendency to think that **presenting total price and main features of the offer each time in the same way would be the most efficient**. Figure 4 in Section 2.2.3 showed that 31% of survey respondents who had received or had looked for energy deals replied that it had been difficult to compare the total price of the different offers; this proportion increased to 38% for comparing main features of the offers.

Respondents in the consumer survey were also asked if they could think of any other measures that could help in making it easier for them to compare energy deals and calculate savings. A recurrent response to this open-ended prompt was the need for **simplification of offers**.

In the focus groups conducted in Germany and Slovenia, participants were more likely to stress that energy suppliers should present offers in the same standardised way, following the **same structure and listing the same characteristics**, preferable in a table format. Participants explained that the most challenging when comparing offers are the differences in the presentation of the offers by different suppliers. Some participants in Slovenia also suggested to add **short and simple explanations** in the offers on what certain statements/characteristics mean (e.g. how / in what way there would be an effect on electricity bills).

Figure 9: Policy options to increase comparability of energy offers, ranking exercise (EU28)



Question wording: Q23b. Which of the following would be most efficient in making it easier to compare energy deals and calculate savings? Base: Respondents who provided a response (excl. don't know) (EU28, excl. CY/MT: n=16,581)

Source: Main Task 2 Consumer surveys

The individual country results show that consumers in countries such as **Bulgaria, Croatia, Estonia, Slovenia and Portugal** tended to be the most likely to *strongly agree* that each of the policy measures would help to make it easier to compare energy offers and calculate savings. In **Italy, Latvia and Poland**, on the other hand, respondents were overall the least likely to believe in the efficiency of these measures.

In line with the average EU28 results, across almost all countries surveyed, presenting **total price and main features of offers in the same way** was most frequently ranked highest in terms of efficiency in making it easier for consumers to compare offers and calculate savings. The proportion of consumers who ranked this policy option in 1st position varied between 23% in Greece and 44% in Denmark. In Bulgaria and Greece, on the other hand, avoiding that information about the offer is hidden in the small print was most frequently ranked in 1st position (by 31% and 34%, respectively, of respondents), while in Lithuania, it was standardisation of the offers that was most frequently described as being the most efficient (by 30% of respondents).

Table 6: Policy options to increase comparability of energy offers (by country)

	It will be easier to compare offers and calculate savings if energy suppliers avoid that relevant information is hidden in the small print		It will be easier to calculate savings if all energy suppliers present total price and main features of the deal in the same way		It will be easier to understand the conditions of deals offered if all energy suppliers use the same terminology		It will be easier to compare offers if all energy suppliers use a standardised way to present an offer		It will be easier to calculate savings if all energy suppliers present information in offers in the same standardised way as in bills	
	% Strongly agree	% 1st rank	% Strongly agree	% 1st rank	% Strongly agree	% 1st rank	% Strongly agree	% 1st rank	% Strongly agree	% 1st rank
*EU28	53%	20%	52%	30%	51%	16%	50%	18%	48%	16%
EU15	53%	21%	52%	30%	51%	16%	50%	18%	49%	15%
*EU13	51%	18%	52%	28%	51%	16%	50%	19%	47%	18%
HR	70%	19%	72%	37%	69%	14%	68%	14%	66%	15%
BG	68%	31%	66%	26%	67%	13%	64%	17%	62%	13%
PT	67%	20%	61%	30%	60%	18%	60%	18%	59%	14%
SI	67%	21%	64%	31%	63%	13%	63%	20%	61%	15%
EL	66%	34%	62%	23%	62%	16%	60%	16%	57%	10%
FR	61%	17%	58%	26%	60%	20%	58%	20%	58%	17%
EE	57%	13%	64%	30%	65%	15%	65%	23%	59%	19%
NL	55%	18%	54%	29%	56%	16%	55%	19%	54%	18%
BE	55%	19%	56%	26%	58%	16%	57%	24%	55%	14%
ES	55%	23%	50%	27%	51%	16%	50%	18%	48%	16%
AT	54%	24%	55%	30%	51%	15%	47%	13%	48%	17%
CZ	54%	25%	55%	37%	51%	12%	49%	11%	49%	14%
DE	53%	25%	45%	32%	43%	12%	44%	15%	42%	16%
LT	53%	13%	55%	26%	58%	17%	56%	30%	48%	13%
RO	53%	17%	60%	27%	57%	17%	56%	20%	54%	19%
SE	51%	11%	53%	36%	52%	20%	50%	21%	47%	12%
UK	51%	13%	55%	35%	53%	17%	54%	20%	51%	15%
LU	49%	19%	49%	24%	49%	18%	49%	21%	47%	18%
IE	47%	14%	52%	35%	56%	19%	53%	18%	51%	15%
SK	47%	15%	57%	36%	56%	21%	50%	11%	52%	18%
HU	47%	12%	49%	26%	48%	16%	52%	25%	45%	21%
FI	44%	14%	52%	33%	49%	12%	50%	29%	46%	13%
PL	43%	18%	42%	26%	41%	17%	41%	19%	37%	20%
IT	43%	26%	46%	30%	42%	16%	42%	17%	41%	11%
DK	42%	8%	55%	44%	48%	18%	50%	19%	49%	11%
LV	39%	13%	49%	33%	49%	20%	44%	20%	39%	14%
NO	51%	19%	51%	32%	48%	14%	53%	23%	45%	12%
IS	49%	14%	53%	34%	53%	22%	50%	16%	49%	14%

Question wording:

Q23a. To what extent you agree or disagree with the following statements? (% strongly agree). Base: All respondents (EU28, excl. CY/MT: n=18,223)

Q23b. Which of the following would be most efficient in making it easier to compare energy deals and calculate savings? (% 1st rank). Base: Respondents who provided a response (excl. don't know) (EU28, excl. CY/MT: n=16,581)

Note: * Question not asked in Cyprus and Malta

Source: Main Task 2 Consumer surveys

3. Price comparison tools in the energy market

In its Staff Working Document evaluating the EU Framework for Metering and Billing of Energy Consumption, the EC observed that, **at the time of drafting the Second and Third energy packages, consumer bills and pre-contractual information formed the basis of consumer comparability.**³⁵ However, since then, the use of price comparison tools (PCTs) has risen significantly across the EU. The 2nd Electricity Market Study³⁶ found that **64% of EU consumers who had compared offers of different electricity suppliers had used comparison tools to do so.** The study also showed that comparison tools – which grant access to the offers of a larger number of suppliers – significantly increased the number of cheaper offers consumers were able to identify compared with contacting individual suppliers directly.

In the same Staff Working Document, the EC adds that, over time, the continuation of this trend might challenge the relevance of EU intervention if it is not adapted to also reflect new ways of consumer-market interaction. Considering PCTs play a key role, it is essential that consumers receive clear and independent information on different offers via these tools. Therefore, regardless of who is running the PCT, it must be ensured that the information consumers get is impartial, up to date, accurate and is provided in a user-friendly way and free-of-charge. Various recommendations have been formulated in this regard; for example, ACER recommends that: “To improve consumer switching behaviour and awareness further, National Regulatory Authorities (NRAs) could become more actively involved in ensuring that the prerequisites for switching, such as **transparent and reliable online price comparison tools** and transparent energy invoices, are properly implemented.”³⁷

The first section in this chapter provides an overview of the requirements set in the EU legislation with regard to PCTs. The second section presents the results of a mapping exercise of the number of PCTs across the EU28, Iceland and Norway; in this section, more details are also provided about the characteristics of the PCTs identified (such as business model and market coverage).

Section 3.3 focusses on consumers’ experiences with using energy PCTs, while Section 3.4 provides more details about the importance attached to non-price elements provided in comparisons of energy offers. Section 3.5 presents an overview of consumers’ satisfaction with energy PCTs in terms of comparability of offers and user friendliness, and introduces measures that could increase user friendliness of PCTs.

In the last sections, the attention switches to consumer trust and the importance of certification processes to increase consumers’ trust in energy PCTs. Details are provided about certification and accreditation schemes for PCTs in the energy market.

³⁵ COMMISSION STAFF WORKING DOCUMENT EVALUATION of the EU Framework for Metering and Billing of Energy Consumption Accompanying the document Proposal for a Directive of the European Parliament and of the Council amending Directive 2012/27/EU on Energy Efficiency. Available at: https://ec.europa.eu/energy/sites/ener/files/documents/mdi_impact_assessment_main_report_for_publication.pdf

³⁶ Available at: http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=53331

³⁷ ACER (2015) Market Monitoring report 2014, http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Publication/ACER_Market_Monitoring_Report_2015 p.10.

3.1 Requirements for energy PCTs set in EU legislation

At the time of this study, there was no EU legislation specifically regulating PCTs. Nevertheless, in order to increase consumer trust and bring benefits to consumers, the Commission included provisions in the new proposed Electricity Directive (COM/2016/0864 final/2)³⁸ regarding PCTs and wants to ensure that all EU consumers get **free-of-charge access to at least one certified PCT** that meets specific certification criteria set out in the Annex of the Directive. This set of certification criteria builds on the EC Communication "Delivering a New Deal for Energy Consumers",³⁹ in which the EC established transparency and reliability criteria for energy PCTs.

Box 6: Extract from the proposal for a revised electricity Directive (Article 14)

Article 14 Comparison tools

1. Member States shall ensure that customers have access, free of charge, to at least one tool comparing the offers of suppliers that meets the certification criteria set out in Annex I. The comparison tools may be operated by any entity, including private companies and public authorities or bodies. Customers should be informed of the availability of such tools.
2. Member States shall appoint an independent competent authority responsible for certifying comparison tools and ensuring that certified comparison tools continue to meet the criteria set out in Annex I.
3. Member States may require the comparison tools referred to in paragraph 1 to include comparative determinants relating to the nature of the services offered by the suppliers.
4. Any tool comparing the offers of suppliers shall be eligible to apply for certification in accordance with this Article on a voluntary and non-discriminatory basis.

Source: Proposal for a Directive of the European Parliament and of the Council on common rules for the internal market in electricity (recast). COM/2016/0864 final/2 - 2016/0380 (COD)

In relation to Article 14 (2) of the new proposed Electricity Directive, Member States shall appoint an independent competent authority responsible for certifying PCTs and, as such, shall ensure that the criteria set out in the box below are applied by certified PCTs.

Box 7: Proposed annex on comparison tools in the Revised Electricity Directive (Annex I)

Annex I Comparison tools

The tools established in accordance with Article 14 shall:

- (a) be operationally independent and ensure that suppliers are given equal treatment in search results;
- (b) clearly disclose their owners and the natural or legal person operating the tool;
- (c) set out clear, objective criteria on which the comparison will be based;
- (d) use plain and unambiguous language;
- (e) provide accurate and up-to-date information and state the time of the last update;
- (f) include an as complete a range of energy offers as practicable covering a significant part of the market and, where the information presented is not a complete overview of the market, a clear statement to that effect, before displaying results; and
- (g) provide an effective procedure to report incorrect information on published offers.

Source: Proposal for a Directive of the European Parliament and of the Council on common rules for the internal market in electricity (recast). COM/2016/0864 final/2 - 2016/0380 (COD)

³⁸ Proposal for a Directive of the European Parliament and of the Council on common rules for the internal market in electricity (recast). COM/2016/0864 final/2 - 2016/0380 (COD)

³⁹ European Commission (2015), "Delivering a New Deal for Energy Consumers". COM(2015) 339 final. Available at: https://ec.europa.eu/energy/sites/ener/files/documents/1_EN_ACT_part1_v8.pdf

Although there is no EU legislation specifically regulating PCTs, **the Unfair Commercial Practices Directive (UCPD)**⁴⁰ has a wide scope of application and as such covers a large number of topics related to the use of PCTs. Additionally, the **guidance on the application of the UCPD**⁴¹ specifies that its provisions may apply to practices occurring on PCTs run by professionals.

Beside the general rules on fairness of commercial practices, Annex I of the UCPD contains a list of practices that are always considered unfair and are thus prohibited; a number of practices on the list may apply to PCTs. Points 18 and 22 appear to be particularly relevant to operators of PCTs:

- “Passing on materially inaccurate information on market conditions or on the possibility of finding the product with the intention of inducing the consumer to acquire the product at conditions less favourable than normal market conditions.” (Point 18); and
- “Falsely claiming or creating the impression that the trader is not acting for purposes relating to his trade, business, craft or profession, or falsely representing oneself as a consumer.” (Point 22). This may apply in cases where a trader sponsors a PCT and does not disclose it.

The UCPD Directive also suggest in Articles 6 (Misleading actions), 7.1 and 7.2 (Misleading omissions) that PCTs should display full prices, as well as provide **information about their business model** and about any links with suppliers whose goods or services they include in the tool.

It is important to secure the legal basis for PCTs and, in particular, for the collection of price data. As noted in a 2015 report from BEUC, PCTs can influence consumers’ decisions giving rise to concerns about their trustworthiness.⁴² If the transparency and reliability of PCTs is not guaranteed, if the full scale and high quality of the information they provide is not ensured or if they do not comply with existing legislation, PCTs can become a source of consumer detriment and thereby undermining consumers’ trust in the market.

3.2 Mapping of PCTs for energy offers

3.2.1 Number of energy PCTs across the EU28, Iceland and Norway

In a first instance, a mapping of the number of energy PCTs was carried out across the EU28 plus Norway and Iceland. A standardised approach was employed to perform the mapping of the PCTs, including:

- **PCT exercise** – native speaking researchers used national search engines in order to identify a sample of (up to) six energy PCTs as well as to identify (if applicable) the PCT of the national energy regulator. The PCT exercise collected detailed information about a sample of 85 PCTs;
- **Regulator survey** – national energy regulators were requested to provide information about the number of PCTs for energy in their country. Responses were collected for 12 countries, out of which one (Malta) reported not to have any PCTs in the country;

⁴⁰ Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council (‘Unfair Commercial Practices Directive’)

⁴¹ COMMISSION STAFF WORKING DOCUMENT GUIDANCE ON THE IMPLEMENTATION/APPLICATION OF DIRECTIVE 2005/29/EC ON UNFAIR COMMERCIAL PRACTICES Accompanying the document COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS A comprehensive approach to stimulating cross-border e-Commerce for Europe’s citizens and businesses.

⁴² BEUC, 2015. Building a consumer-centric Energy Union. BEUC Position paper. Accessed in November 2017. Available at: http://www.beuc.eu/publications/beuc-x-2015-068_mst_building_a_consumer-centric_energy_union.pdf

- **PCT survey** – PCT owners were requested to answer queries regarding their business model, the level of information they provide and transparency. Responses were collected from seven PCT owners; and
- **Desk research** – additional desk research was performed to ensure sufficient information was collected for each country as well as to validate the information collected through the aforementioned exercise and surveys.

In **26 out of the 30 countries covered**, consumers have access to at least one PCT to compare electricity and/or gas offers. In these countries, **185 PCTs** were identified. In the remaining **four countries** (Bulgaria, Cyprus, Hungary and Malta), consumers do not appear to have access to a PCT for energy offers. In Cyprus and Malta, the energy market is a monopoly and therefore a PCT is not needed. In Hungary, the only available PCT focusses on non-household users and is therefore excluded from the scope of this study.

The PCTs identified in this study can be divided into three categories based on the owner of the PCT and whether it is certified or not:

- **Privately owned and non-certified PCTs:** owned and ran by a private entity and not certified (i.e. no accreditation received from a third-party verification scheme or regulator);
- **Privately owned and certified PCTs:** owned and ran by a private entity and certified; and
- **Publicly owned PCTs:** owned and ran by a public organisation (i.e. by the national energy regulator, ombudsman or a consumer organisation).

On average, five PCTs for energy were found per country; in the Netherlands, the highest number of PCTs for energy was observed (25 PCTs).

In 23 out of the 26 countries, consumers have access to **one or more privately owned PCTs**. Only Lithuania, Luxembourg and Iceland do not have a privately owned PCT (this is most likely linked to the fact that the local market is small). Among the privately owned PCTs, the number of non-certified PCTs (146) is much higher than the number of certified ones (18). Certified PCTs are found in Belgium, Ireland and the UK. Further details on the certification process and accreditation schemes for PCTs is provided in Section 3.7.

In 17 out of the 26 countries, consumers have access to a publicly owned PCT. In 13 of these countries, one publicly owned PCT is available, while in four countries (Croatia, Finland, France and Sweden), consumers can choose between two publicly owned PCTs. Overall, publicly owned PCTs represent only 11% of the total number of PCTs identified in this study.

Table 7: Total number of private and public PCTs for energy per country				
	Number of privately owned and non-certified PCTs	Number of privately owned and certified PCTs	Number of publicly owned PCTs	Total number of PCTs
AT	5	-	1	6
BE	5	5	-	10
BG	-	-	-	No PCTs found
CY	-	-	-	No PCTs found
CZ	8	-	1	9
DE	10	-	-	10
DK	2	-	1	3
EE	3	-	-	3
EL	4	-	-	4
ES	15	-	1	16
FI	3	-	2	5
FR	10	-	2	12
HR	2	-	2	4
HU	-	-	-	No PCTs found
IE	8	2	-	10
IT	16	-	1	17
LT	-	-	1	1
LU	-	-	1	1
LV	2	-	-	2
MT	-	-	-	No PCTs found
NL	25	-	-	25
PL	7	-	1	8
PT	2	-	1	3
RO	2	-	1	3
SE	3	-	2	5
SI	2	-	1	3
SK	3	-	-	3
UK	4	11	1	16
IS	-	-	1	1
NO	5	-	-	5
TOTAL	146	18	21	185

Source: Main Task 1 (Regulator survey and desk research), Main Task 3 PCT Exercise

3.2.2 Business model for energy PCTs

The EC study on 'the Coverage, Functioning and Consumer Use of CTs and 3rd-Party Verification Schemes'⁴³ concluded that there tends to be a **low level of transparency regarding the business models of PCTs** and how comparison tools actually generate their revenues, and regarding the frequency of price updates.

PCTs vary in terms of their business model; some PCTs receive information on energy tariffs through direct arrangements with energy suppliers, while others use web scraping to collect information from the suppliers' websites. Moreover, business models vary with regard to the source of revenue; some PCTs mainly rely on advertising revenues, some are paid a commission for a completed switch, while others are owned by the energy suppliers themselves.

Market coverage

⁴³ Available at: https://ec.europa.eu/info/sites/info/files/final-report-study-on-comparison-tools_en.pdf

Information about market coverage of PCTs (in terms of the number of suppliers and tariffs covered) is important for consumers to avoid being misled by a non-complete comparison of suppliers and tariffs.

As part of the data collection exercise in Main Task 3, a sample of 85 PCTs was analysed in more detail. This exercise showed that, in practice, not all PCTs provide information about coverage, and among those for which coverage could be assessed, coverage of the suppliers and tariffs is often not complete. The fact that PCTs often do not provide information about their market coverage was also reported in the stakeholder consultation.

Information on market coverage was found for **43 out of 85 PCTs**. In Denmark, Estonia, Iceland, Ireland, Lithuania, Romania, Slovakia and Spain, none of the PCTs sampled disclosed information about market coverage in terms of suppliers and/or tariffs. The table below presents **information on the level of coverage** (in terms of the number of suppliers and tariffs covered) for the 43 PCTs that disclosed information on market coverage, either in terms of number of supplier covered, number of tariffs covered, or both.

The analysis shows that 38 out of 43 PCTs (88%) provide market coverage in terms of number of suppliers covered. Out of these 38 PCTs, 14 PCTs specify that all suppliers in their national energy market are covered. Fewer PCTs (25 out of the 43 PCTs, or 58%) provide information about market coverage in terms of number of tariffs covered; seven of these PCTs claim to cover 'all the tariffs' available on their national energy market.

Participants in the PCT survey were also asked to estimate market coverage in terms of the total number of available suppliers and available tariffs, but also in terms of energy sources covered and in terms of contract duration of the tariffs. The PCT operators, however, did not seem to make a distinction between these different aspects of market coverage: two participants estimated that coverage was complete, three participants estimated their market coverage to be higher than 90%, one participant estimated coverage between 50% and 75%, and the last participant replied that coverage was less than 50%. One PCT only presents offers from energy suppliers that pay for their services, and another PCT operator mentioned that only offers from the largest energy suppliers in the country are included in the comparison.

As a next step, the PCT survey included questions to better understand the **rationale behind the current market coverage**. The survey results showed that five out of seven PCT operators stated that they apply this market coverage to ensure that customers can compare all offers available on the market. One PCT, working through auctions, indicated that the reason for their limited market coverage is that large suppliers do not want to be included and that new suppliers do not have online switching. Another PCT operator reported that the tool only focusses on customers with a consumption of up to 100,000 kWh/year.

Table 8: Market coverage in terms of suppliers and tariffs

Country	PCT	What is the market coverage in terms of suppliers?	What is the market coverage in terms of tariffs?
AT	PCT 1	Largest energy suppliers	Most popular offers
	PCT 2	> 50 suppliers	Not all tariffs
BE	PCT 1	All suppliers	All tariffs
	PCT 2	22 suppliers	202 tariffs
	PCT 3	All suppliers	Not indicated
	PCT 4	21 suppliers	Not indicated
CZ	PCT 1	Suppliers with more than 100 clients	Not indicated
DE	PCT 1	970 suppliers	9,000 tariffs
	PCT 2	1,200 electricity suppliers and 900 gas suppliers	12,000 tariffs
EL	PCT 1	All electricity suppliers	All tariffs
	PCT 2	All electricity suppliers	Not all tariffs
FI	PCT 1	Not indicated	92 tariffs
	PCT 2	Not indicated	128 tariffs
	PCT 3	Not indicated	5 tariffs
	PCT 4	Not indicated	16 tariffs
FR	PCT 1	16 suppliers	23 tariffs
	PCT 2	22 suppliers	22 tariffs
	PCT 3	16 suppliers	25 tariffs
	PCT 4	16 suppliers	30 tariffs
HR	PCT 1	All suppliers	Not indicated
	PCT 2	7 suppliers	One tariffs per supplier
IT	PCT 1	32 suppliers	Not indicated
	PCT 2	19 suppliers	Not indicated
	PCT 3	13 suppliers	Not indicated
LU	PCT 1	All suppliers	All tariffs
LV	PCT 1	6 suppliers	All tariffs
	PCT 2	7 suppliers	All tariffs
NL	PCT 1	All suppliers of 2016	Not indicated
	PCT 2	All suppliers	Not indicated
	PCT 3	All suppliers	Not indicated
PL	PCT 1	96% of suppliers	96% of tariffs
PT	PCT 1	All suppliers	All tariffs
SE	PCT 1	350 suppliers	Not indicated
	PCT 2	All suppliers	Not indicated
	PCT 3	Not indicated	> 600 bundle tariffs
SI	PCT 1	All suppliers	All tariffs
UK	PCT 1	33 suppliers	Not indicated
	PCT 2	44 suppliers	Not indicated
	PCT 3	61 suppliers	Not indicated
	PCT 4	All suppliers	Not indicated
	PCT 5	All suppliers	Not indicated
NO	PCT 1	Largest suppliers	Most popular offers
	PCT 2	> 120 suppliers	Not indicated

Note: 85 PCTs across the countries were studied.

No PCTs (from the ones analysed in the PCT Exercise) in Denmark, Estonia, Spain, Ireland, Lithuania, Malta, Portugal, Romania and Slovakia disclose their market coverage in terms of suppliers and/or tariffs.

Note: No PCTs were found in Bulgaria, Cyprus, Hungary and Malta excluded from the table (no PCTs for energy were identified in these countries)

Source: Main Task 3 PCT Exercise

In the PCT exercise (analysing a sample of 85 PCTs), it was verified **whether PCTs inform users about the reason why not all suppliers and tariffs are covered**. Users that are not informed about the reason for limited coverage of a PCT can wrongly assume that the PCT provides access to a set of offers that is representative of the range of offers available

in the market. When this is not the case, and PCTs do not provide information about the reasons for the lower coverage, consumers might end up basing their purchasing decisions on a distorted view of the market.

It appears that only three PCTs analysed in Main Task 3 provide an explanation for the lower coverage of offers and/or tariffs. One PCT included a note for consumers that only the cheapest tariffs were included; another PCT informed users that only the main suppliers are covered and the third PCTs indicated to have a lower coverage because inclusion is based on a voluntary basis.

Independence and sources of revenue

Another important aspect is **independence** of PCTs from energy suppliers. A 2011 UK study evaluating contractual and consumption information that consumers have access to in the energy market, found that consumers are more likely to trust information about the lowest tariff if this comes from an **independent source**.⁴⁴ The CEER’s guidelines⁴⁵ state that PCTs must be “independent giving the user a non-discriminatory overview of the market. The provider of a price comparison tool should therefore show all information in a consistent way.”

Independence of PCTs should be questioned when PCTs are influenced by energy suppliers, creating a conflict of interest. This is, for example, the case when a PCT relies on energy suppliers as a source of revenue (e.g. being paid a commission from the supplier for each completed sale or switch through the PCT).

Moreover, it is not only important that PCTs are independent, but they should also **inform consumers about this independence** to increase the overall trust of consumers in the comparison provided on the PCT. The PCT exercise verified whether the sampled PCTs clearly state their independence from energy suppliers on their website. Overall, 54% of the sampled PCTs (46 out of 85) clearly state on the tool that they are independent from energy suppliers. The results from the PCT exercise are in line with those reported by the PCT operators in the survey. There, four out of seven PCT operators mentioned to provide general information regarding their independence on their website.

Table 9: Statements about independence on PCT websites		
	Number of PCTs stating they are independent from suppliers	Type of information on independence provided on PCT websites
AT	2 out of 4	<ul style="list-style-type: none"> • Indication that the comparison is done in a non-discriminatory, objective manner • Indication they cooperate with the Regulator E-Control (independent body)
BE	5 out of 5	<ul style="list-style-type: none"> • Indication that the comparison is done in an independent manner from the energy suppliers (3 out of 5); one PCT also indicates that they are not influenced by advertisements of suppliers • Displayed the CREG accreditation logo on their website
CZ	2 out of 5	<ul style="list-style-type: none"> • Indication that the comparison is done in a 100% independent manner from the energy suppliers (2 out of 5)
DE	1 out of 5	<ul style="list-style-type: none"> • Indication that the comparison is done in a non-discriminatory, objective manner
DK	1 out of 1	<ul style="list-style-type: none"> • Indication that the comparison is done in a non-discriminatory, objective manner
EE	2 out of 2	<ul style="list-style-type: none"> • Indication that the comparison is done in an independent manner from the energy suppliers (2 out of 2)
EL	2 out of 2	<ul style="list-style-type: none"> • Indication that the comparison is done in an independent manner from the energy suppliers (2 out of 2)
ES	2 out of 4	<ul style="list-style-type: none"> • The PCT is owned and run by the regulator

⁴⁴ Hannah Mummery and Gillian Cooper (2011), “Missing the mark Consumers, energy bills, annual statements and behaviour change”. Consumer Focus. Report.
⁴⁵ CEER (2012). CEER Guidelines of Good Practice on Price Comparison Tools. Available at: http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Customers/Tab3/C12-CEM-54-03_GGP-PCT_09Jul2012.pdf

Table 9: Statements about independence on PCT websites

	Number of PCTs stating they are independent from suppliers	Type of information on independence provided on PCT websites
		<ul style="list-style-type: none"> • Indication that the comparison is done in an independent manner from the energy suppliers
FI	1 out of 4	<ul style="list-style-type: none"> • Indication that the comparison is done in an independent manner from the energy suppliers
FR	3 out of 6	<ul style="list-style-type: none"> • The PCT is owned and run by the regulator (1 out of 6) • Indication that the comparison is done in an independent manner from the energy suppliers (2 out of 6)
HR	1 out of 4	<ul style="list-style-type: none"> • Indication that the comparison is done in an independent manner from the energy suppliers
IE	2 out of 2	<ul style="list-style-type: none"> • Displayed that the website is accredited by the Commission for Energy Regulation
IT	1 out of 5	<ul style="list-style-type: none"> • The PCT is owned and run by the regulator
LT	1 out of 1	<ul style="list-style-type: none"> • The PCT is owned and run by the regulator
LU	1 out of 1	<ul style="list-style-type: none"> • The PCT is owned and run by the regulator
LV	0 out of 2	
NL	4 out of 5	<ul style="list-style-type: none"> • Indication that the comparison is done in an independent manner from the energy suppliers. In addition, one PCT indicates to comply to the criteria of ConsuWijzer (an independent website of the regulator providing advice on the energy market); one PCT indicates to have been awarded 'best PCT' in 2012 by an independent market research company WUA
PL	4 out of 6	<ul style="list-style-type: none"> • One PCT is owned and run by the regulator • Indication that the comparison is done in an independent manner from the energy suppliers (3 out of 6)
PT	2 out of 2	<ul style="list-style-type: none"> • One PCT is owned and run by the regulator • The other PCT indicates it is completely independent from energy suppliers
RO	0 out of 1	
SE	4 out of 4	<ul style="list-style-type: none"> • One PCT is owned and run by the regulator • Indication that the comparison is done in an independent manner from the energy suppliers (3 out of 4)
SI	1 out of 2	<ul style="list-style-type: none"> • One PCT is owned and run by the regulator
SK	0 out of 3	
UK	2 out of 5	<ul style="list-style-type: none"> • Displayed that the websites are accredited by the regulator
IS	0 out of 1	
NO	2 out of 3	<ul style="list-style-type: none"> • Indication that the comparison is done in an independent manner from the energy suppliers
Total	46 out of 85 (54%)	

Note: No PCTs were found in Bulgaria, Cyprus, Hungary and Malta.

Source: Main Task 3 PCT Exercise

When it comes to **sources of revenue** of PCTs, it is important that PCTs provide information on their revenue source as this can have an **influence on the ranking of offers**. A consumer market study⁴⁶ on e-commerce conducted in 2011 on behalf of the European Commission criticised PCTs for not always being transparent about how search results are presented, how results were ranked, and the **effect that any commercial relationships may have on the ranking of offers**. In the PCT survey, PCT operators were asked whether they inform the consumer in a transparent manner about **the calculation methodology** used to rank the tariffs and in particular the cheapest ones: six out of seven PCTs reported to provide this information.

Four out of seven PCTs reported in the survey that they receive a fee for each consumer that switches suppliers through their PCT. Among these four PCTs, one further reported to provide energy suppliers the possibility to be shown on the top of the first page with results. One other PCT receives financial contributions from advertisements. There is one private PCT that indicated to be 'financed independently'. Two out of the seven PCTs participating

⁴⁶ Executive Agency for Health and Consumers (2011). Consumer market study on the functioning of e-commerce and Internet marketing and selling techniques in the retail of goods, Final Report

in the survey are run and managed by the energy regulator in the country and the costs of running the tool are covered by the regulator.

The survey further inquired whether **the ranking of offers on the PCT is influenced by energy suppliers**. All PCT operators replied that this was not the case. Nevertheless, two out of the seven PCTs indicated that they only provide details of offers from energy suppliers that pay for their services, which may lead to doubts about their independence.

Data sourcing

It is important for consumers to understand where the data presented on PCT websites comes from, and how often the information on offers, tariffs, etc. is updated. Being aware of the method used for sourcing data allows consumers to assess the reliability and usefulness of a PCT. Therefore, the study asked PCT owners to provide information on **how they collect the offers presented** in the tool and **how often this information is updated**. In addition, via the PCT exercise, information was collected whether PCTs also inform their consumers about the method used for sourcing data.

From the PCT exercise, it seems that only **27% of the PCTs analysed (23 out of 85) provide information about their source for data**. The results per country vary heavily as in some countries all PCTs display information on their sources, whereas in others, none of the PCTs provides such information. For most PCTs where information was displayed, the websites of energy suppliers and/or the national energy regulator were the most important source for data. On one PCT website, it was noted that they cooperate with other PCTs and exchange information to be aligned and ensure consistency between different PCTs in the country.

Five out of seven PCT operators **indicated in the PCT survey to search for information themselves through web scraping**. Information seems to be mainly collected from the energy regulator's website or directly from the suppliers' website(s), by downloading the information and offers from these websites. Moreover, three of these PCTs further completed the data with information directly received from the energy suppliers. To ensure that the information uploaded on their PCT is accurate, they perform a mapping between the data collected internally and the data received externally from the suppliers. Two out of seven PCTs only display information provided to them **directly by the energy suppliers**.

Table 10: PCTs displaying information on data source and explaining how often data is updated

	Number of PCTs analysed displaying information on source of data	Number of PCTs analysed explaining how often data is being updated
AT	3 out of 4	3 out of 4
BE	2 out of 5	1 out of 5
CZ	0 out of 5	1 out of 5
DE	0 out of 5	3 out of 5
DK	0 out of 1	0 out of 1
EE	2 out of 2	1 out of 2
EL	0 out of 2	0 out of 2
ES	0 out of 4	1 out of 4
FI	0 out of 4	2 out of 4
FR	0 out of 6	2 out of 6
HR	0 out of 4	1 out of 4
IE	0 out of 2	0 out of 2
IT	1 out of 5	1 out of 5
LT	0 out of 1	0 out of 1
LU	0 out of 1	0 out of 1
LV	1 out of 2	2 out of 2
NL	1 out of 5	1 out of 5
PL	5 out of 6	1 out of 6
PT	0 out of 2	1 out of 2
RO	0 out of 1	0 out of 1
SE	1 out of 4	0 out of 4
SI	2 out of 2	0 out of 2
SK	0 out of 3	0 out of 3
UK	2 out of 5	0 out of 5
IS	0 out of 1	0 out of 1
NO	3 out of 3	2 out of 3
Total	23 (27%) out of 85	23 (27%) out of 85

Note: No PCTs were found in Bulgaria, Cyprus, Hungary and Malta.
Source: Main Task 3 PCT Exercise

For 27% of the PCTs analysed, the **frequency by which offers are being updated is displayed on their website**. Further details on this frequency were collected in the PCT exercise:

- In Austria, one PCT indicates to update information every three months, another PCT indicated to do this on a 'frequent' basis;
- In the Czech Republic (1 PCT), Latvia (2 PCTs) and Poland (1 PCT), the PCTs indicate on their main page when prices were last updated and it appears that prices are updated on a weekly basis;
- In Germany, three PCTs also indicate on their main page when the prices were last updated, and it appears that prices are updated daily;
- In France, one PCT indicates to update information on a monthly basis; the other PCT updates the information on a weekly basis;
- In Portugal, one PCT indicates to update information as soon as it is made available by suppliers to the public.

Three out of seven PCT operators in the PCT survey replied that information on their website is updated on a monthly basis. One respondent mentioned that this is done at the

beginning of every month and that the updating process takes approximately 10 hours. Two out of seven PCTs performed this update on a weekly basis and one on a daily basis.

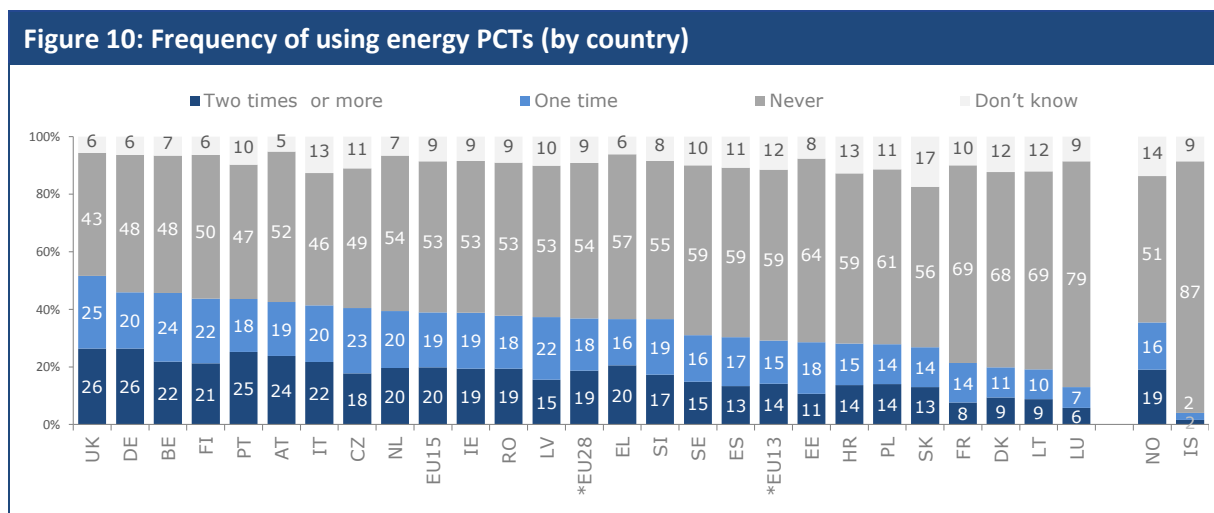
3.3 Consumers' experiences using energy PCTs

3.3.1 Frequency of using energy PCTs

A slim majority of survey respondents, across the EU28, had not used energy PCTs in the past 12 months, while 18% had used an energy PCT once in the past 12 months and 19% had used PCTs two or more times. Younger consumers and those using the internet frequently for various activities were the most likely to have used energy PCTs.

Consumers in the UK were the most likely to have used energy PCTs in the past 12 months; 26% of respondents reported having used them two times or more during this time frame and 25% had used a PCT one time. Other countries at the higher end of the country ranking included Germany, Belgium, Finland, Portugal and Austria. The latter countries also have some of the highest switching rates (for more details, see 4.2.1).

In Luxembourg, Lithuania, Denmark, France and Iceland, less than one in four consumers had used energy PCTs in the past 12 months. The figures for Iceland, Luxembourg and Lithuania can be explained by the fact that consumers in these countries have access to just one (publicly owned) PCT (see Table 7). In Denmark, however, two privately owned and one publicly owned PCT were identified, and consumers in France have access to an even larger number of energy PCTs (12 PCTs were identified in Main Task 3).



Question wording: Q27. Thinking of the past twelve months, how often, if at all, have you used comparison tools for comparing energy offers (gas and/or electricity)? (EU28, excl. CY and MT: n=15,984)

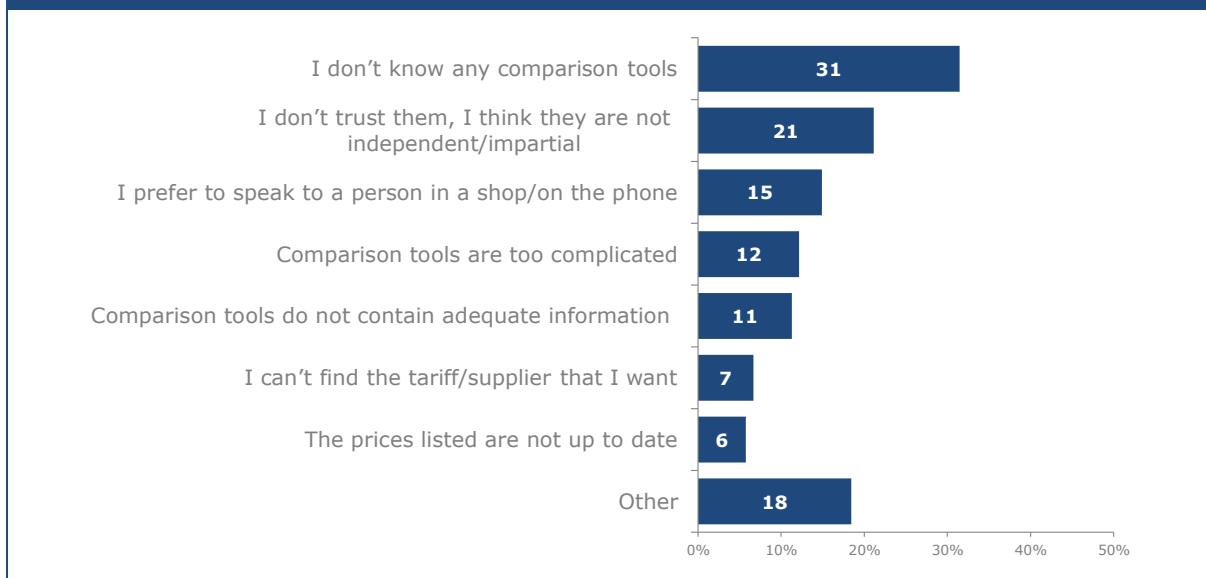
Note: * Question not asked in Cyprus and Malta. Results for Bulgaria and Hungary not shown.

Source: Main Task 2 Consumer surveys

3.3.2 Reasons for not using PCTs

Respondents in the consumer survey were asked to specify their reasons for not using PCTs. Roughly 3 in 10 respondents (31%), who had not used PCTs, replied that this was because they did not know any comparison tools, and 15% replied that they prefer to speak to someone in a shop or on the phone. One in five (21%) respondents answered that they did not use PCTs because they do not trust them, and 11% explained that PCTs do not contain adequate information. One in six respondents selected the "other" response; most of these respondents explained that they were currently not looking to switch.

Figure 11: Main reasons for not using energy PCTs (EU28)



Question wording: Q28. What are the main reasons why you do not use comparison tools for comparing energy offers? Base: Respondents who have not used comparison tools for comparing energy offers (EU28, excl. CY and MT: n= 10,354).

Note: Question not asked in Cyprus and Malta. Results for Bulgaria and Hungary not included.

Source: Main Task 2 Consumer surveys

In Lithuania, Luxembourg and Iceland, just one energy PCTs was identified in the mapping exercise; moreover, switching rates are low in these countries (see Section 4.2.1). As such, it is no surprise that these countries were characterised by the largest shares of respondents who had not used PCTs to compare energy offers simply because they did not know any such tools. Interestingly, there are also some countries with a relatively high proportion of consumers who did not know any PCTs, although several tools are available in the country. This was the case, for example, in Norway. In this country, 45% of consumers who had not used PCTs to compare energy offers explained that this was because they did not know any PCTs; however, in the mapping exercise, five PCTs for energy were identified in the country. In Norway, a relatively large share of respondents had switched energy suppliers in the past 12 months (21% – see Section 4.2.1), but it is true that, compared to other countries, fewer respondents had used a PCT to compare offers before switching (25%, compared to, for example, 72% in the UK). The results for the question about reasons for not using PCTs lead to the conclusion that PCTs in Norway are less frequently used, not because consumers do not trust PCTs or because PCTs are complicated to use, but because consumers do not know which PCTs are available.

The highest number of energy PCTs was observed in the Netherlands (25 PCTs); this country, however, also has one of the highest proportions (26%) of consumers who replied that they had not used PCTs in the past 12 months because they did not trust them and think they were not independent and impartial. In France, the Czech Republic and Germany, similar figures were observed (between 25% and 28%).

Table 11: Main reasons for not using energy PCTs (by country)

	I don't know any comparison tools	I don't trust them, I think they are not independent/ impartial	I prefer to speak to a person in a shop/on the phone	Comparison tools are too complicated	Comparison tools do not contain adequate information	I can't find the tariff/ supplier that I want	The prices listed are not up to date	Other
*EU28	31%	21%	15%	12%	11%	7%	6%	18%
EU15	26%	22%	17%	13%	11%	6%	6%	21%
*EU13	48%	19%	9%	11%	11%	10%	6%	11%
LU	63%	7%	16%	9%	5%	4%	2%	13%
LT	61%	10%	5%	7%	8%	16%	1%	12%
RO	57%	21%	9%	12%	10%	11%	8%	6%
EL	53%	18%	17%	11%	9%	5%	5%	8%
HR	52%	16%	12%	10%	10%	5%	5%	10%
DK	52%	11%	9%	10%	8%	5%	4%	21%
SK	48%	21%	9%	13%	11%	11%	8%	6%
PL	45%	21%	9%	11%	11%	9%	6%	11%
LV	44%	19%	9%	11%	14%	14%	11%	8%
PT	43%	16%	23%	12%	10%	7%	2%	13%
SI	43%	13%	20%	11%	5%	5%	5%	15%
ES	40%	17%	22%	10%	10%	7%	6%	11%
EE	40%	10%	16%	11%	17%	8%	4%	19%
AT	38%	9%	15%	15%	8%	4%	3%	23%
FR	35%	25%	15%	13%	10%	5%	6%	18%
FI	34%	11%	17%	13%	7%	5%	5%	27%
IE	33%	12%	23%	16%	12%	4%	6%	15%
CZ	30%	26%	15%	12%	13%	6%	4%	21%
SE	29%	14%	11%	14%	5%	7%	3%	32%
BE	26%	18%	12%	24%	8%	8%	7%	21%
IT	23%	23%	16%	15%	19%	9%	8%	12%
NL	19%	26%	8%	12%	7%	4%	3%	36%
DE	14%	28%	19%	10%	11%	3%	5%	29%
UK	8%	22%	16%	14%	15%	6%	6%	27%
NO	45%	12%	7%	10%	7%	5%	7%	25%
IS	86%	3%	6%	6%	2%	3%	0.2%	8%

Question wording: Q28. What are the main reasons why you do not use comparison tools for comparing energy offers? Base: Respondents who have not used comparison tools for comparing energy offers (EU28, excl. CY and MT: n= 10,354).

Note: * Question not asked in Cyprus and Malta. Results for Bulgaria and Hungary not shown.

Source: Main Task 2 Consumer surveys

3.4 Non-price elements included in PCTs

3.4.1 Typical non-price elements included in PCTs

While the price of an offer is one of the main criteria for comparison, it might also be useful for consumers to be able to review offers in terms of non-price elements, such as type of tariffs, contract duration and share of renewable energy. In the PCT exercise, a sample of 85 PCTs was analysed and the following information was recorded:

- **Non-price elements** displayed for the **cheapest tariff** (based on a consumption level of 2,500 – 3,500 kWh);
- **Non-price elements** displayed on the **first page with search results**; and
- Non-price elements that can be used **to filter or rank offers** provided on the PCT.

Out of the sample of 85 PCTs, 57 PCTs provide **non-price elements for the offers displayed on the website**. When comparing these non-price elements, consumers can most commonly find information on services included in the offer (included for PCTs in 14 countries), followed by information on the energy source (included for PCTs in 11 countries) and contract termination conditions (included for PCTs in 10 countries).

Contract duration is **the most frequent non-price element displayed on the first page with search offers** (included in PCTs in 19 countries), and PCTs in 15 countries provide a link to the actual offer on the search page.

On all PCTs sampled, the **default ranking methods** was from the cheapest to the most expensive offer. In 10 countries, consumers can use a PCT that allows them to filter offers by contract duration, and in seven countries, by type of tariff (fixed/variable). Various other ranking variables were identified (such as filters based on billing period, contract termination conditions etc.), but these tended to be offered each time by just a few PCTs. One PCT allowed users to rank offers in terms of expected savings per year.

Table 12: Non-price elements provided for offers on PCT websites

	Billing elements		Contractual elements		Energy elements		Offer details		Price elements						Sample of PCTs	Number of PCTs on which non-price elements can be compared
	Billing period	Billing format	Contract duration	Contract termination conditions	Energy source	Type of energy	Additional services	Customer satisfaction	Discount	Deposit	Fee structure	Payment methods	Savings	Switching fee		
AT				X	X		X				X	X			4	3
BE		X		X	X		X	X				X			5	4
CZ				X			X		X		X				5	1
DE		X	X		X		X			X	X				5	4
DK					X		X				X				1	1
EE				X			X				X				2	2
ES							X								4	3
FI			X	X	X	X	X								4	4
FR		X		X	X		X				X	X			6	6
HR		X		X			X								4	2
IE		X					X					X			2	1
IT		X		X	X				X	X	X	X			5	5
LT					X	X						X		X	1	1
LU				X	X		X				X	X			1	1
LV			X										X		2	2
NL		X		X	X		X				X				5	5
PL	X		X										X		6	1
SE			X			X		X	X						4	3
UK		X			X		X					X			5	5
NO		X				X		X				X			3	3
TOTAL	1	9	5	10	11	4	14	3	3	2	9	9	2	1	74	57

Note: No PCTs were found in Bulgaria, Cyprus, Hungary and Malta. The PCTs samples of Greece, Iceland, Portugal, Romania, Slovakia and Slovenia did not contain PCTs that provide non-price elements for offers.

Source: Main Task 3 PCT Exercise

Table 13: Criteria to filter offers on PCT websites

	Billing elements		Contract elements				Energy	Offer details						Price elements					Other		Sample of PCTs	Nmb. of PCTs that apply filters	
	Billing periods	Online bill	Contract duration	Contract termination conditions	Exit fees	Time of use	Energy source	Additional services	Customer satisfaction	Household description	% Online offer	Quality of supplier	Supplier	Annual consumption	Deposit	Discount	Fix/Variable tariff	Payment method	Savings per year	Current supplier			Current tariff
AT			X												X	X	X					4	3
BE			X	X				X				X			X	X						5	4
CZ			X	X						X												5	1
DE			X	X	X									X								5	2
DK			X					X				X				X						1	1
EE			X	X								X				X						3	1
ES								X			X											4	3
FI			X					X								X						4	4
FR			X									X			X	X						6	6
HR				X						X												4	3
IT			X				X		X				X					X				5	5
LT			X				X															1	1
LU		X	X						X				X						X	X		1	1
LV				X														X				1	2
NL			X	X								X				X						5	5
PL	X		X	X														X				6	3
PT			X																			2	1
RO				X																		1	1
SE								X							X							4	2
UK			X	X		X						X						X				5	5
NO			X						X			X						X				3	2
TOTAL	1	1	16	10	1	1	2	4	1	3	2	1	7	2	1	4	7	5	1	1	1	75	56

Note: No PCTs were found in Bulgaria, Cyprus, Hungary and Malta. The PCTs sampled in Greece, Iceland, Ireland, Slovakia and Slovenia only rank offers in terms of price.

Source: Main Task 3 PCT Exercise

Table 14: Information displayed on the first results pages on the PCT websites

	Contractual elements		Offer details						Energy	Price elements						Sample of PCTs	Number of PCTs that display elements other than price on 1st page
	Contract duration	Switching procedure	Additional services	Company description	Customer satisfaction	Link to the offer	Supplier's logo	Supplier's website	Energy source	Discount	Estimated amount of savings	Estimated cost per year	Fix/Variable tariff	Payment method	Price breakdown		
AT	X	X				X					X					4	3
BE	X			X					X	X						5	5
CZ	X															5	4
DE	X					X			X							5	2
DK	X								X		X					1	1
EE	X					X			X	X					X	2	2
EL	X												X			2	2
ES	X		X						X						X	4	3
FI	X					X					X	X			X	4	4
FR	X					X					X					6	6
HR			X						X		X				X	4	3
IE	X					X			X							2	1
IT	X						X	X					X			5	5
LT			X			X	X	X								1	1
LU	X					X			X		X			X		1	1
LV	X				X		X		X				X			2	2
PL	X					X	X			X						6	5
PT			X			X		X								2	1
RO			X					X							X	1	1
SE	X					X										4	3
SI	X					X			X							2	2
SK	X					X										3	3
UK	X	X				X					X			X		5	4
NO						X	X		X							3	3
TOTAL	19	2	5	1	1	15	5	4	11	3	7	1	3	2	5	79	67

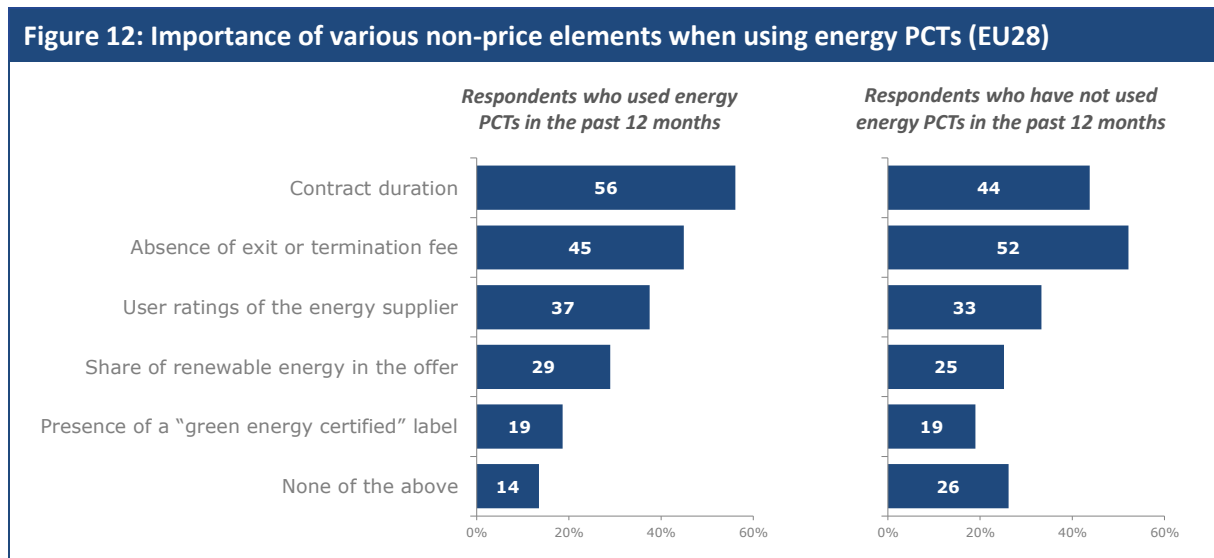
Note: No PCTs were found in Bulgaria, Cyprus, Hungary and Malta. The PCT in Iceland only showed the price on the 1st page.

Source: Main Task 3 PCT Exercise

3.4.2 Non-price elements considered important by consumers

Among respondents who had used energy PCTs in the past 12 months, 56% replied that they had considered contract duration in the comparison, 45% had looked at the absence of exit or termination fees and 37% had looked at the user ratings provided on the website. The share of renewable energy in the offers and the presence of a “green energy certified” label was taken into account by, respectively, 29% and 19% of PCT users.

Respondents who had not used PCTs were asked which elements, in addition to price, they would consider when using a PCTs. A roughly similar ranking of non-price elements appeared, although it should be noted that this group of respondents thought first of exit and termination fees.



LEFT: Q30a. Thinking about the last time you used a comparison tool for comparing energy offers, did you consider any of the following in your comparison? Base: Respondents who have used comparison tools for comparing energy offers (EU28, excl. CY and MT: n= 6,180)

RIGHT: Q30b. Imagine that you would use a comparison tool for comparing energy offers, in addition to price, which of the following would you consider in your comparison? Base: Respondents who have not used (or don't know) comparison tools for comparing energy offers (EU28, excl. CY and MT: n= 10,354)

Note: Question not asked in Cyprus and Malta. Results for Bulgaria and Hungary excluded.

Source: Main Task 2 Consumer surveys

The next chapter of this report looks at exit and termination fees. In that chapter, it will be observed that, across the EU28, 52% of survey respondents explained that the fact that the supplier does not apply exit or termination fees would be *very important* when choosing an alternative supplier. In line with this observation, 49% of consumers would look at the absence of exit or termination fees when using energy PCTs. In Greece and Romania, consumers were the most likely to respond that they would consider this element in their comparison (61% and 60%, respectively). The five Nordic countries are found at the bottom of the country ranking (between 26% and 35%).

Table 15: Importance of various non-price elements when using energy PCTs (by country)

	Absence of exit or termination fee	Contract duration	User ratings of the energy supplier	Share of renewable energy in the offer	Presence of a "green energy certified" label	None of the above
*EU28	49%	48%	35%	27%	19%	22%
EU15	49%	48%	33%	27%	19%	22%
*EU13	52%	48%	42%	24%	19%	21%
RO	61%	53%	34%	35%	28%	18%
EL	60%	49%	51%	34%	29%	16%
PT	57%	50%	40%	32%	27%	20%
AT	54%	52%	26%	40%	25%	19%
LV	54%	42%	35%	12%	9%	27%
IT	54%	34%	33%	25%	18%	17%
HR	53%	55%	50%	26%	21%	17%
FR	53%	39%	31%	27%	21%	27%
PL	52%	47%	43%	21%	16%	23%
EE	50%	35%	38%	25%	18%	33%
LT	50%	41%	43%	28%	20%	22%
DE	49%	66%	30%	32%	15%	17%
ES	48%	40%	37%	31%	22%	21%
CZ	47%	49%	55%	14%	11%	17%
UK	47%	55%	38%	17%	15%	24%
BE	43%	45%	24%	26%	23%	28%
IE	42%	50%	30%	21%	24%	25%
SI	41%	43%	37%	22%	15%	28%
LU	41%	37%	28%	45%	36%	26%
SK	40%	33%	47%	15%	16%	29%
NL	37%	53%	31%	28%	15%	23%
SE	35%	45%	26%	30%	20%	30%
DK	29%	22%	29%	27%	27%	37%
FI	26%	55%	24%	32%	18%	24%
IS	26%	18%	22%	26%	26%	53%
NO	33%	30%	30%	16%	17%	37%

Computed variable based on:

Q30a. Thinking about the last time you used a comparison tool for comparing energy offers, did you consider any of the following in your comparison? Base: Respondents who have used comparison tools for comparing energy offers (EU28, excl. CY and MT: n= 6,180)

Q30b. Imagine that you would use a comparison tool for comparing energy offers, in addition to price, which of the following would you consider in your comparison? Base: Respondents who have never used (or don't know) comparison tools for comparing energy offers (EU28, excl. CY and MT: n= 10,354)

Note: * Question not asked in Cyprus and Malta. Results for Bulgaria and Hungary not shown.

Source: Main Task 2 Consumer surveys

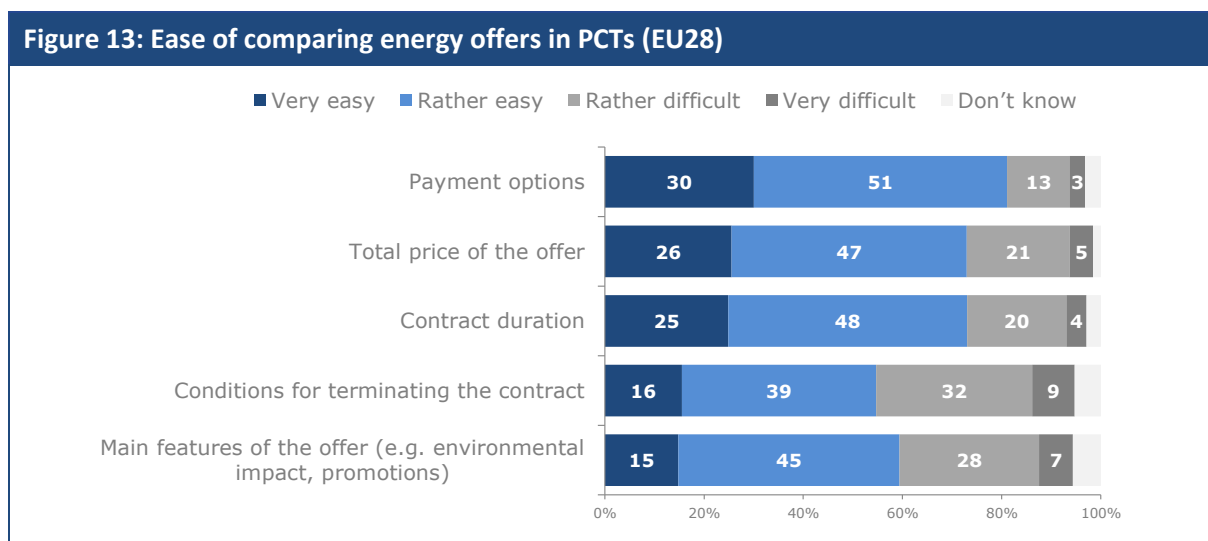
3.5 Ease of comparing offers in PCTs and user friendliness

The previous section looked at typical non-price elements shown for offers displayed in PCTs. Providing such information, of course, can only be useful if the information is presented in a comprehensible manner. As such, another important aspect of PCTs relates to the user friendliness of PCTs. This implies the way how information is provided, which should preferably be in an easily readable format, visually organised in a user-friendly manner. To improve these aspects, PCTs can apply user interfaces that are simple to interact with and do not require advanced technological skills and can provide an overview of the websites' main features on the first page (start page). User-friendliness can improve trust, understanding, comparability and clarity.

3.5.1 Consumers' evaluation of the ease of comparing offers in PCTs

Across the EU28, 30% of survey respondents who had used PCTs in the past 12 months to compare energy offers, answered that it had been *very easy* to compare these offers in terms of **payment options**, and 51% said this had been *rather easy*. **Contract duration** and the **total price of the offer** were also perceived as rather easy to compare (both 73% of "very easy" and "rather easy" responses).

The proportions of consumers who said it had been at least rather easy to compare the **main features of the offer** and the **conditions for terminating the contract** were lower than for the other items (60% and 55%, respectively, of "very easy" and "rather easy" responses).



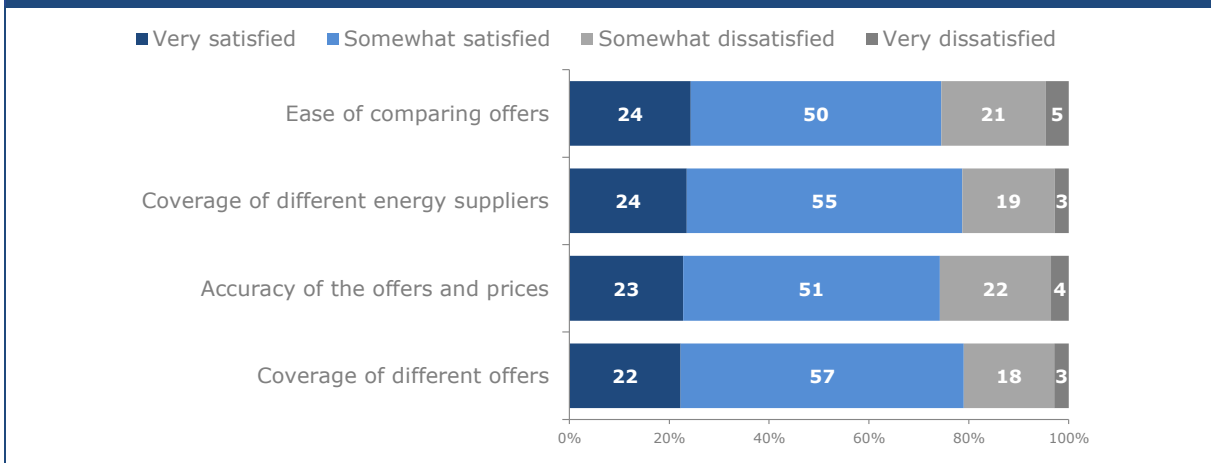
Question wording: Q29b. Still thinking about the last time you used a comparison tool for comparing energy offers, how easy was it to find the following information about the energy offers? Base: Respondents who have used comparison tools for comparing energy offers (EU28, excl. CY and MT: n= 6,180)

Note: Question not asked in Cyprus and Malta. Results for Bulgaria and Hungary excluded.

Source: Main Task 2 Consumer surveys

Survey respondents who had used PCTs in the past 12 months to compare energy offers, were also asked how satisfied they had been with various aspects of the PCT: ease of comparing offers, coverage of different energy suppliers and offers, and accuracy of the offers and prices. For each aspect, somewhat more than one in five respondents reported having been *very satisfied* with the PCT, while between 50% and 57% said they had been *rather satisfied*. The overall level of satisfaction reported (i.e. sum of "very" and "somewhat satisfied" responses) was 74% for accuracy and ease of comparing, compared to 79% for coverage of suppliers and coverage of offers.

Figure 14: Satisfaction with various aspects of PCTs (EU28)



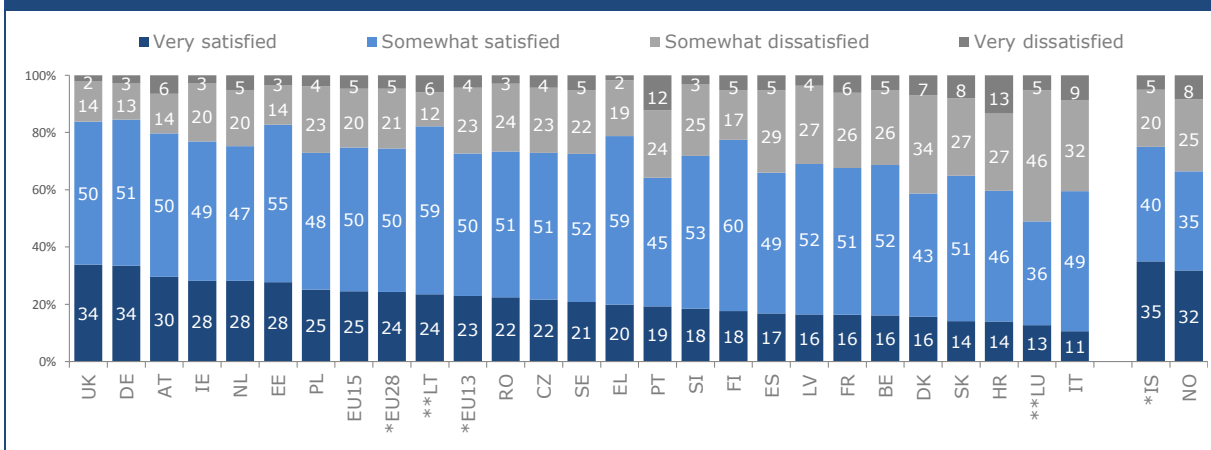
Question wording: Q29a. Thinking about the last time you used a comparison tool for comparing energy offers, how satisfied were you with the following aspects? Base: Respondents who have used comparison tools for comparing energy offers (EU28, excl. CY and MT: n= 6,180)

Note: Question not asked in Cyprus and Malta. Results for Bulgaria and Hungary excluded.

Source: Main Task 2 Consumer surveys

In the following figure, the individual country results are presented for consumers' satisfaction with the ease of comparing offers in PCTs. Overall the lowest satisfaction level was observed in Luxembourg (49% of very and somewhat satisfied responses); this country also ranked lowest for the other aspects that were evaluated. Energy PCT users in Germany and the UK, however, appeared to be overall the most satisfied. For example, 84% of PCT users in the UK and 85% of those in Germany were satisfied with the ease of comparing offers.

Figure 15: Satisfaction with various aspects of PCTs: ease of comparing offers (by country)



Question wording: Q29a. Thinking about the last time you used a comparison tool for comparing energy offers, how satisfied were you with the following aspects? Ease of comparing offers. Base: Respondents who have used comparison tools for comparing energy offers (EU28, excl. CY and MT: n= 6,180)

Note: * Question not asked in Cyprus and Malta. Results for Bulgaria and Hungary excluded; ** n <100

Source: Main Task 2 Consumer surveys

3.5.2 Comparability issues reported in the PCT exercise

In the PCT exercise of Main Task 3, native speaking researchers verified for the sample of 85 PCTs if information was easy to understand and what elements would be considered as difficult to understand. Many researchers reported to have experienced difficulties to understand and compare information on the PCTs; the main issues reported were:

- **Details on the offers** listed in the PCT were often confusing and not exhaustive; this applied mainly to **non-price elements**;
- **Contract conditions** were not clear;
- **Discounts** were not clearly identifiable. In case discounts were included in the offer, the end date for the promotion and total price for the offer after applying the discount were not clearly displayed. This finding contradicts with the view of some PCT operators, as four out of seven PCT operators in the PCT survey indicated to provide consumers with information on discounts in a transparent manner;
- The method used for **quality ratings** was regularly missing;
- **Data sources** were not clearly indicated; this was also the case for the **frequency** by which offers are being updated; and
- The PCT was too **technical** and the **language** used was not simple to understand.

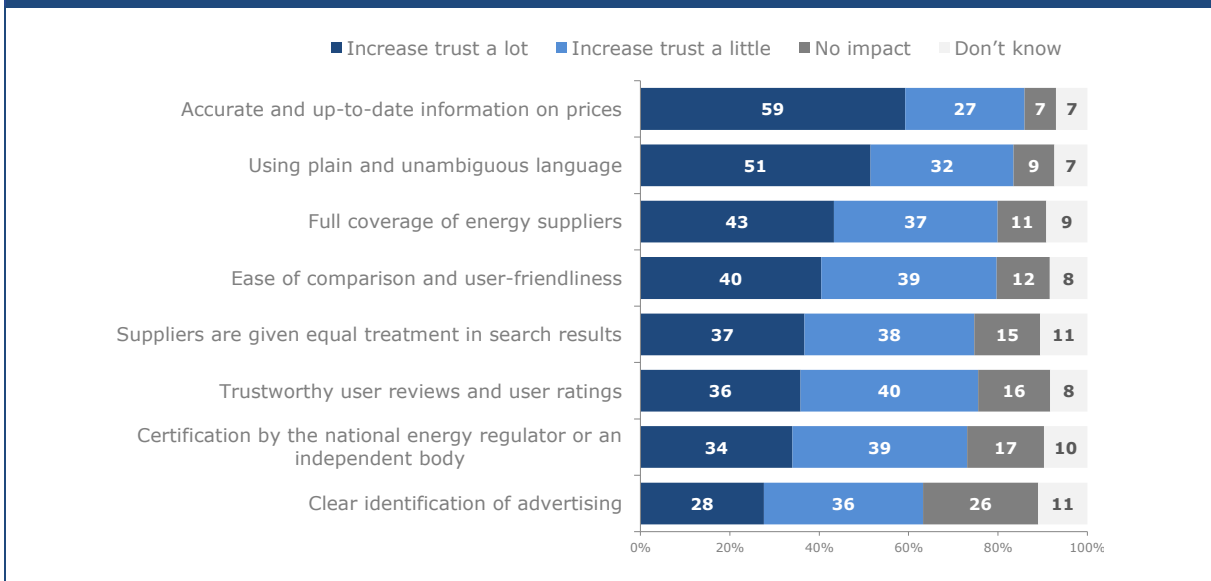
Almost half of the PCTs sampled (45 out of 85) offered the **option to switch suppliers on the PCT** website itself, this was also the case for four out of seven PCT operators in the PCT survey. For one of these four PCTs, this was done through 'one click' on the offer; for two other PCTs, via a hyperlink to the website of the energy supplier. On the fourth PCT, the consumer had to complete an online application document on the PCT in order to be re-directed to the website of the supplier.

During the evaluation mentioned above, some researchers pointed out that the function to directly switch suppliers from the PCT website was not activated. Some further issues with the option to switch suppliers directly on the PCT also came up in the PCT survey. The PCT operators, for example, explained that they only provide the possibility to switch suppliers for the offers from the suppliers that pay for their services. Moreover, discounts are often only provided to those consumers that effectively use the switching feature on the PCT. Finally, a respondent in the stakeholder consultation added that, in the Finnish market, there have been cases where PCTs did not provide customers with all required pre-contractual information before signing the new contract.

3.6 Features that can increase trust in energy PCTs

A large majority of consumers agreed that they would have more trust in the comparison results provided by PCTs if PCTs ensure that all information on prices is accurate and up to date; 59% answered that this would increase trust *a lot*. One in two consumers (51%) said that their trust in PCTs would increase a lot if these tools would use plain and unambiguous language and 40% said the same about ease of comparison and user-friendliness. For the other features listed in the survey, the proportions saying that this feature would increase trust a lot varied between 28% for clear identification of advertising and 43% for full coverage of energy suppliers.

Figure 16: Features that could increase trust in energy PCTs (EU28)



Question wording: Q31. Specify for each of the following characteristics of energy comparison tools to what extent it would increase your trust in the comparison provided. Base: All respondents (EU28, excl. CY and MT: n=18,223)

Note: results for Cyprus and Malta excluded

Source: Main Task 2 Consumer surveys

As noted above, 59% of respondents *strongly agreed* that they would trust the comparison results provided by PCTs more if the PCTs ensure that all information on prices is accurate and up to date. In the PCT exercise, however, it was observed that just 15 out of the 85 PCTs sampled provide the consumer with a procedure on their website to report incorrect information on the published offers.

The table on the following page presents the proportion of “increase trust a lot” responses for the individual countries. This table shows, for example, that the proportion of consumers who replied that certification by the national energy regulator or an independent body would increase trust a lot in the comparison provided ranged from 25% in the Netherlands to 54% in Bulgaria.

Table 16: Features that could increase trust in energy PCTs (by country)

	Accurate and up-to-date information on prices	Using plain and unambiguous language	Full coverage of energy suppliers	Ease of comparison and user-friendliness	Suppliers are given equal treatment in search results	Trustworthy user reviews and user ratings	Certification by the national energy regulator or an independent body	Clear identification of advertising
*EU28	59%	51%	43%	40%	37%	36%	34%	28%
EU15	58%	50%	41%	39%	36%	34%	33%	28%
*EU13	65%	57%	50%	47%	37%	42%	37%	25%
BG	82%	75%	64%	65%	47%	53%	54%	34%
HR	80%	68%	64%	61%	38%	48%	34%	35%
LV	78%	64%	60%	51%	29%	45%	34%	18%
EL	76%	70%	53%	54%	48%	53%	52%	32%
PT	76%	68%	57%	58%	48%	43%	50%	39%
EE	75%	62%	48%	54%	45%	47%	33%	19%
AT	72%	60%	52%	38%	45%	38%	38%	35%
SK	71%	58%	45%	50%	32%	49%	41%	22%
HU	70%	65%	50%	50%	38%	48%	38%	32%
LT	69%	51%	57%	46%	30%	45%	40%	22%
SI	68%	58%	53%	55%	42%	49%	30%	32%
RO	67%	64%	53%	54%	45%	43%	45%	28%
FI	67%	49%	37%	46%	39%	36%	26%	25%
CZ	66%	56%	42%	41%	37%	50%	36%	21%
DK	64%	52%	49%	49%	41%	42%	34%	27%
DE	63%	48%	45%	29%	40%	31%	27%	34%
LU	62%	53%	41%	48%	39%	31%	40%	22%
IE	58%	53%	47%	45%	43%	43%	43%	35%
BE	58%	49%	39%	39%	36%	29%	30%	25%
IT	57%	57%	42%	50%	32%	35%	38%	23%
SE	57%	50%	49%	50%	40%	32%	32%	30%
MT	57%	50%	42%	40%	40%	37%	43%	32%
PL	56%	48%	47%	37%	33%	32%	30%	20%
ES	53%	51%	38%	38%	35%	34%	34%	31%
FR	52%	47%	35%	35%	31%	30%	31%	19%
UK	52%	44%	41%	37%	36%	40%	34%	32%
NL	50%	34%	35%	35%	33%	24%	25%	23%
CY	41%	43%	31%	30%	31%	32%	27%	24%
NO	64%	55%	49%	48%	47%	45%	34%	32%
IS	62%	53%	50%	52%	47%	42%	38%	32%

Q31. Specify for each of the following characteristics of energy comparison tools to what extent it would increase your trust in the comparison provided. Base: All respondents (EU28, excl. CY and MT: n=18,223)

Note: * Question not asked in Cyprus and Malta.

Source: Main Task 2 Consumer surveys

3.7 Certification and accreditation schemes for energy PCTs

The consumer survey showed 34% of EU28 respondents agreed that they would have a lot more trust in the comparison provided in a PCT if it is certified by the national energy regulator or an independent body. This figure of 34%, however, is considerably lower than the figure observed for other characteristics of PCTs that could increase trust – such as using plain and unambiguous language (51%) and full coverage of energy suppliers (43%).

A study in the UK found that relatively few PCT users are **aware of voluntary accreditation schemes**.⁴⁷ Although the study did confirm the importance of such initiatives considering that users reported they would trust an independent body to run such a scheme (reported by 84% of consumers surveyed who were not aware of the existence of independent accreditation schemes).⁴⁸

Being faced with an increasing choice in PCTs, specific challenges may arise for consumers. PCTs differ in terms of their business model, and commercial agreements may not always be visible and known to consumers. This may impact the overall quality and impartiality of information that consumers rely on when trying to find a better offer. In response to these challenges, various initiatives have been launched by national authorities. The EC's 2013 comparison tool study⁴⁹ analysed comparison tools in different sectors, including the energy sector, and showed that various schemes are being utilised across Member States. Verification schemes cover different categories, including guidelines, codes of conduct and/or independent verification.⁵⁰ These categories can be defined as follows:

- **Guidelines** – guidelines can be issued by any group to assist PCTs to become compliant with existing regulations, principles or best practices. Guidelines themselves may not have any force of law, but when issued by a regulator, may indicate the practices by which a PCT may become compliant with existing regulation. Guidelines often do not make use of any logo or visual icon, and in general are issued with some degree of flexibility for the intended audience (i.e. voluntary compliance, or choice in the method of compliance);
- **Codes of Conduct** – Although similar to guidelines in terms of the lack of verification activity, codes tend to be more rigid and a single authority (e.g. an industry association or regulator) elaborates a specific set of criteria, principles and best practices which PCTs agree to be bound by. Generally speaking, the PCT can publish on their website that it abides by the code, and the code may come with a logo that can be published to draw attention to the PCT's alignment with the principles and practices of the code; and
- **Independent certification / accreditation** – Independent certification / accreditation is in effect a set of requirements (as spelt out in a code of conduct or guidelines by authorities) followed up with an audit, mystery shopping or other ad hoc checks to ensure compliance. It is the approach by which PCTs can 'prove' their adherence to best practices, thereby giving the greatest consumer confidence, while at the same time involving the highest investment by the PCT in terms of time, effort and expense. Verification schemes often offer a logo or visual icon, which can be displayed on the website. Moreover, regular auditing and monitoring of

⁴⁷ Consumer Futures, 2013. Price-Comparison Websites Consumer perceptions and experiences. Accessed in November 2017. Available at: <http://www.consumerfutures.org.uk/files/2013/07/Price-Comparison-Websites-Consumer-perceptions-and-experiences.pdf>; and RS Consulting for Consumer Futures, 2013. Price comparison websites: consumer perceptions and experiences. Accessed in November 2017. Available at: <http://webarchive.nationalarchives.gov.uk/20140522162505/http://www.consumerfutures.org.uk/files/2013/07/Price-Comparison-Websites-Consumer-perceptions-and-experiences.pdf>

⁴⁸ RS Consulting for Consumer Futures, 2013. Price comparison websites: consumer perceptions and experiences. Accessed in November 2017. Available at: <http://webarchive.nationalarchives.gov.uk/20140522162505/http://www.consumerfutures.org.uk/files/2013/07/Price-Comparison-Websites-Consumer-perceptions-and-experiences.pdf>

⁴⁹ European Commission (ECME Consortium), 2013. Study on the coverage, functioning and consumer use of comparison tools and third-party verification schemes for such tools. Accessed in November 2017. Available at: http://ec.europa.eu/consumers/consumer_evidence/market_studies/comparison_tools/index_en.htm

⁵⁰ Idem

compliance is required after such accreditation is awarded to be able to maintain high standards of service and safeguard consumer trust.

The development of **accreditation schemes** has allowed to certify the quality of the PCTs. By implementing a certification of PCTs for energy, regulators can guarantee a higher level of transparency and quality of the information provided and thus increasing customer trust. In order to be certified; however, a PCT in the energy market needs to meet a set of minimum requirements, as noted previously, such as those set in the Annex of the new proposal for a revised electricity Directive.⁵¹

A study in the UK suggests that **accredited PCTs** are likely to perform better on a number of criteria.⁵² And findings from the EC's 2012 study on internet service provider confirmed that PCTs accredited or run by a regulator scored better on five out of seven criteria: user-friendliness, coverage of offers, allowing an informed choice, option to see full and averaged prices and price clarity and understandability.⁵³ The EC's 2013 PCT study⁵⁴ also concluded that 3rd party verification schemes would benefit consumers.

Taking these elements into account, the current study tried to reach a better understanding of certification processes and accreditation schemes, mainly from **the point of view of PCT operators and regulators**. In a first step, a mapping was performed on the sample of 85 PCTs across the 30 countries verifying whether the PCTs provide information on that their website is certified by an independent body, adheres to a code of good practice, cooperates with the regulator, etc. The table on the following page presents the findings of this exercise.

⁵¹ Proposal for a Regulation of the European Parliament and of the Council on the internal market for electricity, 23.02.2017. Available at <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52016PC0861R%2801%29>

⁵² Citizens Advice, 2015. The real deal: how do price comparison websites measure up? Accessed in November 2017. Available at: https://www.citizensadvice.org.uk/global/migrated_documents/corporate/the-real-deal-final.pdf

⁵³ European Commission, 2012. Internet services provision market study. Accessed in December 2017. Available at: http://ec.europa.eu/consumers/consumer_evidence/market_studies/internet_services/index_en.htm

⁵⁴ European Commission (ECME Consortium), 2013. Study on the coverage, functioning and consumer use of comparison tools and third-party verification schemes for such tools. Accessed in November 2017. Available at: http://ec.europa.eu/consumers/consumer_evidence/market_studies/comparison_tools/index_en.htm

Table 17: Information on PCT websites about compliance with codes of conducts, energy regulator scheme, etc.

Country	Run and owned by the regulator	Accredited by a public body	Independent body scheme	Adhered to best practices / association	Other	Not mentioned / Not found	Total PCTs per country (sample)
AT	1			1		2	4
BE		1		2		2	5
BG						-	-
CY						-	-
CZ	1					4	5
DE			2			3	5
DK						1	1
EE				2		-	2
EL						2	2
ES	1					3	4
FI	1					3	4
FR	1					5	6
HR						4	4
HU						-	-
IE		2				-	2
IT	1					4	5
LT	1					0	1
LU	1					-	1
LV						2	2
MT						-	-
NL						5	5
PL	1		1			4	6
PT	1					1	2
RO						1	1
SE	1		2			1	4
SI	1					1	2
SK						3	3
UK	1	3				1	5
IS						1	1
NO			2			1	3
Total	13	6	7	5		54	85

Source: Main Task 3 PCT Exercise

The results show that, for 54 (64%) out of 85 PCTs sampled, **no information** could be found on the PCT website whether the PCT is certified or whether it adheres to any a code of conduct. Also in the PCT survey, PCT operators were asked whether they provide general information regarding certification to consumers. Out of the seven respondents, none indicated to provide such information on their website.

In 13 countries, the PCT is **directly run and operated by the regulator** and **a link to the regulator website is provided on the PCT**. This is the case for Austria (by e-

control⁵⁵), Czech Republic (by the Energy Regulatory Office / Energetický regulační úřad⁵⁶), Finland (by Energiavirasto)⁵⁷, France (by the Commission de régulation de l'énergie⁵⁸), Italy (by the Autorita Energia⁵⁹), Lithuania (by the Valstybine Kainu ir Energetikos Kontroles Komisija⁶⁰), Luxembourg (by the Institut luxembourgeois de Régulation⁶¹), Poland (by the Valstybine Kainu ir Energetikos Kontroles Komisija⁶²), Portugal (by the Energy Services Regulatory Authority⁶³), Spain (by the Comisión Nacional de los Mercados y la Competencia⁶⁴), Slovenia (by the Energy Agency in the Slovenian energy market⁶⁵), Sweden (by the Swedish Energy Markets Inspectorate / Energimarknadsinspektionen⁶⁶) and the UK (by Ofgem⁶⁷). For Luxembourg, the regulator added in the survey that all data displayed on the PCT needs to be validated by them; there is no specific certification process in place as the regulator operates the PCT itself.

On the websites of six PCTs, it could be found that the PCT is accredited by a public body. In Belgium, one privately-run PCT obtained certification by the Commission de Régulation de l'Électricité et du Gaz (CREG), which established a 'Charter of good practices for the websites of comparison of electricity and gas prices for residential consumers and SMEs'. In Ireland, two PCTs are accredited by the Commission for Regulation of Utilities (CRU), indicating the logo of CRU on their website. In the UK, three of the sampled PCTs are accredited by the Ofgem scheme. For all these PCTs, the logo of the accreditation body is clearly displayed on their website's main page, allowing consumers to identify directly the PCT's adherence to the rules of the accreditation scheme or code of conduct.

Seven PCTs appear to follow **an independent body scheme** as displayed on their website. In Germany, certification/verification is done by third parties (e.g. TÜV, Ökotest, consumer organisations). For both PCTs sampled in Germany, the PCTs were granted a quality seal of the 'TÜV (Technische Überwachungsverein)', the German Technical Inspection Association, which monitors the compliance with federal laws and regulations. The PCTs publish on their website the seal with the indication of the grade (good) as well as the year when the seal has been obtained. In Poland, the PCT is supported by SpeedUp Venture Capital Group and the Belgian company CORETEC Engineering, dealing in energy consulting, electricity trading and gas sales. According to this PCT, "the experience that Coretec employees have in a fully liberalised energy market in Belgium is extremely valuable. Using their knowledge, we are always a step ahead of the competition, which makes the Optimal Energy offer the best in Poland." In Sweden, there is one independent PCT owned by Schibsted since autumn 2013. Schibsted is a Norwegian media group, active in many companies, such as Aftonbladet, Svenska Dagbladet, Blocket, Find.se. The other independent PCT in Sweden is a privately financed website for the comparison of electricity prices. Behind the Elprisguiden is Magnus Askaner, who has several years of experience in the electricity market, including as an editor of the ERA branch magazine. Lastly, there are two PCTs in Norway that follow an independent body scheme. One of them is a company run by five civil engineers from the Royal Institute of Technology, which after a few years of business experience gathered around the idea that there was a need for an independent and comprehensive service of high quality to increase the transparency of the electricity market. The other PCT is serving as a comparison website for different services, amongst

⁵⁵ Accessed via: <https://www.e-control.at/en/konsumenten/service-und-beratung/toolbox/tarifkalkulator>

⁵⁶ Accessed via: <http://www.eru.cz>

⁵⁷ Accessed via: <http://www.sahkonhinta.fi/>

⁵⁸ Accessed via: <https://www.comparateur-electricite.com/comparateur-electricite/>

⁵⁹ Accessed via: <https://www.autorita.energia.it/it/trovaofferte.htm>

⁶⁰ Accessed via: <http://www.regula.lt/elektra/Puslapiai/default.aspx>

⁶¹ Accessed via: <https://web.ilr.lu/FR/Professionnels/Electricite/Acteurs/Guide-dentree-sur-le-marche/Compareur-de-prix>

⁶² Accessed via: <https://www.ure.gov.pl/pl?dzial=>

⁶³ Accessed via: <http://www.erse.pt/pt/simuladores/paginas/simuladores.aspx>

⁶⁴ Accessed via: <https://comparadorofertasesnergia.cnmc.es/comparador/index.cfm?js=1&e=N>

⁶⁵ Accessed via: <https://www.agen-rs.si/web/en>

⁶⁶ Accessed via: <https://www.ei.se/elpriskollen/>

⁶⁷ Accessed via: <https://www.ofgem.gov.uk/>

others energy, and states on its website that it is financed by a consumer organisation. The PCT does not provide any further indication regarding their collaboration.

Five out of 85 PCTs publish information on their website that they **adhere to best practices / associations**. This is the case, for example, in Austria, where one privately-run PCT is clearly indicates on their website the logo of E-Control and the fact that they cooperate with the regulator. In Belgium, two privately-run PCTs indicate to base their PCT on the recommendations of the energy regulators, the CREG (federal level), the CWaPE (Wallonia), the VREG (Flanders) and Brugel (Brussels Capital Region), however, the PCTs are not accredited by the Belgian regulator. Both websites indicate that advertising is not included and that they work independently from manufacturers to ensure objectivity of their research and advice.

In the PCT survey, four out of seven PCT operators answered that being certified could increase consumers' trust in the comparison that they provide. One respondent, however, added that there is a **trade-off between the trust and compliance costs**. PCT operators were asked in the PCT survey if they knew of any **shortcomings in the certification schemes in their country (if applicable) or in the overall energy market** as well as to report on factors influencing their choice in deciding to be certified and selecting a certification scheme. The shortcoming and factors, as reported by PCT operators in the PCT survey, included:

- Certification is not possible, although requests were made to the authority in charge of competition and regulatory matters to create an accreditation process and scheme (reported by one out of seven PCT operators);
- There is a lack of awareness on the existence and value of PCTs for energy in the country and therefore, it is considered less relevant to set up an accreditation scheme (reported by two out of seven PCT operators);
- There are overall difficulties in relation to the process of requesting the certification and being certified (reported by two out of seven PCT operators). Especially the administrative process seems to be a burden (reported by four out of seven PCT operators) and the fact that it is a lengthy process (reported by two out of seven PCT operators);
- There are high costs to implement the accreditation scheme (reported by three out of seven PCT operators);
- The certification body has a weak reputation (reported by one out of seven PCT operators) and there is a lack of reliability on the overall certification process (reported by three out of seven PCT operators); and
- One publicly run and managed PCT indicated that as they are not a private PCT, they provide information in a transparent, comparable and qualitative way and do not consider certification relevant.

Criteria set in formal guidelines, codes of conduct and accreditation schemes

This section provides further details on the requirements included in the formal guidelines, code of conducts and accreditation schemes, as listed above, in order to be accredited by the accreditation bodies.

As noted in the analysis of the EU legal framework, the proposal for a revised Electricity Directive sets specific criteria to which PCTs should apply. In addition, the 2013 Comparison Tools Report from the Multi-Stakeholder Dialogue⁶⁸ and the EC's 2013 PCT study⁶⁹ also verified and recommended specific criteria to be included in the accreditation

⁶⁸ European Commission, 2013. Comparison Tools Report from the Multi-Stakeholder Dialogue. Providing consumers with transparent and reliable information. Accessed in December 2017. Available at: http://ec.europa.eu/consumers/documents/consumer-summit-2013-msdct-report_en.pdf

⁶⁹ European Commission (ECME Consortium), 2013. Study on the coverage, functioning and consumer use of comparison tools and third-party verification schemes for such tools. Accessed in November 2017. Available at: http://ec.europa.eu/consumers/consumer_evidence/market_studies/comparison_tools/index_en.htm

scheme. The criteria set out in the Multi-Stakeholder Dialogue are in line with those included in the new proposal for a revised Electricity Directive.

The EC's 2013 PCT study investigated **criteria that should apply under accreditation schemes** according to stakeholders and consumers. The top five preferred criteria among various stakeholders were (i) accuracy of offers; (ii) transparency of business model; (iii) guarantee of impartiality in comparison; (iv) full price publication; and (v) explanation of ranking methodology. Among consumers surveyed in the study, the largest share said that third-party verifications schemes should guarantee the impartiality of the comparison (42%), followed by 28% who attached more importance to the accuracy of the information presented. Smaller shares of respondents answered that third-party verification schemes should guarantee comprehensiveness of the information about the product/service (12%), respect of consumer rights (9%), and clarity of information presented (7%) or access to compensation/reimbursement mechanisms (2%).

The different data collection methods of this study (i.e. regulator and PCT surveys, stakeholder consultation and desk research) aimed at verifying which countries have formal guidelines of good practices for PCTs, codes of conducts and/or accreditation schemes. A similar mapping of third-party verification schemes was performed in the EC's 2013 PCT study, although covering more sectors. For the current study, the criteria applied in the latter study were retained and the 2013 results for PCTs in the energy sector were cross checked with the mapping in the current study. The study results show that, for the 30 countries in scope, there are:

- **Three accreditation schemes:** these schemes exist in Belgium (accredited five PCTs), Ireland (accredited two PCTs) and the UK (accredited 11 PCTs); and
- **One formal guideline of good practices on PCTs** published by the Council of European Energy Regulators (CEER), which brings together National Regulatory Authorities for energy and has developed the 'Guidelines of Good Practice on Price Comparison Tools'.

The table below shows the mapping for these national accreditation schemes, and EU guidelines and codes of conduct, based on the data gathered.

As part of the mapping, regulators were asked whether they run **a certification scheme for third-party comparison tools**. Out of 11 responses, nine reported to have **a self-regulation for PCTs**, while two participants reported that this is not applicable for them taking into account that the PCT is provided by the Ombudsman.

Table 18: Criteria applicable to guidelines, codes of conducts and accreditation scheme at national and EU level

	CREG	CRU	OFGEM	CEER
Country	Belgium	Ireland	UK	EU-level
Number of certified PCTs within the country	5	2	11	Not applicable - guidelines
Regulator	√	√	√	
National coverage	√	√	√	
Supranational coverage				√
Code of conduct				
Guidelines				√
Accreditation	√	√	√	
Honour based	√			
Independent verification		√	√	
Audit	√	√	√	
Subscription/fee based		√	√	
Free	√			

Source: Main Task 1 Desk research

Box 8: Belgium – Accreditation, scheme owner and description

Belgium - Commission de Régulation de l'Electricité et du Gaz (CREG)

CREG established the 'Charter of good practices for the websites of comparison of electricity and gas prices for residential consumers and SMEs'⁷⁰ in July 2013. The Charter guarantees the consumer two things:

- The best estimate of its future invoice; and
- Optimal comparison of different fixed and variable products.

PCTs that have acceded to this Charter can make reference to it on their website, and use the logo of the Charter. Acceding to the charter is voluntary, and PCTs that wish to accede to the requirements of the charter can do so at any time.

A monitoring process is in place to monitor compliance of those that signed the charter with the charter's best practices for electricity and gas PCTs. The monitoring takes place by means of random checks.

The charter of best practices for electricity and gas PCTs aims to assign a label to PCTs in order to enable customers who compare prices to be sure they are receiving impartial and accurate information about the products offered by the suppliers. CREG continues to monitor compliance with the provisions of the Charter in 2016. It also checks that legitimate use is made of the label assigned under the Charter. At the end of 2016, CREG made an assessment of the Charter with a view to consultation with stakeholders on a revised version of the charter of best practices.⁷¹

When PCTs accede to the Charter they commit to strict price compliance with the provisions of the agreement, the main part of which detail the calculation and comparison of standardised and uniform prices across all regulators (CREG, VREG, CWaPE and Brugel). The scheme commits members to a list of actions falling under three headings:

- 1) **Being independent and impartial** – the PCT cannot favour one supplier over another, nor can it show advertisements for any specific energy supplier. Neither can the CT recommend another supplier if it is clear that the consumer cannot change suppliers. Commissions are allowed for the PCT operator, but the PCT must indicate any payment of commissions on the website. Full contact details (address and phone or email) are mandatory, as are VAT and Company registry numbers.
- 2) **Rates and price comparison, covering completeness, clarity, intelligibility, accuracy and precision** – the conditions for subscribing to the contract must be clearly

⁷⁰ The charter is available on the CREG website: http://www.creg.be/sites/default/files/assets/Varia/charter_voor_goedepraktijken.pdf

⁷¹ CREG, 2016. Annual report. Available at: http://www.creg.be/sites/default/files/assets/Publications/AnnualReports/2016/CREG_AR_2016_EN.pdf.

Box 8: Belgium – Accreditation, scheme owner and description

indicated. Any limitations (such as the connection type, the conditions meter reading etc.) must be identified in advance. The site must perform a calculation on annual consumption based on postal code address, type of electricity meter, residents, installed capacity (e.g. solar panels), and relevant power connection. For missing information, it is possible to use estimates in line with the Charter. The prices on the PCT website should include any additional cost or discount, the prices should be presented in an ascending order and the user should be able to filter results by supplier, fix/variable price and other services.

- 3) **User friendliness, accessibility, supply and information** – the service provider must offer the possibility to the user to print the results and ask questions about the results of the comparison of prices. The PCT should ensure good accessibility of the website as well as the protection of users of the website, their data and results of the comparison. The user of the PCT must be able to print and save on a durable medium the result of comparing prices or separate detailed calculation of a selected product. The data entered by the user must always be mentioned and the date on which the calculation was made. The PCT should implement a complaint handling procedure and treat the latter in a reasonable amount of time; and the PCT should disclose that it has been granted this Charter.

The provisions of the Charter guarantee fair trade practices regarding the consumer and persons other than the consumer, in accordance with provisions of the Act of 6 April 2010 on market practices and the protection of consumers.

Members: 5

- VREG;
- CWAPE;
- Brugel;
- MON energie; and
- Compareteur-Energie.be.⁷²

Box 9: Ireland – Accreditation, scheme owner and description

Ireland - Commission for Regulation of Utilities (CRU)

The Commission for Regulation of Utilities' Accreditation is awarded to domestic energy price comparison services that meet a series of standards designed to make switching energy suppliers as transparent, impartial and as straightforward as possible for consumers. The Accreditation Framework is a voluntary code of practice designed to provide assurance to consumers that the service they are using is accurate.

The following are the principles on which accreditation will be assessed:

- 1) **Independence and Impartiality** – the website must not be owned or affiliated with any electricity or gas supplier; the website provider must inform the CRU of any change in ownership or commercial interest which might impact on its independence and impartiality; the information and data presented on the website must be impartial; by default, the results should be presented by ascending price; the PCT can enter agreements with suppliers to receive commission for switches carried out from their website; the PCT must clearly state it on the website. This must not interfere with the delivery of independent and impartial price comparison results and information; where a consumer cannot automatically switch online to their chosen supplier directly through the provider's website, the provider must not recommend an alternative supplier; and the advertisements from energy suppliers, their agents, affiliates, or brands operating under the license of a supplier must not be displayed.
- 2) **Inclusion and Presentation of Tariffs** – the PCT must endeavour to include all tariffs offered by licensed suppliers that are available to the consumer as well as keeping them up to date; the website provider must use one year as its default time period for price comparisons; where gas and electricity tariffs are offered in a dual fuel bundle, the gas and electricity prices and details of non-cash offers must be shown separately; and the unit price for electricity and/or gas must be displayed as well as the annual standing charge and any other fixed charge included in a supplier's tariff.

⁷² Members are listed on the CREG website as per <http://www.creg.be/fr/consommateurs/prix-et-tarifs/sites-de-comparaison-des-prix-labellises-par-la-creg>

Box 9: Ireland – Accreditation, scheme owner and description

- 3) Calculation of Price comparisons** – making a price comparison calculation the website provider should include: recurring discounts that are paid automatically; and Fixed charges; the CRU reserves the right to review any new form of discount and issue accredited PCT direction as to how such discounts should be treated; the PCT must display the details of a consumer’s current tariff in the results page. This should be based on the information the consumer has entered; and the PCT should indicate to consumers if they are likely to incur a termination fee by switching from their current tariff.
- 4) Accuracy and Frequency of Tariff Updates** – PCTs must update their tariff database on a regular basis to ensure that price comparisons are as accurate as possible; all tariffs offered by licensed suppliers that are publicly available should be included on the website and where possible new tariffs/suppliers should be added to the price comparison website within two working days of the details and confirmation of the effective date being made public; and a new tariff cannot be included on the website that has a lead time in excess of four weeks of it being available to consumers.
- 5) Website Filter Options and Results** – offers should be presenting in ascending order; PCTs must include VAT in all rates shown and the final price comparison results and clearly indicate that this is the case; and the PCT must clearly explain the potential impact to consumers who select an opt-in filter, so that consumers are fully aware of the bearing and limitations this may have on the results.
- 6) Green Tariffs** – tariff offerings labelled “green” by suppliers must be included in price comparisons.
- 7) Website Management** – the website provider must retain full control over the information content of the website and over the presentation of that content; if the website is maintained by a third party the website provider will be held responsible for ensuring that the third party complies with the principles for accreditation; and the website may not be maintained by a third party that also manages another accredited PCT.
- 8) Consumer Information and Accessibility** – the PCT must provide consumers with an explanation of the different payment methods shown on the website; where possible on the site the website provider must use plain English; and the website provider should endeavour to make the website understandable and accessible to all energy consumers.
- 9) Customer Service Ratings** – PCTs may assign ratings to a supplier’s performance; and where a PCT does wish to assign such ratings they must first seek approval from the CRU on the methodology used to assign ratings.
- 10) Customer Care** – the PCT must display the link to the CRU’s website; and the website provider should establish effective customer care and complaints handling procedures.
- 11) Data Protection** - notwithstanding the provisions of this framework, service providers are bound by all relevant legislation, including Data Protection legislation with regards to the use of customer information.

Members: 2

- Bonkers.ie; and
- Switcher.ie.⁷³

⁷³ Members are listed on the CRU website as per <https://www.cru.ie/home/switching-supplier/price-comparison-websites/>

Box 10: UK – Accreditation, scheme owner and description

UK - Ofgem

In 2000, the UK energy regulator Ofgem set up the 'Confidence Code', a voluntary accreditation scheme for PCTs in the UK energy sector. The scheme aims to reassure energy consumers that information displayed by accredited PCTs is impartial, comprehensive and accurate. Accredited websites in the UK can display the logo of the Confidence Code on their main page and the Consumer Focus website also directs consumers to the accredited websites.

The Confidence Code sets out the minimum requirements that a provider of an internet domestic gas and electricity price comparison service (service provider) must meet in order to be, and remain, accredited by Ofgem. There are nine requirements.

In **order to obtain the accreditation scheme**, the Confidence Code requires PCTs, which apply for the accreditation, to undergo an initial thorough **audit** by independent auditors as well as regular follow-up audits (every 12 to 18 months) to assess whether they comply with the nine requirements of the scheme.

Requirement 1: Independence and impartiality

According to this requirement, (i) the service provider must be independent of any gas or electricity supplier; (ii) the service provider must clearly identify on its website each supplier with whom the service provider has a commission agreement and (iii) advertisements from energy suppliers or their agents must not be displayed on the home/main page or on the energy price comparison pages of the service provider's website.

Requirement 2 – Tariffs and price comparisons

The main conditions of this requirement are the following: (i) the service provider must use all reasonable endeavours to include price comparisons in respect of all available domestic tariffs and where applicable for all available payment types, (ii) a service provider must notify Ofgem in the event of being asked by an energy supplier, to remove a tariff for its website, which to the best of that service provider's knowledge is still available to consumers and (iii) where the end date of a supplier's tariff is within two months of the length of the comparison period, the service provider's reference to that tariff shall be accompanied by a 'warning message'.

Requirement 3 – Control and management

This requirement makes it a must that the service provider manages and controls its price comparison website and uses its own tariff database and calculator.

Requirement 4 – Payment methods

This item requires that a service provider must provide consumers with an explanation of the following payment methods: standard credit by cash/cheque, monthly and quarterly Direct Debit; prepayment meter.

Requirement 5 – Results and filters

According to this requirement, taking into account any relevant filters, a price comparison provided to a consumer must list (on a single page) no less than 10 of the cheapest tariffs available in the region where the consumer requires to be supplied. The prices must include VAT (and state that they do so). A service provider may provide filters so that consumers may search results based on the different types of tariff available or an energy supplier's service rating etc., but these must be opt-in options only. Furthermore, a service provider must provide a facility or follow-through page(s) so that consumers have the ability to view a list of all of their price comparison results.

Requirement 6 – Quality of service and energy efficiency

The service provider may assign ratings to a supplier's performance and invite the consumer to consider quality of service issues, including any such supplier service ratings. Moreover, service providers must give energy efficiency advice or signpost consumers to other relevant energy efficiency information or programmes.

Requirement 7 – Accuracy and updating tariffs

According to this requirement, prices and price comparisons must be accurate and state when they were last updated. A service provider must also state the date that its website and database has been updated.

Box 10: UK – Accreditation, scheme owner and description

Requirement 8 – Annual audit

The service provider must comply with an annual audit undertaken by an auditor independent of the provider, working according to Terms of Reference supplied by Ofgem. The cost of each audit will be borne by the service provider, unless otherwise advised by Ofgem prior to commencement. The service provider must also comply with quarterly and ad-hoc audits undertaken internally by Ofgem.

Requirement 9 – Complaint handling

The service provider must establish and operate an effective consumer complaint and enquiry handling procedure and respond to any complaint or enquiry within seven working days of receipt.

Members: 11

- Quotezone
- The Energy Shop
- Runpath
- Simply Switch
- My Utility Genius
- Switch Gas and Electric
- Energylinx
- Unravel It
- Money Supermarket
- Energy Helpline
- uSwitch.⁷⁴

At the EU level, the EC has listed criteria that PCTs should meet if the proposal for a Revised Electricity Directive were to be ratified. Article 14 of the proposed Directive ensures that Member States appoint a competent authority to certify the tools, while the criteria provide an insight of what the certifications would have to require.

Moreover, a number of consultations on best practices have been carried out in the area of PCTs, such as those by the Council for European Energy Regulators (CEER). The CEER Guidelines, as already mentioned earlier, are **not binding on PCTs**, but provide guidance to national regulatory authorities running such tools or accreditation schemes, as well as to private operators, on how to ensure the quality and usefulness of the information they provide to consumers. The development of these guidelines was motivated by the low level of consumer engagement in the energy sector and the lack of access to neutral and objective information.

⁷⁴ Members are listed on the Ofgem website as per <https://www.ofgem.gov.uk/consumers/household-gas-and-electricity-guide/how-switch-energy-supplier-and-shop-better-deal/compare-gas-and-electricity-tariffs-ofgem-accredited-price-comparison-sites>

Box 11: EU-level initiative – CEER Guidelines

EU - Council of European Energy Regulators (CEER)

Initiatives have been put in place in regulated sectors mainly. At the EU level, the **Council of European Energy Regulators presented 14 final recommendations for PCTs** after a public consultation of its Draft advice on PCTs.

- **Independence** – PCTs in the energy sector should be independent from energy supply companies (1), National Regulatory Authorities (NRAs) should maintain a role by assisting self-regulation, establishing accreditation/regulation or by creating PCTs (2).
- **Transparency** – PCTs should disclose the way they operate, their funding and their owners/shareholders (3).
- **Exhaustiveness**: All prices and products available for the totality of customers should be shown as a first step. If not possible, the PCT should clearly state this before showing results. After the initial search, the option to filter results should be offered to the customer (4)
- **Clarity and Comprehensibility** – Costs should always be presented in a way that is clearly understood by the majority of customers, such as total cost on a yearly basis or unit kWh-price including amount and duration of discounts and whether prices are an estimation based on historic or estimated consumption (5). Fundamental characteristics of all products, for example fixed price products, floating price products or regulated end user prices, should be presented on the first page of the result screen. This differentiation should be easily visible to the customer. Explanations of the different types of offers should be available to help the customer understand their options (6). The PCT should offer information on additional products and services, if the customer wishes to use that information to help choose the best offer for them (7).
- **Correctness and Accuracy** – Price information used in the comparison should be updated as often as necessary to correctly reflect prices available on the market (8).
- **User Friendliness** – The user should be offered help through default consumption patterns or, preferably, a tool that calculates the approximate consumption, based on the amount of the last bill or on the basis of other information available to the user (9).
- **Accessibility** – To ensure an inclusive service at least one additional communication channel (other than the Internet) for getting a price comparison should be provided free of charge or at minimal cost (10). Online PCT should be implemented in line with the Web Accessibility Guidelines (WCAG) and should ensure that there are no barriers to overcome to access the comparison (11).
- **Customer Empowerment** – Where the PCT is run by an NRA/public body they should promote the service to customers. Where the NRA/public body is regulating/ accrediting/actively monitoring privately run PCTs they should consider establishing a marker or logo (12). PCT providers should provide background information on market functioning and market issues if the customer wants this information or provide links to useful independent sources of information (13). Information provided to customers should be clearly written and presented using consistent or standardised terms and language (14).

The study showed that there are a range of routes to setting standards for PCTs. National energy regulators, consumer organisations or other public bodies can establish their own PCT, and/or regulators may regulate privately-run PCTs. By assessing the evidence on certification schemes collected in this study, common themes on principles to be included in accreditation schemes were identified. According to the study results, these principles should be applied to certification for energy PCTs in order to guarantee a high level of transparency and quality of the comparisons provided, but also to increase consumer trust. The consolidation and assessment of these themes shows the following main themes:

- **Availability and accessibility:**
 - Access to at least one certified PCT comparing the offers of suppliers for the energy market. The PCTs may be operated by any entity, including private companies and public authorities or bodies. Customers should be informed of the availability of such tools.
 - PCTs shall be available, free of charge, for the consumer.
- **Independence:**
 - Independent from the energy suppliers (operationally independent) and ensure that suppliers are given equal treatment in search results.
- **Market coverage:**
 - Comprehensiveness in terms of offers and number of service providers covered.
- **Transparency:**
 - Transparency on the business model concerning the way they operate, their funding and their owners / PCT operators, the data sourcing and the frequency of updates.
- **Quality of information (correctness, accuracy and clarity):**
 - Correctness, accuracy, clarity and completeness of the information provided in order to be trustworthy, usable and helpful for the consumer.
 - Simple language, easy to understand.
 - User-friendliness in relation to displaying information, the search functions, the filters and ranking and the information provided on the 1st page with results.
- **Compliance:**
 - Compliance with the existing legislation (both EU level and accreditation scheme requirements at the national level).
- **Redress:**
 - Consumer empowerment and access to complaint handling schemes (i.e. provide an effective procedure to report incorrect information on published offers).
- **Audit / monitoring process:**
 - Include a monitoring process, such as an audit to be performed at least once a year by an auditor independent of the provider.

4. Switching and exit fees

Consumers' choice and involvement with the energy market play an important role in boosting competition and improving the overall quality of services provided. As such, switching suppliers can be considered the most common way for consumers to engage with the market. Switching rates, however, vary considerably between Member States (see Section 4.2.1 of this chapter) and depend on various market barriers. Examples of such barriers include complexity of choice and increasing difficulty in identifying the best offers (discussed in Chapter 2), but also contractual obligations and administrative hurdle, such as fees and administrative costs. In the 2nd Electricity Market Study,⁷⁵ few survey respondents explicitly stated that they had not switched electricity suppliers because they would be charged an exit fee. The mystery shopping exercise conducted as part of the study highlighted that customers are charged a broad range of fees directly or indirectly as a result of switching electricity supplier. The recent impact assessment accompanying the proposal for the Revised Electricity Directive reports that **"switching-related fees such as contract termination charges continue to constitute a significant financial barrier to consumer engagement."**⁷⁶

In this Chapter, the legal state of play with respect to exit fees is presented (at EU and national levels) (Section 4.1), followed by a discussion of consumers' awareness and experiences with exit fees (Section 4.2). The final sections of this chapter analyse the influence of exit fees on consumer decision making, focusing on findings collected in the consumer survey and the 'willingness-to-switch' stage of the online behavioural experiment (Sections 4.3 and 4.4).

4.1 Legal state of play with respect to exit fees

4.1.1 Requirements set in EU legislation

The main requirements with respect to exit fees and contract termination can be found in the Electricity Directive,⁷⁷ the Gas Directive⁷⁸ and the Consumer Rights Directive.⁷⁹

The **Electricity Directive 2009/72/EC** and the **Gas Directive 2009/73/EC** state that "Member States shall ensure that the eligible customer is in fact able to easily switch to a new supplier". Article 3 in Chapter II further specifies that the change of supplier is effected by the operator(s) concerned **within three weeks**. In addition, in Annex I, the Directives require that **"customers are not charged for changing supplier"**. Finally, the Electricity and Gas Directives stipulate that the contracts concluded between consumers and their service provider should specify whether **"the duration of the contract, the conditions for renewal and termination of services and of the contract and whether withdrawal from the contract without charge is permitted."**

⁷⁵ Available at: http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=53331

⁷⁶ European Commission (2016), Commission Staff Working Document: Impact Assessment. Available at https://ec.europa.eu/energy/sites/ener/files/documents/mdi_impact_assessment_main_report_for_publication.pdf

⁷⁷ Directive 2009/72/EC of the European Parliament and the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC (Article 3.9)

⁷⁸ Directive 2009/73/EC of the European Parliament and the Council of 14 August concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC

⁷⁹ Directive 2011/83/EU, Art. 42, of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council Text with EEA relevance

Box 12: Extract from Electricity Directive 2009/72/EC (Chapter II)

Chapter II General rules for the organisation of the sector, public service obligations and customer protection

Article 3 Public service obligations and customer protection

Member States shall ensure that:

- (a) Where a customer, while respecting contractual conditions, wishes to change supplier, the change is effected by the operator(s) concerned within three weeks; and
- (b) Customers are entitled to receive all relevant consumption data.

Member States shall ensure that the rights referred to in points (a) and (b) are granted to customers in a non-discriminatory manner as regards cost, effort or time.

Note: The requirements set in Annex I of the Directive 2009/72/EC are equal to the ones of the Gas Directive. Only those of the Electricity Directive are presented.

Source: Directive 2009/72/EC of the European Parliament and the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC

Box 13: Extract from Electricity Directive 2009/72/EC (Annex I)

Annex I Measures on consumer protection

1. Without prejudice to Community rules on consumer protection, in particular Directive 97/7/EC of the European Parliament and of the Council of 20 May 1997 on the protection of consumers in respect of distance contracts and Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts, the measures referred to in Article 3 are to ensure that customers:

- (a) have a right to a contract with their electricity service provider that specifies (...) the duration of the contract, the conditions for renewal and termination of services and of the contract and whether withdrawal from the contract without charge is permitted. Conditions shall be fair and well-known in advance. In any event, that information should be provided prior to the conclusion or confirmation of the contract.
- (e) are not charged for changing supplier;
- (f) receive a final closure account following any change of electricity supplier not later than six weeks after the change of supplier has taken place;

Note: The requirements set in Annex I of the Directive 2009/72/EC are equal to the ones of the Gas Directive. Only those of the Electricity Directive are presented.

Source: Directive 2009/72/EC of the European Parliament and the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC

The new proposed Electricity Directive (COM/2016/0864 final/2)⁸⁰ defines “switching-related fees” as “any charge or penalty imposed on customers by suppliers or system operators directly or indirectly for changing suppliers, including contract termination fees” (Article 2.13). The definition draws attention to an important distinction – i.e. the distinction between “switching fees” and “(early) termination fees”. Costs charged to customers who unilaterally end their energy contract earlier than the agreed termination date are mostly known as “exit fees”, “early cancellation fees” or “termination fees”.⁸¹

The Annex of the new proposed Electricity Directive specifies in Article 12 that **Member States shall ensure that customers are not charged any switching-related fees**, although an **exception is added for contract termination fees** charged to customers who willingly terminate fixed term supply contracts before their maturity.

⁸⁰ Proposal for a Directive of the European Parliament and of the Council on common rules for the internal market in electricity (recast). COM/2016/0864 final/2 - 2016/0380 (COD)

⁸¹ CEER, 2016. ‘CEER Position on early termination fees’. Available at: <https://www.ceer.eu/documents/104400/-/-/792d2636-53db-f60c-a7b7-7a676f3a28d0>

Box 14: Extract from Proposal for a Revised Electricity Directive

Article 12 Right to switch supplier and rules on switching-related fees

Member States shall ensure that a customer wishing to change supplier, while respecting contractual conditions, is entitled to such change *within three weeks*.

Member States shall ensure that customers *are not charged any switching-related fees*.

By way of derogation from paragraph 2, Member States may choose to permit suppliers to charge contract termination fees to customers willingly terminating fixed term supply contracts before their maturity. Such fees may only be charged if customers receive a demonstrable advantage from these contracts. In addition, such fees shall not exceed the direct economic loss to the supplier of the customer terminating the contract, including the cost of any bundled investments or services already provided to the customer as part of the contract.

Member States shall ensure that the right to switch suppliers is granted to customers in a non-discriminatory manner as regards cost, effort or time.

Source: Proposal for a Directive of the European Parliament and of the Council on common rules for the internal market in electricity (recast). COM/2016/0864 final/2 - 2016/0380 (COD)

The **Consumer Rights Directive 2011/83/EU** only deals with contract termination by requiring the trader to inform about the duration of the contract and termination conditions. It also notes that "the provisions relating to the right of withdrawal should be without prejudice to the Member States' laws and regulations governing the termination or unenforceability of a contract or the possibility for the consumer to fulfil his contractual obligations before the time determined in the contract."⁸² Accordingly, the right of contract termination is governed by national legislations (see the next section).

4.1.2 Requirements set in the national legislation

As stipulated in the EU Directives, consumers have the right to switch suppliers without being charged a fee. Nevertheless, as mentioned earlier, national legislation should not be disregarded, and some legislation puts a limit to free switching when a contract is terminated under specific circumstances. Consequently, depending on the country, contractual conditions may include additional charges related to switching (e.g. administrative costs, start-up costs for a new or short-term service, penalty fees in case of fixed term contract resignation and security deposits).

Provisions from the EU legislation implemented at national level

The objective of this section is to identify which countries have implemented the main provisions of the EU Directives related to switching:

- (i) consumers have the right to switch energy suppliers within a three-week period; and
- (ii) consumers will not be charged fees for switching energy suppliers.

This section also covers provisions on contract termination. It should be noted, however, that these provisions tend to be vague, implying that the service provider should specify the termination of the contract and whether withdrawal from the contract without charge is permitted.

⁸² Directive 2011/83/EU, Art. 42, of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council Text with EEA relevance

The timeframe within which the supplier must apply the switching is set at three weeks in the EU legislation. The current study looked at the EU28 Member States (excluding Malta and Cyprus), Norway and Iceland, and observed that:

- No timeframe is specified in the national legislation for 8 countries (29%);
- In 11 countries, the switching process is limited to 3 weeks (39%);
- In 4 countries, the timeframe is limited to less than 3 weeks (14%); and
- In 5 countries, the switching process takes 1 month or more (18%).

The national legislation in four countries does not specify whether **switching is free of charge** for consumers (14%). For 24 out of 28 countries (86%), the switching process is free of charge as stated in the national legislation. Malta and Cyprus are excluded for both elements of the analysis, as only one supplier is active in the market and therefore no switching is possible.

Contract termination fees are not (yet) regulated in the EU legislation. Nevertheless, some countries have included requirements in their national legislation. In particular, 10 out of 30 countries (33%) specify how long the **procedure for termination** can take once the supplier has been notified by the consumer of the request for contract termination. It should be added, however, that two of these countries only regulate non-fixed term contracts. For example, contract termination procedures for fixed term contracts are not regulated in Hungary. Consumers in the UK, on the other hand, are not required to give any form of notice to terminate a fixed term supply contract.

Overall, the **timeframe within which the supplier must apply the termination** varies from two weeks to three months; the most common timeframe is about one month. Furthermore, in 9 out of 30 countries, consumers are entitled to terminate their contract **free of charge**. It should be added again that, in the Netherlands, contract termination is free of charge only for non-fixed term contracts. In Slovenia, on the contrary, it is free only after one year from the beginning of the contract; prior to that, customers may be charged a termination fee.

Table 19: Summary of requirements on fees and procedures in relation to switching and contract termination set in the national legislation

	Timeframe within which the supplier must apply the switching:		Switching is:		Timeframe within which the supplier must apply the termination:		Contract termination is:	
	Defined as	Not specified	Free of charge	Not specified	Defined as	Not specified	Free of charge	Not specified
AT	2 weeks		X			X		X
BE	3 weeks		X		1 month		X	
BG	3 weeks		X			X	X	
CY	N/A					X		X
CZ		X	X			X		X
DE	3 weeks		X			X		X
DK	10 working days		X			X		X
EE	1 month			X	1 month			X
EL	2 weeks		X			X		X
ES		X	X			X		X
FI		X	X		2 weeks			X
FR	3 weeks		X			X	X	
HR		X	X			X		X
HU	1 month			X	30 days*			X
IE	3 weeks		X			X		X
IT	3 weeks		X		1 month**			X
LT	2 weeks		X		3 weeks			X
LU		X	X			X		X
LV	3 weeks			X		X		X
MT	N/A					X	X	
NL	1 month		X		30 days		X*	
PL	3 weeks		X		21 days		X	
PT		X	X			X		X
RO		X	X			X		X
SE		X	X			X	X	
SI	3 weeks		X			X	X***	
SK	3 weeks		X			X		X
UK	3 weeks		X		28 days*		X	
IS	1 to 3 months		X		3 months			X
NO	1 month			X		X		X
Total	20	8	24	4	10	20	9	21

Note:

*Applicable to non-fixed term contracts only

**Might be less, if specified in the contract

***Only after one year from the beginning of the contract, prior to that, the consumer may be charged a fee

Source: Main Task 1 (Desk research)

Requirements on procedures and fees related to switching and contract termination as set in the national legislation

Based on the input received through the national regulator survey and via desk research, the minimum requirements in relation to switching and contract termination at the national level were identified. **Error! Reference source not found.** in the Annex with supplementary tables provides details on the national legislation for the countries in scope. The national regulatory frameworks covering switching issues (e.g. the right to switch, advance notice customers should respect, switching and contract termination fees) vary substantially across the EU28, Norway and Iceland.

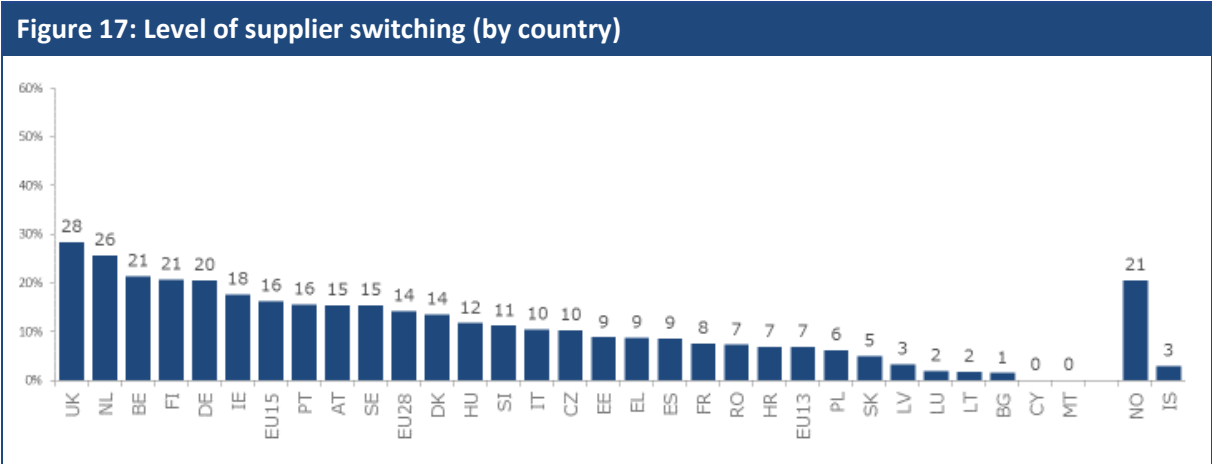
4.2 Consumers’ awareness and experiences with exit fees

4.2.1 Switching energy suppliers (gas and/or electricity)

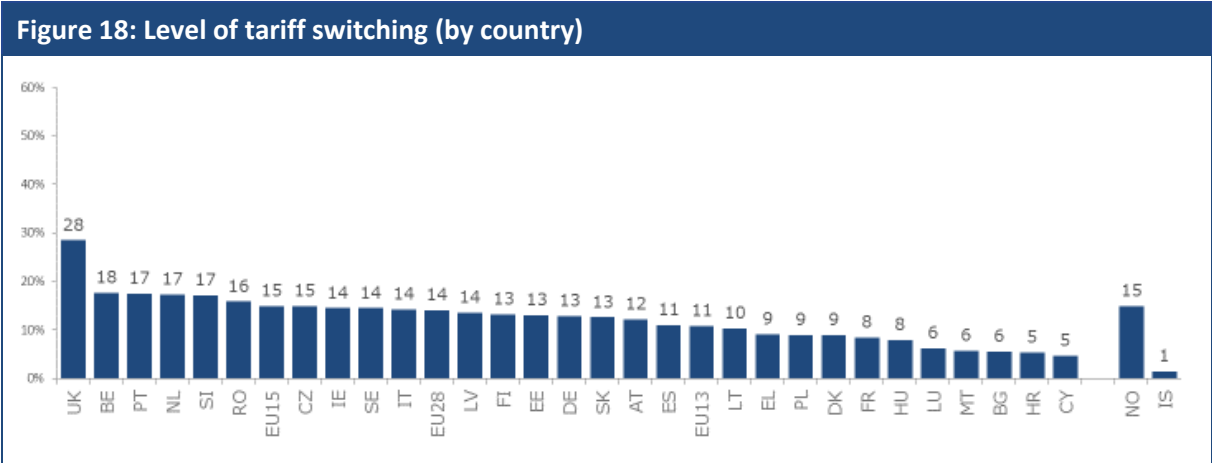
Across the EU28, 14% of respondents in the consumer survey answered that they had switched energy suppliers (gas and/or electricity) in the past 12 months. The highest switching rates were observed in the UK and the Netherlands (28% and 26%, respectively). In Germany, Finland, Belgium and Norway, roughly one in five consumers had switched supplier in the past 12 months.

In Iceland, Bulgaria, Lithuania, Luxembourg and Latvia, on the other hand, less than 1 in 20 survey respondents had switched electricity and/or gas supplier in the past 12 months. In Cyprus and Malta, switching is not possible, since there is only one electricity supplier.

Higher educated respondents and frequent internet users were more likely than their counterparts to have switched energy suppliers in the past 12 months; however, the largest difference in switching rates was observed between respondents who answered that it was very easy to make ends meet and those consumers who said that making ends meet was not easy at all (switching rates of 21% and 10%, respectively).



Question wording: Q18a. Have you switched energy supplier (gas and/or electricity) in the past 12 months?
 Base: All respondents (EU28: n=19,239)
 Source: Main Task 2 Consumer surveys



Question wording: Q19. Have you changed to a different tariff or contract with your existing energy supplier (gas and/or electricity) in the past 12 months?
 Base: All respondents (EU28: n=19,239)
 Source: Main Task 2 Consumer surveys

Energy consumers in the UK were also more likely than their counterparts in other countries to have changed to a different tariff or contract with their current energy supplier (gas and/or electricity) in the past 12 months: 28% of survey respondents replied that they had changed tariff or contract, compared to an EU28 average of 14%. In Slovenia, the

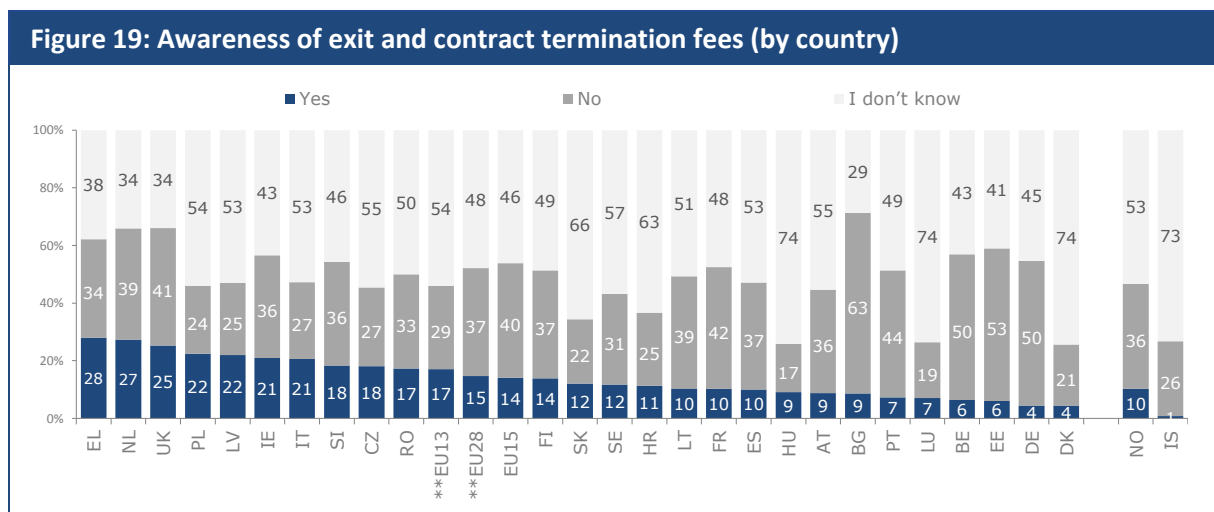
Netherlands, Portugal and Belgium, roughly one in six survey respondents had changed to a different tariff or contract with their current energy supplier in the past year.

In the countries at the lower end of the country ranking (Cyprus, Croatia, Bulgaria, Malta and Luxembourg), roughly 5% of consumers reported having changed tariff or contract in the past 12 months. In Iceland, just 1% of respondents replied that they had changed tariff in the past 12 months.

4.2.2 Consumers' awareness and experiences with exit fees

In the consumer survey, respondents were asked whether they would be charged an exit or contract termination fee if they would have switched suppliers at the time of the survey. The first observation from the responses to this question is the large number of "don't know" responses across all countries surveyed (from 34% in the Netherlands and the UK to 74% in Denmark, Hungary and Luxembourg). Also in the focus groups in Germany and Slovenia, a low understanding of contract conditions, and exit fees, was observed, especially in the groups with vulnerable consumers.

Although survey respondents who had switched suppliers or tariffs in the past 12 months were less likely to state that they "did not know" whether they would be charged an exit or contract termination fee; the proportion of "don't know" responses in this group remains high (30% "did not know" compared to 53% among survey respondents who had not switched).



Question wording: Q25a. When you switch suppliers you may be charged an exit or contract termination fee. Thinking of your personal situation, will you have to pay such a fee if you switch [SUPPLIER] now? Base: All respondents who did not switch suppliers in the past 12 months (EU28, excl. CY and MT: n=18,223)

Note: * Question not asked in Cyprus and Malta

Source: Main Task 2 Consumer surveys

Figure 19 also confirms that there is a large variation across Member States in the prevalence of exit and termination fees. In the UK, the Netherlands and Greece, the largest proportions of "yes" responses were observed; in these countries, between 25% and 28% of respondents said that they would be charged an exit or contract termination fee if they would have switched suppliers at the time of the survey. Moreover, among respondents who had switched suppliers in the past 12 months (and who were less likely to give a "don't know" response – see above), between 36% and 40% said that they would be charged an exit or contract termination fee.

Many focus group participants in Slovenia said that exit and termination fees are "a part of their everyday lives". In this country, 18% of survey respondents replied that they would be charged an exit or contract termination fee.

"Contracts are part of our everyday life, also for mobile and fixed telecommunication, so we are used to terminate them, but only if the benefits are higher than the exit fees." (Slovenia, participant from a "general public" group)

Most respondents (82%) who said they would be charged an exit or termination fee explained that they would need to pay an **early termination fee** for ending their contract before it reaches its termination date, 22% replied that they would pay a **fee for not respecting the notice period** for terminating the contract, and 5% expected a **fee related to recuperating costs of bundled goods**, such as solar panels.

4.3 Energy suppliers' practices for switching-related fees

4.3.1 Prevalence of switching-related fees

As part of the data collection in Main Task 3, native speaking researchers verified on the websites of a sample of national energy suppliers whether information on switching fees was available, and (if so) whether the energy supplier charges switching fees. The analysis focusses on 28 countries (excluding Malta and Cyprus as they only have each one energy supplier).

In 24 countries out of 28, the national legislation specifies that switching must be free of charge. In a vast majority of these countries (83%, or 20 out of 24), the sampled energy suppliers appear to apply the national law as no switching fees were specified on their websites. The 20 countries are: Austria, Belgium, Bulgaria, Croatia, the Czech Republic, Denmark, France, Germany, Iceland, Ireland, Italy, Lithuania, Luxembourg, Poland, Portugal, Romania, Slovakia, Spain, Sweden and the UK.

In most of these countries, less than 10% of survey respondents replied that they would be charged an exit fee if they would have switched suppliers in the period that the survey was conducted (see Figure 19 in the previous section). In Romania, the Czech Republic, Ireland, Poland and the UK, the results of the consumer survey appear to contradict with the analysis based on information provided on energy suppliers' websites. In these countries, survey respondents were among the most likely to expect that they would be charged an exit or termination fee, while none of the suppliers report information about exit fees on their websites.

In the 2nd Electricity Market Study,⁸³ mystery shoppers contacted energy suppliers by phone, and enquired whether there would be a fee for cancelling their current energy deal. The mystery shopping exercise was conducted in 10 countries; from the aforementioned countries, the Czech Republic, Italy, Poland and the UK were covered. In three of these countries (the Czech Republic, Poland and the UK), more than a quarter of mystery shoppers were told that there could be a termination fee for cancelling their current energy deal; a finding that matches with the consumer survey findings of the current study. In Italy, however, just 1% of mystery shoppers were told that termination fees may be charged; this finding matches with the observations from the Main Task 3 data collection. It appears that there might be a general misunderstanding among consumers in Italy whether contract termination fees would be charged; as noted above, about one in two respondents in Italy indicated not knowing whether such a fee would be charged or not.

In Greece, Finland, the Netherlands and Slovenia, the national legislation also specifies that switching must be free of charge, but some of the sampled energy suppliers appear to apply switching-related fees. In the previous section, it can be seen that consumers in Greece and the Netherlands were overall the most likely to think that they would be charged an exit or contract termination fee (28% and 27%, respectively); the corresponding figure in Finland was 14%, compared to 18% in Slovenia (see Figure 19).

One supplier in Greece specifies on their website that they apply fees for contracts with a fixed period of 24 months. One supplier in Finland mentions on their website that for fixed term contracts, if a buyer requests early termination, the seller has the right to charge a fee for recuperating costs e.g. due to dismantling. For Slovenia, one energy supplier states on their website that the consumer needs to pay a fee in case of leaving the contract before

⁸³ Available at: http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=53331

the contract termination. The fee will be calculated according to the tariff monthly rate multiplied by the number of months left before contract termination.

In the Netherlands, two of the sampled energy suppliers appear to apply a contract termination fee. In the Dutch national legislation, there are no specific requirements on switching fees, however, in the case of a fixed term contract, the supplier may include in this agreement that the customer is required to pay a reasonable compensation at the time of early termination of the agreement. Only if there is an agreement for an indefinite period, such compensation may not be included in the agreement. The amount of the fee would depend on the remaining contract duration and is determined on the basis of the national regulation. Fees (per remaining contract duration) were specified as follows:

- Remaining contract duration of < than 1.5 years: €50
- Remaining contract duration of between 1.5 and 2 years: €75
- Remaining contract duration of between 2 and 2.5 years: €100
- Remaining contract duration of > 2.5 years: €125

In Latvia, the legislation does not specify that switching should be free of charge, and the website of one energy supplier specifies that, in case the contract is closed for a duration of 12 months, the penalty for early termination of the contract would be €10. In Latvia, 22% of survey respondents thought they would be charged an exit or contract termination fee (see Figure 19).

In Estonia, Hungary and Norway, the national legislation does not include requirements that switching should be free of charge, but the sampled energy suppliers do not appear to charge any switching-related fees. These countries were also found at the bottom of the country ranking in terms of the proportion of consumers who thought they would be charged a fee if they would have switched supplier at the period that the survey was conducted (see Figure 19).

4.3.2 Information provision about switching-related fees

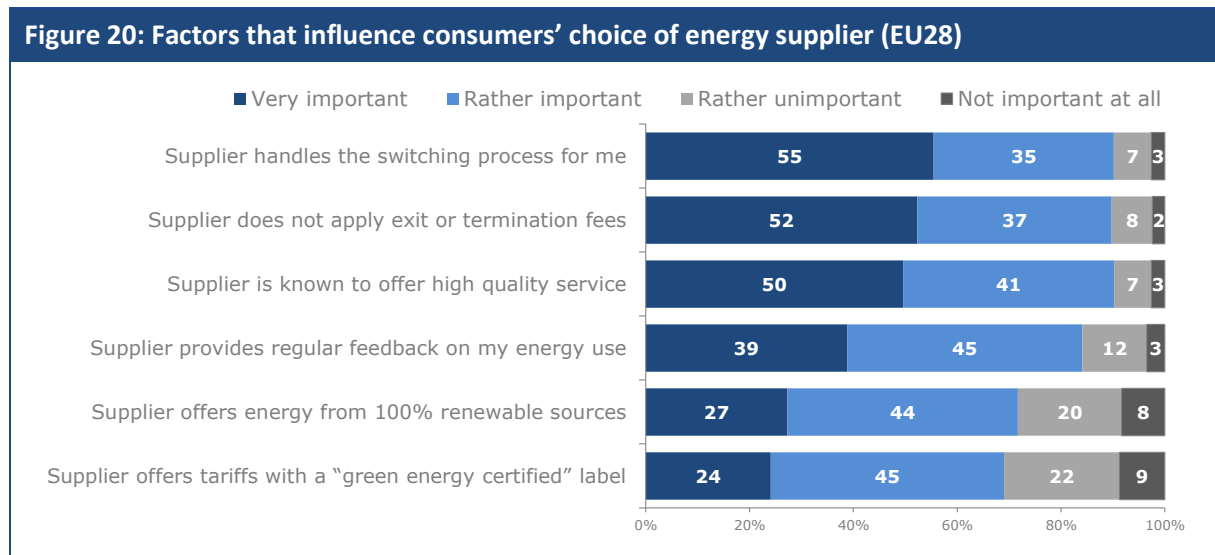
In the regulator survey, regulators were asked whether the energy suppliers in their country provide information to their customers about contract termination fees, contract duration and details on the 'deadline for sending an advance notice for contract cancellation'. All regulators indicated that national energy suppliers do not generally provide the customer with information **on contract termination fees** in energy bills. Only 2 out of 12 regulators mentioned that suppliers provide information **on the contract duration** in energy bills and 3 out of 12 regulators reported that suppliers provide information in energy bills about the end date of the contract. Lastly, only 3 out of 12 regulators mentioned that customers receive details on the **deadline for sending an advance notice for contract cancellation**; this is the case for France, Germany and Lithuania.

Analysing a small sample of 17 bills (from 10 countries), it was noted that information related to contract termination was usually not included in the bill. Contract termination fees were not mentioned in any of the bills analysed; contract duration was mentioned in five bills and information on the deadline for sending an advance notice for contract cancellation was specified in four bills.

4.4 Influence of exit fees on consumers' decision making

4.4.1 Influence of exit fees when choosing an alternative supplier

In the consumer survey, respondents were asked which factors would be important when switching to an alternative supplier. A slim majority (55%) of consumers replied that it would be very important that the **supplier handles the switching process**, followed by 52% who said it would be very important that the supplier **does not apply exit or termination fees** and 50% who answered that the **supplier should be known to offer high quality services**. Just 10% of respondents answered that these factors would not be important in their choice of energy supplier.



Question wording: Q24. Imagine that you would want to switch to a different energy supplier. How important are the following when making your choice? (% "very important"). Base: All respondents (EU28, excl. CY and MT: n=18,223)

Note: Question not asked in Cyprus and Malta.

Source: Main Task 2 Consumer surveys

The results of this question show that exit or termination fees would play a role in consumers' decision making when switching suppliers. The absence of exit or termination fees was rated as important as the quality of services offered (respectively, 52% and 50% of "very important" responses), and was rated more important than the green credentials of suppliers (24% and 27% of "very important" responses).

Moreover, the results presented in Table 20 illustrate that **exit and/or termination fees would play a role in consumers' decision making across all countries surveyed**; the proportion of "very important" responses varies between 38% in Denmark and 72% in Portugal. Estonia, Greece and Bulgaria joined Portugal at the higher end of the country ranking (between 66% and 71% of "very important" responses).

Table 20: Factors that influence consumers' choice of energy supplier (by country)

	Supplier handles the switching process for me	Supplier does not apply exit or termination fees	Supplier is known to offer high quality service	Supplier provides regular feedback on my energy use	Supplier offers energy from 100% renewable sources	Supplier offers tariffs with a "green energy certified" label
*EU28	55%	52%	50%	39%	27%	24%
EU15	56%	51%	47%	35%	27%	24%
*EU13	53%	57%	60%	53%	28%	24%
PT	74%	72%	71%	70%	47%	46%
BG	68%	71%	74%	73%	36%	32%
EL	71%	70%	72%	62%	46%	40%
EE	65%	66%	75%	49%	23%	23%
BE	63%	64%	54%	37%	30%	28%
CZ	62%	62%	64%	45%	22%	19%
AT	65%	61%	47%	42%	40%	29%
HR	60%	61%	71%	67%	30%	26%
RO	60%	61%	66%	59%	36%	33%
LV	46%	60%	52%	48%	19%	18%
IE	64%	58%	66%	41%	37%	34%
SI	60%	58%	58%	53%	26%	24%
HU	49%	58%	63%	53%	32%	30%
SK	67%	57%	71%	61%	31%	25%
LT	61%	57%	70%	40%	33%	24%
FR	57%	54%	51%	36%	26%	26%
DE	55%	54%	33%	26%	20%	16%
IT	49%	53%	47%	33%	33%	27%
PL	43%	49%	50%	49%	22%	18%
LU	57%	46%	59%	47%	38%	34%
ES	51%	46%	46%	44%	34%	31%
UK	59%	43%	51%	32%	19%	19%
FI	57%	41%	53%	28%	22%	21%
NL	54%	41%	44%	25%	24%	22%
SE	51%	40%	50%	33%	23%	22%
DK	54%	38%	43%	34%	28%	22%
NO	56%	51%	53%	42%	23%	18%
IS	46%	45%	61%	51%	48%	38%

Question working: Q24. Imagine that you would want to switch to a different energy supplier. How important are the following when making your choice? (% "very important"). Base: All respondents (EU28, excl. CY and MT: n=18,223)

Note: * Question not asked in Cyprus and Malta.

Source: Main Task 2 Consumer surveys

4.4.2 The “willingness-to-switch” experiment set-up

The ‘willingness-to-switch’ stage of the online behavioural experiment tested the impact of exit fees on consumers’ likelihood to switch suppliers. Participants were told that they were on a fixed duration contract, and were informed of the amount they currently paid. They were also informed that there was an alternative deal on the market, to which they could switch, but that they would have to pay a fee upfront to leave their contract early. This stage assesses the amount that participants would be willing to pay to switch to the alternative deal.

The approach used was Contingent Valuation, specifically Double Bounded Dichotomous Choice. Participants are asked whether they would be willing to pay €x to switch to the alternative deal. If participants say yes, they are then asked if they would pay €x+p to switch to the alternative deal. If participants refuse the initial deal, they are asked if they would pay €x-p to switch to the alternative (i.e. a lower exit fee and therefore higher savings). This technique elicits ranges of fees that participants would be willing to pay to switch.

The ‘willingness-to-switch’ stage included the following treatment groups, and participants were randomly allocated to one of these groups:

- Whether and how participants were informed about their savings from switching:
 - No communication;
 - Information when the savings from switching would offset the upfront cost of the exit fee;
 - Information when participants would start saving as a result of switching.
- Levels of exit fees, ranging from the 10th percentile of observed exit fees,⁸⁴ 20th percentile, 40th percentile, 60th percentile and 80th percentile.
- Levels of monthly savings for alternative deals compared to current deals; monthly savings ranged from the 20th percentile of observed monthly savings⁸⁵ to the 80th percentile.

Table 21: Levels of exit fees and levels of monthly savings (‘willingness-to-switch’ stage), by country

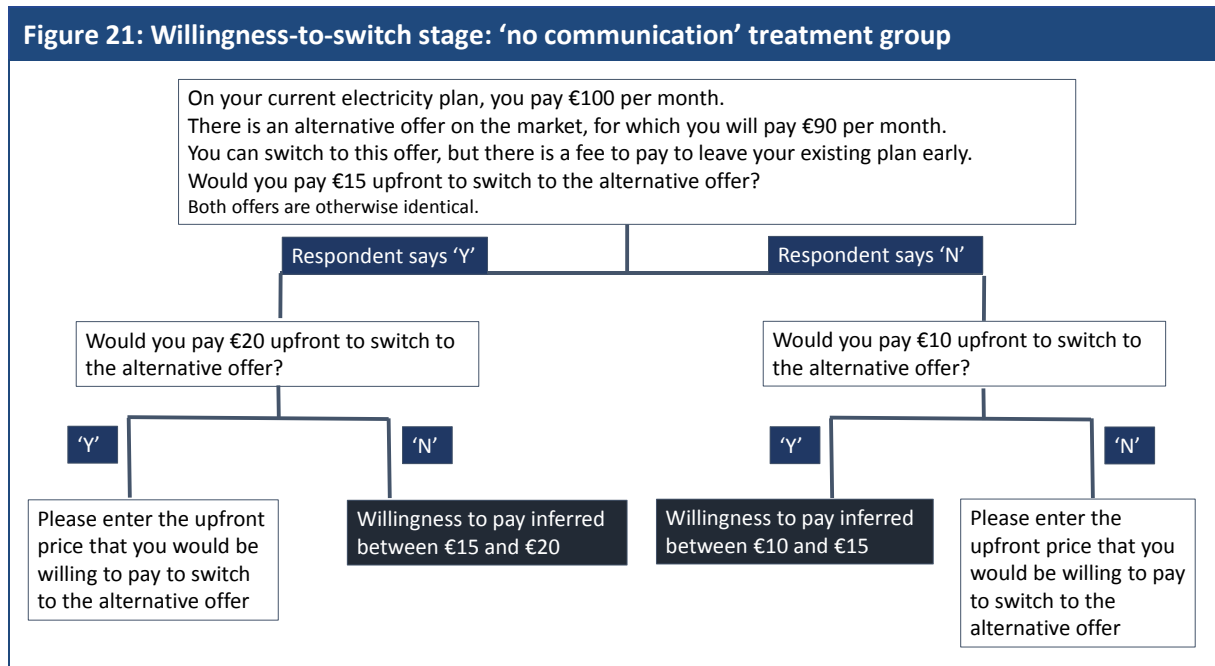
	Monthly price of current deal	Range of exit fees (national currency)	Range of monthly savings (national currency)
DE	€128	Between €16 & €63	Between €5 & €14
EL	€53	Between €13 & €51	Between €4 & €11
ES	€62	Between €15 & €59	Between €4 & €13
FR	€55	Between €13 & €50	Between €4 & €11
NL	€46	Between €14 & €55	Between €4 & €12
PL	165 zł	Between 39 zł & 157 zł	Between 12 zł & 35 zł
RO	164 lei	Between 34 lei & 135 lei	Between 10 lei & 30 lei
SE	527 kr	Between 134 kr & 538 kr	Between 40 kr & 121 kr
SI	€51	Between €11 & €45	Between €3 & €10
UK	£48	Between £10 & £40	Between £3 & £9

Source: Main Task 5 Behavioural experiment

⁸⁴ Exit fees were calibrated using desk research conducted in the context of this study.

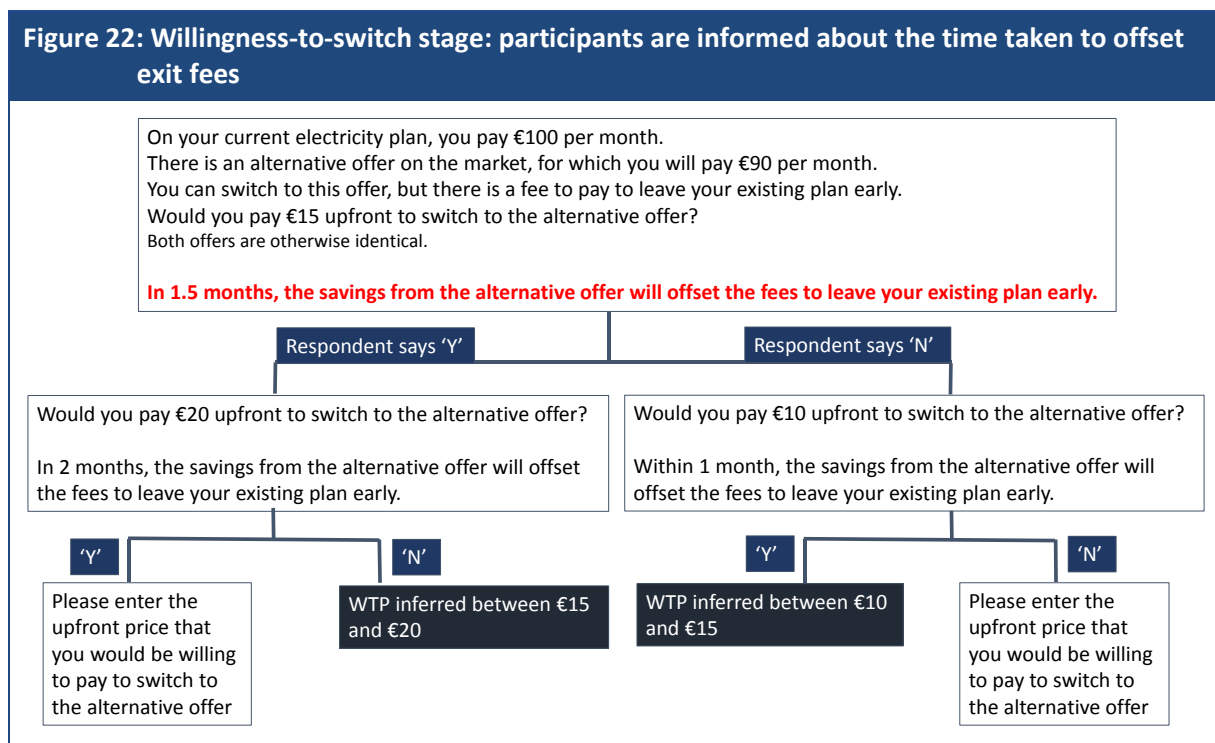
⁸⁵ Monthly savings were calibrated using desk research conducted in the context of this study.

The figure below illustrates the willingness-to-switch stage, in cases where participants are not informed about the time taken to offset exit fees or of the time taken to save money by switching.⁸⁶



Source: Main Task 5 Behavioural experiment

The figure below illustrates the willingness-to-switch stage, in cases where participants are informed about the time taken to offset exit fees (additional text highlighted in red).⁸⁷

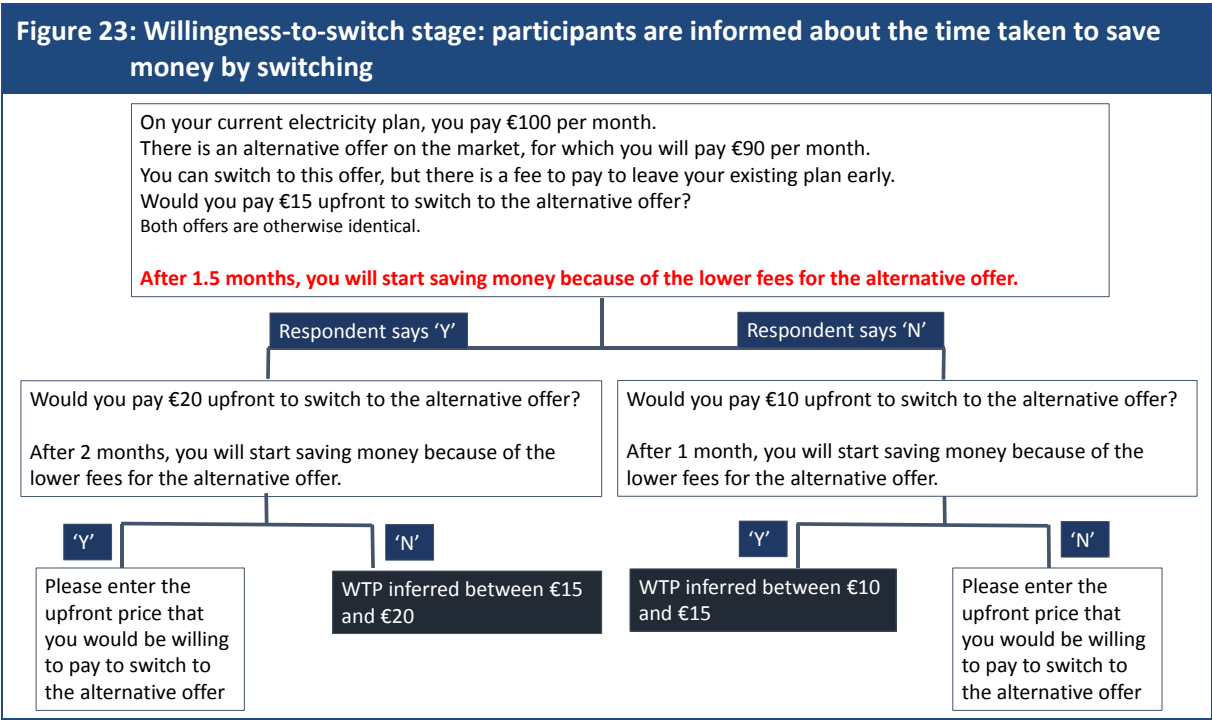


Source: Main Task 5 Behavioural experiment

⁸⁶ The charts employ illustrative figures. The figures used in the behavioural experiment were calibrated based on research carried out as part of Task 1, and supplemented by desk research.

⁸⁷ In the experiment screen, the additional text was not highlighted in red. The text is highlighted here to illustrate the difference between different experimental treatments.

The figure below illustrates the willingness-to-switch stage, in cases where participants are informed of the time taken to save money by switching (additional text highlighted in red).



Source: Main Task 5 Behavioural experiment

4.4.1 Importance of level of monthly savings in consumers' decision making

The 2nd Electricity Market Study⁸⁸ found that consumers' number one reason for not having tried to switch electricity supplier was that they were satisfied with their current electricity supplier; this reason was mentioned by 42% of respondents who had not tried to switch. There was, however, also a large proportion of respondents who mentioned that the **savings would not justify the trouble linked to changing electricity suppliers** (16%) or that there are **no differences between suppliers to make switching worthwhile** (24%). In the current study, although many participants in the focus groups in Germany and Slovenia had switched energy suppliers, some doubts were raised about the savings from switching.

"I am living in a single household; the costs are relatively low. The few euros that I would save are not worth switching." (Germany, participant in a "general public" group)

"Saving 2€/month is not something that would persuade me to switch." (Slovenia, participant in a "general public" group)

The importance of the levels of monthly savings was illustrated in the behavioural experiment. The experiment results suggest that participants were statistically significantly more likely to switch at higher levels of monthly savings, relative to the original deal.

Table 22 shows the proportion of participants who are willing to switch, and indicates whether participants are statistically significantly more likely to switch **at different levels of monthly savings**, compared to the highest level of savings. For example, 69% of participants allocated to the group with the highest level of monthly savings compared to their current deal were willing to switch, compared to 50% of participants in the group with the lowest level of monthly savings (20th percentile) and 59% of participants in the 40th percentile of monthly savings. These differences were statistically significant at 99%.

⁸⁸ Available at: http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=53331

On average, respondents from EU13 Member States were significantly less likely (at 99%) to be willing to switch, compared to those from EU15 Member States (see last column in Table 22). In addition, respondents from potentially vulnerable groups were, on average, less willing to switch than other respondents, at all levels of monthly savings relative to the current deal. However, in general, a higher proportion of respondents in all groups were more willing to switch as monthly savings, relative to the current deal, increased (see columns 2 to 5 in Table 22).

Table 22: Proportion of participants willing to switch to alternative deals in willingness-to-switch stage, by treatment group

Treatment group	Treatment variant	Proportion of participants choosing to switch (%)
Monthly savings of alternative deal compared to current deal	Low monthly savings (20 th percentile)	50***
	Medium monthly savings (40 th percentile)	59***
	High monthly savings (60 th percentile)	63***
	Highest monthly savings (80 th percentile)	69
Average (%)		60

Note: Participants are coded as 'willing to switch' if they say 'Yes' to the initial deal and/or higher/lower deal. The table presents significance levels indicating whether the proportion of participants willing to switch is significantly different from the benchmark of participants who are shown the highest monthly savings. ***=99%; ** = 95%; * = 90%.

Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK.

Source: Main Task 5 Behavioural experiment

Table 23: Proportion of participants willing to switch to alternative deals in willingness-to-switch stage, by monthly savings, country group and potentially vulnerable groups

	Low monthly savings (20 th percentile)	Medium monthly savings (40 th percentile)	High monthly savings (60 th percentile)	Highest monthly savings (80 th percentile)	Average (%)
Country group					
EU15	55***	62***	67***	71	64
EU13	43***	53***	57***	65	55
Age					
Below 65 years	53***	61***	66***	71	63
65 years and over	34***	49***	51***	56	48
Economic activity					
Economically active	54***	62***	65***	72	63
Economically inactive	53***	57**	67	70	62
Educational level					
Medium or high education	52***	60***	64***	71	62
Low education	36**	42	55	51	47
Subjective income					
No difficulty making ends meet	51***	60***	65***	73	62
Difficulty making ends meet	50***	57**	62	64	58
Use of internet					
Low	39***	48	52	53	48
Medium	53***	62***	67***	73	64
High	62***	75	72**	83	73

Note: Participants are coded as 'willing to switch' if they say 'Yes' to the initial deal and/or higher/lower deal. The table presents significance levels indicating whether the proportion of participants willing to switch is significantly different from the benchmark of participants who are shown the highest monthly savings. ***=99%; ** = 95%; * = 90%.

Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK.

Source: Main Task 5 Behavioural experiment

4.4.2 Importance of level of exit fees in consumers' decision making

The importance of the levels of exit fees was illustrated in the consumer survey and the behavioural experiment. First of all, in the consumer survey, just 9% of respondents who would be charged an exit or termination fee for ending their contract, replied that the amount of this fee would not impact their decision to switch. More than a third of these respondents (35%) answered that they would switch if the fee is lower than the savings during the first six months of the contract, while just 13% would accept fees that would mean that they only start saving after the first year of the contract. It should, however, also be noted that 35% replied that they would not switch until their contract terminates, independent of the level of exit fees (this is further discussed in Section 4.4.3).

Table 24 illustrates the proportion of participants who are willing to switch, and indicates whether participants are statistically significantly more likely to switch **at different levels of exit fees**, compared to the highest level of exit fees. While 70% of participants allocated to the group with the lowest level of exit fees (the 10th percentile), and 64% of participants with low exit fees (20th percentile), were willing to switch, willingness to switch decreases to 50% for participants in the group with the highest exit fees (80th percentile). The difference in both cases is statistically significant at 99%.

Participants across country and potentially vulnerable groups (except participants having difficulty making ends meet) were significantly more likely to indicate that they were willing to switch at low levels of exit fees compared to high exit fees (Table 24). Although participants having difficulty making ends meet were, on average, less willing to switch, the level of the exit fees did not seem to have an impact on their decision in the experiment.

Treatment group	Treatment variant	Proportion of participants choosing to switch (%)
Exit Fees	Lowest exit fees (10 th percentile)	70***
	Low exit fees (20 th percentile)	64***
	Medium exit fees (40 th percentile)	62***
	High exit fees (60 th percentile)	56***
	Highest exit fees (80 th percentile)	50
Average (%)		60

Note: Participants are coded as 'willing to switch' if they say 'Yes' to the initial deal and/or higher/lower deal. The table presents significance levels indicating whether the proportion of participants willing to switch is significantly different from the benchmark of participants who are shown the highest exit fees. ***=99%; ** = 95%; * = 90%.

The table combines results for the online and laboratory experiment. Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia.

Source: Main Task 5 Behavioural experiment

Table 25: Proportion of participants willing to switch to alternative deals in willingness-to-switch stage, by exit fees, country group and potentially vulnerable groups

	Lowest exit fees (10 th percentile)	Low exit fees (20 th percentile)	Medium exit fees (40 th percentile)	High exit fees (60 th percentile)	Highest exit fees (80 th percentile)	Average (%)
Country group						
EU15	72***	68***	65***	59*	54	64
EU13	65***	58***	57***	51***	42	55
Age						
Below 65 years	72***	67***	64***	59***	51	63
65 years and over	59***	48	48	42	41	48
Economic activity						
Economically active	73***	68***	64***	60***	51	63
Economically inactive	72***	67**	67**	56	50	62
Educational level						
Medium or high education	71***	66***	63***	57***	51	62
Low education	55***	50**	44	50**	33	47
Subjective income						
No difficulty making ends meet	72***	66***	62***	59**	52	62
Difficulty making ends meet	68	62	61	53	48	58
Use of internet						
Low	53***	46	55***	47	39	48
Medium	75***	70***	64***	58**	52	64
High	79*	76	70	69	67	73

Note: Participants are coded as 'willing to switch' if they say 'Yes' to the initial deal and/or higher/lower deal. The table presents significance levels indicating whether the proportion of participants willing to switch is significantly different from the benchmark of participants who are shown the highest monthly savings. ***=99%; ** = 95%; * = 90%.

Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK.

Source: Main Task 5 Behavioural experiment

Participants' risk attitudes may also play a role in their willingness to switch. For example, risk-averse consumers may be overall less willing to switch, compared to risk-loving consumers. The behavioural experiment collected information about participants' risk attitudes, in follow-up questions after the 'switch-or-stay' stage. Participants were asked whether they would be willing to accept the following set of gambles, or 'coin flips'.⁸⁹

- If the coin turns up heads, then you lose €2; if the coin turns up tails, you win €6.
- If the coin turns up heads, then you lose €3; if the coin turns up tails, you win €6.
- If the coin turns up heads, then you lose €4; if the coin turns up tails, you win €6.
- If the coin turns up heads, then you lose €5; if the coin turns up tails, you win €6.
- If the coin turns up heads, then you lose €6; if the coin turns up tails, you win €6.
- If the coin turns up heads, then you lose €7; if the coin turns up tails, you win €6.

More risk averse participants would be likely to reject gambles where the possible loss is close to or higher than the possible gain – for example, the bottom three gambles – and also be less likely to switch.

The behavioural experiment results suggest that participants who would reject the bottom three 'coin flips' (relatively risk-averse participants) were also less willing to switch: 59% of risk averse participants were willing to switch, compared to 62% of participants who accepted these 'coin flips'. The difference in proportion is statistically significant at 90%.

In particular, participants who needed to pay the highest level of exit fees were statistically significantly more likely to switch if they were risk-loving, compared to other participants:

⁸⁹ The amount presented to participants was calibrated for each experiment country.

57% of relatively risk-loving participants were willing to switch at the highest level of exit fees, compares to 47% of relatively risk-averse participants. The difference in proportion is statistically significant at 99%.

Table 26: Proportion of participants willing to switch to alternative deals in willingness-to-switch stage, by treatment group and level of risk aversion

Treatment group	Treatment variant	Relatively risk-averse participants	Relatively risk-loving participants
Exit Fees	Lowest exit fees (10 th percentile)	69	72
	Low exit fees (20 th percentile)	64	66
	Medium exit fees (40 th percentile)	62	60
	High exit fees (60 th percentile)	55	59
	Highest exit fees (80 th percentile)	47	57***
Average (%)		59	62

Note: Participants are coded as 'willing to switch' if they say 'Yes' to the initial deal and/or higher/lower deal. Statistical significance levels are given as follows: ***=99%; ** = 95%; * = 90%. The table combines results for the online and laboratory experiment. Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia. Source: Main Task 5 Behavioural experiment

4.4.3 Exit fees as a barrier to switching

In follow-up questions, participants who stayed with their current deal were asked why they made this choice. One possible reason for staying with the current deal was 'I don't want to pay the exit fee to switch to an alternative deal'. Among participants where the alternative deal was cheapest (i.e. who could make savings by switching), this reason was selected by 32% of participants shown a bill with exit fees. In contrast, 11% in the group without exit fees selected this reason. The difference was statistically significant at 99%.

The results of the 'willingness-to-switch' stage of the experiment are in line with the 'switch-or-stay' stage of the experiment, where participants were asked to choose the cheapest deal. Participants could either stay with their current deal, or switch to an alternative deal. Half of the participants in the 'switch-or-stay' stage were allocated to a group where they needed to pay exit fees to switch to an alternative deal, while the other half did not need to pay exit fees.

Participants who were shown a bill where they needed to pay exit fees were not significantly more or less likely to compare deals, than those who did not need to pay exit fees (see Table 51 in Section 6.2.1). However, when participants were asked why they chose not to compare deals, they frequently indicated that one reason was that they did not want to pay exit fees: 42% of participants who were shown bills with exit fees selected this response, compared to 29% of participants who were shown bills with zero exit fees. The difference was statistically significant at 99%. Note also that 29% of participants who did not need to pay exit fees incorrectly believed that they did when prompted to think about exit fees.

Table 27: Proportion of participants indicating reasons for not comparing deals in switch-or-stay stage, by treatment group

Treatment group	Treatment variant	I could not find the information I needed to compare deals	My current deal was the cheapest	I did not want to pay the exit fee to switch to an alternative deal
Exit Fees	Participants do not pay exit fees to leave their contract early	21	54***	29***
	Participants pay exit fees to leave their contract early	19	45	42
Average		20	50	36

Note: N (online behavioural experiment) = 4,167. N (laboratory experiment) = 70 (participants who chose not to compare deals). Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia.

Statistically significant differences are indicated with bold rows and asterisks. ***=99%. **=95%. *=90%.

Source: Main Task 5 Behavioural experiment

The results of the behavioural experiment suggest that **consumers may be dissuaded from switching if they need to pay exit fees, even if they can make savings by switching.**⁹⁰ This finding was also confirmed by the consumer survey, where 35% of respondents who replied that they would need to pay an exit or termination fee, explained that they would not switch until their contract terminates.

Exit fees may be a barrier to consumers since fees need to be paid upfront, whereas the savings from switching are realised later. Consumers frequently display 'present bias' – that is, they place disproportionate weight on present consumption even if they report that at a future date they would wish to save. In the focus groups, some vulnerable groups were dissuaded from switching because exit fees are paid upfront:

"Exit fees are for me extra costs, I need to pay it now, but benefits will be there in a few months, so I do not switch." (Slovenia, participant in a group with 65+ consumers)

This insight from the focus groups is in line with the results of the behavioural experiment, where respondents from potentially vulnerable groups were, on average, less willing to switch than other respondents, at all levels of monthly savings relative to the current deal (see Table 24).

4.4.4 Overcoming exit fee-related barriers to switching

Exit fees may present a barrier to switching, as exit fees diminish the immediate financial advantage of switching and render it more difficult for the consumer to calculate the best offer. In the experiment, participants were significantly more likely to say they would switch to an alternative deal **if they were informed about the time taken to offset the cost of paying exit fees, or the time taken to save money by switching.**

In the 'willingness-to-switch' stage participants were randomly allocated to one of three groups:

- No information provided about the time taken to offset the cost of paying exit fees, or the time taken to save money by switching;
- Information provided when the savings from switching would offset the upfront cost of the exit fee (e.g. 'In 1.5 months, the savings from the alternative offer will offset the fees to leave your existing plan early' – see Figure 22);

⁹⁰ Note also that participants shown a bill with no exit fees also indicated 'I don't want to pay the exit fee to switch to an alternative deal', meaning that they incorrectly believed they needed to pay exit fees.

- Information provided when participants would start saving as a result of switching (e.g. 'In 1.5 months, you will start saving money because of the lower fees for the alternative offer' – see Figure 23).

Table 28 illustrates the proportion of experiment participants willing to switch, and indicates whether participants were significantly **more likely to switch if they were informed of the benefits of switching**, compared to receiving no additional information: 63% of participants who were informed of the benefits of switching indicated that they would switch, compared to 55% of participants who were not informed. The difference is statistically significant at 99%. No difference was observed between the two types of information statements (time taken to offset the cost of paying exit fees vs. time taken to save money by switching).

The positive effect of communicating switching benefits was also observed for potentially vulnerable groups. For example, 69% of economically inactive respondents who received information on the time taken to save money by switching were willing to switch, compared to 54% of inactive respondents who received no additional communication (the difference is statistically significant at 99%). Similarly, 62% of respondents having difficulty making ends meet who received information on the time taken to offset switching costs, or save money by switching, were willing to switch, compared to 52% of respondents who received no additional information (the difference is statistically significant at 95%).

Table 28: Proportion of participants willing to switch to alternative deals in willingness-to-switch stage, by treatment group

Treatment group	Treatment variant	Proportion of participants choosing to switch (%)
Communication Group	Participants are told the time taken for savings to offset exit fees	63***
	Participants are told the time taken to save money after switching and paying exit fees	63***
	Participants are not explicitly told time taken to offset exit fees, or save money	55
Average (%)		60

Note: Participants are coded as 'willing to switch' if they say 'Yes' to the initial deal and/or higher/lower deal. The table presents significance levels indicating whether the proportion of participants willing to switch is significantly different from the benchmark of participants who are not explicitly told time taken to offset exit fees or save money. ***=99%; ** = 95%; * = 90%.

The table combines results for the online and laboratory experiment. Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia.

Source: Main Task 5 Behavioural experiment

In addition, consumers may be more willing to switch if they receive clear information about switching benefits, **even at high levels of exit fees or lower monthly savings**. An analysis of participants' willingness to switch is presented, crossing exit fees and monthly savings with the communication participants received about switching benefits, is presented in Table 29. This table also indicates whether participants are significantly more or less likely to switch if they receive communication about switching benefits, compared to if they do not receive any additional information.

The results indicate that participants were statistically significantly **more willing to switch to alternative deals if they received communication about switching benefits, at high and low levels of exit fees or monthly savings**. For example, 45% of participants were willing to switch at the highest level of exit fees if they were not informed about the savings from switching, but 52% of participants were willing to switch if they were informed about the time taken to save money from switching, and 53% if they were informed about the time taken to offset the upfront exit fees. Similarly, 45% of participants were willing to switch at the lowest level of monthly savings relative to their current deal. But this percentage increased to 53% if participants were informed about the

time taken to offset exit fees, or save money by switching. In both cases, the difference in proportions is statistically significant at least 95%.

This result suggests that **consumers may experience cognitive barriers that make it difficult for them to compute the net benefits to switching after paying upfront exit fees.** However, **clearly communicating switching benefits can help to overcome cognitive barriers to switching.**

Table 29: Proportion of participants willing to switch to alternative deals in willingness-to-switch stage, by treatment group				
Treatment group	Treatment variant	Proportion of participants choosing to switch (%)		
		Participants are told the time taken for savings to offset exit fees	Participants are told the time taken to save money after switching and paying exit fees	Participants are not explicitly told time taken to offset exit fees, or save money
Exit Fees	Lowest exit fees (10 th percentile)	70	74***	66
	Low exit fees (20 th percentile)	69***	65	59
	Medium exit fees (40 th percentile)	64*	65**	57
	High exit fees (60 th percentile)	58**	59**	51
	Highest exit fees (80 th percentile)	53**	52*	45
Monthly savings of alternative deal compared to current deal	Low monthly savings (20 th percentile)	53***	53***	45
	Medium monthly savings (40 th percentile)	60	60	56
	High monthly savings (60 th percentile)	67***	67***	56
	Highest monthly savings (80 th percentile)	72**	70	65
Average (%)		63	63	55

Note: Participants are coded as 'willing to switch' if they say 'Yes' to the initial deal and/or higher/lower deal. The table presents significance levels indicating whether the proportion of participants willing to switch is significantly different from the benchmark of participants who are not explicitly told time taken to offset exit fees or save money. ***=99%; ** = 95%; * = 90%.

The table combines results for the online and laboratory experiment. Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia.

Source: Main Task 5 Behavioural experiment

5. Billing in the energy market

Energy bills are important tools that can enable consumers to assess their energy consumption and make choices that can further affect their budget and the environment. Bill content (billing elements), the terminology used and bill presentation (format) are important for correctly assisting consumers in selecting the offer that best suits their needs. This is why this study analysed consumers' understanding of energy bills, and identified and tested (through behavioural experiments) different bill formats that contribute to increased clarity and comparability for the consumer.

The impact assessment accompanying the proposal for the Revised Electricity Directive indicated that one of the main challenges in the energy market refers to the high number of complaints related to billing.⁹¹ A study of BEUC also found that the most common complaints in the energy market are related to billing information and invoicing, but also observed that consumers **do not understand the basic information in their electricity bill or how their bill was calculated.**⁹² A similar observation was also made by the regulator in Greece (in the context of this study's stakeholder consultation).

Also in the UK, according to a 2005-2015 report from the UK's Citizens Advice, complaints about energy billing and associated processes remain the largest single source of complaints.⁹³ A lot of individual changes to bills have been implemented over the years, in particular due to major complaints in the UK.⁹⁴ This has helped strengthening the national legislation and focused on clarifying the available information to energy consumers. Citizens Advice, however, added that changes have resulted in both **increasing complexity and increasing volume of information in bills, without any observable gains in consumer engagement** as measured by switching rates between suppliers.

Section 5.1 presents an overview of the EU legislation on requirements for bill content, format and terminology, and assesses if these requirements are also transposed in national legislation. In this section, more details are also provided about requirements for bill content in national legislation that go beyond EU legislation.

In Section 5.2, an analysis is presented of energy bill characteristics, followed by a discussion on typical elements displayed in energy bills and consumers' preferences for bill content (Sections 5.3 and 5.4). Section 5.5 presents consumers' view whether their energy bills are clear and easy to understand, and identifies bill design formats that could improve clarity (as observed in the 'billing' stage of the behavioural experiment).

The last section of this chapter looks at the topic of standardisation of bill designs, and presents both consumers' and regulators' preferences on this topic. The discussion is followed by an overview of measures introduced across various countries to increase clarity and comparability of energy bills.

⁹¹ European Commission (2016), "Impact assessment". Report. SWD (2016) 410 Final. Available at: https://ec.europa.eu/energy/sites/ener/files/documents/mdi_impact_assessment_main_report_for_publication.pdf

⁹² BEUC, 2017. Energy markets of the future: how the EU's energy transition should work for consumers. Accessed in December 2017. Available at: http://www.beuc.eu/publications/beuc-x-2017-062_mst_energy_markets_of_the_future_-_how_the_eus_energy_transition_should_work_for_consumers.pdf

⁹³ Includes direct complaints to the energy supplier, Ombudsman Services: Energy cases and contacts made to the Citizens Advice consumer service.

⁹⁴ Accessed from: https://www.citizensadvice.org.uk/Global/CitizensAdvice/essential%20services%20publications/Lost%20Decade%20Report_Executive%20Summary_New_Front.pdf

5.1 Requirements on bill content, format and terminology

5.1.1 Requirements set in EU legislation

This section provides an overview of the requirements set in the EU legislation in relation to **bill content, format and terminology**. These requirements are set in the Gas Directive,⁹⁵ Electricity Directive,⁹⁶ Energy Efficiency Directive⁹⁷ and the proposals for a revised Electricity Directive and a revised Energy Efficiency Directive.

Gas Directive

The **Gas Directive 2009/73/EC** establishes in Article 3 that Member States “shall ensure high levels of consumer protection, particularly with respect to transparency regarding contractual terms and conditions, general information and dispute settlement mechanisms.” The Gas Directive encourages Member States to ensure that customers receive all relevant consumption data, and that this right – together with the right of switching – as established in point 6 of Article 3, “are granted to customers in a non-discriminatory manner as regards cost, effort or time.”

Among the duties of the regulatory authority, in Article 41 (q), the Gas Directive mentions that consumers should have access to consumption data, and alleviates Member States to provide “an easily understandable harmonised format at national level for consumption data”. This same Article points to Annex I of the Directive, in which further measures for consumer protection are listed. Among the most relevant for the scope of this study are points (a), (c), (h) and (i). The box below presents Annex I in relation to measures on consumer protection, introducing italics when the article specifically addresses the provision of information in energy bills.

Box 15: Extract from the Gas Directive 2009/73/EC (Annex I)

ANNEX I (Measures on consumer protection)

(a) have a right to a contract with their gas service provider (...). Conditions shall be fair and *well-known in advance*. In any event, that *information should be provided prior to the conclusion or confirmation of the contract*.

(c) receive *transparent information on applicable prices and tariffs and on standard terms and conditions*, in respect of access to and use of gas services;

(h) have at their disposal their *consumption data*, and shall be able to, by explicit agreement and free of charge, give any registered supply undertaking access to its metering data. The party responsible for data management shall be obliged to give those data to the undertaking. Member States shall define a format for the data and a procedure for suppliers and consumers to have access to the data. No additional costs shall be charged to the consumer for that service.

(i) are *properly informed of actual gas consumption and costs frequently enough to enable them to regulate their own gas consumption*. That information shall be given by using a sufficient time frame, which takes account of the capability of customer’s metering equipment. Due account shall be taken of the cost-efficiency of such measures. No additional costs shall be charged to the consumer for that service

Source: Directive 2009/73/EC of the European Parliament and the Council of 14 August concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC

⁹⁵ Directive 2009/73/EC of the European Parliament and the Council of 14 August concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC

⁹⁶ Directive 2009/72/EC of the European Parliament and the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC

⁹⁷ Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC

Electricity Directive and the proposed revised Electricity Directive

The **Electricity Directive 2009/72/EC** establishes in Article 9 that the regulatory authority or competent national authority has to “ensure that the information provided by suppliers to their customers (...) is reliable and is provided, at a national level, in a clearly comparable manner.” Article 18 of the Directive stipulates that “information contained in bills shall be correct, clear, concise and presented in a manner that facilitates comparison by consumers” and further specifies that “billing information shall be made available at least once every three months, upon request or where the final customers have opted to receive electronic billing or else twice a year.” Where customers have remotely readable meters, information shall be provided at least monthly.

In line with the Gas Directive, Article 3 encourages Member States to ensure that customers receive all relevant consumption data (in a non-discriminatory manner as regards cost, effort or time), and Annex I of the Directive contains measures on consumer protection addressing aspects related to the provision of information in energy bills; these measures are the same as in the Gas Directive.

The Gas and Electricity Directives are both very similar (e.g. Annex I contains the same articles, specified for gas or electricity depending on the Directive). Hence, comparable requirements are requested from Member States in relation to both services. Specifically, **in terms of billing, both the Gas and Electricity Directives** have the following requirements:

- The contribution of each energy source to the overall fuel mix of the supplier over the preceding year;
- Inclusion of existing reference sources, such as web pages, where information on the environmental impact, in terms of at least CO₂ emissions and the radioactive waste resulting from the electricity produced by the overall fuel mix of the supplier over the preceding year is publicly available;
- Information concerning consumers’ rights regarding the means of dispute settlement available to them in the event of a dispute;
- Billing based on actual consumption (at least once a year);
- Current actual prices; and
- Actual consumption of energy.

Box 16: Extract from the Electricity Directive 2009/72/EC (Annex I)

ANNEX I (Measures on consumer protection)

(a) have a right to a contract with their electricity service provider (...). Conditions shall be fair and *well-known in advance*. In any event, that *information should be provided prior to the conclusion or confirmation of the contract*.

(c) receive *transparent information on applicable prices and tariffs and on standard terms and conditions*, in respect of access to and use of electricity services;

(h) have at their disposal their *consumption data*, and shall be able to, by explicit agreement and free of charge, give any registered supply undertaking access to its metering data. The party responsible for data management shall be obliged to give those data to the undertaking. Member States shall define a format for the data and a procedure for suppliers and consumers to have access to the data. No additional costs shall be charged to the consumer for that service.

(i) are *properly informed of actual gas consumption and costs frequently enough to enable them to regulate their own electricity consumption*. That information shall be given by using a sufficient time frame, which takes account of the capability of customer’s metering equipment. Due account shall be taken of the cost-efficiency of such measures. No additional costs shall be charged to the consumer for that service

Source: Directive 2009/72/EC of the European Parliament and the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC

In 2016, the EC submitted a proposal for a recast of the current Electricity Directive, as part of the Clean Energy for All Package (comprising the EC's key proposals to implement the Energy Union). The proposal for the revised Electricity Directive (COM/2016/0864 final/2)⁹⁸ contains a specific annex (Annex II) on minimum requirements for billing and billing information (see Box below).

Box 17: Extract from the proposed Electricity Directive 2009/72/EC (Annex II)

Minimum requirements for billing and billing information

1. Minimum information contained in the bill

The following information shall be prominently displayed to final customers in their bills and periodical settlement bills: (a) the price to pay; and, where possible, the breakdown of price; (b) energy consumption for the billing period; (c) the name of the supplier; (d) the contact details of the supplier including a consumer support hotline; (e) the tariff name; (f) the duration of the contract; the date of end of the contract and the deadline for sending an advance notice of cancelation if the consumer considers switching at the end of the current fixed contract, while for contracts of indeterminate duration: the length of the advance notice period and the methods of communication on this choice; (g) the customer's switching code or unique identification code for their supply point; (h) information on their rights as regards the means of dispute settlement available to them in the event of a dispute pursuant to Article 26.

Where appropriate, the following information shall be prominently displayed to final customers in or with their bills and periodical settlement bills: (a) current actual prices and actual consumption of energy; (b) comparisons of the customers' current energy consumption with consumption for the same period in the previous year in graphic form; (c) contact information for consumer organisations, energy agencies or similar bodies, including website addresses, from which information may be obtained on available energy efficiency improvement measures, comparative end-user profiles and objective technical specifications for energy-using equipment. In addition, comparisons with an average normalised or benchmarked customer in the same user category shall be made available to final customers in, with or signposted to within, their bills and periodical settlement bills.

Breakdown of the customers' price

The customers' price is the sum of the following three main components: the energy and supply component, the network component (transmission and distribution) and the component comprising taxes, levies, fees and charges. Where a breakdown of the customers' price is presented in bills, the common definitions of the three main components in this breakdown established under REGULATION (EU) 2016/1952 shall be used throughout the Union. 3. Access to complementary information on historical consumption Where final customers have smart meters installed, final customers shall have the possibility of easy access to complementary information on historical consumption allowing detailed self-checks. Complementary information on historical consumption shall include: (a) cumulative data for at least the three previous years or the period since the start of the supply contract if this is shorter. The data shall correspond to the intervals for which frequent billing information has been produced; and (b) detailed data according to the time of use for any day, week, month and year. These data shall be made available to final customers in near real time via the internet or the meter interface for the period of at least the previous 24 months or the period since the start of the supply contract if this is shorter.

Disclosure of energy sources

Suppliers shall specify in bills: (a) the contribution of each energy source to the overall fuel mix of the supplier (at national level i. e. in the Member State where the supply contract has been concluded, as well as at the level of the supply undertaking if the supplier is active in several Member States) over the preceding year in a comprehensible and clearly comparable manner; (b) the contribution of each energy source to the electricity purchased by the customer in accordance with the supply contract (product level disclosure); (c) as a minimum the reference to existing reference sources, such as web pages, where information on the environmental impact, in terms of at least CO₂ emissions and the radioactive waste resulting from the electricity produced by the overall fuel mix of the supplier over the preceding year is publicly available; EN 4 EN As regards points (a) and (b) of the first subparagraph with respect to electricity obtained via an electricity exchange or imported from an undertaking situated outside the Union, aggregate figures provided by the exchange or the undertaking in question over the preceding year may be used. For disclosure of electricity from renewable energy sources or from high efficiency cogeneration, guarantees of origin

⁹⁸ Proposal for a Directive of the European Parliament and of the Council on common rules for the internal market in electricity (recast). COM/2016/0864 final/2 - 2016/0380 (COD)

Box 17: Extract from the proposed Electricity Directive 2009/72/EC (Annex II)

issued under Article 15 of Directive 2009/28/EC and Article 14(10) of Directive 2012/27/EC shall be used. The regulatory authority or another competent national authority shall take the necessary steps to ensure that the information provided by suppliers to final customers pursuant to this Article is reliable and is provided, at a national level, in a clearly comparable manner

Source: Directive 2009/72/EC of the European Parliament and the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC

Energy Efficiency Directive

The **Energy Efficiency Directive 2012/27/EC** targets information provision to consumers in a range of provisions (e.g. billing and consumption information as indicated in Article 10 and its linked Annex VII). Under this Directive, all EU countries are required to use energy more efficiently at all stages of the energy chain, from production to final consumption.

A partial revision of Directive is currently being considered by the co-legislators based on a proposal from the EC.⁹⁹ The provision of billing information is regulated in Article 10 of the current Directive as well as in the new Article 10a of the proposed revision of the Directive.¹⁰⁰ The following box presents the articles of the current framework, which apply to all energy forms and establishes the requirement of presenting information *based on actual consumption*. However, without smart metering, regular or frequent (sub-annual) billing information in practice often requires consumers to inform suppliers on their consumption, otherwise suppliers can bill households based on estimated consumption.

Currently, the Energy Efficiency Directive establishes that consumers also need to request historical consumption data, which means that suppliers are not obliged by the Directive to present historical consumption data on the bill, unless the national legislation decides to legislate further. However, Annex VII established that the main content should be made "available with the bill to provide final customers with a comprehensive account of current energy costs" (Article 10.3). Moreover, customers with smart meters must be provided with easy access to complementary information on historical consumption of both a detailed and cumulative nature (Article 10.2). An extract from Article 10 is presented in Box 18. Minimum requirements for billing and billing information based on actual consumption specified in Annex VII are shown in Box 19.

⁹⁹ Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2012/27/EU on energy efficiency COM/2016/0761 final - 2016/0376 (COD)

¹⁰⁰ Proposal for a Directive of the European Parliament and of the Council amending Directive 2012/27/EU on energy efficiency. COM/2016/0761 final - 2016/0376 (COD)

Box 18: Extract from the Energy Efficiency Directive 2012/27/EC (Article 10)

Billing information

1. Where final customers do not have smart meters as referred to in Directives 2009/72/EC and 2009/73/EC, Member States shall ensure, by 31 December 2014, that billing information is accurate and based on actual consumption, in accordance with point 1.1 of Annex VII, for all the sectors covered by this Directive, including energy distributors, distribution system operators and retail energy sales companies, where this is technically possible and economically justified.

This obligation may be fulfilled by a system of regular self-reading by the final customers whereby they communicate readings from their meter to the energy supplier. Only when the final customer has not provided a meter reading for a given billing interval shall billing be based on estimated consumption or a flat rate.

2. Meters installed in accordance with Directives 2009/72/EC and 2009/73/EC shall enable accurate billing information based on actual consumption. Member States shall ensure that final customers have the possibility of easy access to complementary information on historical consumption allowing detailed self-checks.

Complementary information on historical consumption shall include:

(a) cumulative data for at least the three previous years or the period since the start of the supply contract if this is shorter. The data shall correspond to the intervals for which frequent billing information has been produced; and

(b) detailed data according to the time of use for any day, week, month and year. These data shall be made available to the final customer via the internet or the meter interface for the period of at least the previous 24 months or the period since the start of the supply contract if this is shorter.

3. Independently of whether smart meters have been installed or not, Member States:

(a) shall require that, to the extent that information on the energy billing and historical consumption of final customers is available, it be made available, at the request of the final customer, to an energy service provider designated by the final customer;

(b) shall ensure that final customers are offered the option of electronic billing information and bills and that they receive, on request, a clear and understandable explanation of how their bill was derived, especially where bills are not based on actual consumption;

(c) shall ensure that appropriate information is made available with the bill to provide final customers with a comprehensive account of current energy costs, in accordance with Annex VII;

(d) may lay down that, at the request of the final customer, the information contained in these bills shall not be considered to constitute a request for payment. In such cases, Member States shall ensure that suppliers of energy sources offer flexible arrangements for actual payments;

(e) shall require that information and estimates for energy costs are provided to consumers on demand in a timely manner and in an easily understandable format enabling consumers to compare deals on a like-for-like basis.

Source: Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC

Box 19: Extract from the Energy Efficiency Directive 2012/27/EC (Annex VII)

Minimum requirements for billing and billing information based on actual consumption

1. Minimum requirements for billing

1.1. Billing based on actual consumption

In order to enable final customers to regulate their own energy consumption, billing should take place on the basis of actual consumption at least once a year, and billing information should be made available at least quarterly, on request or where the consumers have opted to receive electronic billing or else twice yearly. Gas used only for cooking purposes may be exempted from this requirement.

1.2. Minimum information contained in the bill

Member States shall ensure that, where appropriate, the following information is made available to final customers in clear and understandable terms in or with their bills, contracts, transactions, and receipts at distribution stations: (a) current actual prices and actual consumption of energy; (b) comparisons of the final customer's current energy consumption with consumption for the same period in the previous year, preferably in graphic form; (c) contact information for final customers' organisations, energy agencies or similar bodies, including website addresses, from which information may be obtained on available energy efficiency improvement measures, comparative end-user profiles and objective technical specifications for energy-using equipment. In addition, wherever possible and useful, Member States shall ensure that comparisons with an average normalised or benchmarked final customer in the same user category are made available to final customers in clear and understandable terms, in, with or signposted to within, their bills, contracts, transactions, and receipts at distribution stations.

1.3. Advice on energy efficiency accompanying bills and other feedback to final customers

When sending contracts and contract changes, and in the bills customers receive or through websites addressing individual customers, energy distributors, distribution system operators and retail energy sales companies shall inform their customers in a clear and understandable manner of contact information for independent consumer advice centres, energy agencies or similar institutions, including their internet addresses, where they can obtain advice on available energy efficiency measures, benchmark profiles for their energy consumption and technical specifications of energy using appliances that can serve to reduce the consumption of these appliances.

Source: Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC

In summary, **the Energy Efficiency Directive specifies that bills should contain** the following elements:

- Billing based on actual consumption (at least once a year);
- Billing information based on actual consumption at least two or four times a year unless this is proven not to be cost-effective/technically possible;
- Current actual prices;
- Actual consumption of energy;
- Comparisons of the final customer's current energy consumption with consumption for the same period in the previous year, preferably in graphic form; and
- Contact information for final customers' organisations, energy agencies or similar bodies, incl. website addresses, from which information may be obtained on available energy efficiency improvement measures, comparative end-user profiles and objective technical specifications for energy-using equipment.

Finally, Article 12 of the Directive mentions the desirability to promote behavioural change with instruments, policies and information provision. The additional aspect to this article can be found in Article 17.2, in which the Directive encourages Member States to "establish appropriate conditions for market operators to provide adequate and targeted information and advice to energy consumers on energy efficiency", and in Annex V (d), where the desirability to survey the savings achieved through policies aimed at reducing actual consumption is mentioned. These articles have been maintained in the new proposed Energy Efficiency Directive.

5.1.2 Requirements set in national legislation

As stipulated in the Electricity Directive, Gas Directive and Energy Efficiency Directive, consumers are entitled to be informed about their actual consumption and related costs and obtain information on how their bill was calculated, particularly if the bill is not based on actual consumption. The information should be provided free of charge in a clear and understandable manner so that consumers can make more efficient consumption choices.

Provisions in the EU Directives on billing reflected in national legislation

The table below lists some of the provisions included in the EU Directives that are most relevant to billing and shows in which countries evidence was found that these provisions were reflected at the national level. The results of the exercise could suggest that **not all countries are fully complying with the requirements set in the Electricity Directive and Gas Directive**. This is less clear for the requirements set in the **Energy Efficiency Directive** since the information elements prescribed in its annex need to be provided "where appropriate."¹⁰¹

¹⁰¹ It should be stressed that the present analysis is not a full or formal, legal assessment of the conformity of each Member State's transposition of these directives, and it does not necessarily reflect the European Commission's position on this matter.

Table 30: Provisions on billing in the Electricity Directive 2009/72/EC transposed in the national legislation

Requirements	AT	BE	BG	CY	CZ	DE	DK	EE	EL	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SI	SK	UK	IS	NO	Total	
1. The contribution of each energy source to the overall fuel mix of the supplier over the preceding year in a comprehensible and, at a national level, clearly comparable manner		X	X	X	X	X	X	X			X							X		X			X		X	X						13
2. At least the reference to existing reference sources, such as web pages, where information on the environmental impact, in terms of at least CO2 emissions and the radioactive waste resulting from the electricity produced by the overall fuel mix of the supplier over the preceding year is publicly available				X	X	X		X											X	X												7
3. Information concerning their rights as regards the means of dispute settlement available to them in the event of a dispute	X		X		X	X		X		X	X				X	X			X	X			X		X	X				X		15
4. Price to pay	X	X	X			X	X		X	X			X	X	X		X	X	X		X	X	X	X	X				X	X		20
5. Energy consumption for the billing period	X	X	X	X			X	X	X	X	X	X	X				X	X	X	X	X	X	X	X	X			X		X		22
6. The identity and address of the supplier		X							X	X				X	X	X								X								8
7. Tariff name									X						X												X					3
8. Customer's switching code or unique identification code for their supply point																																0
Nmb. of requirements transposed in national legislation	3	4	5	3	3	3	4	4	4	4	3	1	2	2	4	2	3	3	4	4	2	2	4	3	4	2	0	2	1	3		

Notes: The table lists certain of the provisions on billing in the Electricity Directive 2009/72/EC. It should be stressed that the present analysis is not a full or formal, legal assessment of the conformity of each Member State's transposition of the directive, and it does not necessarily reflect the European Commission's position on this matter.

Source: Main Task 1 (Survey of regulators, stakeholder consultation and desk research)

Table 31: Provisions on billing in the Gas Directive 2009/73/EC transposed in the national legislation

Requirements	AT	BE	BG	CY	CZ	DE	DK	EE	EL	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SI	SK	UK	IS	NO	Total	
1. The identity and address of the supplier		X							X	X		X		X	X	X	X							X								9
2. The method of initiating procedures for settlement of disputes	X		X		X	X		X		X	X				X	X			X	X			X		X	X				X		15
3. Information relating to consumer rights, including on the complaint handling and all of the information referred to in this point, clearly communicated through billing or the natural gas undertaking's web site	X		X		X	X		X		X	X				X	X			X	X			X		X	X				X		15
Nmb. of requirements transposed in national legislation	2	1	2	0	2	2	0	2	1	3	2	1	0	1	3	3	1	0	2	2	0	0	2	1	2	2	0	0	0	2		

Note: The table lists certain of the provisions on billing in the Gas Directive 2009/73/EC. It should be stressed that the present analysis is not a full or formal, legal assessment of the conformity of each Member State's transposition of the directive, and it does not necessarily reflect the European Commission's position on this matter.

Source: Main Task 1 (Survey of regulators, stakeholder consultation and desk research)

Table 32: Provisions on billing in the Energy Efficiency Directive 2012/27/EC transposed in the national legislation

Requirements	AT	BE	BG	CY	CZ	DE	DK	EE	EL	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SI	SK	UK	IS	NO	Total
1. Current actual prices	X	X		X		X	X	X	X	X	X		X					X	X	X	X	X	X						X		18
2. Actual consumption of energy	X	X	X	X		X	X	X	X	X	X	X	X				X	X	X	X	X	X	X	X	X			X		X	23
3. Comparisons of the final customer's current energy consumption with consumption for the same period in the previous year, preferably in graphic form	X	X						X	X	X		X	X							X				X	X	X	X	X		X	14
4. Contact information for final customers' organisations, energy agencies or similar bodies, incl. website addresses, from which information may be obtained on available energy efficiency improvement measures, comparative end-user profiles and objective technical specifications for energy-using equipment		X											X	X						X				X	X	X	X			X	9
Nmb. of requirements transposed in national legislation	3	4	1	2	0	2	2	3	3	3	2	2	4	1	0	0	1	2	2	4	2	2	2	4	3	2	2	2	1	3	

Note: The table only lists certain of the provisions of Annex VII of Directive 2012/27/EU. It should be stressed that the present analysis is not a full or formal, legal assessment of the conformity of each Member State's transposition of the directive, and it does not necessarily reflect the European Commission's position on this matter.

Source: Main Task 1 (Survey of regulators, stakeholder consultation and desk research)

Minimum requirements set in the national legislation

Besides the variation in the level of transposition of the EU Directives at the national level, there is also large variation in **the level of implementation of national regulations** on this topic. This section focuses on the national regulatory frameworks covering billing-related issues (i.e. bill content, format and terminology) that vary across the EU28, Norway and Iceland. In Table 2 in the Annex with supplementary tables, national billing requirements are being described. The information provided in this table was collected through desk research and stakeholder consultation (national energy regulator survey, and interviews/communications).

All but one of the countries studied provide **additional requirements** on billing in their national legislation – i.e requirements not included in the EU Directives – and, as such, the legislation in all of these countries goes beyond the EU legislation. Only in Romania, this is not the case. Recurrent elements found in the national legislation that go beyond the EU legislation, across the 30 countries, are:

- Switching rights and procedures;
- Payment methods;
- Frequency of billing;
- Bill layout;
- Billing period; and
- Breakdown of price.

5.2 Energy bill characteristics (frequency, format, payment method)

In the consumer survey, respondents received a set of questions about their energy bills, focussing on bill characteristics, bill content and respondents' evaluation of these bills in terms of understandability and clarity. Respondents received questions about their electricity bill, gas bill or energy bill (depending on their household's situation):

- Respondents who only used electricity in their household, received questions about their electricity bills.
- Respondents who used both electricity and mains gas in their residence, but had a different supplier for gas and electricity, were randomly assigned to one of two groups: group 1 received questions about their electricity bill and group 2 received questions about their gas bill.
- Respondents who used both electricity and mains gas in their residence, and used the same supplier for gas and electricity, were asked whether they received one combined bill for gas and electricity or not. Those who received one combined bill were asked questions about their "energy bill", while those who received separate bills were again randomly assigned to one of two groups (answering questions about their electricity bill vs. their gas bill).

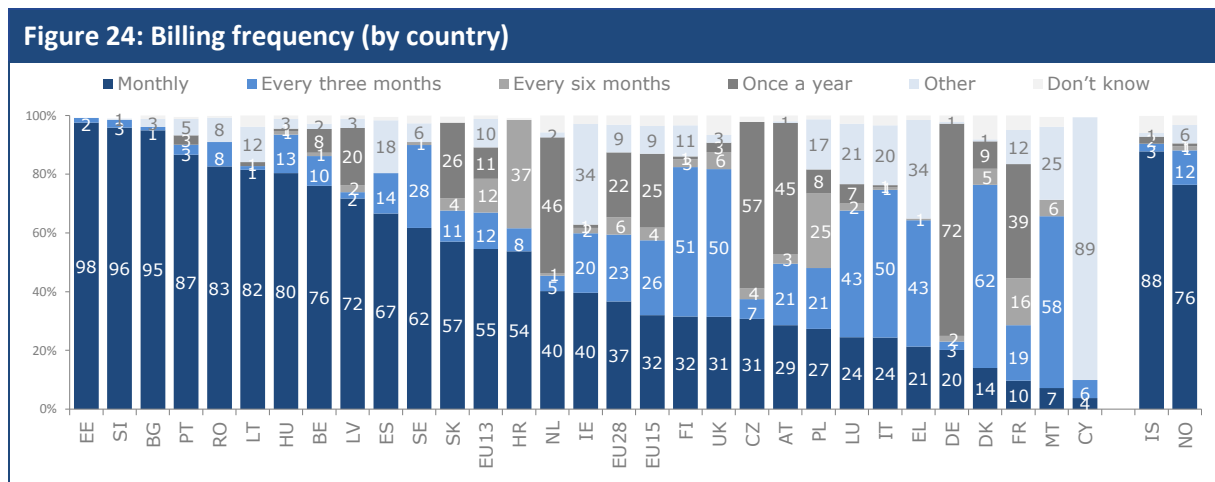
In total, across the EU28, 13,402 respondents answered questions about their electricity bill, 3,426 about the gas bill and 2,411 about their combined energy bill (for gas and electricity).

5.2.1 Billing frequency

In Bulgaria, Slovenia and Estonia, virtually all respondents answered that they receive their energy bill once a month (between 95% and 98%). Monthly energy bills are the most common type of bill in about half of the countries surveyed.

In France, Austria, the Netherlands, the Czech Republic and Germany, the largest share of respondents replied that they receive their energy bill only once a year (from 39% in France to 72% in Germany). Quarterly bills are most common in Greece, Luxembourg, Italy, the UK, Finland, Malta and Denmark (between 43% and 62%). In Cyprus, 89% of respondents

selected the “other” response; energy consumers in Cyprus receive energy bills every two months. Across the EU28, bi-yearly billing appears to be the least common billing frequency.

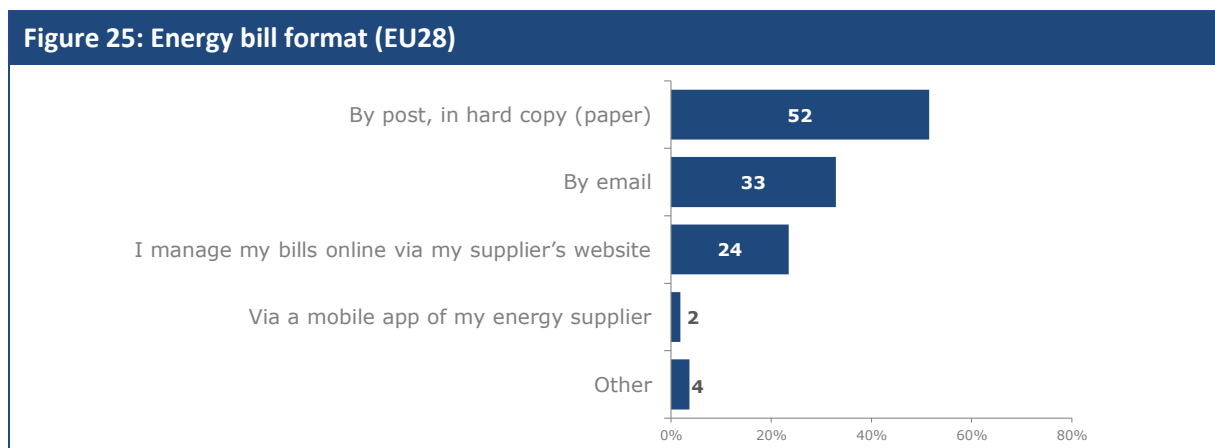


Question wording: Q7. How often do you receive your [bill]? Base: All respondents (EU28: n=19,239)
Source: Main Task 2 Consumer surveys

5.2.2 Energy bill format

One in two energy consumers across the EU28 (52%) receives their energy bill in hard copy by post, one in three (33%) receives their bill by email, and one in five consumers (24%) manages their bills online via their supplier’s website. A minority of 2% uses a mobile app to manage their bills.

Across the EU28, 46% of consumers receive (only) a paper energy bill and 48% receive an electronic bill or e-bill (via email or online via the supplier’s website); 6% receive both a paper bill and an e-bill. E-bills are more popular among the higher educated (57% vs. 48% for the lowest educated), frequent Internet users (59% vs. 49% for respondents who use the Internet the least frequently for various activities and tasks) and respondents without financial difficulties (63% for respondents who report that it is “very easy to make ends meet” vs. 47% for respondents who said that making ends meet was not easy at all).



Question wording: Q6. How do you receive your [BILL]? Base: All respondents (EU28: n=19,239)
Source: Main Task 2 Consumer surveys

In Cyprus, Malta and Croatia, roughly 9 in 10 – or more – consumers receive a paper bill. In Greece, the proportion of consumers receiving a paper is also very high – at 86% - but, compared to the situation in Cyprus, Malta and Croatia, where only a minority of consumer receive an electronic bill or e-bill, more consumers in Greece receive both a paper bill and an e-bill (69% receive a paper bill, 14% receive an e-bill and 17% receive both).

Bills sent by email are the most common type of bill in Estonia (75%), the Netherlands and Portugal (both 60%), Latvia (58%) and Belgium (54%). One in two respondents in the UK manages their energy bills online via their supplier’s website; a similar figure was also

observed in Lithuania. In the latter country, one in five respondents selected the “other” response; most of these respondents explained that they check their consumption by reading the gas and/or electricity meter and then pay the corresponding amount (by bank transfer or at terminals). Large proportions of “other” responses were also observed in the Nordic countries, where respondents explained that they receive their energy bills electronically via their electronic banking service, which provides them with an overview of various invoices to pay utility bills and other bills.

	How do you receive your [BILL]? (% Yes)					Bill delivery method (computed variable)		
	By post, in hard copy (paper)	By email	I manage my bills online via my supplier's website	Via a mobile app of my energy supplier	Other	Paper bill	Other (electronic) bill	Paper and other (electronic) bill
EU28	52%	33%	24%	2%	4%	46%	48%	6%
EU15	49%	35%	25%	2%	3%	43%	51%	6%
EU13	61%	26%	19%	2%	5%	55%	39%	6%
CY	95%	4%	1%	0%	0.4%	95%	5%	1%
MT	95%	2%	6%	1%	1%	91%	5%	4%
HR	89%	5%	6%	1%	2%	86%	11%	3%
EL	86%	24%	10%	3%	1%	69%	14%	17%
SI	71%	22%	10%	1%	2%	68%	29%	3%
SK	69%	23%	8%	1%	6%	65%	31%	4%
PL	66%	22%	18%	1%	4%	61%	34%	5%
LU	65%	35%	5%	0%	2%	60%	35%	4%
RO	64%	33%	19%	5%	3%	59%	36%	5%
HU	64%	19%	19%	1%	6%	52%	36%	12%
ES	63%	34%	15%	1%	0.1%	57%	37%	6%
CZ	61%	29%	21%	1%	4%	53%	39%	8%
IT	61%	37%	13%	2%	0.3%	55%	39%	7%
FR	55%	30%	28%	2%	2%	50%	45%	5%
DE	55%	28%	24%	1%	3%	51%	45%	4%
AT	55%	31%	21%	0%	2%	47%	45%	8%
FI	51%	23%	5%	1%	25%	48%	49%	4%
SE	42%	24%	9%	1%	29%	40%	58%	2%
IE	40%	41%	19%	3%	6%	37%	60%	3%
PT	40%	60%	5%	1%	1%	37%	60%	3%
BE	37%	54%	11%	0%	4%	33%	63%	4%
BG	34%	37%	29%	5%	8%	29%	66%	5%
UK	22%	37%	51%	4%	4%	17%	78%	5%
LV	17%	58%	29%	4%	7%	15%	83%	2%
LT	16%	18%	51%	4%	20%	13%	84%	2%
DK	16%	43%	17%	1%	30%	14%	84%	2%
NL	15%	60%	36%	3%	3%	10%	85%	5%
EE	12%	75%	10%	3%	9%	10%	88%	2%
NO	26%	48%	8%	3%	25%	21%	74%	4%
IS	18%	9%	18%	0%	60%	15%	82%	3%

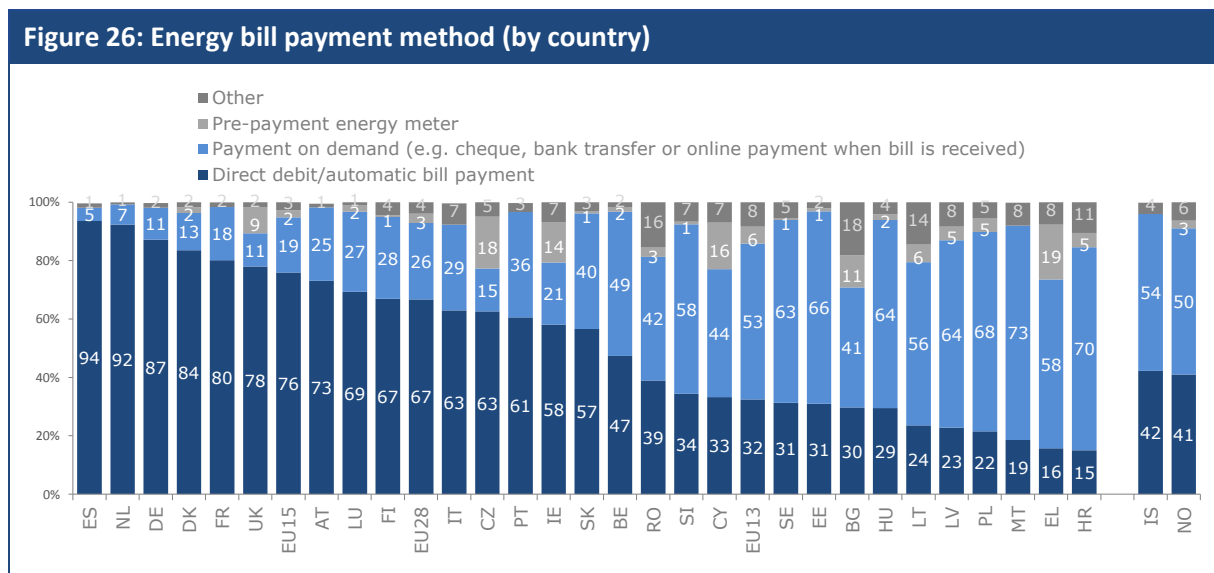
Question wording: Q6. How do you receive your [BILL]? Base: All respondents (EU28: n=19,239)
Source: Main Task 2 Consumer surveys

5.2.3 Energy bill payment method

Automatic bill payment (or direct debit) is the most dominant payment method in about half of the countries surveyed; this is the case in 12 of the EU15 Member States, but in just two of the EU13 Member States. In the Netherlands and Spain, more than 90% of consumers answered that they pay their energy bill via direct debit. Among the EU13 countries, Slovakia and the Czech Republic have the highest rates for automatic bill payment (57% and 63%, respectively).

Among the EU15 Member States, Belgium, Greece and Sweden have the highest proportions of consumers who pay their energy bill on demand, when they receive their energy bill (49%, 58% and 63%, respectively). In Poland, Croatia and Malta, roughly 7 in 10 consumers used payment on demand (between 68% and 73%)

In Bulgaria, Romania and Lithuania, a higher share of “other” responses was observed, but most of these responses could be grouped in the category of “payment on demand”. In Bulgaria and Romania, these responses mainly come from consumers who reported that they pay their bills in an office of the energy supplier, at the post office or at an authorised payment agency (in supermarkets, gas stations, shopping centres, etc.). As noted above, in Lithuania, consumers can check their consumption by reading the gas and/or electricity meter and then pay the corresponding amount (by bank transfer or at terminals).



Question wording: Q8. How do you usually pay for your [bill]? Base: All respondents (EU28: n=19,239)
Source: Main Task 2 Consumer surveys

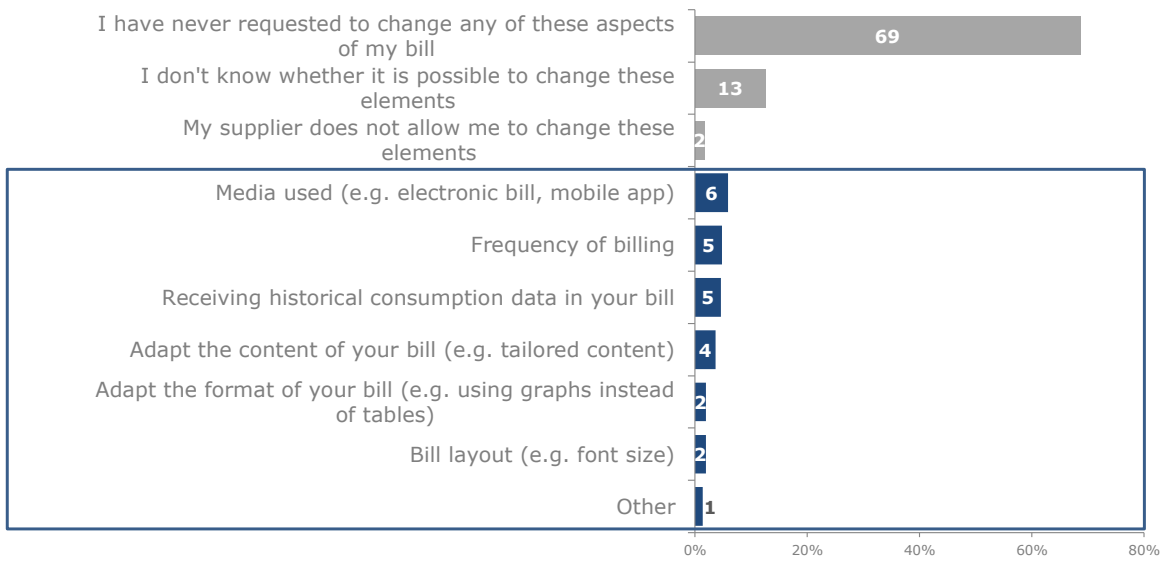
In countries where both payment methods are used, the survey findings show that direct debit and automatic bill payment appears to be more popular among consumers who receive an e-bill, but also among the over 64 year-olds and retired respondents. Payment on demand, on the other hand, is more frequently used by low-income groups.

5.2.4 Requests to change bill frequency, format and content

The vast majority of consumers surveyed (69%) had never requested to change any aspects of their bill, and 13% did not know whether they could change their bill format, frequency or content. A handful of respondents (2%) answered that their supplier did not allow them to change their bills.

Looking at the type of changes that have been requested, it can be seen, for example, that 6% of consumers had requested to change the delivery method of their energy bill (e.g. switching from paper to an e-bill), 5% had requested change in the billing frequency, and another 5% had requested to receive historical consumption data in their bill.

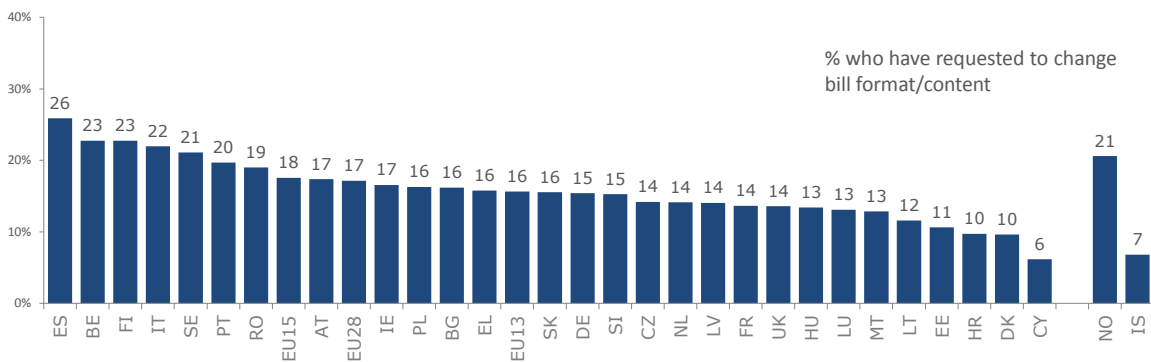
Figure 27: Requesting to change bill format, frequency or content (EU28)



Question wording: Q11. Have you ever requested your energy supplier to change any of the following aspects of your [BILL]? Base: All respondents (EU28: n=19,239)
Source: Main Task 2 Consumer surveys

In Spain, 26% of respondents had requested to change one or more aspects of their energy bill; in Sweden, Italy, Finland and Belgium, this proportion was also somewhat higher than one in five (between 21% and 23%). Across all countries, the most popular requests were linked to billing frequency and medium used for bill delivery. For example, in Spain, 13% of consumers had requested to change the delivery method of their energy bill (e.g. switching from paper to an e-bill) and 8% had requested a change in the billing frequency.

Figure 28: Requesting to change bill format, frequency or content (by country)



Question wording: Q11. Have you ever requested your energy supplier to change any of the following aspects of your [BILL]? Base: All respondents (EU28: n=19,239)
Source: Main Task 2 Consumer surveys

5.3 Typical elements displayed in energy bills

The analysis of the EU legislation noted that the Electricity and Gas Directives as well as the Energy Efficiency Directive include requirements on minimum information that energy bills should contain. Further to that, 9 out of 30 countries include requirements on billing in their national legislation that go beyond the EU legislation.

As part of the Main Task 3 data collection, native speaking researchers verified example bills provided on the websites of energy suppliers (sample of maximum six energy suppliers per country). For these example bills, researchers analysed the content on the bill in order to assess **which typical elements are displayed on the energy bills** of the sampled suppliers per country. In total, 153 energy suppliers' websites were consulted for the 30 countries in scope. On 96 (63%) of these websites an example bill was found.

The analysis showed that, across the different countries, the eight main elements displayed on the bills were:

- Supplier logo (27 out of 30 countries or 100%);
- Customer details (25 out of 30 countries or 83%);
- Price breakdown (23 out of 30 countries or 80%);
- Supplier details (21 out of 30 countries or 73%);
- Consumption breakdown (21 out of 30 countries or 70%);
- Bill summary (18 out of 30 countries or 63%);
- Contract details (17 out of 30 countries or 57%); and
- Meter reading details (16 out of 30 countries or 53%).

Table 34: Minimum elements provided in energy bills (based on a sample of example bills published on suppliers' websites)

	Price elements			Consumption data				Contractual elements			Administrative elements					Energy source		Meter		Other		Sample of suppliers analysed	Nmb. of example bills analysed
	Price breakdown	Bill summary	Current and previous balance	Consumption breakdown	Consumption comparison	Consumption estimation	Calculation method for consumption estimation	Contract details	Switching clause	Contract termination clause	Customer details	Supplier details	Customer service details	Billing period	Bill number	Energy origin	Environmental impact of the energy	Meter reading details	Type of meter	Supplier logo	Alternative offer		
AT	X				X			X			X	X				X	X	X		X		6	5
BE	X	X		X							X	X	X							X		6	2
BG	X			X				X			X	X							X	X		4	2
CY	X	X						X			X	X	X					X	X	X		1	1
CZ	X	X		X				X			X	X				X		X	X	X		6	3
DE	X	X		X						X	X	X					X	X	X	X	X	6	5
DK	X			X			X				X	X		X					X	X		6	6
EE	X			X									X	X	X	X	X					3	1
EL	X	X		X				X			X	X	X					X	X	X		5	3
ES		X		X				X	X		X	X						X		X		6	6
FI	X			X				X			X									X		6	4
FR		X						X			X	X								X		6	4
HR	X	X		X				X	X		X						X	X	X	X		6	2
HU	X	X		X	X			X			X	X						X	X	X		6	5
IE		X		X				X	X			X						X		X		6	5
IT		X		X				X			X	X								X		5	5
LT																						6	0
LU	X	X		X						X	X	X					X	X	X	X		6	3
LV																						4	0
MT	X	X		X				X	X		X		X			X	X	X	X	X		1	1
NL	X	X		X							X	X	X			X		X	X	X		7	6
PO	X							X			X	X						X		X		6	5
PT	X			X						X				X		X				X	X	2	2
RO	X	X		X				X			X	X						X	X	X		4	1
SE	X			X		X					X	X	X	X				X		X		6	4
SI	X	X		X				X			X			X		X				X	X	6	4
SK	X	X										X	X			X		X		X		6	4
UK	X		X	X				X			X	X		X					X	X	X	6	4
IS	X	X									X									X		3	1
NO					X						X	X			X					X		6	2
TOTAL	23	18	1	21	3	1	1	17	5	2	25	21	8	6	2	8	6	16	13	27	4	153	96

Source: Main Task 3 Data collection exercise

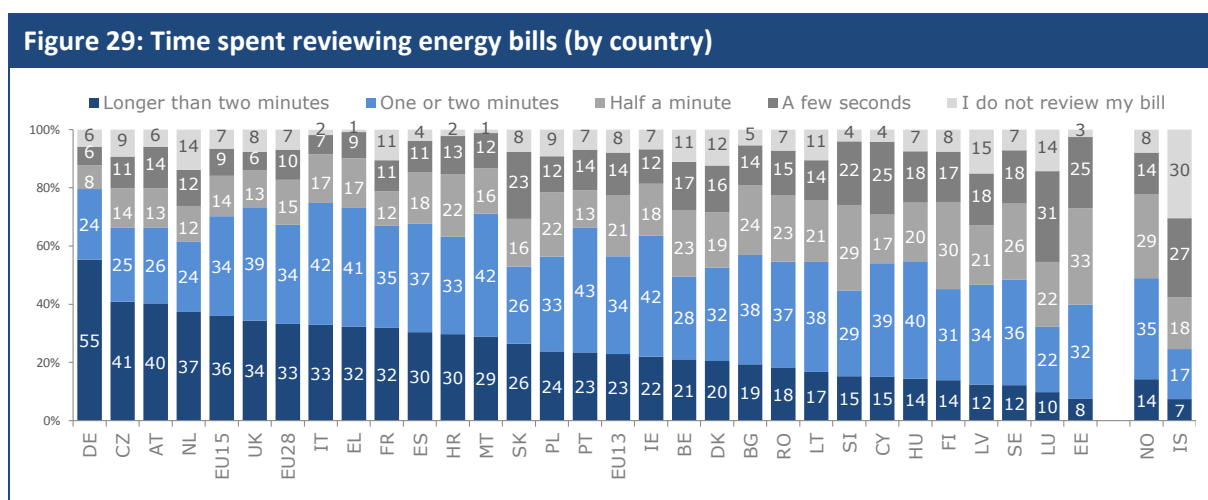
5.4 Consumer perspective on energy bill content

5.4.1 Time spent reviewing

Across the EU28, 33% of energy consumers spent longer than two minutes reviewing their energy bill and a similar share (34%) replied that they spent one or two minutes reviewing their bill. Energy consumers in Germany were the most likely to report that they spent longer than two minutes reviewing their bill (55% “longer than two minutes”); it should be noted that a majority of consumers in Germany receive their bill only once a year.

Across most countries, a sizable share of energy consumers does not review their energy bill or spent not more than a few seconds reviewing their bill. In two countries, this share is higher than 50%: Luxembourg (54%) and Iceland (57%).

Respondents who received a combined energy bill (for gas and electricity) did not seem to spend more time reviewing their bill than those reporting on the time they usually spent reviewing their electricity bill or gas bill. Respondents with a low level of educational attainment, and older and retired respondents were more likely to report spending more than two minutes reviewing their energy bill, while higher educated and younger respondents more frequently said they spent one minute, or one to two minutes reviewing their bill. For example, among the least educated, 41% answered that they usually spent more than two minutes reviewing their bill, compared to 30% of the highest educated.



Question wording: Q9. How much time do you usually spend reviewing your [bill]? Base: All respondents (EU28: n=19,239)

Source: Main Task 2 Consumer surveys

Main reasons why consumers do not spend more time reviewing their energy bills

The main reasons why consumers did not spend more time reviewing their bill was that they only needed to know how much they needed to pay; this reason was selected by 48% of EU28 respondents who did not review their energy bill or spent just a few seconds reviewing their bill. Another important reason for not reviewing energy bills was the use of direct debit for bill payment (mentioned by 30%).

Across the EU28, 14% of respondents who did not review their energy bill or spent not more than a few seconds reviewing their bill, said this was because their bill was too difficult to understand and an additional 8% said that they could not find the information that they needed. The individual country results show that the highest proportions for these two reasons are observed in Spain, Italy and Portugal. The latter reasons were also more frequently mentioned by consumers in a more precarious financial situation. For example, just 11% of respondents who were financially well off replied that their bill was too difficult to understand, compared to 17% of consumers who answered that it was not easy at all to make ends meet.

Table 35: Main reasons why consumers do not spend more time reviewing energy bills (by country)

	I only need to know how much I need to pay	I use direct debit/ automatic bill payment	My bill is too difficult to understand	I do not have time	It is difficult to find the information that I need	Other	Don't know/ Refused
EU28	48%	30%	14%	9%	8%	9%	4%
EU15	43%	37%	15%	9%	9%	10%	4%
EU13	62%	14%	12%	10%	6%	9%	3%
BG	70%	10%	14%	8%	9%	5%	1%
EE	68%	19%	4%	3%	1%	9%	2%
PL	66%	8%	12%	11%	5%	6%	3%
EL	65%	7%	11%	7%	8%	11%	2%
RO	64%	8%	19%	10%	8%	11%	2%
HU	64%	15%	16%	8%	6%	11%	1%
CY	64%	7%	14%	16%	5%	6%	3%
MT	63%	7%	9%	8%	2%	15%	2%
SE	61%	18%	11%	8%	6%	13%	3%
LT	60%	22%	2%	7%	2%	15%	2%
LV	59%	15%	8%	8%	3%	16%	3%
HR	59%	4%	16%	11%	7%	14%	2%
SI	59%	15%	10%	12%	4%	13%	3%
FI	53%	28%	7%	6%	4%	12%	7%
IE	51%	27%	8%	7%	6%	13%	3%
ES	48%	21%	28%	15%	16%	5%	2%
AT	47%	41%	8%	7%	10%	9%	6%
CZ	46%	37%	5%	8%	4%	8%	5%
FR	43%	44%	16%	8%	11%	8%	3%
BE	43%	31%	13%	6%	9%	12%	3%
DE	43%	51%	11%	7%	5%	13%	3%
SK	43%	43%	6%	5%	5%	6%	4%
PT	42%	22%	20%	8%	10%	12%	4%
DK	40%	46%	19%	5%	4%	8%	2%
LU	39%	41%	13%	8%	8%	7%	2%
UK	37%	39%	11%	9%	6%	14%	8%
IT	36%	32%	19%	9%	12%	6%	5%
NL	35%	61%	6%	4%	5%	10%	2%
NO	56%	22%	11%	5%	6%	10%	5%
IS	45%	25%	10%	3%	5%	14%	9%

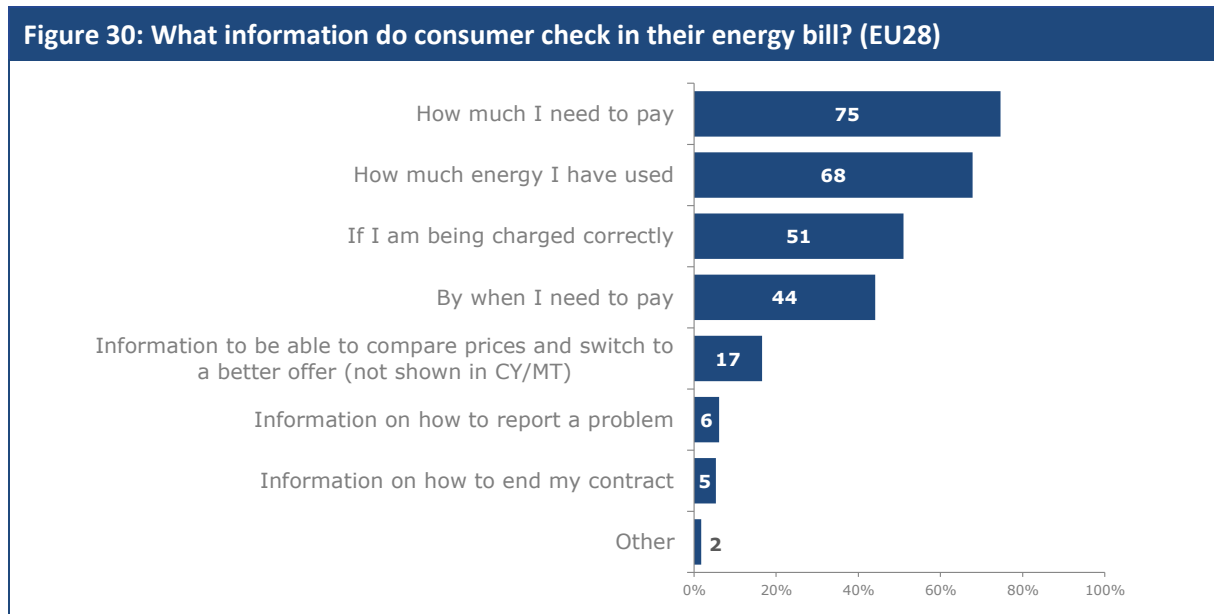
Question wording: Q10. What are the reasons for which you do not spend more time reviewing your [BILL]?

Base: Respondents who usually spend half a minute or less reviewing their energy bill (EU28: n=7,691)

Source: Main Task 2 Consumer surveys

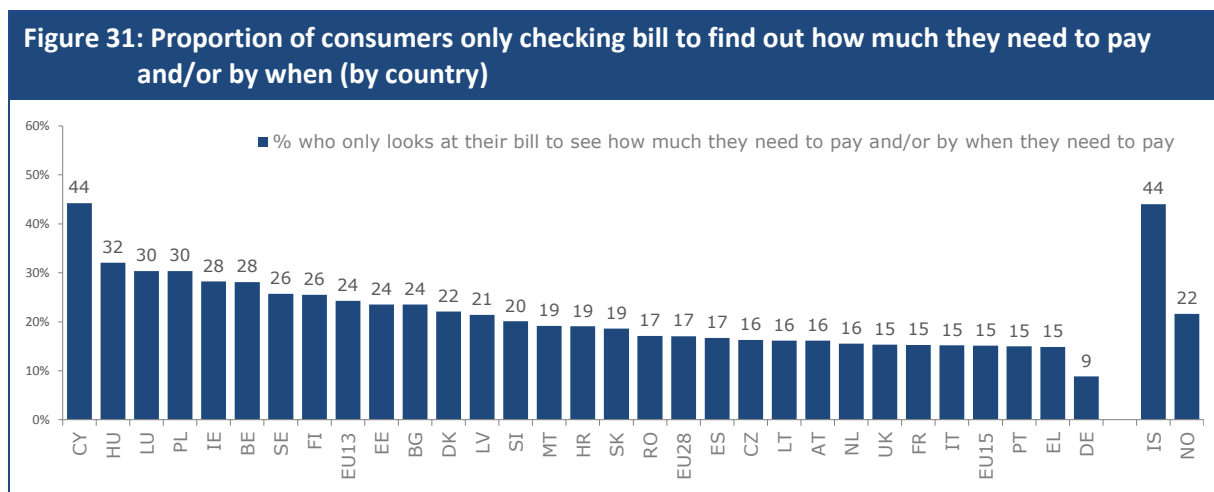
5.4.2 What information do consumers check in their energy bill?

Three-quarters of energy consumers (75%) look at their energy bill to find out how much they need to pay, followed by two-thirds (68%) who look at how much energy they have consumed. One in two respondents (51%) replied that they also look at their bill to check if they are being charged correctly and 44% checks by when they need to pay.



Question wording: Q12. What type of information do you mainly look at when checking your [BILL]? Base: All respondents (EU28: n=19,239)
Source: Main Task 2 Consumer surveys

Across the EU28, 17% of respondents explained that they **only look at their energy bill to find out how much they need to pay and/or by when they need to pay**. Germany stands out with just 9% of respondents who only review their bill to look at these two elements; in Cyprus and Iceland, on the other hand, 44% of respondents belong to this category. An analysis in terms of socio-demographic differences showed mainly small differences.



Question wording: Q12. What type of information do you mainly look at when checking your [BILL]? Base: All respondents (EU28: n=19,239)
Source: Main Task 2 Consumer surveys

A smaller number (17%) of respondents across the EU28 replied that they reviewed their energy bill to find information to be able **to compare prices and switch to a better offer**. Among consumers who had switched supplier in the past 12 months, this figure was 29% (compared to 13% for those who had not switched). Respondents in the UK, Portugal,

Austria and Germany were the most likely to have reviewed their energy bill to find information to be able to compare offers (between 20% and 27%).

Table 36: What information do consumer check in their energy bill? (by country)								
	How much I need to pay	How much energy I have used	If I am being charged correctly	By when I need to pay	Information to be able to compare prices and switch to a better offer*	Information on how to report a problem	Information on how to end my contract	Other
EU28	75%	68%	51%	44%	17%	6%	5%	2%
EU15	73%	69%	54%	38%	18%	6%	6%	2%
EU13	82%	64%	40%	66%	11%	7%	3%	1%
CY	94%	45%	32%	52%	-	5%	2%	3%
EE	89%	68%	36%	48%	11%	8%	3%	1%
RO	88%	73%	38%	74%	14%	12%	3%	2%
EL	86%	74%	52%	87%	18%	8%	4%	2%
PL	84%	59%	34%	73%	11%	5%	2%	1%
BG	84%	69%	41%	64%	10%	9%	2%	0%
HU	83%	51%	46%	66%	4%	5%	1%	1%
FI	81%	60%	39%	68%	13%	6%	4%	2%
HR	79%	71%	49%	65%	11%	5%	3%	1%
SE	79%	59%	36%	58%	10%	3%	2%	3%
AT	78%	72%	56%	46%	21%	7%	9%	1%
SI	77%	67%	41%	53%	17%	8%	2%	0.4%
LV	77%	62%	40%	45%	10%	6%	4%	2%
FR	77%	74%	51%	39%	8%	4%	2%	2%
DE	77%	79%	66%	38%	27%	7%	14%	1%
MT	76%	64%	56%	48%	-	4%	1%	4%
SK	75%	65%	57%	62%	15%	8%	3%	1%
ES	75%	66%	50%	15%	15%	6%	4%	1%
PT	74%	67%	55%	59%	21%	6%	2%	2%
LU	74%	54%	37%	30%	5%	4%	1%	2%
CZ	73%	68%	52%	50%	17%	6%	5%	2%
BE	72%	50%	39%	53%	12%	4%	4%	2%
LT	71%	70%	36%	27%	10%	8%	1%	6%
IE	71%	52%	45%	45%	14%	4%	3%	4%
DK	70%	62%	37%	35%	6%	2%	2%	3%
IT	67%	59%	55%	54%	19%	9%	5%	2%
NL	67%	73%	44%	24%	18%	3%	4%	3%
UK	63%	67%	54%	23%	20%	4%	5%	3%
IS	82%	44%	28%	39%	5%	3%	1%	2%
NO	75%	64%	41%	53%	11%	5%	4%	2%

Question wording: Q12. What type of information do you mainly look at when checking your [BILL]? Base: All respondents (EU28: n=19,239)

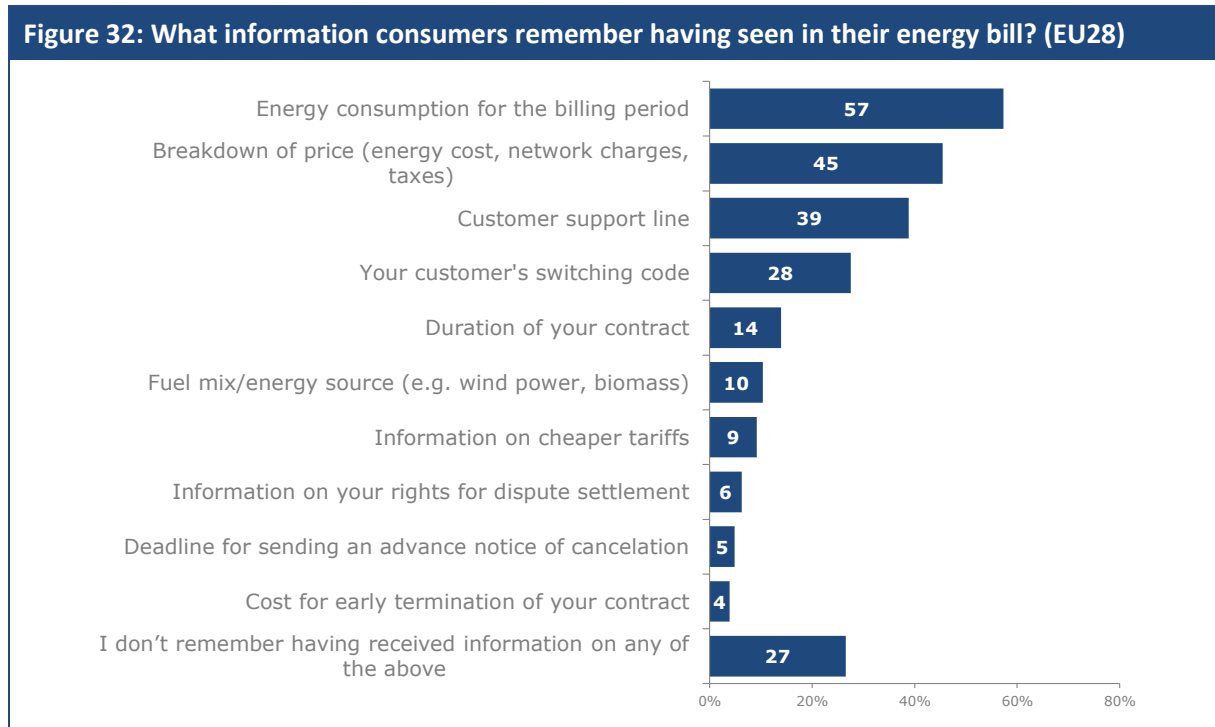
Note: * This response option was not included in Cyprus and Malta

Source: Main Task 2 Consumer surveys

5.4.3 What information consumers remember having seen in their energy bill?

In the next question, respondents were presented with a list of items and were asked if they remembered having seen any of these items in their energy bill. The largest share of respondents (57%) had seen information on energy consumption over the billing period, followed by 45% who remembered having seen a breakdown of price in terms of energy cost, network charges and taxes. Other items were less frequently listed as items that respondents had seen in their bill, such as cost for early termination of the contract (listed by 4%).

Somewhat more than **a quarter of respondents (27%)** replied that they could not remember having seen any of the items in their energy bill.

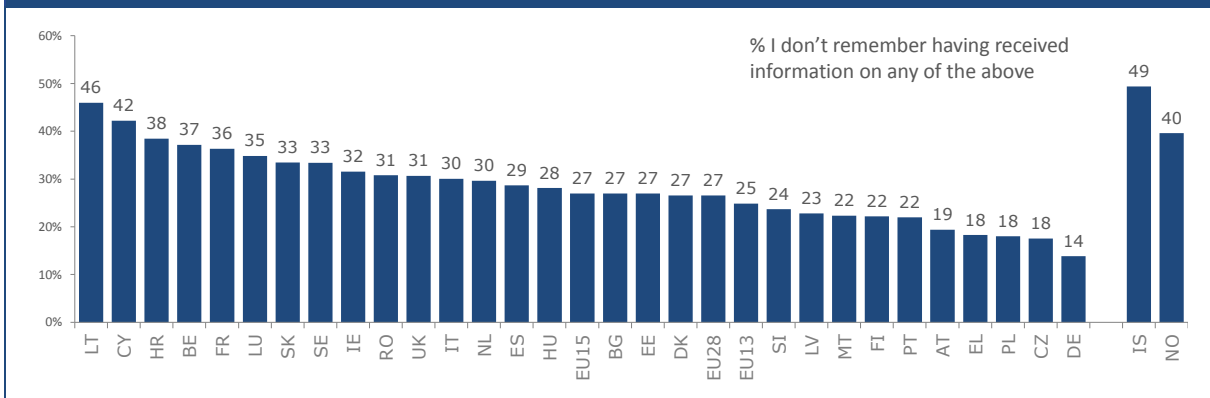


Question wording: Q13. Do you remember receiving information on the following in your [BILL]? Base: All respondents (EU28: n=19,239)
Source: Main Task 2 Consumer surveys

The following chart illustrates that there is a substantial variation across countries in the proportion of consumers who could not remember having seen any of the listed items in their energy bill (from 14% in Germany to 46% in Lithuania and 49% in Iceland).

Germany, the Czech Republic, Poland, Greece and Austria scored overall the best in terms of bill content and had the lowest proportions of consumers who did not remember having seen any of the items in their energy bill (between 14% and 19%).

Figure 33: Consumers who did not remember having received any of the listed pieces of information in their energy bill (by country)



Question wording: Q13. Do you remember receiving information on the following in your {BILL}? (% "I don't remember having received information on any of the above"). Base: All respondents (EU28: n=19,239)
Source: Main Task 2 Consumer surveys

Respondents with a low level of education were somewhat more likely to answer that they could not remember having seen any of the items in their energy bill (29% vs. 24% for the highest educated). One of the largest differences, however, was observed between respondents for whom it was not easy at all to make ends meet and respondents who replied that this was very easy (33% vs. 23%).

The following table illustrates that there are large differences across the countries surveyed in the proportions of respondent who remembered having seen specific items in their energy bill. The largest variation was observed for the **switching or EAN** (European Article Numbering) **code**. In Croatia, Malta, Iceland, Greece, the UK and Romania, less than 1 in 20 respondents had seen this code in their bill. Five of the aforementioned countries have very low or relatively low switching rates, but this is not the case for the UK (see Figure 17 in Section 4.2.1). In Germany, Denmark and Poland, on the other hand, between 57% and 64% had seen their switching or EAN code in their energy bill.

The proportion of respondents who replied that they had seen **information on cheaper tariffs** in their energy bill varied between 1% in Norway and 3%-4% in Bulgaria, Denmark and Finland to 19% in the UK and 24% in Greece. In Slovakia, Spain and Malta, between 10% and 13% has seen information on cheaper tariffs in their bill. Section 6.2.3 of this report, discusses the behavioural experiment findings with respect to the use of comparison prompts to stimulate switching behaviour.

A fifth of respondents in Portugal and a quarter of respondents in Austria and Germany remembered having seen **fuel mix information** in their energy bill. In 13 countries, however, not more than 1 in 20 respondents replied that they had seen this information in their energy bill (e.g. 1% in Hungary and 2% in Latvia). In Section 7.4, consumers' preferences for the type of fuel mix information they would like to receive in their energy bill is discussed, followed by a discussion of the findings of the fuel mix stage of the behavioural experiment.

Table 37: What information consumers remember having seen in their energy bill? (by country)

	Energy consumption for the billing period	Breakdown of price (energy cost, network charges, taxes)	Customer support line	Your customer's switching code	Duration of your contract	Fuel mix/energy source (e.g. wind power, biomass)	Information on cheaper tariffs	Information on your rights for dispute settlement	Deadline for sending an advance notice of cancellation	Cost for early termination of your contract
EU28	57%	45%	39%	28%	14%	10%	9%	6%	5%	4%
EU15	56%	46%	37%	26%	15%	12%	10%	6%	4%	4%
EU13	62%	44%	47%	35%	9%	5%	6%	6%	7%	2%
CZ	69%	51%	56%	51%	20%	6%	7%	6%	6%	2%
DE	68%	61%	45%	57%	28%	25%	8%	9%	5%	3%
PL	68%	48%	59%	64%	11%	5%	6%	4%	4%	2%
MT	65%	43%	41%	2%	3%	2%	13%	6%	3%	1%
PT	63%	44%	59%	41%	5%	20%	9%	4%	5%	2%
EL	61%	65%	57%	2%	5%	9%	24%	9%	4%	2%
EE	60%	56%	48%	5%	8%	13%	6%	3%	3%	1%
RO	60%	30%	37%	4%	8%	5%	6%	9%	10%	4%
AT	60%	60%	48%	7%	16%	25%	8%	8%	5%	3%
SI	60%	58%	46%	5%	9%	7%	10%	10%	3%	2%
BG	59%	43%	22%	11%	2%	4%	3%	3%	34%	1%
HU	58%	56%	50%	14%	6%	1%	5%	9%	2%	1%
LV	58%	45%	46%	35%	11%	2%	7%	4%	7%	3%
UK	55%	41%	33%	3%	17%	5%	19%	7%	5%	11%
FR	55%	28%	24%	15%	9%	3%	6%	5%	3%	1%
ES	54%	49%	40%	19%	11%	13%	12%	5%	3%	3%
SE	54%	27%	43%	7%	16%	12%	5%	2%	5%	2%
FI	53%	61%	52%	33%	23%	10%	4%	3%	7%	3%
NL	52%	51%	41%	9%	20%	10%	5%	3%	5%	5%
DK	52%	41%	15%	63%	6%	8%	4%	2%	4%	2%
HR	51%	36%	36%	1%	2%	1%	7%	7%	2%	1%
SK	49%	39%	37%	37%	4%	3%	10%	2%	1%	1%
IT	48%	46%	30%	32%	9%	8%	8%	7%	4%	6%
IE	45%	40%	35%	5%	7%	9%	8%	4%	4%	2%
LU	44%	32%	19%	40%	5%	11%	8%	1%	2%	2%
BE	38%	29%	32%	26%	20%	9%	6%	6%	9%	3%
CY	37%	32%	30%	35%	5%	9%	9%	5%	6%	3%
LT	36%	14%	29%	18%	3%	3%	7%	2%	1%	1%
NO	40%	33%	14%	19%	2%	3%	1%	0%	0%	0.4%
IS	44%	18%	26%	2%	6%	4%	7%	7%	4%	5%

Question wording: Q13. Do you remember receiving information on the following in your [BILL]? Base: All respondents (EU28: n=19,239)

Source: Main Task 2 Consumer surveys

5.4.4 What information would consumers like to receive in their energy bill?

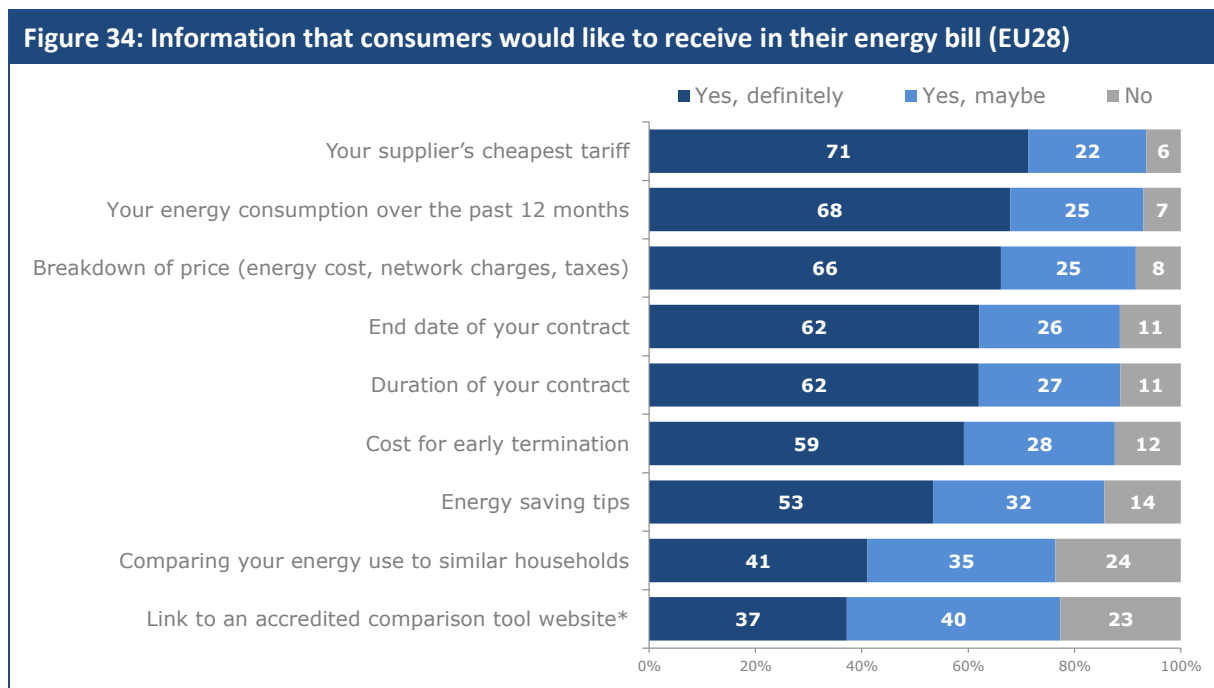
Respondents in the consumer survey were also asked what type of content they would like to see in their energy bill. The highest score was observed for information on the supplier's cheapest tariff (71% of consumers would definitely like to receive this information in their energy bill), while the lowest score was observed for a link to an accredited PCT (37% "Yes, definitely" responses).

Roughly two-thirds of respondents (68%) answered that they would definitely like to receive information about their energy consumption of the past 12 months, but just 41% said the same for a comparison of their energy consumption with that of similar households. Somewhat more than one in two respondents (53%) would definitely like to receive energy saving tips in their energy bill.

Of all of the items listed in the survey, respondents were the least likely to state that they would like to receive information about an accredited PCT in their energy bill. Some vulnerable participants in Slovenia explained that they did not use a PCTs, and preferred information provided in print format.

"I really prefer printed information about cheaper tariffs, which I can read immediately when opening the envelope with the bill." (Slovenia, participant in a group with lower educated consumers)

As expected, the proportion "yes, definitely" responses for receiving information about an accredited PCT in one's energy bill was somewhat higher for respondents who had used energy PCTs in the past 12 months (45% of "yes, definitely" responses), but remained the lowest ranked response also for this group. In the focus group discussions, participants explained that they did not believe that a supplier would point out that there are cheaper options offered by (competitive) providers in the marketplace.



Question wording: Q14a. Would you like to receive information in your [bill] on the following? Base: All respondents (EU28: n=19,239)

Note: * This response option was not included in Cyprus and Malta

Source: Main Task 2 Consumer surveys

Across most countries, a large majority of respondents would definitely like to receive information about their **supplier's cheapest tariff** in their energy bill (from 62% in Denmark, Estonia and Hungary to 82% in Bulgaria; it is worth noting that in Bulgaria, just 3% of respondents reported that they currently look for this type of information in their bill – see previous section). In Finland and Cyprus, however, just 44% and 50% of

respondents, respectively, replied that they definitely would like to receive information on their supplier's cheaper tariffs in their energy bill.

Table 38: Information that consumers would like to receive in their energy bill (by country)									
	Your supplier's cheapest tariff	Your energy consumption over the past 12 months	Breakdown of price (energy cost, network charges, taxes)	Duration of your contract	End date of your contract	Cost for early termination	Energy saving tips	Comparing your energy use to similar households	Link to an accredited comparison tool website*
EU28	71%	68%	66%	62%	62%	59%	53%	41%	37%
EU15	71%	69%	67%	63%	63%	60%	52%	42%	36%
EU13	72%	65%	63%	59%	60%	55%	58%	38%	42%
BG	82%	55%	63%	56%	59%	50%	71%	41%	45%
SI	81%	71%	76%	71%	73%	72%	69%	53%	50%
HR	80%	65%	68%	55%	54%	50%	68%	42%	49%
RO	79%	70%	68%	73%	73%	74%	68%	50%	66%
EL	78%	73%	82%	68%	70%	72%	73%	50%	56%
PT	78%	56%	64%	45%	49%	48%	70%	44%	47%
UK	76%	70%	62%	66%	67%	67%	47%	44%	31%
MT	76%	72%	69%	40%	33%	30%	80%	49%	-
IE	75%	56%	66%	50%	51%	41%	65%	41%	40%
BE	73%	68%	56%	54%	54%	50%	52%	41%	42%
SK	73%	75%	63%	45%	45%	41%	69%	44%	37%
CZ	73%	80%	76%	65%	65%	47%	60%	30%	35%
ES	73%	65%	68%	66%	66%	67%	61%	43%	48%
IT	73%	60%	76%	50%	49%	51%	62%	38%	32%
DE	72%	75%	69%	73%	71%	60%	41%	41%	31%
AT	71%	76%	71%	46%	46%	42%	51%	35%	35%
LT	69%	46%	42%	29%	32%	28%	47%	32%	26%
LV	67%	47%	50%	38%	39%	32%	43%	22%	29%
PL	67%	66%	61%	65%	65%	61%	51%	38%	36%
LU	67%	71%	54%	37%	40%	32%	57%	38%	40%
FR	66%	72%	58%	64%	64%	67%	55%	44%	40%
NL	65%	77%	71%	71%	72%	67%	42%	41%	29%
SE	64%	69%	64%	69%	67%	60%	45%	38%	37%
EE	62%	29%	72%	37%	41%	36%	45%	23%	29%
DK	62%	64%	60%	31%	30%	32%	49%	45%	25%
HU	62%	48%	55%	35%	37%	33%	46%	22%	28%
CY	50%	59%	61%	28%	31%	33%	70%	40%	-
FI	44%	53%	70%	49%	50%	32%	33%	40%	28%
IS	77%	69%	70%	43%	40%	46%	66%	66%	57%
NO	64%	56%	51%	31%	34%	37%	46%	41%	35%

Question wording: Q14a. Would you like to receive information in your [bill] on the following? (% "Yes, definitely")

Base: All respondents (EU28: n=19,239)

Note: * This response option was not included in Cyprus and Malta

Source: Main Task 2 Consumer surveys

Across the EU28, 59% of respondents replied that they would definitely like to receive information in their energy bill about the **cost for early termination of their contract**.

The individual country results show that in Greece, Slovenia and Romania, more than 70% of respondents would definitely like to receive this information in their energy bill; in the countries at the lower end of the country ranking, on the other hand, less than half as many respondents selected this response. It was noted in Section 4.2.2 that, in Greece, Slovenia and Romania, the proportion of respondents who thought that they would be charged an exit or contract termination fee was higher than the EU28 average.

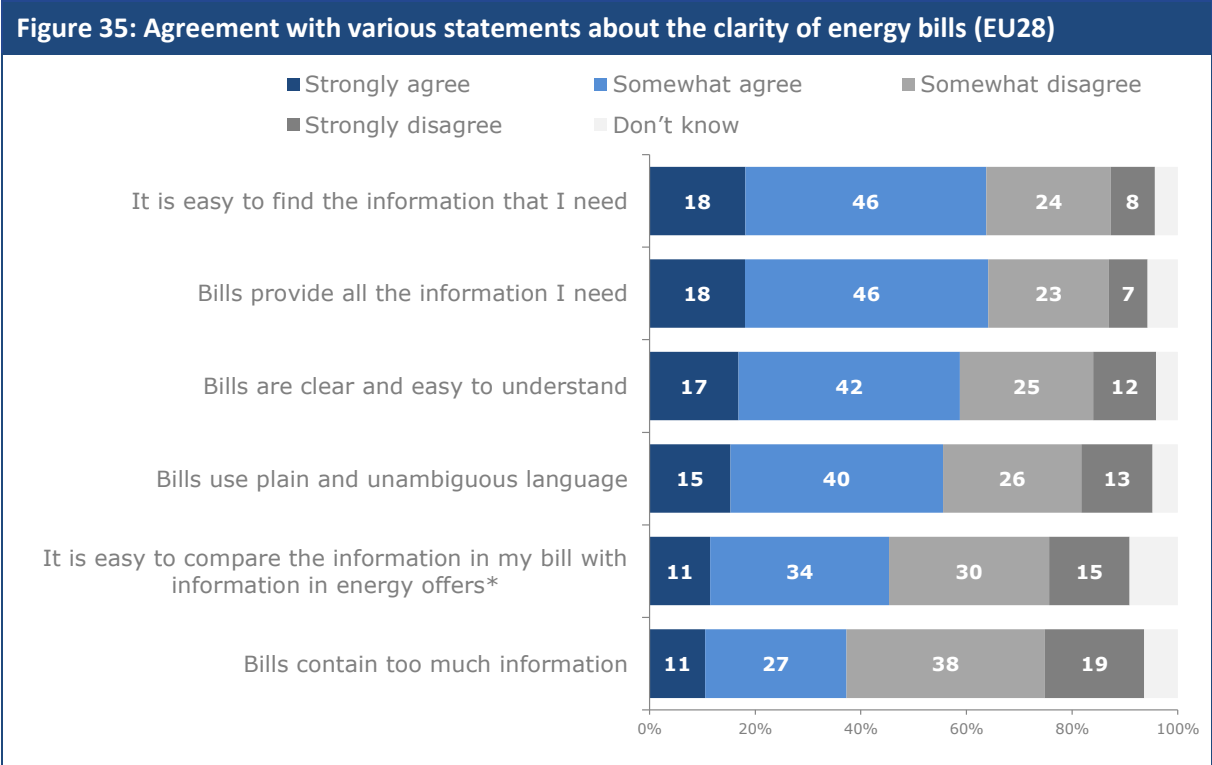
5.5 Are energy bills clear and easy to understand?

5.5.1 Consumers’ views whether energy bills are clear and easy to understand

Respondents were also presented with a set of statements about the understandability and completeness of their energy bills. For all of these statements, the proportion *strongly agreeing* remained low, and a substantial proportion of consumers *somewhat* or *strongly disagreed*. For example, just 15% of consumers *strongly agreed* that bills use plain and unambiguous language, compared to 26% who *somewhat disagreed* and 13% who *strongly disagreed*.

No differences were observed between respondents who answered questions about their gas, electricity or combined energy bill. However, generally speaking, respondents who received an online bill tended to be more likely to agree that their bills were clear and easy to understand.

In the analysis by socio-demographic groups, the largest differences were observed for the subjective income questions. Respondents in a financially precarious situation were significantly less positive about the clarity and completeness of their energy bills than respondents in a less stressful financial situation.



Question wording: Q16. Thinking about the [BILL] you receive from your energy supplier, to what extent do you agree or disagree with the following statements? Base: All respondents (EU28: n=19,239)

Note: * Items not asked in Cyprus and Malta

Source: Main Task 2 Consumer surveys

The table on the following page presents the sum of “strongly agree” and “somewhat agree” responses for each of the statements, and for each country. Looking at the country ranking, on average across all of the items, consumers in Finland, Germany and Estonia tended to evaluate their energy bills most positively, while those in Iceland, Spain, Hungary and Italy evaluated their energy bills in the least positive way.

Table 39: Agreement with various statements about the clarity of energy bills (by country)

	Bills provide all the information I need	It is easy to find the information that I need	Bills are clear and easy to understand	Bills use plain and unambiguous language	It is easy to compare the information in my bill with information in energy offers*	Bills contain too much information
EU28	64%	64%	59%	56%	45%	37%
EU15	65%	65%	59%	56%	46%	36%
EU13	61%	61%	57%	53%	41%	41%
FI	80%	82%	74%	70%	49%	15%
EE	79%	83%	86%	81%	54%	18%
DE	78%	75%	72%	72%	65%	31%
MT	77%	75%	71%	64%	0%	22%
AT	75%	70%	67%	68%	52%	23%
CY	74%	75%	78%	75%	0%	63%
LT	72%	76%	77%	73%	46%	19%
LV	72%	79%	77%	73%	45%	21%
SK	70%	65%	61%	55%	41%	50%
CZ	69%	47%	58%	61%	41%	46%
UK	69%	68%	65%	59%	49%	32%
NL	67%	65%	63%	53%	47%	35%
SE	66%	64%	65%	62%	42%	34%
IE	66%	72%	69%	58%	44%	21%
LU	64%	65%	66%	63%	29%	24%
FR	64%	68%	61%	60%	40%	45%
PT	62%	64%	58%	54%	44%	31%
BE	61%	59%	58%	51%	36%	28%
DK	61%	59%	52%	49%	24%	30%
PL	61%	63%	56%	52%	45%	39%
SI	60%	62%	63%	59%	49%	33%
HU	60%	55%	44%	43%	24%	41%
RO	56%	63%	56%	51%	44%	47%
HR	56%	55%	52%	49%	34%	22%
IT	54%	51%	44%	41%	37%	42%
EL	54%	65%	61%	58%	45%	54%
BG	54%	56%	49%	49%	35%	42%
ES	51%	52%	42%	37%	37%	42%
NO	68%	74%	74%	75%	46%	20%
IS	46%	50%	52%	51%	17%	8%

Question wording: Q16. Thinking about the [BILL] you receive from your energy supplier, to what extent do you agree or disagree with the following statements? (% "strongly agree" and "somewhat agree" responses). Base: All respondents (EU28: n=19,239)

Note: * Items not asked in Cyprus and Malta

Source: Main Task 2 Consumer surveys

5.5.2 Behavioural experiment findings on increasing clarity of energy bills

The billing stage of the behavioural experiment tests the impact of bill designs on participants' objective comprehension, intention to change behaviour, and subjective preferences regarding layout and framing of information. Participants were shown a bill and asked questions assessing:

- objective comprehension of bill elements such as their energy consumption, total charge, due date for bill etc.;
- subjective perception of the bill, e.g. ease of finding information related to charges, switching, or energy consumption; and
- intention to change behaviour as a consequence of participating in the experiment, e.g. managing energy consumption.

Participants were randomly allocated to one of two bill design variants:¹⁰²

- 'Best practice' bill, with simple design, framing of key information, comparability box on page 1 with key information to compare and switch e.g. personal projection, energy consumption for last 12 months;
- 'Current market practice' based on examples of bills found in the desk-based review: there is no comparability box i.e. information related to personal projection is NOT on first page; and complex price presentation.


The 'best practice' bills were expected to assist participants to comprehend bill elements and find information more easily, since information was presented in a clear and striking way, with a 'comparability box' helping participants to find information related to comparability or energy consumption e.g. energy consumption for the past 12 months.

For example, information relevant to switching (e.g. actual energy usage in the past 12 months) was highlighted and shown in a comparability box on page 1. A participant looking for information relating to switching would be expected to easily find relevant information on page 1 of the best practice bill, shown overleaf.¹⁰³

¹⁰² Further design elements of the billing stage of the behavioural experiment are discussed in the Annex 5 to this report.

¹⁰³ The red box marking the comparability box is only for purposes of illustration. It did not appear in the bills shown to experiment participants.

Figure 36: Mock-up of page 1 of the best practice bill



Bill date:
15 Oct 2016

Bill period:
13 Jul 2016 - 14 Oct 2016

Your electricity bill

You owe

€60.30

Due by

02 NOV

See next page for how your bill is calculated

Customer name and address:
Ms SAMPLE EXAMPLE
18 XXX XXXXXXXXXX,
XXXXXXXXXX,
POSTCODE

Customer reference number:
11 23 58 13 21 34

Supply Number:
5589144342113

Comparing your tariff with others

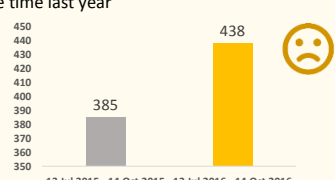
Tariff name	Mytariff
Fixed or variable rate tariff?	Fixed
Payment method	Direct debit

Could you save money by switching?

Your actual usage in the last 12 months	3000 kWh
Your 12 months personal projection[?]	€XX.XX
Amount you spent last year on electricity	€XX.XX
Information needed to switch	
Duration of your contract	2 years
End date of your contract	15 Dec
Exit fees (if you switch before the End date)*	€0.00
Advance notice for cancellation	15 Nov
Switching Code [?]	112358
*If you are thinking of switching suppliers, call us first at 0800 22 65 65	

Your energy usage in kWh

You are using **more** energy than you did at the same time last year



13 Jul 2015 - 14 Oct 2015	385
13 Jul 2016 - 14 Oct 2016	438

Getting in touch

To manage your account online visit (<http://www.ecoelectricity.eu/your-account>) or call (0800 22 65 65 , open 24 hours a day)

To submit a meter reading visit (<http://www.ecoelectricity.eu/meter-reading>) or call (0800 22 65 65)

For more help visit (<http://www.ecoelectricity.eu/help>) or call (0800 22 65 65)

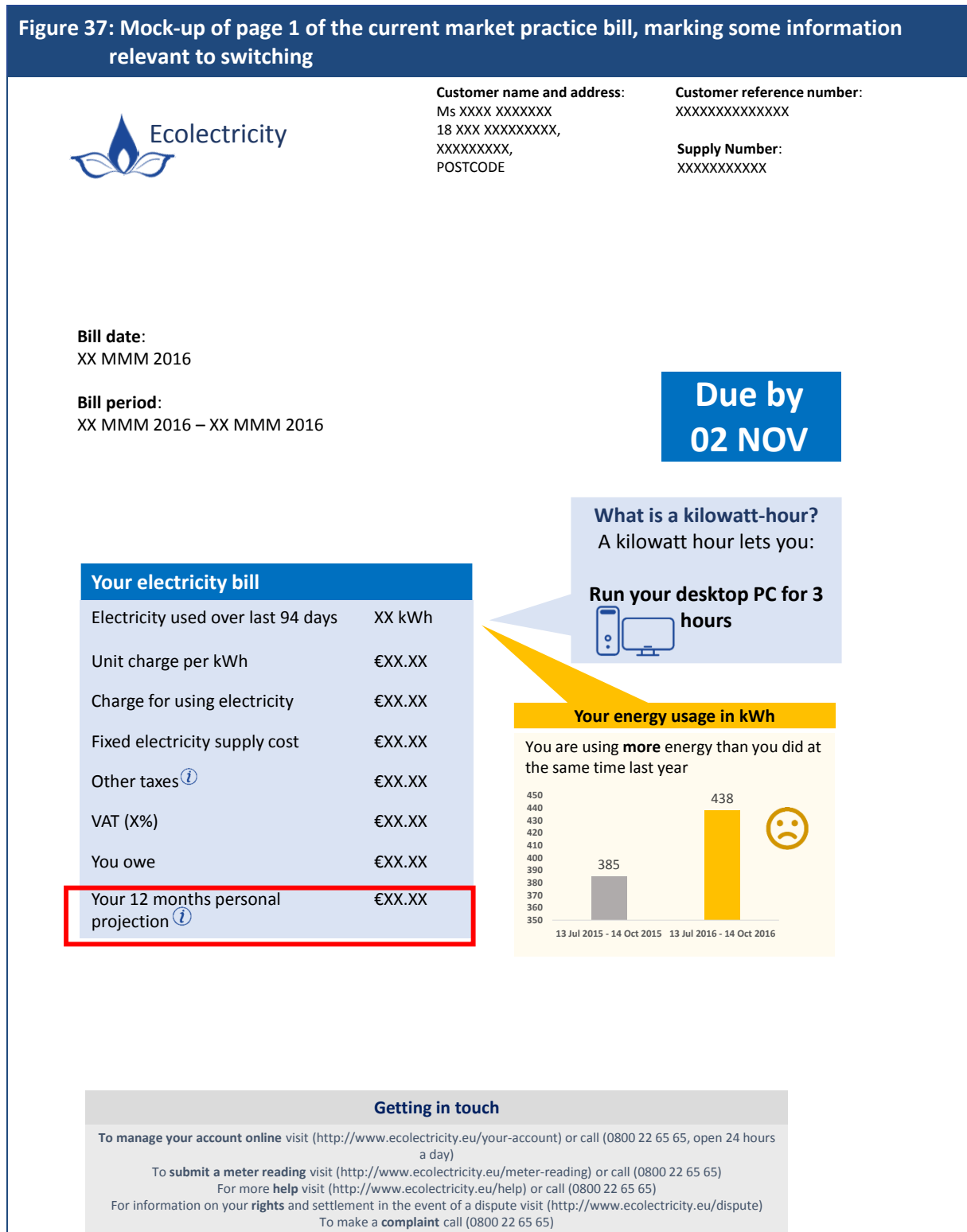
To find out about your rights and settlement in the event of a dispute visit (<http://www.ecoelectricity.eu/dispute>)

To make a complaint call (0800 22 65 65)

Source: Main Task 5 Behavioural experiment

However, information relevant to switching was scattered about the 'current market practice' bill. For example, information on participants' 12 months' projection was presented on page 1, but not marked saliently, as indicated in the figure below.

Figure 37: Mock-up of page 1 of the current market practice bill, marking some information relevant to switching



Source: Main Task 5 Behavioural experiment

Other information related to switching was scattered on page 2. For example, information on actual energy usage was on page 2 and not saliently marked or grouped with related information. Therefore, participants shown this bill would be expected to extract relevant information less easily.

Figure 38: Mock-up of page 2 of the current market practice bill, marking some information relevant to switching – information scattered

Ecoelectricity

Some information about my tariff

Tariff name	Mytariff
Payment method	Direct debit
Switching Code ⁱ	112358
Fixed or variable rate tariff?	Fixed
Duration of your contract	2 years
End date of your contract	15 Dec
Advance notice for cancellation	15 Nov
Exit fees (if you switch before the end date)*	€0.00
Amount you spent last year on electricity	€xx.xx

*If you are thinking of switching suppliers, call us first at 0800 22 65 65

Your actual energy usage in the last 12 months was 3000 kWh

The fuel mix of the electricity you use

Fuel Type	Percentage
Fossil fuels	50%
Nuclear	34%
Other fuels	9%
Renewables	7%

For information on the environmental impact of your energy, visit (<http://www.ecoelectricity.eu/fuel-mix>) or call (0800 22 65 65)

118

Source: Main Task 5 Behavioural experiment

Impact of bill design on objective comprehension

The table below summarises the proportion of participants who **correctly answered objective questions relating to bill elements**. The rows in bold indicate questions where there was a statistically significant difference (at least 90%) between best practice and current market practice bills, in the proportion of participants answering correctly.

Participants who were shown the 'best practice' bill tended to correctly answer questions relating to bill elements statistically significantly more often compared to the 'current market practice' bill (Table 40).

Table 40: Objective Comprehension scores, by bill design		
Question	Proportion of participants answering correctly (%)	
	Best Practice	Current Market Practice
What is the name of your tariff?	54	55
When is the end date of your contract?	53***	46
How much do you need to pay to leave your contract early?	59***	51
What is your switching code?	43***	39
What is the advance notice for cancellation?	45***	41
What is the payment method?	85	86
What was your energy usage for the past 12 months?	52***	41
What is your 12 months personal projection?	55	56
How much do you owe in total?	64***	47
What was your energy usage for the period July 2016 – October 2016?	45***	49
Does your tariff have a fixed or variable rate?	74	68

Note: The table combines results for the online and laboratory experiment. Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia.

The table indicates rows where participants shown the 'best practice' bill answered questions correctly significantly more or less frequently than participants shown the 'current market practice' bill. ***=99%. **=95%. *=90%. Source: Main Task 5 Behavioural experiment

In addition, respondents (across most socio-demographic groups) who were shown the best practice bill answered a statistically significantly higher proportion of objective comprehension questions correctly, compared to those shown the current market practice bill (Table 40).

This result indicates that consumers may be more likely to comprehend striking, simply laid out bills, since the 'best practice' bills were designed to provide relevant information in one place, and to be laid out in a visually striking manner. In contrast, the 'current market practice' bills had information scattered over the bill, and key information was not as salient.

Table 41: Objective comprehension scores, by bill design, country group and potentially vulnerable groups

	Proportion of participants answering correctly (%)		
	Best Practice	Current Market Practice	Average
Country group			
EU15	56***	52	54
EU13	59**	54	56
Age			
Below 65 years	57**	53	55
65 years and over	58	52	55
Economic activity			
Economically active	57**	53	55
Economically inactive	58	52	55
Educational level			
Medium or high education	57***	52	55
Low education	57	53	55
Subjective income			
No difficulty making ends meet	58**	54	56
Difficulty making ends meet	56**	51	54
Use of internet			
Low	56*	51	53
Medium	58***	53	56
High	55	50	53

Note: The table combines results for the online and laboratory experiment. Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia.

The table indicates rows where participants shown the 'best practice' bill answered questions correctly significantly more or less frequently than participants shown the 'current market practice' bill. ***=99%. **=95%. *=90%. Source: Main Task 5 Behavioural experiment

Subjective assessments of whether bills are easy to understand

In the billing stage, participants were also asked to provide subjective ratings of the bill they had been shown. The behavioural experiment suggests that participants were significantly more likely to report that the '**best practice' bill was easy to understand**, compared to the 'current market practice' bill. This finding is in line with the focus group results, where participants indicated that they would find it easier to compare deals if information were presented in a comparable format. The higher subjective rating of the best practice bill is also reflected in participants' objective comprehension scores (see Table 40).

Table 42: Subjective ratings of ease of understanding, by bill design		
Question	Proportion of participants indicating that the bill is 'very easy' or 'rather easy' to understand (%)	
	Best Practice	Current Market Practice
How easy was this bill to understand?	69***	64
How easy was it to find the following information in your bill?		
a. How much you owe	88***	82
b. By when you need to pay	84***	78
c. Information needed to compare tariffs	57***	50
d. Information needed to switch tariffs	57***	50
e. The amount you spent on electricity last year	76***	70
f. The duration of your contract	74***	67
g. Any exit fees	69***	59
h. Advance notice for calculation	66***	58
i. Your switching code	68*	65
j. Your 12-month personal projection	77**	74
k. Your actual energy usage	76***	73
l. Information on energy usage	74***	71

Note: The table combines results for the online and laboratory experiment. Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia.

The table indicates rows where participants shown the 'best practice' bill provided subjective ratings of 'best practice' bills significantly more frequently than 'current market practice' bills. ***=99%. **=95%. *=90%.

Source: Main Task 5 Behavioural experiment

Participants from potentially vulnerable groups were less likely than other participants to indicate that they thought the bill was 'very easy' or 'rather easy' to understand. For example, 61% of participants who reported that they had difficulty making ends meet reported that the mocked-up bill was easy to understand, compared to 70% of participants who had no such difficulty. Similarly, 62% of participants over the age of 65 reported the mocked-up bill was easy to understand compared to 67% of participants below the age of 65. In both cases, the difference was statistically significant at 99%.

In general, bill design did not have a statistically significant impact on potentially vulnerable participants' subjective ratings of ease of understanding of the bills. However, there is one exception: participants who reported having difficulty making ends meet were significantly more likely to report that the bill was *rather* or *very easy* to understand if they were shown the best practice bill, compared to the current market practice bill.

Table 43: Subjective ratings of ease of understanding, by bill design, country group and potentially vulnerable groups

	Proportion of participants indicating that the bill is 'very easy' or 'rather easy' to understand (%)		
	Best Practice	Current Market Practice	Average
Country group			
EU15	68***	62	65
EU13	69	65	67
Age			
Below 65 years	69***	64	67
65 years and over	62	62	62
Economic activity			
Economically active	70***	64	67
Economically inactive	65	62	63
Educational level			
Medium or high education	69***	63	66
Low education	66	62	64
Subjective income			
No difficulty making ends meet	72***	68	70
Difficulty making ends meet	64***	58	61
Use of internet			
Low	62	59	61
Medium	70***	64	67
High	75	72	74

Note: The table combines results for the online and laboratory experiment. Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia.

The table indicates rows where participants shown the 'best practice' bill answered questions correctly significantly more or less frequently than participants shown the 'current market practice' bill. ***=99%. **=95%. *=90%. Source: Main Task 5 Behavioural experiment

Subjective assessments of ease of understanding of price breakdown

More than 6 in 10 (64%) participants reported that they thought it was easy to understand **how their energy price was broken down** into different elements. Participants who were shown the simplified price breakdown presentation were statistically significantly more likely (at 99%) to report price breakdown was easy to understand, compared to participants shown the more detailed breakdown (Table 44). However, price breakdown presentation usually did not have a significant impact on potentially vulnerable participants' rating of whether price breakdown was easy to understand in the bill (Table 45).

On average, and across potentially vulnerable groups, price breakdown infographics did not have a significant impact on participants' subjective assessment of whether the price breakdown was easy to understand.

Table 44: Subjective assessments of ease of understanding price breakdown

Treatment group	Treatment variant	Proportion of participants indicating that the bill is 'very easy' or 'rather easy' to understand (%)
How easy was it to understand how the bill is broken down into the different price and cost elements?		
Price breakdown presentation	Simplified presentation saliently marking fixed vs variable elements	66***
	More detailed presentation in terms of energy, network and taxes component	61
Whether price breakdown includes infographics	No infographics	64
	Infographics	64
Average (%)		64

Note: The online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK.

Statistically significant differences are indicated with bold rows and asterisks. ***=99%. **=95%. *=90%.

Source: Main Task 5 Behavioural experiment

Table 45: Subjective ratings of ease of understanding price breakdown, by price breakdown presentation, infographics, country group and potentially vulnerable groups

Proportion of participants indicating that the bill is 'very easy' or 'rather easy' to understand (%)					
	Price breakdown presentation treatments		Whether price breakdown includes infographics		Average
	Simplified presentation	More detailed presentation	No infographics	Infographics	
Country group					
EU15	65***	61	62	64	63
EU13	69***	63	66	65	66
Age					
Below 65 years	67***	62	64	65	65
65 years and over	64*	57	60	60	60
Economic activity					
Economically active	67***	62	64	65	67
Economically inactive	63	61	64	59	63
Educational level					
Medium or high education	67***	62	64	64	66
Low education	63	59	60	62	64
Subjective income					
No difficulty making ends meet	71***	66	68	69	70
Difficulty making ends meet	59	56	58	57	61
Use of internet					
Low	60	56	56	59	58
Medium	68***	63	65	65	65
High	77**	69	71	76	73

Note: The table combines results for the online and laboratory experiment. Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia.

The table indicates rows where participants shown the 'best practice' bill answered questions correctly significantly more or less frequently than participants shown the 'current market practice' bill. ***=99%. **=95%. *=90%.

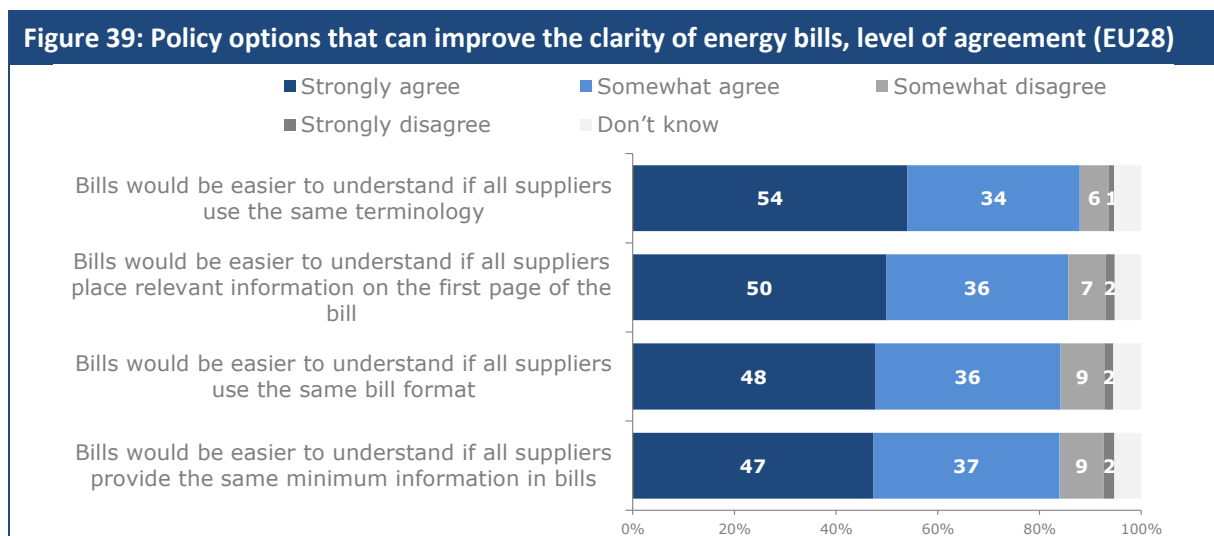
Source: Main Task 5 Behavioural experiment

5.6 Standardisation of energy bills to increase clarity and comparability

5.6.1 Consumers' views about policy options to increase the clarity of energy bills

Respondents were presented with four policy options designed to improve the clarity and understandability of energy bills. They were first asked whether they agreed or disagreed that the policy option would help to make bills easier to understand, and were then asked to rank the policy options in terms of their efficiency.

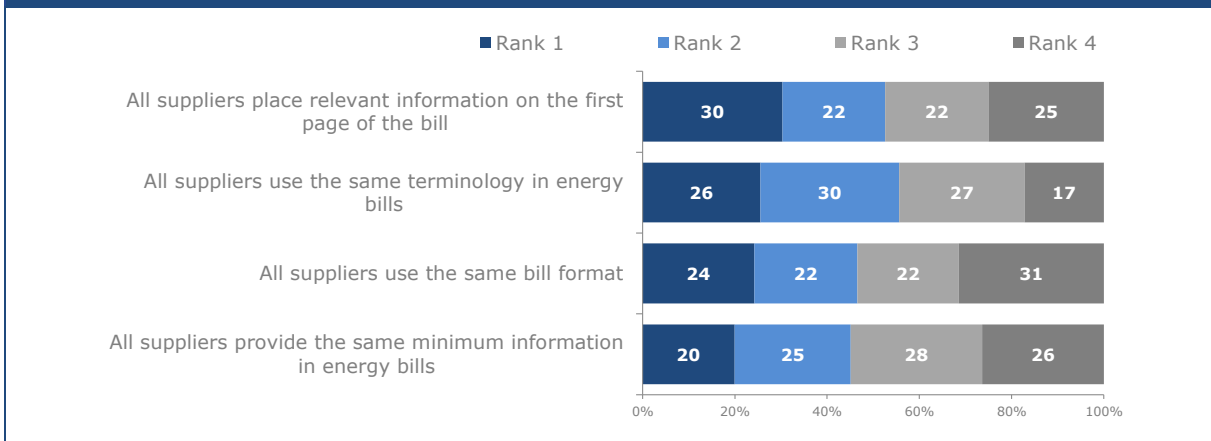
Few respondents disagreed that the policy options presented to them would make bills easier to understand, and the level of "strong" agreement was high: from 47% for the statement that bills would be easier to understand if all suppliers provide the same minimum information in bills to 54% for the statement that bills would be easier to understand if all suppliers use the same terminology.



Question wording: Q17a. To what extent you agree or disagree with the following statements about energy bills (gas and/or electricity)? Base: All respondents (EU28: n=19,239)
Source: Main Task 2 Consumer surveys

Although respondents were the most likely to *strongly agree* that bills would be easier to understand if all suppliers use the same terminology, when ranking the policy options, the policy option that all suppliers would place relevant information on the first page of the energy bill was most frequently ranked in 1st position as being the most efficient option to make energy bills easier to understand. The policy option requiring suppliers to provide the same information in energy bills, on the other hand, was the least frequently listed in 1st position.

Figure 40: Policy options that can improve the clarity of energy bills, ranking results (EU28)



Question wording: Q17b. Which of the following would be most efficient in making energy bills (gas and/or electricity) easier to understand? Base: Respondents who provided a response (excl. don't know) (EU28: n=17,483)

Note: "don't know" responses were excluded (9% of respondents)

Source: Main Task 2 Consumer surveys

The following table presents for each policy option, the proportion of respondents who "strongly agreed" that this option would make bills easier to understand and the proportion of respondents that thought that this policy option would be the most efficient in making energy bills easier to understand by ranking the option in 1st position. In half of the countries surveyed, the policy options that all suppliers would need to provide relevant information on the first page of the energy bills was most frequently placed in 1st position. In most countries, the policy option that would focus on requirements for all suppliers to provide the same minimum information in energy bills was the least frequently placed in first position.

Table 46: Policy options that can improve the clarity of energy bills (by country)

	All suppliers use the same terminology		All suppliers place relevant information on the first page of the bill		All suppliers use the same bill format		All suppliers provide the same minimum information in bills	
	% Strongly agree	% 1st rank	% Strongly agree	% 1st rank	% Strongly agree	% 1st rank	% Strongly agree	% 1st rank
EU28	54%	26%	50%	30%	48%	24%	47%	20%
EU15	55%	26%	50%	31%	48%	23%	49%	20%
EU13	52%	24%	49%	28%	46%	28%	43%	20%
BG	67%	23%	72%	37%	58%	23%	53%	17%
FR	67%	30%	62%	32%	56%	19%	57%	19%
EL	65%	30%	45%	18%	57%	34%	50%	18%
CY	63%	26%	60%	30%	59%	28%	60%	17%
PT	63%	25%	52%	28%	59%	24%	58%	23%
SI	63%	25%	53%	20%	60%	35%	52%	19%
HR	63%	30%	63%	33%	48%	13%	52%	25%
RO	61%	23%	59%	30%	53%	27%	54%	21%
EE	61%	31%	50%	25%	52%	28%	48%	16%
NL	58%	25%	47%	24%	55%	35%	48%	16%
LT	56%	27%	50%	19%	53%	34%	41%	20%
UK	56%	26%	51%	25%	54%	33%	50%	16%
BE	55%	27%	47%	29%	49%	29%	48%	15%
ES	55%	27%	50%	28%	49%	26%	50%	20%
SK	53%	28%	48%	24%	48%	26%	44%	22%
SE	53%	35%	46%	30%	44%	19%	43%	17%
CZ	52%	25%	50%	41%	42%	18%	34%	16%
MT	51%	21%	45%	32%	48%	30%	40%	17%
IT	50%	25%	41%	32%	37%	16%	41%	27%
IE	48%	25%	49%	22%	47%	31%	39%	21%
AT	48%	25%	49%	33%	41%	18%	47%	24%
DE	47%	22%	50%	41%	43%	19%	47%	19%
DK	47%	31%	47%	21%	44%	27%	42%	21%
LV	46%	24%	41%	15%	42%	36%	38%	25%
PL	44%	24%	39%	28%	40%	29%	37%	20%
HU	44%	22%	46%	17%	44%	41%	40%	20%
LU	43%	26%	42%	29%	34%	21%	39%	23%
FI	43%	23%	38%	23%	39%	30%	40%	24%
IS	45%	35%	46%	21%	41%	16%	43%	29%
NO	39%	29%	37%	31%	33%	21%	35%	19%

Question wording:

Q17a. To what extent you agree or disagree with the following statements about energy bills (gas and/or electricity)? (% Strongly agree) Base: All respondents (EU28: n=19,239)

Q17b. Which of the following would be most efficient in making energy bills (gas and/or electricity) easier to understand? Base: Respondents who provided a response (excl. don't know) (EU28: n=17,483)

Source: Main Task 2 Consumer surveys

5.6.2 Energy regulators' views about benefits of minimum requirements/standards for billing

In the regulator survey, regulators were asked to evaluate the potential benefits of setting requirements on various aspects of bill design, from the number of pages of energy bills to presentation of price format. For each element, they were asked to specify if they expected benefits in terms of: **(i) improved clarity/consumer understanding, (ii) improved transparency, (iii) improved comparability; (v) reliability and (vi) increased energy saving**. The figure below shows, for each of the 11 bill design elements, the number of regulators (out of 12 regulators) who expected to see specific benefits.

For the **content of the bill**, 5 out of 12 (42%) energy regulators indicated that it could increase the clarity/consumer understanding, followed by transparency (25%), comparability (25%) and energy savings (8%). None of the regulators believed that minimum requirements on the content of the bill would increase the reliability of energy bills.

In the survey, regulators were also asked to provide any examples of national best practices and/or guidance documents on the **content of energy bills that go beyond regulation**. Three regulators (Finland, Portugal and Sweden) indicated that such practices and/or guidance documents exist in their country.

In total, 6 out of 12 (50%) regulators reported that minimum requirements on **the number of pages of the bill** could lead to more clarity/consumer understanding and could allow consumers to be able to compare their energy bill(s) (25%). Only 8% indicated that having the number of pages set as a requirement would allow bills to be more transparent or reliable, or could lead to energy savings.

A majority of energy regulators thinks that requirements on the **bill layout** could increase the clarity/consumer understanding (7 out of 12 or 58%). Other benefits selected are transparency and comparability (17%) and energy savings (8%).

When asked whether any national best practices and/or guidance documents exist in the country in relation to the **bill layout that go beyond regulation**, 11 out of 12 respondents indicated that such national best practices and/or guidance documents do not exist; only the regulator in Sweden indicated that guidance documents on the bill layout can be implemented by the energy suppliers on a voluntarily basis.

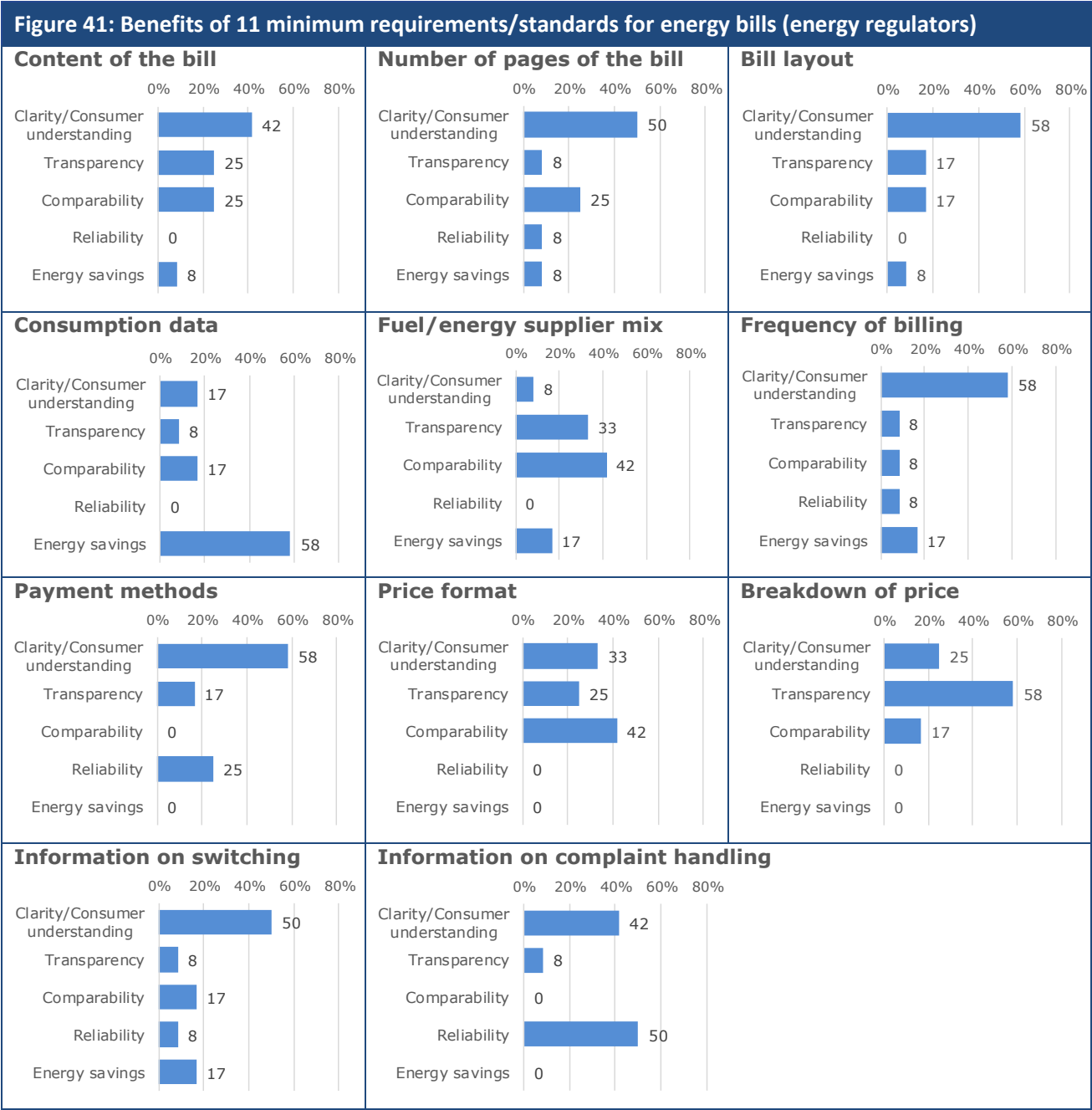
The main benefit of establishing minimum requirements/standards on **consumption data** is that it could lead to further energy savings for the consumers as indicated by 7 out of 12 regulators (58%). Moreover, it could help to create further clarity/consumer understanding (17%), comparability (17%) and transparency (8%). Mandatory information on **fuel and energy supplier mix** would mainly help consumers to better compare their energy bill as reported by 5 out of 12 regulators (42%), as well as to increase transparency (33%), energy savings (17%) and clarity/consumer understanding (8%).

For both **frequency of billing** and **payment methods**, 7 out of 12 respondents indicated that minimum requirements on these topics could lead to more clarity/consumer understanding. Requirements on billing would also ensure more energy savings (17%) and transparency (8%), comparability (8%) and reliability (8%). For payment methods, it could also lead to higher reliability (25%) and more transparency (17%).

Five out of 12 regulators believe that requirements on the **price format** could increase comparability (42%), followed by clarity/consumer understanding (33%) and transparency (25%). Requirements on the **price breakdown**, on the other hand, could lead to more transparency (7 out of 12 regulators, or 58%), clarity/consumer understanding (25%) and comparability (17%).

Half of the regulators reported that requirements on **information on switching** could help consumers better understand their bill (50%). A number of respondents also believed

that it could increase comparability (17%), energy savings (17%), transparency (8%) and reliability (8%). Requirements on **information on complaint handling** could help increase the reliability as stated by 6 out of 12 Regulators (50%) and could lead to better clarity/consumer understanding (42%).



Note: Regulator survey, Q. 8: In your view, what are the benefits of these minimum requirements/standards?
 Number of respondents: 12
 Source: Main Task 1 Regulator survey

Considering that some countries have not transposed all the requirements set in the EU legislation related to billing in their national legislation, national energy regulators were also requested to indicate what could be the **reason(s) for Member States not to establish requirements for billing**. The reasons listed in the survey included: (i) interferes with market competition, (ii) no clear benefits for consumers, and (iii) increased costs for energy suppliers. Regulators were further given the opportunity to provide other reasons for not establishing requirements/standards for billing.

For both the requirements on **consumption data** and **information on complaint handling**, the majority of regulators mentioned it would increase the costs for energy suppliers (9 out of 12 or 75%). In addition, they indicated there were no clear benefits for

the consumers (17%) and that such requirements could interfere with market competition (8%). Also for mandatory information on the **fuel/energy supplier mix**, 8 out of 12 (67%) respondents believed it would increase the costs for energy suppliers.

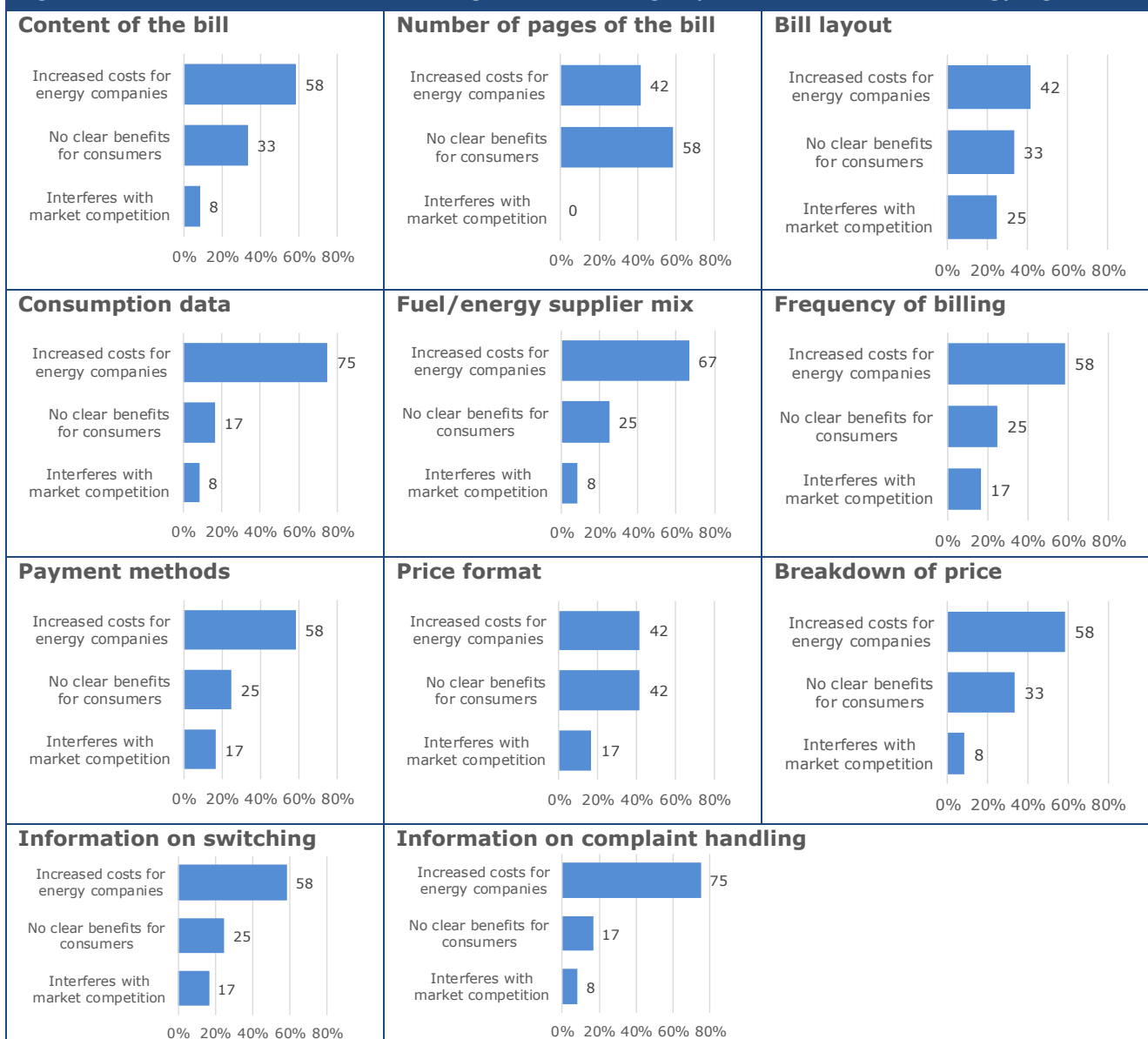
Similar results were also reported for requirements on the **frequency of billing, payment methods** and **information on switching**. For each of these requirements, 7 out of 12 regulators (58%) believed that the costs for energy suppliers would increase when establishing these requirements in the national legislation. This is followed by 'no clear benefits for consumers' (25%) and 'interferes with market competition' (17%).

For the **content of the bill** and **breakdown of the price**, 7 out of 12 regulators (58%) believed this would increase costs for companies, while others thought it did not have clear benefits for consumers (33%) and would interfere with market competition (8%). In addition, one respondent mentioned that requirements on the bill content would lead to administrative burdens. Also, the increased costs for the energy suppliers could be passed on to the consumer, which leaves the consumer in a vulnerable position.

Only for the requirements on **the number of pages of the bill**, most respondents indicated no clear benefits for the consumers as the main reason for not establishing this requirement (7 out of 12 or 58%). Further, 4 out of 12 (42%) mentioned it would increase costs for energy suppliers.

In terms of **bill layout**, 4 out of 12 regulators (42%) indicated it would increase costs for energy suppliers. As noted by one respondent, this type of measures would increase administrative burdens and would increase costs that will be passed on to the consumer. Also, 33% indicated there were no clear benefits for consumers from standardising bill layout and it could interfere with market competition (25%).

Figure 42: Main reasons for not establishing minimum billing requirements/standards (energy regulators)



Note: Regulator survey, Q.9: In your view, what is the main reason(s) for not establishing minimum requirements/standards on the following for bill content? Number of respondents: 12

Source: Main Task 1 Regulator survey

5.6.3 National and regional non-binding measures, initiatives and guidance documents on energy billing

The stakeholder consultation aimed at collecting data on the existence of specific non-binding measures, initiatives and guidance documents in relation to **energy bills** in the energy sector at the national and regional level as well as to understand whether energy regulators have conducted any studies in relation to bill design and/or have collaborated with other organisations to this purpose. For a number of countries, some initiatives were identified (and in the regulator survey, further details were provided).

Table 47: National and regional non-binding measures, initiatives and guidance documents as to energy bill's content, format and terminology

BE	<ul style="list-style-type: none"> • Initiative to simplify the energy bill
DE	<ul style="list-style-type: none"> • Public and private initiatives on billing and (pre-)contractual issues
DK	<ul style="list-style-type: none"> • Guidance for energy suppliers on pre-contractual information, contract termination and billing • Cooperates with CEER and other NRAs to improve the bill design
EE	<ul style="list-style-type: none"> • Introduction of remote-readable meters to simplify meter readings to be incorporated in billing and consumption statements • Regulator reported not to have cooperation with organisations as to improve the bill design
EL	<ul style="list-style-type: none"> • Information campaigns on the Regulator's website on bills and in general regarding consumer's rights • Several initiatives related to energy bills and pre-contractual information (e.g. brochures) • Monitoring billing issues related to billing simplicity
FI	<ul style="list-style-type: none"> • Regulator reported not to have cooperation with organisations as to improve the bill design
FR	<ul style="list-style-type: none"> • Regulator reported not to have cooperation with organisations as to improve the bill design
IT	<ul style="list-style-type: none"> • Structural meetings between consumer associations and the competent energy Regulator to debate about relevant matters for consumers regarding electricity and gas • Consultations aimed at introducing new authority declarations such as billing, switching methods and times, pre-contractual information, and protection tools • Set-up of tools in order to help the consumer understand his bill • Energy market guides, bills, contracts, protection instruments, etc.
LT	<ul style="list-style-type: none"> • Regulator reported not to have cooperation with organisations as to improve the bill design
LU	<ul style="list-style-type: none"> • Regulator reported not to have cooperation with organisations as to improve the bill design
MT	<ul style="list-style-type: none"> • Regulator reported to cooperate with the energy supplier for consulting discussions in the market in relation to bill design
NL	<ul style="list-style-type: none"> • Mapping of applicable laws in relation to the energy sector in the Dutch market • Guidance document on the 'Provision of information in the consumer energy market' • Monitoring process since January 2015, investigation compliance of energy suppliers with the guidance
PT	<ul style="list-style-type: none"> • Regulator reported not to have cooperation with organisations as to improve the bill design
RO	<ul style="list-style-type: none"> • Regulator reported not to have cooperation with organisations as to improve the bill design
SE	<ul style="list-style-type: none"> • Cooperates with relevant stakeholders for consulting discussions when changes are made in relation to bill design
SI	<ul style="list-style-type: none"> • Regulator reported to have undertaken studies as regards to bill design to improve the consumer situation
UK	<ul style="list-style-type: none"> • Ofgem's 'Standards of Conduct' • Reports on consumer experience on energy billing issues ('The Lost Decade – Consumer Experience of Energy Billing Issues 2005-2015') • Initiative, including a qualitative research with a panel of 80 consumers discussing the current bill format and how this could be improved from a consumers' perspective • Practical guide, the 'Code of practice for accurate bills' including a series of voluntary commitments that go beyond the supplier licence conditions and applies to domestic customers only

Source: Main Task 1 Regulator survey and stakeholder communication

Belgium

In 2017, the Directorate-General Economic Regulation (consumer protection and market regulation) launched an initiative to **simplify energy bills**. A working group, including representatives of the competent Minister, representatives of the King Baudouin Foundation, the energy suppliers and the distribution system operators was set up with as objective to simplify energy bills and to improve readability and comprehensibility for consumers.

In Belgium, additional rules for billing are introduced in the 'Agreement concerning the consumer in the free electricity - and gas market'¹⁰⁴ (Article 2.4). Those rules concern the information on the bill, the information on the annual settlement (which information is mentioned on the first page, on the next pages etc.), the advances, payment terms, payment options, etc. It also specifies that a link to an official PCT is recommended to be added in the bill. This Agreement is only binding for the energy suppliers who have signed it (95% of all energy suppliers). The first Agreement was signed in 2004. Later versions were signed in 2006, 2013 and 2017. The Agreement provides that non-observance will be considered as an unfair commercial practice, for those having signed the Agreement but most comply with the requirements.

Denmark

The Danish consumer ombudsman has published a guide for energy suppliers 'Vejledning om Markedsføring på energiområdet',¹⁰⁵ updated on 1 July 2017, in accordance with Law No 426 of 3 May 2017. The guidance provides an overview of the applicable laws and requirements on **pre-contractual information, billing, contract termination** as well as best practices that are non-binding. This document has been published after numerous complaints from customers on bad practices in the industry.

Estonia

By 1 January 2017, under the Grid Code,¹⁰⁶ all standard electricity meters in Estonia were replaced with **remote-readable meters**. These smart meters exempt consumers from the obligation to report meter readings as part of their billing and simplify the functioning of the electricity market. Remote-readable meters provide the network operator with a better overview of what is happening in the network.

Germany

Several German **public and private** organisations publish information on billing and (pre-)contractual issues. Examples of these organisations are the 'Informationen über Energieanbieter'¹⁰⁷ supported and funded by the Federal Ministry of Justice and Consumer Protection and the 'Marktwächter Energie'.¹⁰⁸

Greece

The Greek Consumer Association EKPIZO focuses on analysing the possibilities consumers have to become more in control of their energy choices and, as such, to better benefit from the single market. The association has launched **an information campaign** through their website and via the national press addressed to consumers, including the most vulnerable consumers and those with low incomes, through to small businesses, on energy issues and more specifically **on bills and in general on consumer rights**. The campaign focuses on all elements that consumers should pay attention to and how they can reduce electricity consumption.

¹⁰⁴ Accessed from: http://economie.fgov.be/fr/binaries/accord_electricity_fr_tcm326-41209.pdf

¹⁰⁵ Accessed from: <https://www.forbrug.dk/media/46466/2016-energievejledning.pdf>

¹⁰⁶ Vörgueeskiri RT I 2003, 49, 347

¹⁰⁷ Accessed from: <http://www.energieanbieterinformation.de/>

¹⁰⁸ Accessed from: <https://www.marktwaechter-energie.de/>

The Greek national energy regulator (RAE) has also launched **several initiatives related to energy bills and pre-contractual information**. Firstly, they have prepared a brochure for guiding consumers on how to choose the appropriate supplier according to their consumption profile and needs. The leaflet has been published on the regulator's website and distributed through all the 'Single Point of Contact' centres located in the area of Attica that represent at least 40% of the total population. In addition, the regulator has prepared another brochure on **consumer's rights including pre-contractual information that must be available to them**. Finally, RAE's site offers a wide selection of information, guidelines and advice on important topics to consumers for their empowerment and protection.

RAE monitors **billing simplicity** and formulates non-binding advice to energy suppliers on the content and the presentation format of their bills. In more detail, the regulator has recently intervened in cases of including competitive charges under regulated charges and of including the unit cost per regulated charge contained in bills.

Italy

The Italian regulator has set up several tools to **help consumers understand their energy bill**, such as a dedicated webpage 'Your Bill Explained' ('la bolletta spiegata') and a consumer help-desk ('lo Sportello per il Consumatore').

Consumer associations, such as Cittadinanzattiva, **participate in meetings** with the energy regulator to discuss relevant matters for consumers regarding electricity and gas. They also contribute to **consultations** aimed at introducing new authority declarations on billing, switching methods, pre-contractual information and protection tools.

Apart from the relationship with the regulator, many working groups between consumer associations and energy suppliers have also been in place for years, with the aim of implementing and improving the quality of consumer information, such as billing documents and related guides,¹⁰⁹ service quality cards or commercial codes of conduct. Some companies have also signed protocols for the prevention of unfair commercial practices.¹¹⁰

Over the years, many other **energy market guides and protection instruments**, etc. have been realised by individual associations and distributed to consumers through local branches, during meetings with citizens or via online channels.¹¹¹

The Cittadinanzattiva has started a pilot survey to evaluate customer satisfaction and expectations for responses received to written complaints and requests for information from electricity and gas suppliers. The aim of this initiative is to collect qualitative and quantitative information needed to estimate - each year - the level of customer satisfaction on various issues that may contribute to the quality of the responses to complaints. The pilot survey will be conducted through focus groups and telephone interviews with

¹⁰⁹ The Guida fatturazione Enel -AACC; accessed from: [https://www.sorgenia.it/comunicati-stampa/nasce-la-bolletta-21-trasparente-chiara-e-misura-di-cliente](https://www.enel.it/cs/Satellite?blobcol=urldata&blobheader=application%2Fpdf&blobheadername1=Content-Disposition&blobheadername2=MDT-Type&blobheadername3=filename%3D+filename%3DBillingGuide%2BEnel%2BEnergia.pdf&blobheadername4=abinary%3B+charset%3DUTF-8&blobkey=id&blobtable=MungoBlobs&blobwhere=1446754170832&ssbinary=true; Sorgenia - Comunicato stampa Bolletta 2.1, to be accessed from <a href=); Sorgenia - Nuova bolletta to be accessed from <http://quidafattura.sorgenia.it/>

¹¹⁰ To illustrate: Nota stampa Eni-AACC (accessed from: https://www.eni.com/it_IT/media/news/2017/05/eni-e-le-associazioni-dei-consumatori-sottoscrivono-un-protocollo-per-la-prevenzione-delle-attivazioni-contrattuali-non-richieste); VOLUNTARY SELF REGULATION PROTOCOL (to be accessed from https://edisonenergia.it/wcm/connect/665ea8a3-6950-46db-b306-b228ee5355c1/voluntary-self-regulation-protocol.pdf?MOD=AJPERES&CONVERT_TO=url&CACHEID=ROOTWORKSPACE-665ea8a3-6950-46db-b306-b228ee5355c1-IKQwi6K)

¹¹¹ To illustrate: <http://www.cittadinanzattiva.it/progetti-e-campagne/consumatori/energia/4403-series-of-useful-guides-on-electricity-and-gas.html>; http://www.isgas.it/www/Sinistra/UfficioClienti/guida_lettura_bollettaISGAS.pdf

customers who have submitted a written complaint or requested information from their electricity and gas suppliers.

Netherlands

Considering the many complaints the Authority for Consumers and Markets (ACM) received from energy consumers, ACM launched several initiatives to improve the situation of consumers. In September 2013, ACM set up a new team that prepared an **overview of all the applicable laws**. ACM drafted a list of **obligatory pre-contractual information** that an energy supplier is required to provide to the consumer. Thereafter, a market wide web sweep was performed to check whether suppliers correctly provided the information when approached via their website. On the one hand, it was concluded that suppliers were all under-performing where obligatory pre-contractual information was concerned. On the other hand, it was also noted that the offers consumers would receive could not be compared because many suppliers used different terminology, used different models to calculate the future usage etc.

In November 2014, ACM published a **guidance document** on the 'Provision of information in the consumer energy market'.¹¹² In this document, ACM explains the applicable laws and how the sector should be compliant. The rationale of the guidance document is to ensure that **the entire process for a consumer, from pre-contractual information to offer, to contract, to billing and to the end-of-contract and switching becomes transparent**. The two main aspects included in the guidance document are:

- Overview of applicable laws and regulations; and
- Information for consumers on the energy market explained per theme: offer, price, personalised offer, contract, billing, termination or renewal of the contract and electricity disclosure.

Since January 2015, ACM has set up a monitoring process that involves investigating the websites of energy suppliers as to ensure the elements included in the guidance document are correctly taken into account.

In particular for billing, **guidance is provided to energy suppliers stressing that energy bills must be clear and easy-to-understand for consumers**. Each invoice should clearly show:

- The period that the bill in question concerns;
- The total consumption (in kWh and/or m³);
- The electricity or gas tariff at which the energy was supplied. This must match the tariffs stated in the contract, and they must include any interim tariff changes. These tariffs must include taxes and surcharges (such as VAT, energy taxes, etc.);
- The amounts consumed at what tariffs. It is important here that the relevant tariffs from the accepted offer can be deduced (this also applies to cases of interim tariff changes);
- The fixed costs, such as fixed supply costs and grid operation costs;
- The energy tax rebate;
- The total costs of the energy consumption in the period in question; and
- The total amount that the customer will receive or needs to pay after deduction of the instalment payments so far, and what instalments have been included in this calculation.

¹¹² Accessed from: https://www.acm.nl/sites/default/files/old_publication/publicaties/15991_informatievoorziening-energie-spelregels-en.pdf

Portugal

In June 2017, the independent Portuguese Energy Services Regulatory Authority, Entidade Reguladora dos Serviços Energéticos (ERSE) initiated an extensive **public consultation on a package of amendments of the energy sector's regulations**. The proposals include rules related to energy offers, regulation of bundled services, new deadlines for activation and deactivation of services and a new concept and rules for intermediation services.

Given that a high share of consumers was not covered by the Portuguese system of social tariffs, the government presented, on 1 July 2016, a solution to enable that **discounts are granted automatically on the bill** for those who can benefit. As such, consumers do not need to complete the request form and send it to the energy supplier. This automatic mechanism led to an increase in the number of beneficiaries of the discounts from 150,000 (June 2016) to 800,000 (July 2017). The current discount on electricity is 33.8% and 31.2% on natural gas, as reported by the Associação Portuguesa para a Defesa do Consumidor (DECO).

UK

In 2013, Ofgem has introduced domestic and non-domestic Standards of Conduct (the Standards) to which energy suppliers are expected to adhere. The Standards are part of Ofgem's reforms to provide energy consumers with more protection in the energy market, giving them the confidence to shop around and find the best deal. The Standards require suppliers to treat energy consumers fairly when they are billing, contracting with, and switching suppliers. The Standards are backed by Ofgem's powers to levy fines, if necessary.

In June 2015, the Citizens Advice Service published a report '**The Lost Decade – Consumer Experience of Energy Billing Issues 2005-2015**'.¹¹³ The Citizens Advice Service's work on energy ranges from the provision of direct advice to consumers, to longer term policy and advocacy work on a wide range of specific issues. Policy work includes, for example, campaigning to improve the services provided to consumers using prepayment meters, ensuring that everyone has access to appropriate energy efficiency advice and services, and advocacy work to ensure that the roll-out of smart meters brings the promised benefits to consumers in practice.

Recently, Ofgem has launched an initiative, including **qualitative research** with a panel of 80 consumers discussing the current bill format and how this could be improved from a consumer perspective. The research mainly focused on what information consumers really want to know when reviewing their energy bill, how to increase energy savings, frequently asked questions by consumers in relation to their energy bill, recurring complaints and the frequency to receive consumption data.

In addition, the trade association for the UK's energy industry, 'Energy UK', published in January 2017 a practical guide, referred to as the '**Code of practice for accurate bills' (the 'billing code')**',¹¹⁴ which presents a series of voluntary commitments, developed to go beyond the supplier licence conditions and applying to domestic customers only. This code sets out the minimum standards that members must follow, as well as the responsibilities of all energy suppliers. These are, however, not replacing standard energy-supply licences and other obligations that every supplier must keep to.

The '**billing code**' aims to drive improved standards of performance and provide a common framework around which energy suppliers in the UK can build better processes and controls for billing. There are six members of the 'billing code', being British Gas (including Scottish Gas), E.ON, EDF Energy, npower, ScottishPower and SSE, which have recognised that

¹¹³ Accessed from: https://www.citizensadvice.org.uk/Global/CitizensAdvice/essential%20services%20publications/Lost%20Decade%20Report_Executive%20Summary_New_Front.pdf

¹¹⁴ Accessed from: <http://www.energy-uk.org.uk/files/docs/Industry%20codes/Code%20of%20Practice%20for%20accurate%20bills/Codeofpracticeforaccuratebills2017.pdf>

better, clearer information is needed to gain customers' trust. The members of the 'billing code' are independently and thoroughly audited every year against five commitment areas:

- Switching – Suppliers will work with customers to make sure accurate information is recorded and transfers between suppliers are smooth;
- Meter reading – Suppliers will offer a range of options to make sure that they get and record the most up-to-date and accurate meter readings;
- Energy bills and statements – Suppliers will use all the information they have available to produce accurate and clear bills, on time;
- Payments and refunds – Suppliers will make sure they set payments at the right level and that they pay any refunds promptly; and
- Back billing – Suppliers have signed up to the 'back-billing' principles (rules about how far back they can bill you) and will assess each back-billing case individually.

6. Optimising consumer decision making – promoting switching behaviour

In the last two chapters of this report, the study's findings with respect to ways to optimise consumer decision making are presented. The current chapter looks at ways to promote switching behaviour, while the next chapter looks at the best way for presenting energy consumption usage information and fuel mix information to stimulate behavioural change towards reduced consumption and choosing green energy offers.

Although the opportunity to switch between offers and benefit from lower prices exists in many countries, many consumers do not actively search the market for better offers. The 2nd Electricity Market Study¹¹⁵ concluded that consumers may not be aware that they can switch or may think that switching would be complicated or not worth the effort. As such, the study concluded that:

- Information campaigns could increase consumers' awareness of their switching rights and the gains that could be available to them if they switched; these can be organised by the electricity suppliers themselves or by other bodies. The first part of this chapter presents an overview of **national energy regulators' initiatives and non-binding measures to promote energy switching**.
- Tools assisting consumers to better understand the pricing structure of their electricity tariffs, and how much electricity they use, should be considered. For example, the development of awareness tools or behavioural prompts, such as personal projections that provide consumers with a simulation of their expected costs, could help in this respect by displaying elements such as energy costs, fixed costs, and taxes and levies. The second part of this chapter tests **different bill formats to stimulate consumer switching behaviour**.

6.1 National energy regulators' initiatives and non-binding measures to promote energy switching

In the regulator survey, regulators were requested to indicate whether any of the following measures are in place to promote energy switching:

- Information on switching procedures on the regulator's website;
- Collective switching campaigns;
- Awareness campaigns; and
- A requirement for energy suppliers to provide switching information in bills and other personalised communication.

Additional information on this topic was collected through stakeholder communications and desk research. The results are summarised in the table on the next page.

¹¹⁵ Available at: http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=53331

Table 48: National energy regulators' initiatives and non-binding measures to promote energy switching

	Information on switching procedure on regulator's website	Collective switching campaigns	Awareness raising campaigns	Energy suppliers must provide information in bills	Energy suppliers must provide information via their website	Other measures
AT	X	X				
BE	X	X				
BG				X		
CZ	X	X				
DE	X		X		X	X
DK	X	X		X		
EE	X		X		X	
EL	No initiative or non-binding measures have been reported or were found via desk research					
ES		X				
FI	X					
FR	X	X				
HU	No initiative or non-binding measures have been reported or were found via desk research					
HR	X			X		
IE	X					
IT		X		X		X
LT	X				X	
LU	X		X	X		
LV	No initiative or non-binding measures have been reported or were found via desk research					
NL	X	X				
PL		X				
PT	X	X				
RO	X		X		X	
SE	X		X	X	X	
SI	X	X				
SK	No initiative or non-binding measures have been reported or were found via desk research					
UK	X	X	X	X		
IS	No initiative or non-binding measures have been reported or were found via desk research					
NO	X			X		
Total	19	12	6	8	5	2

Note: In none of the countries, it was noted that informative material is sent to households. In Cyprus and Malta, switching is not possible.

Source: Main Task 1 (Regulator survey, stakeholder consultation and desk research)

In five out of 28 countries (Greece, Hungary, Latvia, Slovakia and Iceland), **no specific initiatives and non-binding measures** were reported in the regulator survey or stakeholder consultation, nor found through additional desk research.

Information on switching procedures is available on the regulator's website in 19 out of 30 countries. Most regulators reported to provide information on switching procedures and contract termination on their website. The information is often published on a dedicated webpage, such as on a 'consumer rights' webpage' or through a 'Q&A' page aimed at helping customers understand the procedure for switching energy suppliers. In addition, in five countries, **practical guidelines for switching** are published on the regulator's website. This is the case for Belgium (the Commission de Régulation de

l'Electricité et du Gaz)¹¹⁶, the Czech Republic (the Energy Regulator Office)¹¹⁷, France (the Commission de régulation de l'énergie)¹¹⁸, Luxembourg (Institut Luxembourgeois de Régulation)¹¹⁹ and the Netherlands (the Authority for Consumer and Markets).¹²⁰

Collective switching campaigns were organised in **12 out of 30 countries**. The latest report of BEUC (2017)¹²¹ makes note of switching campaigns in Austria, Belgium, the Czech Republic, Denmark, France, Italy, Portugal, Slovenia, Spain, the Netherlands and the UK. Most collective switching campaigns were organised by consumer organisations over the course of 2012 to 2016. The figure on the next page illustrates which initiatives were organised, by date, number of consumers who switched and total savings. In the regulator survey, the Polish regulator also reported to have organised a collective switching campaign.¹²²

In six countries, the regulator reported that an **awareness campaign** was organised: Germany (the Federal Network Agency), Estonia (the Estonian Competition Authority), Luxembourg (organised by the Institut Luxembourgeois de Régulation during the Oeko-Foire in Luxembourg, press communications and articles were published in the written press), Romania (organised by the Autoritatea Nationala de Reglementare in domeniul Energiei), Sweden (organised by the Swedish Energy Markets Inspectorate) and the UK (the national regulator published advertisements to encourage customers to switch and save energy).

Specific initiatives and non-binding measures were reported in two countries. In Germany, the regulator indicated that energy suppliers must provide information on switching to consumers in contracts. In the stakeholder consultation, an Italian consumer association mentioned that Italian consumer associations and the regulator organised a debate about relevant matters for consumers regarding electricity and gas and contributed to consultations aimed at introducing new authority declarations for switching methods and switching frequency.

¹¹⁶ CWAPE, 2011-2014. 'Changer de fournisseur' page (Accessed: 11.2017). Accessed November 2017. Available at <http://www.cwape.be/?dir=2.1.05>

¹¹⁷ ERU, 'Často kladené dotazy' (Accessed: 11.2017). Available at <https://www.eru.cz/cs/elektrina/casto-kladene-dotazy#4>

¹¹⁸ Energie-info, practical guide on switching procedure (Accessed: 11/2017). Available at <http://www.energie-info.fr/Fiches-pratiques/Je-change-de-fournisseur/Je-souhaite-changer-de-fournisseur-d-electricite-ou-de-gaz-naturel>

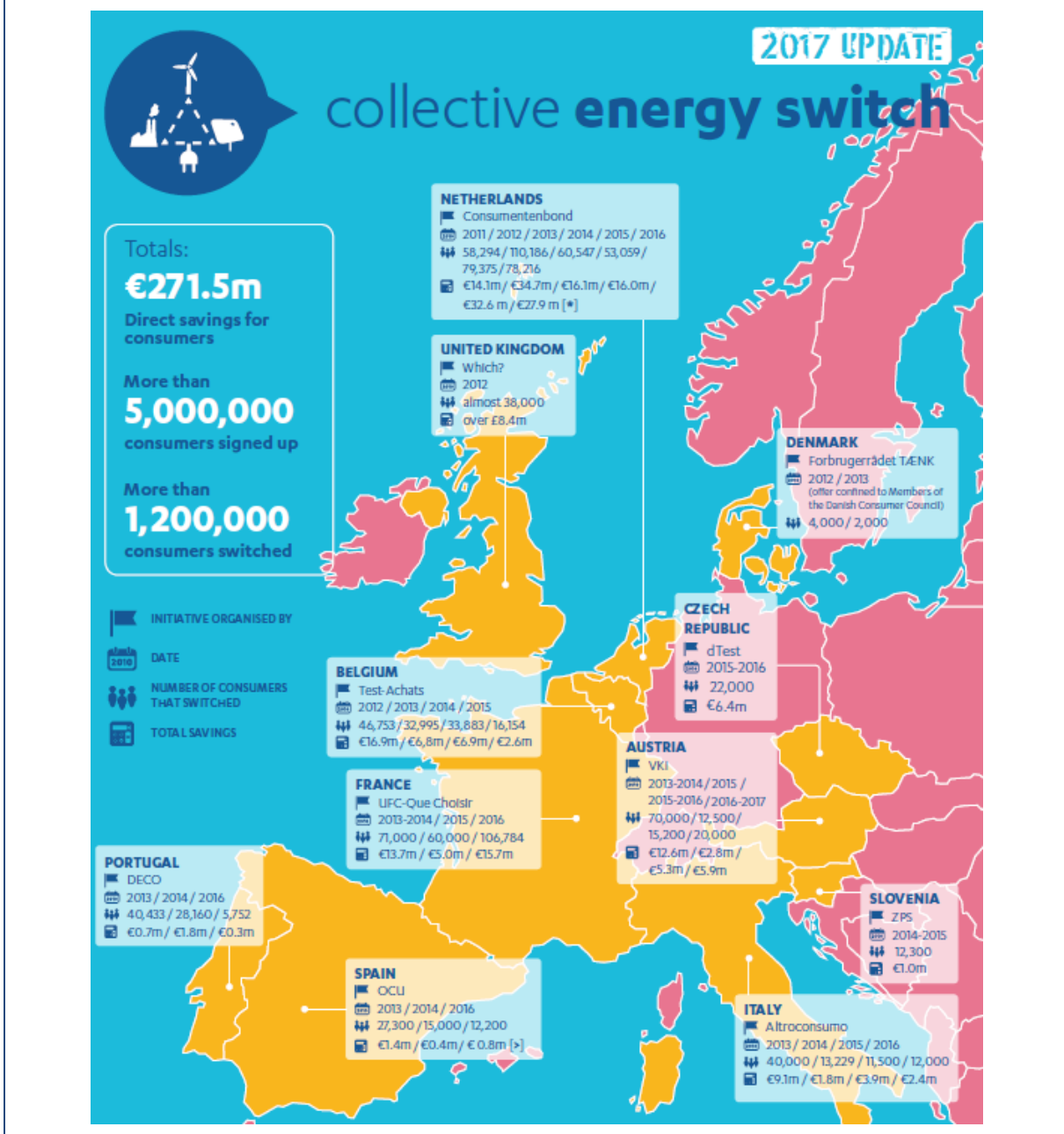
¹¹⁹ ILR, 2017. 'Libre choix du FOURNISSEUR'. Accessed November 2017. Available at <https://assets.ilr.lu/energie/Documents/ILRLU-1685561960-93.pdf>

¹²⁰ ACM, 2017. 'Provision of information in the consumer energy market'. Accessed November 2017. Available at https://www.acm.nl/sites/default/files/old_publication/publicaties/15991_informatievoorziening-energie-spelregels-en.pdf

¹²¹ BEUC, 2017. 'Collective energy switch'. Accessed November 2017. Available at: http://www.beuc.eu/publications/beuc-x-2017-074_collective_energy_switch_factsheet_2017.pdf

¹²² Energiarazem, 2015-2016. 'Akcja Energia Razem 2015/2016 dobiegła końca!'. Accessed November 2017. Available at <http://www.energiarazem.org/>

Figure 43: Collective switching campaigns (BEUC 2017 update)



Source: BEUC, 2017. 'Collective energy switch'

The regulator survey's responses show that, in five countries, energy suppliers must provide information on switching procedures via their website. As part of Main Task 3, researchers verified whether energy suppliers indeed provide information on their website (sample of up to six suppliers analysed per country). The table below presents the number of energy suppliers that display **information on switching on their websites**. In total, data has been collected for 151 suppliers active in 28 countries (excluding Malta and Cyprus, as switching is not possible in these countries).

Although few countries seem to have requirements about publishing switching information on energy suppliers' websites, the results of this exercise show that only in Iceland, none of the suppliers sampled had information on switching procedures on their websites. In Belgium, Finland, Ireland, the Netherlands, Romania, Sweden and Slovakia, all of the sampled suppliers' websites contained information on switching. In the remaining countries, some suppliers seemed to publish switching information on their website, while other did not.

Table 49: Information displayed on websites in relation to switching procedures

	% of suppliers sampled that information on switching on their website	Number of suppliers sampled that provide information on switching on their website
AT	83%	5 out of 6
BE	100%	6 out of 6
BG	25%	1 out of 4
CZ	83%	5 out of 6
DE	67%	4 out of 6
DK	67%	4 out of 6
EE	33%	1 out of 3
EL	80%	4 out of 5
ES	83%	5 out of 6
FI	100%	6 out of 6
FR	67%	4 out of 6
HR	67%	4 out of 6
HU	83%	5 out of 6
IE	100%	6 out of 6
IT	60%	3 out of 5
LT	33%	2 out of 6
LU	67%	4 out of 6
LV	75%	3 out of 4
NL	100%	7 out of 7
PL	67%	4 out of 6
PT	50%	1 out of 2
RO	100%	4 out of 4
SE	100%	6 out of 6
SI	83%	5 out of 6
SK	100%	6 out of 6
UK	83%	5 out of 6
IS	0%	0 out of 3
NO	50%	3 out of 6
Total	75%	113 out of 151

Note: In Cyprus and Malta, switching is not possible.
Source: Main Task 3 Data collection exercise

In Section 5.4.2, it was noted that 17% of survey respondents across the EU28 replied that they reviewed their energy bill to find information to be able **to compare prices and switch to a better offer**. As part of Main Task 3, researchers reviewed example bills published on the website of energy suppliers (a sample of up to six suppliers per country), to assess whether these bills contain information about switching procedures.

The table below presents for each country: (i) whether minimum requirements on switching information in energy bills is required by national legislation; and (ii) number of energy suppliers that provide information to consumers about switching **in their energy bill**. In total, data has been collected from 96 suppliers across 26 countries (excluding Malta and Cyprus, as switching is not possible in these countries, and excluding Latvia and Lithuania, because none of the sampled suppliers provided example bills on their website).

Only 8 out of 28 countries (29%) include as a minimum requirement in the national legislation that national energy suppliers shall provide information on switching in their energy bills.¹²³ However, as can be seen from the table on the next page, few suppliers in

¹²³ The details of these requirements can be found in Table 2 in the Annex with supplementary tables.

these countries comply with this requirement. In total, across all sample bills analysed, just 24% contained information about switching.

Analysing where in the energy bill **elements necessary for switching are placed**, it is noted that this is mentioned:

- On the last page, which covered 'information about the contract'; and
- On the first / second page of the bill, which covered 'where can I find information about my contract conditions and current products'.

Table 50: Information displayed in bills in relation to switching procedures		
	Minimum requirements on switching information in bills is required by national legislation	Number of analysed suppliers that provide information regarding switching in their bills
AT	No	2 out of 5
BE	No	1 out of 2
BG	Yes	0 out of 2
CZ	No	3 out of 3
DE	No	1 out of 5
DK	Yes	4 out of 6
EE	No	0 out of 1
EL	No	0 out of 3
ES	No	5 out of 6
FI	No	0 out of 4
FR	No	0 out of 4
HR	Yes	0 out of 2
HU	No	0 out of 5
IE	No	0 out of 5
IT	Yes	0 out of 5
LU	Yes	0 out of 3
NL	No	0 out of 6
PO	No	0 out of 5
PT	No	2 out of 2
RO	No	0 out of 1
SE	Yes	0 out of 4
SI	No	2 out of 4
SK	No	0 out of 4
UK	Yes	2 out of 4
IS	No	1 out of 1
NO	Yes	0 out of 2
Total	8 (29%) out of 26 countries	23 (24%) out of 94 suppliers

Note: Malta and Cyprus are excluded since switching is not possible in these countries. Information on requirements on bill content set in the national legislation can be found in Table 2 in the Annex with supplementary tables)

Source: Main Task 3 Data collection exercise

6.2 Promoting switching via bill design, content and terminology used

6.2.1 Design process for 'switch-or-stay' stage of the behavioural experiment

The 'switch or stay' task tests the clarity and comparability of bills and pre-contractual material, as well as consumer switching behaviour.

Participants were given information about their energy consumption profile, and instructed to choose the cheapest deal for their profile, which could be the deal they were currently on or an alternative deal in the experiment. Below is the sequence of the switch-or-stay stage:

1. Participants were shown a mocked-up bill, and asked whether they would like to compare alternative deals, or 'stay' with their original deal without switching. Each respondent was shown only one bill design in the switch-or-stay stage.
2. If participants chose to compare alternative deals, they were shown a screenshot of a price comparison tool (PCT) with alternative deals.
3. Participants then decided whether they would like to 'stay' with their original deal, or 'switch' to one of the alternatives.

Participants were allocated to one of two randomisation groups: where it was optimal for participants to stay with their current deal, and one where it was optimal for participants to switch. This randomisation was used because in the 'real world', it will sometimes be optimal for consumers to remain with their current deals, and sometimes it is optimal for consumers to switch.

Before participants began the switch-or-stay stage, they were also randomly allocated to one of the following treatments:

- **Bill design** – the behavioural experiment tested the following five bill design variants:
 - 'Best practice' bill version 1 (BP1), with simple design, framing of key information, comparability box on page 1 with key information to compare and switch e.g. personal projection, energy consumption for last 12 months. The best practice bills are all based on examples of different bills found in the desk-based review, as well as consultation with EC DG JUST and the JRC.
 - 'Best practice' bill version 2, which was the same as BP1 but with the comparability box on page 2
 - 'Best practice' bill version 3, which was the same as BP1, but with salient information on total price and personal price projection, while the comparability box had a detailed price presentation that presents a breakdown of all price components
 - 'Best practice' bill version 4, which was the same as BP1, but with more complex price presentation and with total price and personal projection less salient in the comparability box. That is, with detailed price breakdown presented above the total price in the comparability box
 - 'Current market practice' bill based on examples of bills found in the desk-based review: there is no comparability box i.e. information related to personal projection is NOT on first page; information is scattered through the bill; and complex price presentation. Please note that the 'Current Market' practice bill is based on a number of different bills, and is not meant to represent the bills of any particular supplier or Member State.
- **Comparison prompt** – participants were either shown a prompt to compare deals on page 1 of the bill, or not

- **Exit fees:** participants were either allocated to deals where they had to pay exit fees to terminate their contract early, or exit fees were equal to zero (see Section 4.4.3 for a discussion of the findings related to exit fees);¹²⁴
- **Standardisation of language on PCT:** participants were either shown PCTs with standardised language/phrases compared to their bills, or PCTs with different language/phrases compared to their bills;
- **Real effort task:** participants were either shown alternative deals by clicking on a button (low real effort), or had to first answer a number of questions about their bill in order to be shown alternative deals (high real effort). In addition, if participants were in the 'high real effort' treatment, they needed to answer all questions about the energy bill shown to them correctly in order to see alternative deals for their actual consumption profile, as opposed to deals for an estimated consumption profile. This design mirrors the real market where consumers can either provide an actual reading/usage for the last 12 months, or consumption is estimated using other characteristics (e.g. number of rooms or people living at the address).

6.2.2 Experiment findings relating to bill design


Participants who were shown the 'best practice' bills (especially with the comparability box on page 1) were expected to choose the cheapest deal more often than participants shown the 'current market practice' bill. This is because the 'best practice' bills were designed to simply and clearly group information relevant to comparing deals and switching in one place, in a 'comparability box'. In contrast, the 'current market practice' bill had information relevant to switching scattered about the bill, and information was not grouped or saliently marked.

In addition, it is often difficult for consumers to find relevant information on the bill about energy consumption needed to make a comparison with the PCT. For example, energy consumption for the past month may be displayed prominently on a consumer's bill, but PCTs may present deals to the consumer based on energy consumption for the past 12 months. Therefore, for the purposes of the objective deal choice task, the bill design treatments varied how easily consumers can find and understand their consumption profile and their personal projection.

¹²⁴ The amount of exit fees were not varied in the 'switch or stay' stage – participants were either charged exit fees, or not.

For example, a participant who was shown the 'Best practice' bill version 1 (BP1), with the comparability box on page 1, would be shown something like the following. The comparability box with information relevant to switching is highlighted with a red box (note that the red box is for purposes of illustration and participants would be shown the bill without the red outline). Information especially relevant to comparing deals is in bold text at the top of the comparability box.

Figure 44: Mock-up of page 1 of the best practice (BP1) bill: Comparability box on page 1



Bill date:
15 Oct 2016

Bill period:
13 Jul 2016 - 14 Oct 2016

Customer name and address:
Ms SAMPLE EXAMPLE
18 Example Street, XY 11 23

Customer reference number:
11 23 58 13 21 34

Supply Number:
5589144342113

Households like yours could **save up to €XX per year** by switching

Your electricity bill

You owe
€60.30

Due by
02 NOV

See next page for how your bill is calculated

Could you save money by switching?

Your actual usage in the last 12 months	3000 kWh
Your 12 months personal projection ⓘ	€XX.XX
Amount you spent last year on electricity	€XX.XX
Information needed to switch	
Duration of your contract	2 years
End date of your contract	15 Dec
Exit fees (if you switch before the End date)*	€0.00
Advance notice for cancellation	15 Nov
Switching Code ⓘ	112358
*If you are thinking of switching suppliers, call us first at 0800 22 65 65	

Getting in touch

To manage your account online visit (<http://www.ecolectricity.eu/your-account>) or call (0800 22 65 65 , open 24 hours a day)

To submit a meter reading visit (<http://www.ecolectricity.eu/meter-reading>) or call (0800 22 65 65)

For more help visit (<http://www.ecolectricity.eu/help>) or call (0800 22 65 65)


To find out about your rights and settlement in the event of a dispute visit (<http://www.ecolectricity.eu/dispute>)

To make a complaint call (0800 22 65 65)

Source: Main Task 5 Behavioural experiment

A participant shown the 'current market practice' bill was shown the same information, but elements were ungrouped and scattered about the bill.

Figure 45: Mock-up of page 1 of the current market practice bill: scattered information, some relevant information on page 1



Ecoelectricity

Customer name and address:
Ms SAMPLE EXAMPLE
18 Example Street, XY 11 23

Customer reference number:
11 23 58 13 21 34

Supply Number:
5589144342113

Households like yours could **save up to €XX per year** by switching

Bill date:
15 Oct 2016


Bill period:
13 Jul 2016 - 14 Oct 2016

Due by
02 NOV

Your electricity bill	
Electricity used over last 94 days	XX kWh
Unit charge per kWh	€XX.XX
Charge for using electricity	€XX.XX
Fixed electricity supply cost	€XX.XX
Other taxes	€XX.XX
VAT (X%)	€XX.XX
You owe	€XX.XX
Your 12 months personal projection ⓘ	€XX.XX

What is a kilowatt-hour?
A kilowatt hour lets you:

Run your desktop PC for 3 hours



Getting in touch

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To submit a meter reading visit (<http://www.ecoelectricity.eu/meter-reading>) or call (0800 22 65 65)

For more help visit (<http://www.ecoelectricity.eu/help>) or call (0800 22 65 65)

To find out about your rights and settlement in the event of a dispute visit (<http://www.ecoelectricity.eu/dispute>)

To make a complaint call (0800 22 65 65)

Source: Main Task 5 Behavioural experiment

Figure 46: Mock-up of page 2 of the current market practice bill: scattered information, some relevant information on page 2



Ecoelectricity

Some information about my tariff

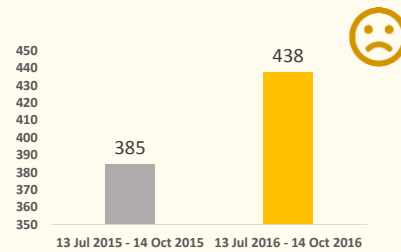
Tariff name	Mytariff
Payment method	Direct debit
Switching Code 	112358
Fixed or variable rate tariff?	Fixed
Duration of your contract	2 years
End date of your contract	15 Dec
Advance notice for cancellation	15 Nov
Exit fees (if you switch before the end date)*	€0.00
Amount you spent last year on electricity	€xx.xx

*If you are thinking of switching suppliers, call us first at 0800 22 65 65

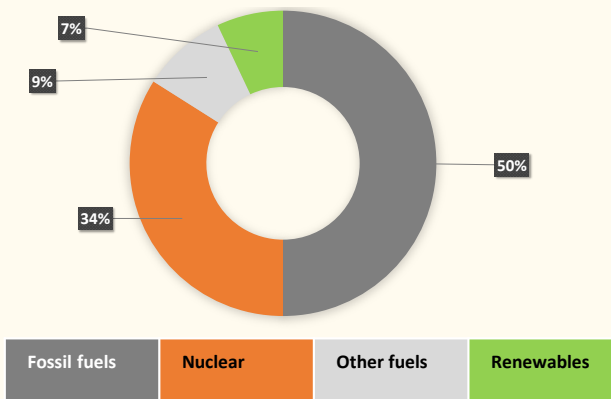
Your actual energy usage in the last 12 months was 3000 kWh

Your energy usage in kWh

You are using **more** energy than you did at the same time last year



The fuel mix of the electricity you use



For information on the environmental impact of your energy, visit (<http://www.ecoelectricity.eu/fuel-mix>) or call (0800 22 65 65)

Source: Main Task 5 Behavioural experiment

The following table shows the **proportion of participants comparing deals, and choosing the cheapest deal**. Overall, 59% of participants compared deals, and 51% chose the cheapest deal (Table 51). There was no significant difference between bill design treatments regarding whether participants compared deals, or whether they chose the cheapest deal.^{125 126}

However, in the simulated environment of the behavioural experiment, participants may be more likely to compare deals, pay attention and search for the information they require in their bills than in real life. Therefore, the impact of bill design on decision making may be higher in a real life environment, where consumers have many competing demands for their attention and there may be more value to having relevant information in one place. This hypothesis is in line with the laboratory experiment focus group results. Participants observed that in real life, neither bills nor PCTs had information in a comparable format, which was a barrier for them to compare deals.

Table 51: Proportion of participants comparing alternative deals and choosing cheapest deal in switch-or-stay stage, by treatment group			
Treatment group	Treatment variant	Proportion of participants comparing alternative deals (%)	Proportion of participants choosing cheapest deal (%)
Bill design	Best practice bill version 1	59	51
	Best Practice bill version 2	61	48
	Best Practice bill version 3	57	51
	Best Practice bill version 4	58	50
	'Current Market' practice	59	53
Comparison prompt	Comparison prompt on page 1	59	50
	No comparison prompt on page 1	59	51
Exit Fees	Participants do not pay exit fees to leave their contract early	59	50
	Participants pay exit fees to leave their contract early	58	51
Standardisation of language on PCT	Language on PCT standardised with respect to bill	-	50
	Language on PCT not standardised relative to bill	-	51
Average (%)		59	51

Note: Results for proportion of participants comparing alternative deals are not shown for the treatments relating to standardisation of language on PCT. This is because participants were only shown PCTs if they made the decision to compare in the first place. The table combines results for the online and laboratory experiment. Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia.

Statistically significant differences are indicated with bold rows and asterisks. ***=99%. **=95%. *=90%.

Source: Main Task 5 Behavioural experiment

Moreover, the focus group in Germany and Slovenia suggests that in real life some aspects of the best practice bills would make it easier for some vulnerable groups to compare deals. For example, many participants reported they would find it easier to compare deals if they had a homogeneous structure of the comparable figures at one glance. Some vulnerable groups (e.g. lower educated, having difficulty paying bills) pointed out that they have difficulty comparing deals when information is presented in a non-standardised manner. Participants from these vulnerable groups were also less likely to compare deals if they

¹²⁵ In addition, participants who viewed their bill again were significantly more likely to choose the cheapest deal. 47% of participants who did not view their bill again chose the cheapest deal, compared to 56% of participants who viewed their bill again at least for a second time.

¹²⁶ 75% of participants who began the experiment with the cheapest available deal selected the cheapest deal, compared to 27% of participants where an alternative deal was the cheapest. The difference was statistically significant at 95%. This is because overall participants tended to stick with the deal they started with – 67% of participants stayed with their original deal. However, as expected, participants whose current deal was the cheapest deal were significantly more likely to remain with their deal (74%) compared to participants whose current deal was an alternative (62%).

were shown the 'current market practice' bill compared to the best practice bills (see **Error! Reference source not found.** in the Annex with supplementary tables), although the difference is not statistically significantly different from zero. And indeed, in the billing stage of the behavioural experiment, participants understood bill elements significantly better when shown the 'best practice' bill and also subjectively rated the 'best practice' bill as easier to understand than the current market practice bill (see Section 5.5.2).

Impact of risk attitudes

Participants may remain with their current deal because they are biased towards the status quo, or because they believe that their current deal is the cheapest even without comparing alternative deals (50% of experiment participants who did not compare deals answered that they believed that their current deal was the cheapest). However, another reason that consumers are unwilling to switch to alternative deals is that they may be risk-averse. As discussed earlier, risk-loving participants tended to be more willing to switch at high exit fee levels compared to relatively risk-averse participants (see Table 26 in Section 4.4.2).

The 'switch-or-stay' stage did not find that risk-loving participants were more or less likely to stay with their current deal, compared to relatively risk-averse participants. However, relatively risk-loving participants were statistically significantly more likely to stay with their current deals without comparing deals i.e. to 'gamble' that their current deal was the cheapest without acquiring information about alternative deals.

Table 52: Proportion of participants comparing deals and switching to alternative deals by risk aversion		
	Relatively risk-averse participants	Relatively risk-loving participants
Comparing deals	61	55***
Switching to alternative deals	68	68

Note: Statistical significance levels are given as follows: ***=99%; ** = 95%; * = 90%. The table combines results for the online and laboratory experiment. Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia.
Source: Main Task 5 Behavioural experiment


6.2.3 Experiment findings relating to comparison prompts

Previous studies (e.g. the 2nd Electricity Market Study¹²⁷) have found that inertia plays a substantial role in preventing consumers from searching for alternative deals and therefore choosing the cheapest deal. Therefore, the 'switch-or-stay' stage tested whether participants were likelier to search for alternative deals if they received a **switching prompt in their bill**. These prompts were separate from the presence, location or content of a comparability box and were designed to test whether participants were likelier to compare deals if they receive a prompt to do so. For example, *households who compare the market save up to €X per year*.

¹²⁷ Available at: http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=53331

For example, if participants were shown a bill with the comparability box and prompt to compare on page 1, the comparison prompt on the first page of the bill would look like the following figure. The comparison prompt is marked with a red box (for purposes of illustration, participants were shown the comparison prompt without a red outline).

Figure 47: Mock-up of page 1 of the 'current market practice; bill: Comparison prompt on page 1



Ecoelectricity

Customer name and address:
Ms SAMPLE EXAMPLE
18 Example Street, XY 11 23

Customer reference number:
11 23 58 13 21 34

Supply Number:
5589144342113

Households like yours could **save up to €XX per year** by switching

Bill date:
15 Oct 2016


Bill period:
13 Jul 2016 - 14 Oct 2016

Due by
02 NOV

Your electricity bill	
Electricity used over last 94 days	XX kWh
Unit charge per kWh	€XX.XX
Charge for using electricity	€XX.XX
Fixed electricity supply cost	€XX.XX
Other taxes	€XX.XX
VAT (X%)	€XX.XX
You owe	€XX.XX
Your 12 months personal projection [?]	€XX.XX

What is a kilowatt-hour?
A kilowatt hour lets you:

Run your desktop PC for 3 hours



Getting in touch

To manage your account online visit (<http://www.ecoelectricity.eu/your-account>) or call (0800 22 65 65, open 24 hours a day)


To submit a meter reading visit (<http://www.ecoelectricity.eu/meter-reading>) or call (0800 22 65 65)
For more help visit (<http://www.ecoelectricity.eu/help>) or call (0800 22 65 65)

To find out about your rights and settlement in the event of a dispute visit (<http://www.ecoelectricity.eu/dispute>)
To make a complaint call (0800 22 65 65)

Source: Main Task 5 Behavioural experiment

However, if there is no comparison prompt, page 1 of the otherwise identical bill would look like this:

Figure 48: Mock-up of page 1 of the 'current market practice' bill: No comparison prompt



Ecoelectricity

Customer name and address:
Ms SAMPLE EXAMPLE
18 Example Street, XY 11 23

Customer reference number:
11 23 58 13 21 34

Supply Number:
5589144342113

Bill date:
15 Oct 2016

Bill period:
13 Jul 2016 - 14 Oct 2016


Due by
02 NOV

Your electricity bill

Electricity used over last 94 days	XX kWh
Unit charge per kWh	€XX.XX
Charge for using electricity	€XX.XX
Fixed electricity supply cost	€XX.XX
Other taxes	€XX.XX
VAT (X%)	€XX.XX
You owe	€XX.XX
Your 12 months personal projection (i)	€XX.XX

What is a kilowatt-hour?
A kilowatt hour lets you:

Run your desktop PC for 3 hours



Getting in touch

To **manage your account online** visit (<http://www.ecoelectricity.eu/your-account>) or call (0800 22 65 65, open 24 hours a day)

To **submit a meter reading** visit (<http://www.ecoelectricity.eu/meter-reading>) or call (0800 22 65 65)

For more **help** visit (<http://www.ecoelectricity.eu/help>) or call (0800 22 65 65)

To find out about your **rights** and settlement in the event of a dispute visit (<http://www.ecoelectricity.eu/dispute>)

To make a **complaint** call (0800 22 65 65)

Source: Main Task 5 Behavioural experiment

Table 50 (in the previous section) shows that there was no significant difference between bill design treatments with and without comparison prompts regarding whether participants compared deals, or whether they chose the cheapest deal.

However, in the focus groups in Germany and Slovenia, many participants believed that comparison **prompts (notifying customers if a cheaper tariff is available)** could help them. In Slovenia, consumers observed that suppliers currently do not provide this information; as such, consumers need to be proactive and pay attention when and if their supplier has new promotional deals.

"This would be great, since you forget about other deals as soon as the switching is done; it would be a very favourable practice. It also means I would not think less about seeking and switching among suppliers." (Slovenia, participant in a 'general public' group)

In Germany, some group participants noted that this information is already offered by some suppliers and participants saw it as being positive. However, they disliked the fact that this information was usually provided by the supplier after they had been notified of a customer's intention to terminate the contract. This information should be provided proactively by all suppliers.

"What I would like is that the supplier would point out if they offer different deals which suit me better." (Germany, participant in a group with low-income consumers)

Focus group participants also supported the initiative to include **prompts in energy bills when a fixed term contract is about to expire**.¹²⁸ Participants observed that suppliers do not send this type of reminders and some participants had only realised that their contract had expired, after they had paid the annual account, and when it is too late to change without a penalty.

"I noticed after a few months that my electricity bill was higher than usual. And then I remembered, my contract had indeed expired at that time." (Slovenia, participant from a 'general' public group)

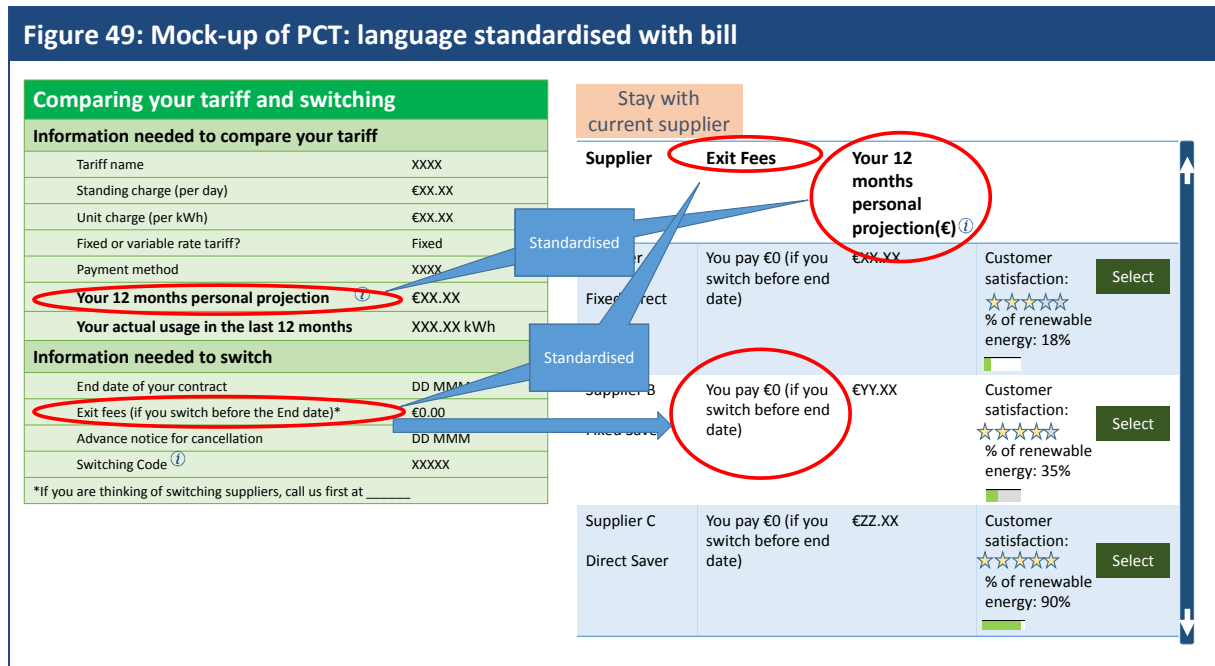
6.2.4 Treatments relating to standardising terminology used in bills and PCTs

The 'switch-or-stay' stage built on previous research by testing whether participants were more likely to choose the cheapest deal, if **PCTs had standardised language relative to their energy bills**. One might expect participants to be better able to understand information relevant to comparing deals, if the language between the energy bill and PCT were standardised. The mapping exercise of PCTs suggests that PCTs use non-standardised terminology for a number of features of an energy deal (see Section 3.4.1).

For the purposes of the objective deal choice in the 'switch-or-stay' stage, two features were of particular relevance: language used to describe exit fees, and language used to describe the 12 months' personal projection. Participants needed to be able to understand the information relating to these features in order to assess whether their current deal was cheapest, or whether an alternative deal was cheapest. Therefore, the 'switch-or-stay' stage varied the terms used for exit fees and 12 months' personal projection in the PCTs. Half of the participants were shown a PCT where language was standardised relative to their energy bill, and half were shown a PCT that used different terminology compared to their energy bill.

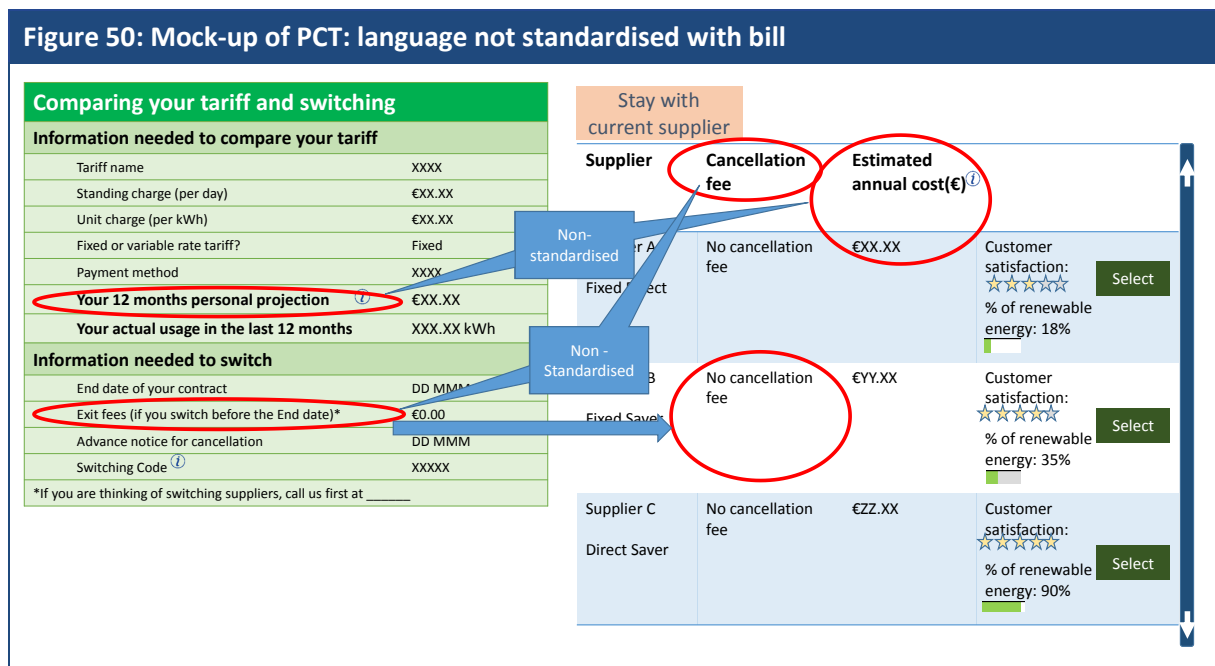
¹²⁸ If a customer enters into a fixed term contract and does not actively end the contract at the end of the contract term, in many countries, the contract will be automatically renewed for the same term.

For example, if language on the PCT was standardised with the energy bills, the language used for exit fees and 12 months' personal projection was the same on both bills and PCTs. The comparison between bills and PCTs might look like the following:



Source: Main Task 5 Behavioural experiment

If language was not standardised with the bills, the PCT would look like the following:



Source: Main Task 5 Behavioural experiment

The results of the 'switch-or-stay' stage of the behavioural experiment, however, suggested that the language used in PCTs and bills did not have a significant impact on participants' probability of comparing alternative deals or choosing the correct deal (see Table 51 in the previous section). However, there was one exception: 56% of **participants with 'low' internet use** chose the correct deal if they compared alternative deals and language on PCTs were standardised relative to bills, relative to 47% of those who were shown PCTs where language was not standardised (see Table 4 in the Annex with supplementary tables).

6.2.5 Treatments relating to the use of QR codes in energy bills

Initial desk-based review of billing and PCT practices across Member States suggested that the key to comparability and choice of cheapest deal lies in how easily consumers can find their energy consumption and personal projection. This is because PCTs (e.g. uSwitch in the UK) will use information regarding consumers' energy consumption in order to devise personal projections and therefore present deals to them.

If consumers do not have their energy consumption to hand, consumption is estimated using other characteristics (e.g. number of rooms or people living at the address). This means that if consumers do not know their energy consumption, they may not be directed to the cheapest deals for their particular consumption profile and thus may not make the optimal choice.

In the UK, the use of QR (Quick Response) codes in energy bills was introduced in 2014.¹²⁹ The QR codes contain all the information needed to compare and switch energy suppliers – such as tariff name, tariff rates, consumption level, etc. By scanning the QR code in a QR code app, PCTs (such as uSwitch) provide consumers with an instant, customised energy comparison.

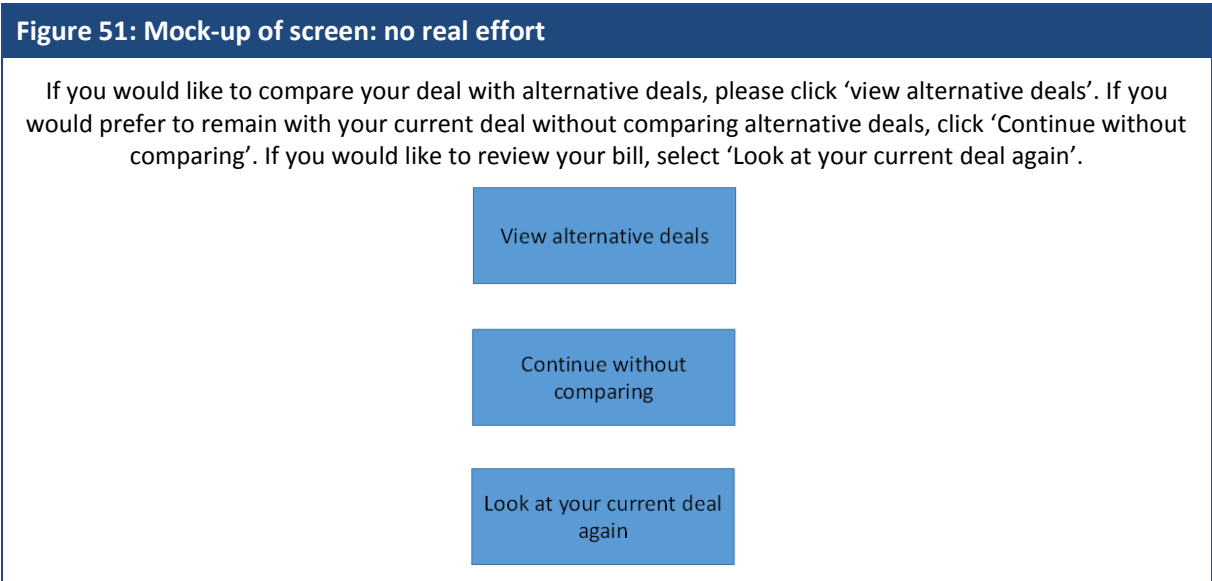
In the behavioural experiment, 50% of participants were shown alternative deals by clicking on a button (low real effort), while the remaining 50% had to first answer a number of questions about their bill in order to be shown alternative deals (high real effort).

The **high real effort task** simulates the situation where participants need to search for information related to e.g. energy consumption and their estimated costs in order to compare deals on PCTs. Participants in the 'high real effort' treatment had to look for their energy consumption in the bill, their personal projection over the next 12 months, whether they were on a fixed or variable rate tariff, and their payment method in the mocked-up bill, before being shown alternative offers. Participants who answered all questions correctly were shown alternative deals for their actual consumption profile, while those who did not answer all questions correctly were shown deals for an estimated consumption profile.

The **low effort treatment** simulates the presumed lower search costs of a QR code app linked to a PCT, and participants always saw alternative deals for their actual consumption profile (without having to look for information in the mocked-up bill and answering questions correctly).

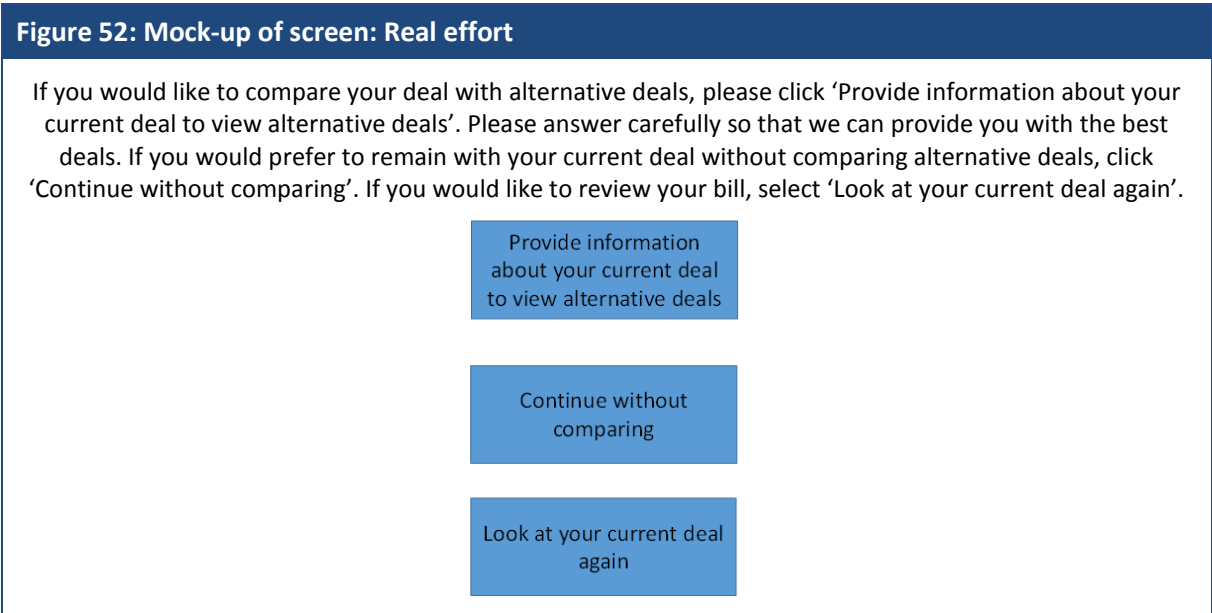
¹²⁹ For more information, see: <https://www.gov.uk/government/news/qr-codes-on-energy-bills-put-consumers-in-control>

For example, if participants were allocated to a treatment where there is no real effort, the screen would look like this:



Source: Main Task 5 Behavioural experiment

If participants were allocated to a treatment where they must perform Real effort, the screen would look like the following:



Source: Main Task 5 Behavioural experiment

A slim majority (54%) of participants who needed to answer questions to view alternative deals chose to compare deals versus 63% of participants who only needed to click a button to view alternative deals (see Table 51).

Similarly, participants who had to perform the real effort task were less likely to choose the cheapest deal: 46% of participants who had to carry out real effort to compare deals chose the cheapest deal, compared to 55% of participants who did not need to perform real effort. In both cases, the difference in proportion is statistically significant at 99%. This effect was generally consistent across socio-demographic groups and country groups (see **Error! Reference source not found.** in the Annex with supplementary tables).

Table 53: Proportion of participants comparing alternative deals and choosing cheapest deal in switch-or-stay stage, by treatment group (real effort variant)

Treatment group	Treatment variant	Proportion of participants comparing alternative deals (%)	Proportion of participants choosing cheapest deal (%)
Real effort	No real effort to view alternative deals	63***	55***
	Real effort to view alternative deals	54	46
Average		59	51

Note: Results for proportion of participants comparing alternative deals are not shown for the treatments relating to standardisation of language on PCT. This is because participants were only shown PCTs if they made the decision to compare in the first place. The table combines results for the online and laboratory experiment. Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia.

Statistically significant differences are indicated with bold rows and asterisks. ***=99%. **=95%. *=90%.

Source: Main Task 5 Behavioural experiment

There are two reasons that higher real effort may be linked to a lower probability of choosing the cheapest deal. First, participants who needed to perform real effort were significantly less likely to compare alternative deals (see Table 53). As these participants did not compare deals at all, they were (obviously) less likely to be able to find the cheapest deal.¹³⁰

Secondly, even if participants did choose to compare alternative deals, they may have found it difficult to find the information they needed. In follow-up questions, participants who chose to compare alternative deals were asked whether they thought it was easy to compare deals. Table 54 shows that 28% of participants who had to perform real effort indicated that they thought it was 'very' or 'rather' difficult, compared to 23% of participants who did not have to perform real effort. The difference is statistically significant at 99%.

¹³⁰ Unless their starting deal was the cheapest deal for them.

Table 54: Proportion of participants indicating they thought it was difficult to compare deals, by treatment group

Treatment group	Treatment variant	Proportion of participants indicating that they thought it was difficult to compare deals (%)
Bill design	Best practice bill version 1	27
	Best Practice bill version 2	25
	Best Practice bill version 3	25
	Best Practice bill version 4	28
	'Current Market' practice	23
Comparison Prompt	Comparison prompt on page 1	25
	No comparison prompt on page 1	26
Exit Fees	Participants do not pay exit fees to leave their contract early	24
	Participants pay exit fees to leave their contract early	27
Standardisation of language on PCT	Language on PCT standardised with respect to bill	25
	Language on PCT not standardised relative to bill	26
Real effort	No real effort to view alternative deals	23***
	Real effort to view alternative deals	28
Average (%)		26

Note: N (online behavioural experiment) = 5,967. N (laboratory experiment) = 170 (participants who chose to compare deals). Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia.

Statistically significant differences are indicated with bold rows and asterisks. ***=99%. **=95%. *=90%.

Source: Main Task 5 Behavioural experiment

When analysing by country group and potentially vulnerable groups, the results indicate that a higher proportion of potentially vulnerable participants tended to report that it was difficult to compare alternative deals when they had to perform real effort. However, the difference was not statistically significant except in the case of economically inactive participants (Table 55).

Table 55: Proportion of participants finding it difficult to compare alternative deals, by treatment, country group and potentially vulnerable groups

	Bill design					Comparison prompt		Exit fees		Standardisation of language		Real effort		
	Best Practice bill version 1	Best Practice bill version 2	Best Practice bill version 3	Best Practice bill version 4	'Current Market' practice	Comparison prompt on page 1	No comparison prompt on page 1	Participants do not pay exit fees to leave their contract early	Participants pay exit fees to leave their contract early	Language on PCT standardised with respect to bill	Language on PCT not standardised relative to bill	No real effort to view alternative deals	Real effort to view alternative deals	Average
Comparing alternative deals: Proportion of participants indicating that they thought it was difficult to compare deals (%)														
Country group														
EU15	30	28	27	31	23	28	28	27	29	27	29	25***	32	28
EU13	21	20	22	22	22	21	22	20	23	22	21	20	23	21
Age														
Below 65 years	27	24	25	28	23	25	26	24	27	25	26	23***	28	25
65 years and over	27	31	29	25	22	28	26	26	27	26	28	25	29	27
Economic activity														
Economically active	26	26	25	27	24	24	27	24	27	25	26	24**	28	25
Economically inactive	28	19	28	31	17	25	24	26	24	21	29	18***	32	26
Educational level														
Medium or high education	28	25	25	28	23	25	26	25	27	25	26	23***	28	26
Low education	18	29	32	21	17	22	25	24	23	22	25	20	28	24
Subjective income														
No difficulty making ends meet	22	23	22	26	22	22	24	21	25	23	23	19***	27	23
Difficulty making ends meet	35	29	31	30	23	31	28	30	29	29	30	28	31	30
Use of internet														
Low	31	31	27	30	22	28	28	27	30	28	29	28	29	28
Medium	27	25	25	28	24	25	27	24	27	25	26	23***	29	26
High	18	16	22	20	18	23	15	20	17	19	18	15	23	19

Note: Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The table indicates rows where participants shown the 'best practice' bill answered questions correctly significantly more or less frequently than participants shown the 'current market practice' bill. ***=99%. **=95%. *=90%.

Source: Main Task 5 Behavioural experiment

In addition, participants who chose to compare deals were asked follow-up questions exploring their reasons. Participants in the 'low real effort' treatment were statistically significantly more likely to respond that it was easy to find the information that they needed to compare deals. They were also statistically significantly more likely to indicate that it was easy to understand information in their bills and PCT (Table 56), although bill design and PCT design did not have a significant impact on participants indicating that they compared deals because they found their bills, or the PCT, easy to understand.

Table 56: Proportion of participants indicating reasons for comparing deals in switch-or-stay stage, by treatment group					
Treatment group	Treatment variant	I could easily find the information I needed to compare deals	I thought there may be a cheaper alternative deal	I could easily understand the information on my bill	I could easily understand the information on the PCT
Bill design	Best practice bill version 1	30	64	24	26
	Best Practice bill version 2	31	64	28	26
	Best Practice bill version 3	31	62	25	26
	Best Practice bill version 4	30	66	23	23
	'Current Market' practice	29	66	29	25
Comparison prompt	Comparison prompt on page 1	31	65	25	26
	No comparison prompt on page 1	30	64	26	25
Exit fees	Participants do not pay exit fees to leave their contract early	30	64	25	25
	Participants pay exit fees to leave their contract early	30	65	26	26
Standardisation of language on PCT	Language on PCT standardised with respect to bill	31	63	25	26
	Language on PCT not standardised relative to bill	30	65	26	25
Real effort	No real effort to view alternative deals	32*	66	27**	28***
	Real effort to view alternative deals	29	63	22	22
Average (%)		30	64	26	25

Note: The table combines results for the online and laboratory experiment. Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia.

Statistically significant differences are indicated with bold rows and asterisks. ***=99%. **=95%. *=90%.

Source: Main Task 5 Behavioural experiment

If participants were unable (or unwilling) to provide details about their energy usage taken from their bill during the real effort task, they were shown deals based on 'estimated' usage as opposed to usage calibrated to their needs. This meant that it would be more difficult for these participants to find the best deal for their 'individual' needs.

This feature of the real effort task is reflected in the experiences of some focus group participants from Germany, who pointed out that PCTs only displayed deals above a certain minimum level of consumption and that they could not search for deals for their own specific level of energy consumption. Therefore, they were not shown deals suitable for their own consumption level.

"For me, it is difficult because of the minimum consumption. I use around 400 kWh per year, but many offers start at 500 or 1000 kWh. Often, the offers relevant to me are not shown, so I have to be careful." (Germany, participant in a group with economically inactive participants younger than 65)

The following table confirms that the real effort task did affect the ability of participants to find and select the cheapest deal even if they compared alternative deals: 41% of participants who had to perform real effort chose the cheapest deal, compared to 58% of participants who only needed to click a button to view alternative deals. The difference was statistically significant at 99%.

In addition, the effect of the real effort task is observed across country group and socio-demographic groups (Table 58).

Table 57: Proportion of participants choosing the cheapest deal in switch-or-stay stage if they compare alternative deals, by treatment groups		
Treatment group	Treatment variant	Proportion of participants choosing the cheapest deal (%)
Bill design	Best practice bill version 1	51
	Best Practice bill version 2	47
	Best Practice bill version 3	50
	Best Practice bill version 4	49
	'Current Market' practice	56
Standardisation of language on PCT	Language on PCT standardised with respect to bill	50
	Language on PCT not standardised relative to bill	50
Real effort	No real effort to view alternative deals	58***
	Real effort to view alternative deals	41
Average (%)		51

Note: N (online behavioural experiment) = 5,967. N (laboratory experiment) = 170 (participants who chose to compare deals). Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia.

Statistically significant differences are indicated with bold rows and asterisks. ***=99%. **=95%. *=90%.

Source: Main Task 5 Behavioural experiment

Table 58: Proportion of participants choosing the cheapest deal if they compare alternative deals, by treatment, country group and potentially vulnerable groups

Proportion of participants who choose the cheapest deal after comparing alternative deals (%)										
	Bill design				'Current Market' practice	Standardisation of language		Real effort		Average
	Best Practice bill version 1	Best Practice bill version 2	Best Practice bill version 3	Best Practice bill version 4		Language on PCT standardised with respect to bill	Language on PCT not standardised relative to bill	No real effort to view alternative deals	Real effort to view alternative deals	
Country group										
EU15	51	46	51	49	54	51	49	59***	40	50
EU13	50	49	50	49	58	49	53	58***	43	51
Age										
Below 65 years	51	47	50	49	55	50	51	58***	41	51
65 years and over	44	45	51	49	57	51	48	59***	38	50
Economic activity										
Economically active	53	46	54	39	54	47	50	56***	40	61
Economically inactive	51	48	50	51	55	51	51	59**	42	60
Educational level										
Medium or high education	50	47	51	48	56	51	50	58***	41	60
Low education	51	44	49	53	49	47	51	59***	37	49
Subjective income										
No difficulty making ends meet	51	49	50	51	56	51	51	59***	43	58
Difficulty making ends meet	49	44	51	47	54	49	49	58***	38	59
Use of internet										
Low	53	45	54	47	57	56**	47	59***	43	51
Medium	49	47	50	50	55	49	52	59***	40	50
High	51	54	41	46	54	50	50	56**	43	50

Note: Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The table indicates rows where participants shown the 'best practice' bill answered questions correctly significantly more or less frequently than participants shown the 'current market practice' bill. ***=99%. **=95%. *=90%.
Source: Main Task 5 Behavioural experiment

7. Optimising consumer decision making – Reducing energy consumption and choosing for renewable energy

Research shows that bill format and content can encourage behavioural change towards reduced consumption and choosing green energy offers.¹³¹ This last chapter continues on the topic of optimising consumer decision making and looks first at consumers' preferred way to receive **energy consumption data**, followed by a discussion of the behavioural experiment findings looking at the best way to present energy consumption usage information in energy bills. It is hypothesised, firstly, that it would be easier for consumers to correctly identify energy usage information, if they are shown energy consumption information in a more striking or salient manner. And secondly, that consumers would be more likely to intend to manage energy consumption more frequently if they can observe their monthly energy usage, and to reduce energy consumption if energy usage was compared to an average household.

The second part of the chapter looks at the presentation of **fuel mix information**. The section starts again with consumers' preferences for the type of fuel mix information they would like to receive in their energy bill, followed by a discussion of the findings of the fuel mix stage of the behavioural experiment. For that stage, it was hypothesised that consumers would be more likely to report an intention to find out the fuel mix of their own energy, or switch to a greener tariff, if they were shown a comparison of their fuel mix with e.g. the fuel mix of their supplier at national level.

7.1 Presenting consumption data in the energy bill

7.1.1 Requirements set in EU and national legislation

The Electricity Directive 2009/72/EC and Gas Directive 2009/73/EC state in Article 3 of Chapter II that customers are entitled to receive **all relevant consumption data**. The Energy Efficiency Directive 2012/27/EC states under Article 10.1 and Annex VII that Member States shall ensure that customers are billed on the basis of **actual consumption at least once a year**, where this is technically possible and economically justified.

Article 10.3(a) of the Energy Efficiency Directive requires that **historical consumption data** of a final customer are made available, at the request of the customer, to energy service providers designated by the customer. In Annex VII, the Directive requires that Member States shall ensure that, where appropriate, **comparisons of the final customer's current energy consumption with consumption for the same period in the previous year**, preferably in graphic form, is made available in clear and understandable terms in or with their bills.

Table 3 in the Annex with supplementary tables shows the requirements set in the national legislation with regard to the frequency of providing customers with a consumption statement for energy usage. In a large majority of countries (25 out of 30), the national legislation specifies the frequency with which customers should receive energy bills and statements presenting their energy consumption. The **frequencies specified in the legislation are in line with the minimum requirements as set out in the Energy Efficiency Directive**. In the remaining five countries (Cyprus, Ireland, Slovakia, Iceland and Norway), the national legislation does not contain requirements about billing frequency. In Cyprus, however, the legislation indicates that customers need to receive consumption statements "quite often".

¹³¹ Team, Behavioural Insights. "Behaviour change and energy use." London: Cabinet Office (2011). https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/60536/behaviour-change-and-energy-use.pdf

7.1.2 Common practices on presenting consumption data in energy bills

The 2nd Electricity Market Study¹³² asked mystery shoppers to review their electricity bill and check whether specific items were included in these bills. The study found, for example, that 44% of mystery shoppers reported that their electricity bill contained a historic overview of electricity consumption.

A similar, although smaller scale, exercise was also conducted as part of the current study. Energy bills were collected for 20 out of 30 countries. For some countries, bills from different energy suppliers were collected and analysed. In total, 30 energy bills were analysed and researchers checked the frequency that consumption data (based on actual consumption) is presented in these bills.

As seen from the table below, for 19 countries, the national legal requirements on the frequency to provide customers with consumption data in energy bills are respected. For Lithuania, on the other hand, the national legislation requires energy suppliers to provide data on energy consumption on a monthly basis. In practice, based on the bill analyses, it was noted that the frequency is every two months.

For the countries where more than one energy bill was analysed, the frequency of consumption statements varies between energy suppliers. For example, in Belgium, the national requirements indicate that at least one consumption statement is shared per year; however, for two bills analysed, the customer receives a consumption statement per month, while the third bill makes reference to an annual statement. Also in Finland, one energy supplier provides customers with a monthly consumption statement, whereas the national requirement to provide statements on a quarterly basis is followed by a second supplier.

	Number of statements per year (legislation)	Bill 1	Bill 2	Bill 3	Bill 4	Bill 5	Bill 6	Nmb. of bills analysed
BE	1	1	12	12				3
CY	-	4						1
CZ	1	1						1
DE	1	1						1
DK	4	4						1
EE	4	12	12					2
EL	-	3						1
ES	-	6						1
FI	4	4	12					2
FR	1	2						1
HR	2	12						1
HU	1	1	8					2
LT	12	6						1
LU	1	1	1	12	12	1	1	6
MT	1	4						1
PL	6	6						1
PT	1	6						1
RO	2	12						1
SE	4	12						1
NO	-	12						1

Note: Analysis of paper and electronic bills for 20 out of 30 countries. In total, 30 bills were analysed.
Source: Main Task 3 Data collection exercise

¹³² Available at: http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=53331

7.2 Consumers' views about information that would help managing energy consumption

In the consumer survey, consumers were asked what type of information would help them to better manage their home energy usage. The type of information listed in the survey is information that can easily be presented in energy bills. In the regulator survey, regulators were asked which tools are commonly used to communicate consumption data to consumers. The majority of regulators (11 out of 12 or 92%) indicated that the **'energy bill'** would be the **most commonly used tool to provide consumers with energy consumption data**.

The results of the consumer survey showed that respondents were more likely to be interested in a **comparison of their current energy use with that of the same time one year before** (55% "Yes, definitely" responses) than in a **comparison of their energy use with that of other consumers** (33% "Yes, definitely" responses). This is in line with the findings presented in the chapter about billing, where it was observed that respondents were considerably more likely to be interested in receiving information about historic energy consumption (over the past 12 months) than information comparing their energy consumption with that of similar households. In interpreting this data, it is important to note, however, that recipients who are sceptical of peer comparisons may still pay attention to it and adjust their behaviour accordingly; prior research has established a strong effect of social norms on behaviour despite the subjects perceiving it to have very little influence.¹³³

Focus group participants' views also varied depending on how useful they found it to compare their energy consumption. In general, participants reported that they thought it was necessary to be able to compare their own energy consumption over time. Some participants reported finding it useful to be able to compare energy consumption with average households to reflect on their own energy consumption. However, others pointed out that different households had different needs, so this information was not useful.

*"No, since being similar means maybe orientation, but still, I think we have all very different needs and habits, it is difficult to compare my household to yours."
(Slovenia, participant in a "general public" group)*

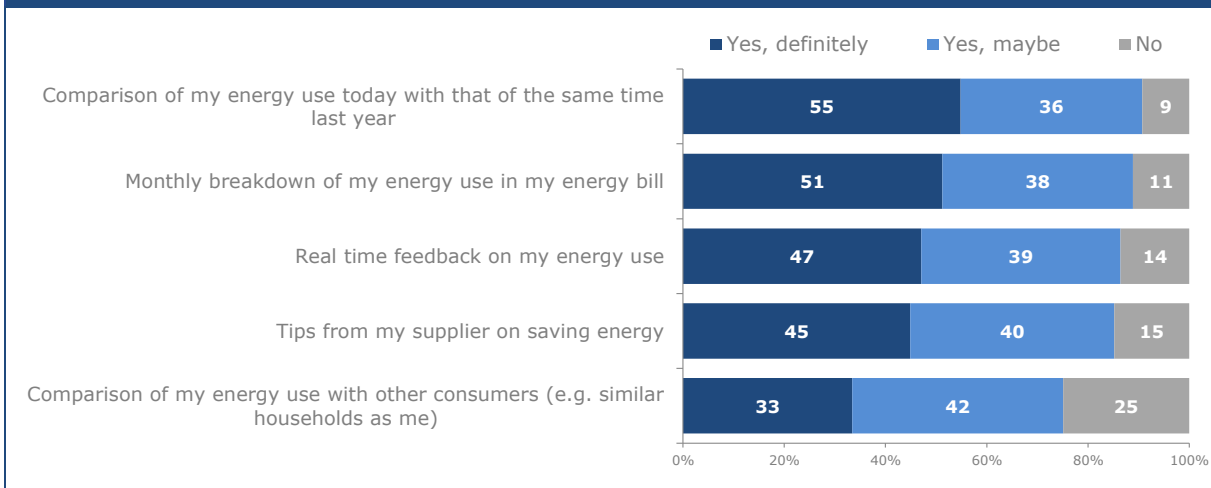
One in two survey respondents (51%) thought that a monthly breakdown of their energy use in their energy bill would definitely help them better manage their energy use, and 47% shared this view for real time feedback in their energy use. Tips from their supplier on how to save energy were perceived as an effective measure by 45% of consumers.

Some participants in the focus groups in Germany and Slovenia pointed out that they did not find generic energy saving tips useful. However, many participants reported that they were interested in managing energy consumption to save money, and would be interested in receiving **information specifically about appliances that consumed a lot of energy in their own households**. Information about the energy use of each appliance in one's household was also a recurrent response to an open-ended prompt in the consumer survey about information in energy bills that could help to manage energy usage.

In the regulator survey, 66% of respondents mentioned that 'mobile apps' are being used to help consumers manage energy usage. In these applications, consumers can review consumption data for the billing period, and compare historical data. The focus group participants in Germany and Slovenia suggested that such mobile apps should allow them to review the individual energy consumption for each appliance in their household.

¹³³ Cf. for example the discussion in Beth Karlin et. al. "How Do Small Businesses Experience Energy Reports?", 2016 ACEEE Summer Study on Energy Efficiency in Buildings, accessed on Academia.edu, 26/2-2018

Figure 53: Information that would help consumers better manage their home energy usage (EU28)



Question wording: Q15a. What type of information would help you better manage your home energy usage (gas and/or electricity)? Base: All respondents (EU28: n=19,239)
Source: Main Task 2 Consumer surveys

The individual country results (presented in the table on the next page) show that respondents in Cyprus and Greece were overall the most likely to state that the information listed in the survey would definitely help them to better manage their home energy use; for example, 69% of consumers in Greece and 72% in Cyprus replied that a historical comparison of their energy use would definitely help them better manage their energy use.

In Latvia and Lithuania, on the other hand, consumers were overall the least likely to think that consumption data and energy saving tips would help them manage their energy use. For example, just 19% of respondents in Latvia and 27% in Lithuania thought that a comparison of their energy use with that of other consumers would definitely help them to manage their energy use.

Table 60: Information that would help consumers better manage their home energy usage (by country)

	Comparison of my energy use today with that of the same time last year	Monthly breakdown of my energy use in my energy bill	Real time feedback on my energy use	Tips from my supplier on saving energy	Comparison of my energy use with other consumers (e.g. similar households as me)
EU28	55%	51%	47%	45%	33%
EU15	56%	51%	45%	43%	34%
EU13	49%	53%	53%	51%	32%
CY	72%	66%	67%	75%	38%
EL	69%	75%	69%	70%	46%
AT	66%	50%	40%	48%	35%
MT	66%	62%	61%	69%	50%
SK	64%	63%	60%	60%	39%
DE	63%	47%	39%	37%	31%
FR	62%	44%	52%	44%	34%
HR	61%	60%	59%	63%	40%
LU	60%	47%	47%	54%	39%
NL	56%	52%	40%	35%	31%
SI	56%	55%	56%	55%	43%
RO	55%	57%	67%	58%	40%
BG	54%	67%	59%	63%	38%
UK	54%	52%	42%	38%	34%
BE	53%	46%	42%	43%	35%
IE	53%	57%	49%	60%	43%
ES	53%	58%	57%	50%	35%
PT	53%	56%	54%	61%	38%
DK	53%	47%	38%	47%	37%
SE	52%	41%	34%	36%	29%
PL	49%	51%	55%	45%	30%
IT	47%	54%	42%	47%	34%
FI	45%	40%	36%	32%	31%
LT	44%	29%	30%	42%	27%
HU	39%	43%	46%	43%	24%
EE	37%	39%	41%	41%	27%
CZ	37%	52%	27%	50%	24%
LV	34%	39%	42%	40%	19%
IS	61%	49%	48%	55%	52%
NO	53%	34%	39%	44%	34%

Question wording: Q15a. What type of information would help you better manage your home energy usage (gas and/or electricity)? (% "Yes, definitely"). Base: All respondents (EU28: n=19,239)
Source: Main Task 2 Consumer surveys

7.3 Behavioural experiment findings on presenting consumption data

The 2nd Electricity Market Study¹³⁴ found that over 3 in 10 consumers do not know how much electricity they use – either on a monthly or a yearly basis. The billing stage of the behavioural experiment tested participants’ objective comprehension, subjective preferences and intention to manage energy consumption. Participants were shown bills that varied energy consumption presentation in a number of ways:

- Location: usage information was presented on **page 1 or page 2**;
- Detail: Usage information was presented either in **aggregate** for the quarter, or in **detail** for each month of the quarter;
- Benchmark: usage was presented either **relative to the same time last year, or relative to an average household**.


Participants may be expected to more easily comprehend energy usage if it was presented upfront rather than on page 2, and if it was presented in aggregate, rather than split into disaggregated monthly figures. However, participants may be expected to report an intention to manage energy consumption more frequently if they can observe the details of their monthly energy usage. Furthermore, participants were expected to respond to social norms comparing their energy usage to an average household, and report an intention to manage their energy consumption more often than if energy usage was compared to their own historical consumption.

In addition, the bills also varied the presentation of energy usage in the price breakdown. The **simplified price breakdown repeated participants’ energy consumption for the billing period in a salient manner**, as well as the fixed and variable elements of their energy costs. In contrast, the more detailed price breakdown reported price broken down into energy, network and taxes components, and did not explicitly mention energy usage for the billing period. Participants would be expected to find energy usage for their billing period more easily in the simplified price breakdown compared to the more detailed price breakdown.

¹³⁴ Available at: http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=53331

If participants were allocated to a group where they were shown quarterly energy consumption relative to **historical consumption on page 1**, page 1 of the bill would look like this:¹³⁵

Figure 54: Mock-up of page 1 of the best practice bill, energy consumption on page 1, energy consumption presented in aggregate for the quarter, relative to same time last year



Customer name and address:
Ms SAMPLE EXAMPLE
18 XXX XXXXXXXXXX,
XXXXXXX,
POSTCODE

Customer reference number:
11 23 58 13 21 34

Supply Number:
5589144342113

Bill date:
15 Oct 2016

Bill period:
13 Jul 2016 - 14 Oct 2016

Comparing your tariff with others	
Tariff name	Mytariff
Fixed or variable rate tariff?	Fixed
Payment method	Direct debit

Could you save money by switching?	
Your actual usage in the last 12 months	3000 kWh
Your 12 months personal projection ⓘ	€XX.XX
Amount you spent last year on electricity	€XX.XX

Information needed to switch	
Duration of your contract	2 years
End date of your contract	15 Dec
Exit fees (if you switch before the End date)*	€0.00
Advance notice for cancellation	15 Nov
Switching Code ⓘ	112358

*If you are thinking of switching suppliers, call us first at 0800 22 65 65

Your electricity bill

You owe

€60.30

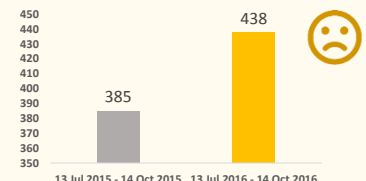
Due by

02 NOV

See next page for how your bill is calculated

Your energy usage in kWh

You are using **more** energy than you did at the same time last year



13 Jul 2015 - 14 Oct 2015	13 Jul 2016 - 14 Oct 2016
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Getting in touch

To manage your account online visit (<http://www.ecolectricity.eu/your-account>) or call (0800 22 65 65 , open 24 hours a day)

To submit a meter reading visit (<http://www.ecolectricity.eu/meter-reading>) or call (0800 22 65 65)

For more help visit (<http://www.ecolectricity.eu/help>) or call (0800 22 65 65)

To find out about your rights and settlement in the event of a dispute visit (<http://www.ecolectricity.eu/dispute>)

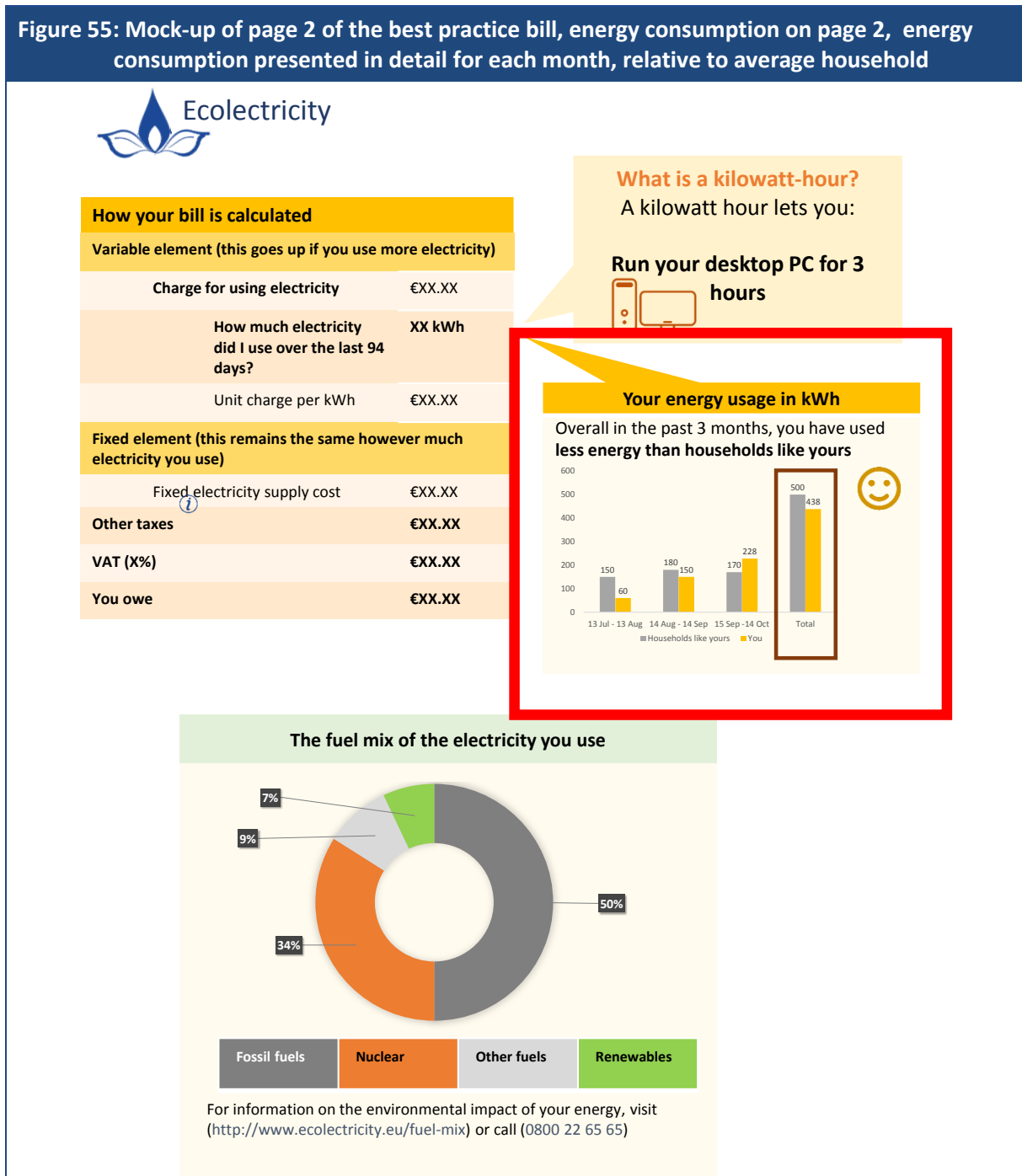
To make a complaint call (0800 22 65 65)

Source: Main Task 5 Behavioural experiment

¹³⁵ As before, the red boxes in the mock-ups are used for the purposes of illustration and did not appear in the bills shown to participants.

If a participant was allocated to a group where energy consumption was shown on page 2, and energy usage was presented monthly **relative to an average household**, page 2 of the bill would look like this:

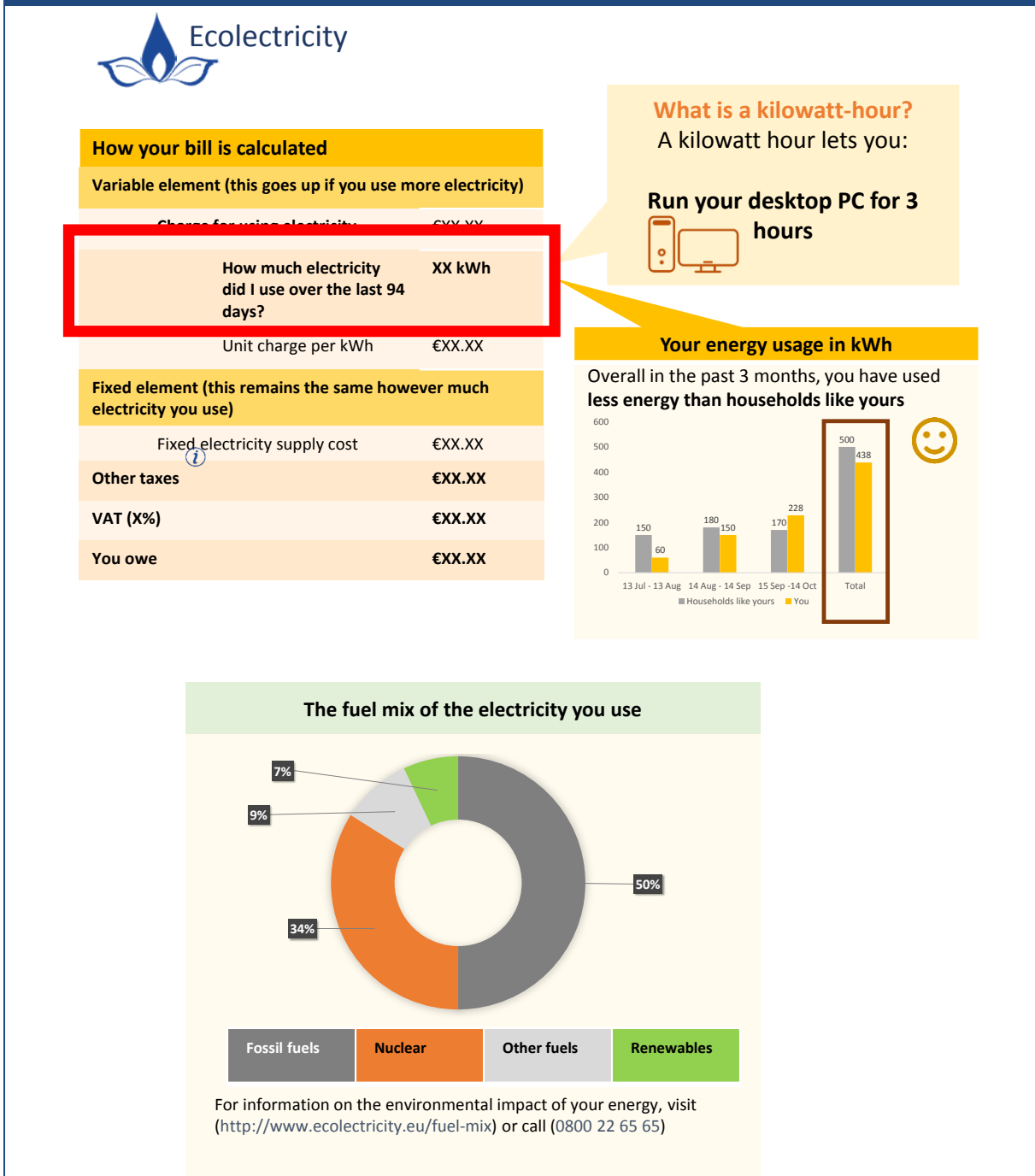
Figure 55: Mock-up of page 2 of the best practice bill, energy consumption on page 2, energy consumption presented in detail for each month, relative to average household



Source: Main Task 5 Behavioural experiment

If a participant was allocated to the **simplified price breakdown group**, the price breakdown in the bill would look like the following:

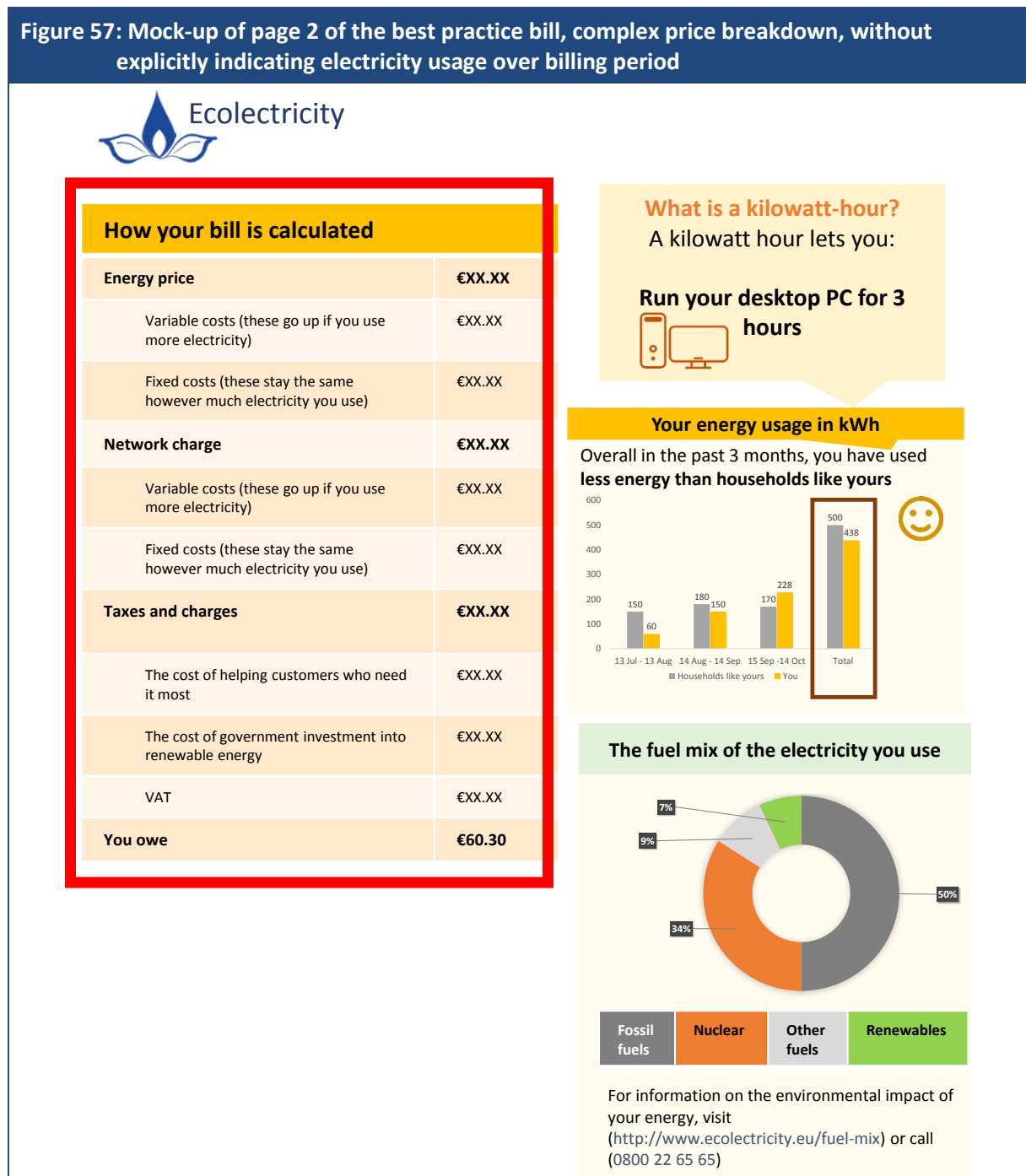
Figure 56: Mock-up of page 2 of the best practice bill, simplified price breakdown, saliently marking electricity usage over billing period



Source: Main Task 5 Behavioural experiment

If the participant was allocated to the more **complex price presentation**, the price breakdown would look like the following (without explicitly indicating the energy usage over the billing period):

Figure 57: Mock-up of page 2 of the best practice bill, complex price breakdown, without explicitly indicating electricity usage over billing period



Source: Main Task 5 Behavioural experiment

Impact of energy consumption presentation on objective comprehension of energy consumption

The behavioural experiment tested participants' ability to correctly identify energy usage information depending on how energy usage information is presented to them. The billing stage asked participants to identify their energy usage for the past 12 months, as well as for the period July to October 2016 (the billing period). Overall, energy consumption location (i.e. on page 1 or 2) and detail (i.e. whether energy consumption was presented in aggregate for the quarter or in detail for each month) did not have a significant impact on the proportion of participants correctly answering questions about energy consumption (Table 61).

However, participants over 65 years were statistically significantly more likely (at 95%) to correctly identify their energy usage over the last 12 months if energy consumption information was presented on page 1, and participants with low educational attainment were significantly more likely (at 90%) to identify the past year's energy usage if energy consumption information was presented in aggregate for the quarter rather than in detail for each month (see Table 5 in the Annex with supplementary tables). This suggests that some potentially vulnerable participants may be more likely to comprehend energy consumption information is presented upfront, or if energy consumption information is presented in a relatively aggregate form.¹³⁶

Table 61: Objective comprehension scores on energy consumption information, by treatments relating to energy consumption information presentation		
Treatment group	Treatment variant	Proportion of participants answering correctly (%)
What was your energy usage for the past 12 months?		
Energy consumption information location	Energy consumption on page 1	48
	Energy consumption on page 2	45
Energy consumption detail	Energy consumption presented in aggregate for the quarter	46
	Energy consumption presented in detail for each month	46
Price breakdown presentation	Simplified presentation saliently marking fixed vs variable elements	47
	More detailed presentation in terms of energy, network and taxes component	45
Average (%)		46
What was your energy usage for the period July 2016 – October 2016?		
Energy consumption information location	Energy consumption on page 1	48
	Energy consumption on page 2	47
Energy consumption detail	Energy consumption presented in aggregate for the quarter	48
	Energy consumption presented in detail for each month	46.5
Price breakdown presentation	Simplified presentation saliently marking fixed vs variable elements	50***
	More detailed presentation in terms of energy, network and taxes component	44
Average (%)		47

Note: The online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK.

Source: Main Task 5 Behavioural experiment

Although energy consumption location and detail did not have a significant impact on comprehension, participants were more likely to correctly identify energy consumption for

¹³⁶ However, note that this result only indicates that some consumers may be better able to comprehend energy consumption information if it is shown in less detail. The result cannot be interpreted to draw any conclusions about whether consumers should receive energy consumption information with more or less frequency, in real life. This is because the behavioural experiment represents a one-off interaction, and does not simulate the impacts of receiving frequent energy consumption information over a period of time. In reality, consumers' comprehension, subjective assessment or intention to change their behaviour may be different, depending on whether they receive energy consumption information more or less frequently.

the billing period if it was **explicitly and saliently communicated to them** (Table 61). One in two participants shown the simplified price breakdown correctly identified energy usage for the billing period, compared to 44% of participants shown the more detailed presentation. The difference was statistically significant at 99%. In addition, simplified price breakdown presentation helped potentially vulnerable groups (e.g. participants over the age of 65, participants with low internet use and participants with low educational attainment) correctly identify energy usage for the period July to October 2016 (see Table 5 in the Annex with supplementary tables).

Subjective assessment of ease of understanding of energy consumption

The billing stage also asked participants to assess whether it was easy to find information about their actual energy usage, other information on energy usage and how much their energy usage impacts how much they have to pay. Participants who were shown **energy consumption information on page 1 of their bills** were, on average, statistically significantly more likely (at 95%) to report that it was very or rather easy to find their actual energy usage in their bill (Table 62). This effect may be driven by participants from EU13 Member States, economically active participants, and participants from some potentially vulnerable groups e.g. those over the age of 65 and those having difficulty making ends meet (Table 63).

Table 62: Subjective assessments of energy information in bills, by treatments relating to energy usage presentation		
Treatment group	Treatment variant	Proportion of participants indicating that the bill is 'very' or 'rather easy' to understand (%)
How easy was it to find [your actual energy usage] in your bill?		
Energy consumption information location	Energy consumption on page 1	76**
	Energy consumption on page 2	73
Energy consumption detail	Energy consumption presented in aggregate for the quarter	74
	Energy consumption presented in detail for each month	75
Price breakdown presentation	Simplified presentation saliently marking fixed vs variable elements	76***
	More detailed presentation in terms of energy, network and taxes	72
Average (%)		74
How easy was it to find [information on energy usage] in your bill?		
Energy consumption information location	Energy consumption on page 1	73
	Energy consumption on page 2	71
Energy consumption detail	Energy consumption presented in aggregate for the quarter	72
	Energy consumption presented in detail for each month	72
Price breakdown presentation	Simplified presentation saliently marking fixed vs variable elements	74***
	More detailed presentation in terms of energy, network and taxes	70
Average (%)		72
How easy was it to understand how your energy usage impacts the amount you need to pay?		
Energy consumption information location	Energy consumption on page 1	66
	Energy consumption on page 2	65
Energy consumption detail	Energy consumption presented in aggregate for the quarter	65
	Energy consumption presented in detail for each month	66
Price breakdown presentation	Simplified presentation saliently marking fixed vs variable elements	67
	More detailed presentation in terms of energy, network and taxes	65
Average (%)		66

Note: The online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK.

Statistically significant differences are indicated with bold rows and asterisks. ***=99%. **=95%. *=90%.

Source: Main Task 5 Behavioural experiment

Otherwise, usually, energy consumption presentation did not have a significant impact on participants' subjective assessment of how easy it was to find energy usage information in the bill. However, economically inactive participants were significantly more likely (at 95%) to report that it was easy to find energy information if they were shown energy consumption in detail for each month rather than in aggregate for the quarter, and participants with difficulty making ends meet were marginally significantly more likely (at 90%) to report that it was easy to find energy usage information if they were shown energy consumption on page 1 (Table 63).

Participants shown the more **simplified price breakdown presentation**, however, were significantly more likely (at 99%) to report they thought it was easy to find energy usage information in their bills, compared to participants shown the more detailed price breakdown (Table 62). This is in line with the results of the objective comprehension test, where participants shown the simplified price presentation were more likely to correctly identify energy usage over the July to October 2016.

Specifically, participants over the age of 65 and those with low educational attainment were more likely to correctly identify energy usage between July and October 2016 if they were shown the simplified price breakdown. However, participants from these groups were not statistically significantly more likely to report that they could find energy usage information in their bills (Table 63).

In general, energy consumption and price breakdown presentation did not have a significant impact on the proportion of participants who reported that it was easy to understand how their energy usage impacted the amount they needed to pay. However, there were two exceptions: participants from EU13 Member States and participants reporting no difficulty making ends meet (Table 63).

Table 63: Subjective assessments of energy information in bills, by energy consumption treatments, price breakdown presentation, country group and potentially vulnerable groups

	Energy consumption information location		Energy consumption detail		Price breakdown presentation		Average
	Energy consumption on page 1	Energy consumption on page 2	Energy consumption presented in aggregate for the quarter	Energy consumption presented in detail for each month	Simplified presentation	More detailed presentation	
How easy was it to find [your actual energy usage] in your bill?							
Proportion of participants indicating that the bill is 'very easy' or 'rather easy' to understand (%)							
Country group							
EU15	75	73	74	75	75	73	74
EU13	77**	73	74	76	78***	71	75
Age							
Below 65 years	75	73	73	75	77***	72	74
65 years and over	78**	72	76	74	76	74	75
Economic activity							
Economically active	76**	72	74	75	77***	72	73
Economically inactive	74	73	68***	79	75	72	74
Educational level							
Medium or high education	76	73	74	75	77***	72	75
Low education	71	73	69	76	73	71	72
Subjective income							
No difficulty making ends meet	78	76	76*	79	80***	75	77
Difficulty making ends meet	73**	69	71	71	72	69	71
Use of internet							
Low	73***	66	70	69	71	68	70
Medium	77	75	74	77	78***	74	76
High	79	76	78	77	82***	73	78

Table 63: Subjective assessments of energy information in bills, by energy consumption treatments, price breakdown presentation, country group and potentially vulnerable groups

How easy was it to find [information on energy usage] in your bill? Proportion of participants indicating that the bill is 'very easy' or 'rather easy' to understand (%)							
Country group							
EU15	73	70	71	71	73**	69	71
EU13	74	73	73	75	77***	71	74
Age							
Below 65 years	73	71	72	71	75***	70	72
65 years and over	72	68	73	70	73	68	70
Economic activity							
Economically active	74	71	72	72	75***	70	72
Economically inactive	71	69	66**	74	71	69	70
Educational level							
Medium or high education	74**	71	72	72	75***	70	72
Low education	67	71	68	71	71	68	69
Subjective income							
No difficulty making ends meet	76	74	74	76	77***	72	75
Difficulty making ends meet	71*	67	70	68	71**	67	69
Use of internet							
Low	69	65	69	66	68	66	67
Medium	75	73	73	75	76***	71	74
High	76	74	77	74	81***	70	75
How easy was it to understand how your energy usage impacts the amount you need to pay? Proportion of participants indicating that the bill is 'very easy' or 'rather easy' to understand (%)							
Country group							
EU15	64	65	64	65	64	64	64
EU13	70	66	68	68	70**	66	68
Age							
Below 65 years	66	66	65	66	67	65	66
65 years and over	67	64	65	65	65	65	65
Economic activity							
Economically active	66	65	66	66	67	65	64
Economically inactive	63	65	66	63	64	64	66
Educational level							
Medium or high education	67	66	66	66	67	65	66
Low education	61	63	62	62	64	60	62
Subjective income							
No difficulty making ends meet	70	70	70	70	72*	68	70
Difficulty making ends meet	60	59	59	60	59	60	60
Use of internet							
Low	61	59	60	59	61	58	60
Medium	67	66	66	68	67	66	67
High	75	78	78	74	79	74	76

Note: Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK.

The table indicates rows where participants shown the 'best practice' bill answered questions correctly significantly more or less frequently than participants shown the 'current market practice' bill. ***=99%. **=95%. *=90%.

Source: Main Task 5 Behavioural experiment

Participants' intention to manage energy consumption in future

The billing stage of the behavioural experiment asked participants to rate how likely they would be to manage their own energy consumption in the future, on a scale from 1 (very likely) to 4 (very unlikely). On average, 69% of participants indicated that they were very or rather likely to take steps to manage their energy consumption in future. However, on average there was no statistically significant impact of energy consumption information

location, detail and benchmark on participants' reported intention to change their behaviour (Table 64).

There was one exception: participants over the age of 65 were significantly more likely to report an intention to manage their own energy consumption if they were shown usage relative to the same time last year rather than relative to average households (see **Error! Reference source not found.** in the Annex with supplementary tables).

The responses of the focus groups provide some insight into why bill elements do not play a role in participants' intention to change behaviour. In general, focus group participants in Slovenia and Germany did not always find it useful for bills to contain information on energy management. Some 'pro-eco' participants reported that they might engage in environmentally friendly behaviours voluntarily, but many would resist being pressured to do it.

Table 64: Intention to manage energy consumption, by energy consumption location, frequency and benchmark		
Treatment group	Treatment variant	Proportion of participants responding 'very likely' or 'rather likely' (%)
Thinking about your household's energy usage, would you say that you will take more steps to manage your energy consumption in the future?		
Energy consumption information location	Energy consumption on page 1	69.5
	Energy consumption on page 2	68
Energy consumption detail	Energy consumption presented in aggregate for the quarter	69
	Energy consumption presented in detail for each month	69
Energy consumption benchmark	Energy consumption presented relative to same time last year	69
	Energy consumption presented relative to average household	68
Price breakdown presentation	Simplified presentation saliently marking fixed vs variable elements	69
	More detailed presentation in terms of energy, network and taxes component	69
Average (%)		69

Note: The online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK.
Source: Main Task 5 Behavioural experiment

7.4 Presenting information on the 'fuel mix'

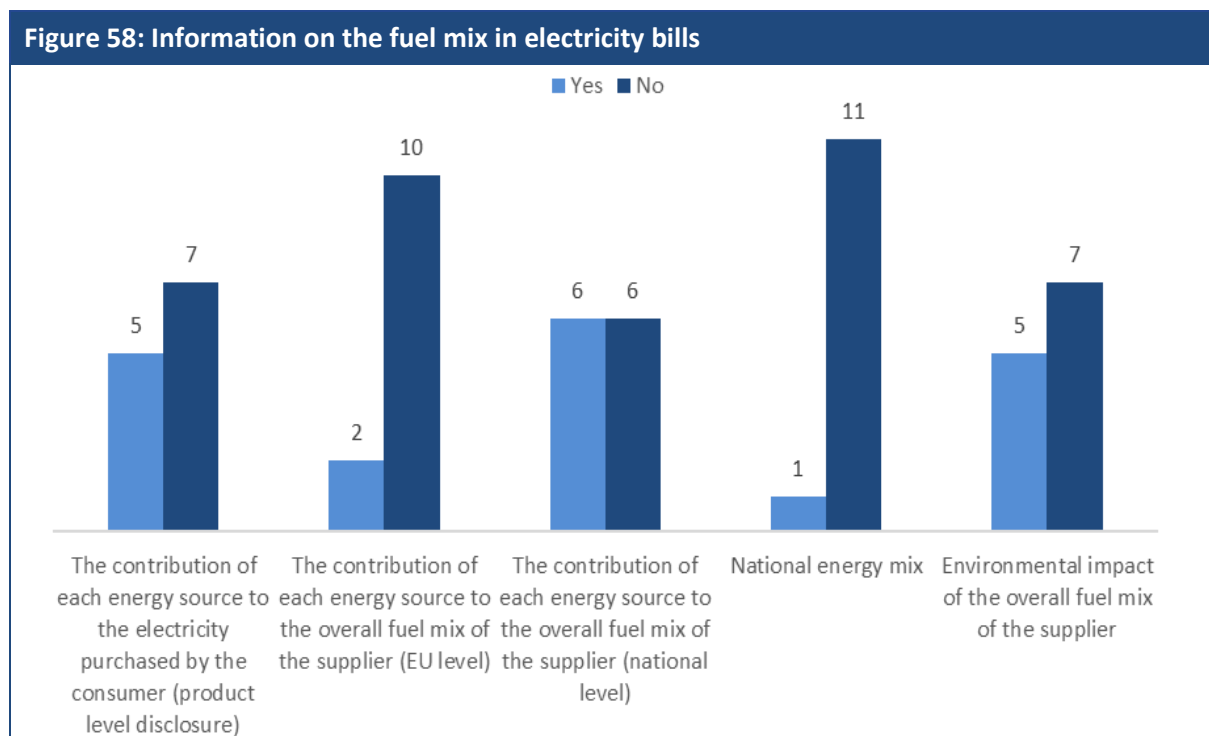
7.4.1 Common practices on presenting fuel mix information in energy bills

Section 5.1.1 indicated that the Gas and Electricity Directives have specific requirements in terms of billing stating that the energy suppliers should provide the consumer with 'the contribution of each energy source to the overall fuel mix of the supplier over the preceding year'. In the regulator survey, regulators were asked to indicate whether customers receive, in their bill, information on any of the following aspects of the fuel mix, including:

- The contribution of each energy source to the electricity purchased by the consumer (product level disclosure);
- The contribution of each energy source to the overall fuel mix of the supplier in the countries where the supplier operates (EU level);
- The contribution of each energy source to the overall fuel mix of the supplier in the country where the customer lives (national level);
- The contribution of each energy source to the national energy mix, across all suppliers that operate in the country (national energy mix); and
- Environmental impact of the overall fuel mix of the supplier.

For both the 'contribution of each energy source to the electricity purchased by the consumer (**product level disclosure**)' and '**environmental impact of the overall fuel**

mix of the supplier', 5 out of 12 regulators reported that consumers receive this information. Half of the regulators indicated that consumers receive information on the 'contribution of each energy source to the overall fuel mix of the supplier (**national level**)'. Only the German regulator indicated that consumers receive information on the '**national energy mix**' in their bill. Similar results were found for the **contribution of each energy source** to the 'overall fuel mix of the supplier', where only the regulators of Germany and Portugal indicated that consumers receive this information.



Note: Regulator survey, Q. 20: In general, do consumers receive in their bill information on ...?
 Number of respondents: 12
 Source: Main Task 1 Regulator survey

Secondly, in order to identify the most common practices for the presentation of information on fuel mix in energy bills, a sample of 30 bills (from 20 countries) was analysed as part of Main Task 3. **Just 8 out of 30 bills (27%) contained information on the fuel mix.** This is in line with the observation from the 2nd Electricity Market Study (with fieldwork conducted in 2015), where 32% of mystery shoppers in a sample of 10 countries had found fuel mix information in their electricity bill.¹³⁷ In Section 5.4.3, it was noted that just 10% of survey respondents remembered having seen **fuel mix information** in their energy bill.

A more detailed look at the format of the fuel mix presentation in energy bills showed that information is **presented in different formats**. For example, in Spain, Finland, Portugal and Sweden, fuel mix in the bills was presented in a pie chart. In Cyprus, fuel mix is presented in table format, while in Belgium, information about fuel mix is displayed in text format.

¹³⁷ Available at: http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=53331

7.5 Consumers' preferences for receiving information on 'fuel mix'

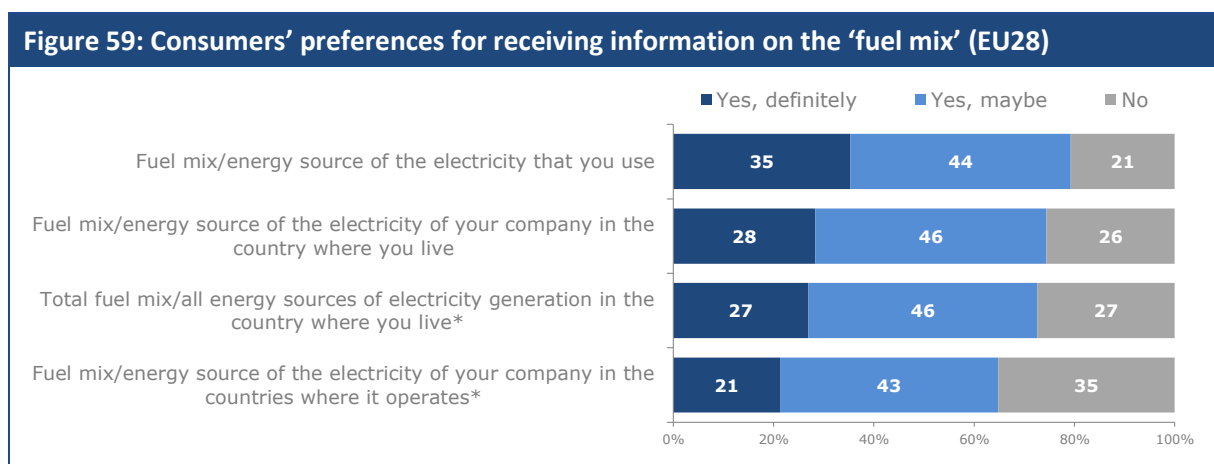
It was noted above that information about fuel mix can be presented in different ways, from the fuel mix of the electricity that consumers use to the fuel mix of all electricity generated in a country. In the survey, consumers were asked whether they would like to receive information in their electricity bill about fuel mix and energy source, and which type of information they would consider most useful.

The following figure illustrates that consumers would be most interested in receiving information about the fuel mix and energy source of the electricity that they use; 35% of respondents replied that they would definitely like to receive this information in their electricity bill. By comparison, 28% of respondents answered that they would definitely like to receive information about the fuel mix and energy source of their electricity supplier in the country where they live, and a similar share (27%) said the same about the fuel mix of electricity generation in their country.

In general, the proportions of "yes, definitely" responses in this question were lower than those observed in other questions about consumers' preferred content of energy bills. For example, in Section 5.4.4, it was noted 53% of respondents replied that they would definitely like to receive energy saving tips in their energy bill. Among consumers who were ecologically-conscious, however, fuel mix information was considered more important. For example, among consumers who replied that the green credentials of supplier would be very important in their decision making when switching suppliers, 58% answered that they would definitely like to receive information about the fuel mix and energy source of the electricity that they use in their energy bill.

A similar difference was also observed in the focus groups. While information on fuel mix was seen to be important for those participants who were already ecologically-conscious (this tended to be the response of those highly-educated participants with a higher income); for most other participants, this information was not seen to be very important.

"It is nice to have as much as possible renewable sources, but honestly, this information is not important to me." (Slovenia, participant in a 'general public' group)



Question wording: Q14b. Would you like to receive information in your electricity bill on the following? Base: All respondents (EU28: n=19,239)

Note: * Items not asked in Cyprus and Malta

Source: Main Task 2 Consumer surveys

Interest in fuel mix information varies largely across countries; for example, while 46% of respondents in Spain answered that they would definitely like to receive information about the fuel mix of the electricity that they use, this proportion was just 13% in Hungary and 15% in Latvia. Spain was joined at the higher end of the country ranking by Greece, Romania, Austria and Luxembourg.

Across all countries, the largest share of "yes, definitely" responses was observed for information about the fuel mix of the electricity that consumers use (although it should be

added that in some countries the differences in proportions between the different options is very small).

Table 65: Consumers' preferences for receiving information on the 'fuel mix' (by country)				
	Fuel mix/energy source of the electricity that you use	Fuel mix/energy source of the electricity of your company in the country where you live	Total fuel mix/all energy sources of electricity generation in the country where you live*	Fuel mix/energy source of the electricity of your company in the countries where it operates*
EU28	35%	28%	27%	21%
EU15	37%	29%	27%	22%
EU13	30%	26%	25%	20%
ES	46%	37%	36%	27%
EL	46%	40%	41%	28%
RO	45%	40%	40%	31%
AT	44%	34%	29%	25%
LU	43%	34%	27%	23%
PT	41%	32%	29%	21%
MT	40%	32%	-	-
FR	40%	31%	29%	21%
SE	38%	30%	27%	26%
DE	38%	30%	26%	20%
CY	36%	31%	-	-
BG	36%	35%	33%	30%
EE	36%	14%	15%	11%
SI	33%	30%	28%	22%
NL	33%	26%	24%	18%
UK	32%	24%	24%	19%
IT	31%	25%	26%	23%
IE	30%	27%	25%	21%
CZ	29%	18%	18%	11%
DK	29%	23%	22%	17%
BE	29%	24%	21%	17%
HR	28%	22%	25%	18%
PL	27%	25%	24%	19%
SK	25%	19%	22%	15%
FI	24%	21%	16%	17%
LT	24%	20%	20%	17%
LV	15%	12%	13%	12%
HU	13%	11%	12%	10%
IS	24%	23%	20%	17%
NO	21%	19%	19%	16%

Q14b. Would you like to receive information in your electricity bill on the following? (% "Yes, definitely") Base:

All respondents (EU28: n=19,239)

Note: * Items not asked in Cyprus and Malta

Source: Main Task 2 Consumer surveys

7.6 Behavioural experiment findings on presenting 'fuel mix' information

7.6.1 Design of the 'fuel mix' stage of the behavioural experiment

The 'fuel mix' stage of the behavioural experiment assessed participants' subjective assessments of fuel mix presentation as well as intention to find out more about their own fuel mix, or switch to a greener tariff. The experiment varied how clear and salient the aggregate share of renewables was in the fuel mix, as well as participants' comparison between the fuel mix of their energy with the fuel mix of e.g. the supplier at national level.

Participants were shown a bill, and then asked a series of questions assessing:

- Subjective perception of the bill; e.g. ease of finding information related to fuel mix.
- Intention to change behaviour; e.g. finding out the fuel mix of their energy, or switching to a tariff with more renewable energy in the fuel mix.

The fuel mix stage retained the best practice bill from the billing stage (described in Section 6.2.1), and varied the following treatments:

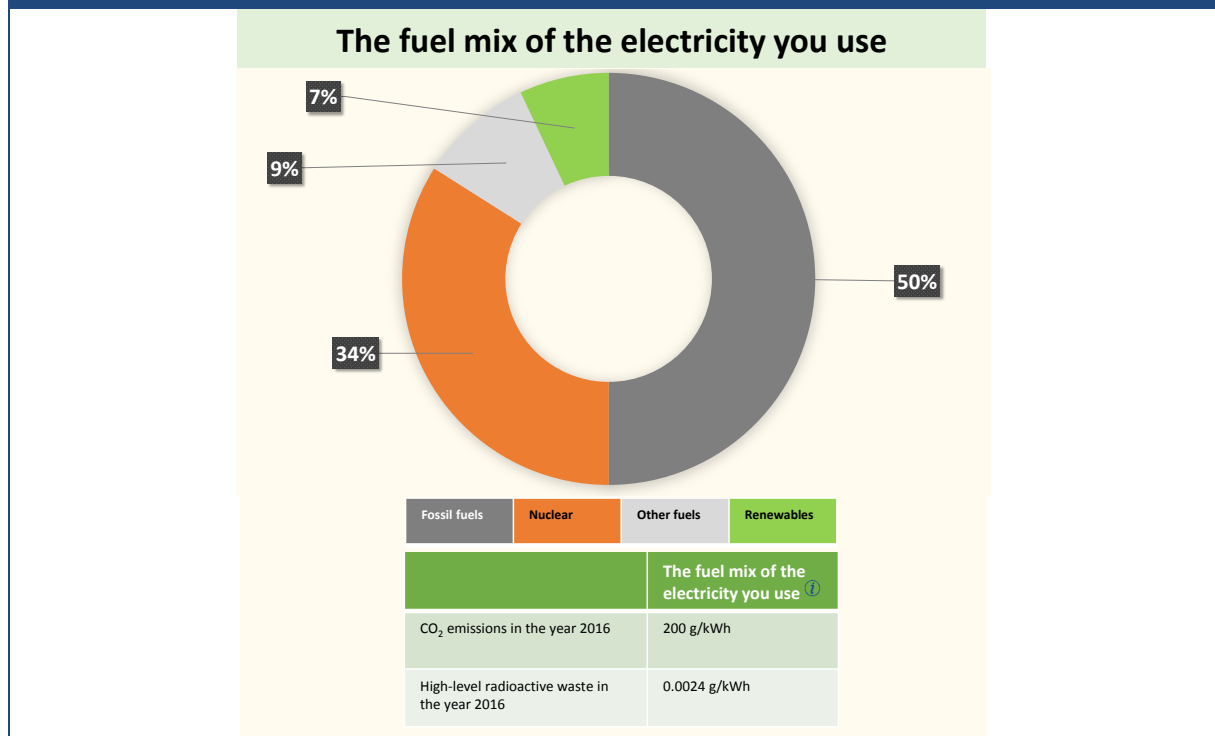
- Comparison group: the following comparisons were tested (treatments in italics were tested in the laboratory experiment):¹³⁸
 - *I: supplier mix (that is, the individual supplier's fuel mix that is not a 100% renewable fuel mix);*
 - II: supplier mix + supplier mix at national level;
 - III: supplier mix + supplier mix at level of supply undertaking (that is, the supplier mix in the countries in which the supplier operates);
 - *IV: supplier mix at national level + national mix of country (that is, the supplier mix for all suppliers in the country combined);*
 - V: supplier mix + supplier mix at level of supply undertaking + national mix of country;
 - VI: supplier mix + supplier mix at national level + supplier mix at level of supply undertaking
- Salience of share of renewables:
 - Breakdown of fuel mix, marking the share of individual renewables;
 - Breakdown of fuel mix while saliently marking the aggregate share of renewables without marking the share of individual renewables

Participants were expected to be more likely to report an intention to find out the fuel mix of their own energy, or switch to a greener tariff, if they were shown **a comparison of their fuel mix with e.g. the fuel mix of their supplier at national level.**

¹³⁸ All participants in the laboratory experiment were shown a breakdown of fuel mix while saliently marking the aggregate share of renewables without marking the share of individual renewables, and price breakdown is provided in simple terms

For example, a participant who was only shown their supplier mix would be shown a presentation like the following:

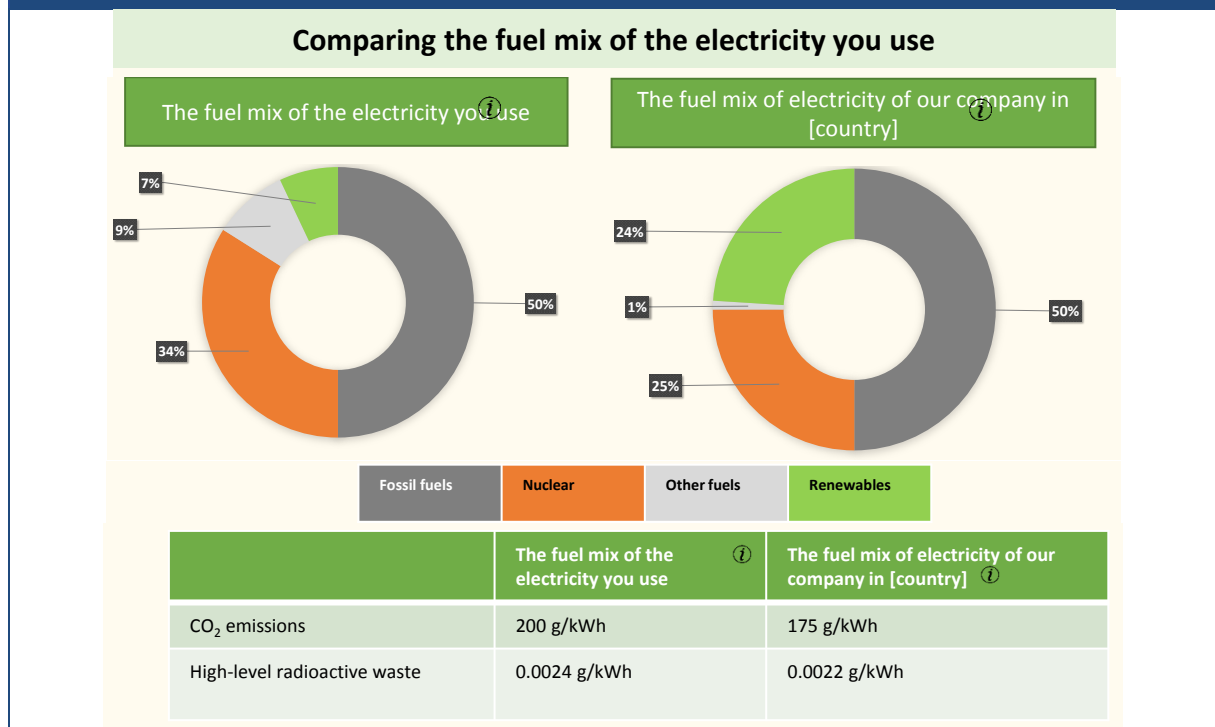
Figure 60: Mock-up of fuel mix presentation, participant is only shown fuel mix of the electricity they use (saliently marking the aggregate share of renewables)



Source: Main Task 5 Behavioural experiment

Whereas a participant shown a comparison between their supplier mix and the fuel mix of their supplier at national level would see a comparison like the following:

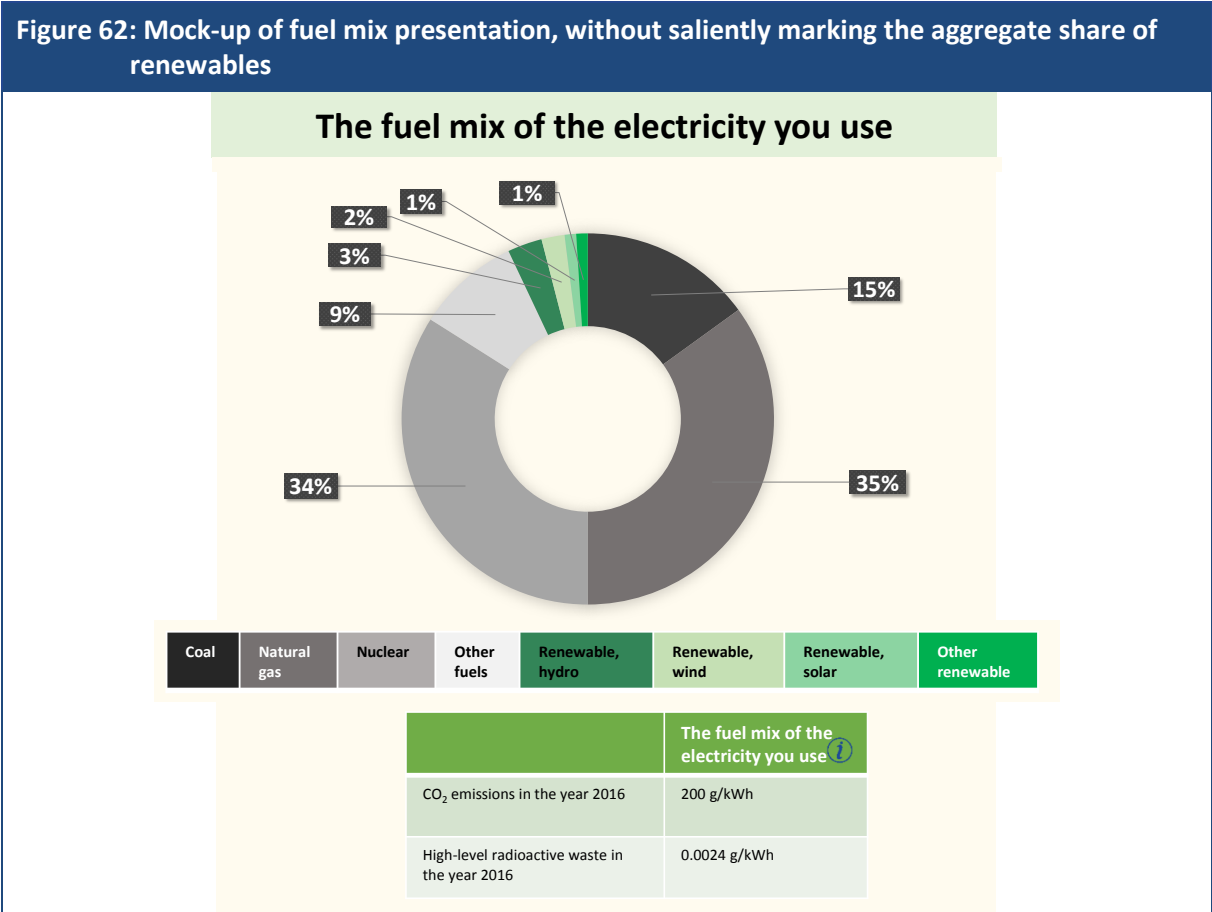
Figure 61: Mock-up of fuel mix presentation, participant is shown comparison of their supplier mix and supplier mix at national level



Source: Main Task 5 Behavioural experiment

Participants would be expected to report that fuel mix information was easier to understand if the **aggregate share of renewables was presented saliently**, compared to if the detailed fuel mix was presented.

For example, participants who were shown the detailed fuel mix for their own energy would be shown a chart like the following:



Source: Main Task 5 Behavioural experiment

7.6.2 Results of the 'fuel mix' stage of the behavioural experiment

The behavioural experiment found that, in general, **participants preferred fuel mix presentation with a more salient aggregate renewables' share, and were also likelier to report an intention to find out their own fuel mix** when renewables were presented more simply and saliently.

Subjective assessment of fuel mix presentation

On average, 71% of participants indicated that the fuel mix was clear and understandable when the share of renewables was saliently marked in the mocked-up electricity bill, compared to 68% when the share of individual fuels was individually marked. The difference is statistically significant at 95% (Table 66). The effect was largely driven by participants from EU15 Member States and those with medium or high levels of education (see **Error! Reference source not found.** in the Annex with supplementary tables).

On the other hand, there was no significant difference in the proportion of participants reporting that the bill was clear and understandable, depending on the fuel mix comparison that they were shown. However, the results of the focus groups suggest that environmentally conscious consumers may find fuel mix comparisons useful (described in the next subsection).

Table 66: Subjective assessments of fuel mix presentation

Treatment group	Treatment variant	Proportion of participants indicating that the bill is 'very clear and understandable' or 'rather clear and understandable' (%)
What was your opinion of the presentation of the fuel mix?		
Salience of share of renewables in fuel mix	Share of individual fuels marked (less salient)	68
	Aggregate share of renewables marked (more salient)	71**
Comparison group	I: supplier mix (that is, the individual supplier's fuel mix that is not a 100% renewable fuel mix)	72
	II: supplier mix + supplier mix at national level	68
	III: supplier mix + supplier mix at level of supply undertaking (that is, the supplier mix in the countries in which the supplier operates)	70.5
	IV: supplier mix at national level + national fuel mix	69
	V: supplier mix + supplier mix at level of supply undertaking + national fuel mix	71
	VI: supplier mix + supplier mix at national level + supplier mix at level of supply undertaking	68
Average (%)		70

Note: The table combines results for the online and laboratory experiment. Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia.

Statistically significant differences are indicated with bold rows and asterisks. ***=99%. **=95%. *=90%.

Source: Main Task 5 Behavioural experiment

Intention to find out fuel mix and switch to greener tariffs

In the fuel mix stage of the behavioural experiment, participants were asked to rate their intention to find out the fuel mix of the electricity they consume, as well as their intention to switch to a tariff with more renewable energy in future, on a scale from 1 (very likely) to 4 (very unlikely).

In general, a significantly higher proportion of participants who were shown fuel mix with salient renewables share reported they were likely to find out their own fuel mix, compared to participants who were shown mix with individual fuels marked. This may be related to the result that experiment participants found fuel mix more clear and understandable when the aggregate share of renewables was saliently marked (see Table 66). If participants are shown clear fuel mix information, they may be encouraged to look at their own electricity supply to find out their own fuel mix.

However, in general there was no link between participants' intention to change their behaviour, and the comparison between the fuel mix of their energy and other tariffs (see Table 66 below and Table 8 in the Annex with supplementary tables).

Table 67: Intention to find out fuel mix and switch to a greener tariff

Treatment group	Treatment variant	Proportion of participants indicating 'very likely' or 'rather likely' (%)
Thinking about your own household's energy usage, how likely are you, after this survey, to try to find out what the fuel mix is of the electricity you consume?		
Salience of share of renewables in fuel mix	Less salient: renewable fuels individually marked	57
	More salient: aggregate share of renewable fuels marked	60***
Comparison group	I: supplier mix (that is, the individual supplier's fuel mix that is not a 100% renewable fuel mix)	60
	II: supplier mix + supplier mix at national level	59
	III: supplier mix + supplier mix at level of supply undertaking (that is, the supplier mix in the countries in which the supplier operates)	59
	IV: supplier mix at national level + national mix of country	58
	V: supplier mix + supplier mix at level of supply undertaking + national mix of country	57
	VI: supplier mix + supplier mix at national level + supplier mix at level of supply undertaking	56
Average (%)		58
In the future how likely are you to switch to a tariff with more renewable energy in its fuel mix?		
Salience of share of renewables in fuel mix	Less salient: renewable fuels individually marked	50
	More salient: aggregate share of renewable fuels marked	52
Comparison group	I: supplier mix (that is, the individual supplier's fuel mix that is not a 100% renewable fuel mix)	52
	II: supplier mix + supplier mix at national level	49
	III: supplier mix + supplier mix at level of supply undertaking (that is, the supplier mix in the countries in which the supplier operates)	51
	IV: supplier mix at national level + national mix of country	49
	V: supplier mix + supplier mix at level of supply undertaking + national mix of country	51
	VI: supplier mix + supplier mix at national level + supplier mix at level of supply undertaking	52
Average (%)		51

Note: The table combines results for the online and laboratory experiment. Online behavioural experiment was conducted with 10,134 participants in France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. The laboratory experiment was conducted with 240 participants in Germany and Slovenia.

Statistically significant differences are indicated with bold rows and asterisks. ***=99%. **=95%. *=90%.

Source: Main Task 5 Behavioural experiment

One possible explanation for the lack of effect of comparison group is that consumers may **not be interested in environmental information unless they are already environmentally conscious**. The focus groups found that participants generally found fuel mix information 'nice to have' rather than important, unless they identified as 'pro-eco'.

In the consumer survey, participants were asked whether they would be interested in receiving information about the fuel mix of their electricity, that of their company in their country, their company in the countries where their electricity supplier operated or the national fuel mix of their country. Participants indicated whether they would be definitely interested, maybe interested, or not interested in receiving such information.

Participants who reported in the consumer survey that they would be definitely or maybe interested in receiving any of the fuel mix information types were significantly more likely to report in the fuel mix stage of the experiment that they would be likely to find out the fuel mix of their own electricity (65% vs. 22% of those not interested in receiving fuel mix

information) and to switch to a tariff with more renewable energy in its fuel mix (58% vs. 13%, respectively).

The focus groups, however, also showed **a lack of knowledge regarding how the different sources of energy impact the delivery to individual households**, both in Germany and Slovenia. For example, there was a general misunderstanding that all energy that is going through the cables is the same – therefore, many consumers did not “believe” that there are different sources of energy.

“I receive the same energy as my neighbour. How does the supplier divide between that?” (Germany, participant in a group with 65+ consumers)

“Who guarantees that they have a switch for eco power and one for normal power? No one can guarantee that.” (Germany, participant in a group with 65+ consumers)

Finally, some focus group participants both in Germany and Slovenia generally **did not believe that suppliers would provide 100% renewable energy** even if they claimed that in their documentation.

“I am sceptical when they tell you that. I watched several good TV shows that showed that transformation doesn’t necessarily mean that it is green power.” (Germany, participant in a ‘general public’ group)

“I think it is very important to have green electricity, but I cannot verify the information, suppliers can put on a paper whatever they want.” (Slovenia, participant in a ‘general public’ group)

“This is just a marketing trick to sell electricity at a higher price.” (Slovenia, participant in a group with 65+ consumers)

8. Main findings and policy recommendations

On 30 November 2016, the European Commission (EC) presented the Energy Union's "Clean energy for all Europeans" legislative package. One of the main goals of this package is to provide a fair deal for consumers. In order to provide a fair deal for consumers, the EC wants to make sure that every European has more possibilities to engage in the energy market and is more in control of their energy costs. It is also central to this goal that consumers can trust the energy policies and services.

In November 2016, Ipsos, London Economics and Deloitte were commissioned to conduct a consumer market study on pre-contractual information and billing in the energy market, in order to:

- Investigate possible **minimum requirements** and **options for standardisation of pre-contractual information (offers) and bills** that could ensure increased clarity, comparability and transparency of contractual conditions, energy prices and consumption information.
- Put forward **better alternatives for "bill design"** that prominently display key information elements, by identifying and testing through behavioural experiments different ways of presenting bill formats that contribute to increased clarity and comparability.
- Examine whether **exit fees**, and their interplay with behavioural biases, discourage energy consumers from switching, and the extent to which these play a role in their decisions.
- Examine potential problems with **PCTs in the energy sector**, identify (independent) verification schemes where they exist, and make recommendations for certification requirements that ensure a high level of transparency and quality of the information provided.

Between December 2016 and March 2018, several tasks were carried out:

- Overall analysis of national policies and practices related to pre-contractual information, and billing, requirements on switching and exit fees, and certification schemes for Price Comparison Tools (PCTs) in the energy sector.
- Consultations with national stakeholders (e.g. energy regulators and managers of PCTs).
- Analysis of a sample of energy bills in order to assess typical elements included in the bills and to verify whether information on fuel sources, and on switching and exit fees is clearly presented.
- A mapping of the number of energy PCTs across the EU28, Iceland and Norway and an in-depth review of a sample of 85 PCTs.
- A consumer survey in the 28 EU Member States, Norway and Iceland, targeting energy consumers, (jointly) responsible for paying the energy bills in their household.¹³⁹ In total, 20,244 interviews were carried out via an online methodology.¹⁴⁰
- An online behavioural experiment, conducted in conjunction with the consumer survey, in 10 countries: France, Germany, Greece, the Netherlands, Poland, Romania, Slovenia, Spain, Sweden and the UK. In total, 10,134 respondents participated in the experiment.
- A laboratory experiment and focus groups, carried out with 240 participants in Germany and Slovenia. The focus groups were skewed towards vulnerable groups, since previous research has shown that vulnerable consumers have difficulty engaging in and understanding energy markets.¹⁴¹

¹³⁹ Consumers who did not receive energy bills, e.g. because energy costs are included in the rent, were excluded.

¹⁴⁰ In Cyprus, the survey was conducted using a computer aided telephone interviewing (CATI) method.

¹⁴¹ European Commission (2016), 2nd Retail Electricity Market Study; Available at: http://ec.europa.eu/newsroom/just/item-detail.cfm?item_id=53331

8.1 Comparability of energy offers

The Consumer Rights Directive 2011/83/EU requires energy suppliers to provide customers with pre-contractual information in a clear and comprehensible manner. Despite this Directive being implemented in most Member States, and even stricter regulatory requirements being in place in some countries, consumers are facing difficulties in comparing gas and electricity offers.

Across the EU28, 46% of energy consumers surveyed had looked for, or received, offers from energy suppliers in the 12 months preceding the interview; this figure showed a large variation across countries – from 9% in Iceland, 14% in Luxembourg and Lithuania to 63% in Portugal. Roughly 4 out of 10 (38%) survey respondents who had received or had looked for energy offers answered that it had been **very or rather difficult to compare the main features of the offer** and 41% said the same about the **conditions for terminating the contract**. Payment options, contract duration and the total price of the offer were considered easier to compare.

When survey respondents were presented with a list of **policy options that could be implemented to increase the comparability of offers** and make it easier for consumers to calculate savings, a slight preference was observed for increasing comparability by presenting total price and main features of all offers in the same way. In the consumer focus groups conducted in Germany and Slovenia, participants stressed that energy suppliers should **present offers in the same standardised way, following the same structure and listing the same characteristics**, preferable in a table format.

In a number of EU countries, suppliers have to provide a standardised information sheet for energy offers; this is the case, for example, in Portugal (*Ficha de caracterização padronizada*) and France (*Fiche descriptive de l'offre*). In this context, it is also worth referring to the position paper of BEUC, Eurelectric, Eurogas and CEDEC.¹⁴² These associations identified seven pre-contractual elements that are key to foster comparability of offers, namely: name and main features (including, where relevant, a clear description of additional services), price (fixed/variable/discounts) and conditions for price changes, contract duration, notice period, termination fee (where relevant), payment method options, and the supplier's contact details. They added that these key elements should be provided to customers in one place, in a short, easily understandable, prominent and accessible manner.

Recommendation

For a well-informed choice of the energy offer(s) that best suit their needs, consumers should be able to easily and quickly understand the key elements of energy offers available in the market. **Key information on energy offers should be provided to consumers, in a short, easily understandable and easily accessible manner; a standardised product sheet used by all suppliers should be introduced in all EU countries.**

Although the largest share (48%) of survey respondents who had switched suppliers in the past 12 months had found out about alternative offers via a PCT, door-to-door and other uninvited sales channels remain important in certain countries (such as Italy and Portugal). Survey respondents who had used PCTs to look for alternative deals were most likely to reply that comparing energy offers had been easy, while **respondents who had received offers via door-to-door and other uninvited sales channels were less likely to describe comparisons as easy** (e.g. 41% of respondents who had used a PCT to look for alternative deals replied that it had been "very easy" to compare contract duration of the offers, compared to just 23% for those who had received offers though a phone call from a salesperson).

¹⁴² BEUC, Eurelectric, Eurogas and CEDEC (2016), "Joint statement on improved comparability of energy offers". Position Paper.

Recommendation

Considering PCTs play a key role in helping consumers to compare different energy offers available in the market, **a standardised product sheet should not only be used by all suppliers, but should also be made available via PCTs.**

Door-to-door selling practices have been identified as a problem in the energy sector. Electricity and gas are complicated products and consumers may have difficulties in making an informed choice when they are offered a new contract in a situation of surprise, especially when not being provided with key information on the offer(s). In situations of doorstep selling, **a standardised product sheet should always be provided in writing or on another durable medium¹⁴³ available and accessible to the consumer.**

In its Staff Working Document evaluating the EU Framework for Metering and Billing of Energy Consumption, the EC observed that, at the time of drafting the Second and Third energy packages, consumer bills and pre-contractual information formed the basis of consumer comparability.¹⁴⁴ However, since then, the use of PCTs has risen significantly. **Across the EU28, 37% of survey respondents had used an energy PCT once or more in the past 12 months.** In countries, such as Belgium, Germany and the UK, roughly one in two respondents had used energy PCTs in the past 12 months; this proportion drops to less than one in four in countries such as Luxembourg, Lithuania, Denmark and France.

A sample of 85 PCTs was analysed, and a **low level of business model transparency was observed for more than half of these PCTs**; for example, information on market coverage was found on 43 PCTs and just 23 PCTs displayed information about the frequency for updating offers. The highest number of energy PCTs was observed in the Netherlands (25 PCTs); this country, however, also has one of the highest proportions (26%) of survey respondents who replied that they had not used PCTs in the past 12 months because they do not trust them and think they are **not independent and impartial**. In France, the Czech Republic and Germany, similar proportions were observed (between 25% and 28%).

In addition to transparency issues, various other issues were identified during the analysis of the sample of 85 PCTs. For example, details on the offers listed in the PCTs were often confusing and not exhaustive; this applied mainly to non-price elements. **Discounts were not always clearly identified**, and the end date for the promotion and total price for the offer after applying the discount were often not displayed.

¹⁴³ Article 2(10) of the CRD defines a durable medium as "any instrument which enables the consumer or the trader to store information addressed personally to him in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored." According to recital 23 in the preamble to that directive, durable media "should include in particular paper, USB sticks, CD-ROMs, DVDs, memory cards or the hard disks of computers as well as e-mails".

¹⁴⁴ COMMISSION STAFF WORKING DOCUMENT EVALUATION of the EU Framework for Metering and Billing of Energy Consumption Accompanying the document Proposal for a Directive of the European Parliament and of the Council amending Directive 2012/27/EU on Energy Efficiency. Available at: https://ec.europa.eu/energy/sites/ener/files/documents/mdi_impact_assessment_main_report_for_publication.pdf

Recommendation

PCTs should be transparent about which business model they follow and disclose their relationship with energy suppliers. PCTs should clearly explain how offers are sourced, and inform users how frequently offers are updated. In case a PCT does not include all offers available in the market, it must be clear about the offers that are covered. Criteria used for ranking offers should be prominently indicated.

Regardless of who is running the PCT, it **must be ensured that the information consumers get is impartial, complete and up to date**. Key conditions, for instance related to **discounts**, should be identified and highlighted.

Among PCT users in the consumer survey, 74% were at least *rather satisfied* with accuracy of the PCT and ease of comparing offers, and 79% said the same for coverage of suppliers and coverage of offers. Less than one in four respondents, however, said to be *very satisfied* with these aspects. Roughly 6 out of 10 (59%) survey respondents agreed that they would have **a lot more trust in PCTs if it is ensured that all information on prices is accurate and up to date**. Consumers also valued the **use of plain and unambiguous language and user-friendliness**. However, just 34% of respondents replied that accreditation by the national energy regulator or an independent body would increase trust in a PCT a lot.

In this study, 185 PCTs that compare electricity and/or gas offers were identified. **In 17 countries, consumers have access to a publicly owned PCT** (i.e. owned and ran by the national energy regulator, an ombudsman or a consumer organisation). Overall, publicly owned PCTs represent only 11% of the total number of PCTs identified in this study. Among the privately owned PCTs, the number of certified PCTs (18) is much lower than the number of non-certified ones (146).

Certification schemes for PCTs were found in Belgium, Ireland and the UK. These certification schemes set requirements for PCTs in terms of clarity and comprehensibility, accuracy of offers, user-friendliness, business model transparency etc., and some studies suggest that accredited PCTs indeed perform better on these criteria (e.g. user-friendliness, price clarity and understandability). **Although consumers were unlikely to state that accreditation by the national energy regulator or an independent body would increase their trust in the comparisons provided by the PCT, they did attach high value to the certification requirements set in each of the aforementioned schemes**.

Recommendation

Certification schemes should be in place to ensure that PCTs meet necessary requirements in terms of clarity and comprehensibility, accuracy of offers, user-friendliness, transparency of business model etc. Such schemes can be run by either national energy regulator or consumer associations. The EC should further promote the requirements in the new proposed Electricity Directive ensuring that all EU consumers get free-of-charge access to at least one certified PCT that meets the aforementioned criteria.

Certification schemes should work with **a logo that is prominently displayed on PCTs certified via the scheme**; this will increase awareness about certification and will allow consumers to make an informed choice about which PCT to use (especially in markets where many PCTs exist). Information campaigns can **increase consumers' awareness of certification schemes for PCTs**, and inform them about how it is ensured that certified PCTs meet the criteria set out in the scheme.

In the UK, the use of QR codes in energy bills was introduced in 2014. The QR codes contain all the information needed to compare and switch energy suppliers, and by **scanning the code in a QR code app, PCTs provide consumers with an instant, customised energy comparison.** The behavioural experiment simulated the greater ease of comparing alternative deals with QR codes by implementing a 'real effort' treatment. In the behavioural experiment, participants were either assigned to:

- a low effort treatment, simulating the lower search costs of a QR code app and providing an instant, customised energy comparison, or
- a high effort task where participants needed to search for information in a mocked-up energy bill in order to compare deals on PCTs.

In the high effort task, if participants were unable (or unwilling) to provide details about their energy usage taken from the mocked-up bill, they were shown deals based on 'estimated' usage as opposed to usage calibrated to their needs. This meant that it would be more difficult for these participants to find the best deal for their 'individual' needs. This feature of the real effort task was reflected in the experiences of some focus group participants in Germany, who pointed out that PCTs only displayed deals above a certain minimum level of consumption and that they could not search for deals for their own specific level of energy consumption. Therefore, they were not shown deals suitable for their own consumption level.

The real effort task significantly affected the ability of participants to find and select the cheapest deal even if they compared alternative deals: 41% of participants who had to perform real effort chose the cheapest deal, compared to 58% of participants who only needed to click a button to view alternative deals (statistically significant at 99%).

Recommendation

A PCT for comparing energy offers should enable consumers to **compare their current contract with other offers in an easy way.** Consumers should be able to accommodate individual consumption parameters allowing them to assess whether a specific offer matches their needs.

Methods that reduce consumers' search and comparison effort, such as including **QR codes**, which contain all the information needed to compare and switch energy suppliers, in **energy bills** can help consumers switch more easily and switch to the offer that is most advantageous to them. The **functionality to read QR codes, and provide consumers with an instant, customised energy comparison, could be part of the requirements that a certified PCT should meet.**

8.2 Switching and exit fees

Across the EU28, 14% of survey respondents in the consumer survey had switched gas and/or electricity suppliers in the past 12 months. The highest switching rates were observed in Germany, Finland, Belgium and the UK (between 20% and 28%); in countries, such as Bulgaria and Lithuania, less than 1 in 20 respondents had switched suppliers in the past 12 months.

The Annex of the new proposed Electricity Directive specifies that **Member States shall ensure that customers are not charged any switching fees** (a charge or penalty imposed on customers by suppliers or system operators directly or indirectly for changing suppliers), although an **exception is added for (early) termination fees** (costs charged to customers who unilaterally end their energy contract earlier than the agreed termination date).

In a majority of EU countries, the national legislation specifies that switching must be free of charge, and in most countries, the energy suppliers evaluated in the context of this study appear to apply the national law as no switching fees were specified on their

websites. A different picture, however, emerged for termination or exit fees. In the UK, the Netherlands and Greece, between 25% and 28% of survey respondents said that they would be charged an exit or contract termination fee if they had switched suppliers at the time of the survey.

More generally, **a low awareness about exit fees was observed among consumers across the EU28**. Even among respondents who had switched suppliers in the past 12 months, 30% “did not know” whether they would be charged an exit or contract termination fee if they had switched suppliers at the time of the survey. Moreover, it was noted above that, among survey respondents who had looked for energy offers, 41% answered that it had been *very or rather difficult* to compare the conditions for terminating the contract.

Although there was a low awareness of whether exit or termination fees apply, this type of fees does play a role in consumers’ decision making. When asked which factors would influence their **choice of an alternative supplier**, 52% of survey respondents in the EU28 replied that it would be very important that the supplier does not apply exit or termination fees. **In consumers’ decision making when switching suppliers, the absence of exit or termination fees was considered as important as the quality of services offered by the supplier**, and was rated more important than the supplier’s green credentials. Moreover, among respondents who had used energy PCTs in the past 12 months, 45% replied that they had checked that there were no exit or termination fees when comparing suppliers.

In addition, the results of the behavioural experiment suggest that **consumers may be dissuaded from switching if they need to pay exit fees, even if they can make savings that outweigh the exit fees by switching**. This finding was also confirmed by the consumer survey, where 35% of respondents who replied that they would need to pay an exit or termination fee, explained that they would not switch until their contract terminates.

While this study identified exit fees as a barrier to switching, many focus group participants in Slovenia said that **exit and termination fees are “a part of their everyday lives”** and, for example, are also applied for broadband or mobile phone contract. Moreover, **exit fees can exist in markets alongside high switching rates** – for example, in the UK and the Netherlands. In these countries, more than a quarter of respondents had switched energy suppliers in the past 12 months, but respondents in these countries were also among the most likely to state that they would be charged an exit or contract termination fee if they would have switched suppliers at the time of the survey (25% in the UK and 27% in the Netherlands).

Recommendation

In a competitive market, exit fees are set up to cover the costs incurred by suppliers due to early contract termination, and termination fees might be justifiable for fixed term, fixed price contracts. This, however, is on the condition that **consumers are fully and clearly informed about the existence of the (early) termination fee before entering into the contract**. Contract duration, notice period and termination fee (where relevant) are key pre-contractual elements that should be provided to customers in an easily understandable manner.

For a well-informed choice, **consumers should be able to easily distinguish between offers which include termination fees and those that do not**. Consumers would benefit from **PCTs that display clear information about termination fees** and offers which include termination fees should be fully transparent on PCTs and, for example, offers should be able to be filtered based on whether there are termination fees or not, alongside other key offer attributes.

Exit fees may be a **financial barrier** to consumers since fees need to be paid upfront, whereas the savings from switching are realised later. Exit fees, however, not only diminish the immediate financial advantage of switching, but also **render it more difficult for consumers to calculate savings**. In addition, consumers frequently display **'present bias'** – that is, they place disproportionate weight on present consumption even if they report that at a future date they would wish to save. This means that paying exit fees upfront may dissuade consumers from switching, or even comparing alternative deals.

In the behavioural experiment, some participants **were informed about the time taken to offset the cost of paying exit fees, or the time taken to save money by switching**. Behavioural experiment participants who were informed about these benefits of switching were significantly more likely to switch, compared to those were not told this information: 63% of participants who were informed of the benefits of switching indicated that they would switch, compared to just 55% of participants who were not informed about the benefits (statistically significant at 99%).

8.3 Energy billing

The proposal for the revised Electricity Directive (COM/2016/0864 final/2) contains a specific annex (Annex II) on minimum requirements for billing and billing information. Energy bills can enable consumers to assess their energy consumption and make choices that can further affect their budget and the environment.

8.3.1 Bill characteristics

Monthly energy bills were the most common type of bill in half of the countries surveyed. In France, Austria, the Netherlands, the Czech Republic and Germany, the largest share of energy consumers surveyed received their energy bill only once a year (from 39% in France to 72% in Germany). Almost one in two (46%) survey respondents across the EU28 received (only) a paper energy bill and 48% received an electronic bill or e-bill (via email or online via the supplier's website); 6% received both a paper bill and an e-bill. Bills sent by email were the most common in Estonia (75%), the Netherlands and Portugal (both 60%), Latvia (58%) and Belgium (54%). One in two survey respondents in the UK managed their energy bills online via their supplier's website. Automatic bill payment (or direct debit) was the most dominant payment method in half of the countries surveyed; this is the case in 12 of the EU15 Member States, but in just two of the EU13 Member States.

Recommendation

Although bills are still the most important medium that suppliers have for communicating with customers, some consumers receive their energy bill only once a year, while others tend not to review their bills (see below). In light of this, **ICT is an important medium to channel data and present it in a meaningful way to consumers**. Energy suppliers should continue to explore other options to provide information to consumers such as supplier-run online tools, apps, etc.

One in three (34%) survey respondents in the EU28 replied that they usually needed one or two minutes to review their energy bill and 33% usually spent more than two minutes reviewing their bill. Across most countries, a sizable share of respondents did not review their energy bill or spent only a few seconds reviewing it; in two countries, this share is higher than 50% (Luxembourg and Iceland). The main reasons why consumers did not spend more time reviewing their energy bill was because they only needed to know how much they have to pay (48%) or because they used direct debit for bill payment (30%). Another 14% of respondents did not review their energy bill because it was too difficult and 8% said that they could not find the information they needed. The latter reasons were more frequently mentioned by consumers in a more precarious financial situation.

Across the EU28, **17% of survey respondents strongly agreed, and 42% somewhat agreed**, that **energy bills were clear and easy to understand**; 37% tended to disagree

with this statement. Similar results were observed for the statements that it was easy to **find information in energy bills** and that **energy bills used plain and unambiguous language**. No differences were observed between respondents answering questions about their gas, electricity or combined energy bill. However, generally speaking, respondents who received an online bill tended to be more likely to agree that their bills were clear and easy to understand. Respondents in a financially precarious situation were the least positive about the clarity and completeness of their energy bills. The individual country results showed that respondents in Finland, Germany and Estonia evaluated their energy bills most positively, while respondents in Spain, Greece, Italy and Iceland were the least positive in their evaluation.

The behavioural experiment showed that participants were significantly more likely to report that **the 'best practice' bill (with simple design, framing of key information and comparability box on page 1) was easy to understand, compared to the 'current market practice' bill** (based on examples of bills found in the desk based review). The higher subjective rating of the best practice bill was also reflected in participants' objective comprehension scores. The 'best practice' bill was structured in a way to assist participants to comprehend bill elements and find information more easily, by presenting information in a clear and striking way, with a 'comparability box' helping participants to find information related to comparability or energy consumption.

Respondents were presented with four policy options designed to improve the clarity and consumer understanding of energy bills. Few respondents disagreed that the policy options presented to them would make bills easier to understand, and the level of "strong" agreement was high: from 47% for the statement that bills would be easier to understand if all suppliers provide the same minimum information in bills to 54% for the statement that bills would be easier to understand if all suppliers use the same terminology. When ranking the policy options in terms of efficiency, the option that **all suppliers would place relevant information on the first page of the energy bill** was most frequently ranked in 1st position as being the most efficient in making energy bills easier to understand.

Recommendation

This study observed a preference among consumers for a **tiered approach for energy bills**, where the most important information is provided on the **first page of the bill** and additional information on (a) separate page(s). Across the EU28, consumers receiving an electronic bill or e-bill (via email or online via the supplier's website) have become the largest group. **Electronic e-bills offer more possibilities to communicate the bill's contents better and in a personalised way, and are very suitable for applying a tiered approach.**

8.3.2 Optimising consumer decision making via "bill design"

Bill content, bill presentation and terminology used are important in assisting consumers to select offers that best suit their needs. Research also shows that bill format and content can encourage behavioural change towards reduced consumption or choosing green energy offers. This study looked at ways to promote switching behaviour and stimulating behavioural change towards reduced energy consumption and choosing green energy offers.

Promoting switching behaviour

Across a sample of energy bills analysed, few bills contained information about switching procedures; moreover, few EU countries have legislation in place requiring that this type of information is included in energy bills. The consumer survey showed that 17% of respondents across the EU28 had reviewed their energy bill to find information to compare prices and switch to a better offer, and 28% remembered having seen their switching or EAN (European Article Numbering) code in their energy bill.

Respondents in the consumer survey were also asked what type of content they would like to see in their energy bill. The highest score was observed for **information on the**

supplier's cheapest tariff (71% of consumers would *definitely like* to receive this information in their energy bill), while the lowest score was observed for a link to an accredited PCT (37% "Yes, definitely" responses). Roughly 6 in 10 (62%) respondents replied that their energy bills should contain information on the end date of their contract/duration of their contract and 59% answered the same about the cost for early termination of their contract.

Of all the items listed in the survey, respondents were the least likely to state that they would like to receive **information about an accredited PCT in their energy bill** (37% "Yes, definitely" responses). This proportion was somewhat higher for respondents who had used energy PCTs in the past 12 months (45% of "yes, definitely" responses), but remained the lowest ranked response also for this group. In the focus group discussions, participants explained that they did not believe that a supplier would point out that there are cheaper options offered by (competitive) providers in the marketplace.

Recommendation

Energy bills should contain information on the supplier's "cheapest" tariff – this would be the **supplier's tariffs that would be the most advantageous for the customer** if the consumption pattern of the previous year is repeated in the coming year. For **fixed term contracts**, the supplier should also inform the consumer in advance of when a fixed term period comes to an end and the best offer available at the time the information about contract end is provided. If exit fees apply, information should be provided about **the time it will take to offset the cost of paying these fees, or the time it will take to start saving money by switching**.

Energy bills should contain a link to a certified PCT, prominently stating that the PCT is not linked to the energy supplier, assuring consumers that by using this PCT, they will get access to **information that is impartial, complete and up to date**.

Stimulating behaviour change towards reduced energy consumption and choosing green energy offers

The 2nd Electricity Market Study showed that many consumers are unaware of how much energy they use. Although energy consumption location and frequency detail in the mocked-up energy bills in the behavioural experiment did not have a significant impact on comprehension, experiment participants were more likely to correctly identify energy consumption for the billing period if it was **explicitly and saliently communicated to them in the bill**. One in two participants shown the simplified price breakdown correctly identified energy usage for the billing period, compared to 44% of participants shown the more detailed presentation.

A slim majority (55%) of survey respondents across the EU28 thought that a **comparison of their current energy use with that of the same time one year before would definitely help them to better manage their energy use**; 33% shared a similar view about a comparison of their energy use with that of other consumers. More than 4 in 10 (45%) survey respondents would like to receive energy saving tips from their supplier. Some participants in the focus groups in Germany and Slovenia, however, pointed out that they did not find generic energy saving tips useful, but would be interested in receiving information about specific appliances in their household that consumed a lot of energy.

Somewhat more than one in three (35%) survey respondents replied that they would definitely like their electricity bill to contain **information about the fuel mix of their tariff**, while 28% answered that they would like to see in their energy bill information about the supplier's overall fuel mix. The behavioural experiment found that participants **preferred fuel mix presentation with a salient aggregate renewables' share**, and were likelier to report an intention to find out their own fuel mix when renewables were presented simply and saliently.

In general, the proportions of “yes, definitely” responses for this question about fuel mix information were lower than those observed for other questions about consumers’ preferred content of energy bills. For example, although 35% of respondents would definitely like their electricity bill to contain information about the fuel mix of their tariff, 53% replied that they would definitely like to receive energy saving tips in their energy bill. Two reasons for this observation were identified. Firstly, in the focus groups **a lack of knowledge regarding how the different sources of energy impact the delivery to individual households** was observed, both in Germany and Slovenia. Secondly, some focus group participants, both in Germany and Slovenia, generally **did not believe that suppliers would provide 100% renewable energy even if they claimed this** in their documentation.

Recommendation

Information about “green” energy and “green” tariffs should be easier to understand and be more transparent. “Green energy certified” labels could help establish and make it possible to verify environmental claims, increasing consumers trust.

Information on tariff fuel mix and supplier’s average mix should be presented simply and saliently. This study has provided an example for **disclosure of the fuel mix simply and saliently.**

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