

INFOGRAPHIC

Complaint Handling and Dispute Settlement Procedures Available to Energy Consumers in the Mediterranean



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MEDREG

is the Association of Mediterranean Energy Regulators that gathers 27 energy regulators from 22 countries spanning the European Union, the Balkans and North Africa.

We aim at setting conditions for fair, functioning and integrated Euro-Mediterranean energy markets through regulatory cooperation and support. Based on a bottom-up approach, MEDREG acts as a platform that enables Mediterranean energy regulators to cooperate and exchange knowledge and experience.

The organisation is co-funded by the European Union.



ABOUT THE INFOGRAPHIC

This infographic is based on a report elaborated in 2018 by MEDREG and the Energy Community Regulatory Board (ECRB) that identified the complaint handling and dispute settlement procedures available to household customers in the energy market.

It provides the state of play of these procedures in different countries of the Mediterranean and Balkan regions, shares the best practices and offers recommendations for the implementation of minimum criteria to guarantee household consumers access to justice.

Based on the information provided by the Balkan and Mediterranean energy regulators, this infographic offers a comparative analysis of the different consumer protection aspects applied in these two regions.

The aim behind this overview is to bring out the best experiences, which can be easily embraced by other countries and to strengthen and improve the impact of complaint handling and dispute resolution functions.





10 MEDREG COUNTRIES

1. ALGERIA
2. EGYPT
3. GREECE
4. ITALY
5. JORDAN
6. MALTA
7. PALESTINE
8. PORTUGAL
9. SPAIN
10. TURKEY

3 COUNTRY MEMBERS OF BOTH MEDREG and Energy Community Regulatory Board (ECRB)

11. ALBANIA
12. BOSNIA and HERZEGOVINA
13. MONTENEGRO

6 COUNTRY MEMBERS OF ECRB

14. NORTH MACEDONIA
15. GEORGIA
16. KOSOVO*
17. MOLDOVA
18. SERBIA
19. UKRAINE



* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

The infographic is based on the above-mentioned countries that have responded to the questionnaire. However, not all countries provided complete answers to all questions, which explains the lack of information for some of them or their absence in some graphs.



Complaint and dispute settlement procedures: An indicator of the level of functioning of energy markets and consumer protection



WHEN HOUSEHOLD CONSUMERS DO NOT HAVE ACCESS TO:

1


Effective means to address their complaints

2

Inexpensive complaint procedures

3

Information about their rights

- 
- There is an ineffective and uneven balance between the rights and obligations of consumers and their service providers
 - Household consumers are likely to be disadvantaged towards the supply companies they encounter due to the unequal means available and their economic situation

WHEN HOUSEHOLD CONSUMERS DO HAVE ACCESS TO:

1


Effective means to address their complaints

2

Affordable means for dispute resolution

3

Information on complaint procedures

- 
- The energy market is functioning well
 - Consumers are confident about exercising their legitimate rights
 - Consumers have access to justice and are empowered to exercise their rights



Recommendations

Public institutions must ensure a safe and fair position for consumers through

dispute resolution mechanisms that guarantee the impartiality and objectivity of the decision taken.

Who is handling complaints and dispute resolution mechanisms?



IN MOST CASES: Energy regulators

IN A FEW CASES: Impartial entities, which are autonomous of the regulator, such as specialised alternative dispute resolution bodies.



Recommendations to guaranteeing consumers' access to justice, as minimum criteria:



Known and transparent procedures:

Consumers must be given access to procedures without a specialised legal advice and/or legal representative.



Affordable means to raise a complaint:

Complaint procedures should be free of charge or at least affordable.



Effective procedures:

Time taken for the final administrative decision should not be too long.

Most household consumers are less experienced in legal matters compared to the supplier. Moreover, they are financially weaker and the value at stake does not economically justify the cost of a complaint process sometimes.

Therefore, **out-of-court procedures should be designed in a way that facilitates consumers' access to justice** and encourages them to duly exercise their rights.


Clear, available and user-friendly information as well as transparency of procedures are key for the effectiveness of the out-of-court procedures and guarantee consumers' access to justice.

The authorities responsible for handling the complaints and resolving the disputes should therefore ensure the presence of balanced and accessible procedures.



Overview: Consumer protection policies are in place in all Mediterranean and Balkan countries



Regardless of the level of consumer protection, the role of the consumers in the market **is gaining a growing interest from regulators.** 

ALL RESPONDENT COUNTRIES have consumer protection policies in place for their household energy consumers consisting of:

- **regulations** nested within **energy, gas legislation and license provisions** or
- **consumer protection** and/or **administrative legislation.**

The consumers' right to complain is most commonly based in **legislations and regulations.**

IN ALL BALKAN COUNTRIES AND MANY MEDITERRANEAN COUNTRIES, the regulatory authority is responsible to review complaints and resolve disputes.

IN SOME CASES, other entities are responsible for handling/resolving disputes based on clear procedures.

Almost all National Regulatory Authorities (NRAs) are competent for resolving disputes raised by energy consumers.

In the Mediterranean and the Balkan countries:

- **17 NRAs are competent** for resolving disputes by means of dispute settlement or complaint handling procedures and represent 89% of the total regulators.
- **Only 2 NRAs (Greece and Spain) are not competent** for resolving disputes by means of dispute settlement or complaint handling procedures and represent 11%.

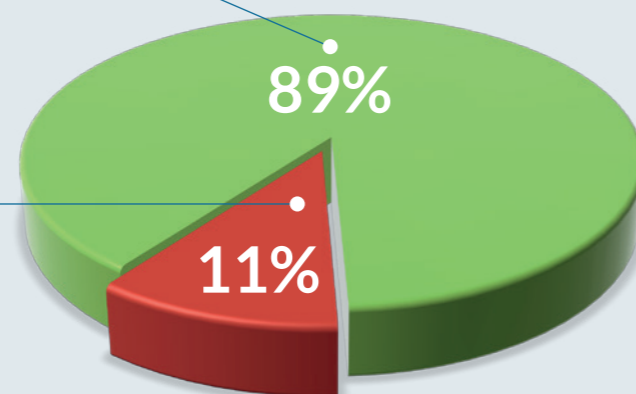


ILLUSTRATION OF THE COMPLAINT HANDLING COMPETENCY GIVEN TO THE REGULATOR



IN ITALY

The **rules for the carrying out of the Alternative Dispute Resolution (ADR)** procedures in the regulated sectors are **defined by the regulator's resolution**, covering the conciliation service and all the conciliation bodies.


The regulator **ARERA** (Autorità di Regolazione per Energia Reti e Ambiente) **can, to some extent, resolve the complaints and disputes of household consumers by verifying the ground of the client's claims** and, if found valid, by **asking the supplier to resolve the problem.** The regulatory authority does not pursue further, i.e., if the supplier pays an automatic compensation to the consumer within the maximum deadline.

Complaint handling is the exclusive responsibility of suppliers and implies the communication of a written, motivated and documented reply to a consumer's written complaint.

A **'written complaint'** is defined by the regulation set by ARERA as **any written communication, even by electronic means, sent to the service provider (supplier or DSO, where applicable).**

Through this written complaint, the **household consumer**, his/her legal representative, or a consumers' organisation **expresses their complaints about the non-compliance of the service with one or more requirements defined by the law or regulatory provisions**, by the **supply contract** or by any other act governing the relationship between the supplier and the consumer.

Recommendations

-  The consumers' **right to complain should be provided by the legislative and regulatory instruments.**
-  The terms **"dispute resolution" and/or "complaint handling" should be defined** in the national legal system related to the energy market.
-  When **the legal basis** may be subject to interpretation and subjectivism, it **should be strengthened, preferably through legislative means.**
-  The **existence of complaint handling and dispute resolution procedures is highly recommended to ensure a structural approach and legal certainty to the proceedings.**

How do dispute settlements and complaint handling procedures look like in the Mediterranean and the Balkans?



7 MEDREG COUNTRIES

1. ALGERIA
2. EGYPT
3. ITALY
4. JORDAN
5. MALTA
6. PORTUGAL
7. TURKEY

have clear procedures in place.

THE BALKAN COUNTRIES

have similar procedures for resolving the complaints and appeals.

The complaint shall be submitted to the regulator.



CONCRETE EXAMPLES FROM MEDREG COUNTRIES

IN ALGERIA

The complainant must first contact his distributor to inform him of his dissatisfaction by following three levels of recourse:

1. The Commercial Agency;
2. The Distribution Department; and
3. The General Management of the Distribution Company concerned.

If the complainant is dissatisfied with the treatment of his request or if he has not received a response from the distribution company after a maximum period of three months, he may introduce an appeal to the energy regulator CREG along with the necessary supporting documents.

The regulator collects the necessary information on the request to analyse and decide on the admissibility of the case and its competence to treat it.

Cases are considered inadmissible when the complainant does not use all internal distributor remedies, the appeal file is incomplete and/or the dispute is being reviewed or decided by a competent court.

In all cases, the regulator has a maximum of three working days to come back to the complainant and inform him of the outcomes of his appeal in the form of an acknowledgment of receipt.

The regulator may, if necessary, bring together the parties concerned to try to reach an amicable solution.

In the event that one of the two parties is not satisfied with CREG's position in relation to the appeal, it can bring the dispute before the competent courts.

IN JORDAN

The complainant contacts the regulator (EMRC) to raise a complaint. The regulatory team in charge of complaint handling checks the written information of the complaint with the licensee and gives its opinion. Based on the above information, the EMRC Board gives a decision and informs the complainant.

IN PALESTINE

- The consumer has to submit a written complaint to any branch of the distribution company;
- The distribution company provides the consumer with the required clarifications, information and guidance on how to submit his complaint within a maximum of three days;
- The distribution company notifies the Palestinian Electricity Regulatory Council (PERC) of receiving the complaint;
- The distribution company has to reply in a written response to the consumer within 14 days.
- In case the distribution company requires a discussion, the consumer should be informed within five days.

How do dispute settlements and complaint handling procedures look like in the Mediterranean and the Balkans?



1. IN NEARLY ALL CASES, THE FINAL SETTLEMENT DETERMINED BY THE REGULATOR OR REACHED BY THE PARTIES IS BINDING



→ The lack of a binding character in the final dispute resolution decision would render the whole process ineffective.

In Mediterranean countries

the legal effects of the settlement outcome vary:

- In **Algeria and Portugal**, the regulators have **no power** to impose a legally binding settlement outcome.
- In the case of **Egypt, Italy and Malta**, the regulator can impose a **legally binding** settlement outcome.
- In the **Balkan countries**, the decisions of the regulatory authorities are **binding**, except for North Macedonia and Serbia.

In all applicable cases

the regulator must notify the parties of its decision in writing and by means of a dated decision.

In nearly all cases

including when there is recourse to **voluntary alternative dispute resolution (ADR)** procedures:

- The regulators **must motivate their decisions**;
- In the case of a regulatory decision, the **final settlement is subject to fines and enforcement** in the case of non-compliance by the service provider;
- The **regulator's decisions are appealable** before the High Court and administrative tribunals.

WHAT DOES "BINDING DECISION" MEAN?

It means that the decisions taken by out-of-court responsible bodies are compulsory for the parties involved. Even when the decision is expressed in the form of recommendations, they constitute settlement proposals that have to be accepted by the parties.

Note: Three member countries did not provide a reply to this question.

How do dispute settlements and complaint handling procedures look like in the Mediterranean and the Balkans?









2. MOST COMMON TYPES OF COMPLAINTS RECEIVED AND DEALT BY THE REGULATOR

- Billing;
- Metering; and
- Quality of supply and interruption issues

In general, regulatory authorities are able to deal with cases that apply to their range of responsibilities in the retail and distribution segments of the market. 😊

A FEW ILLUSTRATIONS OF THE AREAS OF COMPETENCE OF THE REGULATORS FOR COMPLAINTS AND DISPUTES:

<p>IN BOSNIA and HERZEGOVINA AND MONTENEGRO</p>  <p>Supply interruption</p>	<p>IN JORDAN</p>  <p>Hear/accept any complaint from consumers</p>
<p>IN MALTA</p>  <p>Service connections, failure to provide electricity to the consumer, breaches of the customer contract, disconnection of consumers and billing issues</p>	<p>IN PORTUGAL</p>  <p>Connection issues with electricity and natural gas distribution networks, supply contract issues and metering, billing and supply interruptions</p>
<p>IN TURKEY</p>  <p>All issues in the electricity market for which the regulator is responsible</p>	<p>IN GEORGIA</p>  <p>Theft of electricity</p>

3. MOST COUNTRIES HAVE OTHER INSTITUTIONS DEALING WITH ENERGY RELATED CONSUMER COMPLAINTS AND FORMAL DISPUTE SETTLEMENT PROCEDURES

With the exception of Algeria, Jordan, Malta and Turkey, all other MEDREG respondent countries have other institutions dealing with energy related customer complaints and/or formal dispute settlement procedures.

In most respondent cases, only judicial institutions besides the regulator may deal with energy-related customer complaints and/or dispute resolution procedures.




→ While in some cases, this reality has the benefit of ensuring an 'arm's length' approach to the resolving of disputes, this may have the disadvantage, depending on the national context, of dispersing the necessary specialised know-how to address such cases through sectorial expertise, of which regulatory authorities are an important depositary, also involving some possible extra costs.

4. A VARIETY OF MEANS TO INFORM CONSUMERS ABOUT THEIR RIGHT TO COMPLAIN



Information on the right to complaint is part of the principle of transparency and involves information on the authority to which to submit the complaint as well as the procedures, timelines and possible costs of the procedure.

Most common ways to inform customers of their right to complain:

1. Contracts 
2. Websites, energy bills and leaflets 
3. Conferences and interviews 

How do dispute settlements and complaint handling procedures look like in the Mediterranean and the Balkans?



5. A GOOD LEVEL OF CONSUMER INFORMATION FROM ENERGY SERVICE PROVIDER



In almost all the Mediterranean and Balkan countries, **the energy service provider informs consumers of all relevant information** concerning:

- Price
- Connection and disconnection rules and fees
- Terms of bill payments
- Dispute rules, etc.

6. DO CONSUMERS HAVE OBLIGATIONS TOO?

In most countries, consumers **must first file their complaint to the service provider** before being entitled to complain to and/or file a formal dispute settlement procedure with the regulator.

This is the case in Algeria, Egypt, Italy, Malta, Palestine and Portugal as well as in Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Moldova, Montenegro, Serbia and Ukraine.

IN PORTUGAL



The consumer has to first wait for the answer of his service provider, which can take maximum 15 working days. If there is no answer or the answer is not satisfactory, the consumer can then appeal to the regulator.

IN GREECE, JORDAN AND TURKEY



Consumers can file their complaint directly to the regulator without any prerequisites. In Spain, consumers can go to the court directly, but it is considered preferable to first go to the service provider and, if this proves ineffective, then to the competent regional authority.

7. HOW DO REGULATORY AUTHORITIES EXERCISE THEIR POWER OF DISPUTE SETTLEMENT?

In all countries covered by the survey:

- Regulatory authorities have access to complaint-related data.
- This access is ensured by law.

All energy regulators are constrained by specific periods to address complaints



→ This ensures that, within an established timeframe, consumers are able to receive compensation or a reply to their complaint from the energy regulator.

An **extension** of the proceedings is generally allowed in **complex cases** which require more time to be adequately addressed.

The time the regulator takes to address or conclude an issue is considered to be mostly adequate.



All regulatory authorities have **specific periods to review the complaints, analyse the facts and documents and issue a decision**, with the exception of Turkey where the regulator has no time limit to decide.

Average time taken by a regulator in the Mediterranean and Balkan regions to:



How do dispute settlements and complaint handling procedures look like in the Mediterranean and the Balkans?



MAXIMUM NUMBER OF DAYS BY WHICH THE REGULATORS MUST HANDLE THE COMPLAINT:

COUNTRY	REGULATOR TO			MAXIMUM TIME TO SOLVE THE DISPUTE	POSSIBLE TIME EXTENSION	DISTRIBUTOR TO REPLY
	ADDRESS THE ISSUE	ISSUE A DECISION	REACH AN AGREEMENT			
ALBANIA		30		45		
ALGERIA	3					15
BOSNIA & HERZEGOVINA		30-60		120		
EGYPT		50		60	∞	
GEORGIA		30-60				
GREECE		90			90	
ITALY			90		30	
JORDAN		20				
KOSOVO		60			30	
NORTH MACEDONIA		45				
MALTA		90				
MOLDOVA		30			30	
MONTENEGRO		30			15	
PALESTINE		15				
PORTUGAL	15			90		
SERBIA		30-60				
TURKEY	∞	∞	∞	∞	∞	∞
UKRAINE		30			15	
AVERAGE	9	45	90	80	35	15

8. DO CONSUMERS RECEIVE COMPENSATION FOR THE PROVIDERS' INADEQUATE PERFORMANCE?

IN SOME MEDREG COUNTRIES

There are compensation schemes provided by the service provider.

Examples:

- In **Albania** and **Montenegro**, the surplus of undue collected money for electricity consumed is refunded.
- **Algeria** does not have a precise scheme but the regulatory provision is mentioned in the law.
- In **Greece**, the compensation amount is decided by the NRA.
- In **Italy**, there are automatic compensation schemes applied in different cases of supplier's inadequate performance, varying from 25€ to 75€.
- In **Malta**, there are automatic compensation schemes in force where compensation can amount up to 3.500 €.

IN ALMOST ALL CASES

- Compensation schemes from the service provider are present, either in fixed amount or to be determined by the regulation in place.
- The regulators report the number and nature of received and resolved procedures regularly, mostly through annual reports.

→ If the procedures in place were inexpensive and efficient to complete, the lack of a reimbursement would not impair the consumer protection frame. 😊

→ However, if the complaint processes involve significant costs for the consumer to advance his demand for redress, the issue of reimbursement of costs should be discussed. 😞

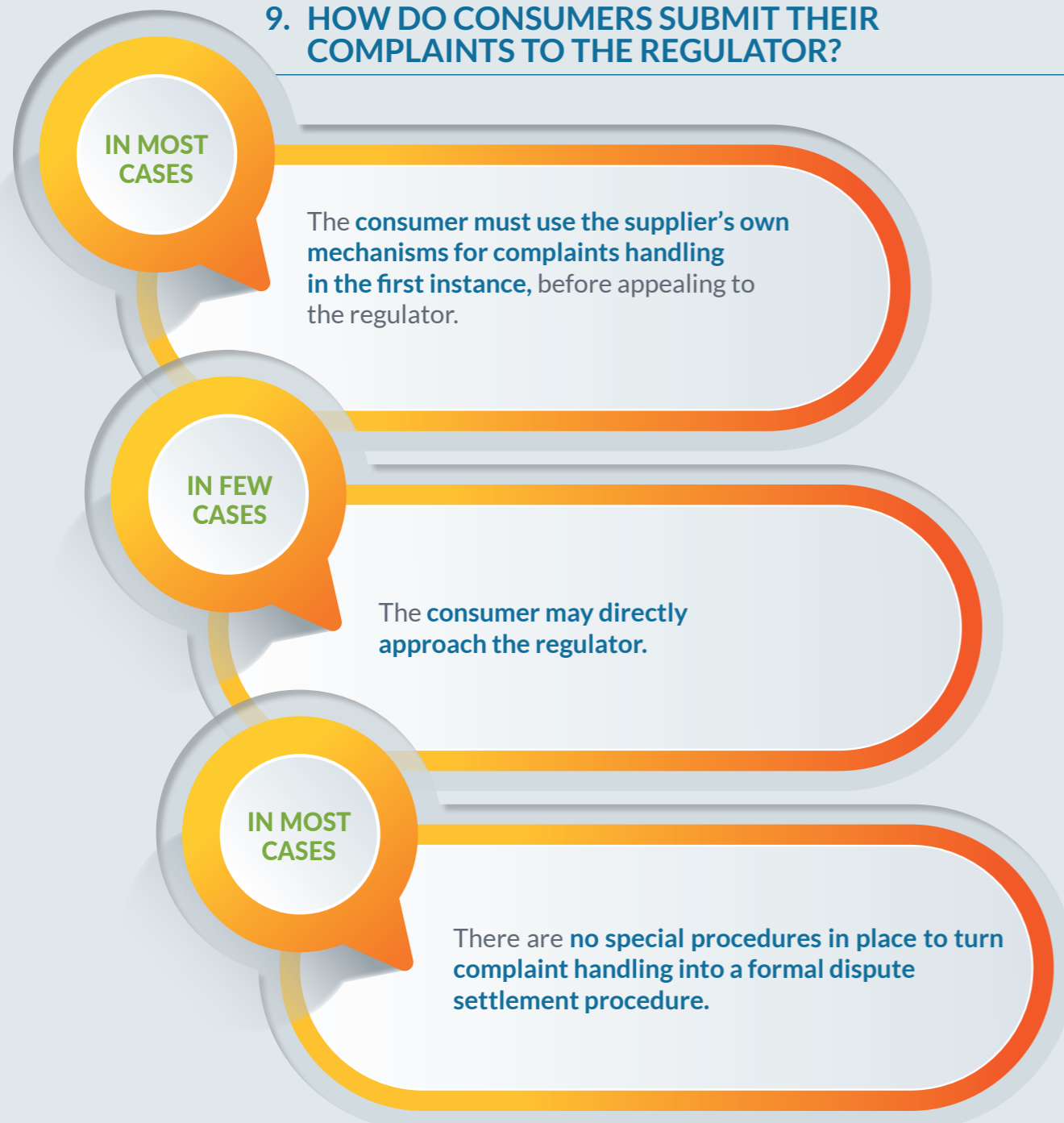


Recommendations

Compensation schemes from the service provider should be foreseen as this ensures direct and adequate means to address complaints/disputes in a timely and inexpensive manner.



9. HOW DO CONSUMERS SUBMIT THEIR COMPLAINTS TO THE REGULATOR?



Recommendations
Special procedures should be in place to turn complaint handling into formal dispute settlement procedures in order to increase the efficiency of the adequate treatment of the consumer's objection.

THE MAIN MEANS AVAILABLE TO CONSUMERS TO CONTACT THE REGULATOR AND ADDRESS THEIR COMPLAINTS:

1. Letters and emails
2. Walk-in/direct submission
3. Online form
4. Telephone and fax
5. WhatsApp

10. THE REGULATOR OFTEN ACTS AS A DISPUTE SETTLEMENT AUTHORITY





11. WHAT HAPPENS IF THE SERVICE PROVIDER DOES NOT APPLY THE REGULATOR'S DECISION RELATED TO A COMPLAINT/DISPUTE SETTLEMENT?

- The service provider **is obliged to implement the regulator's decision.** 😊
- It is **rare that the service providers do not apply the regulator's decision** related to a complaint. 😊
- If the service provider does not apply the regulator's decision, **penalties and sanctions may apply.** 😊


IF THE SERVICE PROVIDER DOES NOT APPLY THE REGULATOR'S DECISION

IN EGYPT 


The service provider must give its opinion based on the legal basis to the regulator, but, in all cases, it is obliged to implement the regulator's decision.

IN GREECE 

The regulator, after hearing the interested parties, might impose fines of up to 10% of the supplier's annual turnover in the case of non-compliance.


IN JORDAN 

Penalties would apply.

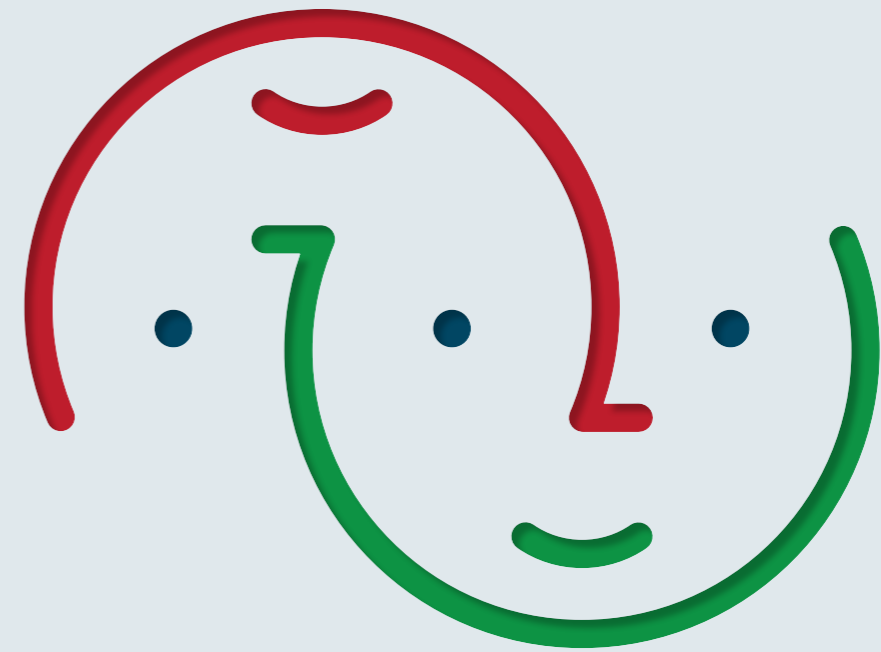
IN MALTA 

An administrative fine may apply.

MEDREG WILL:



- Discuss the findings of this report with its member regulators and stakeholders to raise awareness of consumers' rights protection at a higher level;
- Monitor the improvement towards more efficient practices and higher standards of consumer protection.



NFOGRAPHIC

The contents of this document are the sole responsibility of MEDREG and can under no circumstances be regarded as reflecting the position of the European Union.

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Published by MEDREG in 2019





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