



CEER Guide on Bundled Products

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PEER Regulatory Roundtable
CEER's offices, Brussels, 06 November 2019

Aim of this (06 Nov) PEER Roundtable on Bundled Products

- Initiative of CEER, BEUC and NEON under the Partnership for the Enforcement of European Rights (PEER) framework.
- EU-level dialogue on bundled products among regulators from different sectors (e.g. rail, telecoms, energy financial etc), ADR bodies, consumer and other bodies responsible for safeguarding and protecting consumers rights, academics and the European Commission.
- Promote cross-sectoral, cross-authority collaboration on Bundled Products at EU and national level
- Discuss the CEER Bundled Product Guide



Aim of the CEER Guide on Bundled Products

Aim:

- Promote a consistent framework for the treatment of bundled products in Europe across various sectors
- Better protect consumers who choose bundled products

Target audience:

- Regulators and companies across any sector (not only energy)



What is a Bundle?

Definition in the CEER Guide:

“Generally speaking, bundling refers to the practice of offering goods and/or services, which might be sold separately, under a combined package.”





What is a Bundle? Typical Examples

Energy + other	<ul style="list-style-type: none"> Electricity supply + gas supply (dual fuel) Electricity supply + appliance/equipment maintenance Electricity supply + electric mobility/solar panels Energy + life-style services e.g. babysitting, food delivery Energy + (house/emergency services/other) insurance
Telecommunications + other	<ul style="list-style-type: none"> Fixed broadband + fixed phone Fixed broadband + pay TV Mobile broadband + mobile voice phone Fixed broadband + fixed phone + pay TV Fixed internet access + anti-virus + anti-spam protection Telecom services + content services e.g. Spotify, Netflix, social network Electronic Communication Services (ECS) + cloud computing ECS + hire purchase agreements for equipment such as tablets or TVs
Multi-utility (e.g. telecoms + energy)	<ul style="list-style-type: none"> Fixed broadband + fixed (home/landline) phone + mobile (voice) phone + electricity + gas Electricity + gas + waste disposal
Travel	<ul style="list-style-type: none"> Flight + hotel + travel insurance Flight + car rental Flight + hotel + excursions
Financial services + other	<ul style="list-style-type: none"> Insurance packages e.g. House (building + content) + pet + travel + mobile phone insurance + others (e.g. trustee insurance/emergency services) Mortgage + house (building + contents) insurance Deposit/current account + bill pay + credit card + over draft (loan)

CEER Bundled Products Guide

- What is a bundle?
 - ▶ Definition in the CEER Guide
 - ▶ Illustrative examples of bundles within and across sectors
- 10 Principles for Companies
- 3 Principles for Regulators

To which bundles does the Guide apply?

- Only bundles in the energy sector?

No. It applies to all sectors.

- Only bundles sold at point of sale?

- No. It also applies to add-ons.

- Temporary benefits such as discounts or gifts?

- No. Only permanent ones.

- The Guide is intended for bundled products (i.e. goods or services) across any sector (not only energy) irrespective of:

- ▶ the type and range of the bundling within or across sectors
- ▶ whether the bundle is offered at time of sale or whether some goods/or services are “add-ons” or additional services at a later stage
- ▶ different weights or status
- ▶ single contract covering the full bundle or different contracts with different parties
- ▶ whether it is a tie-in (“take it or leave it” bundle) or whether the consumer can also buy the individual components of the bundle separately.

Process of developing the CEER Bundled Products Guide

- (Draft) CEER Guide launched for the Citizens' Energy Forum (Sept 2018)
 - ▶ follows from 2017 Partnership for the Enforcement of European Rights (PEER) workshop
 - ▶ response to the Conclusions of the European Commission's (2017) Citizens' Energy Forum
- 8-week CEER public consultation (Sept – Nov 2018)
 - ▶ 24 responses, meeting with EU associations (April 2019)
- National regulatory cooperation workshops this autumn (IE, PT, UK, SE)
 - ▶ National-level dialogue on bundled products among different regulators and bodies responsible for safeguarding and protecting consumers rights
 - ▶ Test the Guide's principles and identify areas of improvement before Nov '19 publication





CEER Bundled Products Guide: 10 Principles for Companies

1. Ensure **transparency**
2. Keep it **simple**
3. Communicate clear and understandable **contract terms and conditions**
4. Apply clear **liability principles** where there are multiple parties/contracts involved in the bundled product
5. **Comparison tools** should endeavour to reflect features of all components in a bundle
6. Allow customers the possibility to **switch** out of a bundle
7. Have a **single bill or a single-summary statement and/or single portal** for consumers to have access to different bills associated with their bundle
8. Make clear the **choice of payment methods** for bundled-only products
9. Signpost the responsible (in-house or external) **complaint handler**
10. **Protect essential services**



1. Ensure Transparency

- Transparency on price, services, quality and contractual conditions of the different elements of the bundled products are vitally important:
 - ▶ Clarity on the terms and conditions of the different elements of the bundled product
 - ▶ No arbitrary allocation of the price to individual elements of the bundle takes place
 - ▶ Price transparency of the different elements in the marketing material, offer, all communications, as well as the contract and the bill

Examples:

- 2017 sweep of telecoms and other digital services (by the European Commission and the CPC Network) found that many of the 207 websites screened did not have clear information on the handling of complaints.
- EU's Clean Energy (2019) legislation requires transparency on the different pricing elements of an energy bill. This should apply equally to all components of the bundle.

2. Keep it Simple

- Consumers need easy to understand, easy to compare and consistent information.
 - ▶ Definitions and terminology used in the bundled product contract, offer and bill should be the same.
 - ▶ Provider should make sure that the consumer has understood what they are signing up for before the contract is concluded (e.g. minimum service quality and any compensation if service quality is not met; single bill or different bills for the different elements of the bundle? etc).

Example:

Clean Energy Package (2019), consumers should be given adequate notice of any intention to modify the contract conditions and should be informed about their right to terminate the contract when the notice is given.

3. Communicate clear and understandable contract terms and conditions

- In keeping with sectoral and horizontal consumer rules, the consumer should be well informed about the contract conditions for the bundled services
 - ▶ **seek to align duration of and termination conditions** of the different elements of the bundle of the bundle.
 - ▶ Where durations are not aligned, the durations should be communicated clearly and contract expiry/**renewals** notified in advance.

Examples:

Pre-contractual information

Payments Accounts Directive requires terminology for the 10-20 most used services linked to payment (bank) accounts to be standardised, and harmonised form of banks' tariff brochure and consumer fee statement

European Electronic Communications Code (EECC) sets out standard contract conditions + summary of the essential contract terms in the case of different services bundled into a single contract

Electricity Directive (recast) requires summary of key contractual conditions and requires Member States to ensure that final customers are free to terminate contracts if they do not accept the new contractual conditions.

4. Clear Liability Principle

- In the case of **multiple** contracts, it should be made clear (at all times) to the consumer who is liable for each or all parts of the bundle in case of any problems.
- In the case of a **single** contract but where the provider acts as a broker (or agent), the provider should ensure that the consumer is aware of who is liable for any problem arising with any part of the bundle.
- Consumers should not be obliged to interact with different parties- instead there should be a “**primary contact point**” for the full bundle.

Examples:

Package Travel Directive: the package organiser (seller) is liable if something goes wrong, irrespective of who performs the travel services. The package organiser may be the airline or the tour operator.

5. Comparison tools

- To the extent possible, comparison tools should include fundamental features of commercial offers, including bundled services or goods.
 - ▶ CEER recognises that price comparison for bundles can be difficult.

Examples:

Some NRAs (e.g. the UK telecoms regulator (Ofcom) or the Irish energy regulator (CRU)) **accredit comparison tools**, giving website comparator companies the chance to build trust by showing that their results meet the standards required by the NRA. To be accredited, the websites are subject to technical and qualitative audits which assess a range of factors, including accessibility, comprehensiveness, transparency and accuracy.

Article 14 of the recast **Electricity Directive** establishes a series of requirements for energy sector comparison tools. The directive requires that **all household customers have access to a free comparison tool that meets a minimum set of requirements** in terms of transparency, independence, clarity and comprehensibility, accuracy, etc. The Directive also requires Member States to appoint a competent body to issue **trust marks** for comparison tools that meet the requirements.

6. Allow Consumers to Switch Out of a Bundle

- Consumers should be fully informed (at time of offer) of their right to switch out of part (or all) of a bundle, and of any termination fees.
- Default option should be a full switch out of the bundle.
- The consumer cannot expect to maintain any benefits offered by the bundle if they elect to switch out of the bundle (or part of it).

Example:

- Provisions on contractual conditions and contract termination of a bundled contract stipulated in the European Electronic Communications Code (EECC)

7. Single bill or a single-summary statement and/or single portal for consumers access to different bills associated with their bundle

- Either a single bill (which makes life simpler for consumers) or a single-summary statement and/or single portal for consumers to have access to the different bills associated with their bundle.
- The customer should be able to check the bill against the accepted offer as set out in the contract.
- The bill should also be in line with the principle of transparency, containing all essential information presented in a clear, understandable and consistent manner that can be traced back to the offer and contract.

8. Make clear the choice of payment methods for bundled-only products

- It should be made clear before signing the contract whom the customer pays and what payment method(s) may be used.

9. Signpost the complaint handler

- Consumer must know **whom to contact** (who is the case/complaint handler of the bundled product) when something goes wrong or when seeking advice or in the case of an emergency.
- There should be agreement among the parties involved in the bundle on the lines of responsibility between them.
- Parties should agree on the appropriate **complaint handler** and define an **appropriate and transparent timeframe** for addressing complaints
- It is not for the companies concerned to decide whom among the regulators has jurisdiction. This should be worked out by the relevant public authorities.

Example:

- “If I sell the bundle, I own the responsibility to handle cases for the full bundle”
- “First port of call rule”

10. Protect essential services

- Where the bundle includes an essential service (such as energy), consumers must be clearly **protected from disconnections** or risks associated with other elements of a bundled contract, according to legal safeguards in place for that essential service.
- If the consumer breaks the conditions of the bundled contract (e.g. does not pay the part of the bill that corresponds to an additional service), their **essential service should be maintained** although the **consumer loses the benefits and conditions of the bundled contract**.

3 Principles for Regulators

- A. Clarify and educate companies on the rules and regulations applicable to bundles
 - ▶ To ensure uniformity of treatment of bundles, rules should be grounded in general consumer law. Regulators, working with consumer protection authorities, should clarify and educate companies on the applicable rules and general consumer law (and any relevant sectoral rules) on bundles.
- B. Monitor
 - ▶ Establish reporting obligations & monitoring mechanisms to understand complexity, market penetration, performance, respect of consumer rights provisions and consumer complaints
- C. Cooperate across sectors with relevant authorities
 - ▶ Establish cooperation and enforcement mechanisms, i.e. memorandum of understanding between regulators and other competent authorities to handle consumer complaints



What's next? How EU law treats bundles

- Publication of the CEER Bundled Products Guide (and accompanying Evaluation of Responses, and the public consultation responses).
- Open invitation for organisations to support the principles in the CEER Bundled Products Guide and be added to the growing List of Supporters in Annex 2 of the CEER Bundled Product Guide.
- Upcoming PEER regulatory roundtables for interested regulators from different sectors, consumer bodies, :
 - Comparison Tools (Feb 2020)
 - Cyber Security (Feb 2020 and June 2020)

Further Information

Visit CEER website: www.ceer.eu

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Selected ANNEXES in the Guide



Annex 2 - Supporters of the Principles in this Bundled Products Guide

Annex 2 – Organisations supporting the Guide on Bundled Products

This Guide on Bundled Products has been developed by CEER, the association of European energy regulators, under the framework of the PEER initiative (see Annex 1). We thank the many different companies, public authorities and consumer bodies who shared their experiences with bundles products.

The following organisations have indicated their support for the principles in this Guide on Bundled Products and a commitment to ensure that customers who buy bundled products are equally as protected as those customers who buy individual (non-bundled) goods or services. To this end, they stand ready to further engage with the European energy regulators to improve the bundled goods and services offered and the regulatory treatment of bundled products within and across sectors to the benefit of customers.

This list of organisations supporting this Guide on Bundled Products will continue to grow, as more and more stakeholders express their interest in this initiative.

BEUC (the European Consumer Organisation) brings together consumer organisations of the European Union and other European countries in order to promote, defend and represent the interests of European consumers in the elaboration and implementation of European Union policies with the European Union institutions and with other bodies. BEUC represents 45 well respected, independent national consumer organisations from 32 European countries (EU, EEA and applicant countries). <https://www.beuc.eu/>

NEON (the National Energy Ombudsman Network) is the European network of independent, not-for-profit consumer dispute-resolution services and ombudsmen active in the energy sector. NEON 9 members have the public mandate to provide an easily-accessible and free-of-charge way to solve disputes between consumers and companies. <http://www.neon-ombudsman.org/>

How EU law treats bundles

Annex 3 – Examples of EU legislation applicable to bundled products in various sectors

Legislation	Articles
Energy sector	
<ul style="list-style-type: none"> Directive (EU) 2019/944 of the European Parliament and of the Council on common rules for the internal market in electricity (recast) 	Articles 10(de) and (e) and 26(2) of Clean Energy Package Electricity Directive on information about bundled contracts and Alternative Dispute Resolutin (ADR) mechanisms “for any dispute that arises from products or services that are tied to, or bundled with, any product or service falling under the scope of this Directive.”
Telecommunications	
<ul style="list-style-type: none"> Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code (recast) 	Recital 283: “Bundles comprising at least either an internet access service or a publicly available number-based interpersonal communications service, as well as other services, such as publicly available number-independent interpersonal communications services, linear broadcasting and machine-to-machine services, or terminal equipment, have become increasingly widespread and are an important element of competition.
Financial products (including insurance)	
<ul style="list-style-type: none"> Directive 2014/92/EU of the European Parliament and of the Council of 23 July 2014 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts 	Article 8 “Member States shall ensure that, when a payment account is offered as part of a package together with another product or service which is not linked to a payment account, the payment service provider informs the consumer whether it is possible to purchase the payment account separately and, if so, provides separate information regarding the costs and fees associated with each of the other products and services offered in that package that can be purchased separately.”
Consumers	
<ul style="list-style-type: none"> Directive on representative actions for the protection of the collective interests of consumers 	In combination with sectorial legislation
<ul style="list-style-type: none"> Directive on better enforcement and modernisation of EU consumer protection rules – which covers a wide range of consumer protection measures, including unfair terms in consumer contracts, consumer protection in the indication of the prices of products offered to consumers, unfair business-to-consumer commercial practices and consumer rights 	New Article 6a in Directive 2011/83 on consumer rights: Pre-contractual info for contracts concluded on online marketplaces: 1 (d) where applicable, how the obligations related to the contract are shared between the third party offering the goods, services or digital content and the provider of the online marketplace. This information shall be without prejudice to the responsibility that the online marketplace or trader may have in relation to the contract under other Union or national law.
Travel	
<ul style="list-style-type: none"> Directive (EU) 2015/2302 of the European Parliament and of the Council of 25 November 2015 on package travel and linked travel arrangements, amending Regulation (EC) No 2006/2004 and Directive 2011/83/EU of the European Parliament and of the Council and repealing Council Directive 90/314/EEC 	Overall Directive on package travel

What is a Bundle? Real-life examples

Annex 4 – Examples of Bundles in Europe

Electricity + smart home technologies	Smart meters, home security, monitoring the elderly, smart thermostat, intelligent light bulbs	Belgium	Engie Electrabel	https://www.engie-electrabel.be/fr/electricite-gaz https://www.engie-electrabel.be/fr/up
		France	Engie	https://particuliers.engie.fr/offres-electricite-gaz.html#panel3
		The Netherlands	Eneco	https://www.eneco.nl/energieproducten/
		Sweden	Tibber	https://sverige.tibber.com/
Telecommunications	TV, phone, internet	The Netherlands	Oxxio	https://www.oxxio.nl/internet-tv-bellen/
		Sweden	Dalakraft	https://www.dalakraft.se/bredband
		Ireland	Eir	https://www.eir.ie/bundles/
			Sky	https://www.sky.com/ireland/broadband-talk/tv-and-fibre/
			Virgin Media Vodafone	https://www.virginmedia.com/shop/bundles https://n.vodafone.ie/offers.html
Czech Republic	ČEZ	https://www.cez.cz/cs/299		
Electricity + Electric Vehicle (EV)	Installation of EV charging point, app, smart charging, charge card.	Belgium	Engie Electrabel	https://www.engie-electrabel.be/fr/energie-voiture-electrique
		France	EDF	https://particulier.edf.fr/fr/accueil/offres/electricite-bis/offres-marche/vert-electrique-auto.html
		The Netherlands	Nuon	https://www.nuon.nl/producten/elektrisch-rijden/
		Sweden	Tibber	https://sverige.tibber.com/products/easee/
		Czech Republic	ČEZ	https://www.cez.cz/cs/sluzby-pro-zakazniky/elektromobilita/
Electricity + gas Electricity + heat (offered by many companies)	Customers who buy district heating from the utility will have a lower price on the power from the power supplier	France	Engie	https://particuliers.engie.fr/demenagement/electricite-gaz/contrat-electricite-gaz-naturel/duo-energie-garantie.html
		Ireland	Bord Gáis Energy	https://www.bordgaisenergy.ie/home/our-plans

Do comparison tools include bundles? Real-life examples

Annex 5 – comparison tools that include bundled offers

Category	Examples	Country	Comparison website status (e.g. public, private, accredited, etc.)	Company	Links
Energy	Electricity + gas (dual fuel)	Belgium	Consumer association	Test achats	https://www.test-achats.be/maison-energie/gaz-electricite-mazout-pellets/calculateur/energie-qui-deviendra-votre-fournisseur/?landingpage#
			Private	Mesfournisseurs	https://www.monenergie.be/comparatif-electricite-gaz-energie-
		France	Mediator of the energy sector	Le médiateur national de l'énergie	https://comparateur-offres.energie-info.fr/comparateur-offres-electricite-gaz-naturel/offerAction!searchEligibleOffers.action
			Private	Selectra	https://comparateur.selectra.info/electricite
		Ireland	Private, accredited by the energy regulator (CRU)	Bonkers.ie	www.bonkers.ie
			Private, accredited by the energy regulator (CRU)	Power to Switch	www.powertoswitch.ie/
				Switcher.ie	www.switcher.ie