
Survey response 13

Contact details and treatment of confidential responses

Contact details: [Organisation][[]]
Sdružení obrany spotřebitelů - Asociace, z.s.
Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]
Group time: Contact details and treatment of confidential responses
80.95

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?
SOS - Asociace, z.s. is czech non-governmental and non-profit organization established for the protection of rights of consumers and also of tenants and patients in the Czech Republic. We definitely do agree with 10 principles for companies as well as 5 principles for regulatory authorities proposed in CEER's Draft Guide on Bundled Products. We would like to see many of these principles in the legally binding acts.
2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?
We find the proposals appropriate.
3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?
There is no clear definition of bundled product in the Draft Guide. That is not optimal by our opinion. Sometimes consumer signs two or even more contracts during one meeting with the entrepreneur and it could be difficult to determine if there is also some legal connection between these contracts. For example we don't see many problems with bundled products in the Czech Republic now. From our point of view bundled products now cause some problems only when they are used as an obstacle to exercising consumer rights, e.g. right to withdrawal. Some energy suppliers in the Czech Republic offered also the purchase of LED light bulbs as a special benefit for their customers. The LED light bulbs were offered for the special very low price (e.g. 2,- Czech crowns (CZK)) but when the consumer wanted to exercise the right of withdrawal from the contract for the supply of energy, the price of the LED light bulbs was very much increased (e.g. 2.000,- CZK) according to the contract. The contractual provisions of the price increase were usually hidden in the Terms and Conditions. This price increase stipulation was considered as an illegal disproportionate stipulation in the mutual dependent consumer contracts. That is the reason why we promote especially the principle of transparency and simplicity for informed customer choices. However clear provisions for dependent contracts according to the level of their dependence would be useful. Draft Guide on Bundled Products works with the term "main contractor" but there is also no definition who it is.
4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?
Yes, we agree. It is in accordance with the European principles of consumers' protection.
5. Can you provide best practice cases of regulatory treatment of bundled products?
Unfortunately we don't have any example of such a best practice.
Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products
8769.52

Total time

8850.47

Survey response 19

Contact details and treatment of confidential responses

Contact details: [Organisation][[]]
Consumer Policy Directorate
Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]
Group time: Contact details and treatment of confidential responses
9999.96

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?
Yes, we agree in General to your 10 principles in your Draft Guide on Bundled Products for companies, and to the 5 principles proposed for regulatory authorities.
2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?
Yes, we think so.
3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?
Yes, we have to points: First in section 2, point 8. (page 7): There should be a right for the consumer to end solely the optional or additional service after a fixed term contract period. And second in general we miss a recommendation to not promote/encourage waste of resources by bundled offers – e.g.: telecom offers for contract renewal including a new and 'costfree' mobile phone, even if the old one is up to date and still works well; promotions of any kind to throw away products or spoil energy by bundles offered.
4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?
Yes. Ping-pong in the case of consumer complaints should absolutely be avoided.
5. Can you provide best practice cases of regulatory treatment of bundled products?
Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products
498.08
Total time
10498

Survey response 28

Contact details and treatment of confidential responses

Contact details: [Organisation][[]]
Finnish Competition and Consumer Authority
Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]
Group time: Contact details and treatment of confidential responses
99.14

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?
Yes we agree. The issue of bundled products is important from the point of view of consumer protection and both EU- and national consumer legislation is applied to these products. Bundled products pose consumers often problems ranging from difficulties in comparing offers and contracts to finding the right party that takes responsibility of customer service and correcting possible failures in the product. The principle of no disconnection of essential services is naturally always important. If the two products are usually used together and the other one is somehow "switched off", the consumer's interests must also be secured.
2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?
The proposal doesn't go too far, there must be clear and concrete rules for companies that offer bundled products. Innovations may give benefits to consumers as well but the basic principles of consumer protection must not be replaced when innovating new offers, though.
3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?
It could be worthwhile to pay attention to the situation where Bundled Products -contract is made. Sometimes e.g. an electricity contract together with an insurance is sold by telemarketing. Both parts of the contract are quite complicated from consumer's point of view and a consumer has limited possibilities to make a rational choice on phone (although there were a right to cancel the contract according to distance selling rules). The main product may easily take consumer's all attention and the other product can be taken by chance
4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?
The principle of a single point of contact should generally be applied to avoid that pingpong -effect. In some cases the problem customer is having may, however, be so complicated (e.g. an electricity contract bundled with an complex insurance) that the consumer might need some special knowledge from e.g. the insurance company concerning the details of an insurance. Then the customer's problem should be forwarded from the single point of contact without extra trouble to the customer.
5. Can you provide best practice cases of regulatory treatment of bundled products?
Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products
16947.1
Total time
17046.2

Survey response 29

Contact details and treatment of confidential responses

Contact details: [Organisation][<input type="checkbox"/>
EUROGAS
Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]
<input type="checkbox"/>
Group time: Contact details and treatment of confidential responses
18.91

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?

This consultation marks an important development of CEER's work as it is set in the framework of the Partnership for the Enforcement of European Rights (PEER) a welcome initiative by CEER and other interested authorities that responds to the greater challenges for consumers in a world of multi-sector business products and services. Such innovative products offer advantages to consumers and consumer choice is driving this trend, as bundled products bring advantages such as lower prices and convenience. CEER rightly identifies a growing market trend to which companies will increasingly respond. If, however, problems occur they may be more complex to deal with, not least because the regulatory complaints procedure may be difficult to navigate, and consumers of bundled products should enjoy the same level of protection as consumers of unbundled products.

Suppliers too are recognizing that bundled products require attention to ensure that consumers' interests are safeguarded to the same extent as those buying individual products. The development of a clear set of principles and a pragmatic, shared regulatory approach that does not inhibit companies from offering innovative bundled products to consumers' advantage will enhance essential understanding of companies in ensuring the most appropriate business model and their ability to deal with cases if problems arise.

Eurogas agrees that because national situations and legislations are very different, a non-prescriptive approach based on principles is the best way forward. Of the 10 principles put forward by CEER, some however, shade into good practice recommendations, and these need to be weighed more carefully and critically. Below are points on the individual 10 principles.

Simplicity

☐☐ This is an important principle, but how realistic is it? Bundled products contain more complexities. Clarity of information provided on the product to obviate difficulties would be a more realistic principle.

☐☐ Coherence and consistency of language across the different elements of the product is fully supported.

☐☐ Comparability is important but may depend in reality on the type of bundled product. It would be easier to compare for example a Telecoms service bundling fixed and mobile services with a contract supplying gas and boiler maintenance, as the latter is a very different sort of market. Furthermore, an objective of comparability should not lead to standardisation of products making these less interesting and advantageous for consumers.

☐☐ In principle consumers' tastes and interests will drive product development but it is not easily envisaged how the service providers could put in place information, taking into account the consumer's preferences and/or characteristics.

☐☐ The requirements surrounding the contract should not go beyond the requirements on a single contract.

Clear liability

☐☐ Liability will have to be determined in the national legal framework, and it is not clear how ultimate liability can be pre-determined.

☐☐ That said, if a single contract is signed with the supplier then it would be to the consumer's advantage to have the supplier as the single point of initial contact, and then if the issue to be resolved requires expertise of the other party, this should be able to be accessed. Such an arrangement should not necessarily imply legal liability. Clear contact rules are important but contact responsibilities should be distinguished from legal liability.

Signposting of complaint handling

☐☐ This is a sound principle/practice, and the approach should be consistent with complaints procedures in general, as national circumstances will determine the frameworks in which suppliers operate. For example, for some contracts different ADR bodies may be potential contact points. Dialogue to enhance understanding of potential complaints handling issues could help to avoid problems.

☐☐ Multiple sectors should be encouraged to cooperate on this point, when they enter into a product sale.

☐☐ However, it is unduly negative to imply that a single point of contact may provide a lower level of service than an external dispute resolution. As companies' awareness of the issues surrounding bundled products increases, then their complaint handling should be adapted to deal with the eventualities.

Transparency

Along with clarity transparency is key, and both should be the strongest guiding principles. Transparency on terms and conditions is essential, meaning there should be no need for a top-down heavy regulatory approach that could inhibit development of bundled products. However, transparency requirements should not involve disclosure of commercially sensitive information, hampering the

competitive market to the disadvantage of consumers.

Billing

The role of the billing provider should be clear and the bill received should be related to the contract.

Payments

Agreed. This should be clear.

Respecting good guidance principles for price comparison tools.

?? This is a more realistic appreciation of the challenge of comparability than set out under simplicity . Comparison will be “to the extent possible”.

?? The right to information about the contract conditions is supported.

The right to information about the contract and conditions

?? This is an acceptable principle, but the recommendations seem somewhat over-prescriptive. All kinds of agreements should be possible. Approaches should be allowed to vary on a case by case basis.

?? In any case it should be clear from the contract if the customer can at some point opt out of one side of the product and what the results would be for the other side. This may vary depending on the types of product involved.

No disconnection of essential services

The essential service should be subject at all times to the national framework governing disconnection, and customers' interests and welfare protected accordingly.

No dispute resolution fee

There should be no distinction between bundled and individual products in the process.

5 Proposed principles for regulatory authorities

Establish rules across all sectors

?? Will the establishment of rules in general consumer law necessarily be within the competence of regulators? This policy step may rest with other national authorities.

?? NRAs need to show awareness of bundled product related issues, and consider good practices, and what can be achieved within the existing legislative framework.

Protect essential services

?? See above on Disconnections principle.

Strengthen the right to exit bundled products

?? This should be the same as for other exit rights. Depending on the product, the loyalty of the customer may be a determining factor in its viability. If “strengthening the right” means making it easier in all circumstances, then there is a real risk that companies fearing financial losses might not develop bundled products to the disadvantage of their customers. As some bundled services may involve appliance sales, provision and maintenance, this reluctance could have wider consequences.

Monitor

?? This is an important principle and activity, better to understand trends and issues.

Cooperate across sectors

☒☒ This is the most important principle. In the first set of general principles, cooperation between the parties to bundled contracts was urged, but the customer is as likely to be ping-ponged between different regulatory authorities. Perhaps the authorities should also agree an initial single point of contact.

2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?

Eurogas considers that overall the paper intends to encourage the right balance. However, highlighting some points in a way that emphasizes possible disadvantages to the customer arising from bundled products could lead to some NRAs taking a more prescriptive approach than CEER seeks to advocate (as happens today in billing). Therefore, CEER should add to the NRAs principles the need for their approach to recognize the value of bundled products for customers and not to be over-prescriptive as this could inhibit their development.

3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?

Eurogas considers that the main areas of potential concern are addressed.

4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?

See answer to the principle on clear liability principles (2) and the need for regulatory authorities similarly to cooperate.

5. Can you provide best practice cases of regulatory treatment of bundled products?

[For companies]

Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products

144.64

Total time

163.55

Survey response 30

Contact details and treatment of confidential responses

Contact details: [Organisation][<input type="checkbox"/>
Eurelectric
Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]
<input type="checkbox"/>
Group time: Contact details and treatment of confidential responses
29.79

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?

In general we support CEER's goal to help businesses improve the bundled products and services they offer so that customers have a positive market experience. A number of grey areas, as highlighted by CEER, may indeed need to be clarified through high level guidelines. However, we do not think that a specific regulatory framework is needed for bundles. Existing legislation on consumer rights and protection, if correctly enforced, should be enough to answer most questions raised in the guide book.

The electricity industry strives to protect customers while coming up with innovative offers to meet different customers' need and preferences. Offers such as dynamic pricing or bundles, which may appear more sophisticated, should not be considered as less reliable as long as the customer is informed and treated fairly.

Bundled products bring added value to consumers be it in terms of overall price, easy payment, convenience or simplicity. They can contribute to make complex markets easier to navigate. They are also a way to customise offers to specific customer needs. All in all they enlarge consumer options and thus opportunities to engage in the market. In this respect we think CEER should also try and see how the regulatory framework can be improved to facilitate bundles and promote innovation. Indeed companies willing to offer bundles have to deal with various horizontal but also sectorial rules (e.g. various switching periods). Such complex legal framework can be quite challenging to navigate and thus represent a barrier to entry for service providers.

Please see our detailed comments to each of CEERs suggested principle in the Annex.

ANNEX – Detailed comments on each principle proposed for companies and NRAs

- Principles for companies offering bundled products

1/ Simplicity for informed customer choices - getting it right.

We agree that simplicity is key.

One of the reasons why consumers choose bundled products is actually linked to the simplicity they offer. From this perspective, we cannot agree with CEER that bundled products are “complex products”. We understand that they may prove challenging for NRAs to regulate and that they raise a number of questions linked to consumer rights and protection. However this is likely to be the case with any new type of products (e.g. dynamic pricing) and in a way this shows that there is innovation in the market which is positive.

As there is a variety of bundled products, comparing different bundles on a like for like basis is likely to prove challenging by the very nature of bundle, especially if it comprises different services. We do not think that this is necessarily an issue. In our view what is key is that:

- The terms and conditions are fully transparent and easily understandable by customers.

- The terminology used in a bundled product offer, contract and bill is indeed fully consistent, as this should be the case with any product

All existing legislation on consumer rights and protection should apply to bundled products like any other product. For instance providing information about the product, including the main characteristics of the services provided, before a consumer is bound by a contract is part of existing legislative requirements. We are not sure to understand why there is a need to stress that “any update or change to the initial contract should be notified to the consumer at a minimum one-month in advance”. Besides, there might cases where changes to the initial contract are made but without any direct implication for the customer. In such cases, proactively informing the customer may generate excess information and confusion.

As CEER is referring to principles in this Guide book, it might be good to avoid using terms such as “must” in the text. Besides, it will always prove difficult for a service provider to be totally sure that “a consumer has understood what he/she is signing up for”. Consumers in vulnerable situations may require specific support.

2/ Clear liability principles where there are multiple parties/contracts involved in the bundled product

We agree that there should be clear liability principles towards the customer.

As currently drafted, we think that the proposed principle lacks clarity. On the hand CEER states that “the consumer should not have to interact with different parties for the different elements of the bundled product” and later on CEER adds that “the end user should have the choice whichever party is considered most relevant under the circumstance”.

In our view what's key is that the customer should be very clear who his /her counterpart is at any time. In case several companies are involved in a given bundled product, the customer should be clear who his/her counterpart is for which aspect of the bundled product. We do not see why one actor should necessarily be liable for the full bundle. This could well be an option – and some customers might find it convenient to have just one counterpart for all services – but this should not be an obligation. Other customers may prefer to be directly in touch with the most competent party for any given issue.

Even if this is not a bundle per se, in most Member States, the customer has an electricity and/or gas contract with a supplier and he receives only one bill from this supplier covering electricity/gas, network and taxes/levies. However if the customer has a problem with e.g. his/her connection or quality of supply, he may contact the DSO, instead of the supplier. The customer is then directly in contact with the responsible actor who has the expertise to answer his/her specific request.

All in all what is key is that (i) roles and responsibilities of involved parties are clearly defined, (ii) terms and conditions are very transparent and easily understandable by the customer and (iii) there is a clearly identified party responsible for any subsequent

issue.

These principles are also important because putting too many requirements in terms of liability could mean high entry barriers for smaller market players thus hindering innovation and competitiveness.

3/Signposting of the responsible (in-house or external) complaint handler in case something goes wrong.

Please refer to our answer to the previous point.

We agree that it should be clear to the customer which regulator, ADR body and consumer protection authority he should turn to in case of questions or disputes.

In case of single point of contact, we think it should have a coordination role, referring the client to the most competent party for any given issue.

4/Transparency is key

We agree that transparency is THE key principle, not just in terms of prices – as CEER argues – but also in terms of contractual relations, terms and conditions.

The terms and conditions should be fully transparent and easily understandable by customers. The terminology used in a bundled product offer, contract and bill should be fully consistent, as this should be the case with any product.

If the terms and conditions are clear and if the customer knows whom to contact in case of problems, we do not see the need to list all the partnerships and subcontracts. Indeed there are certain services with many subcontract companies which may also change locally.

As for the price, if it is a bundled product, then there should be one price covering all the products and services included.

Customers may be able to pick only the products and services they are interested in, but the sum of the prices may be higher than the bundled price when sold separately. Companies' cost to serve may indeed be lower in case of bundled products and services which is why they can propose more attractive prices or discount for bundles. In any case, it should be clear in contractual conditions how the prices would change in case the consumer withdraws from the bundle. We also agree with CEER that companies should not be able to arbitrarily allocate the price to individual elements of bundle, which might be disadvantageous for the consumer in the event of warranty claim.

Unlike e.g. telecom bundles which are pure commodity services, energy bundles may include lots of different services which can be sold or priced very differently. There are many ways to sell e.g. solar PV. Comparing services on a like for like basis will ultimately hamper innovation. Instead, qualitative explanation could help the customer understand a given package without having to split out the cost of each element that is part of the offer.

Companies should not be obliged to sell all the services included in a bundle individually. Freedom of contract should be respected. If consumers are interested in a (single) service that a given company does not offer, it is likely that competitors will step in.

When there are regulated components as part of the price (e.g. network tariffs, taxes and levies) then the customer should be able to see them transparently.

5/On billing

The terminology, terms and conditions used in a bundled product offer, contract and bill should indeed be fully consistent, as this should be the case with any product.

All existing legislation on consumer rights and protection should apply to bundled products like any other product.

As one of the main added value of bundled products is to favour simplicity and convenience for the customer, we agree that there should ideally be one bill for bundled products.

At the same time, if the terms and conditions are fully transparent and easily understandable by customers, we don't think regulation should exclude the possibility of having several bills for bundled products. There might be cases where this would actually make more sense. Besides, bundles are sometimes composed of very different products and complying with different regulations while providing a single bill might be complex to do in practice for service providers, and difficult to understand for consumers.

Last but not least we would like to caution against the idea that "no third party entity can be included". In some Member States, e.g. Finland, suppliers are using back office service companies to print and send the bill. Consumers are not aware of it but this should not be excluded by the guide book.

6/On payments for bundled-only products

We can only agree with this principle.

7/Respecting good guidance principles for price comparison tools

We agree that including bundled offers in Comparison Tools (CTs) is desirable – and this might even become a requirement as part of the revised Electricity Directive - but it is likely to be more a listing of products than anything else.

In our view what is key is that:

-☑The terms and conditions of the products are fully transparent and easily understandable by customers.

-☑The terminology used in a bundled product offer, contract and bill is indeed fully consistent, as this should be the case with any

other product

Requirements to facilitate comparability should not end up inhibiting innovation, e.g. by forcing companies to limit their offers to “standard” products. As there is a variety of bundled products, comparing different bundled products on a like for like basis may prove challenging, especially if the bundle comprises different services. If e.g. product A is an EV sold with electricity and insurance for free for 1 year and product B is a contract comprising electricity, insurance and security services for 2 years, how could they be compared on a like for like basis? The same issue would apply e.g. to fixed tariff products versus floating/dynamic ones. In addition, CTs should be kept simple as complex comparisons may create confusion and mislead customers. Ultimately, finding innovative ways to compare various offers in a user-friendly manner (e.g. through machine learning or artificial intelligence) should be left to CTs.

In addition - and this is particularly important in case of bundled products - we think that the comparison should not focus on the price only but also on e.g. the features and quality of the services.

Eurelectric supports certification of CTs as proposed by the European Commission in the recast Electricity Directive. Regulatory oversight is indeed crucial to guarantee that CTs comply with these principles and verification should be carried out by a body that is structurally and financially independent from CTs. It could well be the NRA, but also a statutory consumer body, a Ministry, or an external auditor depending on who runs the tool.

8/ The right to information about the contract conditions.

There is strict consumer protection regulation in place both at EU and national levels and all existing legislation should apply to bundled offers. For instance providing information about the product, including the main characteristics of the services provided, before a consumer is bound by a contract is part of existing legislative requirements.

We agree that companies should “seek to give the consumer the possibility to switch out of or terminate the whole bundled contract”. Consumers should only be able to keep part of a bundled product/pick some of the services provided in a bundled offer if the company offers this possibility. This should not be a rule by default.

Whilst aligning the contractual conditions of all products in the package is desirable, it might not always be straightforward. There may be guarantees or financing with different terms for different services in the package.

We also agree that there should be no penalty or worsening of the price. However, it is important to clarify that a loss of benefit, such as a bundle discount, should not be considered as a worsening of the price since it is a natural consequence of the termination of a bundle.

Furthermore, we agree that the customer should not have to pay for services he has not used. Nonetheless, it is important to point out that the way to deal with services rendered can't be the same as access services. In the latter case, the customer is paying for the possibility to use a service in case of necessity (insurance services for example).

Regarding switching, we agree that companies from different sectors should try and align the duration of the elements of the bundles with the duration of the essential service whenever it is compatible to do so.

9/ No disconnection of essential services

Theoretically we understand the rationale behind asking that in the event of non-payment of another element of the bill of a bundled product, there should be no disconnection of essential services. We understand this has even become a case law in some countries, e.g. Portugal.

However we are not at ease with having this as a principle endorsed and promoted by European Energy Regulators. The basic rule should be that a bill – which covers the services used by a consumer over a given period - has to be paid in full. Besides, in case a bundled product has only one price and one bill covering all the services included, paying only for the essential services which are part of the package might not be straightforward.

There are different regulatory frameworks for disconnection of essential services in Member States and existing rules should apply irrespective of whether a product is bundled with other services or not. In our view, a sound regulatory framework should aim at protecting customers (e.g. by avoiding the accumulation of debt) while enabling suppliers to cover their costs. Most suppliers today assist customers who are struggling with managing their electricity usage and bills through e.g. energy advice, payment arrangements and/or appropriate debt management processes.

10/ No dispute resolution fee

There are different regulatory frameworks for dispute resolution in Member States and existing rules should apply irrespective of whether a product is bundled with other services or not. At EU level, the Alternative Dispute Resolution Directive sets the right framework and the guide book should be in line with it: “ADR procedures should preferably be free of charge for the consumer. In the event that costs are applied, the ADR procedure should be accessible, attractive and inexpensive for consumers. To that end, costs should not exceed a nominal fee.”

- Principles for regulators overseeing and regulating sectors with bundled products

A/ Establish rules in general consumer law governing bundled products across all sectors
We agree with CEER.

B/Protect essential services

We believe this principle is better formulated than principle 9 for companies and could replace it. Please also refer to our response

to principle 9

C/ Strengthen the right to exit bundle products.

Switching rules should apply to bundled products like any other product.

D/ Monitor

We agree with CEER although the monitoring mechanism and the indicators required should not create too much interference and inhibit innovation.

E/ Cooperate across sectors with relevant authorities.

We fully agree with CEER that cross-authority cooperation and coordination is key. At a time when data sources are multiplying and industries have begun to converge, strengthening cooperation between regulatory authorities from different sectors has become crucial to break down silos, enhance competition and innovation, and protect consumers. In this respect, we welcome CEER's Partnership for the Enforcement of Energy Rights (PEER) which aims at promoting a cross-sectoral cooperation at EU level between NRAs, consumer protection agencies, ombudsmen and data protection authorities.

2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?

Overall, we are pleased to see that CEER favours a series of high level principles for companies over prescriptive obligations. We think this is a positive development. This said, we believe some of the principles could be further clarified as explained below in the Annex with our detailed comments. We also think that CEER should refrain from using terms such as "must" across the guide book.

In our view, the overall tone of the document is too negative towards bundled products. We fully understand and agree that such products may prove challenging for NRAs to regulate and that they raise a number of questions linked to consumer rights and protection. There may have been some examples of bad or misleading practices in some markets with bundled offers but in most cases bundled products offer lots of potential benefits and added value to consumers be it in terms of overall price, convenience or simplicity.

CEER should certainly protect consumer rights but it should also defend consumer choice and innovation, thus optimising social welfare. In this respect, bundled products enlarge consumer options and thus opportunities to engage in the energy market. We welcome CEER's intention to regularly review and update this guide book to keep up with market developments. At the same time, as highlighted in our response to CEER's 3D strategy, it is essential that regulation remains stable and that the need for an increased flexibility in the market is combined with clear regulatory predictability.

Last but not least, we think it is important to favour horizontal over sectorial regulation when it comes to bundles to avoid that actors coming from different sectors are subject to different rules while offering similar services. Would CEER guide book apply to e.g. a telco provider offering a bundled product which includes energy?

3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?

We think the draft guide book is quite comprehensive when it comes to the potential risks associated with bundled products. As stated above, it would be helpful if CEER could also look into the opportunities of bundled offers, analyse the barriers to bundled products in several markets and propose options to lift up such barriers.

As pointed out by CEER there is currently a shortage of guidance for NRAs on how to best treat bundled products. This is often the case when new products or actors enter a market. We also agree that the Clean Energy Package does not say much about bundles.

At the same time, we don't think that bundled products need a specific regulatory framework. A number of grey areas, as highlighted by CEER, may indeed need to be clarified through high level guidelines but overall existing legislation, if correctly enforced, should be enough to answer most questions raised by bundles.

Additionally, setting rules and obligations on energy companies regarding additional services (other than the commodity itself) might hamper the level playing field if the same rules are not applied to companies from other sectors offering similar services.

What is key is that terms and conditions of bundles are fully transparent and easily understandable by customers, and that the terminology used in a bundled product offer, contract and bill is indeed fully consistent, as this should be the case with any product. In our view this is what regulators should focus on. For the rest we should leave it up to the market and to consumer choice. Obviously consumers in vulnerable situations may require additional support but here too existing legislation should be enough.

4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?

We agree that it should be clear to the customer which regulator, ADR body and consumer protection authority he should turn to in case of questions.

As for services providers, we agree that there should be clear liability principles towards the customer.

In our view what's key is that the customer is very clear who his /her counterpart is at any time. In case several companies are involved in a given bundled product, the customer should be clear who his/her counterpart is for which aspect of the bundled product. We do not see why one actor should necessarily be liable for the full bundle. This could well be an option – and some customers might find it convenient to have just one counterpart for all services – but this should not be an obligation. Other customers may prefer to be directly in touch with the most competent party for any given issue.

Even if this is not a bundle, in most Member States, the customer has an electricity and/or gas contract with a supplier and he receives only one bill from this supplier covering electricity/gas, network and taxes/levies. However if the customer has a problem with e.g. his/her connection or quality of supply, he may contact the DSO, instead of the supplier. The customer is then directly in contact with the responsible actor who has the expertise to answer his/her specific request.

All in all what is key is that (i) roles and responsibilities of involved parties are clearly defined, (ii) terms and conditions are very transparent and easily understandable by the customer and (iii) there is a clearly identified party responsible for any subsequent issue.

These principles are also important because putting too many requirements in terms of liability could mean high entry barriers for smaller market players.

5. Can you provide best practice cases of regulatory treatment of bundled products?

We don't have best practice cases but we would like to use this box to stress our key messages:

- We endorse CEER's goal to help businesses improve the bundled products and services they offer so that customers have a positive market experience.

- We think that the scope of the guide book could be enlarged. Currently it tends to focus only on the perceived risks that bundled products may pose and thus gives the impression that bundles are more a threat than an opportunity for consumers. Companies are developing bundled products because they bring added value to consumers, be it in terms of overall price, easy payment, convenience and simplicity. They enlarge consumer options and thus opportunities to engage in the market. Any type of product which would not satisfy a critical mass of consumers would imply high costs for companies and ultimately disappear from the market. Considering that barriers exist to bundled products in several markets, it would be helpful if CEER could try and analyse these barriers too and see what could be done to lift them up.

- As pointed out by CEER there is currently a shortage of guidance for NRAs on how to best treat bundled products. This is often the case when new products or actors enter a market. At the same time, we don't think that bundled products need a specific regulatory framework. A number of grey areas, as highlighted by CEER, may need to be clarified through high level guidelines but overall existing legislation, if correctly enforced, should be enough to answer most questions raised by bundles.

- CEER states that "defining bundles raises all sorts of complex issues such as which services to include in the bundle(s), if there is a need for a single offer or a single price or a single invoice, which providers (and sectoral market and consumer rules) are involved". We think CEER should try and define more precisely what bundled products are. Coming up with clearer definitions of bundles would actually be one of the benefits of this guide book. We feel that the current document eludes this key question too quickly.

- Requirements to facilitate comparability should not end up inhibiting innovation, e.g. by forcing companies to limit their offers to "standard" products. As there is a variety of bundles, comparing such products on a like for like basis may prove challenging, especially if the bundle comprises different services. In addition, CTs should be kept simple as complex comparisons may create confusion and mislead customers. Ultimately, finding innovative ways to compare various offers in a user-friendly manner (e.g. through machine learning or artificial intelligence) should be left to CTs.

- What is key is that terms and conditions of bundles are fully transparent and easily understandable by customers and that the terminology used in a bundled product offer, contract and bill is indeed fully consistent, as this should be the case with any product. In our view this is what regulators should focus on. For the rest we should leave it up to the market and to consumer choice.

Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products

349.28

Total time

379.07

Survey response 32

Contact details and treatment of confidential responses

Contact details: [Organisation][<input type="checkbox"/>
Enel SpA
Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]
<input type="checkbox"/>
Group title: Contact details and treatment of confidential responses
64.87

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?

We agree that the heterogeneous character of the product bundling could raise a number of questions as in the case of any type of new commercial activity. As the bundle is formed by existing or future products and services, all existing legislation on consumer rights and protection should apply to bundled products like any other product to avoid overregulate or to interfere with existing Member States regulation. For instance in Sweden, suppliers have to inform consumers about any changes to the contract two months before and here is stated one month in advance. In general, the principles reflected in this guidance on product bundling must not overlap with themselves or with current or forthcoming regulations in the electricity sector.

On our understanding, there should be a clarification in CEER's text that states that bundling is referred to products, services or both, to avoid any possible misunderstanding or, always refer to product bundling as it is the marketing name for this practice.

We would also like to take into consideration the following clarifications on the principles for companies offering bundled products:

- We welcome CEER's first principle for getting the right information to achieve the simplest customer journey thus, reaching the main objective of bundling products that is making easier consumer choices when connectivity or compatibility technicalities could difficult customer's election. We would advice to include also this purpose on the guide to show also the advantages of bundling products.

- Concerning the second principle, we agree that there should be clear liability principles towards the customer and all the components of the bundle should have clear liable parties, which could be also reflected in the contract between the companies involved. We do not see why one actor should necessarily be liable for the full bundle, which could mean high entry barriers for smaller players. For not hampering company innovation or collaboration with start-up companies, this could well be an option.

- When a bundled product and/or service is provided, questions or claims with different nature could arise, regarding usability, technical questions, or general assistance. In view of the third principle, claims could be referred to different expert teams; for the sake of efficiency, it should be noted that different kind of professionals working behind the same bundled product could approach the customer.

- We agree that transparency is a key principle (4th principle in the Guide) and therefore all the terms and conditions should be reflect on the contract. Companies should not be oblige to sell all the products and services included in a bundle individually because in some cases, it would not have technical sense, such as buying a service of household surveillance without the compatible camera. We think that a customer may choose resign some of the products from the bundled contract and not only the bundled product as a whole. He should be able to keep some of the services included in a bundle, if the company offers this option.

- On the fifth principle concerning billing, if the terms and conditions are fully transparent and easily understandable by customers, we do not think regulation should exclude the possibility of having several bills for bundles. There might be cases where this would actually make more sense. Linking this principle with the previous one, when a bundled product is financed and the customer wants to withdraw one of the products or services; the interests of the not finished financed period and consequently, not paid yet; should be taken into account according to the correspondent financial law.

- We can only agree on the sixth principle of payments for bundled-only products.

- Enel supports certification of Comparison Tools, and we would like to highlight that Regulatory oversight is indeed crucial to guarantee that CTs comply with these principles.

- Enel fully supports the purpose of the eighth principle: "the consumer should be well informed about the contract conditions for the bundle services", and we think that the proposed alignment of the duration of the elements of the bundle will not contribute to a better information and could diminish customer benefits. For instance, in an only products bundled offer aligning products characteristics as guarantee, will probably lead to lose guarantee period for some products because they could be aligned for the shorter period. Another example is in the case of the cost rental of some products of the bundle; the alignment of the element's duration could block this type of easy payments.

- At principle 9, we understand the rationale behind asking that in the event of non-payment of another element of the bill of a bundled product, there should be no disconnection of essential services. In our view, if a customer cannot afford to pay for extra products or services, he should refrain from contracting such services in the first place and go for an energy only contract. Most suppliers today assist customers who are struggling with managing their electricity usage and bills through e.g. energy advice, payment arrangements and/or appropriate debt management processes. If the bundle contains a discount, the contract should show the price of each component separately.

- Dispute resolution fees are set out in different regulatory frameworks in Member States and existing rules should apply irrespective of whether a product is bundled with other product and services or not. This backs our proposal of adopting the existing legislation on consumer rights for bundled products like any other product to avoid overregulate or to interfere with existing Member States regulation.

We agree with CEER Principles for regulators overseeing and regulating sectors with bundle products. Cross-authority cooperation and coordination between NRAs enhance competition and innovation, and protect consumers.

Regarding the third principle for regulators that strengthens the right to exit bundle products, switching rules should apply to bundled products like any other product. This right must be compatible with situations of product financing, where the debt contracted must be settled and in the contract must be clearly specified how to proceed in case of early finalizing of the bundle contract.

2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?

We think that the prescription level given through the principles is appropriate and we believe that, in order to protect consumer rights and defend consumer choice capacity, product bundling should be also understood as a tool to make easier consumer's choices when connectivity or compatibility technicalities could difficult customer's election. It would also enrich the services given and save consumer's time electing value added products and services. We would advise to include also these purposes on the guide to show also the advantages and nature of product bundling.

In general, we missed a reference to the existing legislation on consumer rights and protection, which in our opinion should apply to bundled products like any other product to avoid overregulate or to interfere with existing Member States regulation.

3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?

This Guide is quite complete, and will help consumers to make better choices when facing with complex products and markets. As stated above, it could be good also to look into the opportunities and advantages of bundled offers.

The proposed alignment of the duration of the elements of the bundle at the eighth company principle could diminish customer benefits. For instance, in an only products bundled offer aligning products characteristics as warranty, will probably lose guarantee period for the other products because they could be aligned for the shorter period. Another example could be when the cost of some products of the bundle is financed or rented, consequently the alignment of the element's duration blocks this type of easy payments.

Another possible actor that could mark down customer's benefit is the unique claims handler. In our opinion and experience, a better response to the customer's claim will be provided when the expert of the claimed field is able to approach the customer to give him a full explanation of the solution or to collect further data about the claim, if the response to his claim was not find yet.

In our view, as actually several companies offer easy payments for bundled products such as financing, renting, payments through energy savings, debt management process, allowed payment delays...if a customer cannot afford to pay for extra services he should refrain from contracting such services in the first place and go for an energy only contract.

4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?

When a bundled product/ service is provided several claims could arise with different nature; mainly related to the usability, technical, or general assistance. We agree with the idea of having a single point of contact for all the claims but depending on the nature of the claim it should be referred to a different expert team that would need to contact the customer to require him more information, or to approach the customer to give him a full explanation of the solution

For the sake of the efficiency and the time effectiveness, it should be noted that different kind of professionals working behind the same bundled product could approach the customer.

As for products and services providers, we agree that there should be clear liability principles towards the customer, who needs to know who his /her counterpart at any case, without supporting the liability of the third party, which could harm innovation and the cooperation between companies.

A workable alternative for the single point of contact is the possibility of having a claims handler in case the complexity of the bundle could lead to chained or several claims.

5. Can you provide best practice cases of regulatory treatment of bundled products?

-

Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products

1003.13

Total time

1068

Survey response 33

Contact details and treatment of confidential responses

Contact details: [Organisation][<input type="checkbox"/>
EDISON SPA
Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]
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Group time: Contact details and treatment of confidential responses
23.89

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?

Edison welcomes the opportunity to provide its comments to CEER's consultation, as we agree with CEER when it states that bundled products are increasingly growing in relevance in all markets, and particularly in the energy one.

Although we may understand how they might be considered a "complex" product under some aspects, we see them as an opportunity for consumers to benefit from monetary and non-monetary advantages, such as saving time by signing a bundled contract comprising – at a time - all the services they require.

We fear that some of the concerns about bundled products presented in the consultation document might reveal a negative attitude towards bundles, while on the contrary we believe them to be a benefit for the consumers. Consumers increasingly choose bundled products nowadays, which shows their trust and appreciation of these products: excessive regulation might hamper bundled products' presence in the market and, more importantly, their innovation. As their market is constantly growing, it would be very difficult to keep up in terms of regulation, thus preventing significant innovations which would benefit the consumers.

As first and fundamental point, we believe that there should be a clearer framework identifying what bundled products are and therefore providing a common and shared definition. A definition that should in any case consider that the products and services included in a bundle already have to comply with the regulation related to their product/service category.

In our view and based on our experience, bundled products should be considered as one product as we see as bundles only products/services sold with a same and single contract, without any hierarchical order of the services provided: they all have the same dignity and importance. In particular, we do not understand the terms "essential", "optional" and "additional" services which are continuously addressed in the consultation.

A clear definition of what bundles are and of their components would benefit both companies and consumers, also considering the limits national legislation puts to common regulation with regard to bundled products: for example, the idea of having a single party responsible for the full bundle even when the bundle is a multi-contract one strongly conflicts with Italian legislation.

While we agree with the importance of fully informed decisions by the consumers, we feel that the focus on comparing bundled products on their price might lead companies to develop "standard" offers, moving away from the main goal of bundled contracts, which is to offer to consumers an advantageous and tailored product. The nature of bundles themselves makes them very difficult to compare: how to confront a contract offering electricity and natural gas plus telecom services with one offering electricity plus insurance is a very complex issue. Also, bundled products offering the same products/services could not be easily compared if the services, for instances, are offered for a different duration. Moreover, comparison based on price moves away from what the real value of the bundles is for the consumer: bundled contracts offer relevant non-monetary advantages that might not be directly related to the price, but are fully appreciated by the consumer who chooses one particular bundled product.

What we deem important is that the consumer is fully informed of the bundle's characteristics and contract terms, from the pre-contractual phase onwards. Coherency in all the documents related to the bundled products is indeed a key point for fair competition, and we appreciate the emphasis on it. Furthermore, these two principles should already allow for comparison of similar bundles.

- [?] Principles for companies offering bundled products

1/ Simplicity for informed customer choices - getting it right.

We do agree on the importance of simplicity and clarity for the consumer. A first and necessary step to enhance them would be to give a clear definition of what bundles are, especially with regard to the concepts of "essential", "optional", and "additional" services, which we do not fully understand as we see bundled products as a single product. A clearer concept of bundled product would make interacting with them easier for NRAs, providers and customers alike. We fully understand the difficulties of regulating bundled products, but at the same time this stems from their continuous evolution, highlighting their strong innovative value on the market. This ongoing development is stimulated by the customers' desire for bundled products, which provides them with opportunities that were not available on the market before. Excessively burdensome regulation might end up hampering innovation, thus decreasing the benefits for consumers, who might not find the right combination of services on the market anymore. Moreover, bundles already face extensive regulation with regard to the different products and services they include, as they have to comply with their respective regulation, and are under the control of the appropriate NRA.

2/ Clear liability principles where there are multiple parties/contracts involved in the bundled product

We fully agree with clear responsibility principles towards the consumer. At the same time, we feel that holding only one party responsible for the full bundle poses some problems, both in legal and practical terms.

For instance, according to Italian legislation, in case of a multi-contract bundle, every signatory party is responsible for the contract it signs. This means that, under current legislation, it would not be legally feasible to make one of the parties involved the sole responsible for the full bundle.

Apart from these legal issues, we feel that having a unique responsible for the full bundle is not in the best interest of the customer, too. Having one party only interacting with clients for all the products included in the bundle means that it would necessarily have

to deal with issues and themes outside its expertise and knowledge. This is especially true given the broad nature of bundles, which combine very different goods and services. Customers will not benefit from interacting with a party which has no relationship with the problem they are facing, because it is outside its scope of action. In turn, this might lead to a burdensome “ping pong” of customers complaint among companies, which is exactly what the proposed guide wants to avoid. We believe that the best solution here is having clear liabilities principles clarifying to the consumer at all times which party is responsible for a particular part of the bundled product, so that problems are dealt with by the most competent entity swiftly and without any buck-passing.

3/Signposting of the responsible (in-house or external) complaint handler in case something goes wrong.

Please refer to our answer to the previous point.

We agree that it should be clear to the customer which regulator, ombudsman and consumer protection authority he should turn to in case of questions.

In principle, having one point of contact for the customer is something that we can agree with, under certain conditions: 1) There should be a clear difference between who's responsible for the initial contact with the client and who has contractual responsibility for the various components of the bundled product; 2) the initial point of contact should act as a coordination hub to refer the client to the most competent party, and not a “one-size-fits all” solution.

4/Transparency is key

We agree that transparency is key for bundles, as it is for all contracts. At the same time, we feel that transparency in the case of bundled products should be more focused on their content than on their price.

We completely agree with the necessity of clarity and transparency for the terms and conditions of the contract in every phase of the interaction with the customer. The language and terminology used should be indeed consistent in all the material provided to the client (marketing material, contract, bills).

Nonetheless, as bundles are effectively a single product, there should be one price covering all the goods and services offered. One of the reasons suppliers offer bundled products on the market is because of the synergies developed in combining the different components with each other, and it is because of these synergies that the pricing of the single products might not be reflected in the bundled price. Providing the customer with the price of every single component separately might actually not be in his/her interest, as it might not reflect the real price of the component bought individually.

Also, with regard to product comparison, we feel that price-based comparison might not be the best one for bundled products. The key element of bundles is the possibility they give customers to choose the offer that suits them best, according to the services offered. We do not see how unpacking the bundle's price enhances the consumer's ability to make such a choice, since the price of single components does not play a crucial role in it. We are in favour of quality-based comparison, in which terms and conditions relative to all components are transparent and clear to the customer, so that he/she can make an informed choice. However, comparison should be focused on bundled products offering the same features, as a like for like confrontation would not be effective if applied to all bundled products present on the market, because of their great variety.

We believe that the consumer should be allowed to recede from only a part of the bundle if expressly allowed to do so by the provider. The default option should be resignation from the bundled product as a whole.

5/On billing

We do agree that the billing information provided to the client should be consistent with all the other documents he interacts with. With regard to billing regulation, having to comply with different regulation for every product included in the bundle might make billing extremely complex both for firms and, more importantly, consumers. Billing regulation varies greatly across sectors, and so producing a single bill complying with all the legal requirements of every bundle component might be very costly for firms. At the same time, an overly complicated bill is also not in the interest of the consumer, who would have to deal with a very convoluted document, which might actually impair his ability to take away the key messages from the bill. Billing regulation should help the consumer understand the bill, not make it more complex.

We believe that splitting the bill in many different parts because each of them has to be complying with its peculiar sectors' regulation might also be detrimental for billing clarity. In general, we believe that the most important billing features are clarity and consistency: they are paramount for informed client choices.

6/On payments for bundled-only products

We agree with the principle proposed.

7/Respecting good guidance principles for price comparison tools

We do understand the importance of comparison tools also for bundles. At the same time, price-based comparison might not suit bundled products, because of their peculiar features. First of all, bundled products are extremely different from each other, as admitted by CEER itself, therefore comparing them on a price basis only might not reflect their full value for the customer.

Moreover, even bundles offering the same service at the same conditions might differ in duration, which means that their price might not be capturing their worth for consumers, as the duration of an offer is extremely relevant to make a choice.

Secondly, the customer might be in favour of paying a price premium in the case of bundled products: as their quality and services

offered vary greatly, a client might be well satisfied to pay more to get a product he deems more valuable. The comparison on price actually moves the focus away from the core characteristic of bundles, which is offering a tailored offer to every type of consumer.

We agree on the need for clarity and information for consumers: comparison tools should provide potential clients with complete and easy to understand terms and conditions for each bundled offer; as bundles are multi-layered products, each feature has to be well defined, in order to clarify its full value to the customer. Price-only comparison, instead, limits the information provided to the customer, who might be led to believe that pricing is the only relevant aspect of bundles, which is clearly not the case. Moreover, price-based competition might limit the innovation in a market where it is key, thus forcing providers to offer only standardised products, reducing the effectiveness of bundled products in providing customers with appealing offers which continuously adapt to their needs.

8/The right to information about the contract conditions

As stated above, we believe that full information of the customer is key, as it is for every product on the market. We believe that an essential part to be able to comply with this principle is defining what bundled products are and, with this respect, we reiterate that bundles should be considered as one product, with no distinction in the importance of the services provided. We believe that a clearer framework is also very much in the interest of the consumer, as he has to clearly understand which is the core service and what are the optional ones from the contract.

We agree with aligning the timing of the various components of the bundled product. We believe that switching out of just a part of the bundle should be allowed only if the provider makes it so in the contract, otherwise the default option should be switching out of the full bundle.

9/ No disconnection of essential services

We agree with this principle; at the same time, we'd like to stress that it is important for the consumer to make informed and responsible choices. Consumers should be aware at all times that when they are signing up for a bundled product they are signing up for all its components, and they are responsible for paying for each of them, without prioritizing any particular one.

10/ No dispute resolution fee

We agree with the principle proposed.

- [?] Principles for regulators overseeing and regulating sectors with bundled products

A/ Establish rules in general consumer law governing bundled products across all sectors

Although we understand the need for some regulation for bundled products given their increasing role on the market, we believe that over-regulation should be avoided, as the innovative power of bundles is one of their main features and it might be hampered by strict regulatory rules. We believe that high level principles and clarity on the concept of what a bundle is, are the best way to proceed and should suffice to protect consumers without limiting innovation.

B/Protect essential services

We reiterate our opinion that a clear definition of what "essential" means is vital.

C/Strengthen the right to exit bundle products

The possibility of switching out of contracts should be granted for bundled products, as is for all products on the market. At the same time, we believe that the risk of customers cherry-picking from various bundles offers should be avoided as it will end up in removing any convenience for suppliers to develop and sell bundled products, thus also removing all related opportunities and benefits for customers. We state again that the default option should be a full switch out from the bundle. The customer should be allowed to switch out only partially if the provider expressly states so in the contract.

D/ Monitor

Whereas we do understand the necessity of monitoring the expansion and growth, we reiterate the importance of considering bundled products as opportunities for the clients, especially due to their strong innovation power.

E/ Cooperate across sectors with relevant authorities.

We agree with CEER

2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?

We are satisfied with the overall level of prescription of the document. We appreciate the fact that CEER suggest regulation through very high-level principles and not with detailed, in-depth regulation. However, we feel that the document takes too much of negative view on bundles, without highlighting neither their value added for the customer nor their innovative power. We believe that, even if present regulation might be lacking with regard to some aspects, the value bundled products have for consumers should be made clearer. Customers have of course the right to be protected, but at the same time they also have the right, and we believe the ability, to look for and choose the products best suited for them on the market; in this regard, bundles provide them with an invaluable opportunity, in terms of services offered, overall price, convenience and time savings. The growth in bundled products we observe in the market is due to their appreciation by customers. We would like to make sure that they will be still able to find innovative and convenient products on the market in the near future.

3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?

We are satisfied with what CEER has identified as risks to customers regarding bundled products. However, as above, we'd like to state again that they should not be seen as a threat to consumers, but as an opportunity for them. We believe that high-level principles, coupled with existing legislation, should afford a sufficient level of protection to consumers. We believe that customers should be left as free as possible to make their own choices in the market, without of course forgetting protections for particularly vulnerable ones. We strongly support transparency, clarity and consistency of information in all the communications and documents provided to the clients, so that their choice is well informed.

4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?

We agree that it should always be clear to the customer who the responsible party is for every component of the bundled product. We agree in principle with the idea of a single point of contact, but with some added specifications: firstly, the party responsible for contacting the client must not necessarily be the one responsible for the full bundle. As explained above, we do not believe that having only one party responsible for the full bundle is neither viable nor a solution in the interest of the customer, due to expertise and competence issues. Secondly, the single point of contact should have a coordination role. Having one party responsible for answering doubts, questions and complaints by the customers on the whole bundled product might not be effective in handling them, as every issue should be handled by the most competent party. What we propose as single point of contact is a solution where there is indeed one party responsible for handling the initial contact with the client for the whole bundle; the role of the point of contact should be referring the client to the competent operator, be it the company handling the contact or any other of the parties involved. In this way, the consumer will be on one hand easily able to contact the customer care service, on the other he/she will be sure that his problem will be taken care of by a competent subject.

5. Can you provide best practice cases of regulatory treatment of bundled products?

Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products

810.32

Total time

834.21

Survey response 34

Contact details and treatment of confidential responses

Contact details: [Organisation][<input type="checkbox"/>

The European Consumer Organisation

Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]

Group time: Contact details and treatment of confidential responses

116.63

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?
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BEUC welcomes the CEER draft Guide on bundled products and while we generally agree with the draft principles, we provide several recommendations on how to strengthen these principles.
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Bundled products are increasingly a consumer's reality in different sectors. In the energy sector, more bundling is expected especially when energy profits decrease and when new services and products get on the market. Bundled products are not always the best deal so it is important that consumers receive all necessary information, are able to compare and easily switch. It should also be clear whom to contact when something goes wrong with any service within a bundle. Therefore, BEUC has been advocating for the inclusion of bundled products in the revised Electricity Directive.
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2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?

While BEUC agrees with proposed principles, some should be further improved:

• **Simplicity for informed customer choices - getting it right:**

First of all, BEUC supports the principle of simplicity for informed consumer choice and believes there should be more focus on proper implementation of this principle. BEUC has been calling for better information on offers, contracts and bills under the Clean Energy for All Europeans package. In the past, BEUC also engaged with the main industry associations in order to improve comparability of energy offers. BEUC and industry associations agreed on the list of key information to be provided in a short, easily understandable, prominent and accessible manner (see also https://www.beuc.eu/publications/beuc-x-2016-043_joint-statement-improved-comparability-of-energy_offers-beuc-eurelectric-eurogas.pdf). The use of common methodology was also discussed. However, this self-regulation exercise did not lead to expected results and confirmed the need for regulatory intervention.

Secondly, in addition to the main characteristics of all services within the bundled product, consumers should be also informed whether services are carried out by a provider different from the provider as stipulated in the contract. Our members reported cases where the service provider was not identified in the contract. For instance, the retailer presented the contract to the consumer but in fact, the contract was also with the insurance company. In another case, a consumer had a contract with a supplier which covered also electric service assistance. This additional service was provided by another company, but the consumer did not have any specific information about this service provider. This has raised questions regarding the liability of the energy retailer and the specific service provider and who should be responsible in case of non-compliance.)

Thirdly, any subscription to additional products and/ or services provided or distributed by the supplier as a bundled offer should not re-start the contract period of the initial contract unless the final customer explicitly consents. When the initial contract is changed, consumers should be not only informed, but they should also have the right of withdrawal from the contract if they do not accept the change to the initial contract (as already set in existing legislation).

A standardized summary of the contract would help consumers to easily understand what they sign up to. For instance, in Portugal consumers receive a standardized contract summary chart which includes also bundled services. However, BEUC member organization DECO points out that included information is only related to the service specification and its cost and therefore, the summary needs to be improved. Moreover, we observe good practice with regards to the harmonised terminology and presentation format in financial services: Article 3 of the Payment Accounts Directive provides that terminology for 10-20 most used services linked to payment (bank) account must be standardised. This list must be included in banks' tariff brochure. Besides that, Articles 4 and 5 harmonise the presentation format of the tariff brochure and of the fee statement that the consumer must receive at least annually.

• **Signposting of the responsible (in-house or external) complaint handler in case something goes wrong.**

While we generally agree with this principle, we recommend amending the CEER's guide as follows:

It is important that consumers know who to contact, ie. not only the case/complaint handler of the bundled product but also the independent ADR. The term "complaint handling" usually refers to customer service inside the company while consumers should also be informed about independent ADR. We therefore suggest replacing 'ombudsman' by independent ADR as not all of them are called 'ombudsman'.

Consumers should be informed which entity is responsible for dispute settlement (including the contact details of the ADR body). However, when the trader provides information to consumers about the ADR body, the trader also needs to clearly inform the consumer whether this trader will participate in the ADR procedure. Otherwise the information about the existence of the ADR body can be misleading for the consumer.

As energy is essential service, BEUC has been calling for mandatory participation of energy companies in out-of-court dispute resolution procedures. Further rules are also needed to ensure participation in such mechanisms is mandatory for those offering bundled products and contracts with energy components. For instance, BEUC's member organisation, DECO, stressed that even though the participation in out-of-court dispute resolution procedures is mandatory for energy suppliers in Portugal, there is a lack of regulation with regards to bundled offers in order to understand in which cases a claim can be considered as related to energy supply (eg. when the consumer doesn't pay the bundled service and the supplier cuts the energy supply – can it be considered in the scope of mandatory arbitration?).

Lastly, we agree that it is not for the companies to decide which regulator has jurisdiction. Therefore, NRAs, ADR bodies and other relevant authorities need to clarify who amongst themselves is best placed to handle different types of bundled products and make sure companies and consumers are informed.

• **Payments:**

Providers should offer the possibility to pay bundled services separately from the other components on the bill. This is supported for instance by complaints received by BEUC's member organization, DECO – consumers were not satisfied with the bundled service so they requested the cancellation of the service. However, the supplier didn't respond to their request and continued charging for the bundle. Since consumers were charged for the energy supply via the same bill, they didn't have the option not to pay for the bundle and feared disconnection.

• Respecting good guidance principles for price comparison tools should equally apply in the case of bundled products. First of all, it should be clarified who is this principle addressed to. The guidance on comparison tools should be respected not only by companies but all parties operating comparison tools. The recommendation for companies should be to provide full information on their bundled products.

Secondly, BEUC has been advocating for the inclusion of bundled offers in comparison tools. It may be challenging to compare the nature of bundles that would consist for instance of gas, electricity, mobile contract, insurance, maintenance contract and different gadgets such as battery, boiler, mobile phone, intelligent lighting system etc. However, there is at least one aspect that is standardised and comparable when it comes to bundled offers, ie. its price and its reflection on the energy price (for instance, there is a discount of 15% on energy price if the consumer subscribes to a 12 month maintenance plan service). Consumers should be able to compare its impact on the final price they pay and therefore, should have the option to choose the comparison with or without the bundled offer. In case of comparison with bundled offers included, there could be a warning information on the extra cost the tariff may have according to the bundled offer. For instance, Portuguese NRA's comparison tool displays a warning message informing that the price shown in comparison tool involves contracting a bundled offer that costs x€ per month or yearly. The comparison tool by the Portuguese consumer organisation DECO includes the value of the bundled contract in the final price of the energy offer (in the cases that the bundled contract is mandatory in order to have that specific price). Some comparison tools in Denmark also allow for comparison of terms and conditions of bundles.

Moreover, with regards to complex bundled offers which are currently difficult to compare due to their nature as mentioned above, we believe that these offers should be transparent and displayed in comparison tools in a way that allows consumers to make a well- founded choice.

Finally, we support the CEER's effort to address bundled offers and call on CEER to provide recommendations on how to display bundled products in a way that allows consumers to compare these offers in an objective and easily understandable way via comparison tools.

• The right to information about the contract conditions:

All parties involved in the bundle should align (not seek to align) the duration and the conditions for termination of the different elements of the bundle. Providers of bundled services should give consumers the possibility to cancel or switch individual parts of the bundled contract to prevent lock-in situations when one renewed service automatically renews other services in the bundle. Even though there is no minimum contract term for the energy supply, bundled services can include such a minimum term. This will result in a barrier to switch since the bundled service implies that the consumer must keep the energy supply contract for a certain period (ie. hidden minimum contract term).

• No disconnection of essential services:

We agree with this principle but believe that disconnection of essential services should be addressed by the legislation.

• No dispute resolution fee:

The ADR Directive prescribes that ADR should be for free or at a nominal fee for consumers. Therefore, the same principle should apply for bundled offers.

• Establish rules in general consumer law governing bundled products across all sectors:

A consistent approach across sectors would be beneficial for consumers. At the same time, BEUC has been calling for the inclusion of bundled offers in the revised Electricity Directive which is currently under negotiations.

The need for further rules is also observed in other sectors, eg. in financial services, the European Supervisory Authorities called on the European Commission to harmonise sectoral provisions, stressing that sectoral financial legislation is fragmented when it comes to tying/bundling provisions (more information is available at: <https://www.eba.europa.eu/documents/10180/15736/ESAs+letter+to+European+Commission+on+cross-selling+of+financial+product....pdf>)

• Strengthen the right to exit bundle products:

Switching fees should not be allowed. When terminating fixed term contract before its maturity, termination fees should be proportionate and should not exceed the direct economic loss to the supplier. The burden of proof should be on the supplier. In case of bundled investment in equipment, the economic loss shall be determined based on whichever amount is smaller, either the pro rata temporis residual value of subsidised equipment bundled with the contract at the moment of the contract conclusion or the remaining part of the service fee until the end of the contract.

• Monitor:

NRAs should monitor the number of customers on bundled contracts, and whether consumers are benefiting from bundled offers when compared to having contracts for each product separately, including economic, environmental and social benefits. This data should be publicly available.

• Cooperate across sectors with relevant authorities:

We agree that regulators, ADR bodies and other relevant authorities should work more efficiently across sectors. This requires better coordination and information sharing among NRAs, consumer authorities and other relevant authorities especially where

cross-cutting issues related to bundled products arise. Each regulator should have a clear scope and remit and NRAs should agree on who is best placed to handle particular type of bundled product. The burden should not be on the consumer to find out what authority is in charge; s/he should be assisted in identifying the right interlocutor (eg. by a one stop shop).

In addition to above mentioned example of the ombudsmen cooperation, the UK Regulators Network (UKRN) could also be considered. UKRN is formed by 12 of the UK's sectoral regulators and its objective is to facilitate cooperation and communication between its members to promote better outcomes in economic regulation for consumers and the economy (more info available at: <http://www.ukrn.org.uk/>).

3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?

More attention should be paid to tying. For instance, in financial services we make a distinction between tying (take it or leave it) and bundling (consumer can also buy the individual items of a package separately). In case of tying, the bank could tell the potential borrower that if s/he doesn't take an insurance or bank account together with a mortgage credit, s/he will not obtain the credit. BEUC has been advocating against tying in financial services as it restricts consumer freedom, choice, switching, and market competition and we are concerned that bundling could have the same effects on consumer choice and competition. Sectoral financial legislation (on bank account, credit, insurance, investments) contains provisions on tying, but it is very fragmented and poorly designed. For example, Mortgage Credit Directive provides that tying is forbidden, but then it introduces several exemptions, which makes the general ban on tying meaningless. For more information, see BEUC response to ESAs consultation on cross-selling in 2016: https://www.beuc.eu/publications/beuc-x-2015-027_fal_response_to_consultation_of_the.pdf

4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?

BEUC supports a single point of contact per bundle with a clear liability - there should be a clearly defined single contact point and customer support so that consumers can easily access it for troubleshooting and getting answers to their questions. It should not be up to the consumer to identify where the fault comes from and thereby which entity they should contact (eg. for services, equipment, software) - ie. the energy supplier should be responsible towards the consumer, even if it is only to receive the complaint/request and then forward it to the responsible entity. The last CEER proposal for consumers to contact multiple parties is therefore unclear - why would the principle of single contact point limit the consumer's choice and why would the consumer need to contact other parties? Consumers just need to solve their problems quickly, and the single contact point is the right approach.

See also example in the area of financial services: Revised Payments Services Directive (PSD2) has brought some new payment service providers under its scope, e.g. Payment Initiation Services (PIS). PSD2 provides that if there is a payment incident involving a PIS, the consumer will get an immediate reimbursement from his/her bank, and then the bank and the PIS will sort out the issue among themselves. In case the PIS is responsible for the payment incident, it will reimburse the consumer's bank. This provision is very important to avoid ping-pong.

5. Can you provide best practice cases of regulatory treatment of bundled products?

Portuguese NRA firstly recognized the need to address bundles in 2017 with a Recommendation: https://www.ceer.eu/documents/104400/6120855/ERSE+Recommendation+on+Additional+Services_EN.pdf/3db08f45-485f-e32a-3c20-a791a6ed0f80. In October 2017, some rules on bundled services were included in the NRA Regulation for Commercial Relations. These rules mainly address: a definition of bundled services; an obligation for suppliers to clearly inform consumers when selling bundled services, an obligation for suppliers to inform consumers that bundled services are independent from the energy supply and cannot interfere with the energy supply; an obligation for suppliers to make available and auditable all information related to bundled offers and a need to report information to the NRA on the bundled offers available.

Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products

485.62

Total time

602.25

Survey response 35

Contact details and treatment of confidential responses

Contact details: [Organisation][<input type="checkbox"/>
EDF
Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]
<input type="checkbox"/>
Group title: Contact details and treatment of confidential responses
45.31

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?

As mentioned in the introduction of the consultation paper, consumers are increasingly purchasing so-called “bundled products”. EDF therefore welcomes the efforts made by CEER to explore this topic.

Providing a set of guidance on bundled products is welcome, however for this guidance some points have to be kept in mind. In fact, there are different categories of bundled products: bundled products which can be unbundled (for instance, triple play: internet/fixed telephone/TV), bundled products with a part which cannot be chosen (for instance, grid access in energy supply), bundled products where products are simply linked within the same package and could be easily separated (for instance: energy and insurance), etc. Even if these different types of bundled products have something in common, they also are sometimes so different from one another that it could be difficult – and maybe impossible - to build common rules. Setting common and minimal principles could be easier but we still need to bear in mind that the diversity of bundled products, on the one hand, and the degree of precision, uniformity and universality of principles, on the other are hardly compatible. For this reason, even the basic principles must be applied on a case-by-case basis.

Furthermore, it seems important to recall that what makes bundled products so successful is their simplicity. Therefore, it is important that this simplicity remains, as long as the customer has the choice between bundled and unbundled products. Bundled products are a plus for the consumer.

In general, EDF broadly approves the principles exposed in the document. Nevertheless, we have some comments:

Principles for companies offering bundled products

1. Simplicity for informed customer choices - getting it right.

Simplicity and convenience are the main reasons for the success of bundled products. As bundled products are built differently (for example, one will offer electricity supply with gas boiler maintenance service, while another will provide for electricity supply and home insurance service), comparing products like for like is not possible and could potentially refrain innovation.

The requested “simplicity” must be adapted to the nature and structure of the bundled product.

Principles What could however be requested by CEER is to provide customers with clear and easily understandable information on terms and conditions and on their contractual rights and obligations, on price, as it is already requested by all existing legislation on consumer and protection rights.

Concerning the notification of update or change to the initial contract, EDF wonders whether it is necessary for the CEER guidance to provide a period of notice, when such periods are already foreseen in the regulation of each of the different products.

2. Clear liability principles where there are multiple parties/contracts involved in the bundled product.

EDF agrees with the general principle that the consumer should not have to interact with different parties for the different elements of the bundled product (“single point of contact”). EDF also agrees with the fact that such arrangements should not limit the consumer’s existing rights and should not oblige them to use the single point of contact in all cases.

Nevertheless, the question of single point of contact differs from the legal responsibility one. Although, liabilities as well as roles and responsibilities must be clearly explained and communicated to the customer, the present guidance should not decide which party should be responsible for all types of bundled products. Depending on the type of bundled product and the way the contract is set-up, responsibilities may differ. The rules should foresee the possibility for the “broker” not to be legally liable. There could also be situations where the broker is unable to assume legal and financial responsibilities.

The crucial point is therefore that customers are clearly informed of the counterpart to contact for any aspect of the bundled product.

3. Signposting of the responsible (in-house or external) complaint handler in case something goes wrong

Cf. our answer at item 2.

EDF agrees with CEER’s proposal to clearly communicate to the customers the counterpart to contact for each aspect of the contract and which ombudsman, consumer bodies or regulator to seek advice from or to refer to.

4. Transparency is key.

EDF agrees that transparency is key for bundled products, as for any other product, and that this should cover all the terms of the contract, and not just the price.

Depending on the type of bundled products, it may not be possible to split the prices and to separate the various prices elements of the package. Most of the time, when customers subscribe to a bundled offer, they buy an integrated offer at a price that covers all the products and services that form part of the offer. The supplier of the bundled product is likely to be able to offer a better price due to lower costs to serve than these would be, should all the products and services be sold independently and there also might be merged costs that cannot be split.

The legislation that applies in each Member State should nevertheless be respected: bills should show any regulated component such as taxes and levies. However, as it may not be possible to split the various components of the price, it should not be an obligation to show the VAT on each element as long as the same VAT rate applies for the whole amount.

5. On billing

EDF agrees with the fact that what matters the most is the ability for customers to check the bill against the accepted offer as set out in the contract.

Where it is possible, single bills should be provided. However, this should not be an obligation as this ability may vary, depending on the type of bundled offer. As long as it is made clear to the customer what they should expect and by when, the fact that one or several bills are sent to the customer should not be an issue.

6. On payments for bundled-only products

EDF agrees with the CEER’s principle.

7. Respecting good guidance principles for price comparison tools

EDF consider it would be beneficial for customers to be able to compare bundled products through comparison tools. This can however be truly possible when products are set in the same way; otherwise CTs might only offer a list of existing products, including bundled offers. What really matters is that CTs should be clear in the way they range the various products and on the information they provide on each of them.

8. The right to information about the contract conditions

EDF agrees with CEER's proposal.

9. No disconnection of essential services (e.g. energy)

Although EDF understands the principle of non-disconnection of essential services, we believe that customers should be encouraged to pay for bill in full as a basic rule. When a bill break down is not possible for bundled products, the payment made cannot be allocated to one service or product in particular. It will therefore not be possible for the supplier to consider if the perceived sums are for an essential service or not.

When a bill is partly or not paid at all, existing regulation for non-payment and for disconnection of essential services should apply, regardless of whether the product is bundled to other products and services. Member States have existing legislation.

10. No dispute resolution fee

EDF agrees with CEER's principle that dispute resolution should preferably be free of charge. However, we disagree to set this as a general.

For regulators overseeing and regulating sectors with bundled products

A. Establish rules in general consumer law governing bundled products across all sectors.

EDF agrees with CEER's proposal.

B. Protect essential services

This answer is linked with the one made at principle 9. Moreover, EDF does not agree with the recommendation made by the Portuguese Regulator. If a bundled contract becomes a simple contract concerning the supply of an essential service, the supplier must be in a position to recover stranded costs caused by the other part of the contract. If not, abuse are permitted.

C. Strengthen the right to exit bundle products

EDF agrees with CEER's proposal.

D. Monitor

EDF agrees with CEER's proposal.

E. Cooperate across sectors with relevant authorities

EDF agrees with CEER's proposal.

2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?

Consumer rights must of course be protected and that must be the priority. EDF underlines, on the other hand, the necessity to respect innovation and consumers' ability to choose a simple and effective bundled offer. It is the reason why the right balance must be found between a good level of protection and over-prescription.

3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?

No, EDF does not consider there are any areas of particular risks that have not already been addressed in this draft guide.

4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?

As mentioned in our response to question 2, EDF agrees with the general principle that the consumer should not have to interact with different parties for the different elements of the bundled product ("single point of contact"), however this should not be an obligation depending on the type of bundled product that is being considered. EDF also agrees with the fact that such arrangements should not limit the consumer's existing rights and should not oblige them to use the single point of contact in all cases.

We consider that clear and easily accessible information should be provided to customer with regard to who they should contact for each part of the contract.

5. Can you provide best practice cases of regulatory treatment of bundled products?

Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products

257.73

Total time

303.04

Survey response 36

Contact details and treatment of confidential responses

Contact details: [Organisation][<input type="checkbox"/>
Axpo Italia S.p.A.
Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]
<input type="checkbox"/>
Group time: Contact details and treatment of confidential responses
8174.72

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?
We strongly support the introduction of: <input type="checkbox"/> The possibility of an early termination fee for the following occurrences: <input checked="" type="checkbox"/> All cases where the provider has incurred costs related to the offer that cannot be recovered in case of an early termination (E.g. in Italy Telco companies do charge termination fees even with no hardware investments, to allow bargains to loyal customers) <input checked="" type="checkbox"/> Fixed price energy contracts. They can be seen as a bundle of a price hedging service and a plain energy delivery. Regarding the early termination fee in case of electricity fixed price contract, the Proposal for a Directive on common rules for the internal market in electricity provides for the possibility of a switching fee to cover supplier's costs. <input type="checkbox"/> Rule of single contact point: It should be made clear to the consumer who is liable for the full bundle in case of any issues. We do not agree with: <input type="checkbox"/> The price comparison tool: comparing complex and bundled products plainly through the price is not efficient. Only the customer, based on his preferences, can give the right evaluation to the package. <input type="checkbox"/> Single item price disclosure: the provider should be allowed to cross-subsidize items of the bundle except in cases of excessive market power. Moreover, cross-selling might allow for synergies which clearly are related to the bundled sale. A customer can always refer to non-bundled offers if he wants an understanding of unbundled prices. <input type="checkbox"/> The provision in the guide book stating that "any update or change to the initial contract should be notified to the consumer at a minimum one-month in advance". In the general law for contracts with consumers there are specifications for the notice of contract changes. Specific regulations among sectors also exist. Existing rules in each Member States should be taken in consideration and the minimum notice applicable to the different products involved in the package should be applied to bundled products.
2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?
3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?
4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?
Yes, we strongly agree with the single contact point principle (pls see above).
5. Can you provide best practice cases of regulatory treatment of bundled products?
Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products
1064.51

Total time

9239.23

Survey response 37

Contact details and treatment of confidential responses

Contact details: [Organisation][<input type="checkbox"/>

KEPKA - Consumers Protection Center

Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]

Group title: Contact details and treatment of confidential responses
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36.31

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?

KEPKA welcomes the CEER draft Guide on bundled products and while we generally agree with the draft principles, we provide several recommendations on how to strengthen these principles.

Bundled products are increasingly a consumers reality in different sectors. In the energy sector, more bundling is expected especially when energy profits decrease and when new services and products get on the market. Bundled products are not always the best deal so its important that consumers receive all necessary information, are able to compare and easily switch. It should also be clear whom to contact when something goes with any service within a bundle. Therefore, KEPKA has been advocating for the inclusion of bundled products in the revised Electricity Directive.

10 principles for companies

1. Simplicity for informed customer choices - getting it right.

KEPKA's comments: First of all, KEPKA has been calling for better information on offers, contracts and bills under the revised Electricity Directive which is currently under negotiations. In the past, KEPKA also engaged with the main industry associations in order to improve comparability of energy offers. KEPKA and industry associations agreed on the list of key information to be provided in a short, easily understandable, prominent and accessible manner. The use of common methodology was also discussed. However, this self-regulation exercise didn't lead to expected results and confirmed the need for regulatory intervention.

Secondly, in addition to the main characteristics of all services within the bundled product, consumers should be also informed whether services are carried out by a provider different from the provider as stipulated in the contract.

Thirdly, any subscription to additional products and/ or services provided or distributed by the supplier as a bundled offer should not re-start the contract period of the initial contract unless the final customer explicitly consents.

Last but not least, we observe good practice with regards to the harmonized terminology and presentation format in financial services: Art 3 of the Payment Accounts Directive provides that terminology for 10-20 most used services linked to payment (bank) account must be standardised. This list must be included in banks' tariff brochure. Besides that, Art 4 and 5 harmonise the presentation format of the tariff brochure and of the fee statement that the consumer must receive at least annually.

2. Clear liability principles where there are multiple parties/contracts involved in the bundled product.

KEPKA's comment: KEPKA supports a single point of contact per bundle with a clear liability - there should be a clearly defined single contact point and customer support so that consumers can easily access it for troubleshooting and getting answers to their questions. It should not be up to the consumer to identify where the fault comes from and thereby which entity they should contact (eg. for services, equipment, software).

3. Signposting of the responsible (in-house or external) complaint handler in case something goes wrong.

KEPKA's comment: It is important that consumers know who to contact, ie. not only the case/complaint handler of the bundled product but also the independent ADR. The term complaint handling usually refers to customer service inside the company while consumers should also be informed about independent ADR. We also suggest replacing ombudsman by independent ADR as not all of them are called ombudsman. However, when the trader provides information to consumers about the ADR body, the trader also needs to clearly inform the consumer whether this trader will participate in the ADR procedure. The ADR bodies should be encouraged to look at the bundled offers in the sector(s) they cover and cooperate to find the ways to address disputes on bundled offers. Lastly, we agree that it is not for the companies to decide which regulator has jurisdiction.

7. Respecting good guidance principles for price comparison tools should equally apply in the case of bundled products.

KEPKA's comment: The revised Electricity Directive to include bundled offers in comparison tools. While it may indeed be challenging to compare the nature of bundles that would consist for instance of gas, electricity, mobile contract, insurance, maintenance contract and different gadgets such as battery, boiler, mobile phone, intelligent lighting system etc. However, there is at least one aspect that is standardised and comparable when it comes to bundled offers, ie. its price and its reflection on the energy price (for instance, there is a discount of 15% on energy price if the consumer subscribes to a 12 month maintenance plan service). Consumers should be able to compare its impact on the final price they pay and therefore, should have the option to choose the comparison with or without the bundled offer. In case of comparison with bundled offers included, there could be a warning information on the extra cost the tariff may have according to the bundled offer.

8. The right to information about the contract conditions.

KEPKA's comment: All parties involved in the bundle should align (not seek to align) the duration and the conditions for termination of the different elements of the bundle. Providers of bundled services should give consumers the possibility to cancel or switch individual parts of the bundled contract to prevent lock-in situations when one renewed service automatically renews other services in the bundle.

5 principles for regulators

1. Establish rules in general consumer law governing bundled products across all sectors.

KEPKA's comment: KEPKA has been calling for the inclusion of bundled offers in the revised Electricity Directive which is currently under negotiations. The need for further rules is also observed in other sectors, eg. in financial. The need for further rules

is also observed in other sectors, eg. in financial services, the European Supervisory Authorities called on the European Commission to harmonise sectoral provisions, stressing that sectoral financial legislation is fragmented when it comes to tying/bundling provisions.

3. Strengthen the right to exit bundle products.

KEPKA's comment: Switching fees should not be allowed. When terminating fixed term contract before its maturity, termination fees should be proportionate and should not exceed the direct economic loss to the supplier. The burden of proof should be on the supplier. In case of bundled investment in equipment, the economic loss shall be determined based on whichever amount is smaller, either the pro rata temporis residual value of subsidised equipment bundled with the contract at the moment of the contract conclusion or the remaining part of the service fee until the end of the contract.

4. Monitor.

KEPKA's comment: NRAs should monitor number of customers on bundled contracts, and if consumers are benefiting from bundled offers when compared to having contracts for each product separately, including economic, environmental and social benefits.

5. Cooperate across sectors with relevant authorities.

KEPKA's comment: We agree that regulators, ADR bodies and other relevant authorities should work more efficiently across sectors. This requires better coordination and information sharing among NRAs and consumer authorities especially where cross-cutting issues related to bundled products arise. Each regulator should have a clear scope and remit and NRAs should agree on who is best placed to handle particular type of bundled product.

2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?

3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?

More attention should be paid to tying. For instance in financial services, we make a distinction between tying (take it or leave it) and bundling (consumer can also buy the individual items of a package separately). In case of tying, the bank could tell the potential borrower that if s/he doesn't take an insurance or bank account together with a mortgage credit, s/he will not obtain the credit. KEPKA has been advocating against tying in financial services as it restricts consumer freedom, choice, switching, and market competition and we are concerned that bundling could have the same effects on consumer choice and competition. Sectoral financial legislation (on bank account, credit, insurance, investments) contains provisions on tying, but it is very fragmented and poorly designed. For example, Mortgage Credit Directive provides that tying is forbidden, but then it introduces several exemptions, which makes the general ban on tying meaningless.

4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?

5. Can you provide best practice cases of regulatory treatment of bundled products?

Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products

3108.7

Total time

3145.01

Survey response 38

Contact details and treatment of confidential responses

Contact details: [Organisation][<input type="checkbox"/>
BDEW
Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]
<input type="checkbox"/>
Group time: Contact details and treatment of confidential responses
36.28

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?

BDEW, the German Association of Energy and Water Industries sees bundled products as important elements in the future energy market. In our view, bundled products in the energy sector are a way to reduce complexity for customers and to offer simple, cost-effective and convenient solutions for consumers. Needless to say that in principle, bundled products have to be as transparent as possible. BDEW therefore supports the idea of CEER to develop guidelines for the improvement of bundled products. However, it is important that the requirements for bundled products correspond to the circumstances at national level. For this reason, we see the design of the legal framework as the responsibility of the respective EU member states. Accordingly, the terminology of the guidelines should emphasise its recommendatory nature

>> On the individual principles for companies mentioned in the draft guide:

1. Simplicity for well-founded customer decisions

Bundled products usually offer the customer simple and convenient solutions for complex problems. This corresponds to customer needs and preferences. An example would be an energy supply contract linked to a service such as energy management. In this case, the customer does not have to compare the respective contractual arrangements of two providers. We take it for granted that the necessary information about the product and the contractual conditions are provided to the customer. We support a corresponding recommendation. With regard to the large variety of bundled products, we do not consider a blanket specification of periods of contract amendment etc. to be expedient. Usually, this is already in the legal requirements for the respective product groups, e.g. in the case of energy the deadlines laid down in the EU Directives on the Internal Market for Electricity and Gas respectively. Since bundled products will in the future include digital products in most cases, particular reference should be made to the existing liability and warranty obligations under the Digital Content Directive.

We do not consider a call for easy comparability of the bundled products to be target-oriented and feasible. In the energy sector, bundled products compete with each other, especially in product design. A prescriptive approach for simple comparability would lead to standardisation and could prevent innovative products and product combinations. In addition, customers are already able to compare the individual components of the bundled product with similar products on the market. If, for example, a bundled product consists of a hardware component (tablet) and an energy supply contract, the customer can inform himself on the internet about the price of the respective components.

2. Clear liability principles

In principle, we agree that the customer may also assert liability claims against the party with whom he has concluded the contract or make enquiries. However, there should be no interference with contractual freedom and product design. If contracts and general terms and conditions are transparent, it should also be possible to offer bundled products that include a second point of contact. In certain cases, these are even required by EU law (Digital Content Directive). A second point of contact can be particularly helpful if special skills are required and the customer could ultimately only be forwarded by his contractual partner. It is not clear from the consultation document whether the legal responsibility for the bundled offer should also pass to the required single point of contact. If this was the case, there would no longer be many suppliers on the market who would take on assume the associated risks (e.g. liability risks). This would bear the risk that innovative product solutions for customers would disappear from the market.

3. Complaint management

The contractual partner should play a coordinating role for complaints and dispute resolution. Depending on the case, however, a subsequent allocation of individual products to different (sectoral) complaints bodies or arbitration boards (ADR schemes) with specialist knowledge may make sense. An example would be the coupling of an energy supply contract with an insurance policy. In Germany, for example, there are specialized alternative dispute resolution bodies for the insurance sector and for the energy sector. The conciliation of a case with insurance law would not be sensibly assigned to the energy dispute settlement body. Also in this regard we plead for the recommendation of transparent contract design and customer information, instead of restrictive regulatory provisions. In addition, in Germany complaint handling and dispute settlement are already extensively regulated (including the Consumer Dispute Settlement Act, Section 111 Energy Industry Act (EnWG)). The respective legal framework of EU member states should be respected.

4. Transparency

We do not consider a general requirement to break down the total price into all individual elements to be appropriate. We agree that warranty claims must be adequately covered. However, a disclosure of the calculation of the product would be counterproductive in competitive markets. Innovative products would thus be unprotected from competitors in the market. In this regard, we would like to stress again that customers already have the opportunity to compare the individual components of the bundled product with other offers on the market by means of several price comparison tools, for example.

We consider the proper disclosure of the tax or other state-induced parts of the total price on the invoice to be appropriate and already regulated by existing legislation. We also take it for granted that the invoice must contain the necessary information to enable easy understanding of the customer. From our point of view, further legal provisions or recommendations would hamper competition, as the design etc. of customer bills and billing information are also part of the competition. In addition, legislators should refrain from further provisions on the number and frequency of invoices etc. As stressed above, the conditions for invoicing that go beyond the existing legal requirements should be contractually agreed between the customer and the retailer in a transparent manner.

5. ? bills

We agree on the points of comparability of the invoice with the offer as well as with the validity of the respective consumer protection regulations. However, the involvement of third parties should in no case be prohibited as long as they operate on behalf of the provider and in compliance with the legal requirements.

?

6. ? payments

We agree on this point.

7. ? price comparison tools

We do not consider the call for easy comparability of the bundled products to be in line with their purpose and feasible to implement. Bundled products compete with each other in the energy sector, especially in product design. A given simple comparability would lead to standardisation and could prevent innovative products.

In principle, however, the products should be designed in such a transparent way that the customer can assess, for example by means of price comparison tools, whether the products meet his needs.

8. ? contract terms

In principle, we agree with the points made here. However, we take a critical view of the request that consumers can continue to receive individual services, i.e. parts of the bundle. Attractive prices of bundled products usually result from synergies, which are no longer available if individual components are phased out. This must be taken into account in the price of individual services.

9. ? Bundled products across several sectors

The implementation of consumer rights in relation to bundled products should be guided by the existing legal requirements for each product group / sector. However, unnecessary bureaucratic requirements or restrictions should be avoided.

With regard to the coupling of products with essential services, as mentioned by the example of energy, we also advocate good customer information and transparent contract design. In Germany, however, there are extensive requirements in connection with potential disconnection of energy customers that prevent customers from being disconnected without legal justification. These safeguards also apply to bundled products. Hence, the respective legal framework of EU member states should be respected.

10. ? Charges for dispute settlement

Conciliation procedures should always be in accordance with the provisions of the ADR Directive.

>> On the principles for regulators to monitor and regulate sectors with bundled products.

On most points we agree with the principles above. It should be noted that, in principle, no additional restrictions should be imposed on bundled products with regard to switching or termination.

2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?

BDEW is of the opinion that it is right to promote framework conditions for bundled products that increase confidence and trust in these products through appropriate consumer protection. In the future, bundled products in the energy sector will be an important element in enabling consumers to easily participate in the complex energy market. In addition to customer confidence and trust, innovative strength and competitive freedom are essential elements for successful bundled products. We therefore support the idea of guidelines instead of a regulatory approach at EU level. Only in this way a balance can be struck between justified consumer protection requirements and competitive innovation, which meets national circumstances.

3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?

Given the broad scope of the draft guidance document we do not see any additional recommendations that should be included in the guide. Concrete recommendations, which may emerge in the future, should not be made horizontally, but sector-specific if necessary.

4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?

Please refer to the comments on the individual points of the recommendation in question 1. In principle, no dogmatic specifications should be made since depending on the product, it can happen that several contact persons are simpler and more transparent for the customer. From our point of view it is important to inform the customer about his contact persons.

5. Can you provide best practice cases of regulatory treatment of bundled products?

No.

Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products

344.41

Total time

380.69

Survey response 39

Contact details and treatment of confidential responses

Contact details: [Organisation][<input type="checkbox"/>
Bundesverband Neue Energiewirtschaft e.V. (bne) / Association of Energy Market Innovators
Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]
<input type="checkbox"/>
Group title: Contact details and treatment of confidential responses
39.72

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?

One strongly welcomes CEER's initiative to provide guidance and a set of principles on how to best treat bundled products for national regulatory authorities, ombudsmen, alternative dispute resolution bodies and companies. Overall, we endorse CEER's goal to help companies improve bundled products and services while consumers have a positive market experience. Though, the current text of the Draft Guide Book tends to focus largely on the perceived risks that bundled products may present. This gives the impression that bundled products are more a threat than an opportunity for consumers. Therefore, we would like to highlight that bundled products provide added value to consumers, for example by reducing the overall price and cost-effectiveness, through easy payment, convenience or simplicity. Beyond the monetary and practical benefits, there are a number of fundamental considerations that justify offering bundled products. From the consumer's point of view, many energy products are weakly differentiated or, if they were offered as a single product or service, would offer no or insufficient added value to the consumer. Especially in the case of politically intended products and services, such as those aimed at saving energy, improving building efficiency or using intelligent metering systems, it is only realistically possible to sell them successfully as a package with convincing added value for the consumer. In these cases, the added value must at least compensate for the consumer's additional costs resulting from individual measures and ideally overcompensate for them. Only then will consumers be prepared to invest in energy-saving and other efficiency measures or climate-friendly decentralised energy solutions. This means that bundled products enlarge consumer options and thus opportunities to engage in the market. Hence, we suggest having a more balanced presentation in the Guide Book and add some other true reasons for offering bundled products to it. CEER should certainly protect consumer rights, but it should also defend consumer choice and innovation.

As described above, bundled products are considered to be an important element in the future energy market. As a general rule, bundled products should be as transparent as possible. Therefore, one supports CEER's efforts in developing guidelines for improving bundled products. However, it is important that the guidelines correspond with national conditions and regulations. Thus, we see the main responsibility for designing, implementing and enforcing an adequate legal framework with the respective EU member states. CEER's advice should keep the character of high-level guidelines. Hence, we recommend avoiding the use of terms such as "must" in the text. Furthermore, we do not think that a specific regulatory framework for bundles is needed. Existing rules and regulation on consumer rights and protection, if correctly enforced, should be covering most issues raised in CEER's guide book.

Our assessment of the proposed principles is the following:

I. Simplicity for informed customer choices

Bundled products usually offer consumers simple solutions for complex problems and, which is more important, they could generate added value to refinance other investments. All of these features are typically greatly appreciated by the consumer. An example would be an energy supply contract linked to a service such as energy management. In this case, the consumer does not have to reconcile the contract structure of two providers. We consider the provision of the necessary information about the product and the related contractual terms and conditions for the consumer as a required standard business procedure. Thus, we clearly support a corresponding recommendation provided by CEER.

As there is a great variety of bundled products, comparing different bundles on a like for like basis might be challenged by the very nature of bundles, especially if those entail different services. However, we do not think that this is necessarily an issue. On the contrary, this shows that there is innovation in the market and competitive advantages are created – which is positive. From our market-driven perspective and experience, we strongly caution to aim for a fully regulated and pre-defined comparability of products, as this in the end would mean that companies will be forced to limit their offers to standard products, thereby discouraging – or even worse, entirely preventing – innovation.

Key in our view is that:

- Contractual terms and conditions are fully transparent and easily understandable by the consumer. They also need to be communicated in a transparent way.
- The terminology used in a bundled product offer, contract and bill is fully consistent, as it should be the case with any single product.

Under these conditions, the consumer should be able to take an informed decision.

With regard to the announcement period for contract changes, we do not support the provision in the guide book stating that "any update or change to the initial contract should be notified to the consumer at a minimum one-month in advance". In general law for contracts with consumers, there are specifications for the period of announcements of contract changes. In addition, there is special law for the different sectors with different regulations for contract changes. As a minimum, the existing rules and regulation in each Member State with regard to the different sectors / product groups (which may differ from each other) should apply. The provider must be able to choose whether he includes the respective legal requirements in his contract terms or whether he uses a uniform announcement period for all individual products (while respecting the minimum legal requirements in place). It may be a competitive advantage if the provider is unifying the conditions across sectors and this decision should be up to his discretion and in our view is part of the freedom of contract. From our perspective, the national regulation in place is comprehensive and sufficient. There is no need for an EU specification. Furthermore, the proposed one month is problematic, since it is sometimes stricter than the existing requirements in individual areas. Hence, the guide book should not contain an obligation for providers to include a uniform notice period for contract amendments. In this context, we would like to point to CEER's statement in the

objective: “Rather than recommending prescriptive obligations on companies (which is impractical given differing license conditions from country to country and product to product), this guide develops a set of principles that encourage companies to reach better outcomes for consumers.” We think it is important to keep the Guide Book in line with this assessment.

II. [?] Clear liability principles

In general, we agree that the consumer may assert liability claims against the party with whom he has concluded the contract. However, there should be no interference with the contractual freedom and product design. With transparent contracts as well as general terms and conditions, it should also be possible to offer bundled products that have a second point of contact, in particular if special competences are required and the consumer could ultimately only be passed on by his contractual partner to the service provider with whom the contractual partner works together. Key is that roles and responsibilities of involved parties are clearly defined and appropriately addressed in the internal contractual relationship between business partners, terms and conditions are transparent and easily understandable by the consumer and that there is a clearly identified party responsible and liable for any subsequent issue.

III. [?] Signposting of the responsible complaint handler in case something goes wrong

For complaints and dispute resolution, the contractual partner of the consumer should have a coordinating role. Depending on the case, a subsequent allocation of individual products to different complaint or arbitration boards with specialist knowledge may make sense. An example would be the coupling of an energy supply contract with an insurance policy. In Germany for example, there are specialized conciliation bodies for insurance companies and for energy. The conciliation of a case concerning insurance law would not be assigned appropriately in the Energy Conciliation Body. Here, too, we strongly recommend a transparent, clear and concise contract design and information for the consumer, but no restrictive requirements.

IV. [?] Transparency is key

We agree that transparency is the key principle, not just in terms of prices, but also in terms of contractual relations, terms and conditions. Terms and conditions need to be fully transparent and easily understandable by consumers. The terminology used in bundled product offers, contracts and bills should be fully consistent, as this should be the case with any product. However, we do not support the idea to break down the total price of a bundled product offer into all individual elements. We agree that warranty claims must be sufficiently secured and tax or state-induced portions of the price on the invoice need to be disclosed correctly (as already regulated by existing law). Though, the disclosure of the calculation of the product is counterproductive for innovation and competition, as innovative products would be unprotected in the market. Obviously, the offer, the contract as well as the invoice must contain the necessary information for easy traceability from the consumer’s point of view. However, further specifications or recommendations are counterproductive since the offer, contract and invoice are also part of the communication with customers and thereby part of competition. Specifications on the number of invoices should be avoided. Instead, it is important that conditions for invoicing are agreed in a transparent manner between the consumer and the company while respecting minimum existing legal requirements.

V. [?] Billing

We agree with the points of comparability of the invoice with the offer and the validity of the respective consumer protection regulations. However, the inclusion of third-party companies should in no case be prohibited as long as they work on behalf of the provider and in compliance with the legal requirements.

VI. [?] Payments for bundled-only products

We fully support this principle.

VII. [?] Respecting good guidance principles for price comparison tools

In general, bundled products compete with each other in the energy sector, especially in product design. Products should, if possible, be designed in such a transparent way that a consumer can use price comparison tools to assess whether the products meet his needs. However, we strongly caution to aim for a fully regulated and pre-defined comparability of bundled products, as this in the end would mean that companies will be forced to limit their offers to standard products, thereby discouraging – or even worse, entirely preventing – innovation. And in turn, this could result in eliminating competition overall.

VIII. [?] The right to information about contract conditions

In general terms, we agree with this principle. There are strict consumer protection rules in place at both, EU and national level, and all existing rules and regulation should apply to bundled offers. However, we take a critical view of the idea that consumers may be able to continue individual services. Favorable prices for products usually result from synergies that no longer apply if individual components are cancelled. This must be taken into account in the price of individual services. We strongly support the provision that consumers may be charged a fee for the early termination of a fixed-term contract if this contractual term is clearly communicated to the consumer before signing the contract and also transparently stated in the contract.

IX. [?] No disconnection of essential services

The implementation of consumer rights in relation to bundled products should be guided by the existing requirements for each product group. However, unnecessary bureaucratic requirements or restrictions should be avoided. With regard to the coupling of products with essential services, as mentioned here in the example of energy, we also advocate for good information provided to consumers and transparent contract design. In Germany, there are extensive requirements, particularly with regard to disconnections of essential services, which prevent consumers from being unduly affected by

disconnections and which are monitored closely by the national regulatory authority and the government. These also apply to the energy supply contract within the bundled product contract. Here the respective national legislation should be recognized. Furthermore, the bundled product contract has to be regarded as a special contract and German Civil Code defines how and under what conditions contracts for the performance of a continuing obligation can be terminated. It is therefore necessary to clarify here that the bundled product contract can be terminated for good cause. However, the contract termination does not result in a disconnection of essential services, though the consumer must look for another energy provider.

X. No dispute resolution fee

Conciliation procedures should always be conducted in accordance with the provisions of the respective alternative dispute resolution in each concerned sector. In Germany, there are conciliation procedures and dispute settlement boards for each sector. There is no need to set up a multi-functional dispute settlement board.

As for the principles for regulators overseeing and regulating sectors with bundled products, we mostly agree with the articulated principles. We strongly suggest that no additional restrictions with regard to switching and contract termination are imposed on bundled products.

2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?

We think that it is a good idea to promote framework conditions for bundled products which aim at fostering confidence in these products through appropriate consumer protection. In the future, bundled products in the energy sector will be an important element in enabling consumers to easily participate in the complex energy market. However, bundled products will not be limited to the energy sector. We expect great potential for bundled products and services from energy combined with the heating and mobility sector which will provide positive value to customers. In addition to consumer confidence, innovative strength and competitive freedom of design are essential elements for successful bundled products. We therefore support the idea of guidelines while there should not be any specific European regulation. Only in this way a balance between justified consumer protection requirements and competitive innovation in line with national circumstances can be achieved.

3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?

We think the draft guide book is quite comprehensive and complete with regard to the potential risks associated with bundled products. A number of grey areas, as highlighted by CEER, may indeed need to be clarified through high level guidelines, but overall existing legislation, if correctly enforced, should be enough to answer most questions raised by bundles. Hence, we don't think that bundled products need a specific regulatory framework. Key is that terms and conditions of bundles are fully transparent and easily understandable by consumers, and that the terminology used in a bundled product offer, contract and bill is indeed fully consistent, as this should be the case with any product. In our view, this is what regulators should focus on. For the rest, we strongly advise to let market forces unfold their potential and give consumers as much choice as possible.

4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?

We refer to our comments on the principles 2 and 3. In general, no dogmatic standards and specifications should be imposed. Since, depending on the product, it may be that several contact persons are simpler and more transparent for the consumer. From our point of view it is most important to provide clear information to the consumer about his contact persons.

5. Can you provide best practice cases of regulatory treatment of bundled products?

N/A

Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products

338.73

Total time

378.45

Survey response 40

Contact details and treatment of confidential responses

Contact details: [Organisation][<input type="checkbox"/>
IBERDROLA, S.A.
Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]
<input type="checkbox"/>
Group time: Contact details and treatment of confidential responses
139.68

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?

We welcome the opportunity to provide comment and feedback on the proposed guidelines for bundled products. We support the development of principles for companies and regulatory authorities in this growth area and largely support the aims of the guidelines, which we hope would ensure consistency in what consumers can reasonably expect from companies when entering into contracts for bundled products.

We appreciate that the Guidelines have been drafted to span many sectors, however, to clarify; this response provides comments from an energy supply and energy services perspective. As a general point we would seek further clarity around the definition of a bundled offering and when these guidelines should apply with enough flexibility to allow market innovation. We believe that the inclusion of a clear definition within the guidelines would be beneficial to ensuring the aims are delivered and the protections for consumers are appropriately delivered. In addition, we think that the guidelines should serve to deliver greater customer protection by also ensuring that they neither limit, nor restrict innovation which drives competition which in turn delivers overall benefits to consumers.

Whilst we are broadly in agreement with the principles in the draft guide we have raised a number of specific points below.

1. Simplicity for informed customer choices - getting it right.

The first Principle, 'Simplicity for informed choices' is closely aligned with current practices within the energy sector for power supply. The principle of comparability seems appropriate and fair. However, it should be noted that the content of bundled products can vary within a company and across different companies potentially making comparability difficult but still providing the consumer with a wide and varied choice in product bundles with differing scopes and price points. This variety and choice is perhaps more important and beneficial for competition than absolute comparability. However, identification of the relevant key information and how this compares will help ensure that customers are still able to make informed choices. We would be concerned to ensure that safeguarding direct comparability did not limit innovation.

We would seek clarification around the proposal that changes to contract terms should be notified a minimum of one month in advance. In the UK market, for example, formal advance notification is only given when a change is detrimental to a customer; if the change is to the customer's advantage no advance notification is required before the change can take effect. We would not want to delay the ability to introduce changes to customer's terms where they are beneficial.

Moreover, we understand that clarification should also be provided regarding which updates or changes to the initial contract should be notified to the consumer at a minimum one-month in advance. We understand that, in practice, this pre-notification obligation could also delay the implementation of updates or changes that are totally neutral to consumers or that may even benefit them. Thus, we suggest amending the last sentence of principle n^o 1 in the sense that when the updates or changes are totally neutral to consumers or benefit them, they should be notified to consumers but not with one-month in advance.

2. Clear liability principles where there are multiple parties/contracts involved in the bundled product.

We have some concerns over how the second principle, around providing clear liability where there are multiple parties/contracts involved, would be managed. We acknowledge that you have stated that this principle should not limit the end user from having a choice to contact whichever party it considered the most relevant under the circumstances and would ask that consideration be given to providing that same choice and flexibility to suppliers, on the basis that clear lines of responsibility are outlined to consumers at the outset. So long as the points of contact for each are clearly defined at the outset this should ensure the customer receives the best level of service and care.

For example: an energy supplier provides a contract for power supply and boiler insurance services as a bundle. During the sale and in the product documentation it is clear that the insurance services are provided by another third party that the energy supplier is only acting as a sales agent. In this case the insurance company are responsible for provision of service to the customer, in the event of a boiler issue, and would engage directly with the customer. It would appear unnecessarily complex for the customer if they were to have to contact the energy supplier, who would then engage with the insurance company on the customer's behalf.

A mandate for a single point of contact per bundle could have the unintended consequences of restricting suppliers from innovating in promoting /developing specialist energy services markets going forward, on the basis that they become burdensome and costly to manage.

3. Signposting of the responsible (in-house or external) complaint handler in case something goes wrong.

With regards the principle around complaints we support the position that it is vital for customers to know who to contact in the case of an emergency and especially for an essential services, such as energy supply. Further we agree that clear lines of responsibilities are also appropriate and required. However, again, we do not believe a single point of contact per bundle is always appropriate and that it will always deliver the best outcome to consumers when raising a complaint. In relation to complaints management this could lead to issues and delays for the consumer, not managing a complaint directly within the company which is providing the service could mean not having direct access to all the relevant information or resources required in order to answer the issue or generate action to resolve the complaint. To ensure the best outcome for consumers we believe that so long as the lines of responsibility are clearly defined at the outset then it is appropriate that the party providing the service be the party who manages and resolves any complaints.

4. Transparency is key.

With regards price transparency, we believe that the principle should aim to balance commercial benefits, which in turn can drive consumer benefits through reduced pricing or enhanced product offerings. We would be keen to understand what CEER would envisage suppliers having to evidence to show that the pricing decision on a bundle wasn't arbitrary. In some circumstances clearly defined prices per element will be essential to reflect different tax rates, but in other cases one single price may be more appropriate to the customers' needs and could lead to reduced costs as billing and invoicing would be simplified.

In addition, account should be taken of the burdensome to companies in terms of accountancy what due to the fact that they may need to issue bills by and under the name of third parties.

7. Respecting good guidance principles for price comparison tools

We have already mentioned the needs for comparability within our feedback on informed choices for customers. We believe that the principle that including fundamental features of the commercial offering is right and appropriate, however we believe these needs to be balanced to ensure that customer choice and innovation on offerings is not restricted. Companies would continue to require the ability to be flexible to enable them to differentiate them from and their bundles from the competition and provide choice to consumers.

8. The right to information about the contract conditions.

We agree with, and support the principle that companies should ensure that consumers are able to understand their rights and clearly know their options within their contract. However, there could be conflicts of interest with the approach that 'The parties involved in the bundle should seek to align the conditions for termination of the different elements of the bundle.' There may be issues in directly aligning terms for the various elements of the bundle as the products are very different or owned/provided by separate companies. For example: A bundle could include Energy, subject to specific energy country rules; Boiler service, subject to consumer law and trading standards; and Plumbing, Drains and Electric products, subject to FCA rules. There is potential the termination arrangements (or other terms) may be regulated by the different regulatory frameworks and therefore may not necessarily be easily aligned.

We have concerns with the principle "Whenever a change of supplier does not lead to the cessation of an "optional" or additional service (by the consumer's choice), that service cannot imply a worsening of the price, conditions or payment terms for that service that remains intact." We believe that this principle would not be reasonable. Often bundling is offering an advantage or discount over contracting the standalone products as these enable suppliers to realise cost efficiencies. If the bundle is broken, it is natural that any special conditions or discounts cease to exist. We believe that so long as this is clearly defined at the start and that the customer clearly understands and accepts these terms then it is reasonable to remove any benefit if part of the bundle is cancelled at the customer's request.

9. No disconnection of essential services

We agree with the principle around No disconnection. However, to ensure this is applied consistently we believe that the guidelines would benefit from the inclusion of a definition for essential services referenced to the EU framework.

10. No dispute resolution fee.

With regards the principle 'No dispute resolution fee', we would welcome clarity around how disputes costs should be funded and who determines what should be covered. We would ask that the guidelines be clear that companies would not be expected to pay costs where the dispute resolves in our favour.

Principles for Regulators

With regards to concerns around the overlap of jurisdictions, we would advocate that the current arrangements in place meet the current requirements. For example, we don't believe that any of the regulatory issues with a boiler care product will have impacted on specific energy legislation.

2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?

In our response to question 1, we have detailed our concerns and recommendations in regards to each of the principles and the areas which we would propose be amended to ensure the right balance between principles and prescription. We believe that the guidelines should serve to deliver greater customer protection but in turn we must ensure that they do not limit, nor restrict innovation which drives competition which in turn delivers overall benefits to consumers.

3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?

No comment.

4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?

In our response to question 1 we have provided details of our concern over the 'single point of contact' principle. We do not believe that this would always be the most appropriate approach to ensure the needs of the customer are adequately supported.

5. Can you provide best practice cases of regulatory treatment of bundled products?

No comment.

Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products
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2215.82

Total time

2355.5

Survey response 42

Contact details and treatment of confidential responses

Contact details: [Organisation][<input type="checkbox"/>
DECO - Portuguese Association for Consumers Protection
Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]
<input type="checkbox"/>
Group time: Contact details and treatment of confidential responses
109.81

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?
DECO welcomes the CEER draft Guide on bundled products and while we generally agree with the draft principles, we provide several recommendations on how to strengthen these principles.
Bundled products are increasingly a consumer's reality in different sectors. In the energy sector, more bundling is expected especially when energy profits decrease and when new services and products get on the market. Bundled products are not always the best deal so it is important that consumers receive all necessary information, are able to compare and easily switch. It should also be clear whom to contact when something goes wrong with any service within a bundle. Therefore, DECO together with BEUC has been advocating for the inclusion of bundled products in the revised Electricity Directive.

2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?

While DECO agrees with proposed principles, some should be further improved:

• **Simplicity for informed customer choices - getting it right:**

First of all, DECO supports the principle of simplicity for informed consumer choice and believes there should be more focus on proper implementation of this principle. Alongside with BEUC, we have been calling for better information on offers, contracts and bills under the Clean Energy for All Europeans package. In the past, BEUC also engaged with the main industry associations in order to improve comparability of energy offers. BEUC and industry associations agreed on the list of key information to be provided in a short, easily understandable, prominent and accessible manner. The use of common methodology was also discussed. However, this self-regulation exercise did not lead to expected results and confirmed the need for regulatory intervention.

Secondly, in addition to the main characteristics of all services within the bundled product, consumers should be also informed whether services are carried out by a provider different from the provider as stipulated in the contract. In the Portuguese energy market we have seen examples of bundled offers where the service provider was not identified in the contract. For instance, the retailer presented the contract to the consumer but in fact, the contract was also with the insurance company. In another case, a consumer had a contract with a supplier which covered also electric service assistance. This additional service was provided by another company, but the consumer did not have any specific information about this service provider. This has raised questions regarding the liability of the energy retailer and the specific service provider and who should be responsible in case of non-compliance.).

Thirdly, any subscription to additional products and/ or services provided or distributed by the supplier as a bundled offer should not re-start the contract period of the initial contract unless the final customer explicitly consents. When the initial contract is changed, consumers should be not only informed, but they should also have the right of withdrawal from the contract if they do not accept the change to the initial contract (as already set in existing legislation).

A standardized summary of the contract would help consumers to easily understand what they sign up to. For instance, in Portugal consumers receive a standardized contract summary chart which includes also bundled services. However, the included information is only related to the service specification and its cost and therefore, the summary needs to be improved. Moreover, we observe good practice with regards to the harmonised terminology and presentation format in financial services: Article 3 of the Payment Accounts Directive provides that terminology for 10-20 most used services linked to payment (bank) account must be standardised. This list must be included in banks' tariff brochure. Besides that, Articles 4 and 5 harmonise the presentation format of the tariff brochure and of the fee statement that the consumer must receive at least annually.

• **Signposting of the responsible (in-house or external) complaint handler in case something goes wrong.**

While we generally agree with this principle, we recommend amending the CEER's guide as follows:

o It is important that consumers know who to contact, ie. not only the case/complaint handler of the bundled product but also the independent ADR. The term "complaint handling" usually refers to customer service inside the company while consumers should also be informed about independent ADR. We therefore suggest replacing 'ombudsman' by independent ADR as not all of them are called 'ombudsman'.

o Consumers should be informed which entity is responsible for dispute settlement (including the contact details of the ADR body). However, when the trader provides information to consumers about the ADR body, the trader also needs to clearly inform the consumer whether this trader will participate in the ADR procedure. Otherwise the information about the existence of the ADR body can be misleading for the consumer.

o As energy is essential service, we claim for mandatory participation of energy companies in out-of-court dispute resolution procedures. Further rules are also needed to ensure participation in such mechanisms is mandatory for those offering bundled products and contracts with energy components. For instance, in Portugal even though the participation in out-of-court dispute resolution procedures is mandatory for energy suppliers, there is a lack of regulation with regards to bundled offers in order to understand in which cases a claim can be considered as related to energy supply (eg. when the consumer doesn't pay the bundled service and the supplier cuts the energy supply – can it be considered in the scope of mandatory arbitration?).

o Lastly, we agree that it is not for the companies to decide which regulator has jurisdiction. Therefore, NRAs, ADR bodies and other relevant authorities need to clarify who amongst themselves is best placed to handle different types of bundled products and make sure companies and consumers are informed.

• **Payments:**

Providers should offer the possibility to pay bundled services separately from the other components on the bill. This is supported for instance by complaints received by DECO – consumers were not satisfied with the bundled service so they requested the cancellation of the service. However, the supplier didn't respond to their request and continued charging for the bundle. Since consumers were charged for the energy supply via the same bill, they didn't have the option not to pay for the bundle and feared disconnection.

• **Respecting good guidance principles for price comparison tools should equally apply in the case of bundled products.**

First of all, it should be clarified who is this principle addressed to. The guidance on comparison tools should be respected not only

by companies but all parties operating comparison tools. The recommendation for companies should be to provide full information on their bundled products.

Secondly, BEUC has been advocating for the inclusion of bundled offers in comparison tools. It may be challenging to compare the nature of bundles that would consist for instance of gas, electricity, mobile contract, insurance, maintenance contract and different gadgets such as battery, boiler, mobile phone, intelligent lighting system etc. However, there is at least one aspect that is standardised and comparable when it comes to bundled offers, ie. its price and its reflection on the energy price (for instance, there is a discount of 15% on energy price if the consumer subscribes to a 12 month maintenance plan service). Consumers should be able to compare its impact on the final price they pay and therefore, should have the option to choose the comparison with or without the bundled offer. In case of comparison with bundled offers included, there could be a warning information on the extra cost the tariff may have according to the bundled offer. For instance, Portuguese NRA's comparison tool displays a warning message informing that the price shown in comparison tool involves contracting a bundled offer that costs x€ per month or yearly. The comparison tool by DECO includes the value of the bundled contract in the final price of the energy offer (in the cases that the bundled contract is mandatory in order to have that specific price). Some comparison tools in Denmark also allow for comparison of terms and conditions of bundles.

Moreover, with regards to complex bundled offers which are currently difficult to compare due to their nature as mentioned above, we believe that these offers should be transparent and displayed in comparison tools in a way that allows consumers to make a well- founded choice.

Finally, we support the CEER's effort to address bundled offers and call on CEER to provide recommendations on how to display bundled products in a way that allows consumers to compare these offers in an objective and easily understandable way via comparison tools.

•The right to information about the contract conditions:

oAll parties involved in the bundle should align (not seek to align) the duration and the conditions for termination of the different elements of the bundle. Providers of bundled services should give consumers the possibility to cancel or switch individual parts of the bundled contract to prevent lock-in situations when one renewed service automatically renews other services in the bundle.
oEven though there is no minimum contract term for the energy supply, bundled services can include such a minimum term. This will result in a barrier to switch since the bundled service implies that the consumer must keep the energy supply contract for a certain period (ie. hidden minimum contract term).

•No disconnection of essential services:

We agree with this principle but believe that disconnection of essential services should be addressed by the legislation.

•No dispute resolution fee:

The ADR Directive prescribes that ADR should be for free or at a nominal fee for consumers. Therefore, the same principle should apply for bundled offers.

•Establish rules in general consumer law governing bundled products across all sectors:

A consistent approach across sectors would be beneficial for consumers. At the same time, BEUC has been calling for the inclusion of bundled offers in the revised Electricity Directive which is currently under negotiations.

The need for further rules is also observed in other sectors, eg. in financial services, the European Supervisory Authorities called on the European Commission to harmonise sectoral provisions, stressing that sectoral financial legislation is fragmented when it comes to tying/bundling provisions.

•Strengthen the right to exit bundle products:

Switching fees should not be allowed. When terminating fixed term contract before its maturity, termination fees should be proportionate and should not exceed the direct economic loss to the supplier. The burden of proof should be on the supplier. In case of bundled investment in equipment, the economic loss shall be determined based on whichever amount is smaller, either the pro rata temporis residual value of subsidised equipment bundled with the contract at the moment of the contract conclusion or the remaining part of the service fee until the end of the contract.

•Monitor:

NRAs should monitor the number of customers on bundled contracts, and whether consumers are benefiting from bundled offers when compared to having contracts for each product separately, including economic, environmental and social benefits. This data should be publicly available.

•Cooperate across sectors with relevant authorities:

We agree that regulators, ADR bodies and other relevant authorities should work more efficiently across sectors. This requires better coordination and information sharing among NRAs, consumer authorities and other relevant authorities especially where cross-cutting issues related to bundled products arise. Each regulator should have a clear scope and remit and NRAs should agree on who is best placed to handle particular type of bundled product. The burden should not be on the consumer to find out

what authority is in charge; s/he should be assisted in identifying the right interlocutor (eg. by a one stop shop).

In addition to above mentioned example of the ombudsmen cooperation, the UK Regulators Network (UKRN) could also be considered. UKRN is formed by 12 of the UK's sectoral regulators and its objective is to facilitate cooperation and communication between its members to promote better outcomes in economic regulation for consumers and the economy.

3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?

More attention should be paid to tying. For instance, in financial services we make a distinction between tying (take it or leave it) and bundling (consumer can also buy the individual items of a package separately). In case of tying, the bank could tell the potential borrower that if s/he doesn't take an insurance or bank account together with a mortgage credit, s/he will not obtain the credit. BEUC has been advocating against tying in financial services as it restricts consumer freedom, choice, switching, and market competition and we are concerned that bundling could have the same effects on consumer choice and competition. Sectoral financial legislation (on bank account, credit, insurance, investments) contains provisions on tying, but it is very fragmented and poorly designed. For example, Mortgage Credit Directive provides that tying is forbidden, but then it introduces several exemptions, which makes the general ban on tying meaningless.

4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?

DECO supports a single point of contact per bundle with a clear liability - there should be a clearly defined single contact point and customer support so that consumers can easily access it for troubleshooting and getting answers to their questions. It should not be up to the consumer to identify where the fault comes from and thereby which entity they should contact (eg. for services, equipment, software) - ie. the energy supplier should be responsible towards the consumer, even if it is only to receive the complaint/request and then forward it to the responsible entity. The last CEER proposal for consumers to contact multiple parties is therefore unclear - why would the principle of single contact point limit the consumer's choice and why would the consumer need to contact other parties? Consumers just need to solve their problems quickly, and the single contact point is the right approach.

See also example in the area of financial services: Revised Payments Services Directive (PSD2) has brought some new payment service providers under its scope, e.g. Payment Initiation Services (PIS). PSD2 provides that if there is a payment incident involving a PIS, the consumer will get an immediate reimbursement from his/her bank, and then the bank and the PIS will sort out the issue among themselves. In case the PIS is responsible for the payment incident, it will reimburse the consumer's bank. This provision is very important to avoid ping-pong.

5. Can you provide best practice cases of regulatory treatment of bundled products?

Eventhough it doesn't fully respond to all the issues related with bundled products/services, mentioned in the above answers to the public consultation, the Portuguese NRA firstly recognized the need to address bundles in 2017 with a Recommendation: http://www.ceer.eu/documents/104400/6120855/ERSE+Recommendation+on+Additional+Services_EN.pdf/3db08f45-485f-e32a-3c20-a791a6ed0f80. In October 2017, some rules on bundled services were included in the NRA Regulation for Commercial Relations. These rules mainly address: a definition of bundled services; an obligation for suppliers to clearly inform consumers when selling bundled services, an obligation for suppliers to inform consumers that bundled services are independent from the energy supply and cannot interfere with the energy supply; an obligation for suppliers to make available and auditable all information related to bundled offers and a need to report information to the NRA on the bundled offers available.

Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products

1566.91

Total time

1676.72

Survey response 43

Contact details and treatment of confidential responses

Contact details: [Organisation][<input type="checkbox"/>
Energie Baden-Württemberg - EnBW - AG
Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]
<input type="checkbox"/>
Group time: Contact details and treatment of confidential responses
69.87

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?

EnBW sees bundled products in the energy sector as an option to offer cost-effective and convenient solutions for consumers. We agree that in principle bundled products have to be as transparent as possible and therefore support the initiative of CEER to develop guidelines for their improvement of bundled products. However, we only partially agree on the detailed provisions. Furthermore, it is important that the requirements for bundled products correspond to the circumstances at national level and therefore that the guidelines are considered as recommendations.

On the principals in detail:

Ad 1. Simplicity for well-founded customer decisions

EnBW absolutely agrees that the necessary information about the product and the contractual conditions are provided to the customers and would agree with corresponding recommendations. However, in the energy sector often bundled products offer simple and convenient solutions for complex problems corresponding to the customers' needs (e.g. linked services like energy management), an easy comparability being difficult and not really helpful. Furthermore, the competition of the bundled products lays in the product design. Simple comparability matrixes bear the risk of standardisation and hampers innovative products. At the same time, customers are already able to compare the individual components of the bundled product with similar products on the market. Concerning the specification of periods of contract amendment etc. we consider the legal requirements for the respective product groups usually as sufficient. Since bundled products in the future will include digital products in most cases, particular reference should be made to the existing liability and warranty obligations under the Digital Content Directive.

Ad 2. Clear liability principles

Customers should in principal be able to address liability claims to its direct contractual partner. However, on the basis of transparent contracts and general terms and conditions, it should be possible to agree on a second point of contact. In certain cases, these are even required by EU law (Digital Content Directive). It can also be helpful where special skills are required for a certain element of the bundled product. In any case, it should be clear that a single point of contact doesn't mean the complete legal responsibility for the whole bundled product. The associated risk would be too high for most suppliers. If somebody else can be made responsible for a malfunction or damage, it should be possible to pass through the legal responsibility (e.g. retailer liability vs. producer liability).

Ad 3. Complaint management

In general, the contractual partner should play a coordinating role. However, depending on the situation, a subsequent allocation of individual products to different (sectoral) complaint bodies or arbitration boards (ADR schemes) with specialist knowledge could be more appropriate and should therefore not be excluded. Transparent information to customers has to be assured.

Ad 4. Transparency

In our view, a general requirement to break down the total price into all individual elements would not be appropriate. The calculation of the product is a central element for competitors in a competitive market and should therefore not be disclosed. The possibility for customers to compare is sufficiently guaranteed by options to compare the individual components with other offers in the market. However, warranty claims must be adequately covered. Furthermore, a proper disclosure of the tax or other state-induced parts of the total price on the invoice is necessary but in our view already regulated by existing legislation. The same is valid for incorporating the necessary information to enable easy understanding of the customer in the invoice.

Ad 5. bills

In general we agree on this point. Concerning the involvement of third parties, however, we consider that they shouldn't be prohibited as long as they operate on behalf of the provider and in compliance with the legal requirements.

Ad 6. Payments

We agree.

Ad 7. Price comparison tools

The same arguments as under point 1 are valid. Easy comparability of the bundled products is not really feasible if one wants to avoid standardization and thus hamper innovative products.

Ad 8. Contract terms

In principle, we agree. However, the request that consumers can continue to receive individual services, i.e. parts of the bundle, cannot be fully supported as it has to be taken into account that the price of the bundled product is calculated on the basis of existing synergies.

Ad 9. Bundled products across several sectors

The implementation of consumer rights in relation to bundled products should be guided by the existing legal requirements for each product group / sector. However, unnecessary bureaucratic requirements or restrictions should be avoided.

Ad 10. Charges for dispute settlement

Conciliation procedures should always be in accordance with the provisions of the ADR Directive.

2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?

EnBW supports the idea of principle guidelines instead of a regulatory approach. In the light of the comments above, in some points the proposals go a little bit to far or should allow for more flexibility. At the same time it is in everybody's interest to create framework conditions which allow customers to trust in these products.

3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?

We don't see any missing further element for the time being.

4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?

See comments under Question 1.

5. Can you provide best practice cases of regulatory treatment of bundled products?

No.

Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products

13426.1

Total time

13496

Survey response 44

Contact details and treatment of confidential responses

Contact details: [Organisation][<input type="checkbox"/>
European Energy Retailers
Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]
<input type="checkbox"/>
Group time: Contact details and treatment of confidential responses
31.6

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities? We strongly support the introduction of: <input type="checkbox"/> The possibility of an early termination fee for the following occurrences: <input checked="" type="checkbox"/> All cases where the provider has incurred costs related to the offer that cannot be recovered in case of an early termination (E.g.: telco companies do charge termination fees even with no hardware investments, to allow bargains to loyal customers) <input checked="" type="checkbox"/> Fixed price energy contracts. They can be seen as a bundle of a price hedging service and a plain energy delivery. Regarding the early termination fee in case of electricity fixed price contract, the Proposal for a Directive on common rules for the internal market in electricity provides for the possibility of a switching fee to cover supplier's costs. <input type="checkbox"/> Rule of single contact point: It should be made clear to the consumer who is liable for the full bundle in case of any issues. We do not agree with: <input type="checkbox"/> The price comparison tool: comparing complex and bundled products plainly through the price is not efficient. Only the customer, based on his preferences, can give the right evaluation to the package. <input type="checkbox"/> Single item price disclosure: the provider should be allowed to cross-subsidize items of the bundle except in cases of excessive market power or dominant position. Moreover, cross-selling might allow for synergies which clearly are related to the bundled sale. A customer can always refer to non-bundled offers if he wants an understanding of unbundled prices. <input type="checkbox"/> The provision in the guide book stating that "any update or change to the initial contract should be notified to the consumer at a minimum one-month in advance". In the general law for contracts with consumers there are specifications for the notice of contract changes. Specific regulations among sectors also exist. Existing rules in each Member States should be taken in consideration and the minimum notice applicable to the different products involved in the package should be applied to bundled product.
2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?
3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?
4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest? Yes, we strongly agree with the single contact point principle (pls see reply #1).
5. Can you provide best practice cases of regulatory treatment of bundled products?

Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products
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124.73

Total time

156.33

Survey response 45

Contact details and treatment of confidential responses

Contact details: [Organisation][<input type="checkbox"/>
AIGET - The Italian Association of Energy Traders & Suppliers
Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]
<input type="checkbox"/>
Group time: Contact details and treatment of confidential responses
123.89

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?

General overview

We are grateful for the opportunity to provide our comments to CEER's consultation. We agree with CEER in saying that bundled products are increasingly growing in relevance in all markets and particularly in the energy one.

The main point we would like to get across is that bundles should be seen as an opportunity for consumers, and not as a threat. Whilst we understand CEER's concerns, we fear that the present document in some parts can shed too much of a negative light on these products. Consumers show more and more their appreciation by increasing the amount of bundled products they buy on the market, as the savings they offer both in monetary and non-monetary terms are quite appealing to them. We believe that regulation with respect to these very innovative products should be kept at a very high level, in order not to hamper their growth and evolution, which benefit the consumers.

We believe that there should be a clearer framework identifying what bundled products are and therefore providing a common and shared definition.

We would also like to have a clear definition of what "essential", "optional" and "additional" services are, since we consider bundled products as a whole, without any "ranking" in the importance of the goods or services provided.

In general we do appreciate the guide, nonetheless we do not completely agree with the principles proposed. As noted above, a clearer definition of what bundles are is required in order to have clarity, without forgetting that bundles already have to comply to all the regulation related to the products that compose them. We also would like to state again that bundles are an opportunity for consumers, not a threat, and should be considered as such. We believe that existing regulation is already sufficient to regulate the products that compose them, especially considering their continuously innovating nature.

We strongly support the introduction of:

- the possibility of an early termination fee for the following occurrences:
 - o all cases where the provider has invested in costs related to the offer that cannot be recovered in case of an early termination (i.e: in Italy Telco companies do charge termination fees, even with no hardware investments, in order to allow bargains to loyal customers);
 - o fixed price energy contracts: they can be seen as a bundle of a price hedging service and a plain energy delivery. Regarding the early termination fee in case of electricity fixed price contracts, the Proposal of Directive of electricity market design provides for the possibility of a switching fee to cover supplier's costs;
- rule of single contact point: it should be made clear to the consumer who is liable for the full bundle in case of any problems.

We do not agree with:

- the price comparison tool: comparing complex and bundled products plainly through the price is not efficient; only the customer, based on his preferences, can give the right evaluation to the package.

Moreover, while we agree with the importance of fully informed decisions by the consumers, we feel that the focus on comparing bundled products on their price might lead companies to develop "standard" offers, moving away from the main goal of bundled contracts, which is to offer to consumers an advantageous and tailored product. The nature of bundles themselves makes them very difficult to compare: how to confront a contract offering electricity and natural gas plus telecom services with one offering electricity plus insurance is a very complex issue. Lastly, comparison based on price moves away from what the real value of the bundles is for the consumer: relevant non-monetary benefits are offered to the client through the synergies created by the bundled product;

- single item price disclosure: provider should be allowed to even cross-subsidize items of the bundle except cases of excessive market power; moreover, cross-selling might allow synergies which clearly are related to the bundled sale.

We would like to stress that we see bundled products as one product, therefore there should be one price covering all the goods and services included. Whereas we agree with the need for transparency in terms of pricing in every document related to the bundle, we do not believe that consumers should be provided with the price of each component of the bundle. The price of the bundle reflects the synergies among its various components, whose standalone price might then be different from the one they are offered at in the bundle: therefore, providing the customer with the price of every single component separately might actually not be in his interest, as it might be the same as the one of the component bought individually.

Lastly, customers can always refer to non-bundled offers if they want an understanding of unbundled prices.

What we deem important is that the consumer is fully informed of the bundle's characteristics and contract terms, from the pre-contractual phase onwards. Coherency in all the documents related to the bundled products is indeed a key point for fair competition and we appreciate the emphasis on it.

2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?

We are satisfied with the overall level of prescription of the document and we appreciate the fact that CEER suggest regulation through very high-level principles; nonetheless the tone of the document is sometimes too negative with reference to bundled products. The opportunities and savings they offer to customers should also be highlighted. We believe that an appropriate level of protection for consumers is secured by the already existing rules regulating the various components. We however appreciate the focus on customers' information throughout the bundled product contractual lifecycle.

3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?

We are satisfied with what CEER has identified as risks to customers regarding bundles, as long as they are identified as an overall benefit for consumers.

We believe that high-level principles, coupled with existing legislation, should afford a sufficient level of protection to consumers.

4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?

With reference to the single point of contact proposal, we believe that while it is an interesting proposal, the focus should be on making sure that at all times the client knows who to contact and who is responsible for every part of the bundle. Having only one party responsible for the full bundle is a quite complex solution, even from a legal point of view, as it would make one actor responsible for components it has nothing to do with, even contractually speaking; for example, according to Italian law it is not possible to have a subject responsible for a contract it did not sign, as it would be with multi-contract bundled products. Moreover it is in the client's interest to contact the most competent party for its problem, therefore we envision the single point of contact as a coordination hub, handling the first contact with the clients and directing them towards the actor with the most expertise with regard to their complaint, so that it is dealt with swiftly and with the right amount of expertise.

5. Can you provide best practice cases of regulatory treatment of bundled products?

Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products

254.82

Total time

378.71

Survey response 46

Contact details and treatment of confidential responses

Contact details: [Organisation][[]]
Fortum Markets Oy
Please, mark the box if you wish your response to be treated as confidential. [If you wish your response to be treated as confidential]
Group time: Contact details and treatment of confidential responses
109.43

CEER Public Consultation for comments on the draft Guide on Bundled Products

1. Do you agree in general with the 10 principles proposed in our Draft Guide on Bundled Products for companies, and the 5 principles proposed for regulatory authorities?
We agree with the general principles of ensuring that the customers are provided with sufficient and easy to understand information as basis for their decisions and that the contractual terms, responsibilities and point of contacts with regard customer services, billing, dispute resolution etc are well defined and sufficiently communicated. We also support aligned practices throughout countries and market areas.
2. Do you think our proposals make appropriate use of principles and adopt the right amount of prescription? Have we gone too far, or not far enough to protect consumers while allowing companies in various sectors to be innovative in the bundled products they offer?
As described in the report, the area of bundled products is broad and consists of a great variety of different types of services. It is in the nature of bundles that the services offered differ with regard to scope and features. Bundled services are additions to more standardized single products such as electricity contracts, which decreases the need for - and benefit of - detailed regulation. This is especially valid on highly competitive markets, where the customers have a good range of standard products provided by competing suppliers. It is of great importance to ensure market based conditions for the development and sales, since this would provide the best environment for customer driven and innovative services, to the benefit of the consumers. Thus there should be as little as possible additional and detailed regulation, on top of existing legislation for electricity market and consumer protection legislation. Especially restrictions regarding pricing and other structural features should be avoided. It should also be noticed that variety of features should be taken into account in any considerations related to price comparison tools, since there is a risk of misinterpretations and in worst case misuse.
3. Do you think there are any areas of particular risk to customers that are not already addressed in this draft Guide on Bundled Products?
The best way to decrease the risk for the customers is to ensure well-functioning markets with a level playing field for the competitive players. Especially within the area of new services, requiring large volumes to enable development efforts and efficient cooperation within ecosystems, the market size is of great importance. Therefore harmonisation of regulatory frames and market integration are key for the evolvement of new, smart services, often offered as bundles.
4. Do you agree with the proposal that there be a single point of contact so as to avoid ping-pong in the case of a customer having a problem with the bundled product? If not, what workable alternatives do you suggest?
As pointed out in our answer to question 1, we see that the responsibilities and point of contact with regard customer services, billing, dispute resolution etc should be well defined. For most bundles the best option is that the customer has a single point of contact. In some cases it might though be necessary - or beneficial as a whole - to adapt other solutions. This might apply e.g. when a bundle includes a service that is subject to a specific regulatory regime, such as distribution of electricity, where the Distribution System Operator is responsible e.g. for the information in connection to outages. Due to the variety of bundles, the regulation should not categorically rule out multiple points of contacts, as long as the line of responsibility is clear and the customer is provided with sufficient information.
5. Can you provide best practice cases of regulatory treatment of bundled products?

Group time: CEER Public Consultation for comments on the draft Guide on Bundled Products
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105.05

Total time

214.48
