

## Clean Energy Package: NEON Welcomes the Adoption of Strong Consumer-Protection and Out-Of-Court Dispute Settlement Provisions

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Today, the European Parliament has adopted the revised electricity market directive and regulation. NEON, the European network of independent, not-for-profit consumer dispute-resolution services and ombudsmen active in the energy sector, strongly welcomes this text, which will strengthen the EU provisions on consumer protection and the right to out-of-court dispute settlement in the electricity sector. Electricity is a basic and essential good and, as such, needs strong rules to ensure access, quality and affordability. In addition, consumers need effective protection whenever something goes wrong.

The adopted text requires Member States to ensure that final customers have access to an independent mechanism, such as an energy ombudsman, a consumer body, or a national regulatory authority in order to settle disputes concerning the rights and obligations established under the Directive (Article 26 of the Market Design Directive). The Directive therefore **extends the remit of dispute-resolution entities towards all customers, including companies and SMEs.**

Furthermore, the reference to independent mechanisms such as energy ombudsmen and national regulatory authorities is a guarantee that out-of-court dispute resolution bodies not only respect the general quality requirements laid down in Directive 2013/11/EU (the “ADR Directive”), but also report to public authorities and are accountable to the public and citizens at large. **Accountability is essential to effectively protect citizens’ rights in public service markets.**

In addition, **NEON welcomes the requirement for energy service providers to participate in the out-of-court dispute resolution process.** This is already a requirement in some Member States, and will help to avoid that households are “left on their own” whenever a company does not want to engage in out-of-court dispute resolution.

Finally, NEON and its members look forward to **working with ADR entities from other sectors to cooperate on disputes that arise from bundled offers and services.** The preparation of a joint reference model for handling cases would greatly contribute to this enhanced cooperation between ADR entities.

Pending the implementation of the Clean Energy Package and looking towards the “disputes of the future”, NEON and its members will continue to underline the problems observed in relation to consumer rights in energy markets. In that sense, **the Clean Energy Package offers some notable advances in terms of consumer protection**, including: more clarity on contractual rights (such as price changes and payment methods), more information provided to customers, rules to ensure the transparency of price comparison tools, the possibility for citizens to produce and consume their own energy and the possibility for Member States to tackle energy poverty. All those provisions should be welcomed, as they will hopefully lead to a more understandable and inclusive energy market.

Looking forward to the upcoming revision of the gas directive and to the fact that dual-fuel contracts are already today very common in many markets, **NEON members call on lawmakers to extend the consumer rights and protection provisions to the gas sector too.**

To avoid legal and regulatory fragmentation and foster consumer confidence, consumers need to be protected by the same rights in electricity and gas markets. A fragmented market in terms of rights and obligations would further increase complexity for consumers, thus hindering their participation in the market. When it comes to the protection of consumers, coherence is essential to build trust – a “let down” consumer will not become an “active” consumer.

The energy transition will not succeed without consumers’ trust. It is our view that reliable and independent out-of-court dispute settlement mechanisms help foster trust among citizens and consumers and are therefore an essential building-block of this transition.

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*NEON is the European network of independent, not-for-profit consumer dispute-resolution services and ombudsmen active in the energy sector. Our members have the public mandate to provide an easily-accessible and free-of-charge system to solve disputes between consumers and companies.*

*We work to guarantee the rights of all consumers, including the most vulnerable ones, through the promotion of public-interest, independent complaint-resolution bodies.*

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