



The Consumer Voice in Europe

# Energy: Price Comparison Tools BEUC response to the CEER public consultation on the draft advice on Price Comparison Tools

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Recommendation No. 1 **Any price comparison tool must be independent, giving the user a non-discriminatory overview of the market. The provider of a price comparison tool should show all information in a consistent way.**

Please, select between the following options:

- **Agree**
- Disagree

The information provided by a price comparison website should be consistent throughout all suppliers, offers, markets and submarkets. Further, all information relevant to the market or submarket it covers shall be included, and information must remain up to date, impartial and accurate. Where National Regulatory Authorities (NRAs) do not run or oversee price comparison tools (PCTs), accreditation is the best way to ensure these principles are respected by all price comparison websites.

Cases may occur where there are common economic interests between the supplier of the price comparison website and specific energy suppliers to push consumers to act a certain way. For instance, tariffs could be ranked in a non-objective way based on commercial agreements with specific providers. These practices should be avoided as the information provided would not be impartial. Also, price comparison websites should be careful not to allow energy providers to purposely optimize their tariffs in order to rank higher on PCTs.

Accreditation schemes are an excellent way to ensure the independence and consistency of price comparison websites. Accreditation schemes set out the minimum requirements that a provider of a price comparison service must meet in order to be, and remain, accredited. These systems help develop consumer trust in websites that meet certain minimum characteristics of independence, consistency and accuracy. Accreditation schemes need to include audit mechanisms in order to ensure consistency and compliance of each of the accredited websites with the scheme.

A well-functioning example of an accreditation scheme for online domestic energy price comparison services is the Confidence Code created by Consumer Focus in the United Kingdom which ensures consumers have access to independent, impartial information. The Confidence Code outlines key requirements for price comparison websites to be accredited with the code and represent a source of trust for consumers. Requirements include guidelines on independence and impartiality, tariffs and price comparisons, control and management of the website, payment methods, results and filters, quality of service and energy efficiency, accuracy and updating tariffs, annual audits of the websites, and complaint handling.

Recommendation No. 2(A) **Regulatory oversight of privately run price comparison tools is important to bolster confidence of the customers. This should be a responsibility of the NRA or another public authority.**

Please, select between the following options:

- **Agree**
- Disagree

Regulatory oversight of privately run price comparison tools is of utmost importance to ensure the independence of the tool and the accuracy and impartiality of the information offered. When the NRA does not directly control the price comparison website, the NRA should oversee the price comparison websites existing on the market it supervises. This is also important for accreditation schemes, which should be supported and overseen by regulators. The involvement of NRAs is important also in terms of enforcement of general principles, legislation but also of voluntary codes of conduct like private accreditation schemes. This is recognised as the best way to ensure that widely accepted standards for the delivery of comparison services are being met, and making sure that there are active enforcement mechanisms of accreditation schemes in place.

Whether run by a NRA or a private initiative, ensuring a high degree of independence of the price comparison website and the accuracy, impartiality, and up to date information is paramount to foster consumer trust and increase consumer engagement in the energy market. Furthermore, NRA's oversight on PCTs or any regulation that may exist should not hinder the capacity for providers to innovate in the provision of the price comparison service.

The oversight that NRAs may exercise over PCTs should ensure that all information offered by the comparison websites corresponds to the actual deals that suppliers are offering to their existing and new customers. Importantly, offers and prices should be part of this oversight, as it is crucial that they are regularly updated, at the latest 24 hours after the offers are put in place by suppliers. Where there is no oversight by the NRA, any accreditation scheme that is put in place to ensure the independence and impartiality of PCTs must have enforceable provisions for PCTs and suppliers to be in constant communication so that prices and offers are regularly updated, with a 24 hour maximum as stated above.

Recommendation No. 2(B) **Alternatively, this could be left to self-regulation by the industry through instruments such as voluntary codes of conduct.**

Please, select between the following options:

- Agree
- **Disagree**

Self-regulation raises concerns as regards its effective enforcement and the sanctions put in place for cases of non-compliance, as it is up to the industry itself to enforce any code adopted, therefore posing a clear conflict of interest. Where voluntary codes of conduct are adopted, they should be verified and monitored by NRAs or other relevant public authorities in order to ensure that the consumer interest remains protected.

In limited cases, one can witness examples of well-functioning offerings of price comparison websites where there is no involvement of regulators, such as that of Germany, where only privately run websites exist. Nonetheless, these involve some sort of reputation building process that allows for the numerous large and small websites to be recognised as trusted sources of information. Further, smaller websites share tariffs databases with the larger providers, therefore ensuring that all information is up to date and consistent desirably throughout all price comparison websites.

Where self-regulation initiatives are undertaken, they should always create clear incentives for providers to seek accreditation or to comply with the instrument, and a well-functioning, clear process for enforcement of the standards regulated by the voluntary instrument.

Recommendation No. 3 **Price comparison websites should disclose the way they operate, their funding and their owners/shareholders, in order to provide the customer with transparent information on the impartiality of their advice.**

Please, select between the following options:

- **Agree**
- Disagree

Transparency regarding the way in which price comparison websites' business models, ownership and funding arrangements should be disclosed as it helps assess the impartiality of the advice. Information on funding and governance is often complex, therefore it needs to be ensured that the average consumer can access and understand the information quickly.

It is therefore important that independent accreditation schemes are put in place so that consumers can easily identify trusted, independent and impartial websites.

Any price comparison website should disclose information about ownership and funding. This information needs to be transparently disclosed to consumers who wish to know who is behind each website.

**Recommendation No. 4 When possible, all prices and products available for the totality of customers, if relevant to the customer, should be shown as a first step. However, if the presented information cannot give a complete overview of the market, the price comparison tool should clearly state this before showing the results of the price comparison. Filtering of results should be offered to the customer to select the offerings corresponding with his or her preferences.**

Please, select between the following options:

- **Agree**
- Disagree

All information available for the consumer's query shall be displayed. If the information displayed is incomplete or inaccurate, the website must explain why and what information is missing or inaccurate from the beginning. This should be disclosed to the consumer before the consumer launches the query, in a very clear and understandable manner. The consumer should also be told how the lack of exhaustivity of the information affects the results of the consumer's query, and what means to get the missing information are available to the consumer.

It is important that consumers are given the entirety of the information available at the time. In a second step, if they wish to do so, they can, for instance, filter out all those offers to which they cannot switch directly from the price comparison website. Any similar filtering should use wording that is unambiguous and easy for the average consumer to understand.

**Recommendation No. 5 The customer should be able to tailor a request by entering specific data, if the customer wishes to include individual components (not applicable for the totality of customers) into the comparison.**

Please, select between the following options:

- **Agree**
- Disagree

Filtering and tailoring of queries based on specific individual data is desirable in order to make the displayed information as relevant as possible for all consumers. The price comparison website shall use the information provided exclusively for the specific query. Any further use of the data provided by the

consumer must be clearly explained and disclosed and always be in full compliance with existing Data Protection legislation.

When default values are used in price comparison websites, a standard practice should be put in place, having it clearly explained to consumers what the default value is and why.

Further, consumers need to be able to personalize their search queries, having the option to provide information on their consumption where possible, and to easily filter search results once the query is launched. Any filtering tools must be designed in an intuitive, easy to use manner. When results are tailored or filtered, it is important that the website clearly specifies that the information is being shown as a result of the consumer's action, and therefore may not include the entirety of offers in the market, as they do not apply to the specific query.

**Recommendation No. 6 Costs resulting from the price comparison should always be presented on the primary output screen in a way that is clearly understood by the majority of customers, such as total cost on a yearly basis or on the basis of the unit kWh-price. However, it is also very important to indicate clearly that prices shown as a total cost are an estimation, as they are based on historic consumption and – in the case of floating tariff products – unit prices that are susceptible to change during the contract.**

Please, select between the following options:

- **Agree**
- Disagree

The information displayed on the output screen of a price comparison website should be easily understandable by all consumers. Where technical concepts are used or complex tariffs are being displayed, all consumers need to be able to access explanatory systems to fully understand the information that is being displayed.

With the introduction of smart meters and demand response schemes and consequently of more tariff flexibility, price comparison websites must be adapted to easily integrate new tariff schemes, and ensure that information is still easily understandable and accessible for all consumers.

When prices are modified or contractual conditions change, tariffs displayed on price comparison websites need to remain up to date, and all information complete and accurate. Easily understandable contractual terms are encouraged in order to simplify this matter.

A way to ensure this information is easily understandable and comparable by consumers could be to require all suppliers to use a common format for

tariffs where prices would be directly compared on the basis of a unit rate that includes all discounts, where consumers would not need to enter any consumption information.

**Recommendation No. 7 Fundamental characteristics of all products – such as fixed tariff products versus floating price products - should be presented on the first page of the result screen. This differentiation should be easily visible to the customer.**

Please, select between the following options:

- **Agree**
- Disagree

Complex concepts like the differentiation between types of tariff or how tariffs work should be explained to consumers in an easily accessible and understandable manner. Where explanatory information cannot be part of the summary table on the first page, the information needs to be made easily available to consumers one click away, in order for them to intuitively understand what they should do to further understand the information that is being displayed, especially regarding tariffs.

Further, the principle should be extended beyond the presentation of products in a price comparison tool environment, and involve also the naming of the tariffs themselves. That way, NRAs could develop common tariff vocabulary for their respective markets, helping consumers easily understand the different nature and workings of different types of tariffs.

**Recommendation No. 8 The price comparison tool should offer additional information on products and services. This information should be available with additional details on a separate page so the customer has the choice to look at this information or not.**

Please, select between the following options:

- **Agree**
- Disagree

It is highly recommendable that price comparison tools include all available additional information on products and services in an easily understandable and comparable manner. This allows consumers to be able to compare different offers on the first result's page, but also to easily access additional information about the different offers, without having to move away from the website and onto a specific supplier's website, which could be time consuming and confusing.



This is very important as energy contracts cannot be exclusively evaluated on the price of energy. Other conditions like the duration of the contract, conditions for changes in price, the right to terminate the contract, or other important conditions, including those which diverge from commonly used conditions, need to be available for consumers to have a full, detailed picture of what each supplier is offering. Prices and other conditions shall clearly state if they are the final price or not, and whether they include additional price increases due to customs duties or producer costs, for example.

An example of a standardising effort is being developed by OFGEM, the UK regulator, to develop a 'Tariff Information Label' to communicate key information, including non-price features of a product, to consumers. The language used in these labels should then be used throughout other communications from energy suppliers and price comparison tools.

Price comparison websites should also include information on green energy, which they typically provide without differentiating between real green energy and so-called green energy. The term "green" should be restricted to offers with an additional impact on the production of electricity from renewable sources, and a sustainable effect on the environment.

An illustrative example occurred in France, where an energy provider refused to participate in price comparison websites because the term "green" was covering various types of offers, very often without any differentiation between real green offers from renewable sources and green offers on the basis of certificates. Cases like this undermine competition, as they reduce the number of suppliers that have their offers present in PCTs, thus reducing consumer choice.

**Recommendation No. 9 If regulated prices exist, they have to be highlighted visibly in the default presentation of the price comparison tool.**

Please, select between the following options:

- **Agree**
- Disagree

Where prices being displayed are regulated, it should be disclosed clearly in the information table of the price comparison website. Additional information on the competent authority, the procedure by which tariffs are regulated and the rationale used, as well as any information on upcoming modifications, should be disclosed in order for consumers to better understand how the tariffs are being set.



Recommendation No. 10 **Price information used in the comparison should be updated as often as necessary to correctly reflect prices available on the market.**

Please, select between the following options:

- **Agree**
- Disagree

The information displayed needs to be up to date and accurate, therefore all necessary updates must be ensured. All modifications to prices need to be applicable on the price comparison website 24 hours after the new price has been announced by the supplier. Updates on the data offered by price comparison websites need to be checked by the regulator where applicable, and be consistent with any accreditation schemes in place that the website is part of.

During the time where a change in price has been announced and the modification is implemented into price comparison websites, NRAs should monitor how the latter displays these prices, as the situation could be unacceptably misleading for consumers. Price comparison websites could implement warnings on those offers they know are susceptible of being inaccurate due to impending price changes, and hence clearly and timely inform consumers about this particular circumstance.

For situations where PCTs do not offer up to date and accurate pricing for the offers they list, it must be clarified what is the liability of the PCT and the means of redress for consumers in cases of poor service.

Recommendation No. 11 **The user should be offered help through default consumption patterns or – preferably - a tool that calculates the approximate consumption, based on the amount of the last bill or on the basis of other information available to the user.**

Please, select between the following options:

- **Agree**
- Disagree

Basic information like location or area may be necessary in order to determine the concrete suppliers available to the consumer. Consumers shall be guided through the process to provide the minimum necessary information required for the PCT to launch the query and display the results.

It is important that consumers are given the choice regarding the amount and type of information they can voluntarily enter into the price comparison website in order to tailor the comparison information. These choices should

include the possibility of entering exact yearly, quarterly or monthly consumption, if easily available to the consumer. Alternatively, consumers should be given the option to, through the options on the search form, describe their type and size of household, number of people living in it, and so on, in order for the price comparison website to more precisely calculate an approximate expected consumption pattern for the consumer, and then display alternative suppliers, contracts and tariffs available based on the calculation.

**Recommendation No. 12 At least one additional communication channel (other than the Internet) for getting a price comparison should be provided free of charge or at minimal cost.**

Please, select between the following options:

- **Agree**
- Disagree

Alternative channels to deliver price comparison tools should be offered free of charge. These channels shall be adapted to special consumer needs, including those that do not have access to the Internet, and in any case shall be available on paper as well as on formats that meet the needs of vulnerable consumers. An option could be to allow the single point of contact or consumer associations to use the PCT and offer the results to consumers, therefore serving as points of information for price comparison queries that cannot be done online.

**Recommendation No. 13 Online price comparison tools should be implemented in line with the Web Accessibility Guidelines (WCAG) and should ensure that there are no barriers to overcome to access the comparison.**

Please, select between the following options:

- **Agree**
- Disagree

Price comparison websites must comply with Web Accessibility Guidelines as developed by the World Wide Web Consortium (W3C). The basic architecture of the websites shall follow these guidelines in order for all consumers with different disabilities to be able to access all content with any special device.

Further, in order for all consumers to be able to access the website with any type of device and any type of browser, websites should not use special graphic design or layout technologies that are not technology-neutral.

Recommendation No. 14 **The use of social media and cooperation with other (public) agencies involved in customer information and/or protection should help make the NRA-run price comparison tool widely known.**

Please, select between the following options:

- **Agree**
- Disagree

Raising consumer awareness and disseminating information about price comparison tools should be done through all available channels to consumers, and in particular through social media. NRAs and private organisations running price comparison websites should actively use any creative tool available on the Internet but also other offline channels like traditional campaigns to make the websites widely known to consumers and foster traffic towards the tool and its use.

Cooperation with public organizations and agencies is highly recommended, and also with consumer organizations, which can be of key help to raise awareness about the price comparison tool and ensure that consumers use them increasingly.

Further, consumers should be given information about available price comparison websites in their market through the single point of contact with the energy supplier.

Recommendation No. 15 **Background information on market functioning and market issues such as price developments should be provided if the customer wants this information.**

Please, select between the following options:

- **Agree**
- Disagree

Information on energy market developments should be present on the website of the price comparison tool. Nevertheless, it should not be included as a main feature, and be displayed on a separate section of the website, in order not to confuse consumers. These developments should include information regarding what suppliers are changing or are expected to change tariffs, what developments are expected in terms of market actors in the area or region the consumer is querying about, etc.

Further, it is extremely useful for consumers to be able to switch energy suppliers directly via the price comparison tool for all types of available offers. It is often the case that energy suppliers do not allow price comparison websites to inform or sell their cheapest products, restricting them to their own

private website, thus undermining the whole price comparison market. These practices need to be avoided with regulatory oversight or with enforceable accreditation schemes that will ensure that the entire range of offers available to consumers is accessible through every price comparison website. Where accreditation schemes fail to ensure that all offers are present in PCTs in order for consumers to be able to compare them and, if they wish do to do so, switch to them, then the regulator should actively take measures to ensure that suppliers and PCTs cooperate in order to provide the most accurate information to consumers.

**Recommendation No. 16 A good practice is to offer additional services on request, such as a “reminder” if the customer is bound by a contract when doing the price comparison, if the customer chooses to receive this.**

Please, select between the following options:

- **Agree**
- Disagree

Whether it is the price comparison website or the NRA/holder of the comparison tool, it is always helpful for consumers to be able to opt-in to a reminder that will let them know when their energy contract expires, or what is the nature of their contractual link, and helps them understand what, if any, is the better choice for them.

Additional services on request are encouraged in order to multiply the ways in which consumers can interact with price comparison websites, and thus further engage in their own local energy market.

Nevertheless, any communication on additional services should not cause any further unwanted confusion to consumers.

ENDS