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EU energy market: Put the spot on consumers

Today's report by the European Commission of the EU energy market shows that member states have to increase their efforts to implement key measures protecting energy customers. The European Commission is investigating a number of EU countries for failure to realise Europe's main energy law – the 3rd energy package, containing essential safeguards for consumers such as maximum delays when switching suppliers, clear information on prices and tariffs or complaint handling services.

In countries where rules have been adopted, the European Commission's own figures back up feedback from BEUC member organisations who indicate widespread dissatisfaction with how the energy market functions. Electricity ranks 45th of 51 monitored markets, a 2011 Commission survey shows.¹ Consumers across the EU's 27 member states are being hit with sky-rocketing energy prices, problems when switching providers, aggressive marketing practices and monopolistic markets.

Monique Goyens, Director General of The European Consumer Organisation (BEUC) commented:

"Energy markets in Europe simply do not function properly. The now annual nightmare of dramatic price increases is a sad sign of this. We need to enact fundamental changes as to how energy companies deal with their customers. Liberalisation has not always led to more competition and even when there is competition, consumers are not always better off.

"Energy customers could save up to €13 billion per year if they switched to the cheapest available deals². This is a powerful weapon for consumers to shake up the market and force European big energy to be more competitive. Sadly, consumers have a tough time using this tool as markets remain discouragingly complex, unfair marketing practices mislead consumers and barriers to switching frighten consumers off looking for a better deal.

"Sensible laws left just on paper and good intentions will not help consumers. Governments need to strictly monitor energy companies and intervene swiftly whenever households are left in the dark."

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¹ Consumer markets scoreboard – October 2011. The gas services market is 16th last of 51.

² European Commission 'Study on retail electricity markets', 2010