



Consumer Education and Information

(Session Ib: Tools to empower consumers)

Edin Zametica

Advisor to SERC, Bosnia and Herzegovina

Chair of the ECRB Customers & Retail Markets WG



Agenda

- Energy Markets and Consumers
- Information, Education, Knowledge and Understanding
- Consumer versus Customer
- Role of Customers
- Regulators' Role
- Final Words

Energy Markets & Consumers

- Energy markets differ (fully, partially or not opened)
- Consumers to be informed on the rights in any market (pre-requisite of protection)
- Minimum: consumers to know contract terms, consumption, prices, complaint procedures and energy efficiency measures
- Additional(?): responsibility of market players, capability to choose supply offers, how to make an impact...



Information,...

- Numerous messages, advices and warnings coming from liberalized or markets in the transition
- Information burden
- A lot of information usually does not result in informed customers that are aware of their rights
- Clear, accurate, relevant and comprehensible information needed
- Easy access to neutral and objective information (price comparison tools)



...Education,...

- Economic and technological developments
- Education is crucial in helping customers make meaningful choices and use their rights
- Challenges: Do consumers want to be educated? If yes, when and where? What are best practices? Should it be tailored to different target groups?
- Necessity to start consumer education at an early age, to influence the next generation of consumers
- Also, there is the issue of “lifelong learning”



...Knowledge & Understanding

- Strengthen customers' knowledge on the tools and mechanisms available to them
- Complement information with consumer education which addresses skills, attitudes, and knowledge to help individual consumers look for, understand and apply consumer information
- Asymmetry between energy companies and consumers to be reduced
- Special care of vulnerable categories

Consumers versus Customers

Customers or consumers? What's in the word?

- Customer status implying mutual commercial awareness and obligations (relationship)
- Consumers – on the receiving (passive) end (Traditional position of households)

Anticipating future needs:

- Empowering for (and enabling) a new active role
- Access to information (knowledge) – key prerequisite
- Tools to understand how markets work
- Enable customers to act on this basis



Role of Customers

- Active role in the market – exercise rights
- Manage consumption in more efficient ways (making energy more affordable, reduce emissions)
- Express interests (of individuals or associations)
- Impact on the sector's policy and decisions
- Cooperation (dialogue) of customers' associations with the relevant institutions in the sector
- ... Switching of supplier or supply mode (comparability of services/prices)



Regulators' Role

- Energy regulators and competition authorities need to ensure that market players compete fairly and to the benefit of all customers
- Show customers that it pays off to actively engage in energy markets
- Create trust – many consumers still have a relatively negative picture of energy markets
 - EU Consumer Markets Scoreboards: in 2013, the electricity ranked 28th out of 31 services markets
 - Countries' market performance significantly differing



Direct Communication

- Provide information to customers on the regulators' web-site
 - Special areas devoted to customer issues (by category)
 - News or notices related to customers might be publicized with special marks
 - Tools for customer feedback (e.g. forum, social networks)
- Face-to-face communication (workshops, open days/fairs, public discussions, call-centres)
- Producing informational handouts



Information via Intermediaries

- Establish obligation to put information on bills
(share information like regulator's contact, complaint handling lines, announce public hearings or consultations)
- Communicate through intermediaries
(consumer associations, energy network operators/suppliers, educate journalists)
- Advertising
(newspapers, magazines, national and local TV and radio, transport advertising, web sites and social media)



Final Words

- Customers to be informed, educated and knowledgeable – to understand and to act on this basis!
- Permanent task for public bodies, regulators, consumer organisations, independent advisory services, NGOs, business organizations and academics
- Smart meters, smart grids,... time for smart consumers



www.wfer2015.net
www.wfer2015.org

THANK YOU!

ezametica@derk.ba
www.derk.ba
www.energy-community.org