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# CEER Public Consultation on the draft Guide on Bundled Products

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**Contact details and treatment of confidential responses (253)**

**Contact details: (3127)**

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**Please, mark the box if you wish your response to be treaded as confidential. (3132)**

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**If you wish your reponse to be treated as confidential (3133)**

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## **CEER Public Consultation for comments on the draft Guide on Bundled Products (252)**

### **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? (3122)**

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#### 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

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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.

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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? (3123)**

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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? (3124)**

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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.

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**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? (3125)**

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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? (3126)**

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