

Judit BARTA*
Consumer Protection on the Fields of Electricity Service**

Abstract

This research studies the law measures of the European Union aiming Energy Union regarding consumer protection in the view of the process of the legislation of the consumer protection, the development of the consumer rights up until the latest Directive 2019/944. Provisions of consumer protection of the Directive are reviewed. The second part of this research looks at the consumer protection on the fields of the electricity service in Hungary, considering how much it complies with the EU regulation.

Keywords: Energy Union, electricity service, customer, consumer, consumer rights, customer rights, account information, account view, smart meter, contractual rights, consumer protection, supplier change, universal service, dealing with customer complaints, informing consumers

1. Establishing Energy Union and the Relation to Consumer Protection

Since 1999, the EU has been rapidly developing the single electricity market. The so-called Energy Union projects were set up as parts of the process. On the 25th of February in 2015 European Commission published the document of 'The Stable and Adaptable Energy Union and the Climate Policy Frame Strategy' which launched the plan for providing secure, sustainable, competitive, affordable energy for EU 'consumers' by transforming the energy and climate policy in the EU. Single energy market including establishing an electricity market which functions efficiently was a basic requirement. The so-called energy poverty¹ should be combatted.

Judit Barta: Consumer Protection on the Fields of Electricity Service – Fogyasztóvédelem a villamosenergia szolgáltatás területén. *Journal of Agricultural and Environmental Law* ISSN 1788-6171, 2020 Vol. XV No. 28 pp. 37-85, <https://doi.org/10.21029/JAEL.2020.28.37>

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** *This study has been written as part of the Ministry of Justice programme aiming to raise the standard of law education.*

¹ There is no widely accepted definition for energy poverty in the EU.

Originally the definition of energy poverty means the lack of access to energy services. However, in the EU this is not topical.

In the EU energy poverty is based on mostly the inability to pay the cost for the energy services. "According to the widely used term, a household is considered to be energy poor if they are unable to heat up the house to a sufficient level, or they spend more on energy bill than a limited amount of their income." Fellegi & Fulop 2012, 1.

Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 declared that every Member State has to present the Integrated National Energy and



<https://doi.org/10.21029/JAEL.2020.28.37>

The Commission document 'New Guideline for Energy Consumers'² declared the vision of the Commission about the retail market which provides better services for the consumers. The new and innovative energy providers using new technologies must enable every consumer to take part in the process of energy transforming by changing their habits deliberately, the results of which are energy sufficient solutions, financial savings on the sides of the consumers, as well as decrease of energy consumption. The activity of the energy consumers i.e. customers and consumers by the first meaning requires the protection of their rights including development and intensity of basic consumer right.

According to the European Commission 'Fourth Report on the State of Energy Union'³ 'after four years the Energy Union became reality.'⁴

2. Appearance of Regulation of Consumer Protection in EU Legislation regarding Electricity Service

It is needed to underline that every service-user was called consumer in the EU legislation and other EU documents on the fields of energy services including electricity service for a long time. Gradually, definitions such final customer⁵, household customer⁶, non-household customer⁷ have developed.

Basic consumer protection provisions typically stand for household customers. General terms protecting final customers, of course, include household customers.

Climate Change Plans (NECP) by 31 December 2019, and before the aims and plans for how to combat energy poverty on the national level by 31 December 2018.

Energy poverty in Hungary is included in National Energy and Climate Change Plan 2018 in part of 2.4.4. According to this, there are no specific objectives in Hungary. Affordable energy service and financial computability for consumers in the universal service are guaranteed with fixed universal service charges introduced in January 2013 by the government measures. Comparing to year 2013, prices of district heat, gas and electricity radically decreased allowing consumers in Hungary to pay the lowest prices for household energy in Europe.

Hungary stands for enabling households to pay sustainable energy costs in the future while energy companies capacity for profits must be kept on. This aim requires complex strategy including improvement on energy sufficiency, adding extra heating and electricity producing options to households, optimizing supplies, strengthening competition on the market of product, development of networks, introducing smart meters on the larger scale.

² Brussels, 15.17.2015.

³ Brussels, 09.04.2019.

⁴ For further information about Energy Union see Robert Szuchy 2017, 100–115.

⁵ Directive 2019/944 Article 2 Section (3) 'final customer' means a customer who purchases electricity for own use.

⁶ Directive 2019/944 Article 2 Section (4) 'household customer' means a customer who purchases electricity for the customer's own household consumption, excluding commercial or professional activities.

⁷ Directive 2019/944 Article 2 Section (5) 'non-household customer' means a natural or legal person who purchases electricity that is not for own household use, including producers, industrial customers, small and medium-sized enterprises, businesses and wholesale customers.

It is not easy, what is more, in certain cases it is impossible to differentiate between general provisions protecting final customers and special provisions protecting household customers.

It has been a long way in the European Union, since the second energy package introduced the first line of the consumer protection regulation regarding energy sector in 2003,⁸ which was dealing with two areas: (1) Compulsory public service including the consumer right to electricity supply, the protection of vulnerable consumers, and the protection of service disconnection, in which the consumers with large arrears are allowed to pay their debit while they are protected from any sort of disconnection of the service. (2) Consumer rights e.g. contractual rights, access to information about prices, actions taken in case of customer complaint, easing of the switch of the service provider. The third energy package in 2009⁹ was built on the previous package significantly extending the consumer rights on the fields of consumption measurement and billing.

According to the Directive 2009/72/EC, in the Member States at least 80% of consumers shall be equipped with intelligent metering systems by 2020, unless cost-benefit analysis is negative. By the end of 2018, the level of implementing smart meters reached the 50% of the households in 12 Member States. Many Member States, including Hungary, came across with negative cost-benefit analysis, therefore smart meters were not introduced on the larger scale.¹⁰

Smart meters are available on the large scale, at least 80% of consumers is equipped with it in Denmark, Estonia, Spain, Finland, Italy, Malta, Norway, and Sweden, also more than 50% of consumers is equipped in Latvia, Luxemburg, the Netherlands, and Slovenia. In most of these countries bills are issued monthly (or every second month) based on the actual consumption.¹¹

The Directive 2012/27/EU of the European Parliament and of the Council on energy efficiency confirmed the necessity of consumer protection provisions.¹² Article 10 focuses on billing information, Annex VII lists the minimum requirements for billing and billing information. By 2018 every member state could comply these minimum requirements of energy billing.¹³

Directive 2019/944/EU of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU ('Clean energy package') renews (introducing new definitions e.g. dynamic electricity price contract, citizen energy community, etc.) and improves consumer rights (e.g. consumer billing information, and introducing new provision regarding comparison tools). Apart from providing right and protection, the Directive 2019/944/EU underlines the role of the active customers.

⁸ Directive 2003/54 concerning common rules for the internal market in electricity, and Directive 2003/55 concerning common rules for the internal market in natural gas.

⁹ Directive 2006/32/EC, Directive 2009/72/EC, Directive 2009/73/EC.

¹⁰ ACER Market Monitoring Report 2018, 6.

¹¹ ACER Market Monitoring Report 2018, 22.

¹² About the Directive see Banyai & Fodor 2014, 63–87.

¹³ ACER Market Monitoring Report 2018, 6.

Based on the Member State surveys, critical areas are the provisions about billing and billing information, comparison tools, changing electricity service provider, vulnerable consumers, energy poverty, and dispute management in the fields of electricity services. In 2018 by the feedback from the member states, the majority of consumer complaints was about billing, contracts and signing up for services.¹⁴

3. Consumer Protection Provisions of Directive (EU) 2019/944 of the European Parliament and of the Council

Not all the rights listed below are basic provision of consumer protection in the meaning of protecting the vulnerable party. However, there are those aiming saving energy by the service-user consumers. Thus, they generate consumer protection on the larger scale.

3.1. Information relating to consumer rights

Consumer must have plain and unambiguous information about his rights in the energy sector. The Commission established a energy consumer checklist providing practical information for the consumers about their rights. This checklist should be kept up to date, provided to all consumers and made publicly available. (Preliminary provisions Section (31)).

3.2. Method and regularity of payment of bills

Customers, in particular household customers, should have access to flexible arrangements for the actual payment of their bills e.g. regularity of payment, different methods of payment. In terms of flexible arrangements, it could be possible for customers to be provided with frequent billing information, while paying only on a quarterly basis, or there could be products for which the customer pays the same amount every month, independently of the actual consumption (Preliminary provisions Section (49)).

3.3. Basic contractual rights: content of contract, access to information, terms and conditions, customer complaints

Chapter III 'Consumer empowerment and protection' Article 19 contains provisions about basic consumer rights, and on the other hand energy use and energy production by the consumers. Henceforward, this research focuses on the provisions of the consumer rights, respectively other provisions can be linked to consumer rights e.g. meter and billing.

Main points of the final customer's contract with the supplier are listed in Article 10 Section 3. Directive declares that conditions shall be fair and well known in advance.

¹⁴ ACER Market Monitoring Report 2018, 5.

In any case, this information shall be provided prior to the conclusion or confirmation of the contract. Final customers shall be provided with a summary of the key contractual conditions in a prominent manner and in concise and simple language.

Final customers shall be given adequate notice of any intention to modify contractual conditions e.g. increase of price, and shall be informed about their right to terminate the contract e.g. when the notice is given.¹⁵

Suppliers shall provide final customers with transparent information on applicable prices and tariffs and on standard terms and conditions, in respect of access to and use of electricity services.¹⁶

Suppliers shall offer final customers a wide choice of payment methods. Such payment methods shall not unduly discriminate between customers. Any difference in charges related to payment methods or prepayment systems shall be objective, non-discriminatory and proportionate and shall not exceed the direct costs borne by the payee for the use of a specific payment method or a prepayment system.¹⁷

Suppliers shall offer final customers fair and transparent general terms and conditions, which shall be provided in plain and unambiguous language and shall not include non-contractual barriers to the exercise of customers' rights, such as excessive contractual documentation. Customers shall be protected against unfair or misleading selling methods.¹⁸

Final customers shall have the right to a good standard of service and complaint handling by their suppliers. Suppliers shall handle complaints in a simple, fair and prompt manner.¹⁹

When accessing universal service, final customers shall be informed about their rights regarding universal service.²⁰

Suppliers shall provide household customers with adequate information on measures to disconnection in advance of any planned disconnection. Such measures may refer to alternative payment plans, debt management advice.²¹

Suppliers shall provide final customers with a final closure account after any switch of supplier no later than six weeks after such a switch has taken place.²²

3.4. Entitlement to a dynamic electricity price contract

Member States shall ensure that the national regulatory framework enables suppliers to offer dynamic electricity price contracts. Member States shall ensure that final customers who have a smart meter installed can request to conclude a dynamic electricity price contract with at least one supplier and with every supplier that has more than 200,000 final customers.

¹⁵ Article 10 Section 4.

¹⁶ Article 10 Section 5.

¹⁷ Article 10 Section 6.

¹⁸ Article 10 Section 8.

¹⁹ Article 10 Section 9.

²⁰ Article 10 Section 10.

²¹ Article 10 Section 11.

²² Article 10 Section 12.

Final customers are fully informed by the suppliers of the opportunities, costs and risks of such dynamic electricity price contracts, and shall ensure that suppliers are required to provide information to the final customers accordingly, including with regard to the need to have an adequate electricity meter installed. (Article 11).

The opportunity to install smart meters available for final customers is open in more and more member states in the EU. At the present time, 16 Member States offer contract to final customers on favouring daily, weekdays and weekends energy prices. In 8 Member States final customers can choose between real-time and hourly pricing program.²³

3.5. Right to switch

A customer wishing to switch suppliers or market participants is entitled to such a switch, and household customers and small enterprises should not be charged any switching-related fees. The process of switching must be end within a maximum of three weeks from the date of the request. Customers are encouraged to look for more attractive offer and switch to it in case of favouring. (Preliminary provisions Section (34)).

By no later than 2026, the technical process of switching supplier shall take no longer than 24 hours and shall be possible on any working day.

3.6. Comparison tools for information and contrasting competitive offers

Final customers should be directly and regularly informed about competitive offers available on the market, opportunities about saving, primarily about dynamic electricity price contract. On the other hand, final customers should be assisted to go for the market-based offers along with taking the advantage of the opportunities. (Preliminary provisions Section (23)).

Independent comparison tools – including websites – are efficient devices for small service users to assess the different offers available on the market. These tools are cost-effective because the service user should not collect pieces of information from each and every service provider. Also, these tools must unfold the widest range of all the offers, and they have to cover the market as much as it is possible for providing the most accurate pieces of information for the customers. (Preliminary provisions Section (35)).

Member States shall ensure that at least household customers and microenterprises have access, free of charge, to at least one tool comparing the offers of suppliers. Customers shall be informed of the availability of such tools in or together with their bills or by other means. (Article 14.)

The reliable comparison tools require quality standards which are provided by Council of European Energy Regulators (CEER).

The Directive introduced standards in order to reliable and efficient comparison tools e.g. (1) independent from market participants, (2) no discrimination between search results of energy service providers, (3) clearly disclose their owners, (4) disclose

²³ ACER Market Monitoring Report 2018, 7.

of information on how the tools are financed, (5) set out clear and objective criteria on which the comparison is to be based, (6) provide accurate and up-to-date information, (7) state the time of the last update.²⁴

There are reliable comparison tools available in 8 member states. In a few member states e.g. Bulgaria, Cyprus, Hungary, Malta there are no comparison tools, in other words, comparison tools for final customers and small enterprises are not provided neither by any state bodies nor private companies. Based on the Directive, in lack of privately owned entity entity, the authorities must set up and run the operation of the comparison tools.²⁵

3.7. Billing information

Electricity bills are important means of informing the final customers. The bills may contain toher pieces of information apart from the consumption and the costs. Bills and billing information are accurate, easy to understand, clear, concise with the most important data. It should be presented in a manner that facilitates comparison by final customers, regarding the prices, and in order to switch service provider.

Bills and billing information fulfil the minimum requirements set out in Annex I (Article 18).

Information for the final customer should be provided on the bill or attached to it. The bill may contain reference i.e. a website related, a mobile application or other device through which the information can be easily found by the final customer. (Preliminary provisions Section (48) and Article 18).

Annex I 'Minimum requirement for billing and billing information' declares the minimum information must be contained on the bill, the frequency of issuing the bills,²⁶ other methods of billing, breakdown of final customer's price,²⁷ access to complementary information on historical consumption, and disclosure of energy sources.²⁸

Billing and billing information should be provided free of charge. Final customer should have the opportunity of being provided electric billing and billing information.

²⁴ ACER Market Monitoring Report 2018, 34.

²⁵ ACER Market Monitoring Report 2018, 34.

²⁶ Point a) billing on the basis of actual consumption shall take place at least once a year; Point b) in case the final customer has no meter that has remote reading or it can not be reported remotely, than the detailed bill with the actual consumption should be provided to the final customer at least in every six month, respectively by customer application, or in case electric billing was chosen in every three month; Point c) requirement in point a) and point b) can also be complied with if the final customer reports the meter to the service provider; bill and billing information can only be based on estimated consumption or flat sum if the final customer did not report the meter for the period of billing related; Point d) if the final customer has the meter that has remote reading, billing and billing information should be provided monthly;

²⁷ Customer price include the following three elements: energy and service component, network component (transport and distribution), and component of taxes, fees, dues, charges.

²⁸ Service provider must disclose the proportion of each energy source within the purchased electricity along with the terms of the electricity contract on the bill (product level information).

3.8. Smart metering systems²⁹

The right to smart metering system is linked to consumer rights because it makes it possible to the final customer to pay his bills based on real-time and actual consumption. Smart meters provided information that can enable the final customer to support his decision about switching service provider.

Directive underlines that final customer should be provided smart meter if it is cost beneficial and economical. Introducing smart metering system is on the level of the Member States discretion.

In case of the introduction of the smart metering system is negative based on the cost-benefit analysis, Member States should review the assessment every 4 year or yet even more often, regarding the significant changes related to the analysis, and the technological and market-related developments.

Smart meters installed earlier, or those were installed before 4 July 2019 can remain in operation until their lifespan. However, those do not meet the Directive requirements can not remain in operation after 5 July 2031 (Article 19). Functionalities of smart metering systems are listed in Article 20. According to Article 21, if the introduction of the smart metering system is negative by the Member States, or the smart metering system is not launched systematically, Member States shall ensure that every final customer is entitled on request, while bearing the associated costs, to have installed or, where applicable, to have upgraded, under fair, reasonable and cost-effective conditions.

3.9. Conventional meters

Where final customers do not have smart meters, Member States shall ensure that final customers are provided with individual conventional meters that accurately measure their actual consumption. Member States shall ensure that final customers are able to easily read their conventional meters, either directly or indirectly through an online interface or through another appropriate interface. (Article 22).

3.10. Single points of contact

Member States shall ensure the provision of single points of contact, to provide customers with all necessary information concerning their rights, the applicable law and dispute settlement mechanisms available to them in the event of a dispute. Such single points of contact may be part of general consumer information points. (Article 25).

²⁹ Article 2 Section (23) Definitions: 'smart metering system' means an electronic system that is capable of measuring electricity fed into the grid or electricity consumed from the grid, providing more information than a conventional meter, and that is capable of transmitting and receiving data for information, monitoring and control purposes, using a form of electronic communication

3.11. Right to out-of-court dispute settlement

Member States shall ensure that final customers have access to simple, fair, transparent, independent, effective and efficient out-of-court mechanisms for the settlement of disputes. In case the final customer is a consumer, regulations of consumer protection should be applied. The participation of electricity undertakings in out-of-court dispute settlement mechanisms for household customers shall be mandatory unless the Member State demonstrates to the Commission that other mechanisms are equally effective. (Article 26).

3.12. Universal service and public service obligations

Member States shall ensure that all household customers, and, where Member States deem it to be appropriate, small enterprises, enjoy universal service, namely the right to be supplied with electricity of a specified quality within their territory at competitive, easily and clearly comparable, transparent and non-discriminatory prices. (Article 27).

Member States can impose, on the basis of general economic interest, public service obligations on electricity undertakings, regarding security, including the security of the service, safety of providing service, quality of service, prices, environmental protection, renewable energy sources and climate protection. (Article 9).

Public interventions in price setting for the supply of electricity should be carried out only as public service obligations and should be subject to specific conditions set out in this Directive (Preliminary provisions section (22) and Article 5).

3.13. Vulnerable customers

Member States shall take appropriate measures to protect customers and shall ensure, in particular, that there are adequate safeguards to protect vulnerable customers. In this context, each Member State shall define the concept of vulnerable customers which may refer to energy poverty and, inter alia, to the prohibition of disconnection of electricity to such customers in critical times. Member States shall ensure that high level of Consumer Protection measures are applied, particularly with respect to transparency regarding contractual terms and conditions, general information and dispute settlement mechanisms. (Article 28).

3.14. Energy poverty

Where Member States are affected by energy poverty and have not developed national action plans or other appropriate frameworks to tackle energy poverty, they should do so, with the aim of decreasing the number of energy poor customers. (Preliminary provisions Section (60)).

Member States shall ensure the protection of energy poor and vulnerable household customers by public interventions in the price setting for the supply of electricity. Such public interventions shall be subject to the Directive conditions (Article 5).

Definition of energy poverty has already been declared in 7 Member States e.g. Belgium, Cyprus, Spain, France, the UK, Ireland and Romania. In the majority of those above, a household is considered energy poor if more than 10% of the income is related to energy consumption. The reasons of energy poverty are complex. Among of the many, low income and high prices are the most relevant.³⁰

4. Hungarian Consumer Protection Regulations in the field of Electricity Services in the Light of EU Directives

4.1. Main features of electricity service

Electricity has a long way from producers to users. Electricity produced in power plants is sold by traders. The energy is transported over a high-voltage network to the various substations, where it is transformed according to the need of the users and then it is delivered to the users via distribution lines.

The system therefore includes producers, electricity traders, transmission network operators (transformation, switching transmission), authorized network operator as economic operators who distribute electricity, and users, including the so-called household customers.

While electricity can be purchased from any trader, i.e. traders can be freely chosen, the user can only enter into a contract with an authorized network operator in whose territory the place of use is located. For this reason, the charges of the use of network are regulated centrally in order to prevent abuse.

4.2. The concept of user and household customers

Instead of the concept of ‘consumer’³¹, Act LXXXVI of 2007 on Electric Energy (hereinafter referred to as EE Act) introduces the term ‘user’³² in accordance with Directive 2003/54 /EC.

The users have three categories: (a) large users (factories, plants, large companies) and medium-sized users (business customers, medium-sized companies) obliged to purchase electricity on the free market with a nominal connection power of more than 3×63 A; (b) low-voltage small users (small and micro enterprises) with a total connection capacity of not more than 3×63 A; (c) household consumers, in which the EE Act differentiates between the concepts of household consumers, vulnerable consumers, including the disabled consumers.

³⁰ ACER Market Monitoring Report 2018, 9.

³¹ The first Hungarian electricity law also called all users consumers. Robert Szuchy draws attention to the fact that the law contains provisions to protect users, especially those protected against unreasonably high prices and price discrimination. Szuchy, 2018, 79–87.

³² According to Point 17 of Section 3 of EE Act, user shall mean any person buying electricity for use at his own utilization point through a public utility system or a private line by means other than resale.

Household customers are customers purchasing electricity for their own household consumption, excluding gainful economic activities, under an agreement for receiving electricity, where household means any single service location, one or more residential building, residential suite, resort or weekend house, furthermore, garage space reserved for private use; where the number of independent residential units in a residential building exceeds the number of independent units used for non-residential purposes, the residential building, in its function as the customer having regard to common consumption, shall be recognized as customers purchasing electricity for their own household consumption, excluding gainful economic activities.

The EE Act also uses the expression of customers eligible for universal electricity services, see below.

4.3. Universal service/public service

Universal service means a unique form of sale within the framework of trade in electricity, that ensures the right to eligible customers to be supplied with electricity of a specified quality anywhere within the territory of Hungary at reasonable, easily and clearly comparable and transparent prices.

According Point h) of Section 2 of the Act CLV of 1997 on consumer protection (hereinafter referred to as: CP Act), the universal service qualifies as a public service.³³

Providers of universal services are subject to to contracting obligation, as regards universal services, toward eligible users upon receipt of notice from the user lodged in accordance with the procedure laid down in specific other legislation.³⁴

Users entitled for universal service are: (a) household customers and (b) users receiving low voltage electricity of not greater than 3*63 A of interconnected output level in total for all service locations shall be eligible to purchase electricity within the framework of universal services.

The contents of contracts for universal services and the provisions for their termination shall be decreed by the Government.

4.4. Price regulation

The end-user price of electricity consists of two parts: the the charge payable for the use of the electricity system and the competitive electricity fee, which varies from

³³ Point h) of Section 2 of the CP Act: public service shall mean any public utility service provided by a business entity that is made subject to the requirement of supply of goods or services under specific other legislation, such as water supply services, district heating services, collection, gathering, transport and disposal of municipal waste in solid and liquid form, electronic communications services, postal services, services provided to customers eligible for universal electricity services under contract for the purchase of electricity or under a network use agreement, and services provided to customers eligible for universal natural gas services under contract for the supply of natural gas or under a distribution system use agreement.

³⁴ Section 48 of the EE Act.

trader to trader, depending on the market conditions.³⁵ The end-user price of electricity also includes a VAT of 27%.

The charges payable for the use of the electricity system are set by a decree of the President of the Hungarian Energy and Public Utility Regulatory Authority (hereinafter referred to as Authority).³⁶

In accordance with the relevant EU provisions, the universal services shall be provided under mandatory, fair, clearly comparable and transparent pricing mechanisms by providing types of product packages specified in separate legislation.³⁷

The price for mandatory universal services provided by providers of universal services, and their special fees is decreed by the Minister.³⁸

4.5. Operation of a customer service office, complaint handling

The operation of the customer service office is mandatory for three service providers: (a) the network operator, (b) the universal service provider (public service provider),³⁹ and (c) an electricity trader who also supplies universal service users. The electricity trader is otherwise not obliged to operate a customer service centre.⁴⁰

All of them is required to operate a customer service centre that can be accessed personally, by telephone, or electronically.

The EE Act and the Government Decree No. 273/2007. (X.19.) on the Implementation of Certain Provisions of the Act on Electric Energy (hereinafter referred to as 'Implementing Decree') defines in which settlements and how many permanent customer service centre the authorized distribution network operator,⁴¹ the electricity suppliers serving customers eligible for universal services⁴² and the universal service providers are obliged to operate.

For the electricity suppliers serving customers eligible for universal services, the EE Act stipulates how the permanent customer service centre should be open and that users should be able to book their personal appointments in advance, both electronically and by telephone.

In connection with the universal service provider, the Implementing Decree stipulates that the permanent customer service offices must be open for at least 6 hours every day of the week. It also prescribes the use of the electronic customer call system, the possibility of credit card payment and the availability of a cash transfer order

³⁵ Subsection 1 of Section 140 of the EE Act.

³⁶ Subsection 2 of Section 140 of the EE Act.

³⁷ Subsection 1 of Section 145 of the EE Act.

³⁸ Subsection 3 of Section 145 of the EE Act.

³⁹ Under Subsection 1 of Section 17/B of the CP Act, companies engaged in the pursuit of public service activities and other companies defined in specific other legislation shall set up a customer service center for handling customer relations, investigating and handling complaints and for providing information to consumers at a location which is open for customers, unless otherwise provided for by law.

⁴⁰ Subsection 1 of Section 47 of the EE Act.

⁴¹ Point h) of Section 31 of the EE Act.

⁴² Subsection 4 of Section 47 of the EE Act.

(yellow check).⁴³ In addition to the permanent customer service centre, both the EE Act and the Implementing Decree determines in which case and where the so-called customer service branch office is required to operate, which is subject to less stringent rules, e.g. it does not have to be open every day, it has shorter opening hours, fewer customer service, and it does not have to have an electronic calling system etc.

The scope of activities that must be performed on permanent customer service centre, the detailed quality requirements for the performance of activities and the expected standard of service is established by the Authority within the framework of the business regulations.⁴⁴

For customer services operated by universal service providers providing public services, the provisions of the CP Act have to be applied in addition to the specific requirements of the EE Act. According to the special provision of the CP Act, the permanent customer service centre has to be open until 8 pm on one working day of the week and the customer service branch office until 6 pm on one working day.⁴⁵

The CP Act regulates in detail the procedure for handling an oral complaint reported by telephone.⁴⁶

According to the CP Act, the permanent customer service centre shall be obliged in all cases to set out in writing the position and action of the business on the complaint and send it to the consumer within fifteen days of the receipt of the complaint, unless the consumer communicates the complaint orally and the business fulfills it immediately.⁴⁷

The Implementing Decree lays down special rules for the handling of written complaints (submissions). Within 8 days of the receipt of the submission, the licensees (authorized network operator/energy trader) are obliged to clarify among themselves which of them is obliged to act in the given case. The user must be informed immediately in writing about this. During the handling of the submissions, the service provider must provide a substantive and written response to the user within 15 days. The 15-day response period may be extended with the aforementioned 8 days.⁴⁸

4.6. Employment of the Consumer Protection Officer (special provision of the CP Act)

According to the regulation of the CP Act, the universal service provider performing public service and the service providers qualifying as large enterprises are obliged to employ at least one consumer protection officer⁴⁹ in each county and in the capital where they have customer service centre.⁵⁰

⁴³ Subsection 1 of Section 23 of the Implementing Decree.

⁴⁴ Subsection 1 of Section 23/A of the Implementing Decree.

⁴⁵ Point b) of Subsection 4 of Section 17/B of the CP Act.

⁴⁶ Subsection 3 of Section 17/B of the CP Act.

⁴⁷ Subsection 5 of Section 17/B of the CP Act.

⁴⁸ Subsections 3-5 of Section 28 of the Implementing Decree.

⁴⁹ A person with a specific professional qualification determined by the CP Act.

⁵⁰ Subsections 1 and 4 of Section 17/D of the CP Act.

The task of the consumer protection officer is to monitor the activities of the company affecting consumers, to regularly organize consumer protection education and training for the employees of the company, which promotes the strengthening of the consumer protection approach and the deepening of the knowledge of consumer protection rules. The consumer protection officer liaises with the consumer protection authority, the Conciliation Bodies and other state bodies performing consumer protection tasks.⁵¹

4.7. Consumer protection overhead point (special provision of the CP Act)

There is a consumer protection overhead point within the organization of the consumer protection authority. Its aim is to inform consumers about the relevant legal provisions, the official procedures that can be initiated by consumers, and the means of redress possibilities in the field of public service of electricity.⁵²

4.8. Out-of-court dispute resolution / Access to the Conciliation Body

According to the regulation of the CP Act, the consumer may turn to a Conciliation Body if he does not agree with handling of his complaint by the service provider. The Conciliation Body is responsible for resolving the consumer disputes out of court. The Conciliation Body endeavors to reach an agreement between the parties aiming to resolving the consumer dispute, failing which it shall decide on the matter in order to ensure a simple, rapid, efficient and cost-effective enforcement of consumer rights. The Conciliation Body is a professionally independent body operated by the county (capital) chambers of commerce and industry.⁵³

Irrespective of the proceedings before the Conciliation Body, the consumer may lodge a complaint to a court as well.

4.9. Disconnection from the electricity service

Electricity suppliers is authorized to request the authorized distributor affected to disconnect household customers from the electricity service for reasons of late payment if the requirements of the EE Acts are met (the household customer is at least sixty days behind in the payment of charges). The electricity supplier has to notify the household customer in writing concerning the debt and on the consequences of disconnecting service on at least two occasions. The first notice to the household customer can be sent by post or – subject to the household customer’s prior consent – by way of electronic means. In the first notice, the household customer has to be informed about the available allowances afforded to customers with special social needs. The second notice can be sent by registered post with advice of delivery, or by other means with facilities to verify receipt by the household customer.⁵⁴

⁵¹ Subsection 2 of Section 17/D of the CP Act.

⁵² Subsections 1-2 of Section 37/B of the CP Act.

⁵³ Subsections 1-2 of Section 18 of the CP Act.

⁵⁴ Subsections 7-7a of Section 47 of the EE Act.

If the payment obligation does not, or not exclusively originate from non-payment of invoiced charges, the possibility of disconnection from the electricity service is subject to further requirements by the EE Act.

The EE Act stipulates that a household customer may not be disconnected from service on non-working days; on legal holidays etc.⁵⁵

If the household customer who has been disconnected from electricity service has settled all his debts to the electricity supplier, and pays the special fee charged for services provided for in the Decree of Minister, the electricity supplier shall take measures within twenty-four hours to have service to the given household customer reinstated. The authorized distributors shall restore the service within twenty-four hours.⁵⁶ If this obligation is violated, a penalty defined by the Implementing Decree has to be paid.⁵⁷

Under the regulation of the Implementing Decree, the duration of the disconnection from the electricity service is a maximum of 30 days. If the debt of the consumer is not settled within this period, the electricity trader shall terminate the contract with immediate effect on the 30th day. The notice of suspension shall draw the attention of the user to the immediate termination and its deadline.⁵⁸

In accordance with the conditions specified in a separate legal act, the authorized network operator can refuse the access to the network under the strict conditions of the EE Act and the Implementing Decree and under the rules governing the procedure of the energy trader. In case of household consumers, it can happen in case of receiving electricity by means other than contracted or if consumer was in late payment.⁵⁹

4.10. Reading of metering equipment, the consumption accounting, and the frequency of payment

The settlement between the trader and the user is based on the reading of the metering equipment.⁶⁰

The authorized network operator shall subsequently read the metering equipment of the users entitled to universal service on the service location or under agreement with the customer, by means of an application capable of photographing the meter reading and transmitting it to the authorized distributor. If reading by means of the application fails, the authorized distributor shall provide for the reading of the metering equipment at the service location.⁶¹

⁵⁵ Subsection 8 of Section 47 of the EE Act.

⁵⁶ Subsections 9-10 of Section 47 of the EE Act.

⁵⁷ Section 22/C of the Implementing Decree.

⁵⁸ Subsection 10 of Section 24 of the Implementing Decree.

⁵⁹ Point g) of Subsection 2 of Section 36 of the EE Act.

⁶⁰ Point 43a of Section 3 of the EE Act: reading shall mean the reading of metering data from the metering equipment by the authorized network operator at the service location, or when metering data is retrieved remotely by the authorized network operator from a metering equipment fitted with such facilities, and when metering data from the metering equipment is recorded by means of an application provided to customers.

⁶¹ Subsections 1 and 4c of Section 40 of the EE Act.

Other users not entitled to universal service have remotely readable metering equipment and use electricity on a quarterly hourly basis (so-called time series metering) in addition to daily billing. Users entitled to universal service are divided into so-called profiles based on their consumption habits (estimated annual consumption) and the monthly accounting and billing of their consumption is based on this profile, until the meter equipment is read.⁶² The authorized network operator is obliged to carry out the classification in an objective manner, in accordance with the provisions of the Distribution Regulations and the Standard Service Agreement.⁶³ With a user with profile-based accounting, the difference between the measured consumption for the given period and the consumption estimated in advance on the basis of the profile for the same period shall be accounted for at least once a year as specified in the business rules and contracts.⁶⁴

The reading of metering equipment shall be carried out – in the case of profile-based billing arrangements – at least once a year. At the request of the user entitled to universal service, the authorized network operator shall provide the reading of the metering equipment on a quarterly basis in the case of profile-based billing.⁶⁵

The authorized network operators are obliged to make the read measurement data available to the affected user without a separate fee, in accordance with the provisions of the Data Protection Act. Users shall have the right to request information from the provider of universal services or the electricity trader supplying them concerning their consumption data. The EE Act precisely defines the procedure of reading of the metering equipment by the authorized network operator, the obligation to inform about it in advance and the procedure which has to be followed in case of the failure of the reading.⁶⁶ If the user does not provide the reading of the metering equipment, the authorized network operator shall not be liable for the omission of the reading.⁶⁷

4.11. The consumption data, the billing

The authorized network operator forward the metering data – including the opening and closing reading of the metering equipment – for the purposes of billing of electricity consumption to the electricity supplier.⁶⁸ Electricity suppliers shall bill for the quantity of electricity consumed for the period specified in the contract based on the reading of the authorized network operator's certified metering equipment at the intervals. The user shall be informed of the opening and closing reading stored in the metering equipment relating to the given billing period.⁶⁹

⁶² See in details: Grabner & Petroczy 2020.

⁶³ Subsection 1 of Section 28 of the Implementing Decree.

⁶⁴ Section 20 of the Implementing Decree.

⁶⁵ Subsections 4-4a of Section 40 of the EE Act.

⁶⁶ Subsection 4b of Section 40 of the EE Act and Subsection 1 of Section 20/A of the Implementing Decree.

⁶⁷ Subsection 2 of Section 20/A of the Implementing Decree.

⁶⁸ Subsection 1 of Section 43 of the EE Act.

⁶⁹ Section 44 of the EE Act.

The authorized network operator has to make out a detailed invoice for users, showing network access fees separately. The electricity supplier issues a separate bill for the electricity used. It is also possible for the electricity supplier to issue an invoice that includes the charge payable for the use of the electricity system and the electricity fee.

For a user with profile-based billing, the electricity supplier issues 11 monthly (partial) invoices and 1 accounting invoice. Monthly invoices contain the 1/12 part of the estimated consumption of the user for a given year. The difference between the annual fee for the actual consumption and the fees already invoiced on the monthly invoices is recorded on the accounting invoice.

Otherwise, the billing can only be based on the estimated consumption or indicate a lump sum if the user has not reported the data of the metering equipment for the given billing period, if its reading has failed, or if the household consumer does not have a metering equipment.⁷⁰

Invoices are issued on paper, but the user can request an electronic invoice free of charge.⁷¹

The elements of the invoice are determined by the EE Act. The appearance and the non-obligatory content of the invoice may vary by service provider.

However, for universal service providers, a separate law determines how the information specified by the EE Act has to be displayed on the invoice,⁷² ensuring a uniform, comprehensible and transparent invoice image. Only the most important and basic data can be displayed on the first page of the invoice. The service provider must display enumerated accounting and other account-related information on additional pages. Consumers were able to encounter the new invoice image from January 2014 for the first time.

4.12. Installation of metering equipment and smart meter

According to the regulation of the Implementing Decree, if a building is undergoing a major renovation and the user does not have a metering equipment, the authorized network operator is obliged to ensure the installation of a metering equipment after the renovation.⁷³

The EE Act prescribes that the when setting up a new connection at a new service location, the authorized network operator shall install a smart meter at the given service location in the cases specified in the Implementing Decree.⁷⁴

According to the regulation of the Implementing Decree, the authorized network operator is not obliged to install a smart meter at its own expense, e.g. for a user with profile-based accounting. The consumer can request the equipment of the smart meter, but he/she must bear the cost.⁷⁵

⁷⁰ Subsection 4 of Section 21/A of the Implementing Decree.

⁷¹ Section 21/B of the Implementing Decree.

⁷² Act CLXXXVIII of 2013 on the unified public service account image.

⁷³ Subsection 9 of Section 14 of the Implementing Decree.

⁷⁴ Subsection 1 of Section 45 of the EE Act.

⁷⁵ Subsection 3 of Section 16 of the Implementing Decree.

In accordance with the EU regulations,⁷⁶ the Implementing Decree stipulates that the Government, if the necessary conditions are met, decides on the introduction of smart meters on the basis of a proposal from the Authority. The proposal shall consider its cost-effectiveness, the state of the art in the technical solutions available and the international experience. The Authority shall examine annually the possibility of introducing smart meters in general.⁷⁷

In Hungary, a pilot program was launched in 2011 with the involvement of 6 electricity authorized network operator and the Authority in order to examine the introduction of smart meters, from the point of view of technical, economic, consumer energy saving etc. aspects.

In a unique way in Europe as well, it was examined in the framework of a representative survey with nationwide coverage which consumer groups can realize what energy efficiency improvements and how actively they use the new technology. Within the framework of the project, about 20.000 smart meters have been installed in the country among consumers selected on the basis of consumption and statistical data.⁷⁸

The project pointed out to several problems. The Hungarian manufacturers could not produce smart meters that fully comply with EU regulations in the required quantity. The two-way communication (between the meter and the service provider) was problematic, which resulted in an IT-vulnerable situation. Furthermore, the electricity consumption of the consumers indicated the consumer habits (which are sensitive data, therefore it caused data protection problems⁷⁹), and the equipment for smart meters and the technological background for their operation is expensive.

Due to the high costs, it is worth introducing them widely if it also results in significant savings at the national level, e.g. if the energy saved does not have to be obtained from imports.

In Hungary, the average household electricity consumption is around 3000 kWh per year. (According to the experience in Germany, the introduction of smart metering is economically efficient above 8000 kWh/year, the average consumption of the EU-27 is 4000 kWh/year, in Sweden 9000 kWh/month.) Considering the Hungarian average consumption level, it is not economical to install smart meters. In addition, energy prices offered by universal service providers in Hungary are low due to official price regulation. Consumer behavior did not change significantly either, no attempt was made e.g. to avoid consumption during peak hours. Smart meters would also require smart and energy-efficient household appliances, the presence of which is not yet decisive in Hungarian households.⁸⁰

⁷⁶ See in details: Fodor, 2016, 217–239.

⁷⁷ Section 14/A of the Implementing Decree.

⁷⁸ Mayer, 2012, 4-5.

⁷⁹ See: Szuchy, 2019, 174-175.

⁸⁰ Magyar Elektrotechnikai Egyesület 2020.

4.13. Dynamic/flexible pricing

From the 1st January 2020, the EE Act stipulates that the electricity supplier shall provide at least one, more flexible pricing with multiple zone times for the customer.⁸¹ Accordingly, service providers also offer several types of pricing to consumers, e.g. single-zone, two-zone (day and cheaper night), etc.

4.14. Switching Between Suppliers

The users can freely switch between electricity suppliers. Where a user wishes to switch to another electricity supplier, it shall be carried out by the authorized operators affected free of charge, and the electricity supplier and authorized network operator affected shall not charge any fee to the user.⁸²

Users eligible for universal services may terminate contracts concluded for unfixed terms for the purchase of electricity with a thirty-day notice in writing. Any contract clause with the capacity to restrict or prevent the right of users eligible for universal services to terminate their contract in terms of the notice period shall be null and void.⁸³

Where the contract of a user for the purchase of electricity is withdrawn on account of changing suppliers, this shall have no bearing on the network use agreement.⁸⁴

The obligations of the former electricity suppliers related to the change of supplier are set out in the EE Act and the Implementing Decree in detail, e.g. the accounting obligation and its deadline, which is in line with the requirements of the Directive.

4.15. Information

Authorized operators shall make available the most current and codified version of their standard service agreements – approved by the Authority – to the users at their customer service centers or on their official websites.⁸⁵

Users shall have the right to request information from the provider of universal services or the electricity trader supplying them concerning their consumption data.⁸⁶

Users shall be informed concerning the composition of energy sources used for the production of electricity supplied during the previous calendar year, and on the environmental impact of these energy sources.⁸⁷

⁸¹ Subsection 2 of Section 45 of the EE Act.

⁸² Subsection 1 of Section 47/B of the EE Act.

⁸³ Subsection 4 of Section 62 of the EE Act.

⁸⁴ Subsection 2 of Section 47/B of the EE Act.

⁸⁵ Subsection 1 of Section 56/A of the EE Act.

⁸⁶ Subsection 2 of Section 56/A of the EE Act.

⁸⁷ Subsection 3 of Section 56/A of the EE Act.

We would like to note that 60% of domestic electricity generation comes from GHG-neutral sources, as the 10% of renewable sources is supplemented by the 50% of nuclear energy. National Energy Strategy 2030, with a view to 2040.

The Authority shall provide nonstop information to users on its official website as to how to use electricity efficiently and effectively, and on the benefits and advantages of using energy saving devices.

The consumer protection authority⁸⁸ shall update the energy consumer checklist established by the European Commission, providing information on users' rights as deemed necessary, in collaboration with the Authority. The consumer protection authority shall send a copy of the energy consumer checklist to electricity suppliers, and they are required to post it on their website and in their customer service center.⁸⁹

Under the provisions of the Implementing Decree, for universal service customers, the service provider shall publish an information calculator on its website to calculate the annual costs to be paid.⁹⁰

In case of a breach of the obligation to provide information, household consumers shall turn to the authority⁹¹ defined in Act XLVII of 2008 on the Prohibition of Unfair Commercial Practices against Consumers (hereinafter referred to as: PUCPC Act). In the proceedings, the household has to be treated as consumer according to the PUCPC Act even if he/she is not a natural person.⁹²

The contracts for the purchase of electricity of users eligible for universal services with electricity suppliers shall contain the information defined in the EE Act.⁹³

Electricity traders shall publish any proposed amendments in the terms and conditions of the contracts for the purchase of electricity prescribed in the standard service agreement, that may be amended unilaterally, at least thirty days in advance of such changes going into effect in customer service offices and on their website.⁹⁴

The service provider has to notify the users about the changes in prices,⁹⁵ the essential developments pertaining to the contract⁹⁶ and right of cancellation in connection with it according to the provisions of the EE Act (through its website and customer service, personally and individually at the time of issuing the new invoice containing the new prices at the latest).⁹⁷

⁸⁸ According to Point c) of Subsection 1 of Section 3 of Government Decree No. 387/2016 (XII.2.) on the designation of the consumer protection authority, the ministry (Ministry of Innovation and Technology) acts as consumer protection authority.

⁸⁹ Subsection 5 of Section 56/A of the EE Act.

⁹⁰ Section 27/A of the Implementing Decree.

⁹¹ According to Subsection 1 of Section 10 of the PUCPC Act, the consumer protection authority shall have jurisdiction in connection with any infringement of the provisions relating to the prohibition of unfair commercial practices. According to Subsection 3, the Hungarian Competition Authority shall have jurisdiction in connection with any infringement of the provisions relating to the prohibition of unfair commercial practices if the commercial practices in question exert material influence upon competition.

⁹² Subsection 1 of Section 57 of the EE Act.

⁹³ Subsection 1 of Section 62 of the EE Act.

⁹⁴ Subsection 2 of Section 62 and Subsection 4 of Section 73 of the EE Act.

⁹⁵ Subsection 3 of Section 62 of the EE Act.

⁹⁶ Subsection 7 of Section 62 of the EE Act.

⁹⁷ Subsection 7 of Section 145 of the EE Act.

Subsection 9 of Section 17/B of the CP Act imposes an additional information obligation on public service operators.

4.16. The consumer complaint

In connection with any infringement of the provisions set out by law and in the standard service agreement of authorized operators pertaining to household customers relating to quantities charged for, billing, payment of bills and metering, and for the suspension of service or disconnecting customers from the electricity service for reasons of late payment, and to reconnecting a household customer following payment of outstanding debts, the consumer protection authority⁹⁸ shall have jurisdiction. Any person recognized as a household customer under the EE Act shall be treated as a consumer, also if other than natural persons.⁹⁹

In its proceedings the consumer protection authority may also apply – in addition to the sanctions prescribed by the CP Act – other legal consequences defined in the EE Act, e.g. ordering the authorized operator to abide by the standard service agreement, ordering the performance of refund etc.¹⁰⁰

Prior to the procedure of the consumer protection authority, the consumer is obliged to contact the licensee with a complaint in a verifiable manner.¹⁰¹

4.17. Requirements for contracts and business rules

Both the network use agreement and the contract for the purchase of electricity has to be concluded in writing.¹⁰²

In the field of defective performance, the EE Act contains a stricter regulation than the Civil Code, in connection with warranty claims, on the other hand, the burden of proof lies with the authorized network operator to show that he has taken all measures within reason with a view to providing consumers with a secure and reliable supply of electricity of a specified quality.¹⁰³

In the major clauses of the network use agreement authorized network operators may not install terms which are discriminatory as to the authorized electricity trader from whom the user intends to purchase electricity.¹⁰⁴

The minimum content of contracts to be concluded with users entitled to universal service is determined by the EE Act.

⁹⁸ According to Point h) of Subsection 4 of Section 3 of Government Decree No. 387/2016 (XII.2.) on the designation of the consumer protection authority, the government office acts as consumer protection authority.

⁹⁹ Subsection 1 of Section 57 of the EE Act.

¹⁰⁰ Subsection 4 of Section 57 of the EE Act.

¹⁰¹ Subsection 7 of Section 57 of the EE Act.

¹⁰² Subsection 1 of Section 58 and Subsection 1 of Section 61 of the EE Act.

¹⁰³ Subsection 2 of Section 58 of the EE Act.

¹⁰⁴ Subsection 1 of Section 60 of the EE Act.

If the terms and conditions fixed in the standard service agreement may permit the unilateral amendment contract¹⁰⁵, the agreement can be unilaterally amended only in the cases defined in the EE Act and subject to the prior consent of the Authority. In this case, the end users affected must be notified at least thirty days before the changes are set to take place, including information as to the end users' right to cancel the contract.¹⁰⁶ End users are entitled to terminate the contract within thirty days following receipt of the notification of the amendments.¹⁰⁷

The authorized distribution network operators and electricity suppliers shall adopt their standard service agreement and to publish it in their websites.¹⁰⁸

The EE Act defines the minimum requirements relating to the content of the standard service agreement. The standard service agreements drawn up – upon consultation with the consumer protection authority¹⁰⁹ – by authorized operators supplying household customers, shall be subject to approval by the Office.¹¹⁰

4.18. Special provisions for vulnerable consumers

Vulnerable customers are those household customers who require special attention due to their social disposition defined in legal regulation, or some other particular reason, in terms of supplying them with electricity.

Vulnerable customers are afforded protection under specific other legislation if, by definition, they are defined as indigent persons¹¹¹ or people with disabilities,¹¹² in the form of allowances by electricity traders and authorized distribution network operators defined by the EE Act and the Implementing Decree.^{113,114}

Allowances under the EE Act are, e.g. (a) restriction of termination;¹¹⁵ (b) payment facilities or deferred payment; (c) prepayment metering device.¹¹⁶

¹⁰⁵ Subsection 1 of Section 73 of the EE Act.

¹⁰⁶ Subsections 2 and 4 of Section 73 of the EE Act.

¹⁰⁷ Subsection 5 of Section 73 of the EE Act.

¹⁰⁸ Subsection 1 of Section 72 of the EE Act.

¹⁰⁹ According to Point c) of Subsection 1 of Section 3 of Government Decree No. 387/2016 (XII.2.) on the designation of the consumer protection authority, the ministry (Ministry of Innovation and Technology) acts as consumer protection authority.

¹¹⁰ Subsection 3 of Section 72 of the EE Act.

¹¹¹ Indigent users shall, in particular, have access to the following benefits: (a) payment facilities or deferred payment; (b) prepayment metering device.

The definition of indigent users, the procedure to verify eligibility for treatment as vulnerable customers, and the conditions for payment facilities, deferred payment, for obtaining a prepayment metering device, the requirement for offering the installation of a prepayment metering device, and for eligibility for other benefits shall be decreed by the Government.

¹¹² Disabled consumer shall mean any person who – under the act on the rights and equal opportunity of disabled persons – is provided with aid that is due to the mentally impaired or with a personal annuity that is due to the blind and the visually impaired, and any person whose life or health is directly jeopardized if disconnected from the electricity supply system, including any disruption in service.

¹¹³ Sections 30-37 of the Implementing Decree.

¹¹⁴ Section 64 of the EE Act.

¹¹⁵ Point b) of Subsection 3 of Section 59 of the EE Act.

Customers with disabilities shall be offered certain privileges in connection with metering, reading and billing procedures, and payment terms, as consistent with their respective needs. Customers with disabilities whose life or health is directly jeopardized if disconnected from the electricity supply system, including any disruption in service, may not be disconnected in the case of late payment or non-payment of charges.¹¹⁷

The body authorizing the services provided to vulnerable customers shall issue a certificate at the request of the vulnerable customer to verify that the applicant receives protection afforded to vulnerable customers. Admission to the aforementioned register shall be requested by the users.¹¹⁸

5. Summary

In Hungary, several legal regulations contain consumer protection provisions concerning the supply of electricity.

Reviewing the EU consumer protection provisions and the Hungarian regulation, it can be stated that the Hungarian regulation complies with the EU requirements. Some Hungarian provisions are even stricter than the EU rules, e.g. regulations related to general terms and conditions (business regulations), information obligation towards consumers, amendment of contracts.

Currently the Hungarian regulation does not contain a provision for the so-called production of a comparison tool which helps to recognize and compare competitive market offers. In the Hungarian electricity market, consumers have the best possibilities with the universal service due to the price regulation. The websites of the service providers provide information and comparisons about their own prices.

Although the EE Act has introduced the concept of a smart meter and it also requires its installation in certain cases, its widespread introduction is currently failing because it is not economical.

¹¹⁶ Subsection 2 of Section 64 of the EE Act.

¹¹⁷ Subsection 4 of Section 64 of the EE Act.

¹¹⁸ Subsections 2 and 4 of Section 65 of the EE Act.

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