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## RAE decision on electricity supplier advertising practice

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On 9 September 2021, the Regulatory Authority for Energy (RAE) issued decision No. 675/2021, which rejected an electricity supplier's application for the revision of and amendments to RAE letter No. O-87645/14 May 2021. The letter in question was addressed to all electricity suppliers in Greece and concerned certain advertising practices. The electricity supplier claimed that such regulation of advertising practices by RAE jeopardised suppliers' advertising liberties.

RAE, as the authority in charge of monitoring the retail electricity market and protecting consumers, had noticed that certain advertising messages may be confusing and misleading, particularly those messages that:

- use the word "discount", without further specifying the basis for the calculation of such discount;
- use the word "energy savings", without explaining the benefits of the product for the consumer; and
- compare the prices of one electricity provider with those of a competitor, where such prices may not be compared (eg, where the basic tariff of a competitor is compared with tariffs that include discounts offered only over a certain period of time), or where the message fails to mention some additional variable charges (eg, price adjustment clauses).

On 14 May 2021, the RAE sent a letter to all electricity providers (the aforementioned RAE letter No. O-87645) to regulate this issue. In particular, it introduced a new provision on comparative advertising to its previous decision (No. O-81677/03.04.2020). The new provision instructs suppliers to comply with the following:

- When comparing prices with energy products of another supplier, the advertising message should present the other product accurately and take into consideration all its elements.
- With regard to a supplier's own product, the advertising message should specify that the benefit refers only to supply charges, not regulated charges (which are the same for all suppliers) and should disclose the total benefit for the consumer.
- Important charges that are systematically imposed or may be imposed under certain circumstances (eg, price adjustment clauses) should be visibly disclosed in advertising messages and any communication with consumers, particularly when amending an agreement or during the preliminary period.
- Any mention of "free" service or reduced charges should specify the time period of the validity of such offer. When replacing certain charges, the new charges should be clearly specified.

The aforementioned RAE decision, which provided reasons as to why the energy supplier's application for the RAE letter to be revised was being rejected, particularly stressed:

- the RAE's role in the electricity market and its respective authority;
- that its reaction (ie, the issuance of the letter) had been provoked by numerous consumer complaints;
- that the aim of regulating certain advertising behaviour is to avoid misleading advertising; and
- that advertising liberty has to be limited for the benefit of consumers and has been limited in other fields of economic activity.

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