



Customer Ombudsman
Annual Report
2018





I am pleased to present the Annual Report of the activities carried out in 2018, a year marked by many changes in the organizational model of EDP, customer preferences and digital paradigm in Portugal.

EDP's Customer Ombudsman continues to be the most highlighted example of digital economy excellence, as can be seen from the comparisons made amongst European Customers Ombudsmans. It is the only one which is 100% digital, allowing us to present response times of less than 11 days while the European average is around 2 months and the ratio of required resources per appraised complaint is less than 1/5 of that of its European counterparts.

Full webization and artificial intelligence are shaping new projects and investigation, which are expected to contribute to a continued improvement of the management model for complaints and services.

I am grateful for the collaboration I have always received from the EDP Group and, in particular, from all customers who have sought assistance from the Customer Ombudsman, for their objective and constructive attitude which has greatly contributed to overcoming difficulties and regaining their trust.

The reorganization of the EDP Group in 2018 allowed, for the first time, to subdivide the activity of the Customer Ombudsman in the three main categories: Distribution (EDP Distribuição), Free Market (EDP Comercial) and Regulated Market (EDP Serviço Universal and EDP Gás Serviço Universal). Consequently, this report is already in line with this new structure.

Luís Valadares Tavares, EDP Customer Ombudsman

A handwritten signature in black ink that reads "Luís Valadares Tavares". The signature is written in a cursive style.

Lisbon, March 29, 2019

ACTIVITIES REPORT

This report summarizes the Customer Ombudsman's activity between January and December 2018. It ensures compliance with the duty to provide information established by Art. 22 of the Customer Ombudsman Regulation.

In 2018, the Internet (electronic form on the Ombudsman's website) was the most used channel by complainants' to interact with the Customer Ombudsman. It also continued to be universally accepted by users who contacted the Customer Ombudsman, since they made no request to use any other communication channel. This conclusion is certainly relevant in the context of EDP's complaints management systems.

We highlight the following statistical data for the period under review:

1. CLAIMS INFLOW

- **1,265 claims** were filed with the Customer Ombudsman, which corresponds to an average of **3.5 claims per day**. This translates into a 19% decrease compared to 2017.
- The majority of the claims (59,5%) were from the Liberalized Market suppliers, followed by EDP Distribuição (33,4%) and 7,1% were from Regulated Market suppliers.
- **Most of the claims filed (68.9%) were concerned with electricity**, while 2.9% were related to Gas, 15.3% to dual customers and 12.8% to Others, which are mainly related to services. These results represent an increase in the claims regarding Others compared with 2017 (7.6%).
- The overwhelming majority (**87%**) of the claims on matters of a commercial nature were filed by **customers of EDP Comercial**, whereas 10.7% of claims were made by EDP Serviço Universal customers. This is a slight decrease from the 2017 percentages for EDP Comercial (89.4%). There were also claims from EDP Gás Serviço Universal (0.2%) and related to other energy suppliers (1.4%).
- **921 of the 1,265 claims corresponded to unique claims (87%)**, the remaining 344 claims were submitted by "repeat" complainants, which corresponds to a maintenance of the percentage of unique claims verified in 2017.
- Of the total number of claims already answered, **387 (31%)** had no record of any complaint registered by EDP's internal services, although in some cases the customer considered that they had done so, in particular by telephone.
- 21.3% of the 1,265 claims were filed by consumers residing in service quality zone A, 32.6% of the claims were from consumers of service quality zone B and **45.7% from service quality zone C**. This represents a decrease in claims from zone A (27.3%) and an increase of the complains from both zone B (31.6%) and C (41.1%).
- The vast majority of the claims received were from **private customers (90%)**. The percentage of claims from corporate customers and entities had a small increase from 9% in 2017 to 10% in 2018.
- 57% of the claims were made due to information deficit or delayed response by EDP and only 43% due to disputes regarding rights and duties. This means that the majority of the claims are currently generated by EDP's actions.
- The number of customers interacting with the specific ombudsman website through the IP sub-number has been increasing since 2010 and now totals **around 180 000 users**. This increase in number of users confirms the vast penetration of this online communication and interaction tool among the EDP group customer base. In other words, the Customer Ombudsman's "ecosystem" **will cover more than 200 000 customers in 2020**.

2. SITE VISITS:

- Page views totaled 103,674, corresponding to an average of 4.8 page views per visit. The number of page views in 2017 were 120,604.
- 17,826 are unique visitors, equivalent to an average 49 unique visitors per day, resulting in a slight decrease compared to 2017 (19,201).
- The majority of the unique visitors (90%) were from Portugal. The other countries with most visitors were the USA, United Kingdom, France, Spain and Brazil.

3. TAXONOMY OF CLAIMS

The Taxonomy designed in 2009 for claims filed with the Ombudsman continued to be used in 2018, although with some minor adjustments made at the end of 2010 due to the weighting of that taxonomy to the claims filed in the meantime.

A. CONTRACTS



- A1. Pre-contractual information
- A2. Data updates
- A3. Other amendments

B. SUPPLY



- B1. Installation / connection or reconnection
- B2. Outages
- B3. Voltage/load
- B4. Disconnection
- B5. Losses associated with the supply of energy

C. METER READING/BILLING/PAYMENTS



- C1. Reading/operation of meter
- C2. Bill components
- C3. Estimations
- C4. Billing periods
- C5. Sending/receiving bills
- C6. Payments
- C7. Payment plans

D. WORKS AND OTHER INTERVENTIONS



- D1. Disrespect of third-party property (crossings, etc.)
- D2. Property losses (trees that fell, etc.)
- D3. Works in public areas

E. NETWORKS AND STREET LIGHTING



- E1. Lighting
- E2. Defects/faults not repaired in a timely manner
- E3. Planning/safety
- E4. Environment

F. CUSTOMER SERVICE



- F1. Contradictions and delays in clarifications and responses
- F2. No response
- F3. Behavior/conduct
- F4. Absence of intervention (or inadequate intervention) on the expected date/time
- F5. Special offer campaigns

G. OTHERS

Of the 1 571 claims filed with the Ombudsman, all the classes registered claims, except Class G ("Others"). This result confirms that the taxonomy model developed meets the classification needs of the different claims and is being correctly used since the complainants do not feel the need to resort to Class G ("Others")

4. OMBUDSMAN'S RESPONSE TO CLAIMS

The Ombudsman's average response time was around 10,5 working days, that is 1,4 working days more than the average response time recorded in 2017 (9,1 days). This increase occurred essentially between May and August and is justified by the reorganization of the Customer and Marketing Department, responsible for supporting the Customer Ombudsman until this period. As it is evident these difficulties have already been exceeded and taking into account the average time of the last months of 2018 everything indicates that in 2019 the average time will be lower than 9 days.

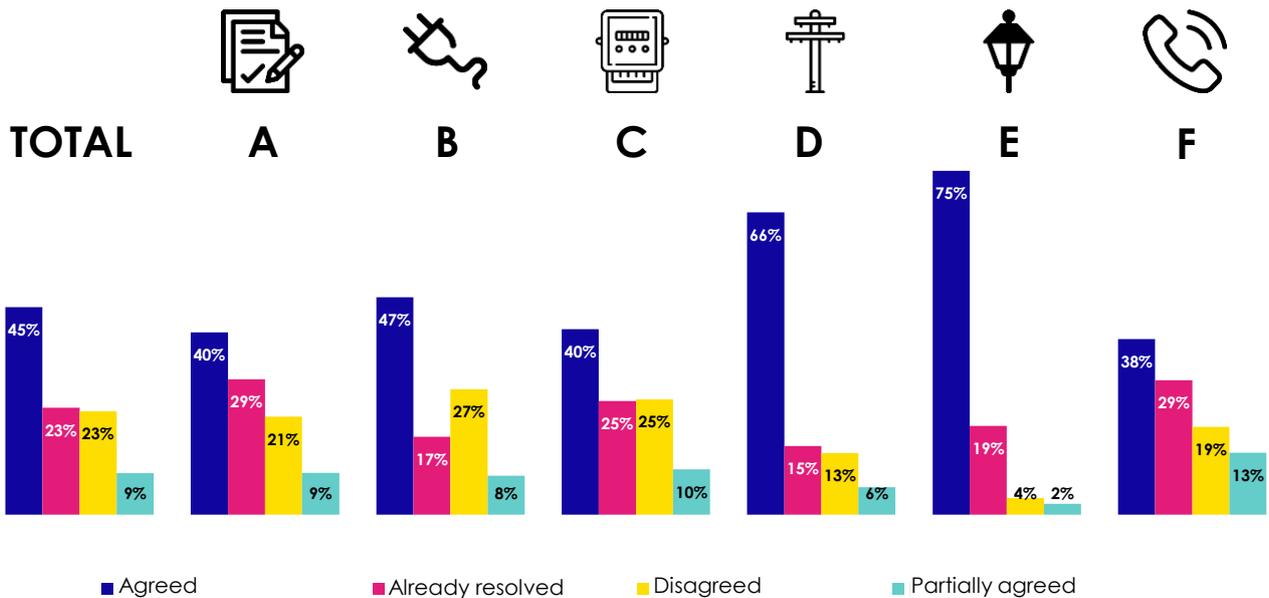
5. OPINIONS OF THE OMBUDSMAN

The Ombudsman's opinions on the 1,265 claims filed were distributed as follows:

-  In **45% of the total claims**, the **decision agreed** with the customer's intentions.
-  In **23% of the total claims**, the **issue was already resolved** at the time of the Ombudsman's decision.
-  In **23% of the total claims**, the **decision disagreed** with the customer's intentions.
-  In **9% of the total claims**, the **decision partially agreed** with the customer's intentions.

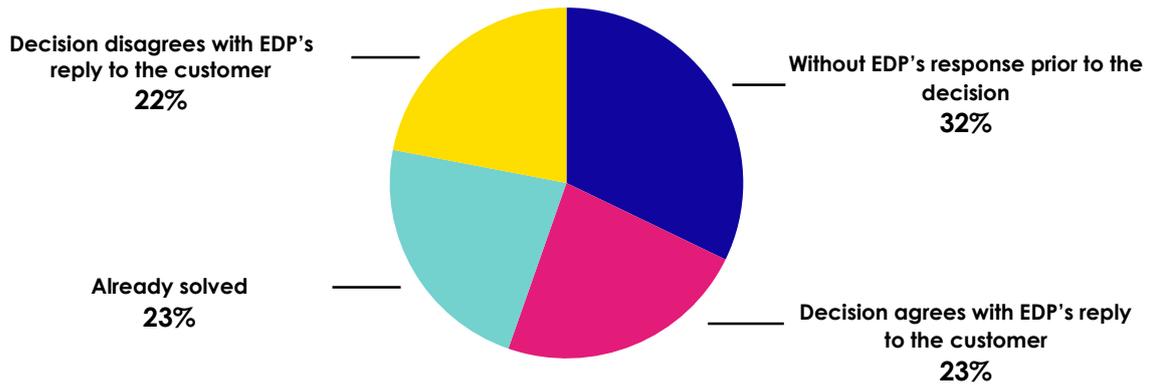
The predominant decision of the Ombudsman was in agreement with that claimed in all classes: A ("Contracts"), B ("Supply"), C ("Meter Reading/Billing/Payments"), D ("Works and other Interventions"), E ("Networks e Street Lighting") and F ("Customer Service").

OPINIONS OF THE OMBUDSMAN BY TAXONOMY



6. ALIGNMENT BETWEEN THE OMBUDSMAN'S OPINIONS AND EDP'S RESPONSES TO THE CLIENT

EDP RESPONSE VS OMBUDSMAND OPINION



- **32% of the claims** submitted to the Ombudsman **were analyzed without having any previous response** from EDP to the Customer, which is significantly higher than in 2017 (18%).
- In **23% of the claims** the Ombudsman's **opinion was fully in line with EDP's most recent response** prior to the decision, which represents an increase from 2017 (24%).
- In **23% of the cases filed with the Ombudsman**, the problem presented by the **complainant had already been solved** by the time of the decision, which corresponds to the same values of 2017 (34%).
- In **22% of claims**, the Ombudsman's **opinion totally disagreed with EDP's previous response** to the customer, which is a increase from 2017 (27%).

7. LITIGATION

From the 1.265 claims, there are no cases known where the litigation has advanced to the courts.

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