

Law Talk

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Energy Re-Billers: The High Cost of Signing Up for Energy at Your Door

Have you been greeted at your door by a sales agent and a promise: energy savings in exchange for your signature? These individuals represent “energy re-billers”—companies that sell you energy, often using deceptive high-pressure tactics and almost always locking you into a contract for energy at a higher price. Be warned: once you sign, you could find yourself paying up to three times your current gas or hydro rates. This article will explain what you should know when dealing with an energy re-biller, and how you can protect yourself.

What is an energy re-biller?

An energy re-biller is a retail company, licensed by the Ontario Energy Board to purchase energy from power wholesalers and sell it to consumers at a profit. Energy re-billers are not representatives of your local hydro or gas company.

How do I know if I'm dealing with an energy re-biller?

An energy re-biller sales agent will likely approach you at your home, carrying a clipboard with an Ontario Hydro, Union Gas, or other local utility invoice attached to it. The invoice they have might have your name on it. The agent may say that he or she is “from the hydro or gas company”, but this is not true. Again, while the agent represents an energy retailer, he or she does not work for your local utility company.

The agent will often say that they are checking your invoice to make sure you're paying the “proper rate”, to ensure you are on the “new plan”, or to offer you a “free quote”. The agent will then ask to see one of your recent energy bills. He or she will then say “the government” or “the news” reported that the rate you are currently paying for gas or hydro is likely to increase.

The agent will then ask you to sign up for a “trial” of the new program or a free estimate. Within 10 days, the energy re-biller will give you a follow-up call and ask whether you signed up for the service, and agreed to the estimate. Some energy re-billers have even asked people to “just say yes” on the telephone. The effect of this is to lock people into long-term, fixed price contracts.

Remember—you don't have to let a re-biller in, or give them any information! One tip for apartment dwellers: if you tell the re-biller agent that your rent is “all-inclusive” (meaning that it includes utilities), he or she will almost always leave immediately.

What's so bad about energy re-billers?

When energy re-billers approach you, they are not ensuring you have the proper rate or that you are on the new plan—they are actually selling you a new plan, with new terms and prices. Energy re-billers have no way of knowing how hydro prices will change over the next 5 years and there is no guarantee of savings if you sign a contract.

What legal protections are in place?

On January 1, 2011, the *Energy Consumer Protection Act, 2010 (ECPA)* became law. The *ECPA* provides protections for consumers against energy re-billers. By law, a re-biller agent that approaches you must provide a business card with his or her name, the name and address of the company, and the company's license number, telephone number, and website address before he or she tells you about the re-biller's services or asks you for any information. Furthermore, any agent must be wearing an identification badge with his or her photo, the name of the company, and the name and title of the salesperson.

The *ECPA* prohibits a re-biller from making false or misleading statements about its contracts, the benefits you will receive under the contract, the difference in price between its services and your hydro or gas company, or the amount of money you can save by switching to its services.

If you have already signed up with an energy re-biller, you can still say “no” when they make their follow-up call to you. Once you say no, the contract you signed will become invalid and you will not have to pay a cancellation fee. Your current electricity service will continue without interruption.

The *ECPA* also requires the contract to contain specific information, such as the method of calculating the contract price, or else you may cancel the contract at any time. You may also cancel the contract up to 30 days after you receive your first bill, if the re-biller fails to provide you with a copy of a voice recording of a telephone discussion within 10 days after you request it, or if you permanently move from the premises, or any time without cause, although you may have to pay a cancellation fee in some cases.

If none of these options works for you, you may complain to the Ontario Energy Board or file a claim against an energy re-biller in Small Claims Court.

For more information, we encourage you to visit the Ontario Energy Board at <http://www.oeb.gov.on.ca/>. In addition, you can find more information about consumer protection topics at any time in a series of Community Law School webinars archived online at www.yourlegalrights.on.ca/training-topic/consumer-law. Be empowered, and stay tuned.

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