

# CP2D: Review and monitor existing contracts between service operators and consumers

REGULATORY FUNCTION: CONSUMER PROTECTION REGULATION		CP2D
<b>OBJECTIVE CP2</b> There are mechanisms to monitor and review information received about consumer protection rights	<b>ACTION CARD CP2D</b>  <h2>REVIEW AND MONITOR EXISTING CONTRACTS BETWEEN SERVICE OPERATORS AND CONSUMERS</h2>	
<b>COST:</b> Medium <b>FREQUENCY:</b> One time <b>TARGET GROUPS:</b> Regulators, consumers, service operators		
<b>DESCRIPTION</b> As much as information collected from consumers is important to regulators, its accuracy must be reviewed and monitored. This process is usually performed through regular or random annual audits, aimed to assess operators' compliance with ongoing service contracts. Following predefined inspection procedures, regulators approve, conduct, and report audits, aimed at meeting the above objectives. Regulators inspect operators' accounts and operations against their contractual rights and obligations.		
<b>EXPECTED OUTCOMES</b> <ul style="list-style-type: none"> <li>• Service operators are regularly audited.</li> <li>• Consumers rights and duties are secured as stipulated in their contract.</li> <li>• Regulator alerts either side in case of irregularity.</li> </ul>		
<b>EXAMPLE: PORTUGAL</b> Public water supply, urban wastewater management, and municipal waste management are public services essential to public health and well-being, the collective security of people and economic activities, and environment protection. In <b>Portugal</b> , these services must respect the principles of universal access, uninterrupted and high quality of service, and efficient and affordable prices as stipulated in consumer contracts. In turn, the Portuguese Water and Waste Services Regulation Authority (ERSAR) is mandated to undertake the following. <ul style="list-style-type: none"> <li>• Monitor the protection of water and waste sector users, always trying to avoid abuses resulting from exclusive rights, focusing on the control of the quality of services provided, and supervising the tariffs charged to the end-users.</li> <li>• Monitor equal and clear conditions in access to water and waste services, and the operation of these services. This principle also applies to all signed contracts.</li> <li>• Monitor the right to general information about the sector and about each operator.</li> </ul> ERSAR conducts a range of audits around the above objectives between April and June each year.		
<b>LINKS</b> ERSAR website: <a href="https://www.ersar.pt/en/site-about-us/Pages/mission.aspx">https://www.ersar.pt/en/site-about-us/Pages/mission.aspx</a>		
<b>INTERNAL CAPACITIES NEEDED AND THE ROLE OF PARTNERS</b> A range of administrative, legal and inspection skills are necessary to complete this action, which obliges regulators to build their internal capacity through training, often seeking support from other national institutions or development partners. Judicial institutions can for example, extend their expertise when developing monitoring guidelines. Development partners can also undertake training on how to establish implementation procedures. Regulators' staff must be trained on when to proceed with audits, what and how to inspect and analyse, and how to manage relationships with audited parties.		