



CONSUMER LAW

LAW 10/2013 BRINGS GREATER EFFECTIVENESS TO THE PROTECTION OF CONSUMERS

The first of the changes appearing in this law is the increase in the minimum notice that must be given before suspension of essential public services.

Law 10/2013 was published on 28 January 2013 and makes changes to (i) the Rules for Protection of Users of Essential Public Services, (ii) the Rules Applicable to the Protection of Consumers and (iii) the Electronic Communications Law. The aim of this new legislation is to bring greater effectiveness to the protection of consumers and to encourage timely compliance with contracts made and avoid the accumulation of debt.

The first of the changes appearing in this law is the **increase in the minimum notice that must be given before suspension of essential public services** (water, electricity, piped natural gas and LPG services, as well as electronic and postal communications, collection and treatment of waste water and management of solid urban waste), when late payment by the user justifies it. The minimum notice period has been changed **from 10 days to 20 days** from the written warning for this purpose, without prejudice to the regime that is more favourable to the consumer in case of suspension of electronic communication services, as referred to below.

It also makes it clear that, in the case of recourse to mechanisms for out of court settlement of disputes arising from an essential public service, the limitation period – of six months from the provision – in relation to the right to receive the price of the service is suspended.

The Rules Applicable to the Protection of Consumers have also been amended.

The supplier of goods or services is now under a duty to **inform the consumer of the consequences of failure to pay, failing which the supplier will be held responsible for payment of any costs associated with debt collection proceedings.**

Finally this law amends the Electronic Communications Law. It creates two distinct systems for the suspension and termination of electronic communication services in the case of non-payment of bills. The system to be applied depends on whether or not we are dealing with consumers, which benefit from greater protection.

The suspension of a service provided to a non-consumer subscriber remains unchanged, with the exception of the

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notice period, which changes from 10 days to 20 days. In the case of non-payment of bills, the suspension of the service may only occur after a **written warning to the subscriber with at least 20 days' notice**, and this notice must set out the grounds of suspension and provide the subscriber with information about how they can avoid it.

In relation to **consumer subscribers**, a new procedure has been created for the suspension and termination of the provided service. When the amounts appearing on the bill are not paid, the company must issue a **warning giving**

an additional period for payment of 30 days, failing which the service will be suspended and there may also be automatic termination of the contract. This warning must be sent in writing to the consumer within 10 days of the bill being due for payment and it must indicate the consequence of non-payment and inform the consumer of how they can avoid suspension or termination. **Within 10 days of the end of the additional 30 day period, the company must suspend the service for a period of 30 days**, whenever that period has passed and the consumer has not paid or has not made any agreement with the company for payment. If the consumer stop the suspension – by paying the amount owed or making a payment agreement – the company must immediately restart the provision of the service or, when that is not technically possible, within the period of five working days of the date of payment or execution of the payment agreement. **If the consumer does not stop the suspension, the contract is deemed automatically terminated**, without prejudice to the collection of a payment as indemnity or compensation for the termination of the contract (within the limits imposed by Decree-Law 56/2010 of 1 June). The failure to pay any of the instalments agreed means that the contract must be terminated by means of 8 days' written notice to the consumer.

If a company that offers public communication networks or electronic communication services accessible to the public does not comply with the provisions described above in relation to consumer subscribers, specifically, **by continuing to provide the service after the period of 10 days following the end of the additional period of 30 days for the payment**, without the consumer having paid or made a payment agreement (in other words, if it fails to comply with the requirement to suspend the contract), **that company may not then bring an action requesting the respective payments**. This will not apply to bills issued after the suspension of the provision of the service that relate to services actually provided prior to the suspension of or to payments legally provided for in the event of early termination of the contract. **The company will also be responsible for payment of any costs of debt collection proceedings.**

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