

Consumer attitudes towards the current energy market and price cap

(Fieldwork conducted January 2022)

August 2022

ofgem

REVEALING REALITY

Context and purpose of the research



Making a positive difference
for energy consumers

Ofgem is Great Britain's independent energy regulator. We work to protect energy consumers, especially vulnerable consumers, by ensuring they are treated fairly and benefit from a cleaner, greener environment.

The volatility in the energy market we saw last winter has continued, with much higher prices than we have ever experienced before. That means the cost of supplying energy to our homes has increased even more, and the price cap will have to increase to reflect that. We know this is enormously worrying for people and Ofgem is completely focused on doing all we can to support consumers through this crisis.

We introduced the price cap in 2019 to implement legislation passed by the UK Government. This sets a maximum suppliers can charge per unit of energy for their default tariffs and caps the levels of profits they can make. This is especially important in the current volatile market. The cap removes the risk of prices rising quickly when they go up but falling slowly and less fully when they go down. When wholesale prices fall, these reductions will be passed on in full to customers.

During these challenging times, it is important that we conduct research to better understand consumer experiences, needs and engagement with the energy market. Consumer research informs Ofgem's policy decisions and determination to move towards a cheaper, cleaner, more reliable home-grown energy system.

Conducted in January 2022 (and supported by additional research from [April 2022](#)) this research provides insights into consumers' experiences of the energy market at that time, their understanding of the price cap, and their views on proposed changes to cap methodology.

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Background and objectives

The overarching objectives of the Consumer First Panel

Ofgem's Consumer First Panel is a group of everyday energy customers who are engaged for a year and can be consulted to inform Ofgem's policy work.

The Consumer First Panel is a key insight tool for Ofgem, which allows it to:

- Consider and consult with consumers when developing new policies or considering change
- Understand consumer views and experiences on key energy market issues
- Analyse and compare consumer attitudes and behaviour to design policy conclusions that may benefit consumers

It is important to carry out this work in order to ensure that consumer views are adequately captured, so that their views and concerns can be represented in the design of policy.

To note, this fieldwork took place in January 2022.

This wave involved focus groups with Panellists from across Great Britain

This year, the Panel was formed of over 40 Panellists from Edinburgh, Bangor, Barnsley and Plymouth. The groups took place in **January 2022**, a time at which energy prices and changes to the price cap were in the news.

The Panellists come from a range of backgrounds and experiences of the energy market. These included a range of income levels, employment status, household make-up, energy tariff type and energy supplier.

Panellists attended a 90-minute remote focus group with other Panellists from their area, to discuss their experiences of the energy market and future changes to the price cap.

Prior to attending the group session, Panellists completed an online pre-task. This involved sharing their experiences of the energy market in recent months and uploading images of communications seen or received from their energy supplier or elsewhere in the media.



We explored customer knowledge of the price cap and attitudes towards possible future changes

This wave aimed to understand customer experiences of the energy market since the last time the Panellists met. We also wanted to hear about their knowledge of and attitudes towards the price cap.

More specifically, the objectives included understanding:

Perceptions and experiences of the current market

- Customer experiences of the current energy market
- Perceptions of communications received by customers around the current market

Current and future engagement with the market

- Customer trust in the market and different types of supplier
- Recent and perceived future engagement in the market, and influencers shaping this engagement
- Considerations when engaging in the market, including price, risk, stability and brand

Understanding of the price cap and views around potential future changes, including a fixed term default tariff

- Awareness and understanding of the price cap
- Attitudes towards exit fees for Standard Variable Tariffs (SVTs) and fixed term default tariffs

Executive summary

Panellists' experiences of the energy market over the months leading up to this wave in January 2022 varied. All Panellists had heard about prices increasing, but not all had been directly affected or seen increases in their bills at the time of this wave in January 2022. All Panellists were worried about prices increasing, although they seemed to be becoming resigned to the situation. There was an increased sense of powerlessness and a sense of a lack of other options for avoiding price increases.

Many Panellists were aware of a lack of options available for switching supplier and available tariffs, and had heard that they should not switch at the moment. If they did consider switching, price seemed to be the biggest determinant, although many Panellists said they would prefer a larger supplier because these seemed less likely to go out of business.

Panellists' knowledge of the price cap was limited, and there was confusion over whether this was a cap on the consumers' total bill. Once explained to them, Panellists thought that the price cap was positive. Many felt that without it, suppliers would increase their prices to a much higher level.

If the price cap was to increase, many felt that increasing the unit charge, rather than the standing charge, would be the 'fairer' option. Their preference was for the cap to change every six months, rather than every 3-4 months, as they felt this gave more 'stability' over budgeting.

Panellists generally struggled to see benefits of a Fixed Term Default Tariff over SVTs. Some felt that it removed the flexibility they enjoyed about being on an SVT. They reluctantly accepted the idea of an exit fee for leaving this contract early, as they recognised this as a part of fixed contracts in general – but they preferred it to be a small amount.

Qualitative Research

- Qualitative research, including deliberative approaches such as the Consumer First Panel, are used to provide a thorough understanding of the current consumer perspective on complex issues that consumers may have never thought about before. It also allows for a more in-depth exploration of consumers' experiences and understanding of some topics. This provides insight into why participants have certain views. It is important to note that this research is intended to be illustrative rather than statistically reliable and, as such, does not permit conclusions to be drawn about the extent to which something is happening in the wider population.
- Throughout the report, verbatim comments have been included to illustrate particular viewpoints. It is important to remember that the views expressed do not always represent the views of all participants or all of the wider population. In general, verbatim comments have been included to illustrate where there was a particular strength of feeling during our discussions.

**Panellists'
experiences and
perceptions of the
current energy
market**

All Panellists had heard about the potential for price increases in the energy market from a range of sources

All Panellists were aware of energy prices increasing and spoke about the 'energy crisis'. The information sources mentioned by Panellists in the group sessions and the pre-task included broadcast media and news, social media, word of mouth, and the Money Saving Expert communications.

Many of the information sources mentioned by Panellists gave information about the price cap changing and seemed to speculate on the potential level of price increases. Panellists seemed to be aware of the price increases and some mentioned April as a significant date. However, there was some confusion around how potential changes to the price cap might affect them as consumers. Some shared concerns about how some households may be affected by any price increases.

“This [Financial Times] article makes me anxious for the coming year in terms of billing. However when I read the article I was unsure of what the price cap was and how the increase in the cap would personally affect me as a consumer”

A, Edinburgh

“I watched this [video] telling me that rates could rise by 50%, which would be unbelievably hard on households... I'm perplexed at how such a massive rise can be justified”

M, Barnsley

“The newsletter leaves me confused about what's going to happen in April. I've seen a lot of headlines about the energy hike but haven't paid much attention because there doesn't seem to be a clear message about what will happen”

K, Bangor

Although all Panellists were aware of price increases, not all had experienced their bills increasing

All of the Panellists had heard about prices increasing, but many had not yet seen direct increases in their bills. Panellists seemed to fall into three broad groups of experience of the market, ranging from those who struggled to imagine how they would be affected to those who had already seen changes in their bills:

1) Those who were aware that prices had increased but were not sure how they would be affected

This group had often heard about price increases through the news and word of mouth. They weren't currently being impacted by price rises and didn't envisage themselves being impacted in the near future, although reflected that they did know of other households being affected.

These Panellists were often on long-term fixed tariffs, and usually had a number of months remaining before their tariff ended.

"I'm a sticker. I'm getting too old to have the hassle... Everything is sorted with my supplier at the moment. I get my pension and I don't have to worry"

B, Bangor

"I've heard a lot of talk in the newspapers about the imminent rise in prices... Personally I haven't had a price rise yet because I'm on a fixed tariff for my electric. I'm on a variable for my gas but I haven't been affected yet"

R, Plymouth

2) Those who were aware of prices increasing and could imagine themselves being impacted in the future

This group of Panellists hadn't yet seen the impact of price increases on their own bills, but they were aware that they would be affected in the near future. They often worried about what this meant for them.

Despite their concern, these people didn't always think about the long-term impact it could have on them. They generally voiced concerns that they would be affected but were unsure about what this would look like in reality.

Some of this group were on fixed term tariffs which were due to end soon. Others were more engaged in the energy market generally, so were more aware of what was happening in the market. Of this group, some had been looking at new tariffs or on comparison websites and had become aware of a general rise in tariff prices.

"I have to switch in April but I am quite concerned as I know the prices will have risen dramatically. I would look around, but I'm hoping that it might have all blown over"

K, Edinburgh

S, Bangor

S is married and lives with her two children. She has heard about the price cap changes in the news and from Martin Lewis, but feels she's not seen clear information about what will happen and is worried about her fixed tariff ending this year.

"I'm on a fixed tariff and it's coming to an end mid this year and that's a worry. There's not much point looking at the market right now, because I don't know what is going to happen"

3) Those who had directly experienced an increase in their bills

These included Panellists who had been through the Supplier of Last Resort* process, or who had simply seen increases in their bills. For example, one Panellist said they thought that their bills had increased by £30 since last year, and that they spent around 20% of their income on energy. Another said that their bills had increased by around 30%. Other Panellists were less certain about how much their bills had risen but recognised that their payments had increased.

Some in this group had already seen dramatic increases at the time of the groups in late January. They voiced strong concerns about what would happen if prices continued to increase. They also expressed concerns about the impact on customers they viewed to be more vulnerable, such as single parents with caring responsibilities and households with health conditions who required larger amounts of energy. Some Panellists fell into these categories themselves and expressed their personal concerns.

“I’ve noticed an increase in my prices already. I need a level of heat due to illness that I’m not necessarily getting... and the Warm Home Discount isn’t covering it”

D, Plymouth

E, Barnsley

A single mum of one, E’s bills have risen from £75 a month to £130 despite having stayed with the same supplier and being on a fixed tariff. She worried about the rise in her bills and hoped to use comparison websites in the future to find a cheaper deal.

“I don’t see a light at the end of the tunnel, it doesn’t seem to be ending any time soon”

* The Supplier of Last Resort (SoLR) process was established in 2003 to ensure that should a supplier failure occur, affected customers are protected and guaranteed continuity of supply.

Panellists were worried about price increases, but there was an overall sense of resignation and powerlessness

In this wave, there was a strong sense of worry and uncertainty about the energy market and how bills might increase in the future. However, on the whole, Panellists were aware that they will be affected at some point, if they hadn't been already. They also seemed to be thinking through their options in greater depth.

Panellists were aware that prices would continue to increase and didn't see them decreasing anytime soon. There was a sense that they would 'wait and see' what happened to the market over the coming months, but they were uncertain as to how long the current situation could continue and didn't see an 'end point'.

Panellists were more knowledgeable about the wider energy market than in previous years of the Panel and recognised that energy suppliers were also struggling. They were able to talk about the fact that suppliers buy gas from the wholesale market and that there was little suppliers themselves could do to resolve this. This was likely a result of the energy market having been in the news for a number of months at the time of this wave. Despite this, there were still some undertones of distrust in suppliers as a result of Panellists' experiences and perceptions of the market.

The overall feeling was one of resignation and powerlessness; Panellists were aware of the situation but felt that there wasn't anything they could do.

“With prices at the moment, you are not going to save much. It's better to see how the market plays out”

K, Plymouth

“I'd wait maybe another few months [to switch]. It just depends on how long the price increases continue to go on for”

P, Barnsley

“That's why so many of these companies went bust, because there was a cap that was so high that it made them go out of business”

R, Plymouth

**Consumers' current
and future engagement
with the energy
market**

When considering their engagement with the market, Panellists were aware of a lack of options for switching supplier

Across the sessions, Panellists understood that there were few options to switch supplier at that point. This was thought to be due to the increase in prices. Panellists had become aware of this through a range of means – including personal experiences of attempting to switch or seeking information about switching, as well as from information in the news, on comparison websites and from suppliers.

Some Panellists had been advised by either suppliers or other information sources that they shouldn't switch in the current market. Panellists believed that due to the current situation, switching would likely lead to a worse deal – such as not receiving their preferred tariff type or getting a more expensive deal, and so felt they were better off staying where they were.

“I read that 12 companies have gone under now and the ones that haven't aren't taking new customers on, so there is not much you can do”

G, Edinburgh

“I know a lot of people can't switch or have been advised not to. Suppliers aren't putting people on fixed deals because the prices are astronomical”

M, Edinburgh

“We were planning on switching but saw Martin Lewis saying ‘don't switch’, and got an email from our company asking us to wait... with prices going up and things being a bit unstable, we thought it was better to wait and let things stabilise”

P, Barnsley

If they did consider switching, Panellists were gravitating more towards larger suppliers as they were concerned about smaller suppliers going under

When asked what factors they would consider when switching supplier, Panellists mostly spoke of price and the size of supplier. Some spoke about tariff type, preferring a fixed tariff for the stability in pricing that they felt this gave them. A few Panellists also reflected on the importance of having a supplier that offered renewable energy options.

Many Panellists voiced concerns about suppliers going under and were aware that was often the smaller ones. They felt that more recognised names would be more 'stable' and less likely to go out of business. Some Panellists reflected that their supplier going under might mean that they lost any deals or cheaper tariffs that they were on.

When we probed more around stability and what a 'stable' supplier meant for Panellists, a more 'stable' supplier was one that was perceived to have been in the market for a longer period of time. Panellists believed that being an established player meant a supplier could handle the increasing prices of wholesale energy and seemed less likely to go out of business.

"I'd stick with the bigger suppliers because some of the small companies have already gone under. If you were with a smaller company that went under, you'd probably get a deal for a bigger company but on their terms"

G, Edinburgh

"I'd choose the suppliers I've heard of and being on a fixed rate. If I know the rate isn't going to change, that's important to me"

R, Bangor

"Do you go with a cheaper option but they might go out of business and your prices will then shoot up, or go with the more expensive bigger name?"

C, Barnsley

Despite stating they wanted stability, price was still the biggest determinant for many Panellists

Price was frequently mentioned by Panellists when discussing switching. Some Panellists said that price was their top priority and they didn't mind who their supplier was, as long as they got the best deal. These Panellists often felt that their supplier going out of business wouldn't be an issue and that they may as well get the cheaper price whilst it lasted. These were often the Panellists who were less engaged with the market, who were more motivated by price and therefore tended to look at cost more than the type of supplier when it came to choosing a supplier or tariff.

Panellists also spoke about 'stability' when it came to energy prices. There was a sense that they were using 'stability' to voice their concerns about the volatility of the current market and rising prices. Some Panellists jumped to wanting stability of prices, but this seemed to mean that they didn't want them to rise any further, rather than wanting them to remain at the current rate.

"I'd like to be on a fixed as I like to know my outgoings, but they are £40 higher than my current bills on a long-term deal. I don't want to pay £100 for the next three years, that's ludicrous"

M, Edinburgh

"Because of the regulation, you are never going to not have energy, so if you're on the cheapest one then you know you'll be fine. I look at the top of Compare the Market... I choose that"

C, Edinburgh

"I'd be on the comparison websites. Brands are insignificant to me; I'd be looking for whoever was the cheapest"

K, Barnsley

**Consumer
knowledge and
awareness of the
price cap**

There was limited knowledge and awareness of the price cap amongst Panellists

When we asked Panellists what they knew about the price cap, many had heard the term but few had looked into it or what it meant for them. Some had heard that it could be increasing, and some mentioned April as a milestone for this.

Panellists' unprompted responses generally varied between:

- Not having heard of the price cap at all
- Having heard the term on the news recently, but not having looked into it further
- Having heard that it could be increasing

It's worth noting that these groups took place in January, when price cap and price increases were in the news. Many Panellists received their information about the price cap from news sources – some people hadn't heard about the price cap before it began appearing in the news, but were starting to hear about it more.

"I have no idea what the price cap is, or what it means"

C, Barnsley

"I've heard of it but I don't really know what it entails and I've not done any research into it. But I've heard it thrown around in the news and in emails from Martin Lewis"

L, Bangor

"I've heard of it [the price cap], isn't it meant to be going up by 50%?"

A, Edinburgh

There was some confusion over whether the price cap was a cap on consumers' total bill

There was some confusion amongst Panellists around what the price cap was and the impact that it had on consumers. Some Panellists incorrectly assumed that this was a cap on their total bill, meaning that the total cost of the bill wouldn't go over the price cap.

Unsurprisingly, those who had low awareness of the price cap tended to be those who were less engaged in the market. These Panellists were more often likely to be on default tariffs. Those who had higher awareness of the price cap tended to be those who were more engaged in the market, and these were often people on fixed contracts.

However, regardless of their tariff type, Panellists often didn't know if they were protected by the price cap. Only a few on fixed tariffs recognised that they weren't on a price capped tariff.

"I'm guessing when it's capped it means your bills can't go any higher... For example, if your bill is capped at £100 a month, it's not going to go any higher"

"But then does your usage stop when you reach that £100?"

K and M, Barnsley

"Whatever you're paying now, you'll be paying double in April. It's £1200 currently and it's going to go up to £2200 and that's the cap... It means you're not going to be paying more than that, that's the ceiling price for consumer"

B, Plymouth

**Consumer attitudes
towards potential
changes to the price
cap**

When prompted, Panellists assumed that suppliers would increase their prices if there were no price cap

Once the price cap had been explained, Panellists generally understood it and felt that it protects consumers on an SVT from being charged very high rates.

When asked to consider a scenario in which there would be no price cap, Panellists didn't trust suppliers to charge prices in line with the wholesale cost of gas. They felt that suppliers could not be trusted not to charge high prices and worried that even if wholesale prices came down, suppliers would not reflect that in their costs. They seemed to recognise that without a price cap, they wouldn't be protected from suppliers charging higher prices. The overwhelming sense was that people didn't trust suppliers to give fair deals to customers if they weren't required to by the cap.

Panellists didn't spontaneously think about what the price cap meant for suppliers or the market, instead thinking more of the impact of the price cap on themselves as customers. When prompted, some recognised that there would be an advantage to the market as a whole if there were no price cap as it would mean that more suppliers could operate in the market. A few even thought that it could lead to more innovation and competition as a larger market could mean suppliers might try new techniques to attract customers.

"If you can trust [suppliers] to be fair, then you could remove it"

T, Plymouth

"It would be so easy for businesses to charge whatever they want. They could club together and value energy at whatever price they want and, as a consumer, we have to pay it!"

L, Bangor

"It's good for consumers because it protects us from blatant profiteering. But it makes the market of suppliers available to us a lot smaller... If they don't get rid of it we could lose lots more suppliers. If they get rid of it, we get more suppliers but have to pay more"

T, Bangor

When considering a situation in which the price cap was to increase, increasing the unit charge was seen as more ‘fair’

When discussing whether an increase to the unit charge or the standing charge would be preferable, the majority of people preferred the idea of increases to the unit charge.

They felt increasing the unit charge would be 'fairer', by giving people 'more autonomy' over how much they were spending. Many reflected that if the cost of each unit of energy they used increased, they could take their own measures to reduce their usage – and therefore their costs – to minimise the overall impact of the unit price increase on their bills. In addition, increasing the unit charge was seen as something that might encourage some people to decrease their usage to benefit the environment.

Panellists recognised that increasing the standing charge might be beneficial for people who used lots of energy, but felt it was not fair on those who used less. They felt that those with low usage would end up paying more for their energy without their usage changing, and felt they would have less control over their bills as they would be charged more regardless of their usage.

“With the unit charge, you are slightly more in charge of what you are paying and you may be slightly more environmentally friendly”

P, Barnsley

“Increasing the unit charge is fairer. If you are not using electricity, why should you be charged extra if you are not using stuff?”

C, Plymouth

“I have a standing charge on my bill already, I’m not a fan of it because you have a bill before you have even started your day”

K, Barnsley

“The standing charge would suit me better as we use a lot of gas and electricity”

M, Barnsley

When considering how often the price cap should be altered, less frequent changes felt most ‘stable’ for budgeting

Many Panellists didn’t know how often the price cap was currently reviewed. In the groups, Panellists were asked to reflect on situations in which the price cap either changed every six months, or every three to four months.

Many Panellists reflected that changing it every six months felt more ‘stable’ for budgeting. Some were concerned about the impact more regular pricing changes might have on their ability to budget. However, some Panellists were aware that changing every six months could mean larger increases. They reflected that if it changed more regularly, any increases would be more incremental and they wouldn't suffer from as large an increase as they would after six months.

Additionally, there were some concerns over potential changes to the price cap in winter time when they would already be facing higher bills due to increased usage.

As mentioned previously, Panellists often spoke about ‘stability’ and ‘certainty’ in terms of how more frequent price changes would impact people’s ability to budget. In the context of the volatility of the market and price increases, they seemed to jump to wanting stability as a reflection of their concerns about the market. It seemed that they wanted prices to not increase any further – and decrease if they could – rather than staying at the current rate.

“Changing every few weeks, I see absolutely no benefit in that whatsoever. People, whether you’re in a business or at home, you need to budget. You can’t budget if rates are changing every few weeks”

P, Bangor

“If it’s going for 6 months you’ve got that budget for 6 months”

R, Plymouth

“About every 6 months is about right, otherwise you might as well just go with the fluctuations of the market”

P, Barnsley

Many Panellists had doubts about how the Fixed Term Default Tariff would benefit them

In the Panel sessions, Panellists were introduced to the concept of a Fixed Term Default Tariff (FTDT) as a potential change to the price cap. All SVT customers would be placed on this six-month tariff, which would be fixed at the price cap rate. Suppliers would be required to contact customers before the six months ended to ask what the customer would like to do next, and customers could have to pay an exit fee to leave the contract early.

On the whole, people were unsure about the FTDT and they didn't always see much difference between this and an SVT. The main differences people saw tended to be negative – some saw this as a 'worse' version of an SVT. This is because there was some recognition that the FTDT ties people into paying at the price cap level and removes the chance for prices to drop. They saw that if wholesale prices did drop, they would be tied in to the price cap level for the remainder of that six months – so they were concerned about paying more than they felt necessary.

Some Panellists recognised that by being at the price cap, energy companies would be charging customers the maximum they could, which played to the lack of trust in suppliers that some Panellists expressed.

“This is tying people into paying at the price cap no matter what”

D, Plymouth

“It removes the opportunity to maybe get a cheaper deal... we all like to decide on price so if they are all the same there is no choice”

P, Barnsley

“This means that people are automatically getting put on the highest price the suppliers can give them. I suppose it might help people see they could get a better deal... might prompt them to change”

L, Bangor

When considering the FTDT, many Panellists saw communication from suppliers when their tariff was ending as a good thing

One of the few positives that Panellists saw in relation to the FTDT was the opportunity for increased and regular contact from their energy supplier, as suppliers would need to contact them before their 6-month contract ended.

Panellists spoke about wanting clear but detailed and personalised information to help them understand their current position and future changes. Panellists' suggestions for this included suppliers informing them of their usage, potential price changes and laying out what the different options for switching tariff would mean for them in practice.

They felt it would help them make more informed decisions and increase their knowledge of the market. However, although people were positive about this contact, it's hard to say how much it would make less engaged customers participate in the market.

C, Barnsley

A young homeowner in Barnsley who has experienced supplier of last resort last year. Having heard nothing about the changing of her supplier, C was concerned about what impact this would have on her bills.

"I get letters regarding my water bill and how that's going to change every 3 or 6 months... you know what you know what you're paying, and I think it's good that they communicate. I switched gas supplier a year ago and I haven't heard anything from them, and I want them to communicate with me more"

A small number of Panellists doubted how communications from suppliers would work in practice

While generally in favour of the idea of more communication, some questioned how it would work in practice. There was a sense that whilst it was positioned as a good thing for the customer, this might not actually be the case.

Some raised concerns that this would be a 'tick box' exercise for suppliers. They were concerned that suppliers would be doing this because Ofgem had told them to, and then put the information in small print so that they could say it was there, rather than actively giving options and information to people.

A few Panellists also had concerns about the additional administrative work and costs this would incur for suppliers and what the implications of this might be for customers.

“It’s a step in the right direction, but how do they tell you? Is it just going to be hidden on the bottom of an email somewhere?”

S, Bangor

“What are the terms, what are the prices?”

R, Bangor

“Even if they contacted me, I’m not sure I’d trust them to be honest... Would probably still look around for other options”

P, Plymouth

Panellists reluctantly accepted the idea of an exit fee for the FTDT as a standard part of leaving a contract early

Whilst Panellists accepted the idea of an exit fee for leaving the FTDT contract early, they were not particularly positive about the concept. They felt an exit fee was generally fair when terminating a contract early. They expected there to be an exit fee in most fixed term situations – such as leaving a phone contract.

When asked about a scenario where they were on a FTDT and found a cheaper offer elsewhere, some Panellists felt that a 6 month fixed term was a short period of time. They would wait until the end of the term rather than pay the exit fee, whilst others would compare the cost of their remaining bills on the tariff and the cost of the exit fee to make a decision. However, a few felt strongly that the lack of ability to switch at any point in the contract for free was a disadvantage. They liked the flexibility of being able to switch away from an SVT at any time for free.

If there was to be an exit fee, Panellists wanted it to be small. Amounts of £5, £20, £45, up to £80 were mentioned. Others thought that a small percentage of their bill (1-2%, 5% or 10%) would be acceptable. Some thought that it should decrease as the contract went on, such as paying £10 a month for every month left, or a percentage of the overall remaining amount.

“In most contract scenarios, you expect there to be a fee anyway”

S, Bangor

“The good thing about being on an SVT is you have more freedom...with this option, you are being charged for acting on your freedom”

J, Barnsley

“50% of the remaining amount would be probably a desired option by a supplier. I’d be willing to pay about 20% of the remaining amount”

Anonymous response

“It would be fair if it was monthly, perhaps £10 for every month left... This could depend on your size of house, household size, average bill”

Anonymous response

Conclusions

Conclusions

Panellists were worried about prices increasing, but not all had been affected

All Panellists had heard about prices increasing, but not all had been directly affected or seen increases in their bills at the time of this wave in January 2022. However, only some Panellists – particularly those on SVTs – had been directly affected.

Panellists aren't currently switching supplier because they have been told not to and they feel there are no options. When considering switching supplier, Panellists seemed to be drawn to bigger supplier names, but price was still the biggest factor when switching.

Panellists didn't all understand what the price cap meant for consumers

General awareness of the price cap was quite low – many had heard the term on the news over recent months but had not looked into it further.

There was confusion over whether this was a cap on the total bill, with some Panellists assuming this was the case. Likewise, many Panellists didn't know whether they were on a price capped tariff and couldn't always see what would happen without it. When it came to increasing the price cap, Panellists felt that increasing the unit rate was 'fairer' than the standing charge.

Most didn't see benefits to the Fixed Term Default Tariff compared to an SVT. Some felt that it removed the flexibility they enjoyed on an SVT, whilst others reflected positively on the option of having additional contact from their supplier.