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Household Consumer Impacts of Market Conditions Survey

Waves 1 & 2 report – September 2022. Research conducted in March and July 2022.

Prepared by BMG for Ofgem

Introduction from Ofgem

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 past year has been an incredibly difficult time in the energy market which has brought about extreme changes for consumers. Record gas prices have led to multiple supplier failures, as well as substantial rises in the cost on customers' energy bills which have been exacerbated by a wider cost of living crisis. This has made it an extremely challenging time for many energy consumers. More than ever, it is important we, and everyone in the energy industry, understand consumers so we can better meet their needs.

We commissioned BMG to launch this tracking survey in early '22, to ensure that we and the energy sector have a good understanding of consumers' experiences and attitudes during this difficult time. The survey covers issues such as affordability, awareness of available support, and experiences of supplier failure, as well as the impact of these on energy market engagement now and in the future.

We have run two waves of this survey: wave 1 (March '22), and wave 2 (July '22). By tracking responses over time, we can monitor how consumers are affected by ongoing changes in the market (e.g. the price cap rise in April '22). Both waves were conducted prior to the government's announcement of the [Energy Price Guarantee](#). Continuing to monitor consumer affordability issues, awareness of support, and consumer experiences in the energy market will remain important in light of this announcement.

Protecting the interests of consumers is at the heart of Ofgem's work. One way in which we are doing this is through a series of [Market Compliance Reviews](#) from suppliers to ensure they are fulfilling the licence conditions they require to operate. Since this fieldwork was conducted, we have published the outcomes of two of these. In July '22 we issued a [notice](#) to a number of suppliers requiring improvements in the way they charge customers direct debits. In September '22 we issued a [notice](#) to a number of suppliers requiring improvements in the way they deal with customers in payment difficulties. Insights from consumer research like this has, and will continue to, help us gain a better understanding of consumers' needs and experiences, so that we are better able to respond to support consumers where they need it.

The findings in the report have been prepared by BMG.

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Background, objectives and methodology



Background and research objectives

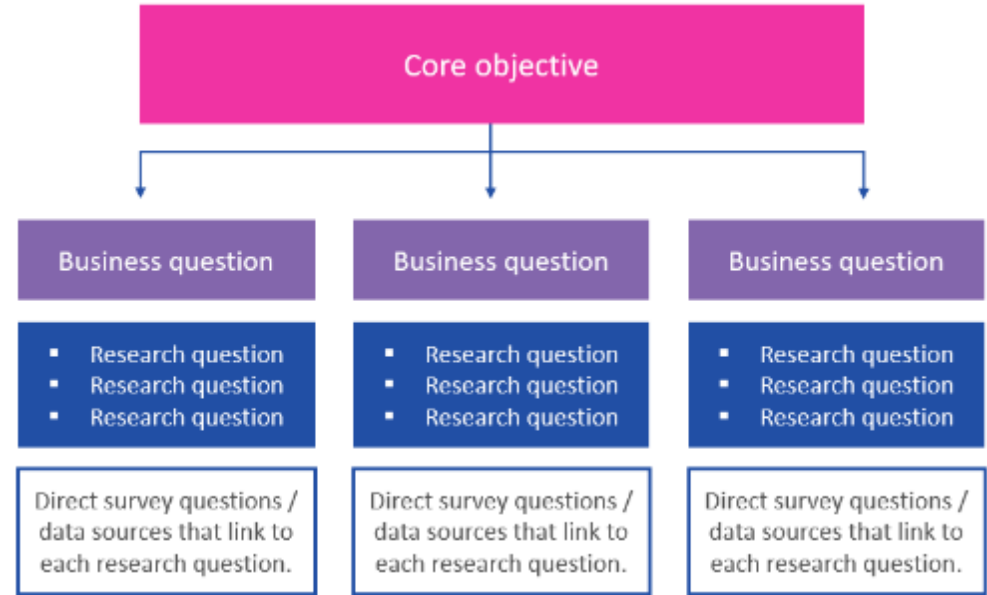
Overview and context:

Ofgem’s main aim is to regulate an energy market that works to protect the interests of its consumers and deliver a greener and fairer system. This research is intended to:

- Measure overall consumer awareness, perceptions and experiences relating to changes in the energy market
- Analyse how different audiences have been affected by these changes
- Track how awareness, perceptions and behaviours vary over time

Fieldwork for both waves was conducted prior to the government’s announcement of the Energy Price Guarantee

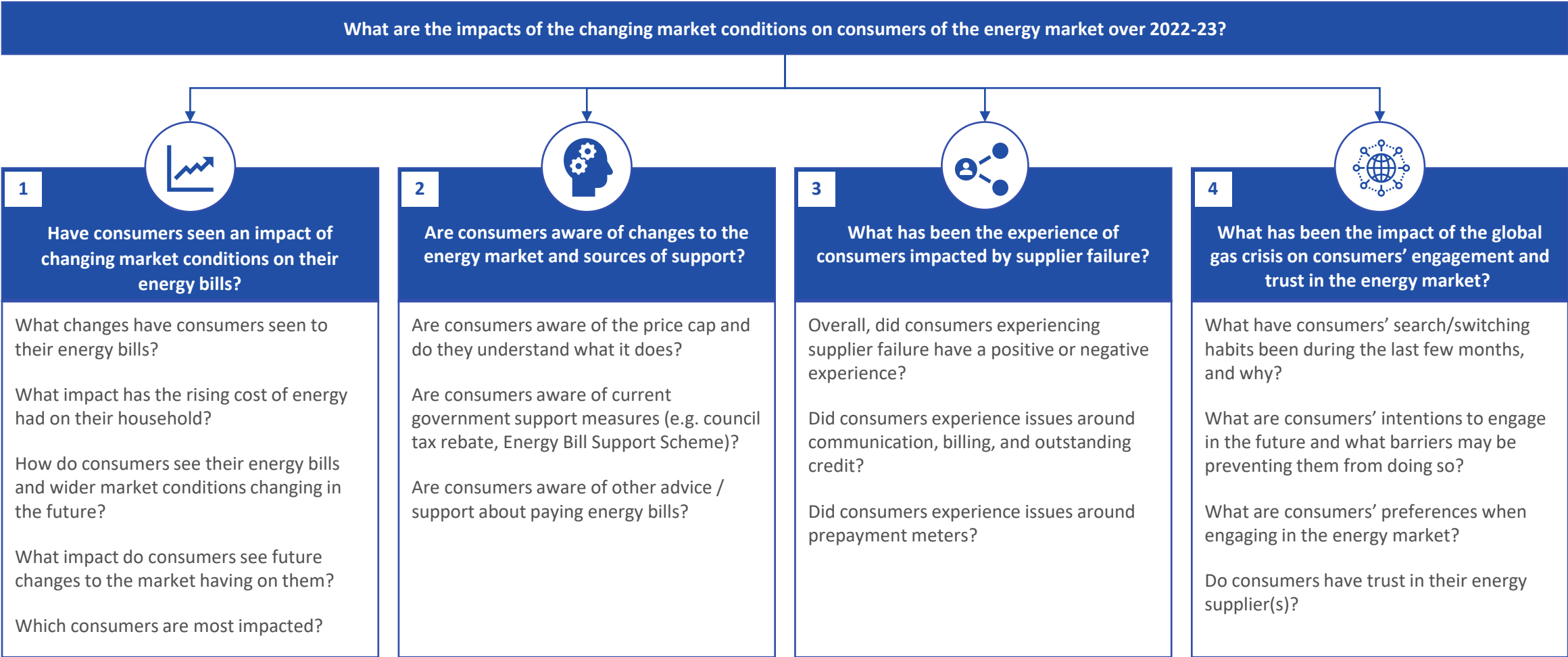
How this report is structured:



We have structured the report using our analysis pyramid structure. This process helps to keep the questionnaire and the report focussed on the core research aims. *The full pyramid is outlined on the next slide.*

This research aims to answer four overarching questions

This report aims to answer four overarching questions, each covering a series of more specific research questions. Our report is structured into four sections on the basis of this structure.



Methodology and sample

To ensure that all domestic consumer types were included in this research we used a range of methodologies.

Consumer type	Methodology	Sample size – W1	Sample size – W2
Digitally enabled general population	Online survey via online panels	3,208	3,087
Digitally enabled but less present on panels	Online survey – river sampling*	54	271
Digitally excluded	Face to face and telephone interviews	217 (100 F2F / 117 telephone)	202 (100 F2F / 102 telephone)
Total	All combined	3,479	3,560



Fieldwork for wave 2 took place between 4th – 31st July 2022. Fieldwork for wave 1 took place between 18th – 31st March 2022.



For the general population, quotas were set to ensure a representative sample of the GB domestic energy bill-paying population. Results were weighted overall by age, gender, region and socio-economic grade.



Throughout this report, comparisons have been made against the total average for wave 2, or against wave 1. Arrows have been used to denote differences significant at a confidence interval of 95%.



Any changes referred to in commentary boxes refers to changes between wave 1 (March '22) and wave 2 (July '22).

Any differences called out explicitly under a “significant differences” headline refers to differences against the wave 2 (July '22) total.

*Due to the low response rate for the river component in wave 1, steps were taken to address this in wave 2 and a lower sample size for the online panel component was then required as a result. River sampling is an online sampling method that recruits respondents by inviting them to the survey while they are doing other online activities.

Glossary of terms

Recent affordability issues

People are counted as having recent affordability issues if they say they/their household has experienced at least one of the following because of affordability issues.

Household experience	
All payment types	Reduced the amount of energy being used
	Contacted energy supplier to ask for assistance with paying energy bills
	Energy supplier has contacted them to offer assistance with paying energy bills
Prepayment meter	Been unable to top up meter because they can't afford it
	Reduced the amount usually put on prepayment meter
	Run out of credit on meter and have been disconnected from energy supply for more than 3 hours
	Used the emergency credit on meter
	Asked supplier for additional credit above the emergency credit on meter
	Recently moved on to a prepayment meter because they wanted it to help manage what they spend on energy
	Recently moved on to a prepayment meter because energy supplier made them
Direct debit	Cancelled the direct debit payment for their energy bill
	Reduced the amount of our direct debit for their energy bill
Direct debit / Standard credit	Have fallen behind on an energy bill and owe money to energy supplier
Standard credit	Recently changed payment method from direct debit to standard credit to help manage energy bills

Future affordability concerns

People are counted as having future affordability worries if they say they are quite or very worried about any of the following happening to them.

Household experience	
Prepayment meter	Not being able to top up my prepayment meter because the cost of my <u>ENERGY IS GOING UP</u>
	Not being able to top up my prepayment meter because my <u>GENERAL HOUSEHOLD COSTS ARE GOING UP</u>
Direct debit / Standard credit	Falling behind on my energy bills because the <u>COST OF MY ENERGY IS GOING UP</u>
	Falling behind on my energy bills because my <u>GENERAL HOUSEHOLD COSTS ARE GOING UP</u>



Key terms, abbreviations and meanings:

SoLR – Ofgem’s Supplier of Last Resort process

SAR – Ofgem’s Special Administrative Regime process

SC – Paying on receipt of a bill by cash/cheque/debit or credit card i.e. standard credit

PPM – prepayment meter

HH – household



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Summary of key findings



Summary of key findings

Fieldwork for both waves was conducted prior to the government's announcement of the Energy Price Guarantee

1 Impact of changing market conditions on energy bills



- **Consumers are noticing price increases:** The vast majority (78%) have seen their energy prices increase compared with what they would usually pay for the same time of year. This represents a 6 percentage point increase since March.
- **More are cutting back as a result:** Since March there has been an increase in those having to reduce spending on necessities (34% cf. 31%) and on other spending such as holidays or meals out (45% cf. 40%) as a result of increased prices. This is particularly impacting those on lower incomes. For example, 42% of those with a household income below £16,000 are reducing spending on necessities.
- **But, cutbacks are also coming from other groups:** There has been an increase in those who *have not* had recent energy affordability issues reducing spending since March – suggesting the rising cost of living is also affecting consumers not typically considered financially vulnerable.
- **Affordability is seen as the biggest worry for energy supply:** Consumers are more worried about their energy supply being affected because they can't afford it (41%) than they are because of supplier issues (e.g. 31% are worried they might be cut off due to supplier failure).

2 Consumer awareness of price cap and sources of support



- **Understanding of the price cap is superficial:** While 8 in 10 (77%) are aware of the price cap, almost 1 in 3 (30%) don't know whether their household is covered by it.
- **There is a poor understanding of what is covered:** Only 6% of energy consumers know what the price cap does and what it covers. Even among those who have heard of the price cap, as many as 52% incorrectly believe all types of energy tariffs are covered.
- **More than half of consumers have heard about Government support:** Over half of energy consumers are aware of the £400 Energy Bill Support Scheme (51%), while 63% are aware of the £150 council tax rebate that came into force in April.
- **But few think it will be enough:** Few think the support offered so far will provide them with enough help. Even for the £400 Energy Bill Support Scheme, only 20% expect that it will help.
- **One in three consumers have sought support:** 34% have recently sought help from any source of support, with the most popular sources being debt advice charities (15%) or friends and family (11%).

Summary of key findings

Fieldwork for both waves was conducted prior to the government's announcement of the Energy Price Guarantee

3 Experience of supplier failure

- **Most consumers were satisfied with their overall experience of supplier failure:** 58% of those who experienced supplier failure were satisfied with their overall experience, while 17% were dissatisfied.
- **Most also say communication was clear:** 64% say they received clear communication about what would happen and what steps they would need to take, while 59% were satisfied with the supplier they were moved to.
- **There are reports of delays and double-bills:** 50% of those who moved suppliers not on PPMs say they experienced delays with their bills, while 45% of those who eventually received a bill say they were double billed.
- **Some report still not receiving credit:** 46% of those who moved suppliers say they didn't receive credit for at least a while, with 8% reporting that they still have not received it.
- **Prepayment meter consumers also report issues:** Although these represent a small proportion of total consumers, for those on prepayment meters who were moved supplier, 49% say they had difficulties topping up their meter, while 11% say they still are. 56% report losing their balance, with 18% reporting having still not received it back.

4 Impact on consumer engagement and trust

- **Switching has not increased since March, but searching has:** There has been an increase in those who have compared energy tariffs but not switched since March (29% cf. 25%). Of those who switched, price was a key motivator (29%).
- **Future switching likelihood has fallen since March:** Future intentions to switch have fallen since March – including switching with current energy suppliers (69% cf. 72%). This is largely due to a lack of cheaper deals (46%), combined with the worry that costs might go up (40%).
- **Worry about supplier failure has also fallen since March:** Those saying they are worried about switching to a new supplier in case it went out of business has fallen since March (54% cf. 62%).
- **Established suppliers are faring better than smaller or new suppliers:** There has been an increase in those switching to a well-known or established supplier since March (18% cf. 14%). Falls in likelihood to switch since March are not as severe for larger, established suppliers compared with small or new suppliers.
- **Consumers are less willing than in March to pay more for subsidiary services:** Willingness to pay more for both green energy and better customer services has fallen, largely driven by those struggling (but still keeping up) with their household bills.



Section 1: Have consumers seen an impact of changing market conditions on their energy bills?

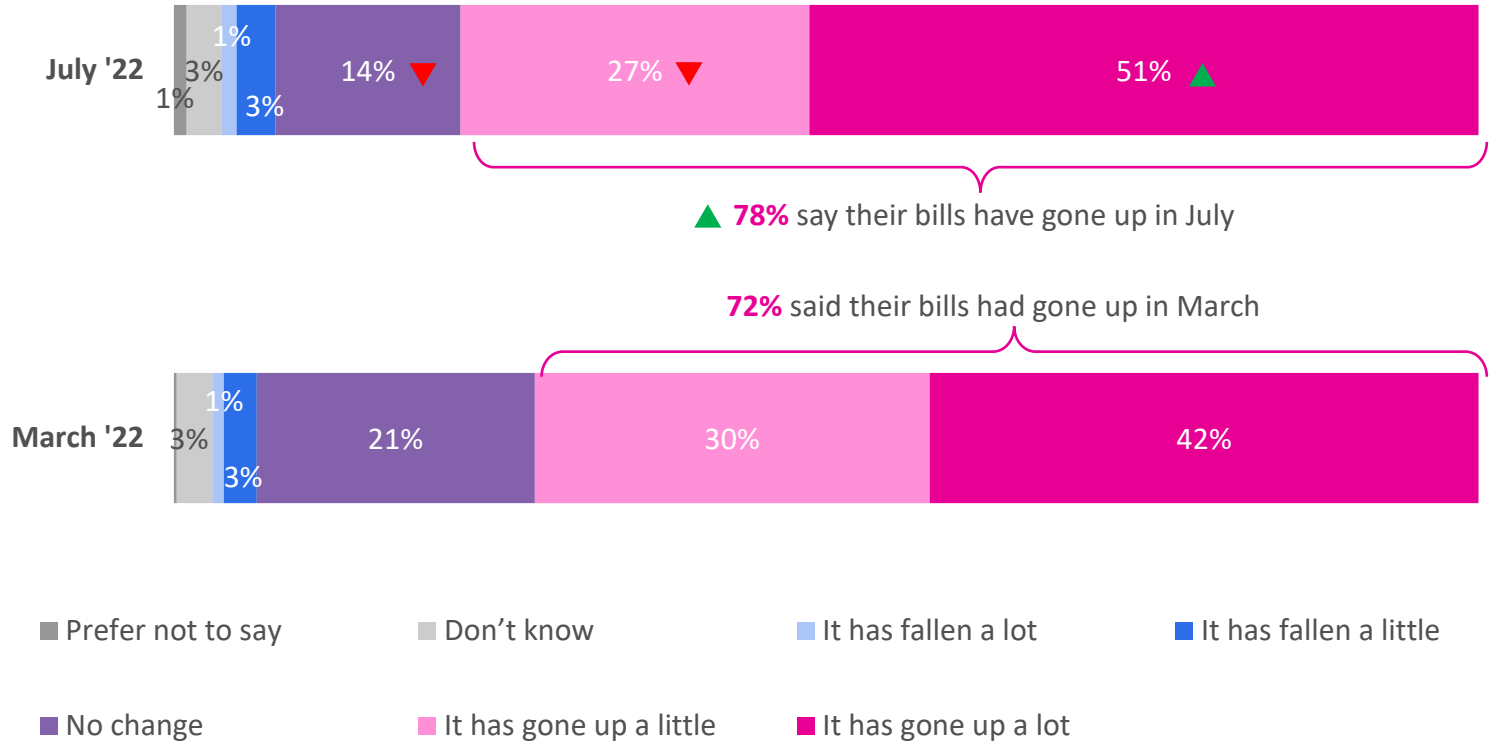
Summary

- **Consumers are noticing price increases:** The vast majority (78%) have seen their energy prices increase compared with what they would usually pay. This represents a 6 percentage increase since March. 7 in 10 (71%) of direct debit consumers report their supplier has increased the amount they pay in the last four months.
- **These increases are seen as unfair:** Only 1 in 3 (34%) of those who have seen their bills increase agree the rise in energy prices they are seeing is fair because of the increased cost of energy. Disagreement that increases are fair is especially high in those who are struggling (but still keeping up) (52%) or behind (56%) on their household bills. More than half of direct debit consumers (57%) believe their supplier is charging them more for their direct debit than they need to.
- **Consumers are having to cut back:** Since March there has been an increase in those having to reduce spending on necessities (34% cf. 31%) and on other spending such as holidays or meals out (45% cf. 40%) as a result of these price increases. Those with household income below £16,000 are more likely to say they are cutting back on necessities (42%). However, the increase in cutbacks since March are driven by those who *have not* had recent energy affordability issues - suggesting the rising cost of living issues are also affecting consumers who may not typically be considered financially vulnerable.
- **Affordability is seen as biggest worry for energy supply:** Consumers are more worried about their energy supply being affected (e.g. cut off) because they can't afford it (41%) than they are because of an issue with their supplier (e.g. 31% are worried they might be cut off due to their supplier going out of business).
- **Most worried about falling behind:** Over half (56%) are worried they will fall behind on their energy bills because of the increase in energy prices, the same as those worried they will fall behind because of their general household costs. This worry rises to 68% for prepayment meter customers.



Over three quarters (78%) of consumers say their energy bills have risen compared to the norm for this time of year – an increase of 6% points since March

Whether energy price has gone up or fallen compared to usual price this time of year



... **Commentary**

April's price cap rise has led to increased costs for households. This is being driven by people who say that their bills have 'gone up a lot' in July. The increase since March in those saying their energy prices have gone up compared to what they would usually pay is driven by older age groups, with a significant increase especially for those **aged 65+** (78% cf. 65% in March).

+ **Significant differences (July 2022)**

Groups significantly more likely to say their prices have gone up:

- Those **struggling** (but still keeping up) **with their household bills** (83%).
- Those with **recent energy affordability issues** (82%) or **future energy affordability concerns** (84%).*

* These are both defined in the glossary on slide 8

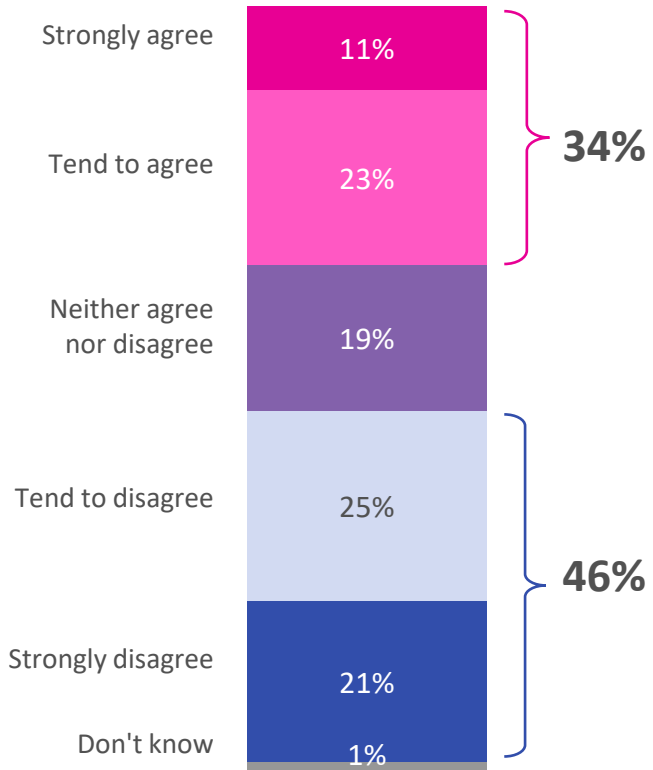


Source: E1. Thinking about the price your household pays for your home energy gas / electricity, have you noticed any change in the price you pay for your home energy compared with what you would usually pay at this time of year?
 Base: All respondents: March '22 (W1) 3,479 / July '22 (W2) 3,560

▲ Significant difference against wave 1 at 95% confidence interval
▼

Among all who have seen an increase almost half (46%) disagree that the rise in prices is fair

Of the 78% who said their energy price has gone up compared to the usual price this time of year...



The rise in prices is fair because the cost of energy is going up

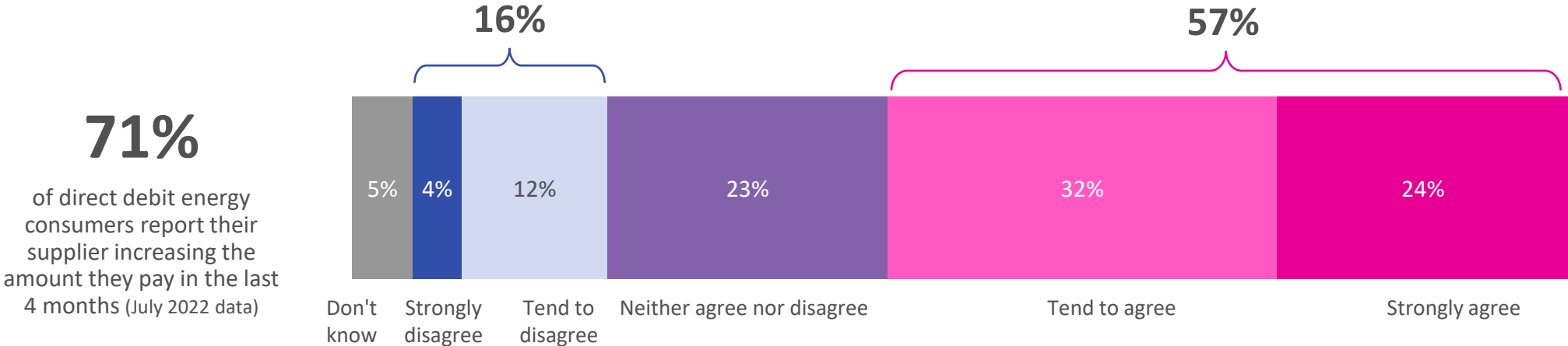
+ Significant differences (July 2022)

Groups significantly more likely disagree the rise in prices is fair:

- Those on a **prepayment meter** (59%) (a group more likely to be in the lower socio-economic grades).
- Those who are either **struggling** (but still keeping up) **with household bills** (52%) or those who are **behind on household bills** (56%).

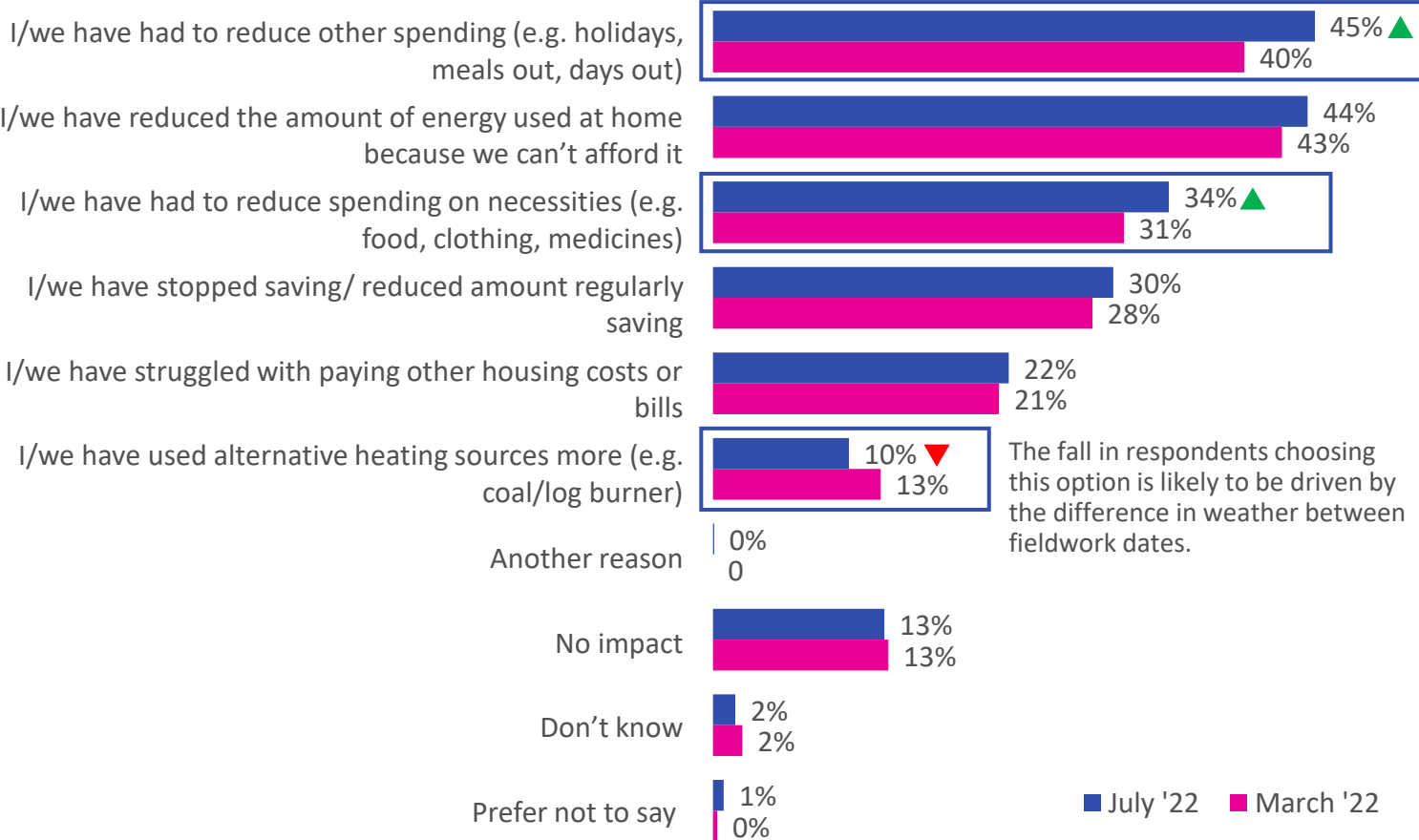
Over half (57%) of those who have seen increases on their direct debit believe their supplier is charging them more than is needed.

Agreement with the statement “my supplier is charging me more for my direct debit than they need to right now”



Over 4 in 5 (85%) consumers have been impacted in some way by the increased costs of home energy – including an increase in those reducing their spending

Impacts of increased costs of home energy on household



Commentary

Two of the top three impacts of increased energy costs are around reducing spending - on both relative luxuries (meals out, holidays etc.) as well as necessities. These have both increased significantly since March, driven by the below groups:

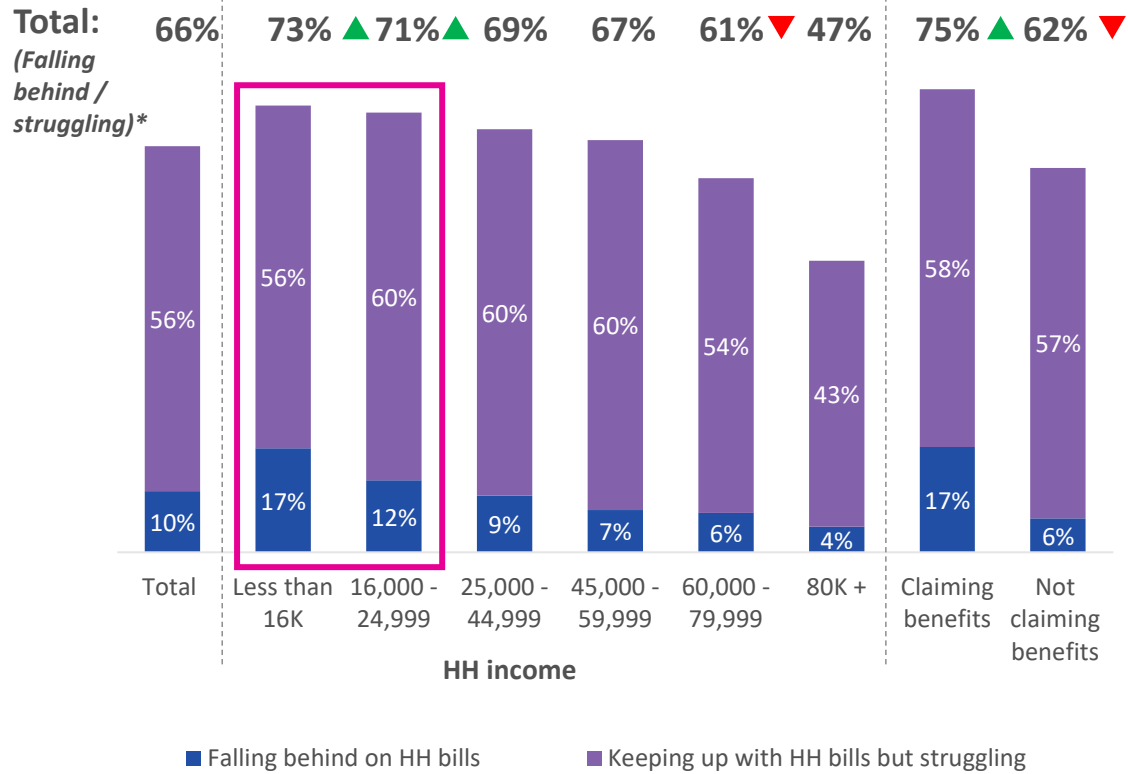
- Those who **have not had recent energy affordability issues** (24% cf. 17% for necessities, 35% cf. 27% for other spending)
- Those who with a household income **over £16,000** (46% cf. 39% for other spending).

This could be due to other inflationary pressures meaning that even groups not typically considered financially vulnerable are having to cut back.

Those groups with lower household income could have stayed relatively static due to having little discretionary spend and therefore not being able to cut back more than they are currently.

Almost 1 in 5 (17%) of those on lower household income are falling behind on household bills. But affordability issues are also impacting those who may not typically be considered financially vulnerable

Ability to keep up with household bills by income and whether claiming benefits



Experienced recent affordability issues* by income and whether claiming benefits



* This is defined in the glossary on slide 8

*Significance testing symbols added to total figures only.

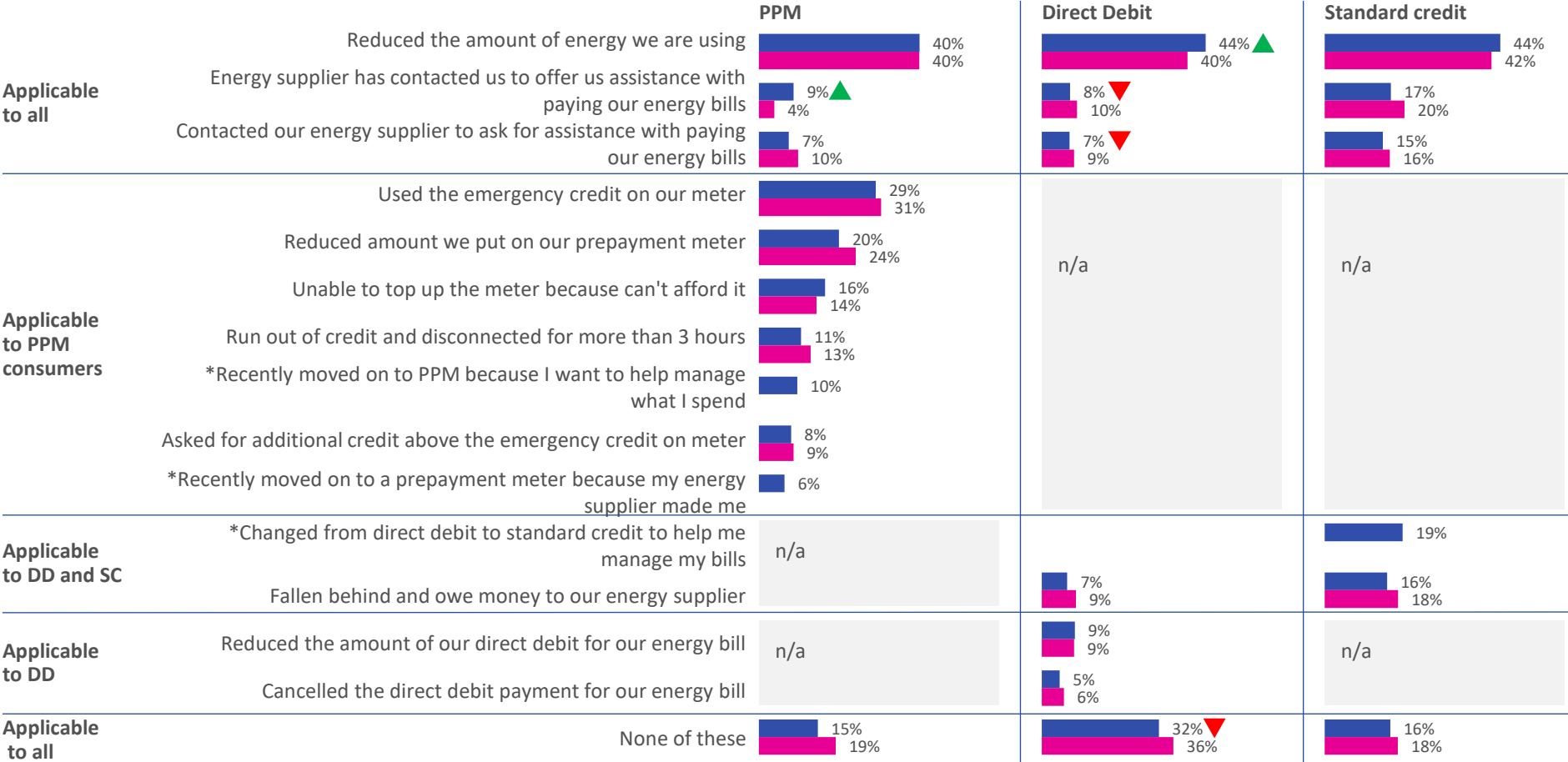


Source: F5: Which one of the following statements best describes how well you are keeping up with your general household bills and credit commitments at the moment? E3: Thinking about your energy bills over the last 3 months. Which, if any, of the following have happened to you or your household because of affordability issues? Base: All respondents (3560); Less than 16K (704); 16,000-24,999 (696); 25,000-44,999 (1044); 45,000-59,999 (408); 60,000-79,999 (193); 80k+ (133); Claiming benefits (1411); Not claiming benefits (1917).

▲ Significant different against total at 95% confidence interval (wave 2 only) 18

PPM and SC consumers are more likely to have been impacted by affordability issues in any way – with 1 in 3 (29%) having used emergency credit on their prepayment meter

Impacts on household because of affordability issues



Commentary

The increase since March for those on direct debit reducing the amount of energy they are using due to affordability issues is driven mainly by:

- Those aged 65+ (46% cf. 37% in March)
- Those in higher social grades (ABC1) (46% cf. 39% in March).

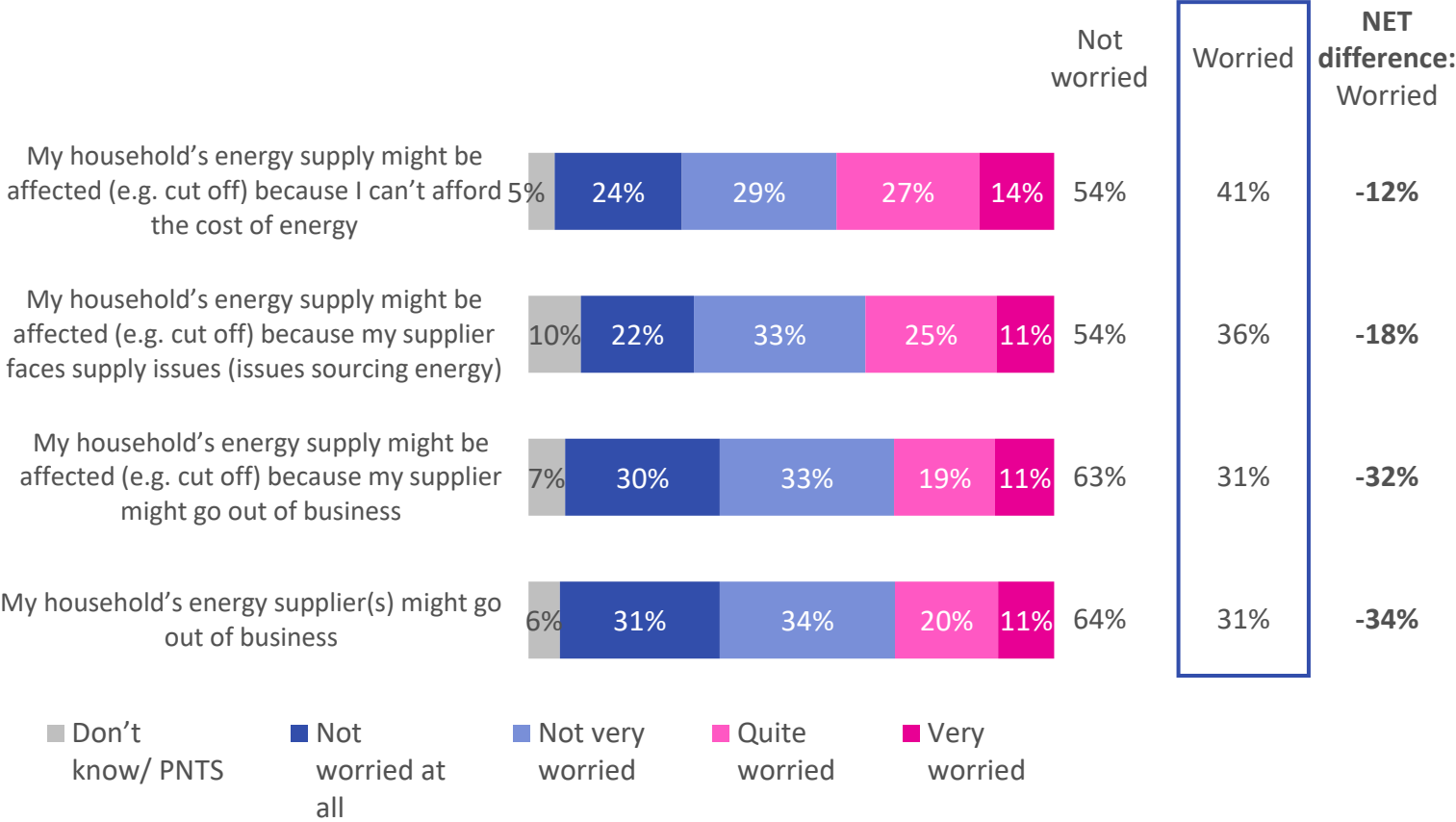


*Answer codes shortened for presentation purposes. Don't know and prefer not to say options not shown here
 Source: E3. Thinking about your energy bills over the last 3 months. Which, if any, of the following have happened to you or your household because of affordability issues? Base: All PPM consumers: March '22 (W1) 425 / July '22 (W2) 481, All DD consumers: March '22 (W1) 2565 / July '22 (W2) 2605, All SC consumers: March '22 (W1) 461 / July '22 (W2) 437. %s stating don't know and prefer not to say not shown.

▲ Significant difference against wave 1 at 95% confidence interval
 ▼

2 in 5 (41%) consumers are worried their energy supply might be cut off because they cannot afford the cost of energy

Worries about household energy supply*



+ Significant differences (July 2022)

Groups significantly more likely to report being worried about their household's supply being cut off due to energy affordability issues:

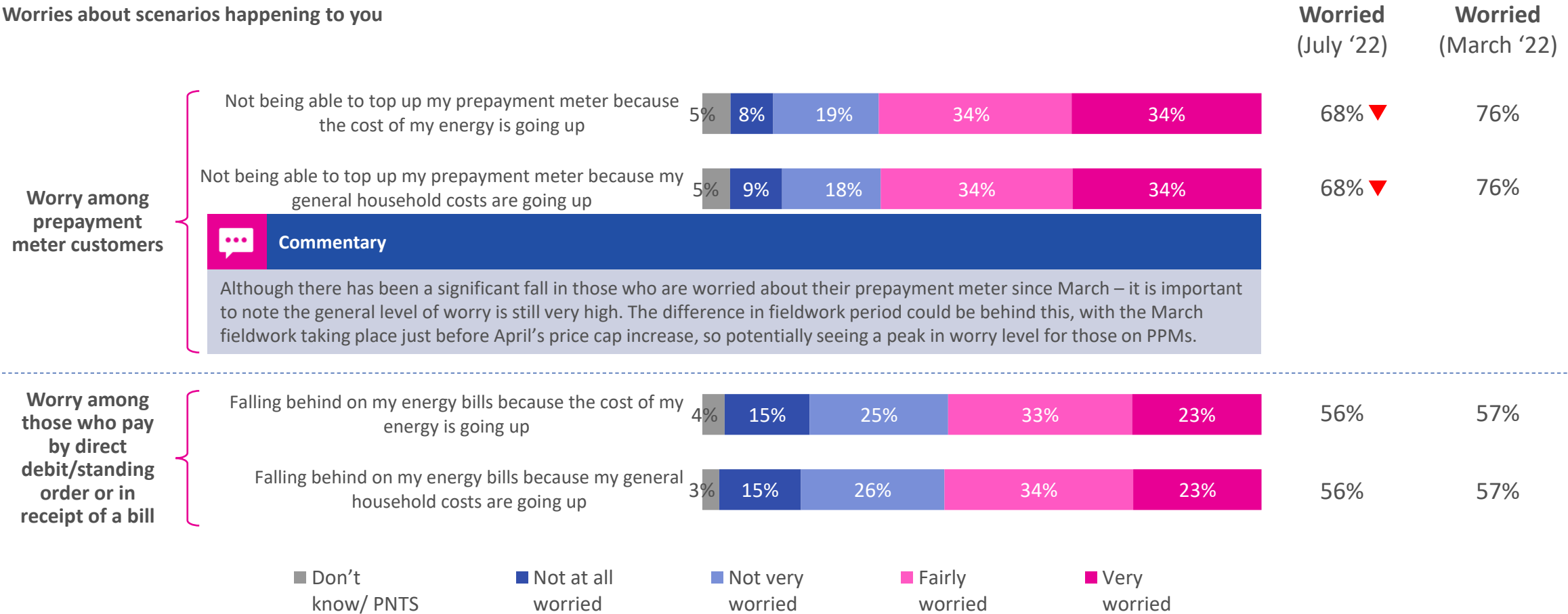
- Those with **household incomes under £16,000** (50%)
- Those who are **struggling (but still keeping up) with household bills** (47%)
- Those who are **behind on household bills** (65%)
- Those with recent **energy affordability issues** (49%)

*Tracking against previous wave not possible due to change in wording for codes



Source: B11. Thinking about your household's energy supplier(s) and the price you currently pay for your home energy gas / electricity, to what extent, if at all, are you worried that these things will happen? Base: All respondents: July '22 (W2) 3,560

Worries among prepayment meter customers are higher than for direct debit or standard credit customers. There is little differentiation between energy prices and household costs



Source: E4. At the moment, to what extent are you worried, if at all, about any of the following happening to you? Base: First two codes – those on a pre payment meter (W1 450, W2 506), Final two codes those who pay by direct debit/standing order or in receipt of a bill (W1 2999, W2 3008)

▲ Significant difference against wave 1 at 95% confidence interval
▼



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Section 2: Are consumers aware of changes to the energy market and sources of support?

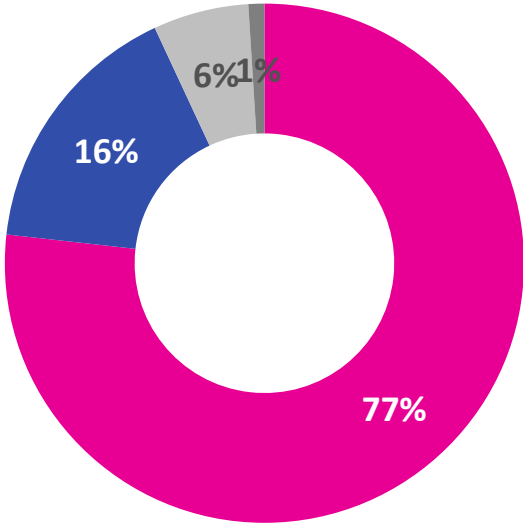
Summary

- **There is superficial understanding of the price cap:** Awareness of what the price cap does is a lot higher than awareness of what the price cap actually covers. 8 in 10 (77%) are aware of the price cap, but around 1 in 3 (30%) don't know whether their household is covered by it.
- **There is also poor understanding of what is covered:** Only 6% of energy consumers know what the price cap does as well as what it covers. This is mostly driven by a lack of understanding of what it covers.
- **More than half of consumers have heard about Government support:** Over half of energy consumers are aware of the government's £400 Energy Bill Support Scheme (51%), while 63% are aware of the £150 council tax rebate that came into force in April. Groups targeted for other help are significantly more likely to be aware of them, especially those aged 65+ for the £300 Pensioner cost of living payment (73%).
- **But few think it would be enough:** Few thought the support offered so far will provide them with enough help at time of fieldwork. Expectations that the government's £400 Energy Bill Support Scheme will help (20%) are slightly higher than those saying the council tax rebate helped them (9%) – but neither are viewed as going far enough, especially by those who are struggling (but still keeping up) or behind on their household bills.
- **One in three consumers have sought support:** 34% say they have sought some form of help in the last 3 months. The most common sources being debt advice charities (15%) or friends and family (11%).



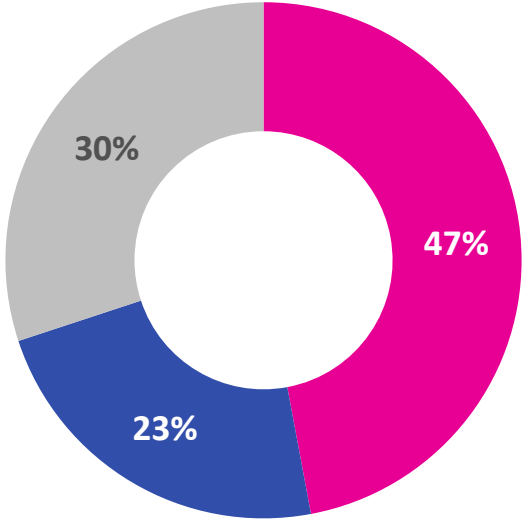
Awareness of the price cap remains high (77%) but awareness of whether it applies to own bills is low

Awareness of the energy price cap



Whether household's energy prices are covered by the price cap

Of the 77% aware of the price cap ...



■ Yes
 ■ No
 ■ Don't know
 ■ Prefer not to say

+ Commentary

There have been **no significant changes** in either awareness of the price cap or those who think they are covered by the energy price cap since March 2022.

+ Significant differences (July 2022)

Groups who are significantly more likely to be aware of the energy price cap:

- Those who **regularly switched** before August 2021 (86%)
- Those who say they pay their energy bills by **direct debit** (82%)

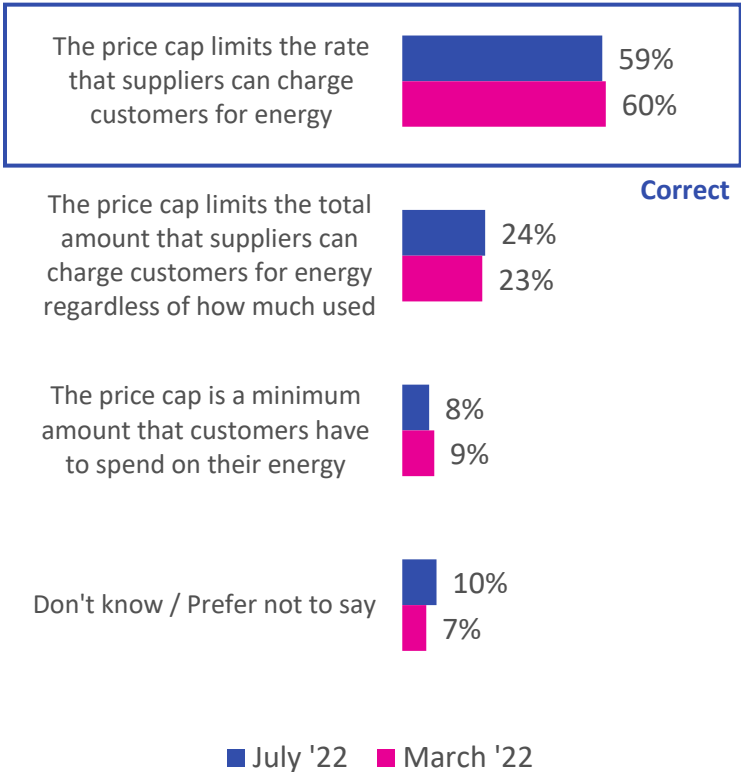
Groups significantly more likely to say they don't know whether their household's energy prices are covered by the price cap:

- Those with a household income lower than £16,000 (35%)

While knowledge of the function of the price cap is high, less than 1 in 5 (14%) know what it covers. Only around 1 in 20 (6%) know both.

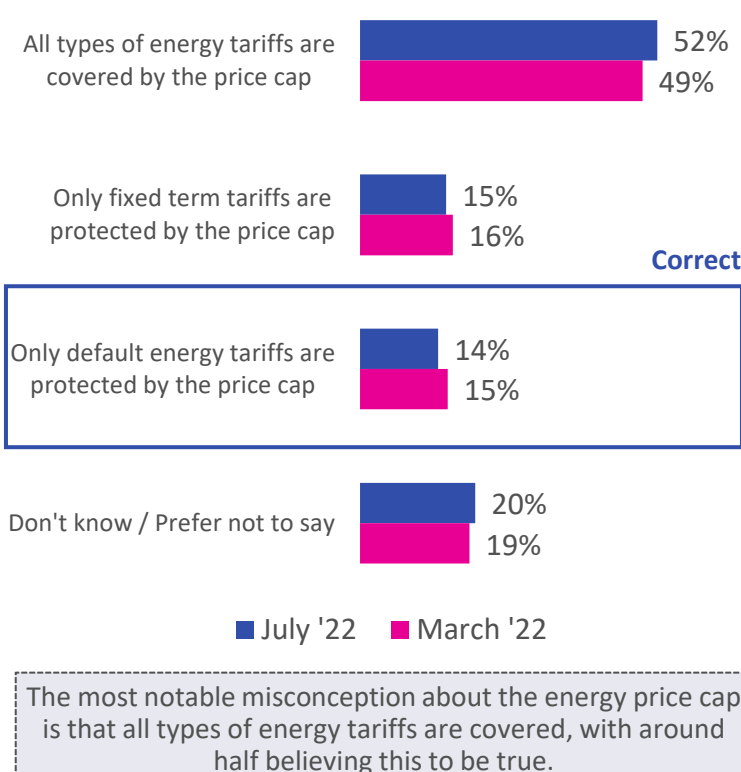
Which best describes what the energy price cap does?

Of the 77% aware of the price cap ...



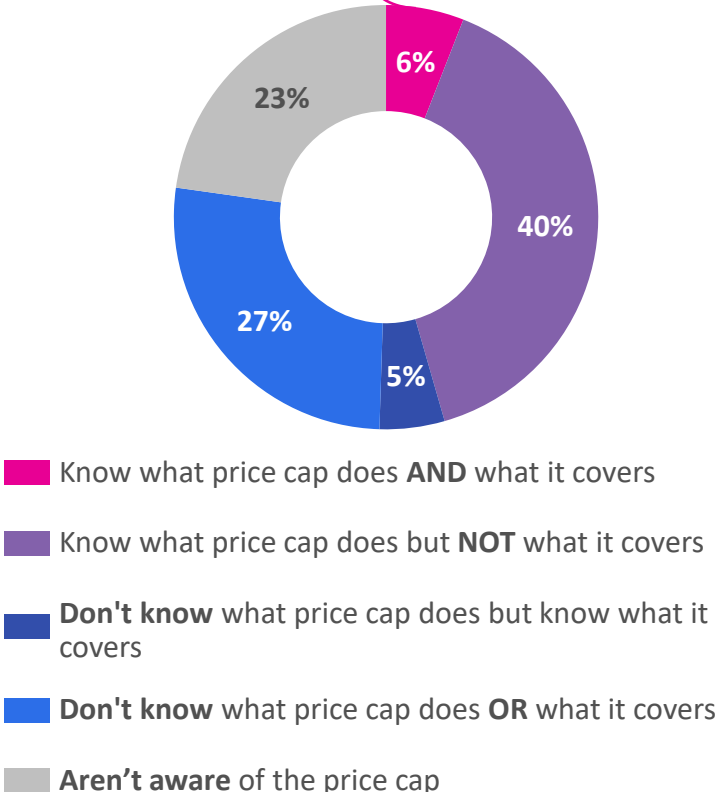
Which best describes what the energy price cap covers?

Of the 77% aware of the price cap ...



Function and coverage of price cap knowledge

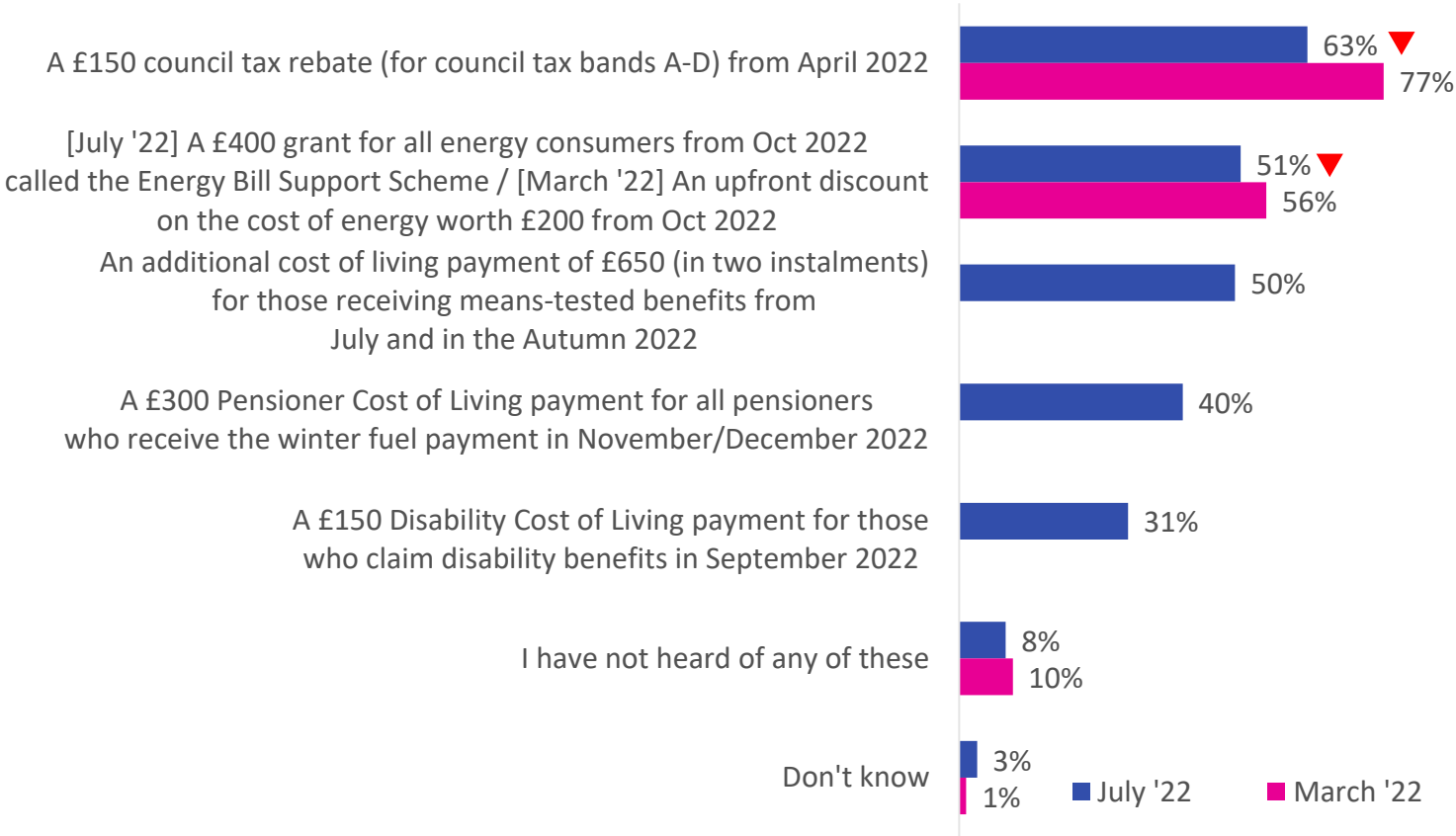
Just 6% know of the price cap and both what the price cap does and what it covers.



Over half of consumers (51%) are aware of the £400 Energy Bill Support Scheme – a similar amount as those aware of the additional cost of living payment. Awareness is higher for the £150 council tax rebate

Awareness of government measures*

Fieldwork for both waves was conducted prior to the government’s announcement of the Energy Price Guarantee



+ Significant differences (July 2022)

For the more targeted sets of payments, awareness is higher among the groups that are targeted:

- Those receiving any **means-tested benefit** are significantly more likely to be aware of the additional cost of living payment of £650 (56%).
- Those **aged 65+** are significantly more likely to be aware of the £300 pensioner cost of living payment (73%).
- Those receiving **the Personal Independence Payment (PIP)** are significantly more likely to be aware of the £150 disability cost of living payment (68%), as are those receiving **disability living allowance** (63%).

*Differences should be looked at cautiously due to different bases for questions between waves.

Significant differences between March and July for the Energy Bill Support Scheme could be because there was a change in the level of support offered by the new scheme.

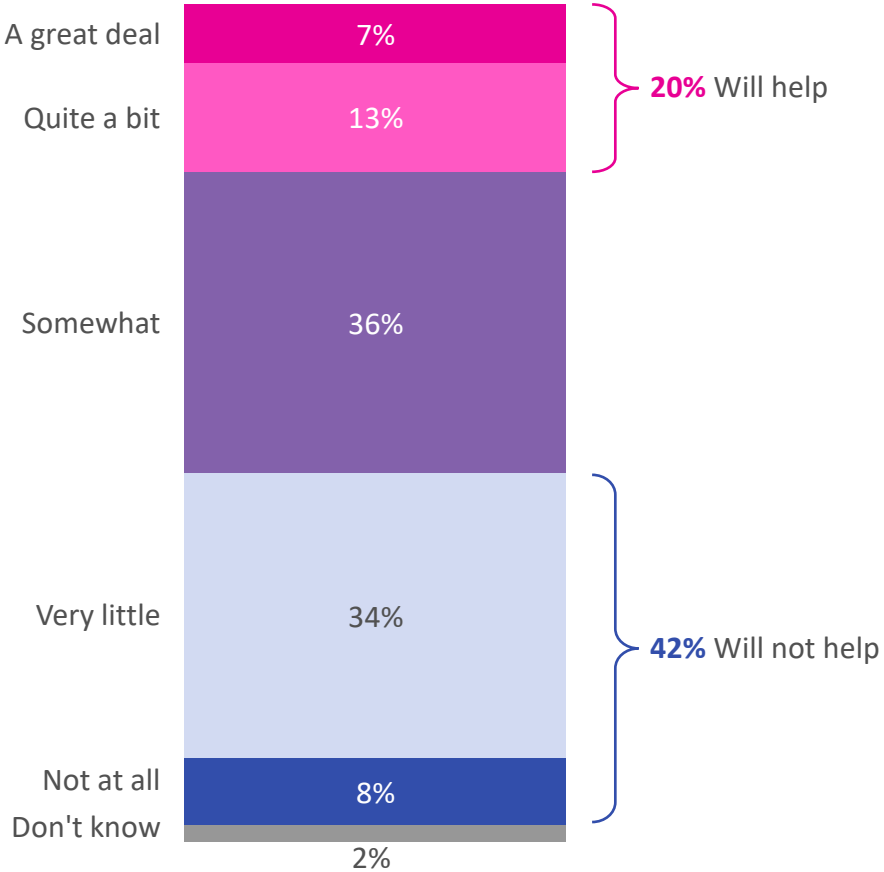


Source: E9. In order to reduce the impact of rising energy costs, the Government is introducing some support measures for consumers. Before today, had you heard anything about any of the measures below? Base: All respondents who heard price cap was rising in March '22 (W1) 2,978 / all respondents July '22 (W2) 3,560.

▲ Significant difference against wave 1 at 95% confidence interval
▼

Only 1 in 5 (20%) of consumers think the £400 Energy Bill Support Scheme will help them a great deal or quite a bit

Extent the £400 Energy Bill Support Scheme from Oct 2022 will help manage future energy costs



Commentary

Only 20% believe that £400 will provide a significant level of help. With most either selecting somewhat or very little, there is a clear sense that most believe the support does not go far enough.

Significant differences (July 2022)

Significantly more likely to say the £400 *will* help manage future costs:

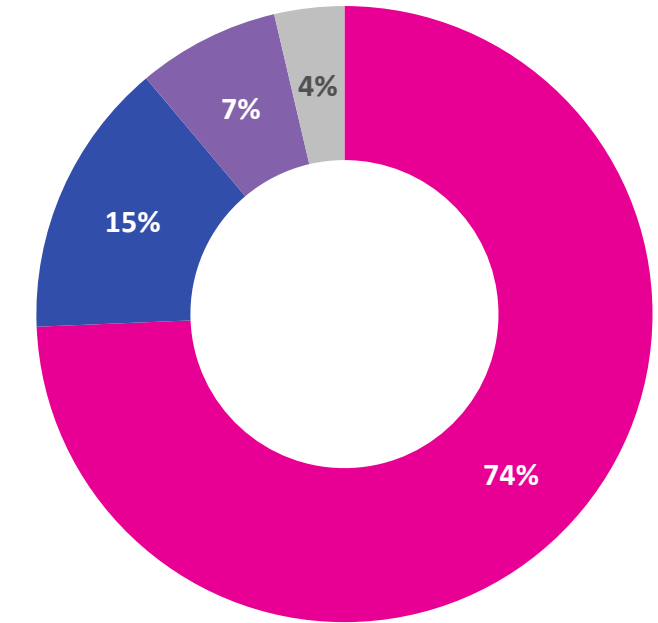
- Those with a household income **less than £16,000** (29%), including 12% who say it will help a great deal.

Significantly more likely to say the £400 *won't* help manage future costs:

- Those who are **struggling** (but still keeping up) (44%) or **behind** on household bills (54%).

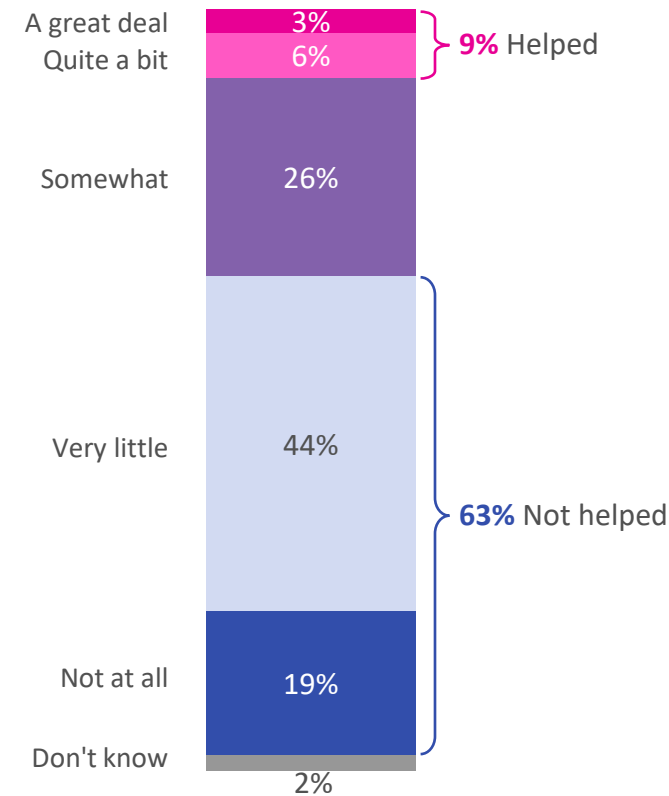
Although almost 3 in 4 (74%) say they have received the £150 council tax rebate, two-thirds (63%) say it has provided very little or no help

Awareness of having received the council tax rebate



■ Yes ■ No - I am not eligible
■ No - but I am eligible ■ Don't know

Extent the council tax rebate has helped manage energy costs



+ **Commentary**

While the majority of people are aware of receiving the council tax rebate (and of those who haven't, most are not eligible), only 9% of those who received it say it actually helped.

+ **Significant differences (July 2022)**

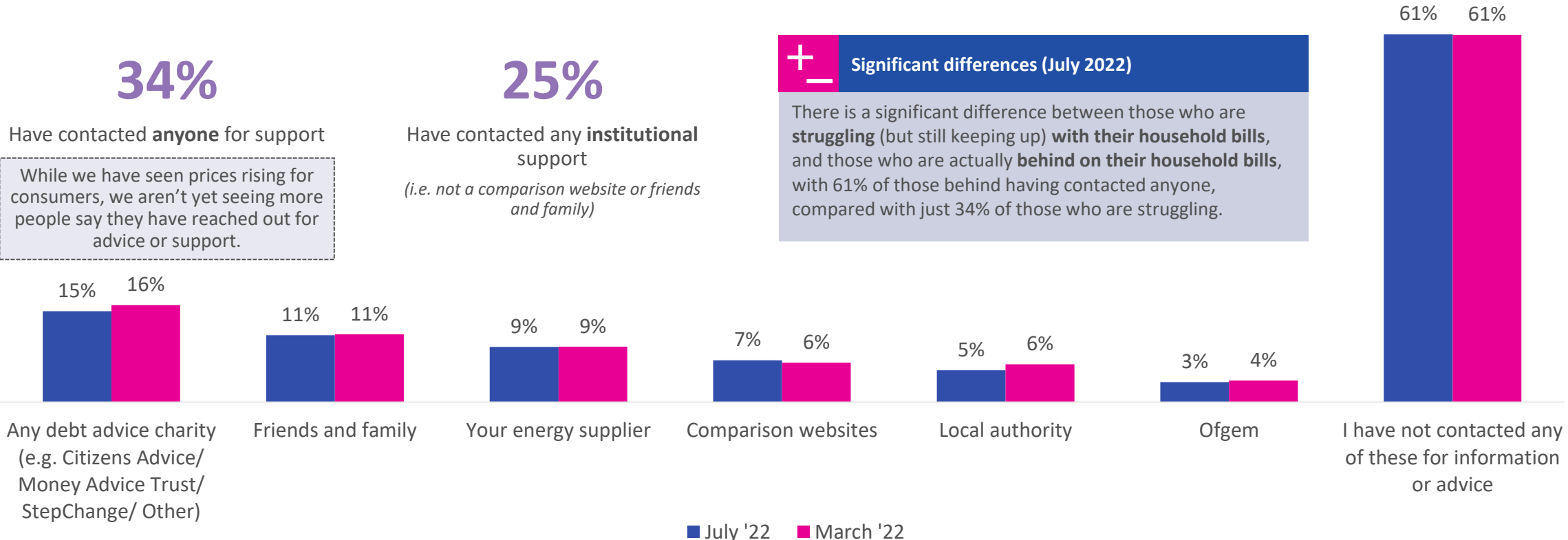
Significantly more likely to say the £150 council tax rebate helped:

- Those on **means-tested benefits** (13%).
- Those on the **priority services register** (13%).

Although higher than the average, this is still only marginally over 1 in 10 respondents, so still very low overall.

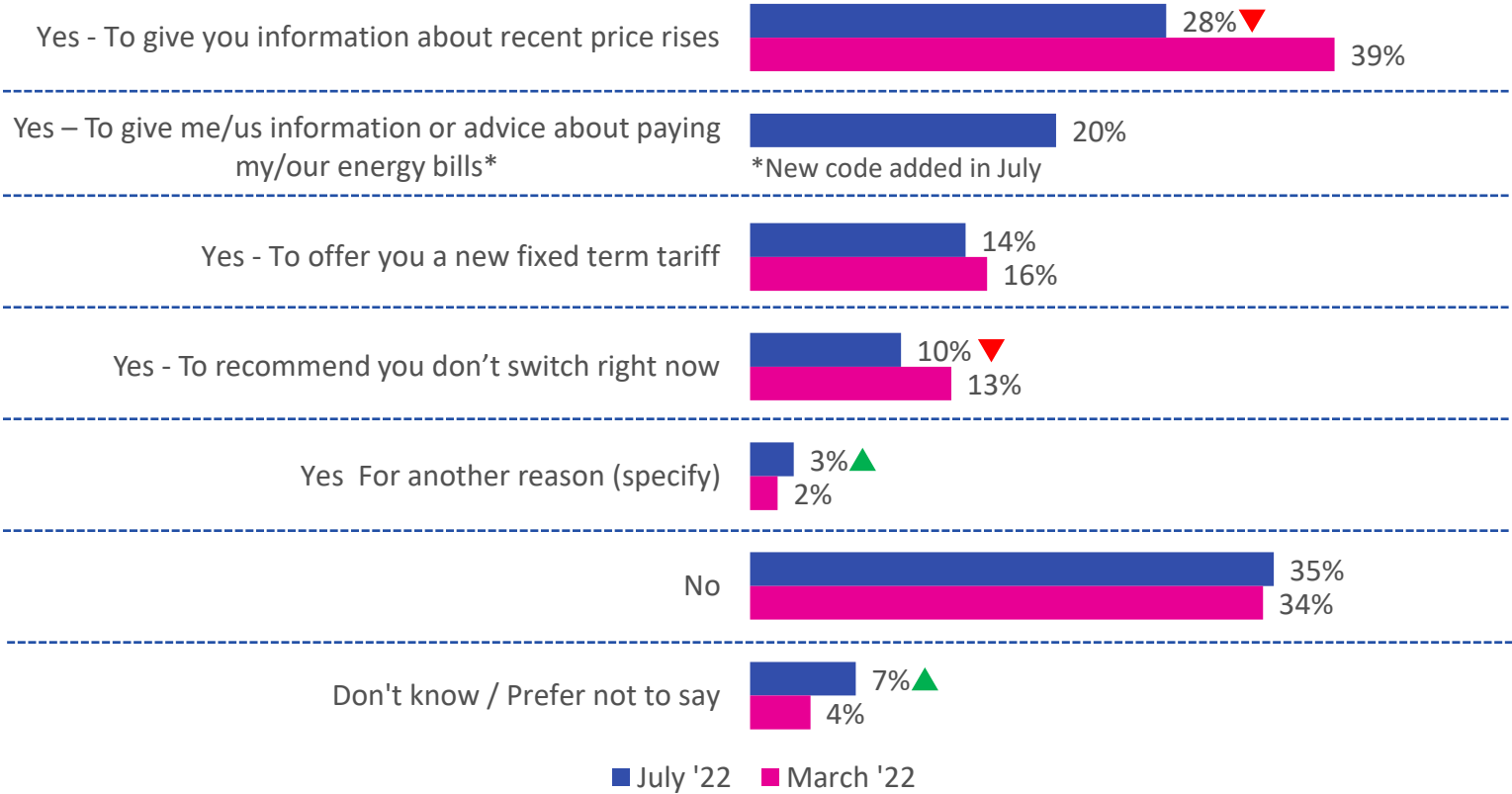
A third of consumers (34%) have contacted anyone for advice or support on their energy bills – of these 1 in 4 (25%) have contacted institutional support. This has not increased between March and July

Contact with organisations for information, advice or support with paying your energy bills in the past 3 months



Over half (58%) of consumers have been contacted by their supplier in the past 3 months, mostly to inform about recent price rises and to give information or advice about paying energy bills – although this has fallen since March

Ways of contact from supplier in past 3 months



Significant differences (July 2022)

Priority services register:
 Those on their energy supplier's priority services register are significantly more likely to have been contacted by their supplier for information about recent price rises (31%), and information or advice about paying energy bills (27%).



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Section 3: What has been the experience of consumers impacted by supplier failure?

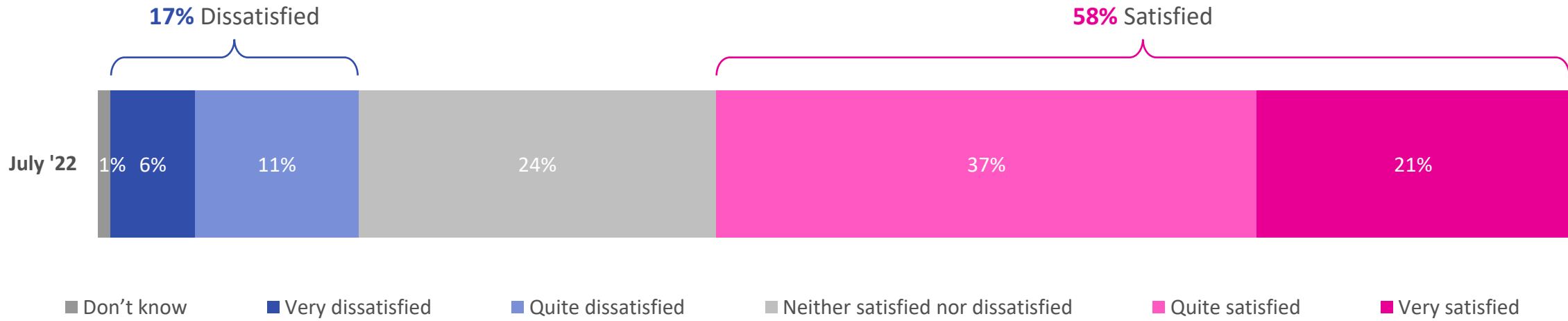
Summary

- **Most of those who experienced supplier failure were satisfied:** 58% of those who experienced a Supplier of Last Resort (SoLR) or Special Administration Regime (SAR) were satisfied with their overall experience, while only 17% were dissatisfied. Those most likely to say they were dissatisfied are those behind on their household bills, on a prepayment meter, or who switched supplier in the last year.
- **The majority say communication was clear:** Over 6 in 10 (64%) say they received clear communication about what would happen and what steps they would need to take. 59% said they were satisfied with the supplier they were moved to.
- **Delays and double-billing have been reported:** 50% of those whose supplier failed said they had experienced delays with their bills, with 4% still having not received them. 45% of those who eventually received a bill say they were double billed.
- **Some report still not receiving credit:** 46% of those who moved supplier didn't receive credit for at least a while, with 8% still having not received it.
- **Prepayment meter consumers also report issues:** Although these represent a small proportion of total consumers, for those on prepayment meters, 60% who went through a SoLR had or are still having difficulties topping up their meter, while 56% lost balance, with 18% saying they have still not received it back.
- **Dissatisfaction is felt most keenly among those experiencing issues:** The more issues people experienced, the less likely they were to be satisfied with their overall SoLR experience, and the more likely they were to be dissatisfied.



Of those who claim their supplier failed/ went into administration, more than half (58%) say they are satisfied with their experience, while almost 1 in 5 (17%) are dissatisfied

Satisfaction with overall experience when supplier failed and moved to a new supplier/ when supplier entered administration
 Question added for July survey (not asked in wave 1)



Commentary

Dissatisfaction with the overall process is linked to a high propensity to switch supplier. Those dissatisfied with the Supplier of Last Resort (SoLR) process are more likely to have switched to a new supplier since being moved from failed supplier (28%) than those who were satisfied (12%). This suggests some who were SoLR'd are switching because of a poor experience with their new supplier.

- Significant differences (July 2022)**
- Groups more likely to be dissatisfied:**
- Those who are behind on their household bills (24%)
 - Those on a prepayment meter (27%)
 - Those who reported more issues after their supplier failed (e.g. those with 3+ issues reported 23% dissatisfaction)



Source: NewC2b. How satisfied are you with your household's overall experience when entered administration /closed down and you were moved to a new supplier? Base: All who were with a supplier when they closed or went into administration: July '22 (W2) 1,028.

The majority of consumers (64%) agree that they received clear communication about what would happen when their supplier failed/ entered administration. Those who were moved to a new supplier were mainly satisfied (59%).

+ Significant differences

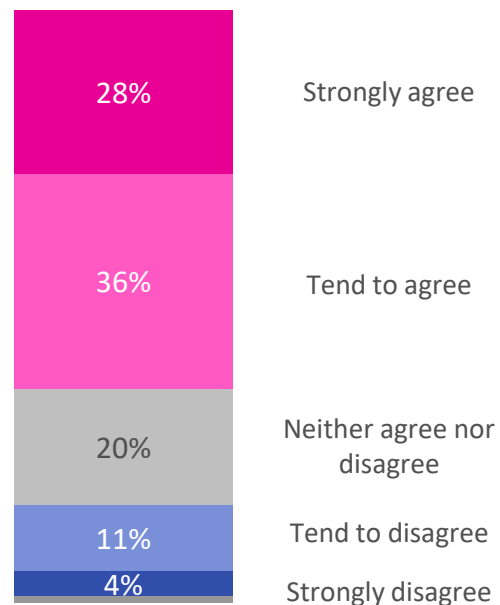
Significantly more likely to agree they received clear communication:

- Consumers **aged 55+** (77%).
- Those paying their bills by **direct debit** (69%).
- Those who were **satisfied with the SoLR/SAR** process (80%).

Significantly more likely to disagree they received clear communication:

- Consumers **behind on their household bills** (26%).
- Those who have **switched supplier** since they were moved to a new one (26%).
- Those who were **dissatisfied with the SoLR/SAR** process (49%)

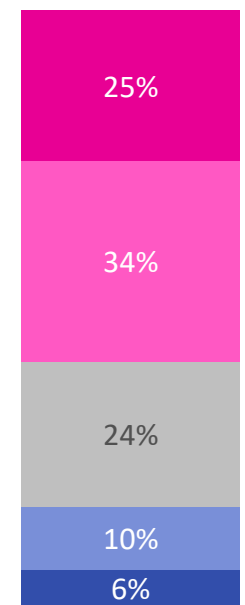
I/we received clear communication about what would happen and any steps I/we needed to take



Agree NET: **64%**

Disagree NET: **15%**

Overall, I/we are satisfied with the supplier we were moved to



Satisfied NET: **59%**

Dissatisfied NET: **17%**

+ Significant differences

Significantly more likely to be satisfied with their new supplier:

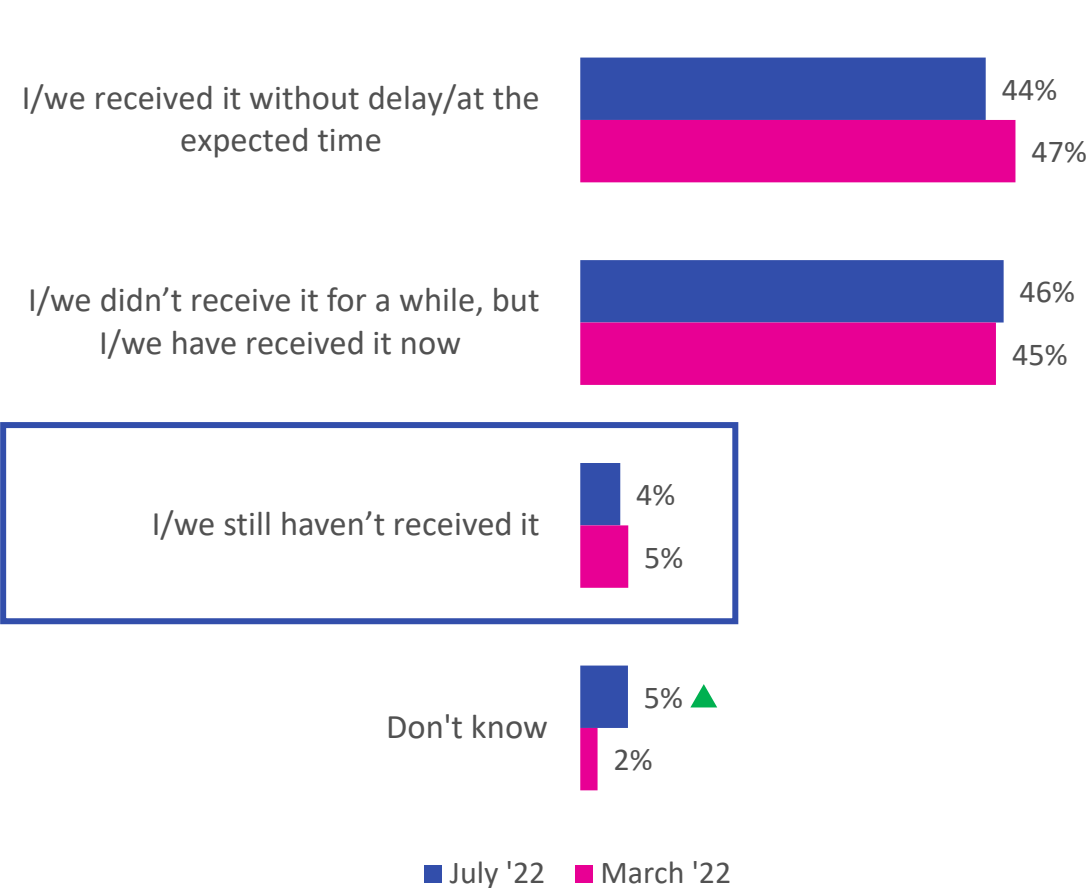
- Those who were **satisfied with the SoLR** process (77%)

Significantly more likely to be dissatisfied with their new supplier:

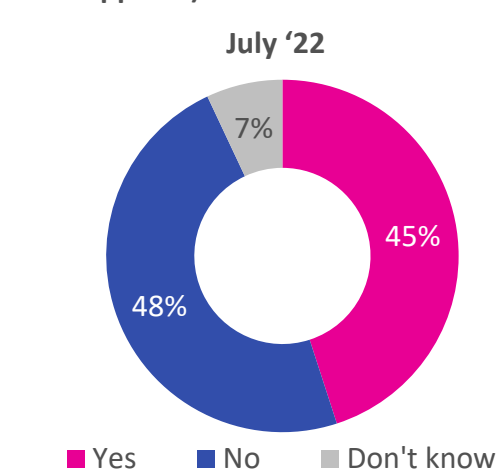
- Those who have **switched supplier** since they were moved to a new one (27%).

Issues around billing when energy suppliers failed were felt by half (50%) of those who pay by direct debit/ standard credit – with 4% still not having received their bill

What happened with your bill when you were moved to your new supplier



Whether they were sent double bills (a bill for the same time period from old and new suppliers)



Commentary

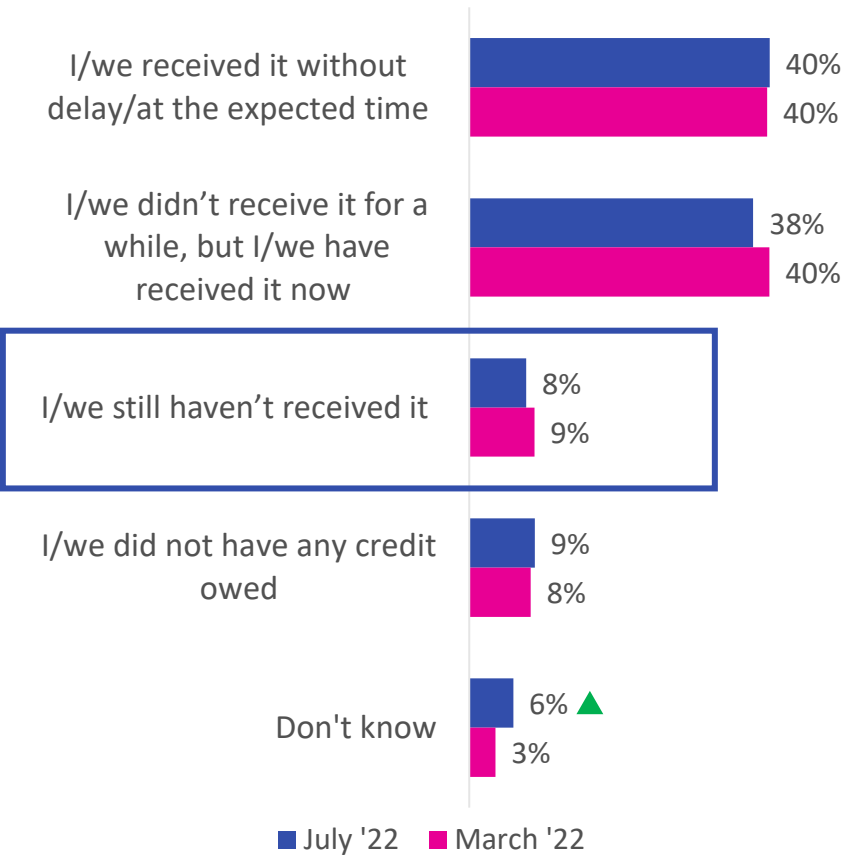
Of those who say they didn't receive a bill for a while, 20% were dissatisfied with the SoLR process, while among those who still haven't received one, over half (51%) were dissatisfied.

There could be a procedural element to this, with 67% of those paying via standard credit reporting double bills, compared with 39% of those paying by direct debit.

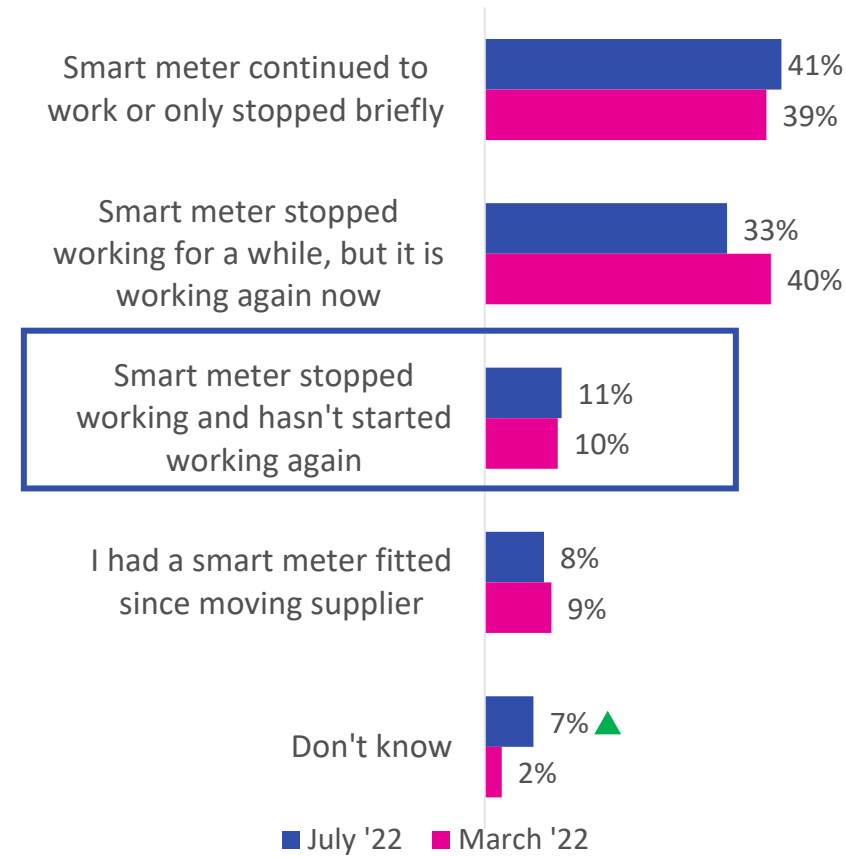
There has been an increase in those who say they "don't know" what happened with their bill when they moved to a new supplier, suggesting difficulties in remembering details about the process by July '22.

A minority are still experiencing issues with credit owed (8%) and smart meter functionality (11%)

What happened with any credit that you were owed when you were moved to your new supplier?



What happened with your smart meter when you were moved to your new supplier?



Commentary

Satisfaction with the overall SoLR process is more strongly correlated to the credit people were owed than what happened to their smart meter.

Again, those saying "don't know" increased in July compared to March.

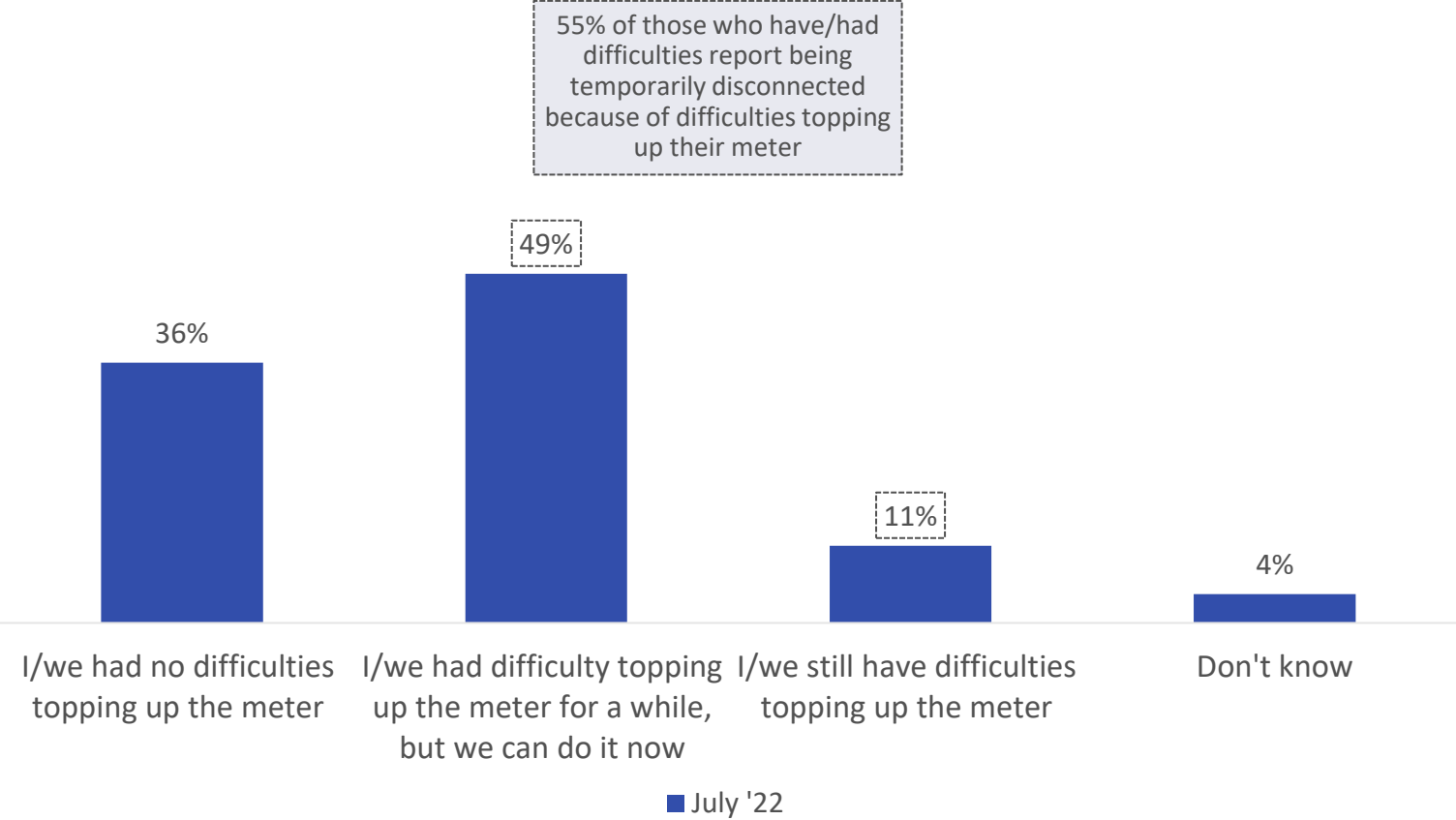


Source: C2B2. Which of the following best describes what happened with any CREDIT THAT YOU WERE OWED when you were moved to your new supplier? Base: All who were with an energy supplier who entered administration and do not have a prepayment meter: March '22 (W1) 764 / July '22 (W2) 720. C2B4. Which of the following best describes what happened with your SMART METER when you were moved to your new supplier? Base: All who were with an energy supplier who entered administration, do not have a prepayment meter and have a smart meter: March '22 (W1) 553 / July '22 (W2) 507.

▲ Significant difference against wave 1 at 95% confidence interval

For those on a prepayment meter, over half (60%) experienced some difficulty when topping up their meter, when they were moved to a new supplier

What happened with topping up your meter when were moved to new supplier



Commentary

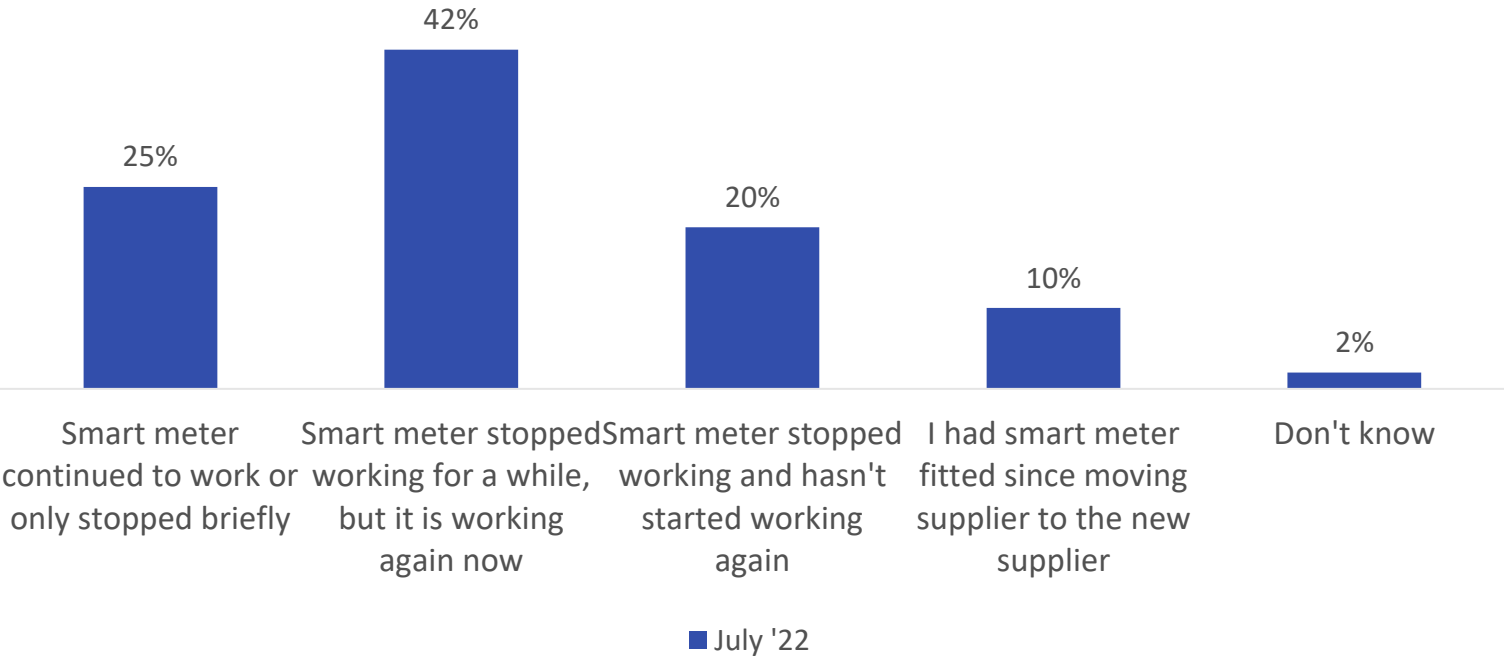
Although we should be cautious due to a low overall base size, around half say they had difficulties topping up their meter (49%), with 11% saying they are still having difficulties. Of this group half say they experienced being temporarily disconnected (55%).

Experiencing negative issues here strongly correlates to overall dissatisfaction, with those who are still having difficulties with topping up their meters dissatisfied with the overall process in 79% of cases (compared to 27% dissatisfied among prepayment meter customers overall).

*Due to a base size below 40 for the March variation of this survey results are not shown here. Proportions are approximately equivalent though

For those who had a smart meter and pay by prepayment meter, 1 in 5 (20%) report their smart meter still not working. This is a higher proportion than for those who pay by direct debit/ standard credit

What happened with your smart meter when you were moved to your new supplier



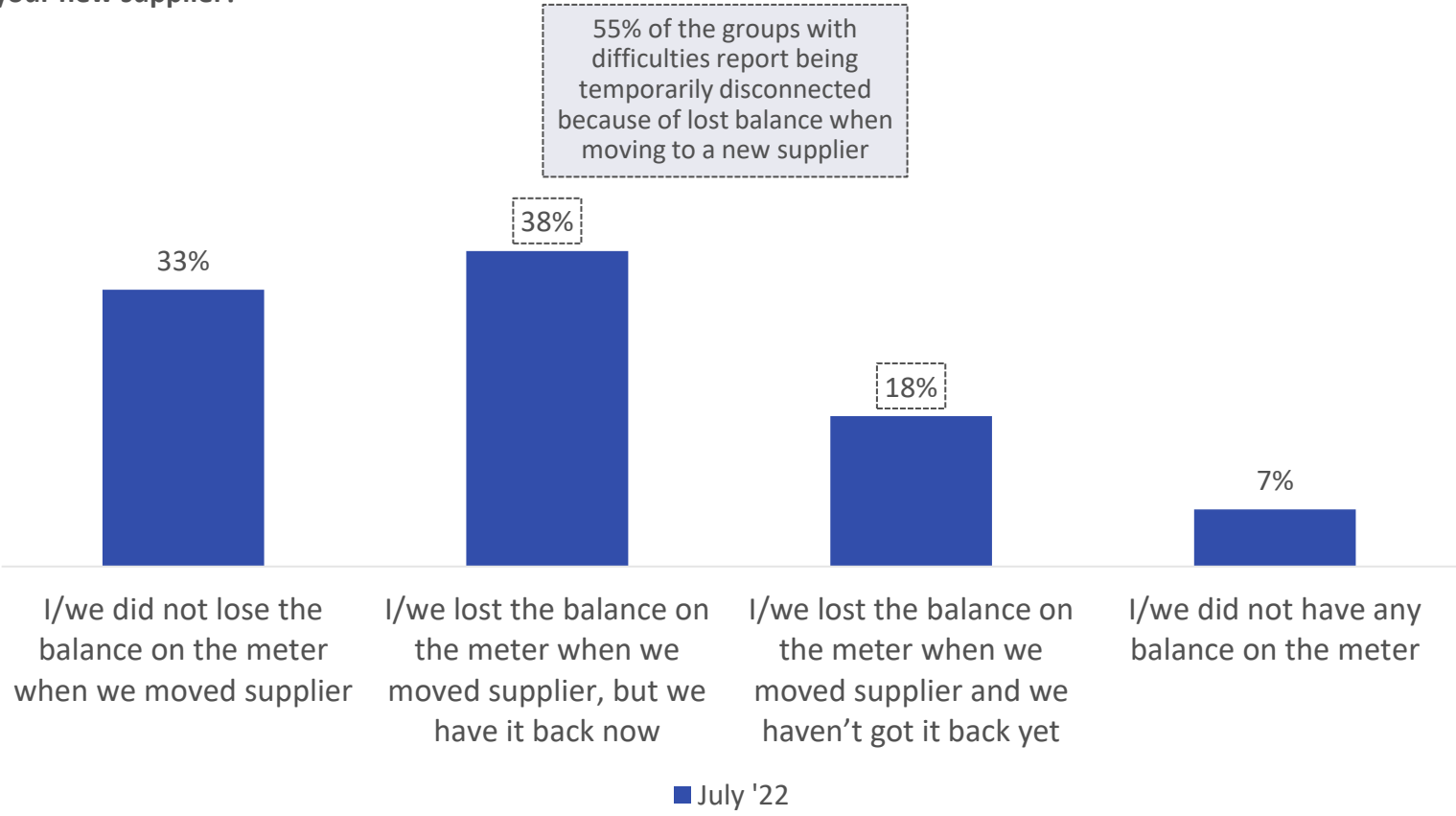
Commentary

There is also a link between those who say their smart meter stopped working for a while and satisfaction, with only 38% satisfied with the overall process compared with 47% dissatisfied.

*Due to a base size below 40 for the March variation of this survey results are not shown here. Proportions are approximately equivalent.

A little under 4 in 10 (38%) temporarily lost the balance on their prepayment meter when they were moved supplier, and almost 1 in 5 (18%) say they still have not received it

Which of the following best describes what happened with your balance on your meter when you were moved to your new supplier?



Commentary

1 in 5 of those on a prepayment meter say they lost the balance on their meter when they moved supplier and haven't gotten it back yet. Of those who had difficulties, over half 55% say they were disconnected temporarily.

Again, the link between experiencing issues and satisfaction is clear, with 45% of those who say they have lost the balance on their prepayment meter and not gotten it back dissatisfied (compared to 27% dissatisfied among prepayment meter customers overall).

*Due to a base size below 40 for the March variation of this survey results are not shown here. Proportions are approximately equivalent.

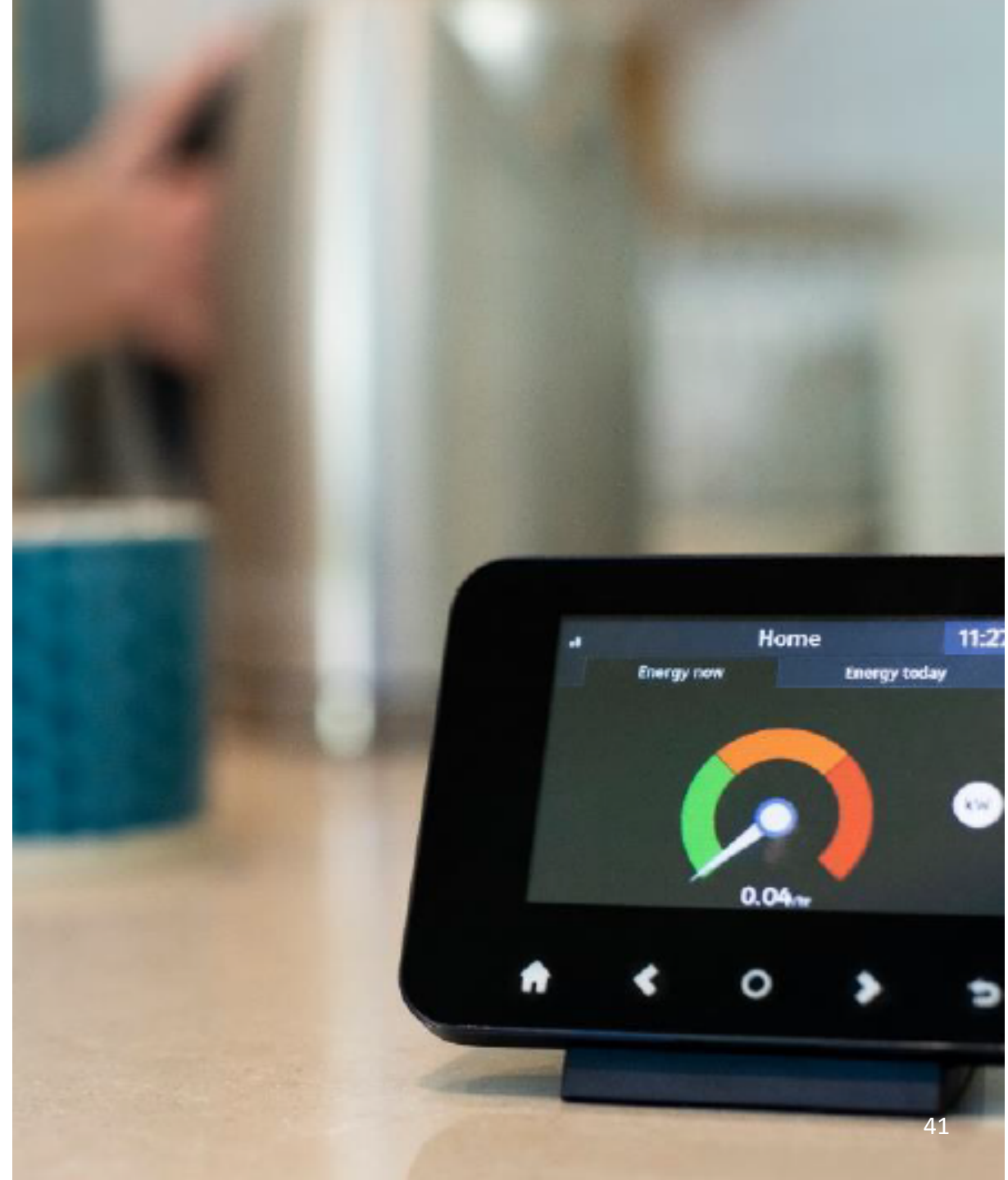


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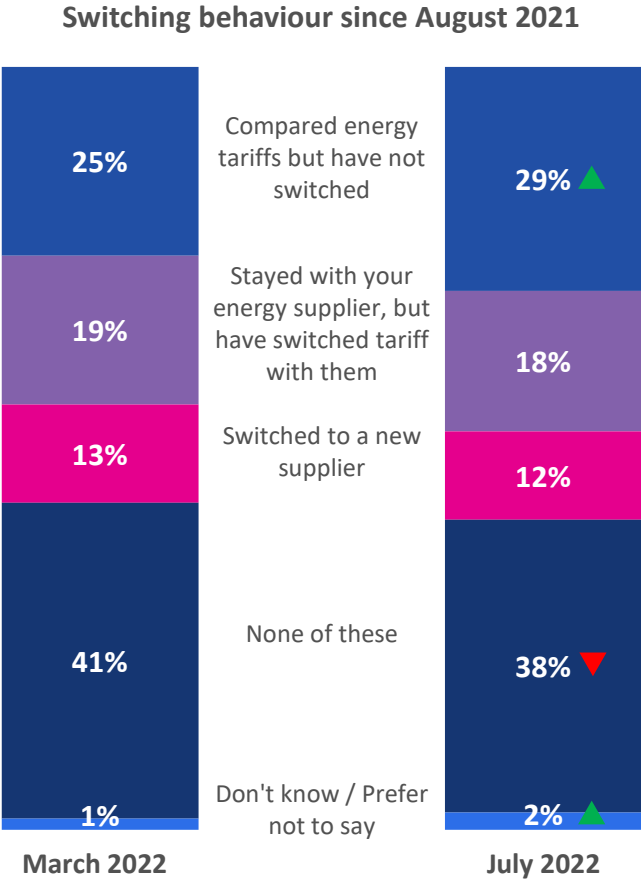
Section 4: What has been the impact of the global gas crisis on consumers' engagement and trust in the energy market?

Summary

- **Switching has not increased but searching has:** There has been an increase in those who have compared energy tariffs but not switched since March (29% cf. 25%), while 18% say they have switched with the same supplier, and 11% have switched to a new supplier. This is largely driven by regular past switchers, although 1 in 5 regular past switchers have not engaged at all since August 2021. Of those who switched, price was a key motivator (29%), although reporting that the supplier moved to is an established supplier has increased significantly as a reason since March (18% cf. 14%).
- **Future switching likelihood has fallen:** There has been a general fall in those saying they would be willing to switch to any kind of tariff. Generally there is a preference towards switching tariffs with their current supplier, but even willingness to switch here has fallen since March (69% cf. 72%). The biggest risks associated with switching are the lack of cheaper deals (46%), combined with the worry that costs might go up (40%).
- **Worry about supplier failure also appears to be falling:** While the third highest risk associated with switching is because the supplier might go bust (30%), the proportion of people agreeing they would be worried about switching to a new supplier in case the supplier went out of business has fallen since March (54% cf. 62%).
- **Preferences for large suppliers is not falling as fast:** There has been an increase in those switching supplier because they are a well-known or established company (18% cf. 14% in March). This could have an impact on competition if consumer sentiment continues to prefer large established energy suppliers.
- **Consumers are less willing to pay more for subsidiary services:** Agreement around whether people would be willing to pay more for green energy or better customer services has fallen by two percentage points for both. This is largely driven by those who are struggling (but still keeping up) with their household bills, suggesting that willingness to pay for these falls as finances get tighter.



Since March we have seen an increase in the proportion of consumers who have searched, but not in the number who have switched



Switching behaviour before August 2021 (July)

	Regular	Occasional	Non-switcher
Have compared energy tariffs but have not switched	43% ▲	29%	20%
Have stayed with your energy supplier, but have switched tariff with them	25% ▲	23% ▲	8%
Have switched to a new supplier	10%	14% ▲	9%
None of these	21% ▼	34%	58% ▲
Don't know / Prefer not to say	1% ▼	1% ▼	5% ▲

Significant differences (July 2022)

+ Significantly more likely to have compared energy tariffs but not switched:

- Regular switchers before August 2021 (43%)

- Significantly more likely to have switched tariff with same supplier:

- Regular switchers before August 2021 (25%)
- Those with recent energy affordability issues (21%)

Significantly more likely to have switched to a new supplier:

- Those who were dissatisfied with the SoLR process (28%) (since moving to new supplier not since August 2021)
- Those with recent energy affordability issues (13%)

Those who were **regular switchers before August 2021** were not more likely to have switched suppliers since then (10%) – suggesting even regular switchers may have changed their habits somewhat.

▲ Significant difference against wave 2 total at 95% confidence interval
▼ Significant difference against wave 2 total at 95% confidence interval

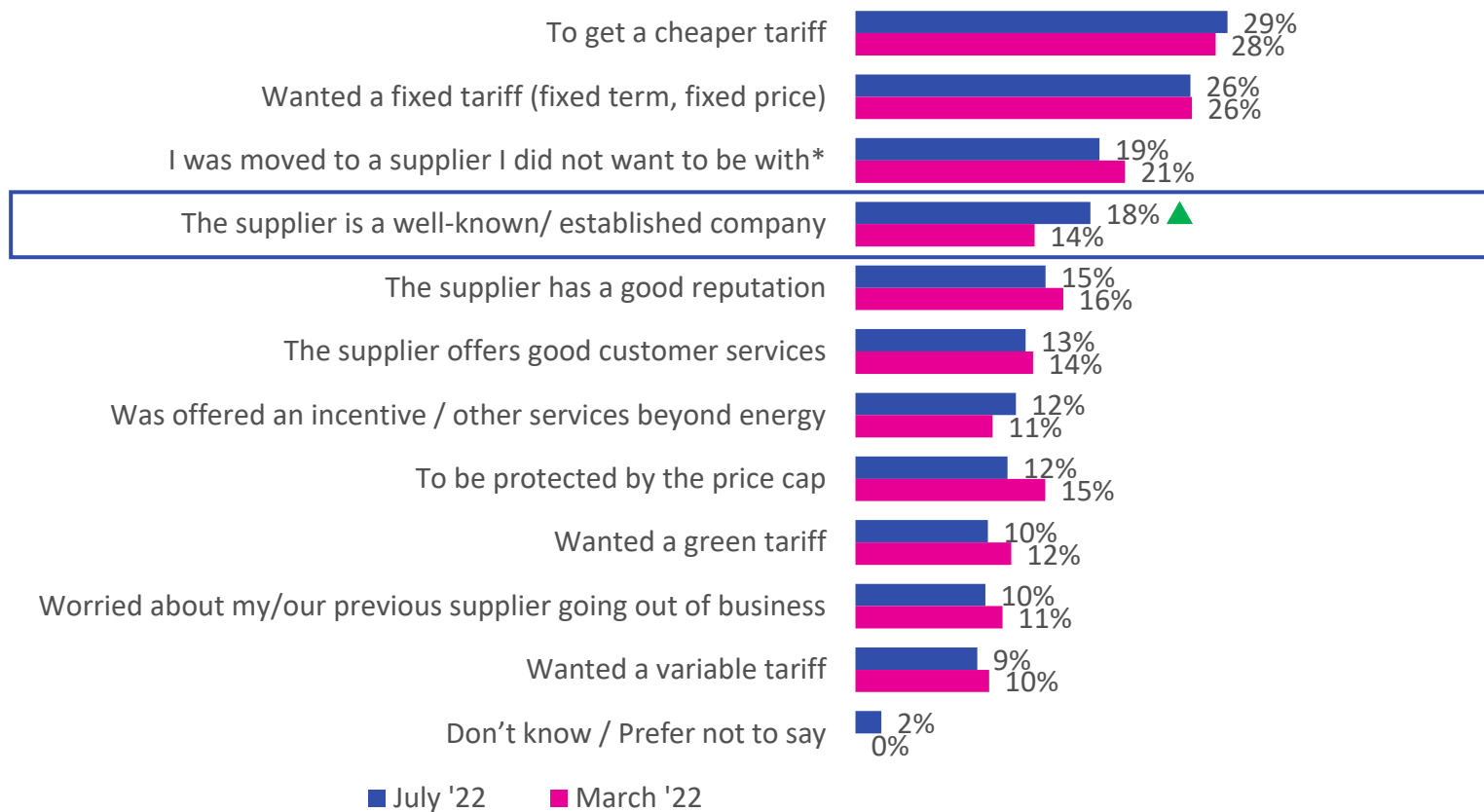
▲ Significant difference against wave 1 at 95% confidence interval
▼ Significant difference against wave 1 at 95% confidence interval



Source: C3. Which, if any, of these things have you or your household done after you were moved from your failed supplier /since your last supplier closed down or entered administration? Base: All who moved from a failed supplier: March '22 (W1) 803 / July '22 (W2) 806
C4. Which, if any, of these have you or your household done SINCE AUGUST 2021? Base: All who have not switched tariff or supplier, were with a supplier that entered administration, or not moved supplier: March '22 (W1) 2,944 / July '22 (W2) 2,984.

Getting a cheaper tariff is the main reason consumers have switched tariff or supplier, followed by wanting a fixed tariff. Going to a well-known/established supplier has increased

Reasons for switching tariff or supplier



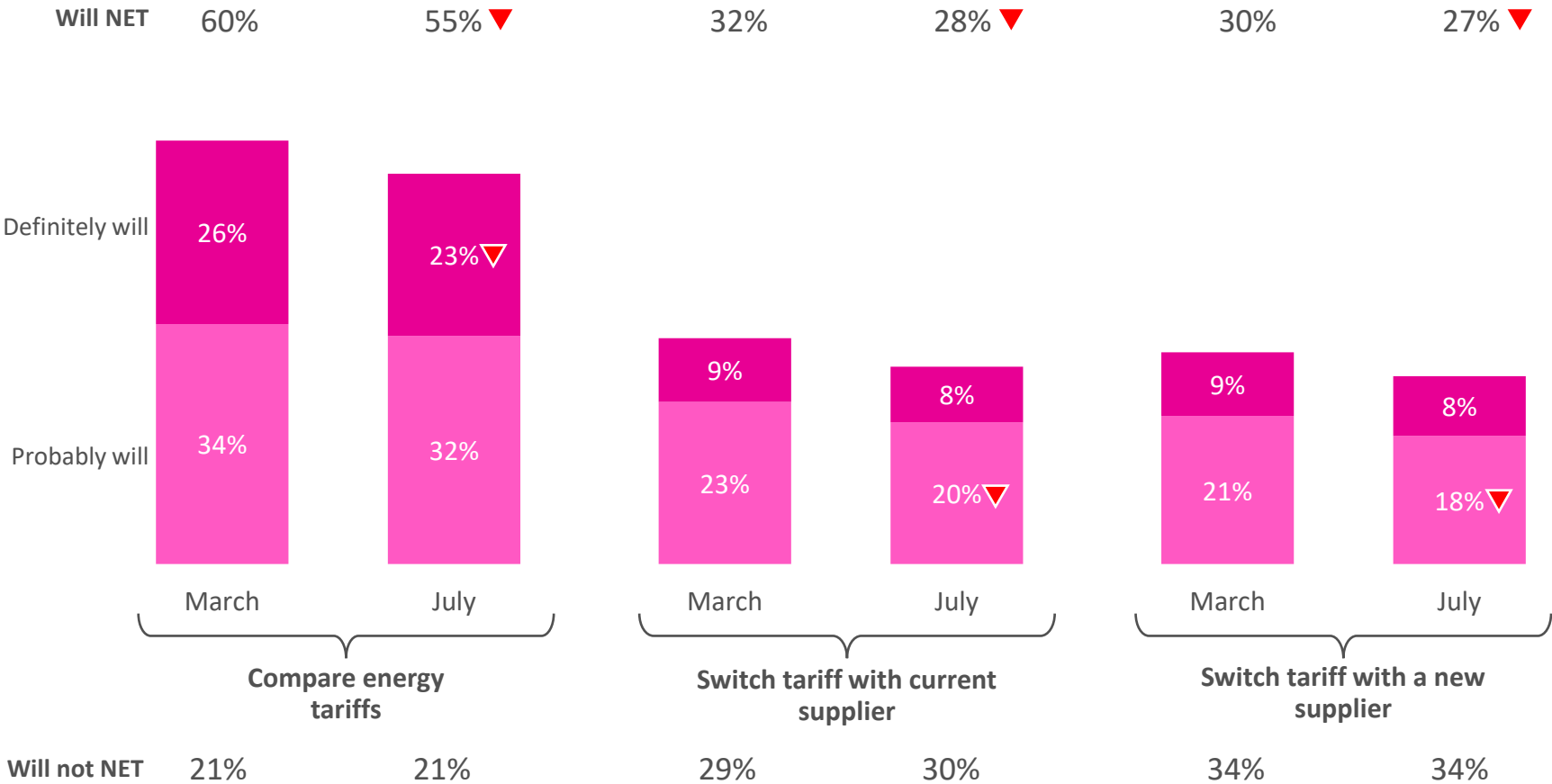
Commentary

While the main reason for switching tariffs or suppliers continues to be to get a cheaper tariff or to fix their tariff, there has been a significant increase in those saying they switched because the supplier is well-known/established (18% cf. 14%).

This increase since March is largely driven by those with a **household income** of more than £16,000 (19% cf. 14%) and **not having difficulties** keeping up with household bills (21% cf. 14%), perhaps suggesting less financially vulnerable consumers are going for the safety of a larger supplier now that better value is difficult to find.

There has been a significant fall in likelihood of comparing or switching tariffs between March and July

Likelihood of household switching or comparing in the next three months

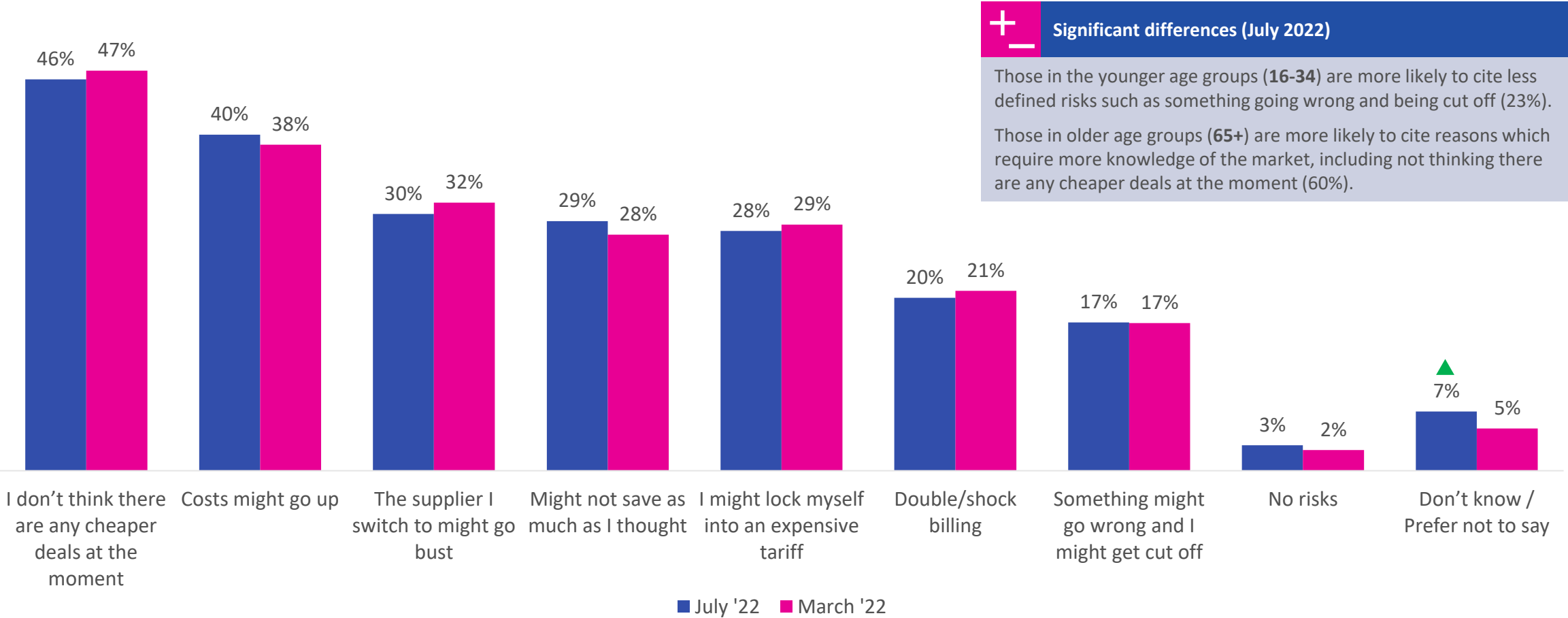


Commentary

With potential future consumer activity falling across the board, it is those on a household income of **less than £16,000** that are driving the fall in comparing energy tariffs since March (44% cf. 54%), while those with a household income of **above £16,000** are driving the fall in likelihood to switch with either current (30% cf. 33%) or new (28% cf. 32%) energy suppliers since March.

While likelihood to engage in the market has fallen, the perceived risks associated with switching have largely remained stable

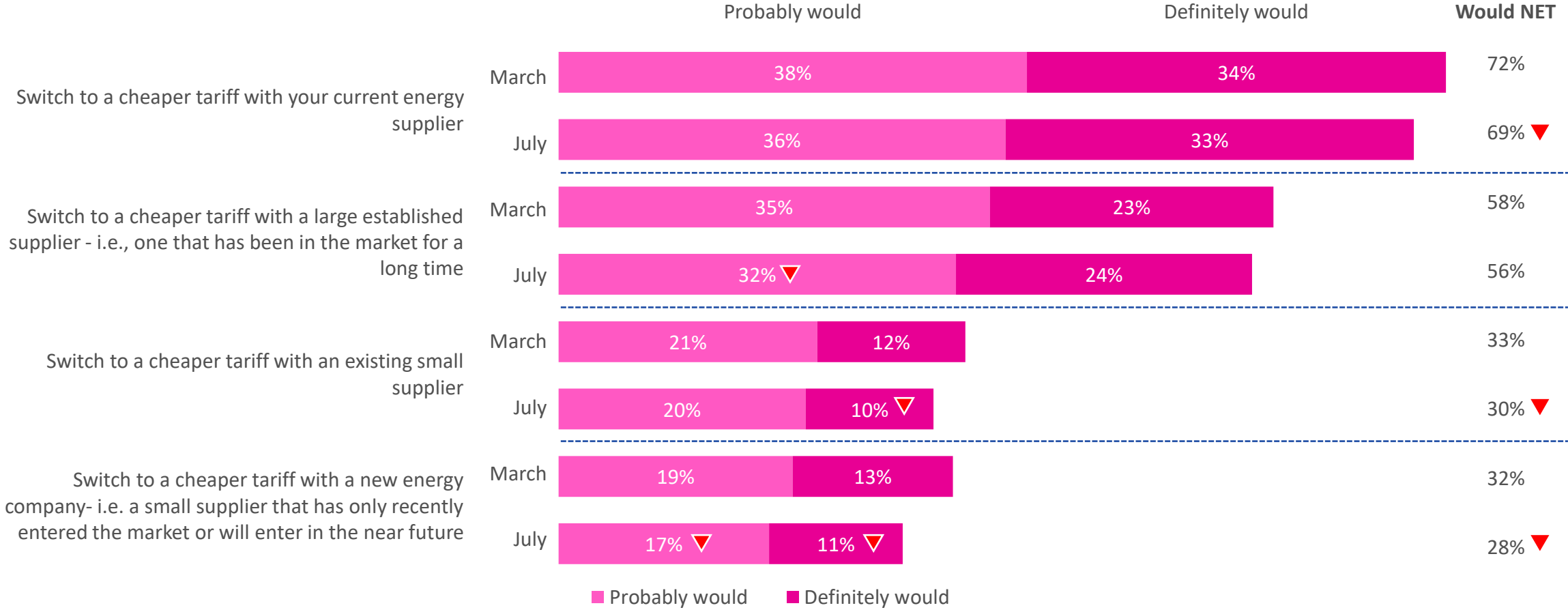
Risks associated with switching suppliers



Source: D4. What, if anything, do you think might be the risks associated with switching energy suppliers at the moment? Base: All respondents: March '22 (W1) 3,479 / July '22 (W2) 3,560.

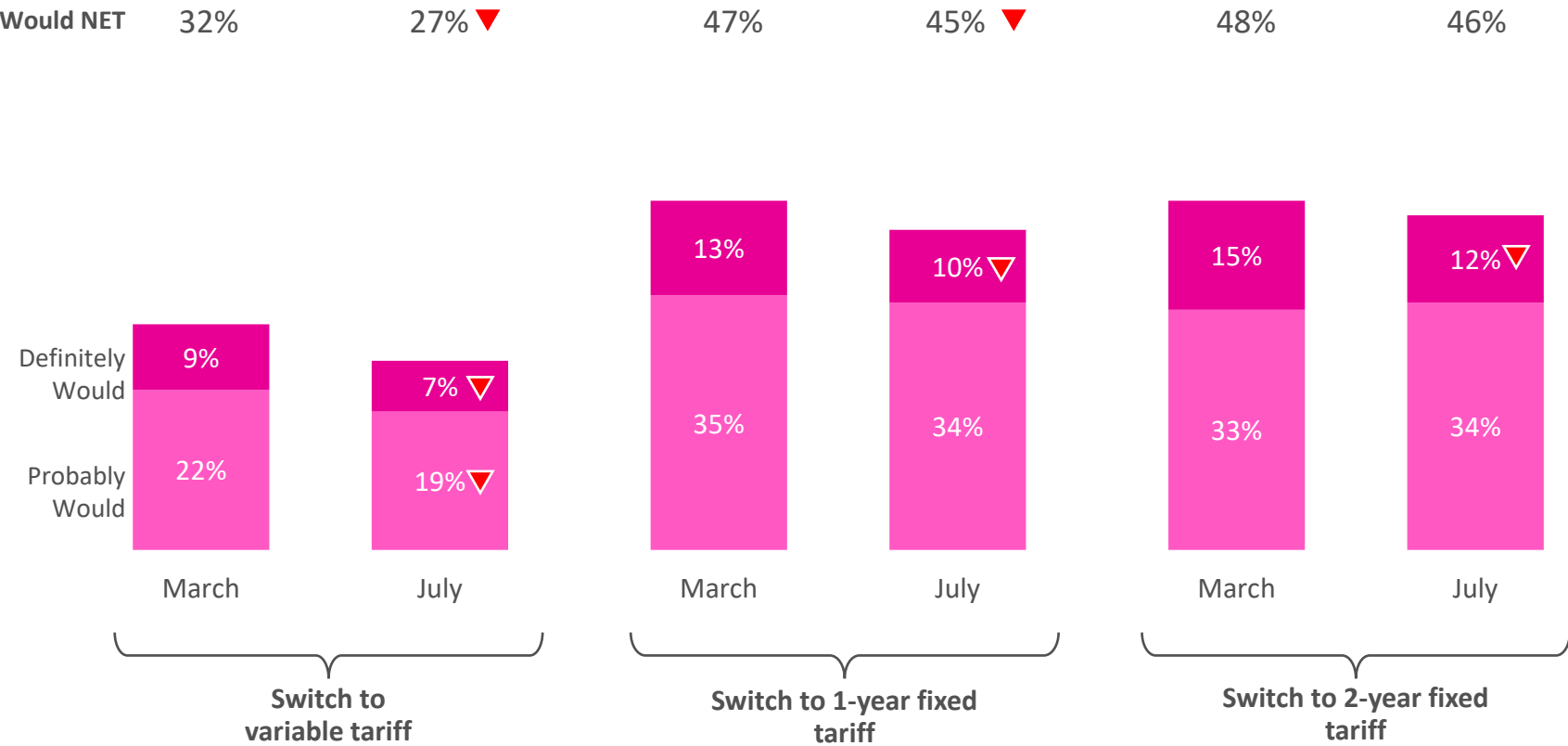
Even the promise of a cheaper energy tariff is not tempting people as much as it was in March – potentially due to a general sense of disengagement from the market

Likelihood to take actions in order to get a cheaper energy tariff



Although there has been a fall around willingness to switch to any type of tariff, this is especially true for variable tariffs

Likelihood to take actions in order to get a cheaper energy tariff



Commentary

The fall since March in those saying they would switch to a variable tariff, a 1-year fixed tariff, or 2-year fixed tariff is again driven by **those aged 16-34**, with significant falls for variable tariff likelihood (41% cf. 47%), 1-year (51% cf. 60%), and 2-year (52% cf. 59%).

Significant Differences (July 2022)

Significantly more likely to say they would switch for all three tariff options:

- Regular past switchers before August 2021 (37% variable tariff, 59% 1-year fixed and 60% 2-year fixed).

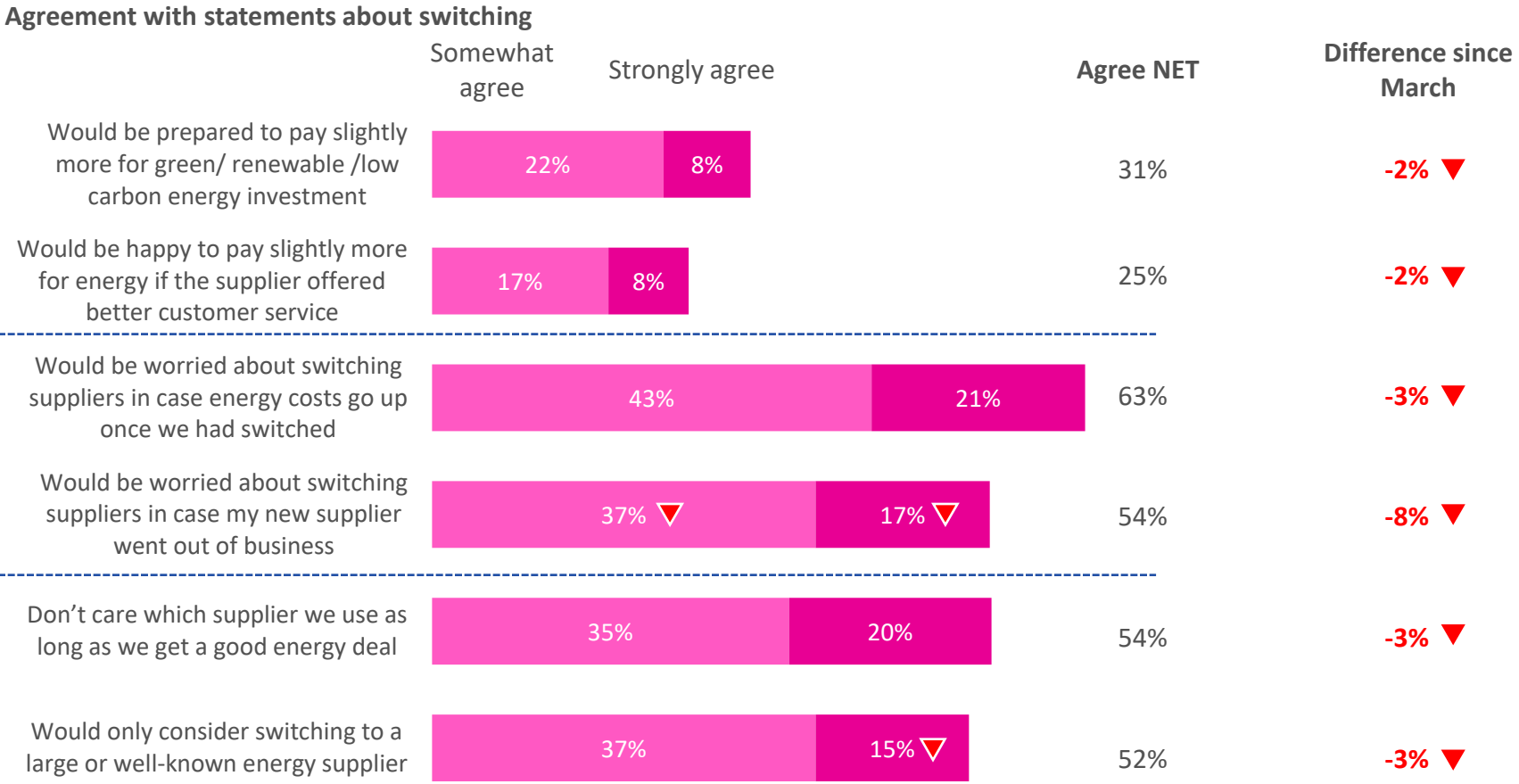
While worries about switching have fallen since March, especially around the new supplier going out of business, preparedness to pay for greener energy and better customer service has also fallen

Commentary

There has been a fall since March in the proportion of those **struggling** (but still keeping up) with household bills saying they would pay more for better customer service (23% cf. 26%) or green energy (29% cf. 32%).

The fall since March of those worried about switching in case their new supplier went out of business has been driven by a decrease in agreement from almost all groups across the board, suggesting a general lowering of anxiety around suppliers going out of business.

While only switching to a large or well-known energy supplier is a large priority of those with **no difficulties paying household bills** (60%), getting a good energy deal regardless of supplier type is actually more of a priority for those who are **struggling** (but still keeping up) with their household bills (57%). The reduction in both statements could be due to a general decline in appetite to engage with the market.



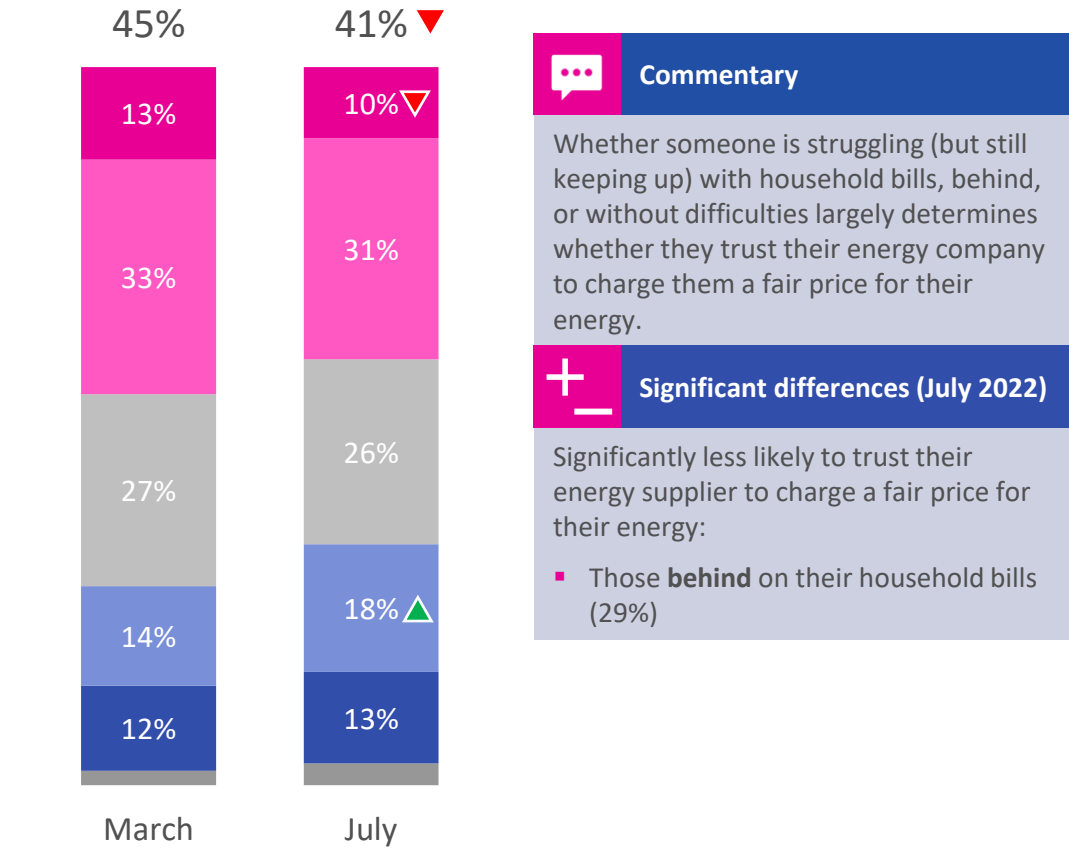
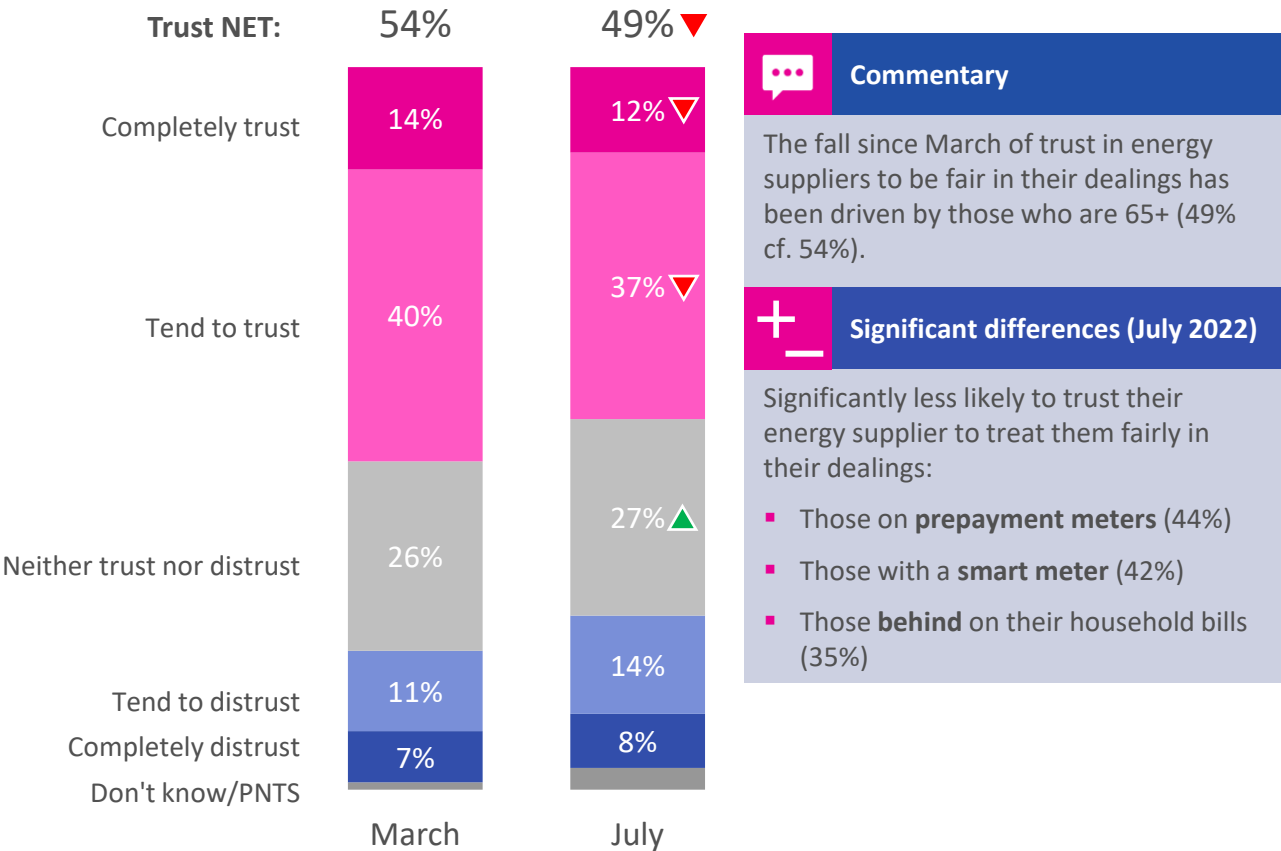
Source: D8. And how much do you agree or disagree with the following statements about energy suppliers...
 Base: All respondents: March '22 (W1) 3,479 / July '22 (W2) 3,560.

▲ Significant difference against wave 1 at 95% confidence interval
 ▼

Trust in their own energy supplier to be fair in their dealings and charge a fair price has declined

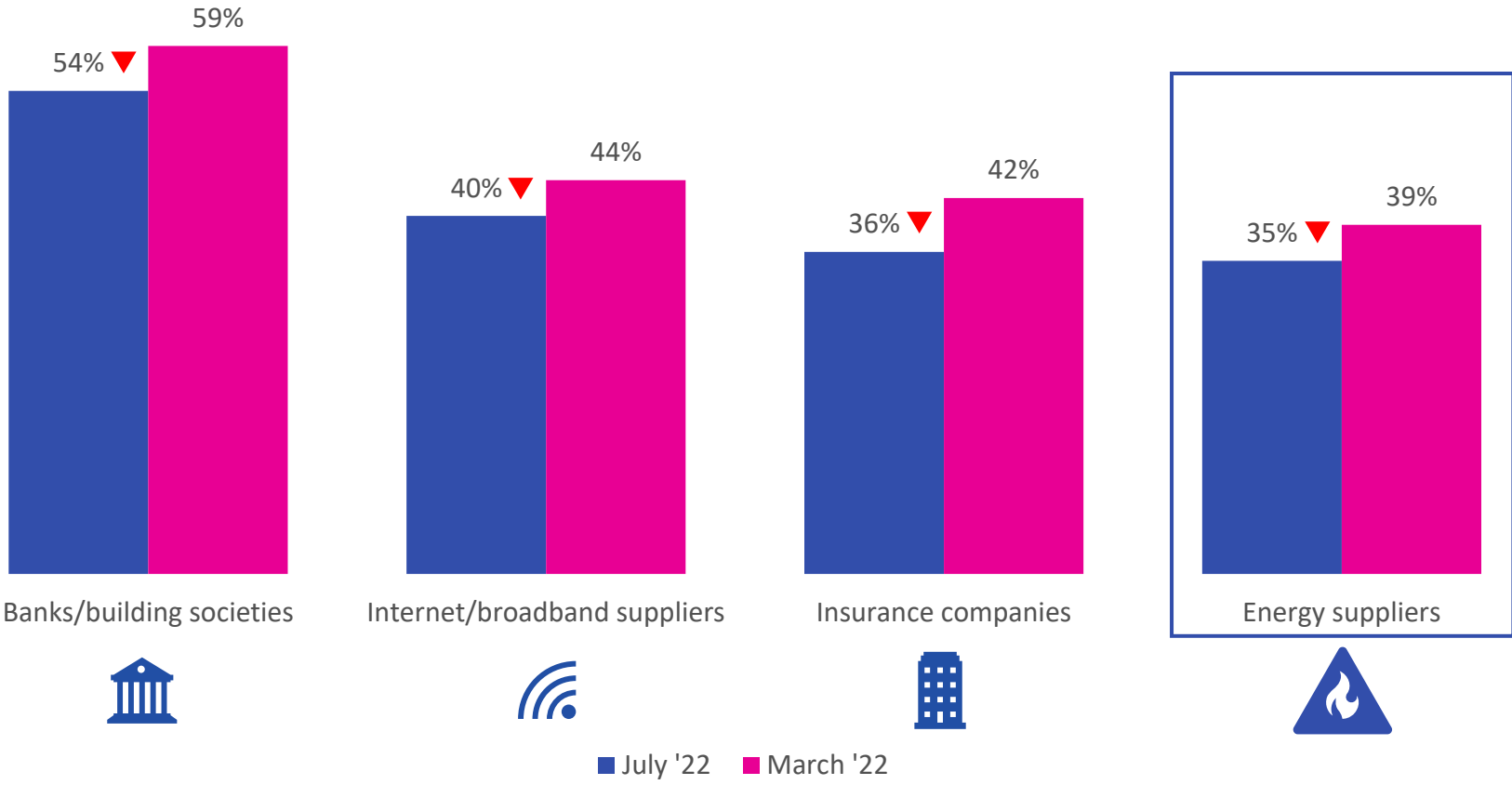
To what extent do you trust or distrust your energy supplier to...?
Treat you fairly in their dealings with you

To what extent do you trust or distrust your energy supplier to...?
Charge you a fair price for your energy



Trust has fallen across the board – but remains on average lower for energy suppliers than other regulated sectors

Trust in organisations to be fair in the way they deal with customers and citizens



Commentary

While people trust banks/building societies the most to be fair in the way they deal with their customers or citizens, and energy suppliers the least, trust in all four different types of organisations has fallen across the board since March.

The fall in trust for these organisations has been driven by those **aged 65+**, with significant falls for banks/building societies (53% cf. 66%), internet/broadband providers (36% cf. 42%), insurance companies (37% cf. 46%) and energy suppliers (37% cf. 43%).



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Conclusion

Conclusion

- Ahead of any further price rises in October, energy consumers are already **feeling the impact** of the rise in the price cap in April, especially those who are struggling (but still keeping up) with household bills or have had recent energy affordability issues. Consumers are aware of increases in the prices of their energy bills, and a significant number are seeing it impact their ability to spend on necessities.
- The impact is felt most keenly among those in lower income groups, although there is also a **growing impact** on those who might not typically consider 'financially vulnerable'- a much wider spectrum of people are starting to struggle. Even in light of government support measures to be introduced in October 2022, future price rises mean there may be worse impacts to groups already struggling with household bills, and more becoming newly financially vulnerable.
- While many have heard of the price cap, and quite a few know what it does, very **few actually understand what tariffs it covers**. This may mean that energy consumers will need support in understanding new government support measures too.
- The support announced for energy bills at the time of fieldwork was **not seen to help** a lot, especially from those struggling or behind on their household bills.
- Following supplier failure, the experience for most consumers was positive. However, where consumers experienced issues following supplier failure, they are more likely to be dissatisfied in the process and less satisfied with the supplier they are moved to. They are also more likely to switch away from that supplier.
- Consumer intentions to engage in the energy market has fallen since March, despite worries about supplier failure also falling. Ultimately **the lack of a better price elsewhere** is the main barrier.
- Perhaps as a result of the wider context around the cost of living, there has been a fall in consumer trust in organisations in general, leading to **trust in energy suppliers falling**.





Annex

Sample composition – wave 1 (March)

Used for weighting		Weighted		Unweighted	
Category	Variable	Count	%	Count	%
Gender	Male	1700	49%	1686	48%
	Female	1768	51%	1779	51%
Age	16 to 24	454	13%	175	5%
	25 to 34	579	17%	636	18%
	35 to 44	541	16%	817	23%
	45 to 54	581	17%	456	13%
	55 to 64	525	15%	369	11%
	65 to 74	430	12%	696	20%
	75+	367	11%	325	9%
SEG	AB	770	22%	792	23%
	C1	1073	31%	903	26%
	C2	721	21%	666	19%
	DE	878	25%	1075	31%
Region	East Midlands	260	7%	239	7%
	East of England	332	10%	319	9%
	London	471	14%	421	12%
	North East	145	4%	204	6%
	North West	393	11%	368	11%
	South East	490	14%	476	14%
	South West	306	9%	290	8%
	West Midlands	315	9%	320	9%
	Yorkshire and The Humber	294	8%	296	9%
	Scotland	300	9%	310	9%
	Wales	171	5%	236	7%

Not used for weighting		Weighted		Unweighted	
Category	Variable	Count	%	Count	%
Method of payment	Direct debit/standing order	2565	74%	2584	74%
	Pay on receipt of bill	461	13%	415	12%
	prepayment meter	425	12%	450	13%
Fixed term tariff	Yes – gas only	172	5%	144	4%
	Yes – electricity only	417	11%	370	11%
	Yes – both gas and electricity	1781	51%	1776	51%
	No	787	23%	827	24%
Smart meter	Unsure	345	10%	356	10%
	Yes	2129	61%	2091	60%
Ethnicity	No	1307	38%	1348	39%
	White	2876	83%	2914	84%
	Asian	319	9%	298	9%
	Black	130	4%	119	3%
	Mixed & Other	117	3%	114	3%
HH Income	Less than £16k	717	21%	759	22%
	More than £16k	2505	72%	2472	71%

Sample composition – wave 2 (July)

Used for weighting		Weighted		Unweighted	
Category	Variable	Count	%	Count	%
Gender	Male	1728	49%	1691	48%
	Female	1793	50%	1834	52%
Age	16 to 24	466	13%	329	9%
	25 to 34	595	17%	651	18%
	35 to 44	553	16%	709	20%
	45 to 54	590	17%	400	11%
	55 to 64	534	15%	460	13%
	65 to 74	439	12%	708	20%
	75+	368	10%	290	8%
SEG	AB	790	22%	800	22%
	C1	1056	30%	855	24%
	C2	715	20%	686	19%
	DE	929	26%	1164	33%
Region	East Midlands	267	7%	283	8%
	East of England	342	10%	308	9%
	London	481	14%	404	11%
	North East	150	4%	249	7%
	North West	402	11%	359	10%
	South East	502	14%	472	13%
	South West	313	9%	310	9%
	West Midlands	320	9%	293	8%
	Yorkshire and The Humber	303	8%	299	8%
	Scotland	306	9%	336	9%
Wales	174	5%	247	7%	

Not used for weighting		Weighted		Unweighted	
Category	Variable	Count	%	Count	%
Method of payment	Direct debit/standing order	2605	73%	2603	73%
	Pay on receipt of bill	437	12%	412	12%
	prepayment meter	481	14%	508	14%
Fixed term tariff	Yes – gas only	191	5%	170	5%
	Yes – electricity only	417	12%	412	12%
	Yes – both gas and electricity	1573	44%	1601	45%
	No	914	26%	914	26%
	Unsure	426	12%	430	12%
Smart meter	Yes	2201	61%	2200	62%
	No	1304	39%	1311	37%
Ethnicity	White	3070	86%	3115	88%
	Asian	160	4%	146	4%
	Black	122	3%	108	3%
	Mixed & Other	183	5%	169	5%
HH Income	Less than £16k	658	18%	704	20%
	£16k to less than £35k	1387	39%	1373	39%
	£35k to less than £60k	802	23%	775	22%
	£60k+	347	10%	326	9%



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