ofgas

NOVEMBER 1998

Gas competition review: August 1998

A research study conducted by MORI for the National Audit Office and Ofgas

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INTRODUCTION

- This document explores the relationship between the payment method of gas customers and their socio-economic status, drawing on studies conducted by MORI for Ofgas between 1996 and 1998. Full details are given in the appendices.

- The demographic profile of users of each payment method, awareness and use of gas bill payment methods, and propensity to switch are also discussed.

Interpretation of Data

- Where percentages in tables do not sum to 100, this may be due to computer rounding, the exclusion of 'don't know' categories, or multiple answers. Throughout the report, an asterisk (*) denotes any value of less than 0.5 % but greater than zero.

Publication of Data

- MORI's Standard Terms and Conditions apply to this, as to all studies that MORI carry out. No press release or publication of any of the findings should be made without the advance approval of Market & Opinion Research International (MORI). A refusal, however, would only be given if the press release was deemed to be inaccurate or mis-representative of the data.

KEY FINDINGS

Profile of Customers' Use of Payment Methods

- Although one of the key findings of MORI's 1998 nationwide research was that lower income C2DE customers are now as likely as ABC1s to switch gas suppliers, this level of choice has yet to be reflected in the payment methods used.

- 'Disadvantaged' customers, including those from social groups C2DE, those on state benefits, the economically inactive, or outside the banking system, are more likely than others to pay by one of the more expensive methods such as a pre-payment meter or quarterly by cash. Middle class customers, on the other hand, are more likely to pay by direct debit or standing order.

- Each payment type is likely to be characterised by specific groups of users. Key identifiers of customer groups include **social grade**, **benefits received**, **age** and **household tenure**.

- Two in five gas customers pay by **direct debit** (39%) or **standing order** (4%). Compared to the average gas customer, this group is relatively more likely to:

    - be from social groups ABC1 (57%), though many are also found in the C2DE social classes (43%)
    - live in their own home (or have a mortgage). Very few (just 11%) live in rented accommodation
    - live in a two person household (49%, with a further 37% who live in a household of three or more)
    - be higher gas users - over half have an estimated annual bill of more than £300
    - be aware that theirs is the cheapest method (75% are)
    - though mainly urban, they are more rural-based than customers who pay by other means

- One in five customers (19%) pay by **cheque**. They are very similar in profile to the direct debit payers. However, though a third (35%) are aware that they are not paying by the cheapest method, one in five mistakenly think they are.

- Those who pay by **quarterly by cash, budget plan or pre-payment meter** are rather different from direct debit or cheque payers and each, in turn, has its own distinct demographic profile

- **Quarterly cash payers** account for 15% of gas customers and are more likely than direct debit or cheque payers to be:

  - from social groups C2DE - few, just 18%, are ABC1s
  - be aged 65+ (42% fall into this age group)
  - have neither a bank or building society account (13% - most **do** have a bank or building society account, though)
  - be a benefit recipient, either a state pension and no other pension (28%) or some other benefit (38%)
  - live alone (31%)
  - live in rented accommodation (46%)
  - be economically inactive (57% are not working)
  - have smaller gas bills - over half have an annual gas bill of less than £300

- Just over one in ten pay their bill through **budget payment plan** (12%). The profile of this group is in many ways very similar to cash payers. However, they differ in being:

  - slightly higher social status (23% are ABC1s), though still predominately C2DE
  - younger (30% are under 35)
  - more likely to be in rented accommodation (58%)
  - live in households of two or more people (78% vs 20% in one person households)
  - have higher gas bills (40% have a gas bill over £300), though this is still below the average gas customer, 47% of whom have a gas bill of this size.

- **Pre-payment meters**, used by 7% of gas customers, are traditionally linked with 'disadvantaged' groups and indeed are more likely to be used by such groups than other methods:

  - 63% of pre-payment payers are DEs (85% C2DEs)
  - 62% are on benefits other than a state pension
  - 30% have no bank account
  - 70% live in rented accommodation
  - 53% live in households of three or more people

- All three groups, particularly the budget plan payers, are uncertain whether theirs is the cheapest option. Nearly half of budget plan payers think their is the cheapest method - compared to around three in ten cash and pre-payment meter customers

- Thus, a picture emerges of the typical users of each of these payment methods.

- The gas customer paying by **direct debit or standing order** is typically middle class, lives with their family in their own home, with at least one household member in employment. They actively manage their household finances and are aware of the cost savings of direct debit.

- A quarterly **cheque** payment is typically made by a similar sort of person to direct debits, but these people are not so aware of the cost savings of direct debit and, in addition, often dislike the idea of direct debit and prefer the greater control they get by paying by cheque

- The gas customer paying **quarterly by cash** is typically older, working class, in a one or two person household, with a lower than average gas bill. They are not sure if they are paying in the cheapest way or not

- The typical **budget payment plan** customer is working class, living in rented accommodation. If anything, they believe they are paying by the cheapest option

- On the other hand, the **pre-payment meter** is typically used by a younger working class family, in receipt of some form of state benefit and living in rented accommodation. Many are aware they are not paying by the cheapest option, but more are not aware of this.

- These methods are not used exclusively by these ‘typical’ groups, however. For instance, a quarter of DEs (the more ‘disadvantaged’ social groups) pay their bills by direct debit or standing order and, conversely, over one in ten (15%) of those using a pre-payment meter are ABC1s (the ‘middle class’ social groups).

	Total Sample July 1998 (2,511)	DD/SO (1,081)	Quarterly Cheque (423)	Quarterly Cash (394)	Budget Plan (339)	Pre-payment Meter (176)
	%	%	%	%	%	%
Social Class						
AB	19	27	24	6	7	2
C1	24	30	30	12	16	13
C2	28	26	29	36	27	22
DE	30	17	18	47	49	63
ABC1	43	57	54	18	23	15
C2DE	58	43	47	83	76	85
Benefits Received						
State Pension Only	16	12	15	28	17	6
Other Benefits	24	13	13	38	42	62
Work Status of Head of Household						
Working	57	62	65	37	55	50
Not Working	43	37	34	57	36	35
Financial Status						
Bank Account	83	93	91	68	73	53
Building Society Account	45	53	49	41	31	27
Neither	7	1	2	13	18	30
Age						
16 - 24	4	1	4	5	8	13
25 - 34	19	18	16	16	22	34
35 - 44	18	21	19	7	19	24
45 - 54	17	16	20	15	17	16
55 - 64	16	18	17	15	12	5
65+	27	25	24	42	22	7
Household Tenure						
Owned/ Mortgaged	72	88	85	53	42	28
Rented	27	11	14	46	58	70
Household Size						
One	19	14	17	31	22	20
Two	44	49	46	39	40	27
Three or more	38	37	36	28	38	53
Size of Gas Bill						
Up to £300	39	33	37	53	43	40
£300 and over	47	55	51	32	40	42
Switching						
Switcher	14	17	12	15	12	12
Non-Switchers	86	83	88	85	88	88
Location						
Urban	79	76	75	83	86	85
Rural	19	21	22	16	11	12

Awareness of Cost of Payment Options

- Only 25% of non-direct debit payers are aware that they are not using the cheapest payment method, indicating that there is a significant gap in customer understanding of what can be saved by switching to an alternative payment method.
- A number of reasons, both structural and information based, affect the customer's decision to use one of the more expensive payment methods.
- A large proportion of customers are uncertain as to whether theirs is the cheapest payment method available, particularly those paying quarterly by cash or cheque; many more, especially budget payment plan customers, incorrectly believe that theirs is the cheapest method. This lack of knowledge can be expected to influence the payment method used.
- But there are also structural barriers to using cheaper payment methods. Many of those using the more expensive options are not working, and have neither a bank nor building society account to pay by direct debit or standing order.
- It is also notable that 83% of cash payers, 79% budget payment plan customers, and 67% of prepayment users have bank or building society accounts, indicating that a number could consider switching to a cheaper payment method. One reason for not doing so may be that they are unaware that cheaper payment options are available. Others may simply prefer the control and convenience of the method they are used to.

Propensity to Switch

- The method of payment used does not greatly affect a customer's propensity to switch. However the extent of financial benefits of switching are dependent upon the payment methods used.

London
December 1998

Janette Henderson
Gary Bennett
Joel Down

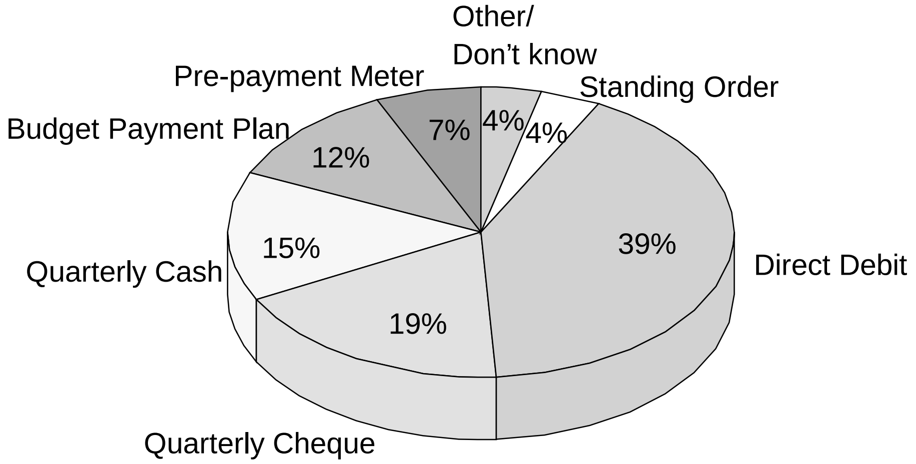
MAIN FINDINGS

Profile of Customers' Use of Payment Methods

- Overall, **direct debit** (39%) and **standing order** (4%) are the most widespread payment methods, used by more than four in ten gas bill payers. A further third pay quarterly by **cheque** (19%) or **cash** (15%), with the remainder using a **budget payment plan**[1] (12%) or a **pre-payment meter** (7%).
- These findings, from the 1998 research, are in line with earlier studies conducted at Phase 1 (October 1996) and Phase 2b (December 1997) of gas competition, with the relative importance of each payment method constant at each tranche of competition. Variations noted between areas in the 1998 research are not significantly different.
- Both budget plans and pre-payment meters are more widespread at a national level than in the South West and South East of England. This is likely to be a reflection of local socio-demographic differences (particularly a larger proportion of elderly customers, who prefer to pay by cash), rather than a greater penetration of pre-payment metering *per se* between 1996 and 1998.

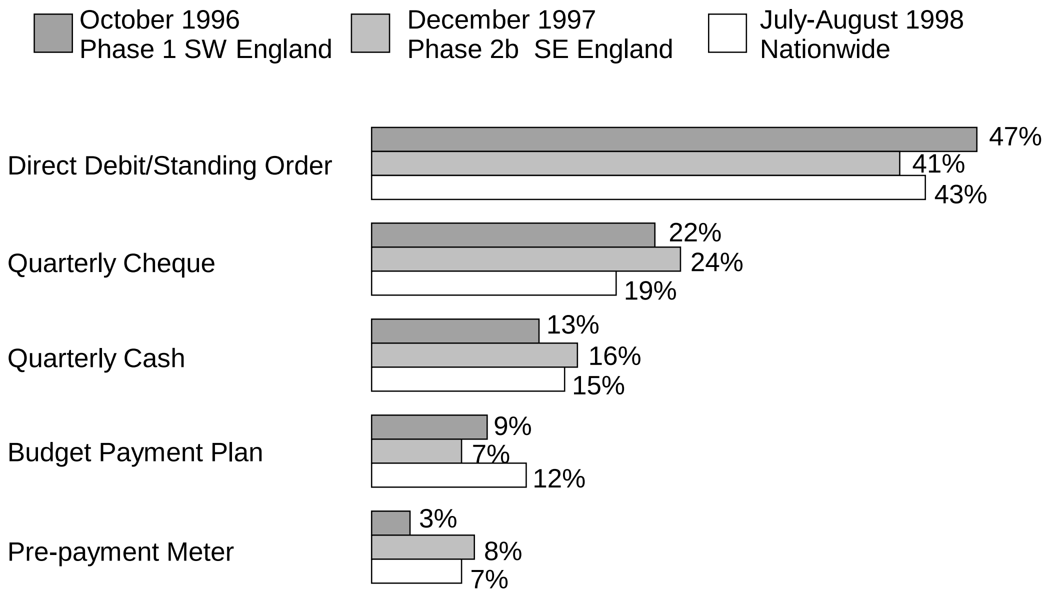
[1] Budget payment plan customers pay monthly, fortnightly or weekly by cash

Gas Bill Payment Method - July/August 1998 Survey

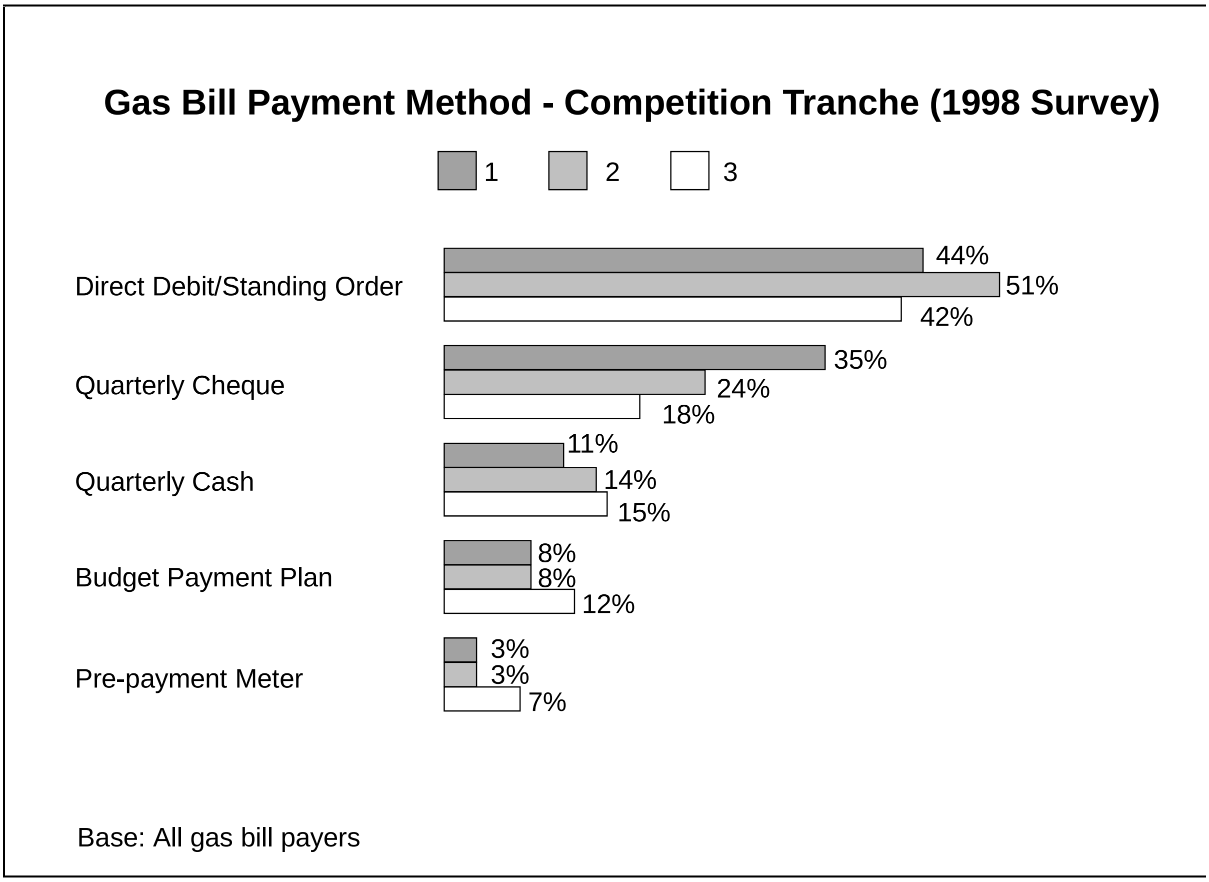


Base: All gas bill payers (2,511)

Gas Bill Payment Method - 1996, 1997, 1998 Surveys



Base: All gas bill payers



Gas Bill Payment Method - Competition Tranche (1998 Survey)
1
2
3
Direct Debit/Standing Order
44%
51%
42%
Quarterly Cheque
35%
24%
18%
Quarterly Cash
11%
14%
15%
Budget Payment Plan
8%
8%
12%
Pre-payment Meter
3%
3%
7%
Base: All gas bill payers

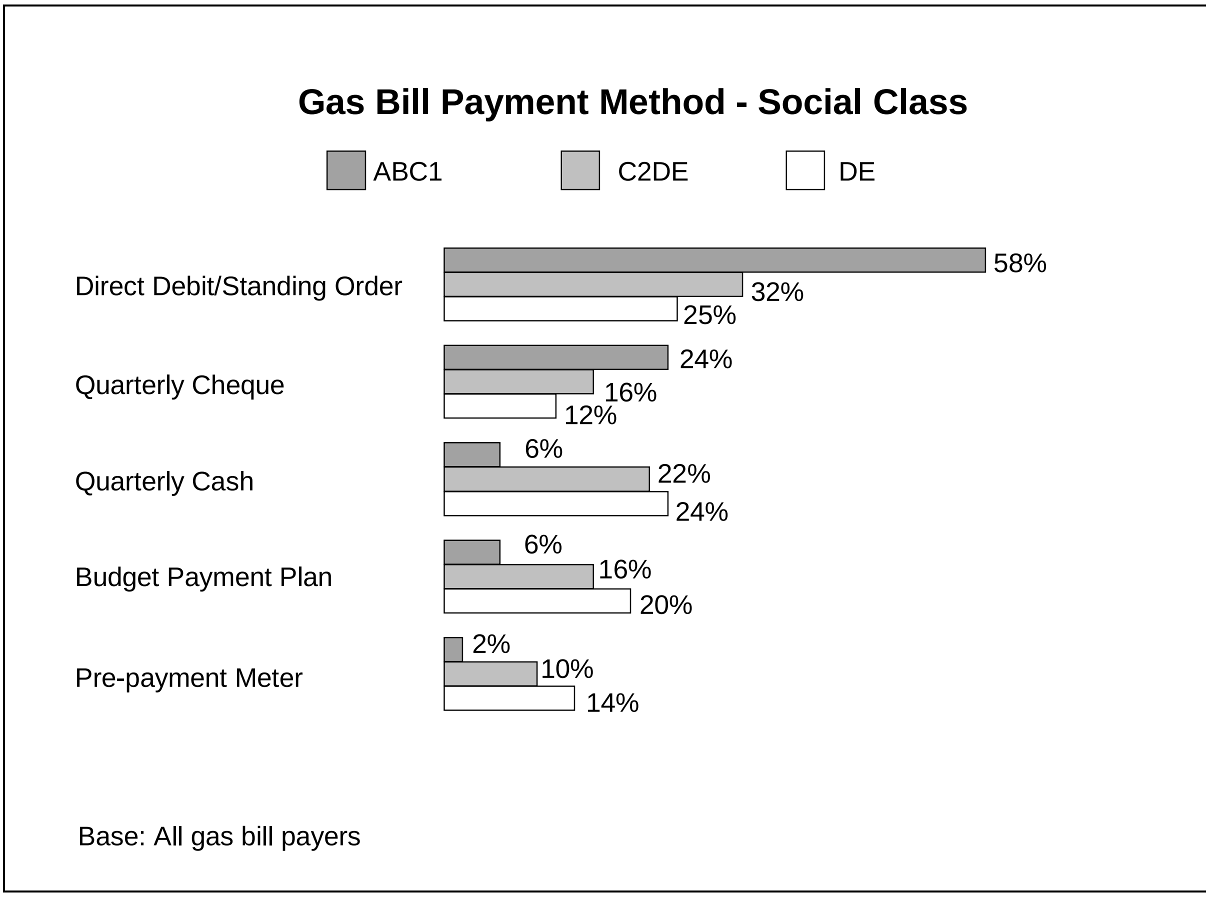
Social Class

- A key indicator of payment method used is social class. More than half of customers from social groups ABC1 pay by direct debit or standing order (58%), compared with fewer than a third of C2DEs (32%).

- As the **chart** opposite shows, C2DEs are significantly more likely than ABC1s to pay by quarterly by cash, budget payment plan, or pre-payment meter. The **table** below shows the breakdown of respondent type using each payment method. This emphasises that more than six in ten using a pre-payment meter, and close to five in ten paying by budget plan or cash, are from social groups DE.

- Nevertheless, a quarter of DEs (25%) pay their bill by direct debit or standing order, and, conversely, 15% of those using a pre-payment meter are ABC1s.

- Therefore, although most pre-payment meter payers are to be found in the less affluent social classes they are not exclusively so, with significant minorities to be found among white collar workers (C1s) and even some among the professional classes (ABs). Of course, some white collar workers have relatively low incomes too - 25% of C1s receive some sort of state benefit.



Gas Bill Payment Method - Social Class
ABC1
C2DE
DE
Direct Debit/Standing Order
58%
32%
25%
Quarterly Cheque
24%
16%
12%
Quarterly Cash
6%
22%
24%
Budget Payment Plan
6%
16%
20%
Pre-payment Meter
2%
10%
14%
Base: All gas bill payers

Payment Method - Breakdown by Social Class Base: All using each payment method	**DD/SO** (1,081) %	**Cheque** (423) %	**Cash** (394) %	**Budget** (339) %	**Meter** (176) %
AB	27	24	6	7	2
C1	30	30	12	16	13
C2	26	29	36	27	22
DE	17	18	47	49	63
ABC1	57	54	18	23	15
C2DE	43	47	83	76	85

State Pensions and Other Benefits

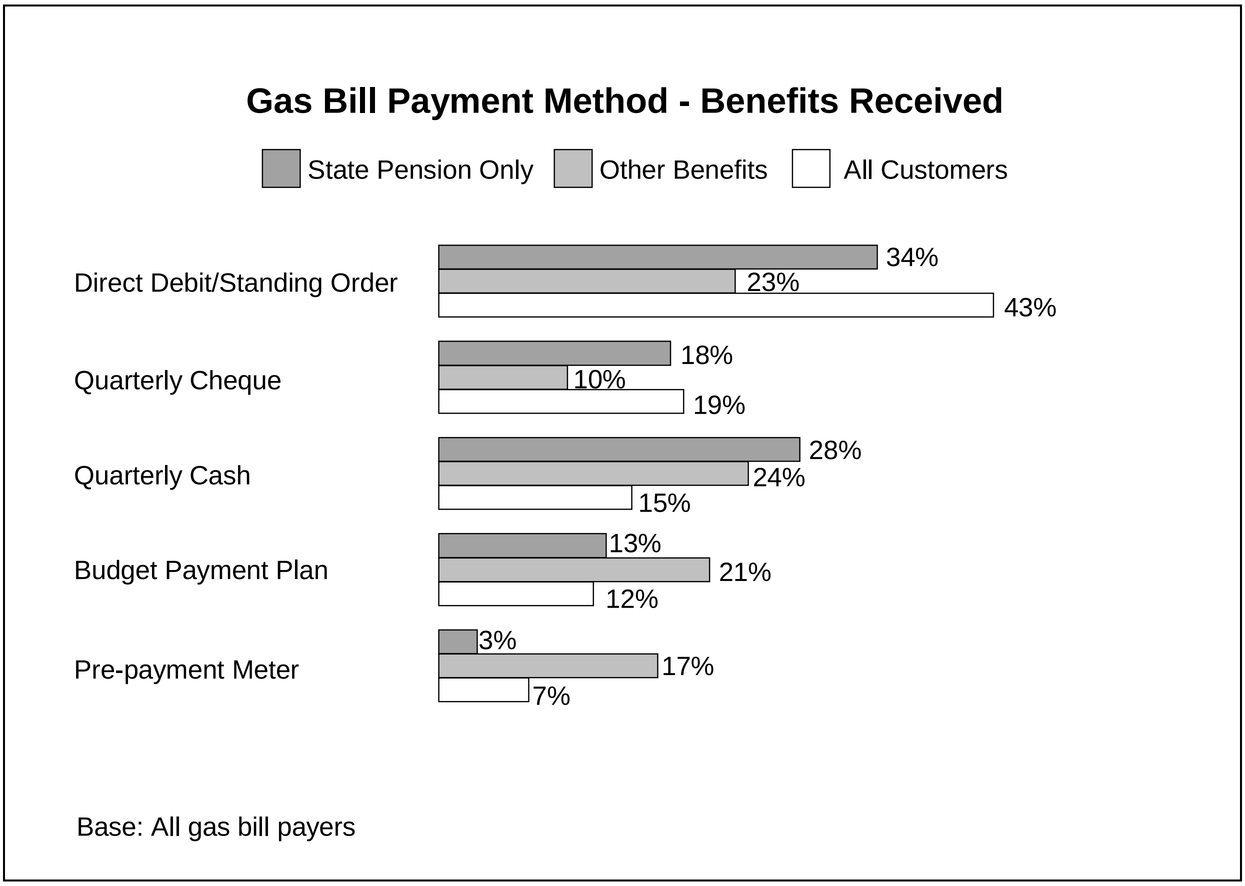
- Customers who receive some sort of state benefit other than a state pension are significantly more likely than others to use a budget payment plan or pre-payment meter. This implies that 'disadvantaged' gas customers, i.e. the less affluent groups, are amongst the most likely to use more expensive payment methods.

- Less than a quarter of such benefit recipients pay their bills by direct debit (23%). Most use quarterly cash (24%), a budget plan (21%) or a pre-payment meter (17%).

- A quarter of customers receiving a state pension and no other retirement income pay by quarterly by cash (28%), and a further third by direct debit (34%).

- Customers in receipt of benefits other than a state pension are the dominant users of pre-payment meters and form a high proportion of those on budget plans and those who pay by cash (see table opposite). They make up almost two-thirds of pre-payment meter customers (62%), and around four in ten budget plan customers and cash payers (42% and 38% respectively) - but only just over one in ten direct debit customers (13%).

- The more expensive payment methods are not exclusive to these groups, however, with some non-benefit recipients also paying in this way.

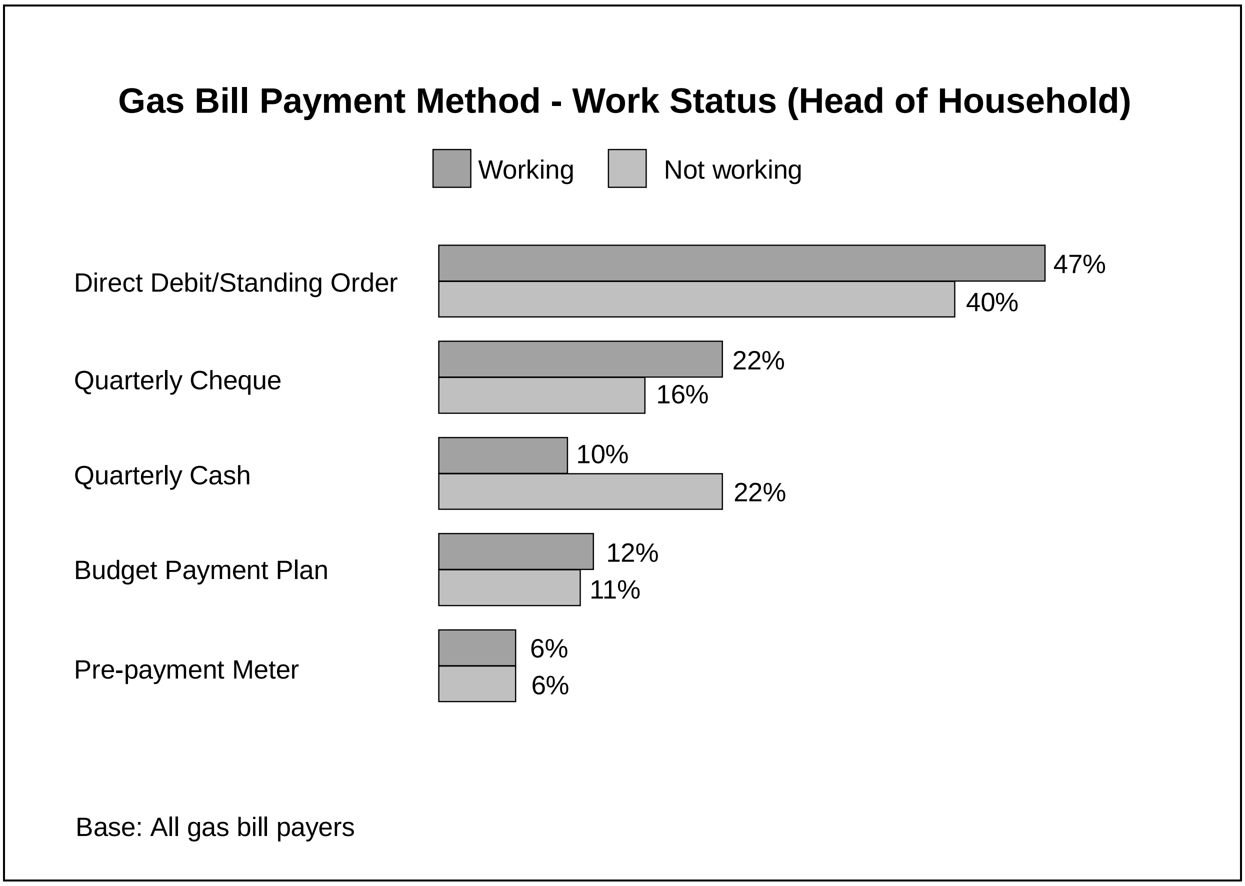


Payment Method - Breakdown by Benefits Received Base: All using each payment method	**DD/SO** (1,081) %	**Cheque** (423) %	**Cash** (394) %	**Budget** (339) %	**Meter** (176) %
State Pension Only	12	15	28	17	6
Other Benefits	13	13	38	42	62

Work Status of Head of Household

- Those households with their Head of Household in employment are somewhat more likely than the retired or unemployed to pay by direct debit or cheque. However, both groups are equally likely to pay by pre-payment meter or budget plan, implying that work status is not a factor in the choice of their payment methods.

- Customers who are not currently working are more likely than others to pay quarterly by cash, reflecting the preferences of the retired - over 65 year old respondents have a high tendency to pay in this way (see later).



Payment Method - Breakdown by Work Status	**DD/SO**	**Cheque**	**Cash**	**Budget**	**Meter**
Base: All using each payment method	(1,081) %	(423) %	(394) %	(339) %	(176) %
Working	62	65	37	55	50
Not working	37	34	57	36	35

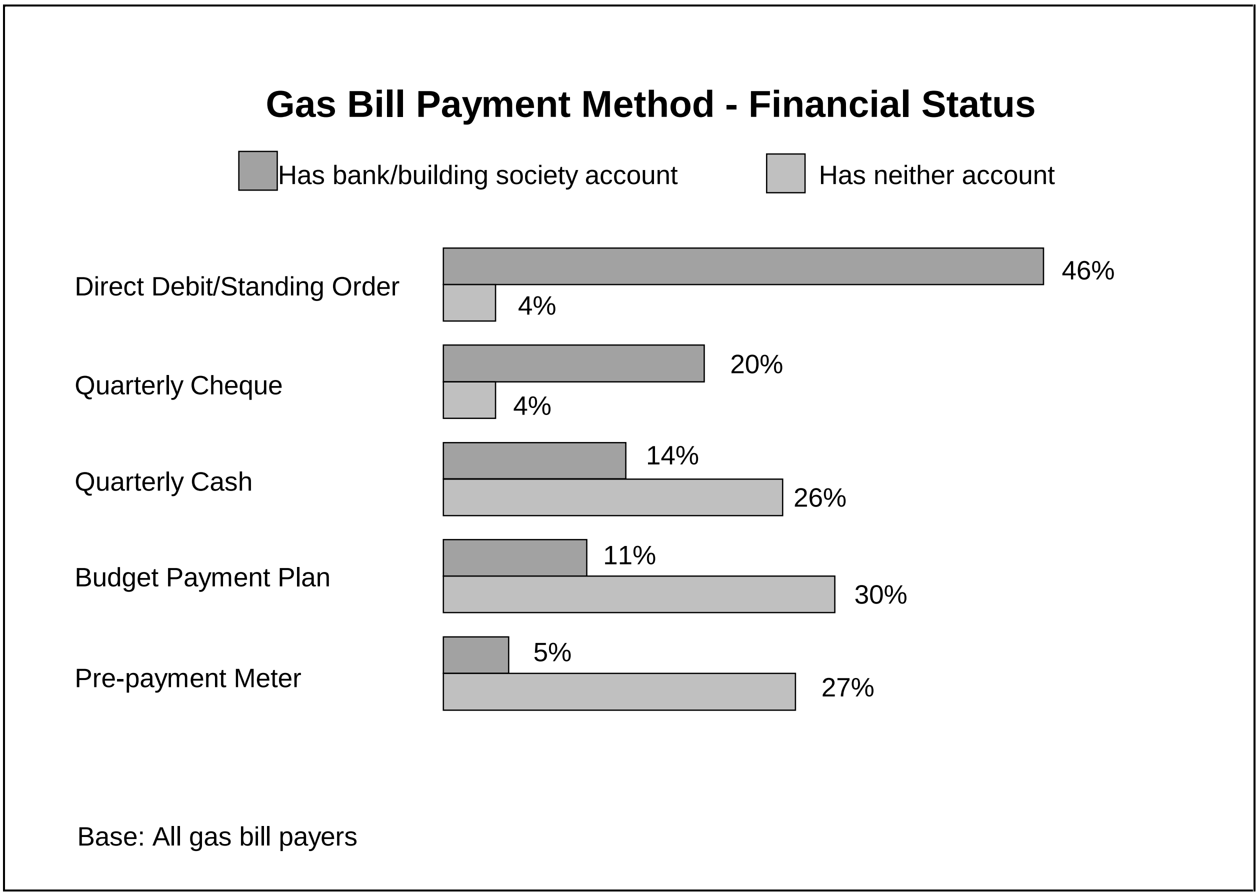
Financial Status

- The large majority of customers (89%) have a bank and/or building society account, and just short of half of these customers pay their gas bill by direct debit or standing order. A further two in ten pay by cheque (20%), and one in seven quarterly by cash (14%).

- The proportion of customers without a bank or building society account is therefore small overall (just 7%). Such customers, naturally, tend to pay by cash, budget plan or pre-payment meter. However, it is notable that the majority of customers who pay by these methods do have a bank or building society account and so could, in theory, pay by direct debit or cheque.

- It is possible that a number of customers paying by these methods and who have bank accounts would consider an alternative cheaper payment method such as direct debit or standing order, but as highlighted later, they may be unaware of the benefits of doing so. There may be other reasons for not doing so, though, like preferring the convenience and control of their current method.

- A small minority of customers may be confused by the range of payment options available, 4% of those without an account saying they pay by cheque, and a further 4% referring to direct debit - perhaps mistaking this for a budget payment plan.



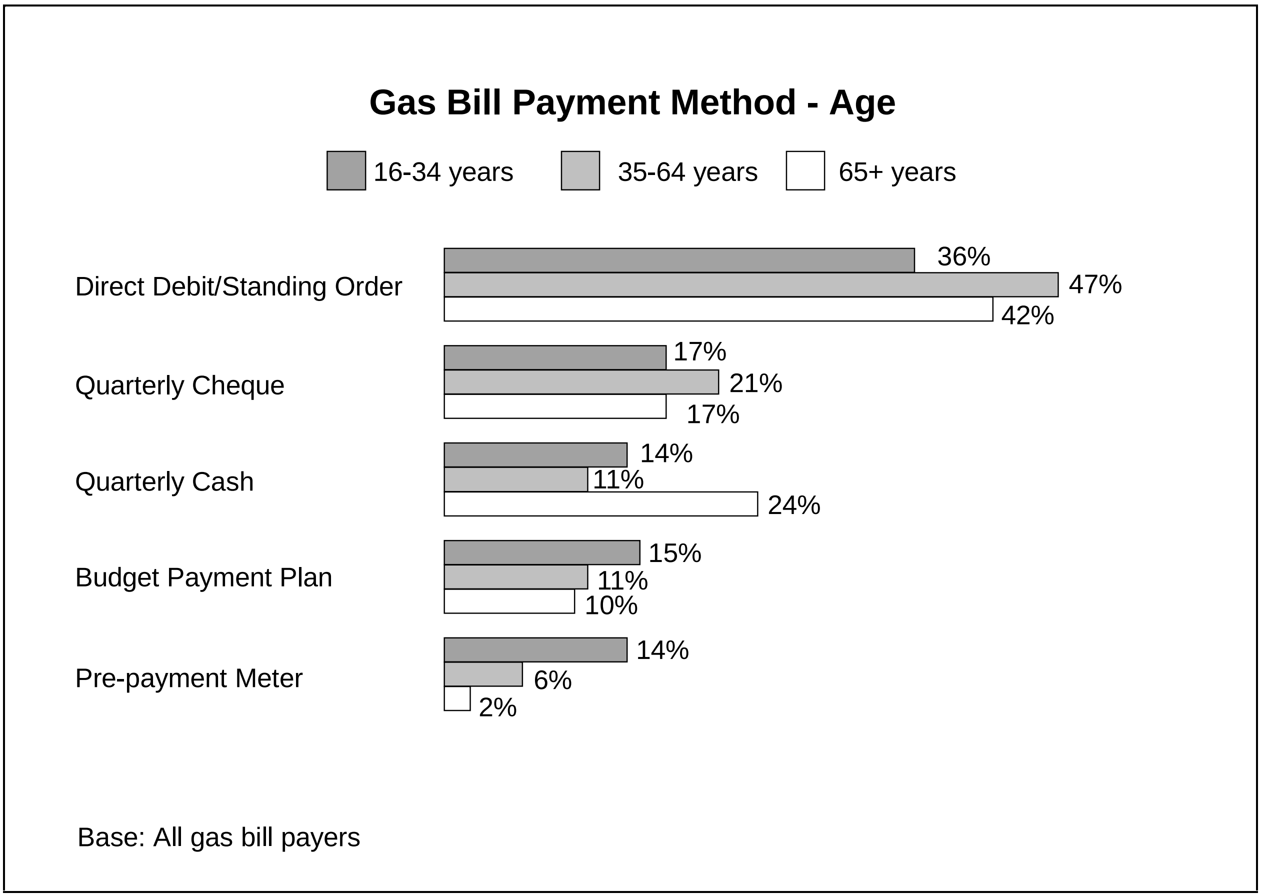
Payment Method - Breakdown by Financial Status	**DD/SO**	**Cheque**	**Cash**	**Budget**	**Meter**
Base: All using each payment method	(1,081) %	(423) %	(394) %	(339) %	(176) %
Has bank account	93	91	68	73	53
Has building society account	53	49	41	31	27
Has neither account	1	2	13	18	30

Age

- Penetration of direct debit is reasonably consistent across all age groups, being the most frequently-used option by the young and old alike. Its usage is greatest, though, among 35-64 year olds, 47% of whom pay in this way.

- Younger customers have a greater tendency than other age groups to use budget plans or, pre-payment meters, while it is the elderly (65+) who show the greatest tendency to pay quarterly by cash.

- It is said that ‘old habits die hard’, which could partly explain older customers’ preference for quarterly cash over budget payment plans and pre-payment meters. Only 7% of pre-payment customers are aged 65 years and above, compared with 42% of those who pay by cash, reinforcing the dominance of older customers among those who pay by cash.



Payment Method - Breakdown by Age	**DD/SO**	**Cheque**	**Cash**	**Budget**	**Meter**
Base: All using each payment method	(1,081) %	(423) %	(394) %	(339) %	(176) %
16 to 34 years	20	20	21	30	47
35 to 64 years	55	56	37	48	45
65 years and above	25	24	42	22	7

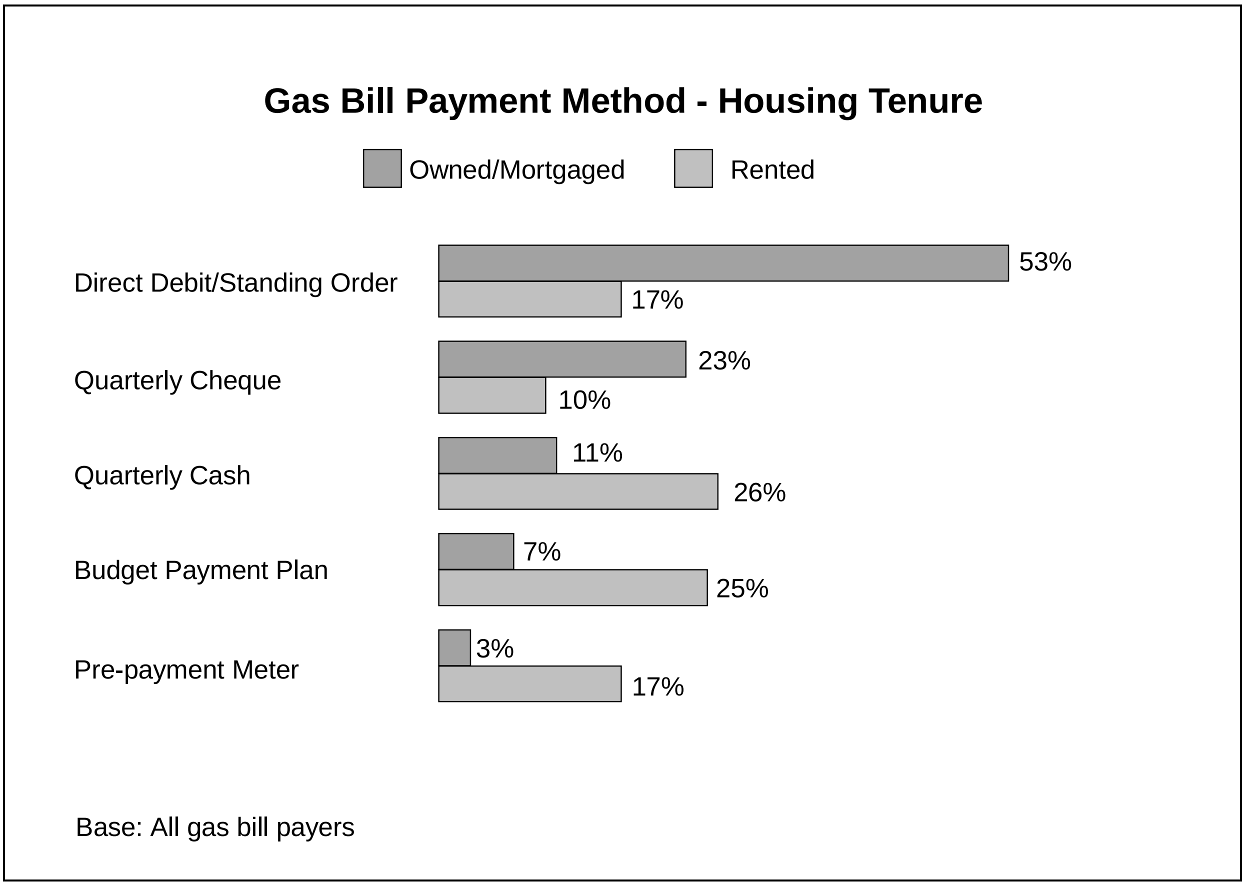
Household Tenure

- The majority of customers living in their own property pay their gas bill by direct debit or quarterly cheque (53% and 23% respectively).

- Tenants are far less likely to pay by direct debit than owner occupiers, and are far more likely to pay quarterly by cash, budget plan or pre-payment meter. The proportion of tenants who pay by direct debit is exactly the same as the proportion who pay by pre-payment meter (17%).

- Many of those renting their accommodation do so from their local authority or housing association, and are likely to be from social groups C2DE. This goes some way to explaining the dominance of pre-payment meters and budget plan users amongst tenants, as many C2DEs have already been shown to use these payment methods.

- Seven in ten pre-payment meter customers (70%), but only one in ten direct debit payers (11%), live in rented accommodation.

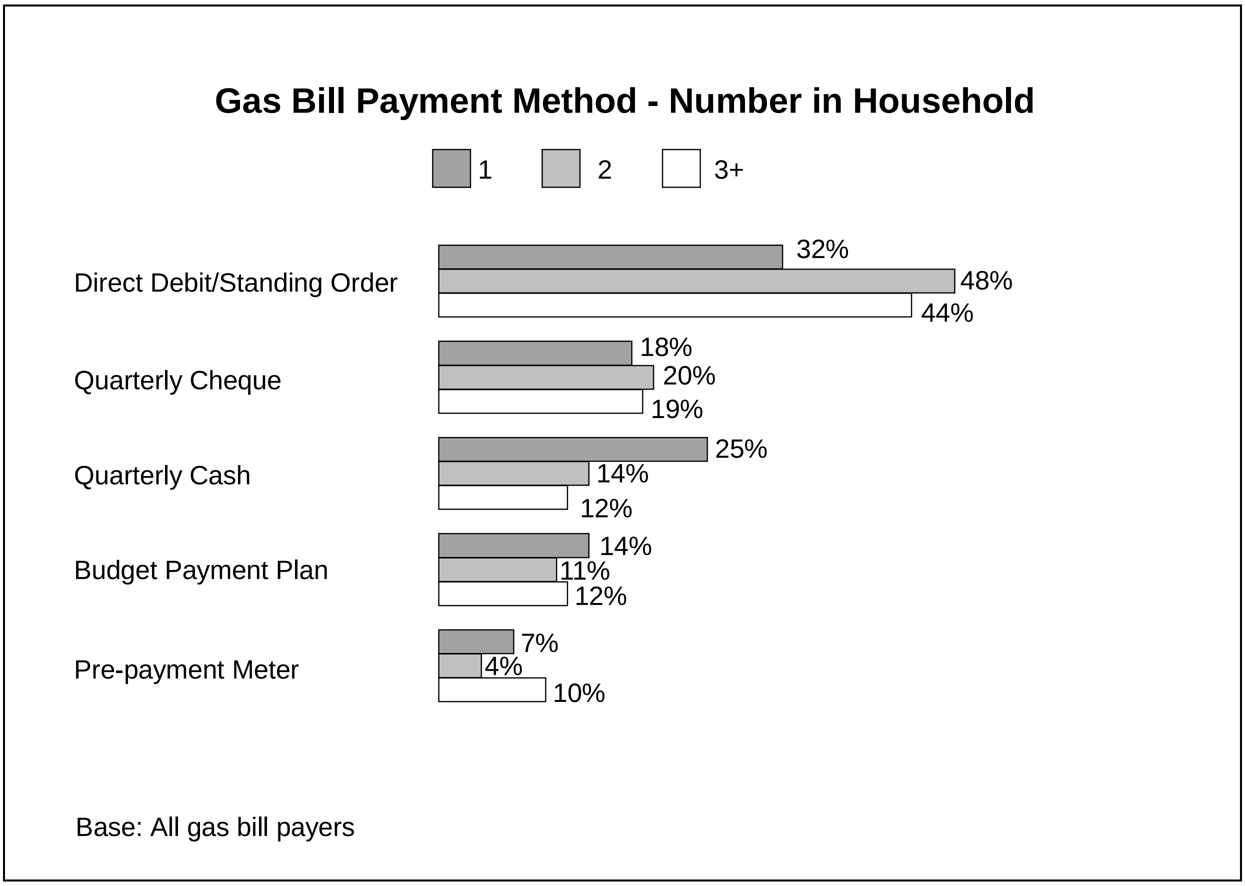


Payment Method - Breakdown by Household Tenure	**DD/SO**	**Cheque**	**Cash**	**Budget**	**Meter**
Base: All using each payment method	(1,081) %	(423) %	(394) %	(339) %	(176) %
Owned/Mortgaged	88	85	53	42	28
Rented	11	14	46	58	70

Household Size

- Those living alone are less likely to pay by direct debit than customers from multi-person households. Given that a majority (57%) of one person households are occupied by the over 65s, this is likely to be a reflection of their payment method preferences (confirmed by the high proportion - 25% - of one person households who pay quarterly by cash, another preference of a significant proportion of the elderly).

- Customers from households with two occupants are equally likely as those with three or more to use any of the payment methods, with the exception of the pre-payment meter, which is twice as likely to be used by homes of three or more (most likely families) as those with two occupants.

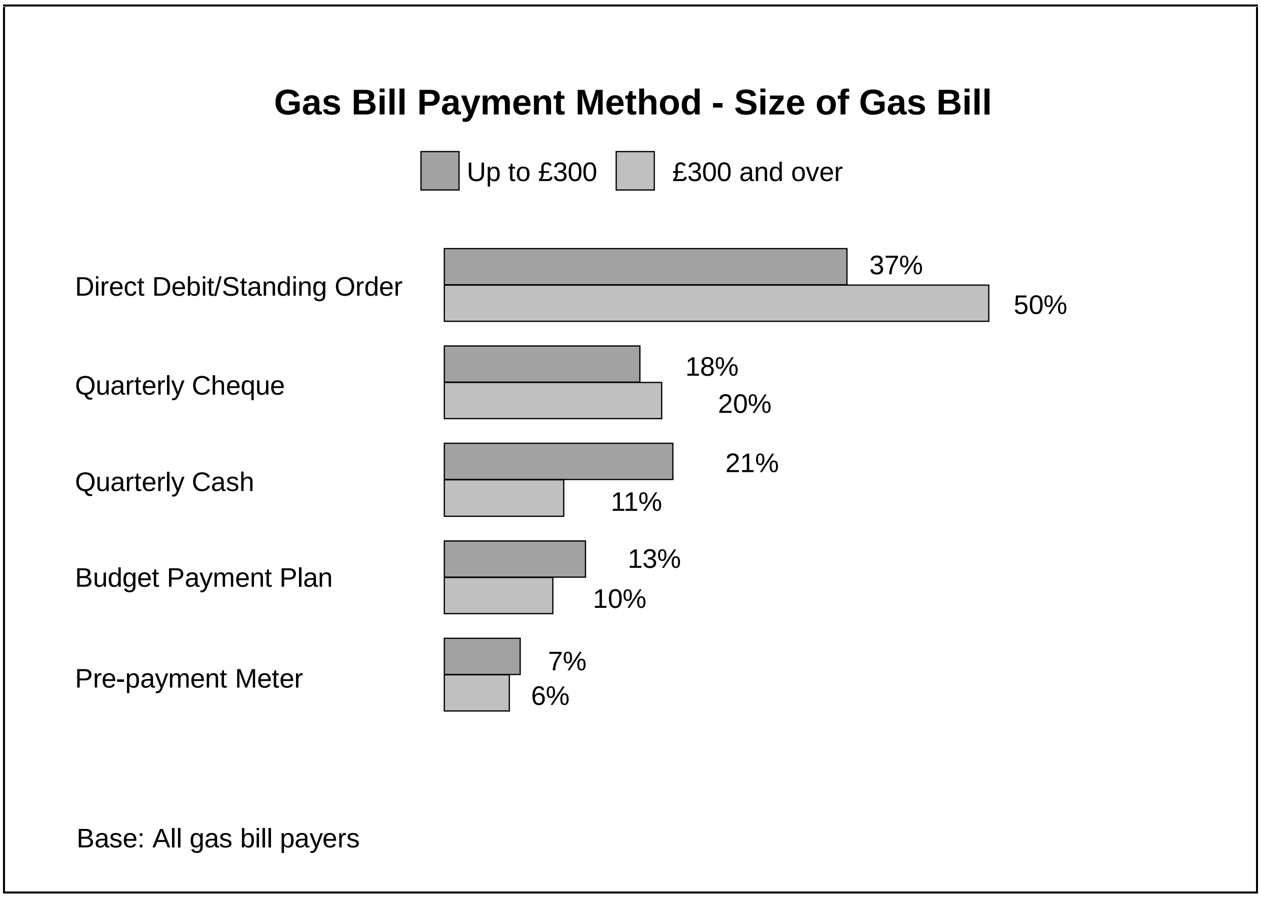


Payment Method - Breakdown by Household Size	**DD/SO**	**Cheque**	**Cash**	**Budget**	**Meter**
Base: All using each payment method	(1,081) %	(423) %	(394) %	(339) %	(176) %
One	14	17	31	22	20
Two	49	46	39	40	27
Three or more	37	36	28	38	53

Size of Gas Bill

- It should be borne in mind that size of bill is based on customers' own estimates, which may not be completely accurate.

- Those customers with larger gas bills are more likely than those with smaller gas bills to pay by direct debit (50%), whereas customers with smaller bills are relatively more likely to pay quarterly by cash (21%). Otherwise, there is little difference in the use of other payment methods according to the size of the bill.

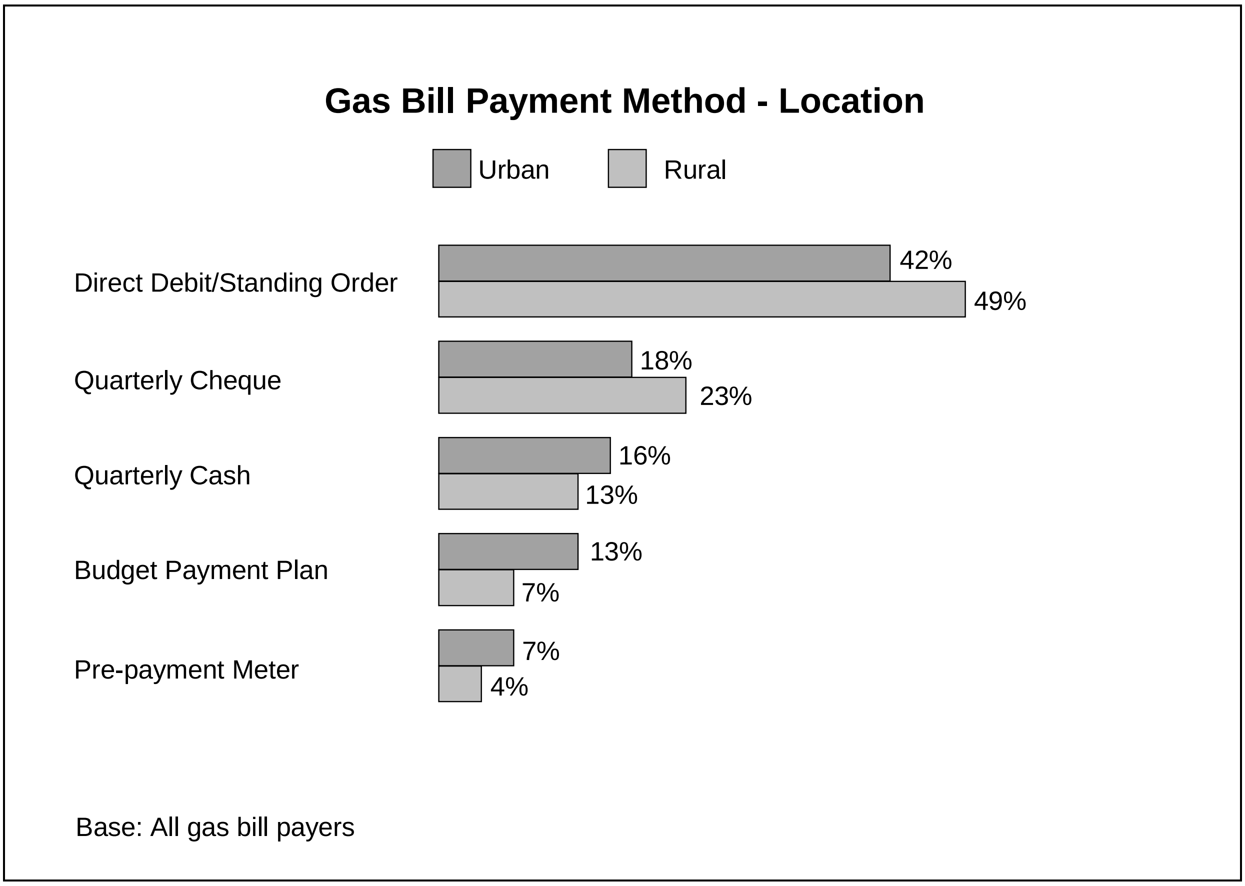


Payment Method - Breakdown by Size of Bill	**DD/SO**	**Cheque**	**Cash**	**Budget**	**Meter**
Base: All using each payment method	(1,081) %	(423) %	(394) %	(339) %	(176) %
Less than £100	2	5	10	3	4
£100 to £199	9	11	18	17	17
£200 to £299	22	22	25	23	19
£300 to £399	26	25	17	17	13
£400 to £499	16	11	9	10	13
£500 to £599	6	8	4	7	8
£600 to £699	4	3	1	2	3
£700 to £799	2	*	1	3	2
£800 to more	2	3	1	1	2
Up to £300	33	37	53	43	40
£300 and over	55	51	32	40	42

Location

- Customers living in rural locations are more likely to pay by direct debit or quarterly cheque than those in urban areas, whereas slightly more urban customers use a budget payment plan or pre-payment meter (differences are small, though.)

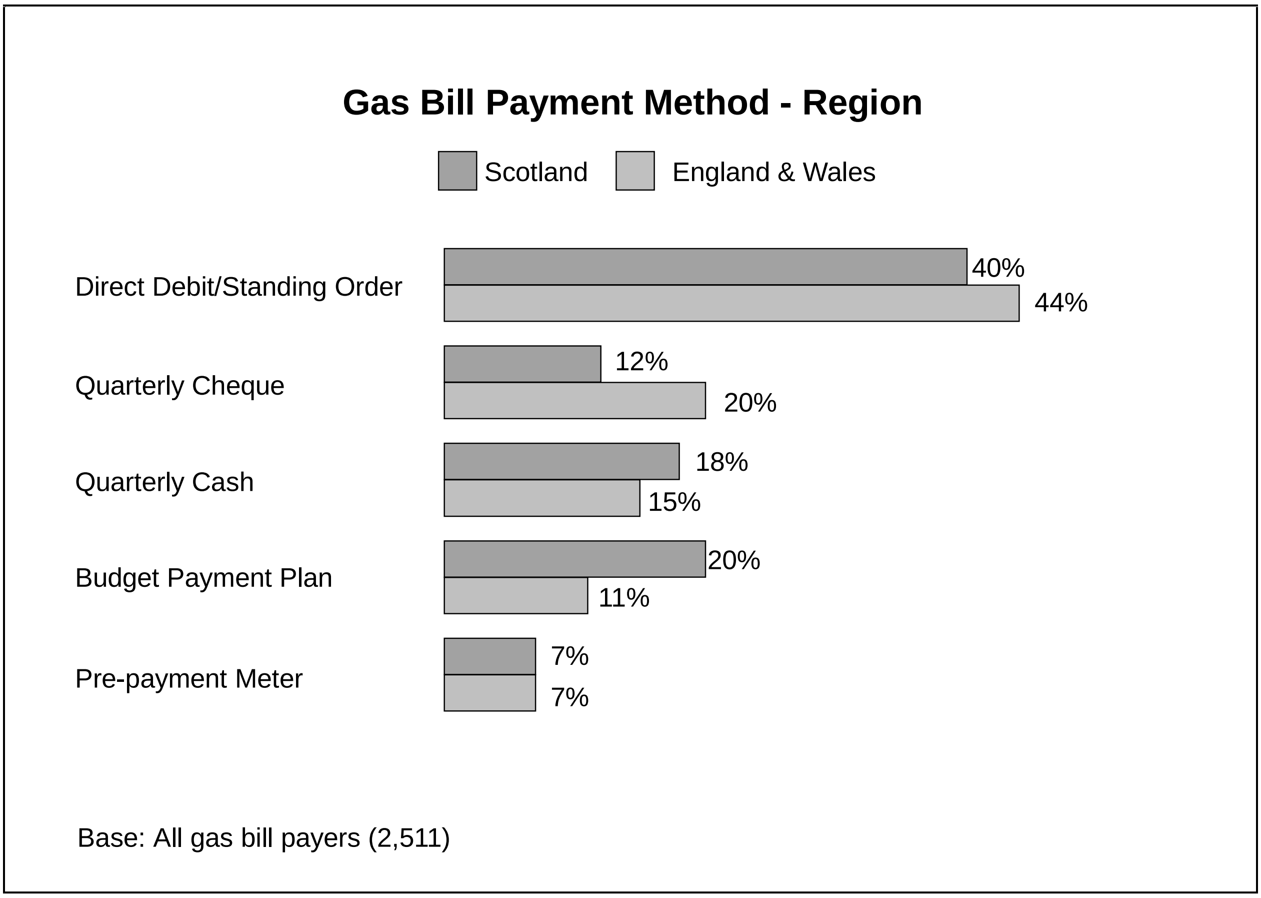
- Given that there is little difference in the socio-demographic profile of urban and rural areas, it is possible that these differences are more a reflection of the convenience of each method. For example, it may be easier for those in a rural area to pay by post or through their bank account, whereas urban customers can reach a convenient pre-payment meter charging point.



Payment Method - Breakdown by Location	**DD/SO**	**Cheque**	**Cash**	**Budget**	**Meter**
Base: All using each payment method	(1,081) %	(423) %	(394) %	(339) %	(176) %
Urban	76	75	83	86	85
Rural	21	22	16	11	12

Region - Scotland versus England/Wales

- Scottish customers are more likely than the English and Welsh to use a budget payment plan, and less likely to pay by cheque and slightly less likely to pay by direct debit. Use of pre-payment meters is consistent across both regions.
- The proportion of C2DE customers is slightly higher in Scotland than in England and Wales (62% versus 57%), which may contribute to the greater use of budget plan and cash payment options in the region.



Payment Method - Breakdown by Region	**DD/SO**	**Cheque**	**Cash**	**Budget**	**Meter**
Base: All using each payment method	(1,081) %	(423) %	(394) %	(339) %	(176) %
Scotland	8	6	11	15	9
England & Wales	92	94	89	85	91

Switching Gas Suppliers

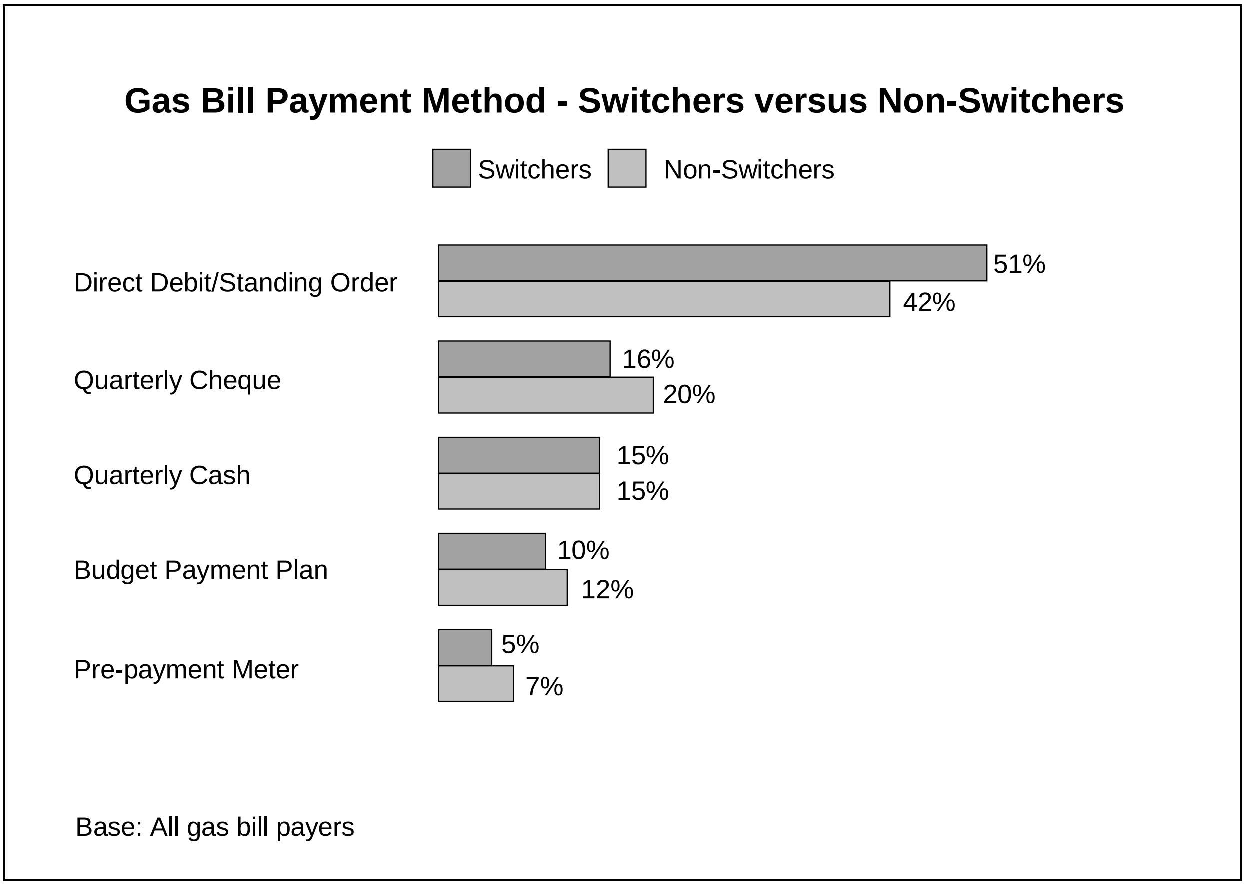
- Switchers are more likely than non-switchers to pay by direct debit, as may be expected, but apart from this there are no significant differences in payment methods between these two groups of customers. Indeed, 10% of switchers say they pay by budget plan, and 5% by pre-payment meter.

- Similarly, pre-payment meter users are a little less likely to have switched than direct debit payers (12% versus 17%), but then they have a similar propensity to switch as cheque and budget payers.

- Indeed, in previous waves of research (SW - October 1996 and SE - December 97) those paying by budget or pre-payment were slightly more likely to switch than gas customers as a whole (see table overleaf). The differences are not statistically significant, however.

- In addition, in the 1998 nationwide research, budget plan and pre-payment customers are as likely as other customers to say they will switch gas suppliers in the next three years. Thus the payment method used does not greatly affect customers' likelihood of switching.

- When asked why they have stayed with British Gas, those on a pre-payment meter are almost the only respondents to refer to arrears to British Gas - although even this relates to only 10 respondents, of 123 non-switchers in the 1998 research, using a pre-payment meter.



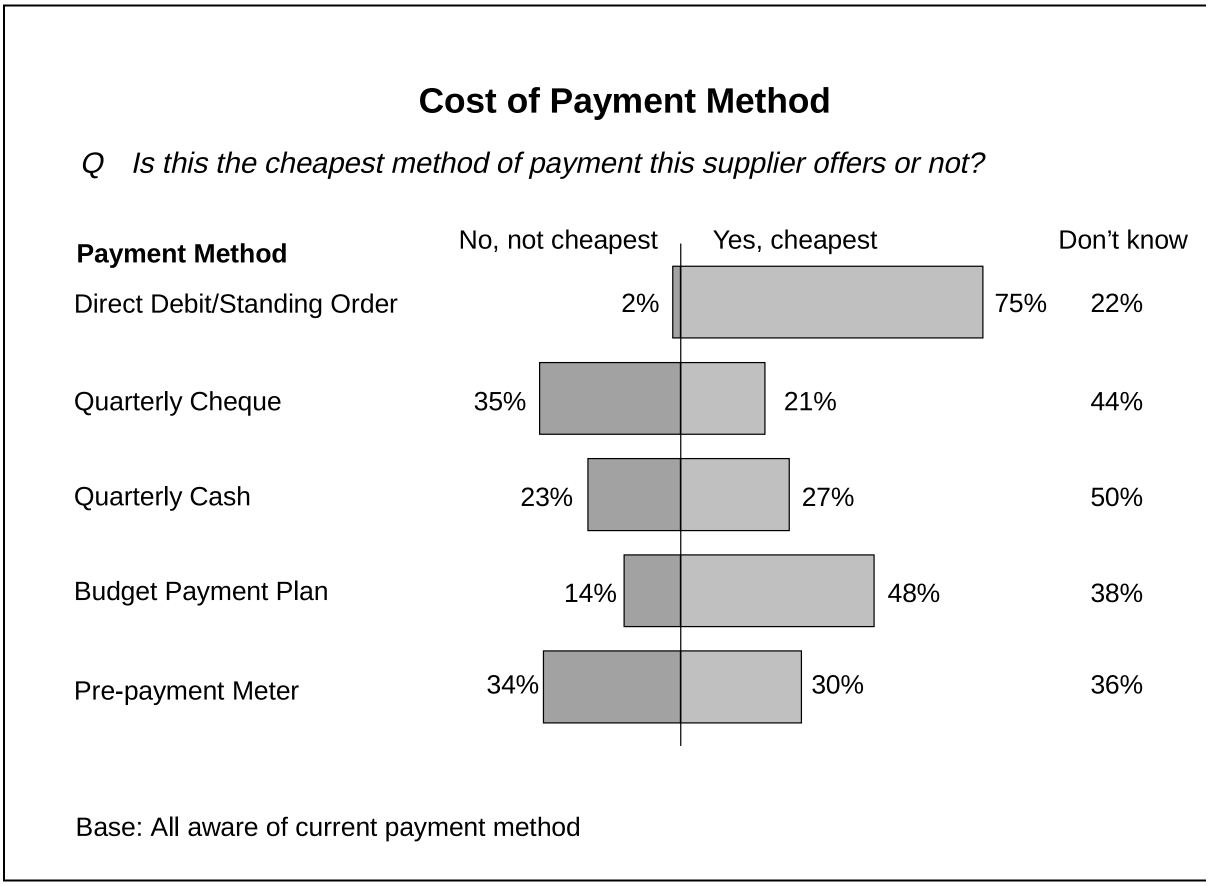
Payment Method - Breakdown by Switchers versus Non-Switchers	**DD/SO**	**Cheque**	**Cash**	**Budget**	**Meter**
Base: All using each payment method	(1,081) %	(423) %	(394) %	(339) %	(176) %
Switcher	17	12	15	12	12
Non-Switcher	83	88	85	88	88

Likelihood of Switching in Next Three Years						
	All	**DD/SO**	**Cheque**	**Cash**	**Budget**	**Meter**
Base: All non-switchers using each payment method	(2,147) %	(898) %	(423) %	(329) %	(264) %	(148) %
Certain to	1	2	1	1	1	3
Very likely	3	3	3	3	3	8
Fairly likely	11	13	13	7	10	5
Not very likely	24	25	23	23	26	26
Not at all likely	37	34	31	49	42	40
Don't know	23	23	29	18	18	19
Likely	10	11	9	7	8	11
Unlikely	61	59	54	72	68	66

Likelihood of Switching in Next Three Years						
	Phase 1 **1996**		Phase 2b **1997**		Nationwide **1998**	
Base: All non-switchers (paying by budget plan or pre-payment meter)	All non-switchers (812) %	Budget Plan Prepay-ment (125) %	All non-switchers (645) %	Budget Plan Prepay-ment (113) %	All non-switchers (1,708) %	Budget Plan Prepay-ment (375) %
Certain to	3	1	1	3	1	2
Very likely	5	6	2	3	3	5
Fairly likely	15	19	9	12	11	8
Not very likely	17	14	21	15	24	26
Not at all likely	37	44	52	55	37	41
Don't know	23	16	15	13	23	18
Likely	23	27	12	17	16	14
Unlikely	54	57	73	70	61	67

Awareness of Cost of Payment Method

- Customers display different degrees of awareness about the cost of their payment method, depending on what they use.
- The message that direct debit is the cheapest option has clearly been understood by most of those who pay in this way. Three-quarters of this group say that theirs is the cheapest method of payment - only 2% disagree.
- Almost half of budget payment plan customers also say that theirs is the cheapest option, although 14% disagree.
- However, one-third of customers overall do not know whether theirs is the cheapest payment method. This is particularly the case for those who pay by cash (50% don't know), or cheque (44% don't know).



- Users of pre-payment meters are split three ways as to whether this is the cheapest option, not the cheapest, or are uncertain.

- Overall, only 25% of non-direct debit payers are aware that they are not using the cheapest payment method, indicating that there is a significant gap in customer understanding of the cost of alternative payment methods.

Reasons for Not Using Cheapest Method

- Of those who realise that they are not using the cheapest method, a number of reasons are mentioned.

- Many customers paying by cheque dislike direct debit or prefer to have control over their payments. Some like to pay when the bill arrives.

- Budget payment plan customers like the convenience of this method, and to have control over their payments, whereas pre-payment meter customers in particular like paying for what they use, when they use it.

Reasons for not using the cheapest payment method

Base: All those who realise they are not paying by the cheapest method	Cheque (155) %	Cash (89) %	Budget (53) %	Meter (63) %
Convenience	13	17	37	31
Dislike Direct Debit	26	20	9	1
Prefer to have control	24	14	15	1
Pay when bill arrives	16	6	0	0
Haven't got round to it	13	2	1	5
Prefer to have meter	0	0	3	40
Prefer to pay for what I use when I use it	2	2	6	22
Prefer to pay cash	*	20	0	0

Methodology

Technical details of surveys from which data is drawn:

Phase 1 Pilot Area

- Pilot interviews, October 1996: 30 in-home, face-to-face pilot interviews in the Phase 1 pilot area, 10 per county, on 5th and 6th October 1996.

- First quantitative stage in the Phase 1 pilot area, October/November 1997: 1,187 in home, face-to-face interviews with household gas bill payers including 375 interviews with "switchers" whose numbers were boosted to allow for separate analysis. Similarly, the proportion of "lower income" Enumeration Districts in the sample was boosted so as to provide a more robust sample of lower income groups for separate analysis. In both cases the final data were weighted to reflect the known profile of gas customers in the Phase 1 pilot area. Fieldwork was carried out by MORI Field & Tab between 12th October and 3rd November 1996.

Phase 2 Pilot Area

- Quantitative research in the Phase 2 pilot area, November/December 1997: It was decided by Ofgas, for practical reasons, that the research should be confined to Phase 2b (which includes Kent, and East and West Sussex), where competition was introduced on 7th March 1997. MORI carried out 1,015 in-home, face-to-face interviews with household gas bill payers in the area. The proportion of "lower income" Enumeration Districts in the sample was boosted so as to provide a more robust sample of lower income groups for separate analysis. Final data were weighted to reflect the known profile of gas customers in the Phase 2b pilot area by work status, age and switchers versus non-switchers. Fieldwork was carried out by Field Control between 24th November and 21st December 1997.

National Surveys

- National Quantitative Research, July/August 1998: 2,511 in-house, face-to-face interviews with household gas bill payers, including 803 interviews with switchers and 691 interviews with Scottish households, both of whose numbers were boosted to allow for separate analysis. Similarly, the proportion of "lower income" Enumeration Districts in the sample were boosted so as to provide a more robust sample of lower income groups for separate analysis. Data were grouped by postcode into the gas competition areas set out in the Appendices, using postcode lists supplied by Ofgas. Final data were weighted to reflect the known profile of gas customers in England and Wales, and Scotland, by work status, age, social group and switchers vs. non-switchers. Fieldwork was carried out by MORI Field & Tab between 11th July and 16th August 1998.

Scottish Interviews

- A separate version of the questionnaire was used in Scotland. The only difference between this and the other questionnaire are the references to Scottish Gas, rather than British Gas. Note that Scottish Gas is the trading name for British Gas in Scotland.

Statistical Reliability

- Any survey which is not conducted amongst the total population, but amongst a sample drawn from the total population is open to certain sampling tolerances. The table below shows the confidence intervals for different sample sizes.

	Confidence intervals applicable to findings at or near these percentages *		
Sample size	**10% or 90%**	**30% or 70%**	**50%**
	±	±	±
2,500	1	2	2
2,000	1	2	2
1,500	2	2	3
1,000	2	3	3
800	3	4	4
400	3	5	5
200	4	6	7
100	6	9	10
* based on 95% confidence level			

- For example, for a finding that 70% of respondents (in a sample of approximately 100) give a particular answer, the chances are 95 in 100 that the 'true' results which would have been obtained by interviewing every respondent, instead of a sample of 100, falls between 61% and 79% (70% ± 9%). However, the result is proportionately more likely to be near the centre (70%) of this confidence interval than its extremes (61% or 79%).

- As well as the overall sample reliability, comparisons between sub-groups of the sample also have to fulfil certain statistical requirements. The table below gives the differences required for results for sub-groups to be regarded as significantly different.

		Differences required for findings to be regarded as statistically different at or near these percentages *		
Sub-groups compared		**10% or 90%**	**30% or 70%**	**50%**
		±	±	±
2,000 and 1,500		2	3	3
1,500 and 1,000		2	4	4
1,442 and 1,069	C2DE and ABC1	3	4	4
1,081 and 176	DD and Pre-pay customers	6	8	8
1,000 and 400		4	5	6
800 and 400		4	6	6
400 and 200		5	8	9
200 and 100		7	11	12
* based on 95% confidence level				

Definitions of Social Grades

This appendix contains a brief list of social class definitions as used by the Institute of Practitioners in Advertising. These groups are standard on all surveys carried out by Market & Opinion Research International Limited.

Social Class		Occupation of Chief Income Earner
A	Upper Middle Class	Higher managerial, administrative or professional
B	Middle Class	Intermediate managerial, administrative or professional
C1	Lower Middle Class	Supervisor or clerical and junior managerial, administrative or professional
C2	Skilled Working Class	Skilled manual workers
D	Working Class	Semi and unskilled manual workers
E	Those at the lowest levels of subsistence	State pensioners, etc., with no other earnings

GAS COMPETITION - MARKED UP QUESTIONNAIRE
NATIONAL (N) & SCOTLAND (S)

Final Topline Results Based on Weighted, Edited Data
Results based on 2511 completed interviews in England, Wales and Scotland.
Interviews were conducted face-to-face, in home, between 11 July and 16 August 1998
An asterisk (*) denotes a figures of less than 0.5% but greater than zero.
Where percentages do not sum to 100, this may be due to computer rounding, multiple responses or the exclusion of 'don't knows'.
Base: All (2511 National, 691 in Scotland) unless otherwise stated. Data has been weighted to represent universe of households

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Sex

	N	S
	(%)	(%)
Male	40	37
Female	60	63

Age of respondent:

	(%)	(%)
15-24	4	4
25-34	19	19
35-44	18	17
45-54	17	17
55-64	16	16
65+	27	27

WRITE IN EXACT AGE

Age of Head of Household is:

	(%)	(%)
16-34	21	22
35-54	35	34
55+	44	45

Respondent is:

	(%)	(%)
CIE	59	59
Not CIE	36	38

Occupation of C.I.E.
Position/Rank/Grade

Industry/type of firm

Quals/degrees/apprenticeships

Number of staff responsible for

REMEMBER TO PROBE FULLY FOR PENSION CODE BELOW

	(%)	(%)
AB	19	15
C1	24	23
C2	28	27
DE	30	35

No. in household (include. respondent)
N 1(19%) 2(44%) 3(15%) 4(14%) 5(5%) 6(2%) 7(*%) 8(*%) 9+(*%)
S 1(21%) 2(43%) 3(16%) 4(12%) 5(6%) 6(1%) 7(*%) 8(0%) 9+(*%)

Children (under 15)
N 0(63%) 1(13%) 2(14%) 3(5%) 4(1%) 5(*%) 6(0%) 7(0%) 8(0%) 9 (0%)
S 0(65%) 1(13%) 2(13%) 3(7%) 4(1%) 5(*%) 6(0%) 7(0%) 8(0%) 9 (0%)

Working Status of Head of Household
Working (active)

	N	S
	(%)	(%)
Working full time (30hrs+)	49	46
Working part time (8-29 hrs/wk)	7	5
Self employed	1	1
Waiting to start a job	1	*
Unemployed (registered)	3	4
Unemployed (not registered but looking for work)	1	2
Working student	*	*
Working on a Government training scheme	*	*
Other	1	1

Not Working (inactive)	(%)	(%)
Long term sick/permanently ill	3	3
Retired	31	29
Housewife	3	7
At home and not seeking work	1	1
Non working student	*	1
Disabled	1	1
Other	*	*

Type of housing	(%)	(%)
Detached house	18	16
Semi-detached house	36	25
Terraced house	32	31
Flat or maisonette	10	25
Other	4	2
Don't know	1	2

Housing tenure	(%)	(%)
Being bought on mortgage	41	38
Owned outright by household	31	24
Rented from Local Authority	20	27
Rented from Housing Assoc./Trust	4	7
Rented from private landlord	3	3
Other	1	1

Financial Status	(%)	(%)
Has a bank account	83	84
Has a building society account	45	42
Neither	7	11

Gas central heating in	N	S
	(%)	(%)

home?

Yes	84	90
No	12	9

SHOWCARD S (R) **Using this card, approximately how much would you estimate your household's bill was for gas over the last 12 months? Please include both winter and**
summer bills. Just read out the letter next to the category which is your best estimate.

	(%)	(%)
Less than £100	4	2
£100-199	12	9
£200-299	22	21
£300-399	22	23
£400-499	13	15
£500-599	6	7
£600-699	3	4
£700-799	1	2
£800 or more	2	3
No idea	13	12

SHOWCARD T (R) **Which of the items on this card are you in receipt of?** MULTICODE OK

	(%)	(%)
State pension only (ie not occupational pension)	16	15
War Disability pension	1	0
Income support	8	9
One parent benefit	3	4
Unemployment benefit	1	1
Job seeker's allowance	2	2
Family credit	2	3
Disability working allowance	*	0
Disability living allowance	4	3
Attendance allowance	1	1
Invalidity benefit	3	3
Council tax benefit	12	14
Housing benefit	10	15
None of these	61	63

IF ELDERLY (65+) OR DISABLED ASK **Are you on the Gas Care Register, a scheme which provides special services for the elderly and disabled?** (DISABLED = THOSE IN RECEIPT OF DISABILITY WORKING ALLOWANCE, DISABILITY LIVING ALLOWANCE, INVALIDITY BENEFIT OR WAR DISABILITY PENSION).

Base: All those who are elderly or in receipt of a Disability pension or allowance (785N, 217S)

	N	**S**
	(%)	(%)
Yes	9	17
No	80	69

Location

	(%)	(%)
Urban	79	81
Rural	19	18
Not answered	3	1

Interviewer Declaration: I confirm that I have conducted this interview face-to-face with the above named person at the above named address and that I asked all the relevant questions and recorded the answers in full conformance with the survey specifications and within the MRS Code of Conduct.

Interviewer No: ....

Interviewer Name: ....

Signature:...

Date of Interview: ....

ED No:...

ED Name: ....

INTERVIEWER RECORD FROM APPEARANCE: DO NOT ASK

	(%)	(%)
White	92	96
Afro-Caribbean	2	0
Asian	2	2
Other	*	1
Not answered	3	2

Good morning/afternoon/evening. I'm from MORI, the Market Research company. We're conducting interviews about gas services and would like to ask you some questions. Could I just ask ...

QA SHOWCARD A (R) Do you or any member of your immediate family work in the following professions or industries?

	N (%)	S (%)	
Electricity Industry	0	0	
Market Research	0	0	CLOSE
Gas Industry	0	0	
None of these	100	100	ASK QB

QB Is your household connected to mains gas or not?

	(%)	(%)	
Yes	100	100	ASK QC
No	0	0	IF NOT ON MAINS GAS CLOSE

QC Are you the person most responsible, or are you jointly responsible with someone else, for paying the gas bill in your household?

	(%)	(%)	
Person most responsible	53	50	
Jointly responsible	47	50	ASK QD
Not responsible	0	0	ASK TO TALK TO THE PERSON MOST RESPONSIBLE
Don't know	0	0	CLOSE

QD SHOWCARD B (R) Which of the following best applies to you when paying your gas bill ... SINGLE CODE

	(%)	(%)	
I pay the gas supplier direct	100	100	ASK QE
My landlord pays the gas supplier direct	0	0	
Someone else pays the gas supplier direct	0	0	CLOSE
Don't know	0	0	

QE If your household were to change, say, to a new telephone or gas supplier or change the company who supplies your home insurance, would you be the person who would make that decision, would you make it jointly with someone else, or would someone else in the household make the decision?

	(%)	(%)	
Respondent	47	44	GO TO Q1
Jointly	53	56	
Someone else	*	0	ASK TO TALK TO THIS PERSON
Don't know	0	0	CLOSE

AWARENESS OF COMPETITION

Q1. Were you aware that competition has been introduced into the domestic gas market?

	N (%)	S (%)
Yes	95	95
No	4	4
Don't know	1	1

Q2. **SHOWCARD C (R)** (In fact, competition has recently been introduced into the domestic gas market). Which of these statements best fits your awareness and understanding of these changes within the domestic gas market? READ OUT

	(%)	(%)
Very well informed	12	11
Fairly well informed	47	50
Not very well informed	30	29
Not at all informed	9	7
No opinion	2	3

SOURCES OF INFORMATION ABOUT COMPETITION

Q3. SHOWCARD D (R) Here is a list of different ways in which you may have found out about competition in the domestic gas market. Please could you tell me which ones apply to you? MULTICODE OK

	(%)	(%)
Advertising/promotional material from gas suppliers	35	20
Caring Agencies eg. Age Concern, Help the Aged	*	*
Citizen's Advice Bureau	*	*
Energy Advice Centre	1	*
Exhibition stand	2	1
Gas Consumers Council	2	1
Housing Association	*	1
Information from electricity supplier	14	8
Local Authority	1	*
Local newspapers	17	17
Magazines	6	3
National newspapers	30	28
OFGAS	3	2
Radio programmes	10	4
Talking to employees of gas supplier	7	5
Talking to relatives/friends/neighbours	15	14
Telephone call from gas supplier	5	5
TV programmes	45	46
Visit from gas supplier	38	57
Other (WRITE IN)	5	3
None of these	4	3
Don't know	1	1

Q4. For how many gas companies, if any, including your current gas supplier, do you have information about their prices and/or other payment terms?

	N (%)	S (%)
One	36	32
Two	20	22
Three	9	7
Four	3	2
Five	1	*
Six	1	*
Seven	*	*
Eight	*	*
Nine	0	0
Ten	*	0
More than 10	*	*
None	25	30
Don't know	4	6

Q5. How many gas suppliers, if any, have contacted you by knocking at your door?

	(%)	(%)	
One	27	38	
Two	14	19	
Three	8	9	
Four	3	4	
Five	1	*	
Six	1	*	ASK Q6
Seven	*	0	
Eight	*	*	
Nine	*	0	
Ten	0	0	
More than 10	*	0	
None	43	29	
			GO TO Q9
Don't know	2	1	

IF 'NONE/DON'T KNOW' AT Q5 SKIP TO Q9. OTHERS ASK Q6.

Q6. SHOWCARD E(R) Overall, how informative was the contact you had with these gas suppliers?

Base: Those who have had door step contact from suppliers (1608N, 505S)

	(%)	(%)
Very informative	15	18
Fairly informative	42	49
Not very informative	23	19
Not at all informative	9	4
Don't know	12	9

Q7. SHOWCARD F (R) Overall, how satisfied or dissatisfied were you with the contact you had?
Base: Those who have had door step contact from suppliers (1608N, 505S)

	(%)	(%)	
Very satisfied	13	17	
Fairly satisfied	34	42	GO TO Q9
Neither satisfied nor dissatisfied	26	20	
Fairly dissatisfied	12	12	ASK Q8
Very dissatisfied	9	6	
Don't know	6	4	GO TO Q9

ASK IF FAIRLY OR VERY DISSATISFIED AT Q7. OTHERS GO TO Q9
Q8. **Why do you say that?** PROBE FULLY. WRITE IN.
BASE: All those dissatisfied with door step contact (279 N, 86 S)

	N (%)	S (%)
Too pushy/wanted us to sign right away/hard sell	47	43
Lack of information	20	18
Not honest/not truthful	9	17
Nothing made clear	8	10
Unable to answer questions	7	6
Rude/off-hand	8	14
Not interested/happy with present supplier	7	7

ASK ALL
Q9. Do you think the prices offered by the new gas suppliers are higher or lower than those offered by British Gas or are they about the same?

	N (%)	**S** (%)	
Higher	1	3	GO TO Q11
Lower	39	43	ASK Q10
About the same	25	20	
Don't know	35	34	GO TO Q11

IF 'LOWER' AT Q9 ASK Q10. OTHERS GO TO Q11
Q10. Approximately what percentage reduction in your gas bill do you think can be achieved by switching from British Gas to another gas supplier? WRITE IN USING LEADING ZEROS AND CODE INTO ONE OF THE FOLLOWING BANDS
Base: Those who think new gas suppliers offer lower prices (1164N, 334S)

☐ ☐ ☐ %

	(%)	(%)
0-5%	12	11
6-10%	17	13
11-15%	13	8
16-20%	11	10
21-30%	8	10
31-50%	2	3
>50%	1	*
Don't know	37	45

ASK ALL

Q11. SHOWCARD G (R) How easy or difficult have you found it to compare the different prices available from the various gas supplies?

	(%)	(%)	
Very easy	6	6	GO TO Q13
Fairly easy	24	30	
Fairly difficult	15	13	ASK Q12
Very difficult	12	7	
Don't know	43	45	GO TO Q13

ASK IF 'FAIRLY/VERY DIFFICULT' AT Q11. OTHERS SKIP TO Q13

Q12. **Why do you say that?** PROBE FULLY. WRITE IN.

Base: All those who find it difficult to compare prices (637 N, 138 S)

	N (%)	S (%)
Lack of information/no information to go on	32	21
Nothing to compare figures to yet	13	13
Confusing/not clear	13	10
None of them give you an exact price	12	15
Difficult to compare like with like	9	12
Always say their prices are lower	7	4
Difficult to understand	7	6

CURRENT GAS SUPPLIER

ASK ALL

Q13. SHOWCARD H (R) And which of these companies currently supplies your gas? SINGLE CODE

	N (%)	S (%)	
Amerada	*	0	
Associated Gas Suppliers (AGAS)	*	0	
Beacon Gas	1	1	
British Gas/Scottish Gas	86	80	= NON-SWITCHER
Calortex	1	3	
Cambridge Gas Company	*	*	
CPL British Fuels	*	0	
Crown Energy	0	0	
Eastern Natural Gas	3	4	
Gas West	0	0	
London Electricity	*	0	
London Total Energy	*	0	
Midlands Gas	*	*	
Midland Shire Farmers	0	0	
North Wales Gas	0	0	
Northern Energy	*	0	
Northern Electric	1	2	
Norweb Gas (Energi)	1	1	
Scottish Power	1	8	
Southern Electric Gas	1	0	
Sterling Gas	1	*	
SWALEC Gas	1	0	
SWEB Gas	*	0	
The Gas Supply Company	*	0	
York Gas	*	0	
YE Gas (Yorkshire Electricity)	1	*	
Other (WRITE IN)	1	*	
Don't know	1	1	

Q14. **Are your gas and electricity supplied by the same company?**

	N (%)	S (%)	
Yes	7	9	ASK Q15
No	92	89	GO TO Q16

IF YES AT Q14 ASK Q15. OTHERS GO TO Q16

Q15. **Have you been offered an additional discount as a result of this, that is because you get both your gas and electricity from this company?**

Base: Those who have a single supplier for both gas and electricity (343N, 99S)

	(%)	(%)
Yes	37	38
No	55	50

ASK ALL

Q16. SHOWCARD F (R) AGAIN Overall, how satisfied are you with the quality of service you have received from your current gas supplier?

	(%)	(%)
Very satisfied	51	53
Fairly satisfied	35	36
Neither satisfied nor dissatisfied	6	4
Fairly dissatisfied	2	2
Very dissatisfied	2	2
Don't know	3	4

IF CURRENT SUPPLIER **NOT** BRITISH GAS/SCOTTISH GAS (**NOT** CODE '4' AT Q13) ASK Q17A. OTHERS GO TO Q17B

Q17a. SHOWCARD I (R) And how do you think the overall quality of service you receive from your current supplier compares with the quality of service you received from your previous supplier?

Base: Those not currently supplied by British/Scottish Gas (762 N, 226 S)

	(%)	(%)
Current supplier much better	5	4
A little better	7	6
About the same	51	64
A little worse	3	2
Current supplier much worse	3	7
No opinion	28	13

IF CURRENT SUPPLIER IS BRITISH/SCOTTISH GAS GAS AT Q13 (CODE 4) ASK Q17B. OTHERS GO TO Q18

Q17b. SHOWCARD J (R) And how do you think the overall quality of service you receive now from British Gas/Scottish Gas compares with the quality of service you received two years ago?

Base: Those currently supplied by British/Scottish Gas (1749N, 465S)

	(%)	(%)
Much better now	4	2
A little better	11	5
About the same	72	81
A little worse	3	3
Much worse now	1	*
No opinion	6	5

ASK ALL

Q18. SHOWCARD K (R) **In which of these ways do you normally pay your gas bill?** SINGLE CODE

	N (%)	**S** (%)	
Direct debit	39	36	
Standing order	4	4	
Quarterly cheque	19	12	
Quarterly cash	15	18	
Monthly/weekly budget payment plan	12	20	ASK Q19A
Pre-payment meter	7	7	
Other (WRITE IN)	3	3	
Don't know	1	1	GO TO FILTER AT Q20

Q19a. Is this the cheapest method of payment this supplier offers or not?
Base: All aware of current payment method (2487N, 681S)

	(%)	(%)	
Yes, cheapest	50	48	GO TO FILTER AT Q20
No, not cheapest	16	15	ASK Q19B
Don't know	34	37	GO TO FILTER AT Q20

Q19b. ASK IF 'NOT THE CHEAPEST' AT Q19A. OTHERS SKIP TO FILTER AT Q20
What are your main reasons for not choosing the cheaper method of payment offered by your gas supplier? PROBE FULLY. WRITE IN.
Base: All those who think they are not paying by the cheapest method (404N, 101N)

	N (%)	S (%)
Convenience	23	20
Dislike Direct Debit	18	11
Prefer to have control over payments	15	18
Pay when bill arrives	9	3
Haven't got round to it	7	10
Prefer to have a meter	6	1
Prefer to pay for what I have used when I have used it	5	11

NON-SWITCHERS SECTION

ASK ALL CODED '4' (BRITISH GAS/SCOTTISH GAS) AT Q13. OTHERS GO FILTER AT Q32

Q20. SHOWCARD L (R) Which of the statements on this card applies to you? SINGLE CODE ONLY

Base: Those currently supplied by British Gas/Scottish Gas (1749N, 465S)

		N (%)	S (%)	
a)	I didn't know I could switch gas supplier	2	2	GO TO Q27
b)	I have always been with **British Gas/Scottish Gas** and not considered switching	68	77	GO TO Q25
c)	I have considered changing away from **British Gas/Scottish Gas** but have not so far	21	14	GO TO Q25
d)	I switched from **British Gas/Scottish Gas** to an alternative gas supplier but have since switched back to **British Gas/Scottish Gas**	2	3	GO TO Q21
e)	I have tried changing away from **British Gas/Scottish Gas**, but have not been able to	1	*	G0 TO Q23
f)	I have signed a contract with the new supplier, but have not received the final bill/statement from my previous supplier nor a bill from my new supplier	1	*	GO TO Q33 = SWITCHER
	Don't know	4	4	GO TO Q27

IF d) at Q20 ASK Q21. OTHERS GO TO FILTER AT Q23

Q21. What caused you to switch back to British Gas/Scottish Gas? DO NOT PROMPT. MULTICODE OK

Q22. SHOWCARD M (R) Which, if any, of the things on this card influenced your decision to switch back to British Gas/Scottish Gas? MULTICODE OK

Base: All who had switched supplier but have since switched back to BG (33N, 14S)

	Q21 Spontaneous		**Q22 Prompted Total Mentions**	
	N (%)	**S** (%)	**N** (%)	**S** (%)
New supplier charged more for gas than expected	14	10	24	10
British Gas/Scottish Gas reduced cost of gas	0	0	4	0
Not given enough time to pay bills by new supplier	0	0	0	0
Unhappy with standard of service from new supplier	14	39	18	45
Large final bill from **British Gas/Scottish Gas**	1	6	1	6
Unhappy with promptness of bills from new supplier	2	15	3	21
Unhappy with accuracy of bills from new supplier	0	0	7	0
Problems with transfer to new supplier	17	18	18	26
Unable to use current payment method	5	14	5	14
Hadn't been mine/our decision to switch originally	4	0	4	0
British Gas/Scottish Gas advertising/promotional material	0	0	10	7
Other (WRITE IN)	48	32	16	20
Don't know	4	0	15	0

IF (e) AT Q20 ASK Q23, OTHERS TO FILTER AT Q25

Q23. **Who told you that you could not change your gas supplier?**

Base: Those who were unable to switch supplier (14N, 1S)

	N (%)	**S** (%)	
British Gas/Scottish Gas	18	0	
Other gas supplier	63	0	GO TO Q24
Other (WRITE IN)	13	100	
Can't recall	6	0	GO TO Q27

IF GIVE AN OPINION AT Q23 ASK Q24, OTHERS GO TO Q27

Q24. **What reasons, if any, did they give for this?** PROBE FULLY. WRITE IN.

Base: All those who recall who told them they could not change supplier (13N, 1S)

	N (%)	S (%)
If you are in debt you can't change supplier	41	0
From what I've heard it's difficult	18	100
Difficulty via telephone/failure to phone back	12	0
British Gas make it difficult for people to leave	7	0

IF b) or c) at Q20 ASK Q25. OTHERS GO TO Q27

Q25. What are your main reasons for staying with British Gas/Scottish Gas? DO NOT PROMPT. MULTICODE OK

Q26. SHOWCARD N (R) Which of these, if any, had an influence on your decision? MULTICODE OK

Base: All who are aware that they can change supplier but have not done, or tried to so far (1544N , 418S)

	Q25 Spontaneous		**Q26 Prompted**	
	N (%)	**S** (%)	**N** (%)	**S** (%)
Waiting to see what happens	10	5	15	11
Happy with British Gas/Scottish Gas	50	58	42	50
Still in process of deciding	3	1	7	4
Always been with British Gas/Scottish Gas, see no reason to change	33	25	38	37
British Gas reduced cost of gas	2	1	6	7
British Gas/Scottish Gas advertising/promotional material	0	0	*	1
Would not know how to change	1	1	2	2
May get locked into a contract	1	0	4	2
Switching too much hassle	7	5	14	12
Don't trust other suppliers	3	1	9	9
Don't know enough about other suppliers	8	3	20	16
Concerns about safety	1	2	6	6
Was/am in arrears with British Gas/Scottish Gas	1	1	1	1
Other (WRITE IN)	17	14	7	4
Don't know	1	3	5	7

ASK ALL NON SWITCHERS - CODED ‘4’ (BRITISH GAS/SCOTTISH GAS) AT Q13 & CODES ‘1’ ‘2’ ‘3’ ‘4’ ‘5’ OR ‘7’ AT Q20

Q27. SHOWCARD O (R) From this card, how likely are you to switch gas suppliers in the next 12 months?

Base: All Non-switchers (1708N, 463S)

ASK ALL EXCEPT CERTAIN TO:

Q28. SHOWCARD O (R) AGAIN And how likely are you to switch gas suppliers in the next 3 years?

Base: All Non-switchers (1708N, 463S)

	Q27			Q28	
	12 months (%) N	**(%) S**		**3 years (%) N**	**(%) S**
Certain to	1	*	GO TO Q29	1	*
Very likely	2	1	GO TO Q28	3	2
Fairly likely	7	5		11	9
Not very likely	31	25		24	23
Not at all likely	47	61		37	50
Don't know	12	8		23	14

ASK ALL NON-SWITCHERS - CODES '4' (BRITISH GAS/SCOTTISH GAS) AT Q13 & CODES '1' '2' 3' '4' '5' OR '7' AT Q20

Q29. I am now going to read out a number of statements relating to the gas market, some of which are true, while others are false.

a) For each one that I read out, could you tell me whether you think the statement is true or false? READ OUT STATEMENTS i) - xii)

ASK FOR STATEMENTS i), ii) and viii) ONLY
b) **SHOWCARD P (R)** If .... **READ OUT STATEMENT** were true, do you think it would make you more, or less likely to consider switching from British Gas/Scottish Gas to another gas supplier, or would it make no difference?
Base: All Non-switchers (1708N, 463S)

		Awareness		Likelihood to switch from BG/SG						
		True	False	Much more likely	Slightly more likely	Slightly less likely	Much less likely	No differ-ence		
		%	%	%	%	%	%	%		
i)	**British Gas/Scottish Gas has reduced its prices**	66	23	1	3	13	23	50	-	(N)
		66	22	1	3	8	26	57	-	(S)
ii)	**All gas suppliers operate a Gas Care scheme which provides special services for the elderly and disabled**	42	34						-	(N)
		41	34						-	(S)
iii)	**I could receive a discount if I bought both my gas and electricity from the same company**	69	17	6	21	5	5	51	-	(N)
		61	22	3	19	4	7	60	-	(S)
iv)	**If I am in debt with my current gas supplier I cannot change to a new supplier**	40	40						-	(N)
		39	40						-	(S)
v)	**I would need to pay someone to help me change gas supplier**	12	79						-	(N)
		13	77						-	(S)
vi)	**If I changed gas supplier I would need to have new gas pipes installed**	5	87						-	(N)
		5	88						-	(S)
vii)	**I would need to pay my gas bill by direct debit if I wanted to change gas supplier**	21	66						-	(N)
		20	66						-	(S)
viii)	**If you change gas supplier you can still keep your service contract with British Gas/Scottish Gas**	34	43	2	5	4	4	72	-	(N)
		28	50	1	5	6	5	77	-	(S)
ix)	**All of the gas suppliers offer energy efficiency advice**	70	16						-	(N)
		68	21						-	(S)
x)	**British Gas/Scottish Gas has split into two independent companies, one of**	59	21						-	(N)

	which operates the pipelines for all gas suppliers while the other supplies gas to customers	55	24	-	(S)
xi)	**There is a freephone number that you can call if you have a gas leak**	93	2	-	(N)
		92	3	-	(S)
xii)	**All gas suppliers will offer help if I have difficulty paying my bills**	66	19	-	(N)
		71	15	-	(S)

Q30. **Approximately what percentage reduction in your gas bill, if any, would be sufficient for you to consider switching from British Gas/Scottish Gas to another gas supplier?**
Base: All Non-switchers (1708N, 463S)

WRITE IN. USE LEADING ZEROS ☐ ☐ ☐

	N (%)	**S** (%)
1-5%	3	2
6-10%	9	10
11-15%	7	5
16-20%	11	7
21-25%	8	6
25-30%	11	8
31-40%	2	2
40-49%	1	1
50% or more	5	4
Would not consider switching	30	40
Don't know	23	21

Q31a. SHOWCARD G (R) AGAIN How easy or difficult do you think it is to change gas supplier?
Base: All Non-switchers (1708N, 463S)

	(%)	(%)
Very easy	27	25
Fairly easy	44	48
Fairly difficult	5	6
Very difficult	1	2
No opinion	15	11

IF VERY OR FAIRLY DIFFICULT ASK Q31B OTHERS GO TO DEMOGRAPHICS

Q31b Why do you say that?
Base: All those who think it is difficult to switch supplier (116N, 35S)

	N (%)	S (%)
Causes too much admin/paperwork	23	5
From what I've heard it's difficult	21	25
Dig up roads to change pipes	8	0
Too much of an upheaval	6	13
Problems caused with bills	5	16

SWITCHERS SECTION

ASK ALL WHO USE A SUPPLIER OTHER THAN BRITISH GAS/SCOTTISH GAS - (**NOT** CODE '4') AT Q13.
OTHERS GO TO FILTER AT Q33

Q32. SHOWCARD Q(R) Which of the following best describes your relationship with your gas supplier?
Base: All Switchers(762N, 226S)

		(%)	(%)
A)	I have signed a contract with the supplier, but have not received the final bill/statement from my previous supplier nor a bill from my new supplier	20	9
B)	I have received a final bill from my old supplier but have not yet received my first bill from my new supplier	31	23
C)	I have received a final bill from my old supplier and the first bill from my new supplier	40	60
	Don't know	9	8

ASK ALL WHO USE A SUPPLIER OTHER THAN BRITISH GAS/SCOTTISH GAS - **(NOT** CODE '4') AT Q13 OR CODE '6' AT Q20.

OTHERS GO TO DEMOGRAPHICS

Q33. How long ago did you switch to your current gas supplier, by that I mean how long ago did you sign a contract with this new supplier?
Base: All Switchers (803N, 228S)

	N	**S**
	(%)	(%)
Longer than 6 months ago	32	49
3-6 months ago	26	34
Less than 3 months ago	39	13
Don't know	3	4

Q34. **How many times have you changed your gas supplier?**
Base: All Switchers (803N, 228S)

	(%)	(%)
Once	92	91
Twice	5	5
More often	*	*

Q35. SHOWCARD G (R) AGAIN How easy or difficult was it for you to leave your last gas supplier?
Base: All Switchers (803N, 228S)

	(%)	(%)	
Very easy	68	68	
Fairly easy	20	21	GO TO Q37
Fairly difficult	3	4	
Very difficult	2	1	GO TO Q36
Don't know	6	7	GO TO Q37

Q36. IF FAIRLY/VERY DIFFICULT ASK Q36. OTHERS GO TO Q37
Why do you say that? PROBE FULLY. WRITE IN.
Base: All who experienced difficulty changing gas supplier (41N, 9S)

	N (%)	S (%)
Problem caused with bills	15	33
British Gas make it difficult for people to leave	12	0

ASK ALL SWITCHERS - THOSE WHO USE A SUPPLIER OTHER THAN BRITISH GAS - (**NOT** CODE ‘4’) AT Q13 OR CODE ‘6’ AT Q20.

Q37. What were the main reason(s) why you decided to switch gas supplier (this time)? UNPROMPTED MULTICODE OK

Q38. SHOWCARD R(R) **Which of these, if any, had an influence on your decision?**
Base: All Switchers (803N, 228S)

	Q37 Spontaneous		**Q38 Prompted Total**	
	N (%)	**S** (%)	**N** (%)	**S** (%)
Cheaper prices	84	82	88	85
Better service from new supplier	2	2	6	3
Poor service from British Gas	2	1	4	3
Bad experience with British Gas	2	1	4	2
Adverse media reports about British Gas	*	0	1	0
Other people I know have switched	1	1	7	8
Persuasive salesman	4	4	16	13
Advertising by new gas supplier	1	0	5	4
Ability to buy gas and electricity from new gas supplier	4	6	13	12
Recommendation of friends/acquaintances	1	2	6	7
Special offers (vouchers, air miles etc)	1	0	3	1
Other (WRITE IN)	11	12	2	2
Don't know	3	6	4	5

Q39. Do you feel misled in any way by the information you received from your new supplier?
Base: All Switchers (803N, 228S)

	(%)	(%)	
Yes	10	12	ASK Q40
No	83	81	
Don’t know	8	7	GO TO Q41

IF YES ASK Q40. OTHERS GO TO Q41

Q40. In what way(s) were you mislead?

Base: All those who feel misled by the information supplied by the new supplier (85N, 28S)

	N (%)	S (%)
Paying more than expected	24	27
Felt pressurised into changing	17	8
Certain things were not mentioned	17	16
No follow-up after initial call	14	18
Problems with method of payment	8	20

ASK ALL SWITCHERS - THOSE WHO USE A SUPPLIER OTHER THAN BRITISH GAS/SCOTTISH GAS - (**NOT** CODE ‘4’) AT Q13 OR CODE ‘6’ AT Q20.

Q41 **Did you change your payment method when you switched to your current gas supplier?**

Base: All Switchers (390N, 228S)

	N (%)	**S** (%)	
Yes	17	23	ASK Q42
No	79	73	GO TO Q43
Don’t know	4	4	

IF YES ASK Q42. OTHERS GO TO Q43

Q42. **Were you required to change to this method of payment by your gas supplier or was any undue pressure placed on you by the gas supplier to change to this method of payment?**

Base: Those who changed payment method when they changed supplier (147N, 52S)

	(%)	(%)
Required to change	31	35
Undue pressure to change	5	6
Neither	58	57
Don’t know	7	2

Q43. ASK ALL SWITCHERS - THOSE WHO USE A SUPPLIER OTHER THAN BRITISH GAS/SCOTTISH GAS (NOT CODE '4') AT Q13 OR CODE '6' AT Q20

I am now going to read out a number of statements relating to the gas market, some of which are true, while others are false. For each one that I read out, could you tell me whether you think the statement is true or false? READ OUT STATEMENTS i) - ix)

Base: All switchers (803N, 228S)

		Awareness			
		True		False	
		N (%)	**S** (%)	**N** (%)	**S** (%)
i)	**British Gas has reduced its prices**	56	63	29	23
ii)	**All gas suppliers operate a Gas Care scheme which provides special services for the elderly and disabled**	46	47	29	32
iii)	**I could receive a discount if I bought both my gas and electricity from the same company**	63	68	21	16
iv)	**If I am in debt with my current gas supplier I cannot change to a new supplier**	41	42	38	36
v)	**It is necessary to pay your gas bill by direct debit if you want to change gas supplier**	12	9	80	81
vi)	**If you change gas supplier you can still keep your service contract with British Gas**	52	49	29	32
vii)	**All of the gas suppliers offer energy efficiency advice**	71	66	16	20
viii)	**British Gas has split into two independent companies, one of which operates the pipelines for all gas suppliers while the other supplies gas to customers**	63	61	17	17
ix)	**There is a freephone number that you can call if you have a gas leak**	91	91	2	3
x)	**All gas suppliers will offer help if I have difficulty paying my bills**	69	71	15	15

NOW TURN TO THE DEMOGRAPHIC PAGES