June 1999

Electricity Competition Review Research Study Conducted for OFFER

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EXECUTIVE SUMMARY

- Awareness of electricity competition at this early stage in its introduction is very high and the majority of customers welcome it.

- A majority of customers feel well informed about competition, although there is some confusion about certain issues amongst substantial minorities of customers: whether all suppliers provide special services for the elderly and disabled; whether it is necessary for customers to change payment method if they want to switch supplier; whether all suppliers will help customers who have difficulty paying bills. ‘Disadvantaged’ customers tend to be less well informed.

- At this early stage of the market, switching is relatively low across all groups; switching amongst low-income customers is less common than amongst customers in the AB group. But there is little evidence to suggest that disadvantaged customers are being actively discouraged from switching supplier. One in ten non-switchers say they are likely to switch supplier in the next 12 months.

- Most customers have not experienced or do not anticipate any difficulty in changing supplier: the main reasons customers have not switched so far are to do with satisfaction with their present suppliers and also a belief that new suppliers are not offering price reductions. Lack of information about companies and prices seems also be a factor influencing some customers to stay where they are.

- Doorstep selling seems to be an effective method of communication, particularly amongst the C2DE groups. There are some problems, mainly to do with the salesperson being too pushy, and indications of several other areas in which suppliers may need to improve performance.

- The majority of switchers do not feel they were misled by any of the information they received from their new supplier and there is little evidence that customers have been forced to change their payment method in order to switch.

- Almost all customers are satisfied with their present method of payment, but many customers, including prepayment meter customers, do not know that theirs is not the cheapest payment method. More than one in five prepayment meter customers would switch payment method if this meant a reduction in the cost of electricity.

- The majority of prepayment meter customers have not ‘self-disconnected’ in the past 12 months. Amongst those who have, most did so because of lack of money or because the nearest recharging facilities were closed or too far away.

- A significant minority of prepayment meter customers think there should be more accessible places to obtain tokens/cards or to have keys charged.

London
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INTRODUCTION

Background

- The Electricity Act 1989 provided the framework for the introduction of competition. Since 1990 customers with a maximum demand over 1 megawatt have been able to take electricity from their local Public Electricity Supplier (PES) or from a competing second-tier supplier. Since April 1994 customers with a maximum demand over 100kW (say a large school or hospital) have had a similar choice. OFFER, the industry regulator, has responsibility for managing the process of competition and for ensuring effective competition is introduced.

- The final step in the introduction of competition for all customers (some 26 million) began on 14 September 1998. On that date, the initial phase of the market opened in 4 PESs (Eastern, Manweb, ScottishPower and Yorkshire). Two further PES areas opened the first phase in October (SEEBOARD and Midlands); four in November (Scottish-Hydro, Northern, South Western and Norweb); two in December (London and East Midlands) and two in January 1999 (SWALEC and Southern). Companies were able to register customers in any area open to competition up to 28 days before the supply start date.

- There were three broad phases to opening the market in each PES area. The first contained 10% of domestic and business customers defined by postcode, plus all the customers in the PES area that took supplies through a half hourly meter; and those with a maximum demand meter. About thirteen weeks later the second phase added approximately a further 30% of domestic customers and included all remaining business customers. The remaining customers (the third phase) joined the market up to a further 13 weeks later.

- The quantitative survey carried out by MORI covered those areas opened up to competition by December 1998, representing just 4 million electricity customers nationally.

- This report therefore represents a snapshot of the early stages of the introduction of competition into the domestic electricity market against which to compare the results of subsequent analysis. The intention is that a further survey will be conducted later in the year when all electricity customers are able to choose their electricity supplier.

- MORI has conducted similar research during the various phases of opening of the domestic gas market, on behalf of OFGAS. These were conducted in October 1996, December 1997 and July 1998. The October 1996 survey was conducted six months after competition had been introduced into the Phase 1 area. The December 1997 survey was conducted eight months after competition had been introduced into the Phase 2b area. A national July 1998 survey was conducted two months after the last areas had been opened up to competition. Further details of these surveys are given in the appendices. Where appropriate, comparisons are made in this report with the OFGAS research.

Survey Objectives

- The main objectives of this survey were to assess the effectiveness of the introduction of competition to date, by:

  – determining customers' awareness, knowledge and experience of electricity competition

  – evaluating the problems experienced with the switching process and/or the new suppliers

  – examining the issues affecting disadvantaged customers and how competition is impacting upon them

- It was the intention that the results would inform OFFER/OFGAS's work on the Social Action Plan and OFFER's Competition Assessment Report.

Methodology

- A total of 1,212 interviews was conducted with domestic electricity customers in those areas opened up to competition by the end of December 1998. Interviews were conducted with the person wholly or jointly responsible for paying the household's electricity bill and who would make the decision to change supplier, either on their own or in consultation with another household member. The proportion of 'switchers' and customers in the E social class were boosted to allow for their separate analysis.

- To ensure that the results are representative of customers in the areas selected, the data have been weighted to the known profile of households by age, social class and working status of head of household, as well as by the Mosaic life code of those Enumeration Districts (EDs) in the areas opened up to competition, and the percentage of switchers understood to be in these areas at the time of fieldwork - that is, 5%. Data entry and analysis were carried out by Independent Data Analysis.

- All interviews were conducted face-to-face, in-home, between 6 February and 15 March 1999. Fieldwork was carried out by MORI/Field & Tab. Interviewers were provided with a list of addresses within each sampling point (ED). They were instructed to leave at least three doors between each call. Half the interviews conducted by each interviewer were carried out in the evenings or at the weekend.

- An earlier, qualitative stage was also carried out. This consisted of four informal group discussions held between 18-21 January 1999 with domestic customers in areas opened up to competition. Two groups were held amongst the general public in Beverley and Lichfield and two were conducted among disadvantaged customers in Liverpool and Leeds. Between 8 and 10 people took part in each discussion and they were moderated by a MORI executive using a topic guide designed in consultation with OFFER. Some verbatim comments from these groups are included in the report for illustrative purposes.

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.

- Differences in data commented on in the text should be generally assumed to be statistically significant, unless stated otherwise. However, for sub-samples please see the notes in the appendices.

- In the text and in some tables and charts "PPM" is an abbreviation for prepayment meter and "REC" for Regional Electricity Company.

- In the report, we refer to people who have difficulty paying bills. These are defined as those who agree to one or more of the following four statements:

    - *It's sometimes hard to pay for the electricity we use (15% agree)*
    - *With my bills I frequently feel I'm 'robbing Peter to pay Paul' (17% agree)*
    - *I am often unable to pay for my electricity within the time required (5% agree)*
    - *I currently have an outstanding debt with my electricity supplier which is more than six months old (just 3% agree)*

Publication of Data

- Our Standard Terms & Conditions of Contract apply to this, as to all studies that we 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 misrepresentative of the data.

KEY FINDINGS

Awareness & Knowledge of Electricity Competition

- Basic awareness of electricity competition is high (89%). In total, half feel well informed about competition or that they understand broadly how the new electricity market works.

- The majority (three-quarters) of customers are in favour of competition, with just one in ten against it. Similarly, 59% feel that lower electricity prices do not mean a decline in service standards, compared to 22% who do.

- The majority are aware that: they do not have to have new electricity cables to their homes if they want to change supplier (77%); they do not need to pay someone to help them change supplier (78%); some suppliers offer additional discounts for dual fuel (73%); all electricity suppliers offer advice on energy efficiency (68%); all electricity suppliers will offer help to those who have difficulty paying their bills (65%); and that they do not have to change to direct debit to change supplier (60%).

- However, there is some confusion over certain aspects of competition, with significant minorities unsure about things like whether all suppliers offer advice on energy efficiency (32% either do not know or give an incorrect answer), whether all suppliers offer help to those who have difficulty paying their bills (35%), whether you need to pay by direct debit to switch supplier (40%) and whether all suppliers offer special services for the elderly and disabled (in the case of the latter, only 31% are aware that they do).

- Generally speaking, people can name no more than a couple of electricity suppliers in their area (36% name three or more), however, and even among switchers, fewer than a third (28%) can name more than three suppliers.

Contact With Electricity Suppliers

- Electricity customers' main sources of information about competition have been radio and TV advertisements (45%), advertising and promotional leaflets/brochures from suppliers (40%), doorstep salespeople (36%) and newspapers/magazines (33%).

- Two in five, though, have had no contact whatsoever with any of the new electricity suppliers in their area at this early stage of the introduction of competition.

- When those who have had contact with one or more of the new electricity suppliers are asked if they have had any problems with this contact, the vast majority say they have not; just 14% say they have had a problem.

- However, when prompted with a list of possible 'problems', rather more recall that they have experienced one or more of them - 57% of electricity customers contacted by suppliers say they have experienced one or more of the possible problems on the list in the case of doorstep sales, and 46% in the case of telesales.

- The main problems experienced with doorstep salespeople are: being too pushy (29%); calling at an inconvenient time (24%); and not providing any written information (19%). Of more concern, when prompted with the list of possible 'problems', about one in ten electricity customers who have had contact with a doorstep salesperson (9%; 6% of switchers) say the salesperson tried to trick them into signing a contract. One in six (15%) of switchers feel they were misled by the information they received from their new supplier and, though this was mainly through omission, some (15% of those who were misled or 2% of switchers overall) do mention spontaneously that they thought they were signing for information only, but then found it was a contract.

- There does not appear to be a problem with telesales people being too pushy or tricking people into signing contracts. The main problems experienced with telesales people are calling at an inconvenient time (36%) and not providing written information (13%).

- Few customers have had information from more than a couple of suppliers about supplying electricity (14%) or about prices and other payment terms (8%), and a third have had no information at all. This is rather lower than was found for gas competition in July 1998, when 25% said they had received pricing information from none of the suppliers.

- A third (35%) of those who have received information on prices find them easy to compare; almost as many (31%) find them difficult to compare.

- In addition, though the majority of switchers (71%) believe the prices offered by the new electricity suppliers are lower than their local electricity company, this falls to just 22% of non-switchers. Last year, 39% of gas customers thought the new gas suppliers were offering lower prices than British Gas, while in December 1997 (in the Phase 2b area of gas competition) 50% thought the new gas suppliers were offering lower prices. In comparison, 25% of electricity customers (71% of switchers, 22% of non-switchers) think the new electricity companies are offering lower prices than their local electricity company.

Switching Electricity Supplier

- At this early stage of competition, it is estimated that around 5% of those in the areas opened up to competition by December 1998 have switched electricity supplier by March 1999. Switching is highest among the 'middle aged' (35-64 year olds - 7% have switched), ABs (9%), owner occupiers (7%) and those who pay by direct debit (10%). It is also higher among those who have a previous history of switching, either of their gas (11%) or telephone supplier (7%).

- Switching is lowest among PPM customers (1% have switched), those in rented accommodation (3%), C2DEs (4%), those with a low household income (2% of those with an annual income of less than £5,000 have switched), and those without a bank account (2%). See section on 'Disadvantaged Customers' on P14.

- This is similar to the early stages of gas competition, where the early 'adopters' (or switchers) were the higher income groups. However, in gas competition, the lower income groups did catch up and, by July 1998, DEs had a slightly higher tendency to switch than ABs.

- As we found with gas competition, price is the over-riding reason for switching, both among switchers and non-switchers - 83% of switchers and 81% of non-switchers cite it, on prompting. Non-switchers, though, are more likely to give quality of service as an important secondary factor, if they were to switch (51% on prompting, compared to 11% of switchers). Dual fuel is also an important factor among switchers (47% name it on prompting).

- The main reasons why non-switchers have not changed electricity supplier relate to inertia and a perceived lack of real incentive to change, again, as we found with gas. They are generally happy with their current supplier (89% are satisfied). Also, only 22% think they can get lower prices from the new suppliers and the reductions they require are generally higher than those they think are on offer. There is also a suspicion among some that lower prices will not be maintained (23% mention this as a reason for not switching). Lack of information on the new suppliers is also an issue, to 23% of non-switchers.

- A small number (7%; 13% of prepayment meter customers) have not switched because they would have to change their method of payment. There is some evidence among a small number of switchers that pressure was put on them to change payment method, but this amounts to just 5% of switchers.

- On the whole, as in gas, the switching process does not appear to pose any great difficulties, with less than one in ten switchers and non-switchers saying it is difficult and over half (59%) of switchers saying it is very easy.

- One in ten switchers say they are likely to switch electricity supplier in the next 12 months, and so too do one in ten non-switchers. These figures are in line with MORI figures last July for gas competition. In fact, the actual level of gas switching since last July has been, if anything, slightly higher than that predicted in the July survey.

Method of Payment

- Most people (93%), whatever their payment method, are satisfied (very often totally or very satisfied) with their current method of payment for electricity, and choose it because it suits them best.

- However, it is clear that many are not aware of the cost implications of paying in the way that they do and this is true whether they are paying by direct debit, cash or cheque, prepayment meter or some other way. As many as two in five do not know if theirs is the cheapest method or not and around a quarter of non-direct debit payers incorrectly think theirs is the cheapest method.

- The main reasons for paying in the way they do are that it is easy/convenient (39% of electricity customers spontaneously give this as a reason for choosing their present method of payment) or that it suits them best (21%).

Regulatory Issues

- Electricity customers clearly see the need for continued regulation in the competitive electricity market. Almost all are in favour (two-thirds strongly) of an independent organisation to look after customers' interests (94%) and to set official quality standards that suppliers must adhere to (96%).

- On balance, too, customers are in favour of the £1 added to all electricity bills to fund energy efficiency measures (54% are in favour vs 32% opposed). Least favour is apparent amongst the less well off groups.

- Very few (just 6%) have actually benefited from these services and those who have benefited are more likely to be low income, disadvantaged groups than the 'better off' groups. However, the qualitative research suggested that most were simply not aware of these services at all, or of the additional £1.

Disadvantaged Customers

- For the purposes of this research, a number of categories have been identified as indicating 'disadvantaged' customers and the results analysed by those different categories:

  - Low income customers, with a household income of less than £5,000 pa
  - Those in social classes D and E, particularly the latter
  - Benefit recipients (eg income support, unemployment benefit, housing benefit and so on)
  - The elderly and, particularly, those who receive a state pension only rather than an additional occupational pension
  - Those without a bank or building society account
  - Single parent families
  - Customers who pay their electricity by prepayment meter
  - Those who have had difficulty paying their bills at some time (see introduction for definition)

- These groups form between 7% (single parent families) and 26% (those who have had difficulty paying their bills at some time) of electricity customers in the areas opened up to competition by the end of December 1998.

- 'Disadvantaged' customers are also the groups who are least likely to pay by direct debit and most likely to pay by some more expensive method, like prepayment meter.

- Disadvantage and payment method are not an exact fit. However, many of those who pay for their electricity by prepayment meter would indeed be classified as 'disadvantaged' according to other definitions. For instance, 50% of prepayment meter customers are in social classes DE compared with 30% in the population as a whole, 48% are benefit recipients compared to an average figure of 27%, and 28% have no bank account (compared to 12% on average). On average, 25% of customers in the areas surveyed pay by prepayment meter. This rises to 46% of single parent families, 46% of those who have an annual income of less than £5,000, 45% of benefit recipients and 59% of those without a bank account. Conversely, 12% of DEs pay by direct debit and 3% of ABs pay by prepayment meter.

- Results indicate that, generally speaking, customers who fall into these disadvantaged groups tend to be less knowledgeable about electricity competition and are less likely to have switched supplier (or indeed to say they will switch in the next 12 months). This is particularly true of low income groups, those without a bank or building society account and those who pay by prepayment meter for their electricity - 2% or fewer of these groups has switched to date, compared to 5% overall - and fewer than half feels well informed about competition (just 38% of those without a bank or building society account).

- However, there is little evidence that the new electricity suppliers have been avoiding these sorts of customer, or that they have been discouraging them to switch. Hardly any electricity customers say that they have not switched because they were unable to switch (2%) or that they could not switch because they are in debt with their current supplier (1%). In addition, it seems that, as with gas competition, the new suppliers may have been targeting C2DE areas with doorstep salespeople, knowing that such customers respond better to such an approach - 46% of DEs say they have been approached by a doorstep salesperson (48% of Es) compared to 22% of ABs.

- The vast majority (91%) of prepayment meter customers say that they are satisfied with the method they have chosen to pay for electricity. However, there has been a slight shift in perceptions since this question was asked in 1997[1], with a 14 point fall in those totally satisfied with their prepayment meter (45% to 31%).

- Prepayment meter customers mainly choose their payment method for convenience (61% of prepayment meter customers give this as a reason) and budgeting reasons (40%). However, though 37% of prepayment meter customers are aware that they are not paying by the cheapest method, 26% think they are and a further 37% do not know.

- If it were possible to change to return to a credit meter at no extra charge, just one in ten (11%) prepayment meter customers say they would do so, rising to 22% if there were to be a reduction in the cost of electricity. Even among those who know they are not paying by the cheapest method, only 11% would return to a credit meter at no extra charge and 24% if there were a reduction in the cost of electricity.

- Sixty-nine per cent of prepayment meter customers have not experienced any problems with their payment method in the last year and, among those who have experienced a problem, a significant minority (30%) found these problems 'not very' (25%) or 'not at all' (5%) inconvenient.

- One in fourteen (7%) of prepayment meter customers say they have had a problem in the last year with the distance they have to travel to charge their key and/or with the times that recharging facilities are open. However, rather more (43%) of prepayment meter customers agree that 'there are not enough accessible places to obtain tokens/cards or get keys charged'.

- The majority (60%) of prepayment meter customers have not run out of electricity in the past 12 months, while a further 13% cannot recall if they have or not. This leaves 27% who say that they have run out of electricity one or more times; mainly just once (9% of prepayment meter customers) or twice (9%). Related to this, a third (34%) say they 'frequently have to use the emergency credit on their meter'.

- The main reasons for running out of electricity are related to not having enough money at the time (21% of those who ran out of electricity or 6% of all prepayment meter customers) and/or that the nearest recharging facilities were closed and others were too far away or inconvenient (18%) rather than customers were waiting for a benefit payment (6%) or were deliberately cutting down to save money (1%). Over half (56%) simply cannot recall why they run out of electricity.

1 Electricity Customer Attitude Survey July 1997, conducted for OFFER by MORI

- Nonetheless, though most prepayment meter customers do not feel that they generally use less electricity than they need to, a minority (20% of prepayment meter customers) say they do.

- There is much support for penalties being placed upon suppliers if customers' faulty tokens/cards/keys are not replaced, or if recharging or vending facilities are not repaired, in what is seen as a 'reasonable' amount of time. Over three-quarters (77%) support a penalty of, say, £20 if a faulty token/card/key is not replaced within a 'reasonable' amount of time, while 64% support a similar penalty if customers' normal recharging or vending facilities are unexpectedly unavailable or not repaired within a 'reasonable' time.

- More than two-thirds (68%) of prepayment meter customers believe that paying off arrears by adjusting the meter is a good idea. This rises to 85% among the small number of prepayment meter customers who currently have a debt on their meter (just 4% of prepayment meter customers say they currently have a debt on their meter).

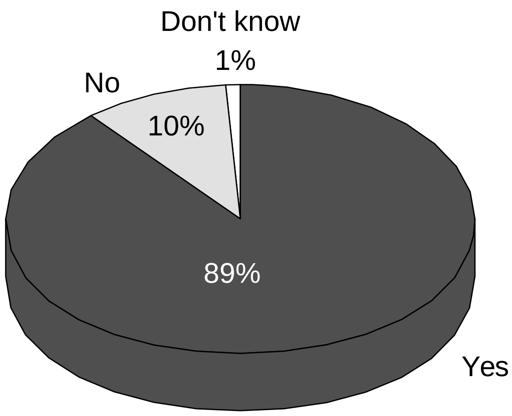
AWARENESS & KNOWLEDGE OF ELECTRICITY COMPETITION

Awareness of Electricity Competition

- Basic awareness of electricity competition is very high. The vast majority (89%) of domestic customers in those areas opened up to competition by the end of December 1998 are aware that they can now buy their electricity from companies other than their local Regional Electricity Company.

Awareness of Electricity Competition

Q Were you aware that you can now buy electricity from suppliers other than your local electricity company?



Base: All (1,212)

- This is in line with figures found in the early stages of gas competition: figures of 86% and 88% were recorded in Phase 1 and Phase 2b areas six to eight months after competition had been introduced into those areas.

Awareness - Comparisons with Gas Market

	(Base)	**Aware** **%**
Electricity Competition	(1,212)	89
Gas Competition		
Phase 1, October 1996	(1,187)	86
Phase 2b, December 1997	(1,015)	88
Nationally, July 1998	(2,511)	95

Base: All

- Nonetheless, one in ten remain unaware of competition, with certain groups, particularly the less well off groups in society, showing rather lower levels of awareness (see table on P18).

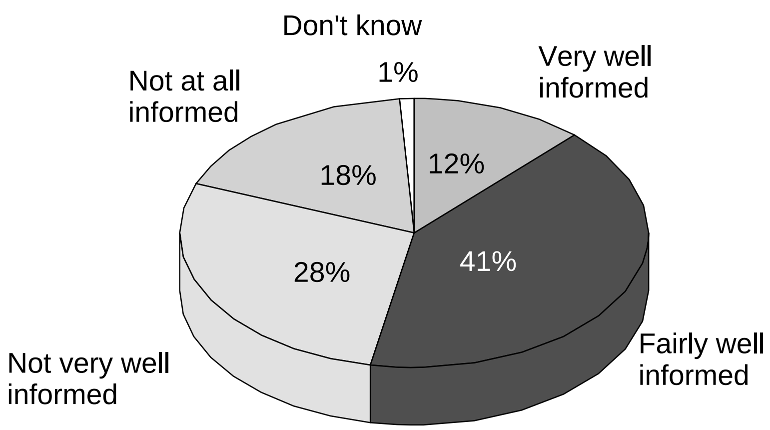
How Informed do Customers Feel?

- Although the vast majority are aware that they can now choose their electricity supplier, they do not necessarily feel well informed about the introduction of competition into the market.

- Just over half feel very or fairly well informed, and one in five (18%) do not feel informed at all.

How Informed Do Customers Feel?

Q Which of these statements best fits your awareness and understanding of these changes in the domestic electricity market?



Base: All (1,212)

- The groups who are least well informed about competition tend to be the less well off groups - social classes DE and particularly E, low income groups (with a household income of less than £5,000 pa), those without a bank account, single parent families and those in rented accommodation. In general, men feel better informed than women do.

Identification of Least Well Informed Groups

	(Base)	**Not Aware**	**Not Very Well/ At All Informed**
		%	**%**
All	(1,212)	10	46
Sex			
Male	(490)	7	39
Female	(722)	12	50
Social class			
AB	(145)	9	45
C1	(250)	4	44
C2	(229)	8	43
DE	(588)	16	50
E	(409)	21	54
Low income	(173)	28	57
Bank account			
Yes	(995)	8	43
No	(201)	20	61
Single parent family			
Yes	(132)	18	54
No	(1,080)	9	45
Type of housing			
Detached	(160)	8	45
Semi-detached	(420)	6	43
Terraced	(367)	8	41
Flat/maisonette	(207)	19	54
Housing tenure			
Owned/mortgage	(645)	6	37
Private rented	(57)	10	54
LA/HA rented	(491)	15	57
Location			
Town/city	(888)	9	40
Village/countryside	(300)	11	56

Base: All

- The proportion who feel very or fairly well informed about electricity competition is rather lower than was the case in the earlier phases of gas competition, but it is more in line with the figures obtained nationally, a couple of months after the last areas were opened up. The electricity survey, like the national gas survey in 1998, took place only a couple of months after some areas had been opened up to competition.

How well informed - Comparison with Gas Market

	(Base)	**Very/Fairly Well Informed %**
Electricity Competition	(1,212)	54
Gas Competition		
Phase 1, October 1996	(1,187)	65
Phase 2b, December 1997	(1,015)	74
Phases 1&2, July 1998	(207)	69
Phase 3, July 1998	(2,304)	57

Base: All

- Similarly, just under half agree that they understand broadly how the new electricity market works, while almost as many disagree. Understanding is notably lower among low income groups, prepayment meter users and those in social class DE. It is also poorer amongst women.

Understanding of Electricity Market

	% agree/disagree that "I feel I understand broadly how the new electricity market works".		
	(Base)	**Agree** %	**Disagree** %
All	(1,212)	47	40
Sex			
Male	(490)	60	27
Female	(722)	39	49
Social class			
AB	(145)	54	39
C1	(250)	51	40
C2	(229)	46	37
DE	(588)	41	43
E	(409)	38	44
Payment method			
PPM	(295)	39	46
Direct Debit/Standing Order	(432)	63	28
Quarterly	(320)	44	44
Switchers	(363)	71	20
Low income	(173)	30	50
Difficulty paying	(343)	39	46
Benefit recipient	(455)	43	46
One parent family	(132)	35	47

Base: All

Awareness of Aspects of Competition

- To further explore their awareness and understanding of competition, customers were asked whether a series of nine statements was true or false to the best of their knowledge.

- Over half give the correct answer for six of the nine statements. The three with the highest levels of awareness are:

  - *Customers need to have new electricity cables to their homes if they want to change supplier* (False)

  - *I would need to pay someone to help me change electricity supplier* (False)

  - *Some suppliers offer additional discounts for those who buy both their gas and electricity from them* (True)

- Over seven in ten gave the correct answer for these three statements.

- Respondents are least likely to be aware that:

  - *All electricity suppliers operate a scheme which provides special services for the elderly and disabled* (True)

- Only three in ten believe this is true, and almost as many think it is not. Significantly, this is no different for the elderly and disabled themselves - just a quarter of pensioners believe that all electricity suppliers operate this scheme, as do three in ten of the disabled.

- For each statement, there remains a substantial minority of customers who do not know what the correct answer is. Generally, they simply do not know rather than give an incorrect answer. However, in the case of the special services for the elderly and disabled, a quarter believe that all suppliers DO NOT provide these services.

- These statements show some gaps in consumer knowledge of electricity competition, and once again, it is the lower income, less high social status groups who demonstrate the lowest levels of awareness.

- For example, 60% overall know they do not have to pay by direct debit if they wish to switch supplier, whereas only 49% of social class E, 54% of low income customers and 56% of prepayment meter customers know this. Similarly, knowledge of dual fuel discounts, 73% overall, is only 58% for low income customers and 63% for social class E.

- Of particular relevance to lower income groups, 65% of all customers know all suppliers will help those having difficulty paying bills. In this case, the proportion of social class E who know this (64%) is no different, though among low income customers it is slightly lower (55%).

Knowledge of Facts About the Electricity Market

	% Giving Correct Answer	
	All	**Switchers**
Base:	(1,212)	(363)
	%	%
Customers need to have new electricity cables to their homes if they want to change supplier (False)	77	97
I would need to pay someone to help me change electricity supplier (False)	78	96
Some suppliers offer additional discounts for those who buy both their gas and electricity from them (True)	73	82
All of the electricity suppliers offer advice on energy efficiency (True)	68	69
All electricity suppliers will offer help to those who have difficulty paying their bills (True)	65	68
Customers need to pay their electricity bill by direct debit if they want to change electricity supplier (False)	60	79
Those in debt with their current electricity supplier may not be able to change to a new supplier (True)	50	48
Some companies allow you to choose the amount you wish to pay per month on a direct debit scheme (True)	48	46
All electricity suppliers operate a scheme which provides special services for the elderly and disabled (True)	31	34

Base: All

- Generally, those who have actually switched electricity supplier have a higher level of awareness on most of these detailed aspects (those which involve the actual process of switching). However, this is not always the case - even those who have switched do not always possess knowledge of all of the issues. Referring back to the early question on how well informed they feel about the market, a quarter of switchers (25%) do not feel well informed about electricity competition generally (compared to 47% of non-switchers).

- Comparing these figures with the national figures for gas competition in December 1997 (Phase 2b), the earliest figures that are available, it is clear that awareness of special services for the elderly and disabled is rather lower in the case of electricity than it was for gas (for gas, 58% of non-switchers gave the correct answer) and fewer are aware that they do not have to have new wires installed if they switch (for gas, 88% of non-switchers were aware they did not need to have new gas pipes installed, compared with three-quarters of non-switchers for electricity). Awareness of dual fuel discounts is a little higher among switchers, though only marginally among non-switchers than it was in the gas competition survey in July 1998, the only time this was measured. Among gas switchers in July 1998, 63% were aware of the discounts, while among electricity switchers in March 1999 the figure is 82%.

Attitudes Towards Competition

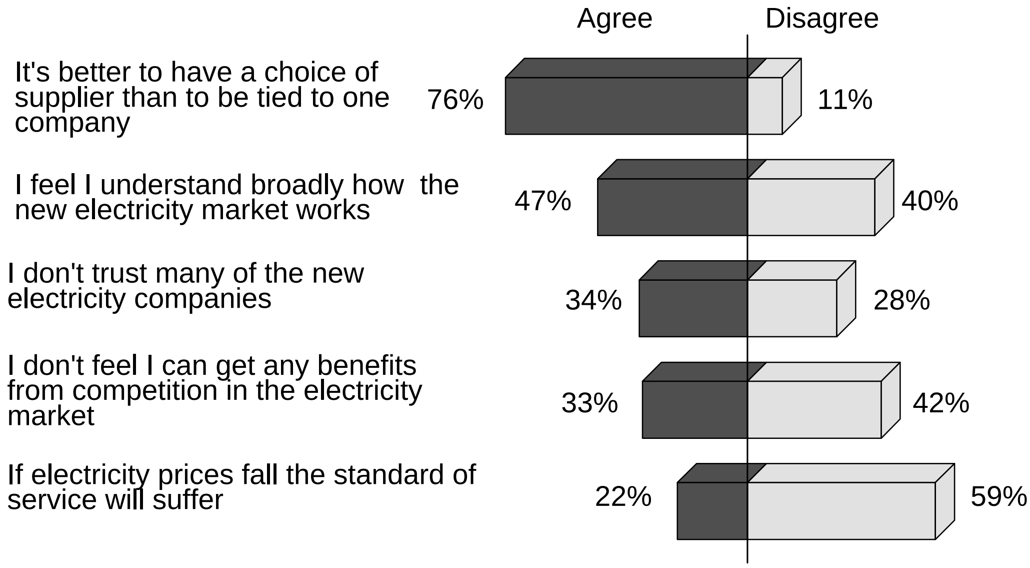
- Overall, electricity customers are generally in favour of competition, feel they can benefit from it and do not believe service will suffer if prices fall. In particular, three-quarters (76%) agree (a third strongly), that 'it's better to have a choice of supplier than to be tied to one company'.

> *Competition's good, it helps the consumer, because if they're coming in cheaper than (the local REC) then they will have to bring their prices down to compete. Even if you stay with (your local company) you're going to get the benefit in the end*
> Qualitative Research

> *(Competition is a) marvellous idea. . . they can put prices up if you've got no alternative suppliers. Now you can go and buy it from somewhere else*
> Qualitative Research

Attitudes Towards Competition

Q Can you tell me whether you agree or disagree with the following statements?



Base: All (1,212)

- There remains a small minority (11%) who are against the idea of competition, and this includes some who have actually switched - 4% of switchers say they do not think it is better to have a choice of suppliers. We can speculate that it might be that the discount they obtained was sufficient to overcome their feelings about competition or possibly these switchers had problems with the switching process and/or their new suppliers.

- The elderly tend to be most resistant to the concept of competition, with just over half for and a quarter against (58% and 23% respectively). This is true also of low income households (63% for and 26% against) and other 'disadvantaged' groups. For instance, among social class DEs 69% support competition while 15% are not convinced of its benefits.

- Though customers are generally in favour of competition, some have concerns over the new suppliers and over what impact lower prices will have on standards of service. Most worried about the new suppliers are the 65+ (44% agree), one parent families (45%) and a number of other 'disadvantaged' groups such as social class E (39%) and low income (41%). These same groups are also most concerned about the impact of low prices on service standards, though only by a small margin. Both of these concerns were also evident in the qualitative research.

- In the case of the impact of lower prices on service, the majority feel confident that lower prices do not mean poorer service, but when it comes to trusting the new suppliers, those who do not trust them slightly outweigh those who do (34% vs 28%).

> *Ultimately if you've got the same product at the same price from the supplier and somebody is selling it cheaper, they're cutting corners*
> Qualitative Research

> *It's such an important thing. I don't trust anyone new. Your water, gas and leccy keep you alive, without them you haven't got a life have you?*
> Qualitative Research

- Customers are, overall, more likely to disagree than to agree with the statement: "I don't feel I can get any benefits from competition in the electricity market. However a substantial minority (33%) do feel this way. These people tend to be over 65 (41%) and/or social class DE (45%). In both these groups, people are more likely to agree than to disagree. If we focus on those on low incomes the proportion agreeing is even higher (50%).

Groups Most Likely to Perceive no Benefit From Competition

	(Base)	**Agree - I don't feel I can get any benefits from competition in the electricity market**
		%
All	(1,212)	33
Low income	(173)	50
Aged 65+	(285)	41
State pension only	(201)	48
Other benefits	(455)	41
AB	(145)	27
C1	(250)	22
C2	(229)	33
DE	(588)	45
Working	(551)	26
Not working	(661)	41
Single person h'hold	(275)	44
No bank account	(201)	46

Base: All

CONTACT WITH ELECTRICITY SUPPLIERS

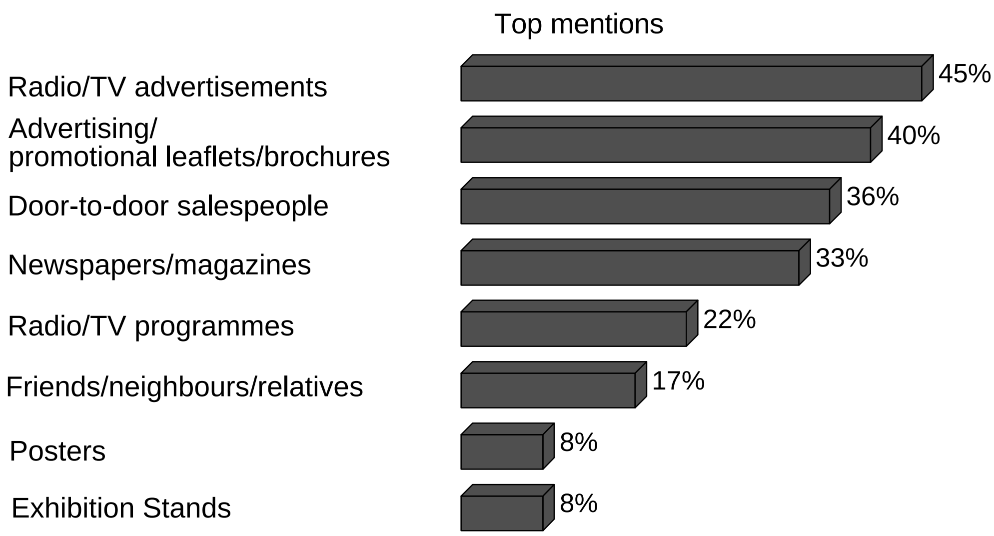
Sources of Information

- No one source of information stands out when it comes to finding out about competition. Customers tend to obtain information from a mixture of sources, top of the list being radio and TV advertisements, leaflets and brochures from suppliers, doorstep salespeople and newspapers/magazines. When presented with a list of possible sources a third or more mention these sources.

- In comparison, OFFER is mentioned specifically by only 3%, though this may exclude information that originally comes from OFFER eg literature.

Sources of Information - 1

Q Here is a list of different ways in which you may have found out about competition in the domestic electricity market. Please could you tell me which ones apply to you?



Base: All aware of competition (1,102)

- Doorstep salespeople are far more important sources of information to those who have switched electricity supplier than those who have not; indeed no other source comes close in importance among switchers. This suggests, as we found in the case of gas competition, that the doorstep is a very effective means of generating business for suppliers as there is so much reliance on the salesperson for information. Indeed, almost exactly the same proportion of switchers and non-switchers cite doorstep selling as a source of information as they did in July 1998 in relation to gas competition (when the figure was 38%), though more cited this source of information in the Phase 2b area of gas competition in December 1997 (47%).

Sources of Information - 2

	Non-Switchers %	Switchers %
Radio/TV advertisements	46	35
Advertising/promotional leaflets/brochures	39	44
Door-to-door salespeople	34	64
Newspapers/magazines	33	23
Radio/TV programmes	23	14
Friends/neighbours/relatives	17	17
Posters	8	3
Exhibition stands	7	16

Base: All non-switchers (740), switchers (362) aware of competition

- As with gas competition, doorstep selling appears to be most important among the C2DE social groups and is also more likely to be mentioned by women than men. In the qualitative research, these were the groups most exposed to this form of contact.

Familiarity With Electricity Suppliers

- People find it difficult to name more than a couple of electricity suppliers operating in their area, which confirms the hypotheses from the earlier qualitative research. Around a quarter name just one supplier, their local electricity company, while a further one in three name just one further supplier, mainly British Gas.

Familiarity with Electricity Suppliers

Q Which of these companies are you aware of selling electricity in this area?

	All	Excluding Those in Local Rec Area
	%	%
British Gas	54	54
Eastern Electricity/Energy	37	10
ScottishPower	26	14
Yorkshire Electricity	19	5
SEEBOARD	15	3
Scottish Gas	13	4
Northern Electric & Gas	12	10
Norweb	11	10
Manweb	10	4
Southern Electric	8	6
East Midlands Electricity	7	5
MEB	5	1
Scottish Hydro-Electric	4	4
London Electricity	4	2
SWALEC	4	2
SouthWestern Electricity	2	1
Independent Energy	*	*
Enron Direct	*	*
Other	1	1
Don't know	2	2

- This finding is further confirmation that people's depth of knowledge about competition is somewhat limited at this stage in the new market.

- Switchers can name more suppliers, but even they find it difficult to name more than three (28% manage to).

Number of Suppliers Customers are Able to Name

	All	Switchers	Non-Switchers
Base: All	(1,212)	(363)	(849)
	%	%	%
1 supplier only	27	3	28
2 suppliers only	34	38	34
3 suppliers only	22	31	22
4 + suppliers	14	28	13

Contact With Electricity Suppliers

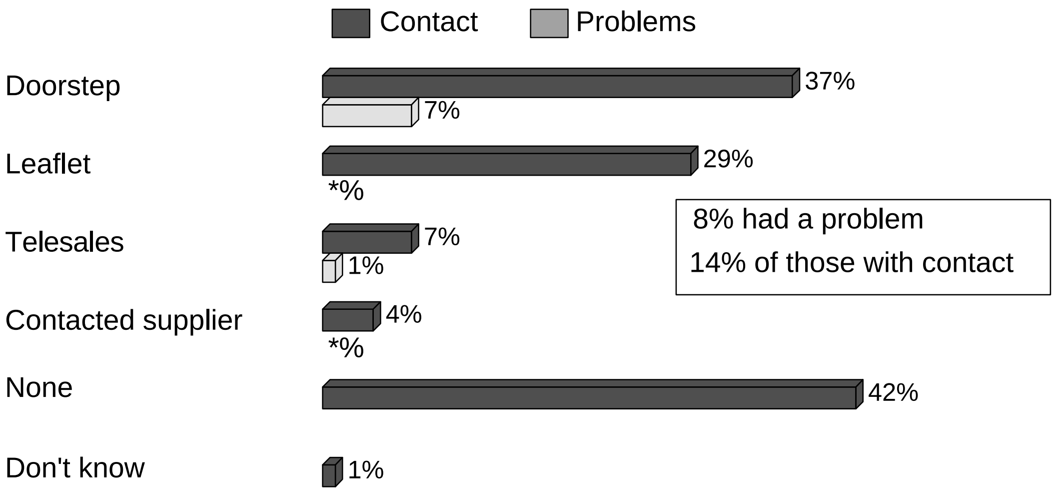
- Two in five have had no contact whatsoever with any of the new electricity suppliers in their area.

- Where there has been some contact, this has most frequently been on the doorstep, and to a lesser extent via a leaflet through the door.

Contact with Electricity Suppliers

Q In which of these ways, if any, have you had contact with the new electricity suppliers in this area?

Q And with which, if any, of these have you had any problems?

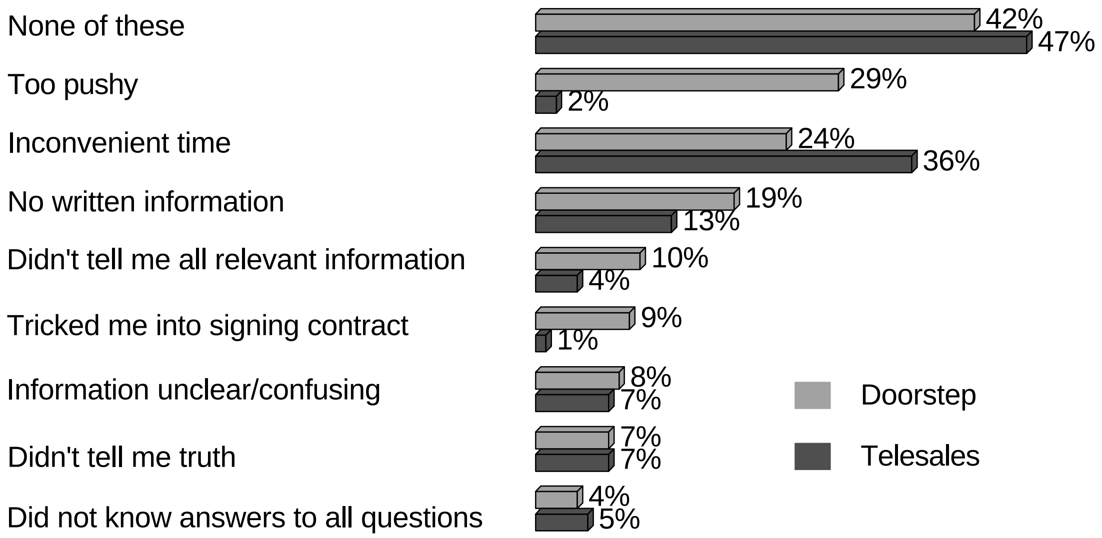


Base: All (1,212)

- The majority of customers say they have had no problems with the contact they have had with the new electricity suppliers, a small number have, and, on prompting, it becomes clear that more have had some form of problem (over half of those who have been contacted on the doorstep or over the telephone), albeit not serious enough to be foremost in their minds and therefore not mentioned spontaneously.

Problems With Electricity Salespeople

Q Can I just check which, if any, of the things on this card you have personally experienced when visited by a doorstep electricity salesperson/called by a telesales person?



Base: All have had contact with doorstep salesperson (605) /telesales person (81)

- When prompted, a majority (57%) of those who have been contacted by a doorstep salesperson claim to have experienced at least one of the problems listed. The main problems appear to be overly enthusiastic salesmen - too pushy - or calling at an inconvenient time. Particular cause for concern is the, admittedly small, number who complain of being tricked into signing a contract, and of the salesman not telling the truth.

- The main issues with telesales is one of calling at an inconvenient time; there do not seem to be the same complaints about telesalespeople being too pushy or tricking customers into signing a contract.

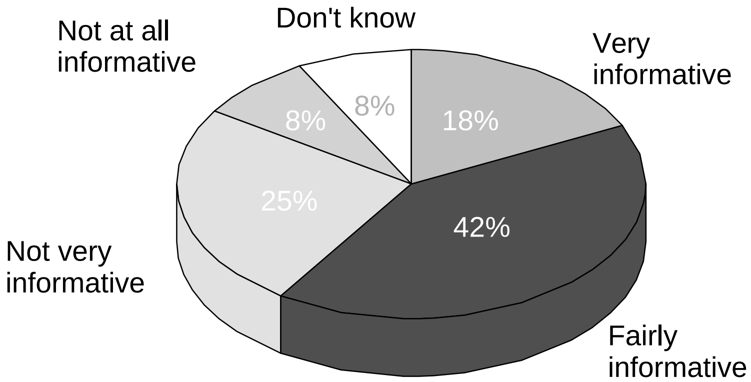
- Though most found the doorstep contact informative (60%), a third did not. This may relate to the problems experienced by some - lack of written information, unclear information, the salesperson not being able to answer all their questions and/or not providing all the relevant information. Again, these figures are similar to those recorded in gas competition research between October 1996 and July 1998, when three in five (59%) found doorstep contact informative.

Rating of Contact with Doorstep Salesperson

Electricity Competition Feb/March 1999	Gas Competition October 1996	July 1998	
Base: All have had contact	(605)	(583)	(1,608)
%	%	%	
Very informative	18	23	15
Fairly informative	42	36	42
Not very informative	25	16	23
Not at all informative	8	9	9
Don’t know	8	17	12

Satisfaction With Doorstep Sales Contact

Q Overall, how informative was the contact that you had with these salespeople?



Base: All been visited by doorstep salesperson (605)

Information From Suppliers

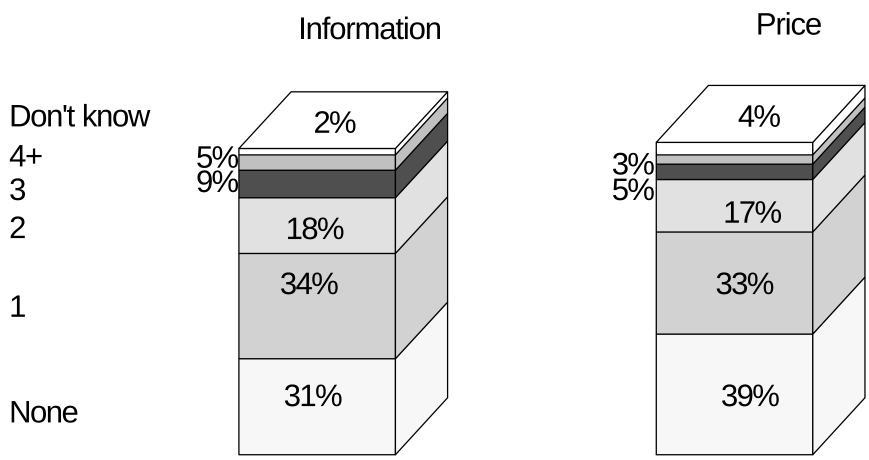
- As we saw earlier, electricity customers can rarely name more than one or two electricity suppliers. Similarly, few have had information from more than two of the suppliers, including their present supplier. Three in ten say they have received information from none of the suppliers and a further third say they have done so from just one.

- Even fewer have had information on prices and other payment terms from more than two suppliers.

Information from Suppliers

Q Approximately how many suppliers have you had information from, or discussions with, about supplying your electricity, including your present supplier?

Q . . . . about their prices and other payment terms?



Base: All (1,212)

- This is a less positive picture than was evident nationally with gas competition in July 1998, when more customers had received pricing information from suppliers (a quarter said they had received none, compared to 39% in the case of electricity in this current survey). This lends support to the hypothesis generated in the qualitative research that the level of supplier activity has been less for electricity than for gas.

- As we found in the case of gas competition, though, switchers are significantly more likely to have received information from suppliers and to have information from a greater number of suppliers.

Number of Suppliers From Whom Information Was Received

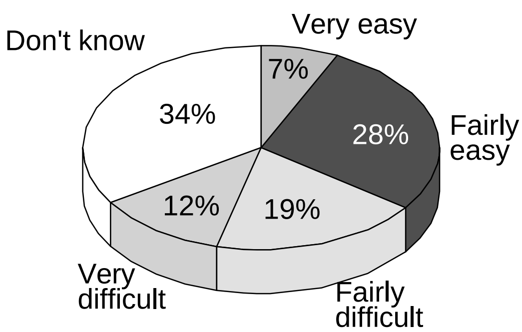
	General Information		Information on Prices	
	Switchers	Non-Switchers	Switchers	Non-Switchers
	%	%	%	%
None	2	33	4	41
1	27	34	32	33
2	38	17	42	15
3	22	9	13	5
4+	11	5	6	3

Base: All switchers (363) and non-switchers (849)

- When customers do receive information on prices from electricity companies, often they do not find them very easy to compare. A third (34%) of those who have information on one or more suppliers' prices are unable to say how easy it is to compare them. Only a third actually find them very/fairly easy to compare (35%) - and this mainly fairly easy rather than very easy - and almost as many say it is difficult, for a variety of reasons.

Ease of Comparing Prices

Q How easy or difficult have you found it to compare the different prices available from the various electricity suppliers?



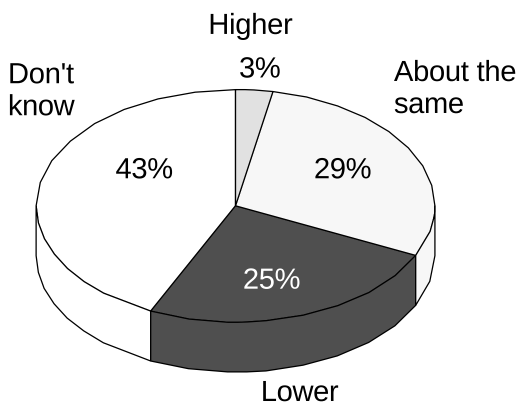
Reasons why difficult	%
Lack of information	49
Difficult to compare like with like	31
Confusing/not clear	29
Nothing to compare figures to yet	27
None give an exact price	12
Difficult to understand	10
Always say prices are lower	8

Base: All received information on prices (813) Base: All find it difficult to compare prices (242)

- Not surprisingly, therefore, a large proportion (43%) do not know how the prices offered by the new electricity companies compare with their local REC. Just a quarter think they are lower.

Prices From New Suppliers - 1

Q Do you think the prices offered by the new electricity suppliers are higher or lower than those offered by your local electricity company or are they about the same?



	Non-switcher %	Switcher %
Higher	3	2
Lower	22	71
About the same	30	15
Don't know	45	12

Base: All (1,212)

- The proportion who think prices are lower is less than we found in the case of gas competition and may, in part, account for the lower level of switching to date (especially given the importance of price in the switching decision - see later). Switchers have a much higher appreciation of the possibility of cost savings, with seven in ten saying that prices are lower.

Comparison of Perceptions of New Supplier Prices

Electricity Competition Feb/March 1999	**Gas Competition Phase 2b Dec 97**	**National July 98**	
Base: All	(1,212)	(1,015)	(2,511)
%	%	%	
Higher	3	2	1
About the same	29	23	25
Lower	25	50	39
Don’t know	43	25	35

SWITCHING ELECTRICITY SUPPLIER

Who Has Switched so Far?

- The proportion of switchers in the areas open to competition by December 1998 was estimated in consultation with OFFER at 5%. This proportion was used to weight the data by switchers vs non-switchers.

- Although switching is still relatively low across all groups, it is highest among the 'middle aged' (35-64 years old), the professional/managerial classes (ABs), owner occupiers and those who pay by direct debit. It is also higher among those with a previous history of switching - either their gas or telephone supplier.

- Switching is lowest among prepayment meter customers, those in rented accommodation, C2DEs, those with a low household income (less than £5,000 pa) and those without a bank account. It is also lower for those whose main fuel is coal/oil or electricity (the latter often coincides with low income households) and those who live in flats/maisonettes (most difficult for doorstep sales approaches).

Penetration of Switchers in Sub-groups

	% Switchers		% Switchers
Total	5	**Type of Household**	
Age		Pensioner only	4
16-34	4	Adults, no children	5
35-64	7	Adults, with children	6
65+	4	One parent h'hold	5
Social Class		**Type of House**	
AB	9	Detached	6
C1	5	Semi	6
C2	3	Terraced	6
DE	4	Flat/maisonette	1
E	4		
Work Status		**Housing Tenure**	
Working	5	Owner occupied	7
Not working	5	Rented	3

Penetration of Switchers in Sub-groups

	% Switchers		% Switchers
Total	5	**Type of Heating**	
Low Income	2	Coal/oil	1
		Electric	1
Electricity Bill		Gas	7
High	5		
Medium	5	**Telephone Switcher**	
Low	5	Yes	7
Bank Account		**Gas Switcher**	
Yes	5	Yes	11
No	2	No	5
		Dual Fuel	21
Method of Payment			
DD/SO	10	**Location**	
Cash/cheque	3	Town/City	6
PPM	1	Village/countryside	3
Other	3		

- There is a similar pattern to that experienced in the early stages of gas competition, where the early 'adopters' were the higher income groups. If electricity competition follows the same pattern as gas, the lower income groups will catch up. By the time of the national survey of gas competition in July 1998, DEs had a slightly higher tendency to switch gas supplier than ABs. However, customers' stated intentions suggest that this will not happen in the immediate future (see below). When asked how likely they are to switch in the next 12 months, DEs still lag behind ABCls.

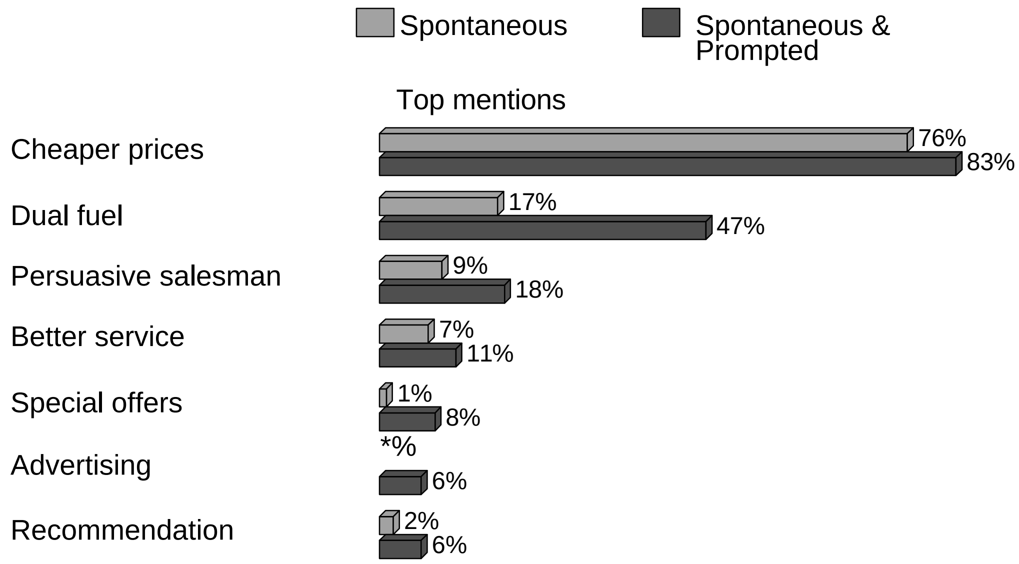
Reasons for Switching

- As in the earlier case of gas competition, cheaper prices constitute the main reason for switching electricity supplier. Three-quarters of switchers spontaneously cite this as the reason why they changed electricity supplier and this rises to 83% on prompting.

- No other reason is mentioned spontaneously by more than one in five respondents, though, on prompting, 'dual fuel' is also cited as an important factor. Half of switchers, in particular, say this was an important factor. This is more so than in the earlier gas competition surveys. In the latest (in July 1998), just 13% mentioned dual fuel as a reason for switching.

Reasons for Switching

Q What were the main reasons why you decided to change your electricity supplier?



Base: All switchers (363)

- Whilst the attraction of dual fuel is often linked to cheaper prices, of course, it also relates to convenience.

- As with gas competition, a persuasive salesman is also an important influence - 18% mention this on prompting - and in the qualitative research it was clear that a good salesman calling at the right time had prompted people to switch.

- Other factors play a role with some people - the expectation of better service from the new supplier, special offers, advertising and recommendation from others being the main ones mentioned.

- As mentioned earlier, a previous history of switching also has an influence on propensity to switch. Those who have switched their gas supplier are twice as likely than average to have switched their electricity supplier and 36% of electricity switchers in the sample now get both their gas and electricity from the same supplier.

- However, we must not over-emphasise this factor - the majority of those who switched gas supplier have not switched their electricity supplier (only 11% have) and most (two-thirds) say that their experience of having switched gas supplier has made no difference to their decision whether or not to switch electricity supplier.

- Those previous gas switchers who did switch electricity supplier are more likely to say their experience of gas switching made them more likely to switch electricity supply (32% say it did), but again, more (56%) said it made no difference and a tiny number (3%) say it made them less likely, but they did it anyway.

Influence of Gas Switchers on Electricity Switching

Q Has your experience of changing gas supplier made you more or less likely to change your electricity supplier or has it made no difference?

		Gas Switchers	
	All	**Electricity Switchers**	**Electricity Non-Switchers**
Base: All gas switchers	(330)	(158)	(172)
	%	%	%
Much more likely	5	19	3
A little more likely	10	13	10
No difference	67	56	68
A little less likely	7	1	7
Much less likely	7	2	7
Changed electricity supplier before gas	*	3	0
Don't know	4	5	4

- The main reasons why those who switched gas supplier were more likely to switch electricity supplier basically boil down to positive experiences of the cost savings and convenience they experienced.

- On the other hand, those who have switched gas supplier and who say they are less likely to switch their electricity supplier cite poor service as the principal factor, followed by “happy where I am”.

Reason for Experience of Gas Switchers Affecting Likelihood of Electricity Switchers

Q *Why do you say that?*

More likely to switch electricity supplier	%	Less Likely to switch electricity supplier	%
Cheaper electricity	70	Poor service	42
Easy/convenient	39	Happy where I am	26
Thought was better	10	No problems	7

Base: All more (74) or less likely (38) to change electricity supplier after having changed gas supplier

Reasons for Not Switching

- The main reasons why people have not so far switched electricity supplier are mainly to do with inertia and a lack of real incentive to change, which may well be related to the fact that few (22% of non-switchers) feel that lower prices can be obtained from the new suppliers, but also that they are fairly satisfied (38% fairly, 51% very) with their current supplier. Two-thirds spontaneously give as their reason for not switching that they see 'no reason to change/am satisfied with my supplier' and this rises to three-quarters on prompting. This is particularly true of the elderly and those with smaller electricity bills. Satisfaction with British Gas and seeing no reason to change were also the key reasons given for not switching in the gas market.

- Others simply cannot be bothered (29% on prompting), although, as we will see later, the actual process of switching is not perceived to be difficult.

- After prompting, 15% specifically say that the savings are not enough. Many more (45%), as we have seen (p37), do not know what the saving might be.

- Another factor, and one that was evident in the qualitative research, is a suspicion that lower prices will not be maintained (23% on prompting) - ie they may be lower now, but what about next year, or the year after? Will the new supplier put its prices up or the local Regional Electricity Company bring its prices down?

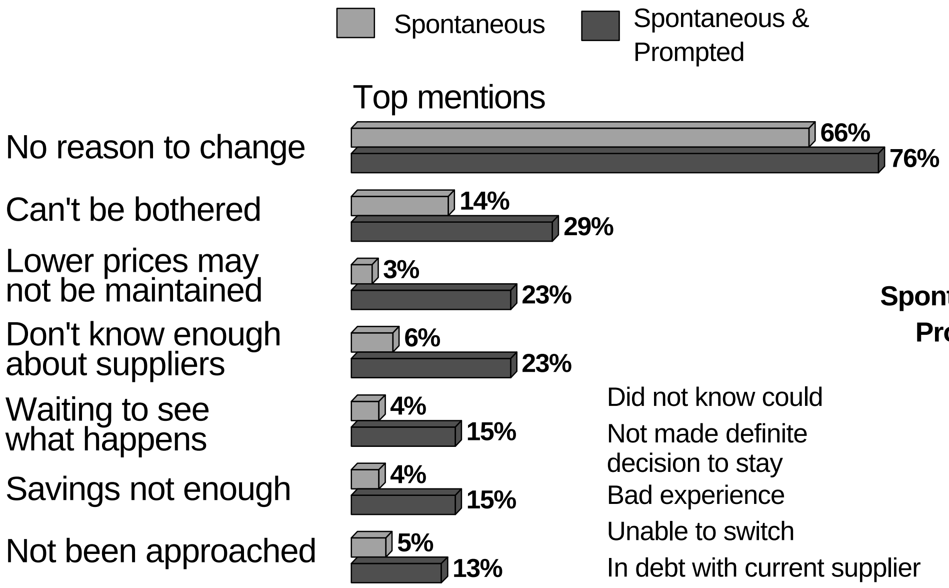
- Lack of information on the new suppliers is also an issue (to 23% of non-switchers). The qualitative research suggested that this related to such suppliers' lack of a track record in the business and customers' concerns about quality of service.

- Some (15%) say that they are waiting to see what happens, a point related to price and knowledge about the suppliers.

- One of the hypotheses also tested in this research was whether people had been unable to switch supplier (the qualitative research suggested this may be a factor with some disadvantaged customers). However, very few (2% or less) say that they have not switched because they were unable to switch or, indeed, because they are in debt with their current supplier. This is no higher for prepayment meter customers or low income customers.

Reasons for Not Switching

Q *What are your main reasons for staying with your current supplier?*



	Spontaneous & Prompted
	%
Did not know could	6
Not made definite decision to stay	5
Bad experience	2
Unable to switch	2
In debt with current supplier	1

Base: All non-switchers (849)

- Of the few affected most cannot recall why they were unable to change supplier, but of those who can, it was mainly related to the new supplier telling them that if they are in debt with their current supplier they cannot switch or that there was no suitable payment method on offer.

- In addition, a small minority have not switched because they think they would have to change their method of payment - when prompted 7%; but this rises to 13% of prepayment meter customers when prompted.

- A small number (6%) simply say they have not switched because they did not know they could, while a further 5% have not yet made a definite decision to stay with their current supplier (rising to 11% of ABs).

What Would Make Non-Switchers Switch?

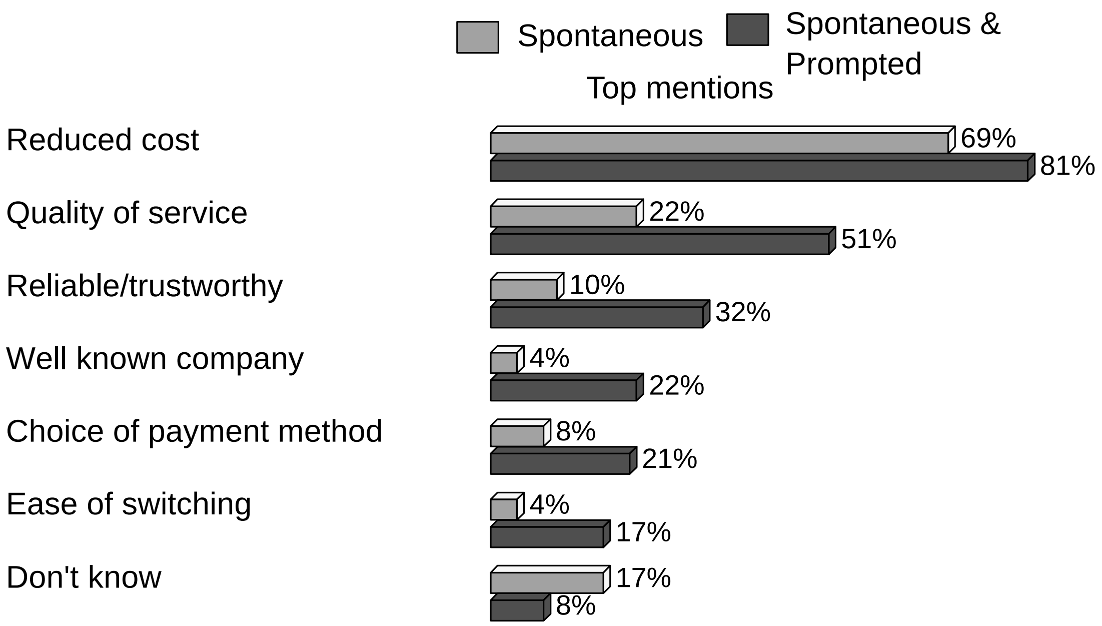
- Like those who have already changed their electricity supplier, the thing that would be most likely to prompt non-switchers to switch is a cheaper price. This is by far the main factor, especially before prompting with a list of other possible factors. Seven in ten mention cheaper price spontaneously and eight in ten after prompting.

- However, non-switchers also want to be reassured about the quality of service they will receive (22% mention this spontaneously, 51% after prompting) and the reliability/trustworthiness of the new supplier (32% after prompting). Related to this, they want the new supplier to be a well known company (22%) and/or to have experience in electricity supply (9%).

- The level of concern for service quality when switching is significantly higher among non-switchers than it is among switchers (only 11% of switchers mention it as a reason for switching, even after prompting). This suggests that the early switchers switch for price and little else, while the later switchers consider more factors in their decision.

Factors in Switching (Non-Switchers)

Q *If you were to change supplier which 2-3 of these factors would be most important?*



Base: All non-switchers (849)

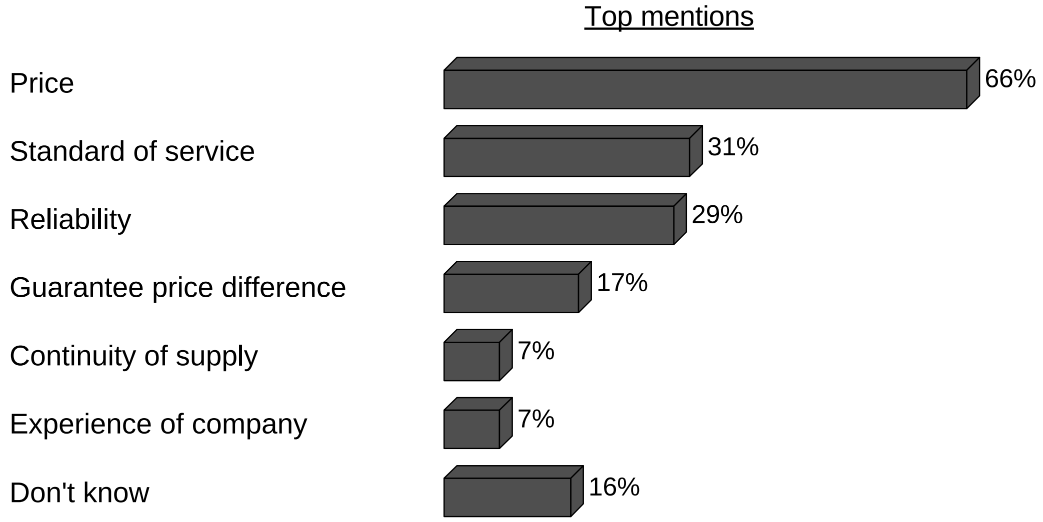
- Other factors of relevance in switching are: a choice of payment method (21% after prompting, rising to 34% of prepayment meter customers) and ease of switching (17%), while one in ten mention as a factor the ability to have gas and electricity from the same company.

- For some (7%), the experience of people they know and/or special offers would also be factors of relevance.

- Thus, the information they would require to be able to choose a new supplier relates primarily to price, standard of service and reliability (see following table).

Information Required to Switch (Non-Switchers)

Q *What information would you need to have to be able to choose a new electricity supplier?*



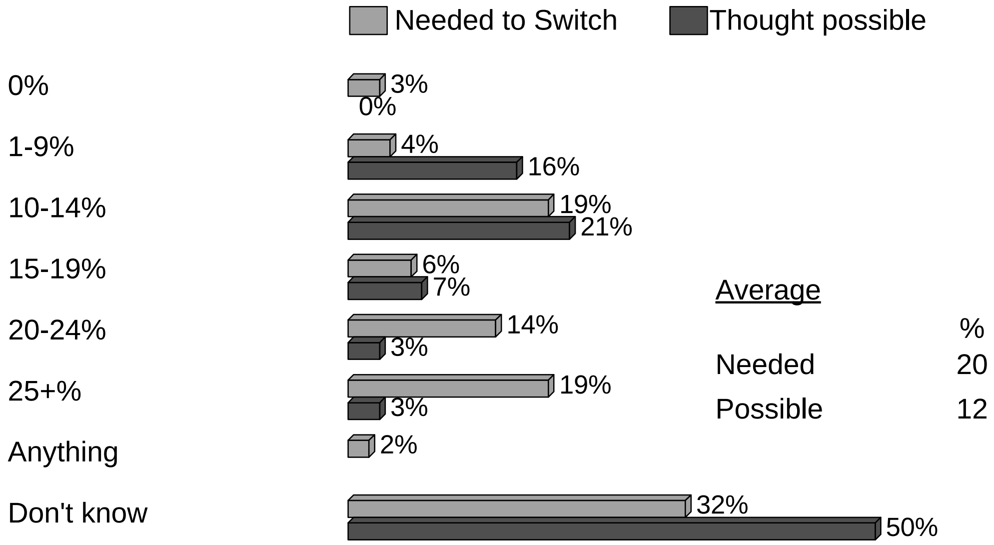
Base: All non-switchers (849)

- As price is such a key issue, we asked what reduction in a customer's bill would be necessary to consider switching supplier. Replies ranged widely from nothing at all (mentioned by 3% of non-switchers) to over 45% (mentioned by 4%). The most frequent replies are in the range of 10-14% and over 25%, with an average of around 20%.

- Comparison of the percentage savings non-switchers feel would be necessary to motivate them to switch with the percentage reductions respondents generally believe are possible shows there to be an important gap - on average the corresponding figures are 20% and 12%. This seems likely to present a hurdle to widespread further switching.

Reduction to Bill Required to Switch (Non-Switchers)

Q *Approx. what percentage reduction in your electricity bill, if any, would be sufficient for you to consider switching supplier?*



Base: All non-switchers (849)

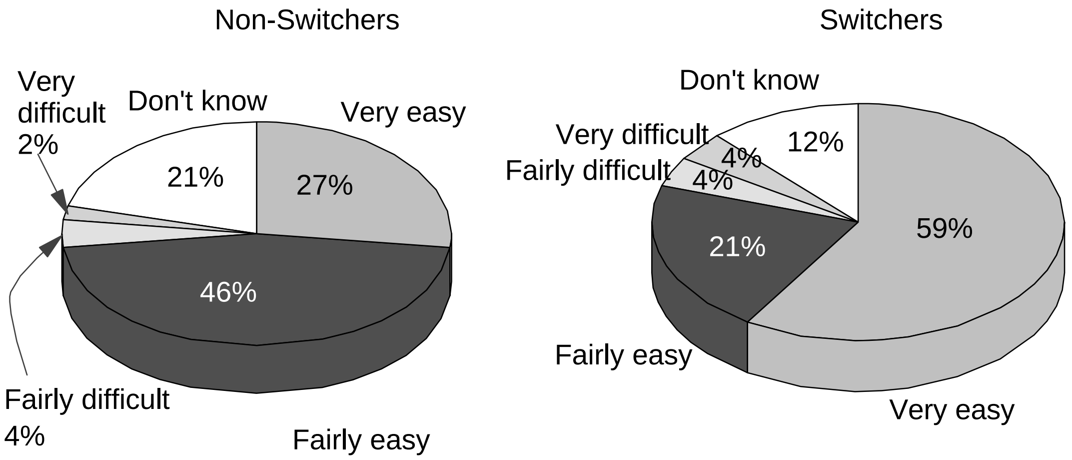
Ease of Switching

- The actual process of switching supplier does not seem to pose any real problem, with both switchers and non-switchers perceiving it as very or fairly easy to do and more than half of the switchers feeling it was very easy to do. Less than one in ten of either group believe it to be difficult.

- Non-switchers, though, are more likely not to know (one in five say they do not know) and to think it fairly easy rather than very easy.

Ease of Switching

Q How easy or difficult do you think it is to change electricity supplier/was it to leave your last electricity supplier?



Base: All non-switchers (849), switchers (363)

- Again, these figures are in line with what was found in relation to gas competition, though the figures for electricity switchers are a little less positive than they were for gas (see table below).

Ease of Switching - Comparison of Electricity and Gas

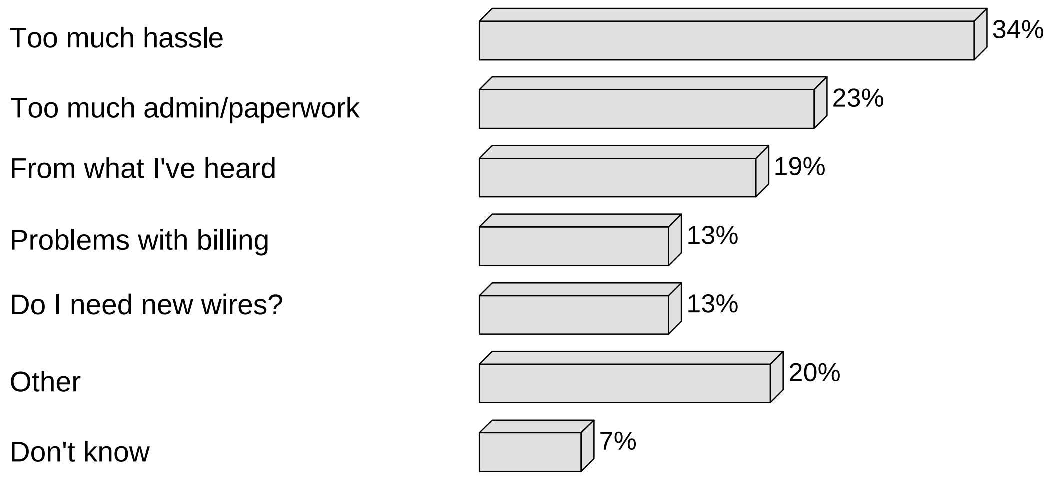
	Switchers		Non-Switchers	
	Gas July 98	**Electricity March 99**	**Gas July 98**	**Electricity March 99**
Base: All	(803)	(363)	(1,708)	(849)
	%	%	%	%
Very easy	68	59	27	27
Fairly easy	20	21	44	46
Fairly difficult/not very easy	3	4	5	4
Very difficult/not at all easy	2	4	1	2
No opinion	6	12	15	21

- Among the non-switchers, the groups least likely to perceive it as easy to switch are the elderly, DEs, those not working, those without a bank account, those who live in terraced housing or flats/maisonettes, those who live in local authority or housing association rented accommodation and those who pay by prepayment meter. However, this is generally because they do not know rather than because they think it is difficult to change.

- The main reasons for thinking it difficult to change supplier, among non-switchers, relate to feelings that it would just be too much hassle generally and that there would be too much paperwork. Some have heard that it is difficult, especially in relation to problems with billing, while others fear they will need new wires if they switch.

Reasons for Thinking it is Difficult to Switch (Non-Switchers)

Q Why do you say that?



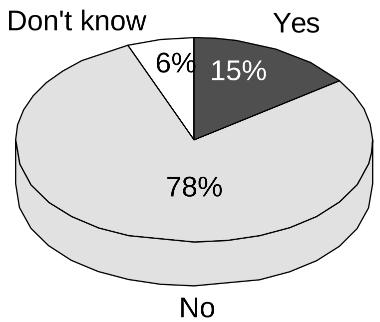
Base: All non-switchers who thought it was difficult to change supplier (61)

Were Switchers Misled in Any Way?

- On the whole, switchers do not feel they were misled by any of the information they received from their new supplier.
- However, a small minority (15%) do feel they were misled and this took a variety of forms - from not communicating all the relevant information, to being pressurised into changing or even signing a contract when they thought they were only signing for information. This echoes what we found earlier in relation to the problems experienced with doorstep salespeople in particular.
- This figure is marginally higher than that for gas competition in July 1998, when 10% of switchers said they had been misled.

Were Switchers Misled in Any Way?

Q Did you feel misled in any way by any of the information you received from your supplier?



Base: All switchers (363)

	%
Certain things not mentioned	45
Pressurised into changing	21
Thought I was signing for more information only	15
Paying more than expected	13
Took longer than thought	13
Other	5
Can't recall	4

Base: All feel they were misled (52)

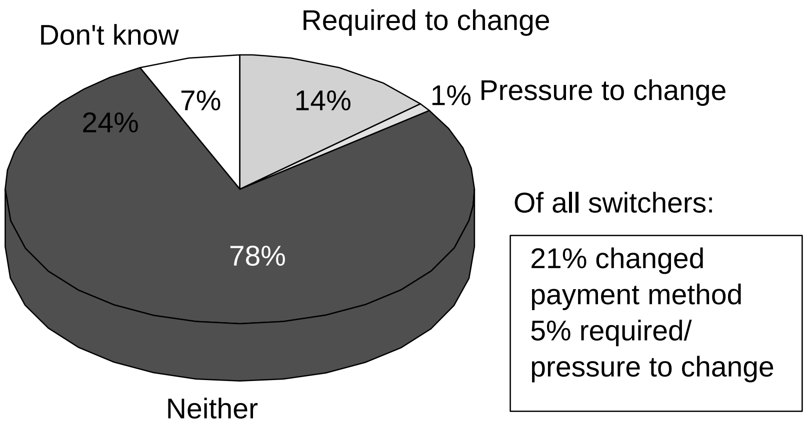
Were Switchers Required to Change Their Payment Method?

- There is very little evidence that pressure has been placed on electricity customers to switch to direct debit if they want to change electricity supplier.

- Overall, 21% of switchers changed their payment method when they switched supplier (mainly to direct debit and away from quarterly cash or cheque), but in the main this was not due to any pressure placed on them by the supplier.

Were Switchers Required to Change Payment Method?

Q Were you required to change your method of payment or was pressure placed on you to do so?



Base: All changed payment method (85) when they switched

- 15% of those electricity switchers who changed their payment method (5% of switchers overall) said they were required to change or pressure was placed on them to do so when they changed electricity supplier.

- The movement towards direct debit mirrors the experience of gas switchers.

- Few electricity switchers or non-switchers think it is necessary to pay by direct debit to change electricity supplier (10% of switchers and 12% of non-switchers).

Changes in Methods of Payment

Q In which of these ways do you normally pay for your electricity/gas?

Q And how did you pay before you changed electricity/gas supplier?

	Electricity		Gas	
	Current	**Past**	**Current**	**Past**
	%	%	%	%
Quarterly				
Cash/cheque	19	28	26	35
DD/SO	16	11	9	7
Monthly				
Cash/cheque	3	3	2	2
DD/SO	50	41	35	29
PPM	7	8	14	13
Budget card/plan	2	4	10	8

Base: All switchers - electricity (363), gas (330)

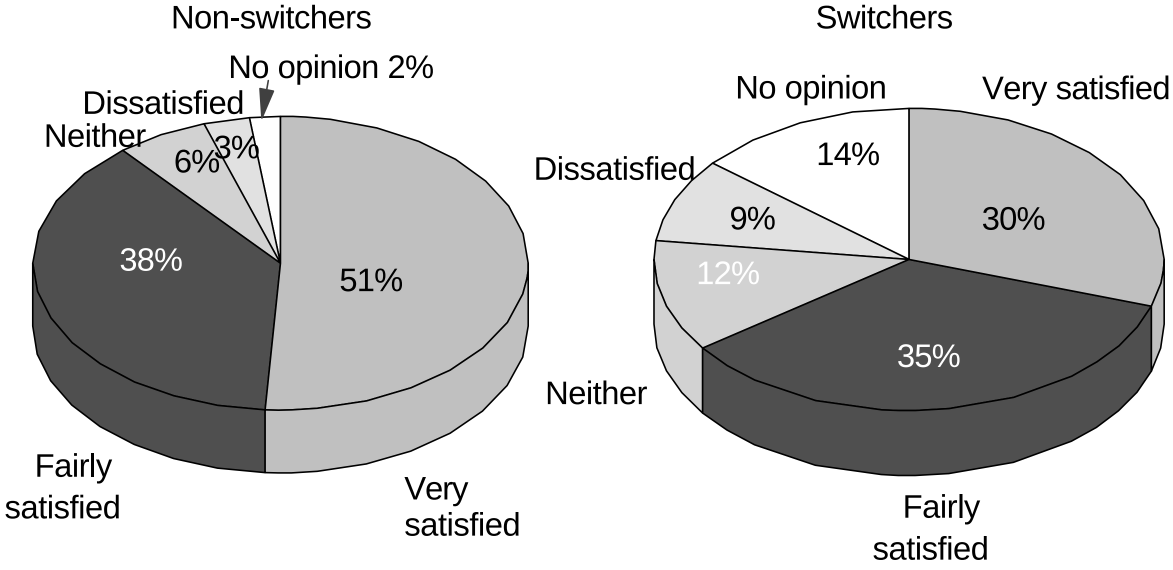
Satisfaction With Present Supplier

- The main reason why non-switchers have not changed their electricity supplier is that they see no reason to change and are happy with their current supplier. There would therefore appear to be no great ‘push’ or ‘pull’ factors prompting them to switch. This is confirmed when they are asked how satisfied they are with their current supplier. Nearly all (89%) are satisfied and half are very satisfied; just 3% are actually dissatisfied.

- Levels of satisfaction among switchers are not quite so high, though this may be because they have not been with their new suppliers for long. Thus 14% feel unable to give an opinion and a further 12% give a neutral rating. However, one in ten is actually dissatisfied.

Satisfaction with Supplier

Q Overall, how satisfied are you with the quality of service you have received from your present electricity supplier?



Base: All non-switchers (849)

Base: All switchers (363)

- This finding, in the case of both switchers and non-switchers, is in line with what was found in relation to gas competition last year (indeed the figures are almost identical).

	(Base)	Satisfied %	Dissatisfied %
Non-switchers			
Gas competition			
July 1998	(1,708)	90	3
Electricity competition			
March 1999	(849)	90	3
Switchers			
Gas competition			
July 1998	(803)	65	7
Electricity competition			
March 1999	(363)	66	9

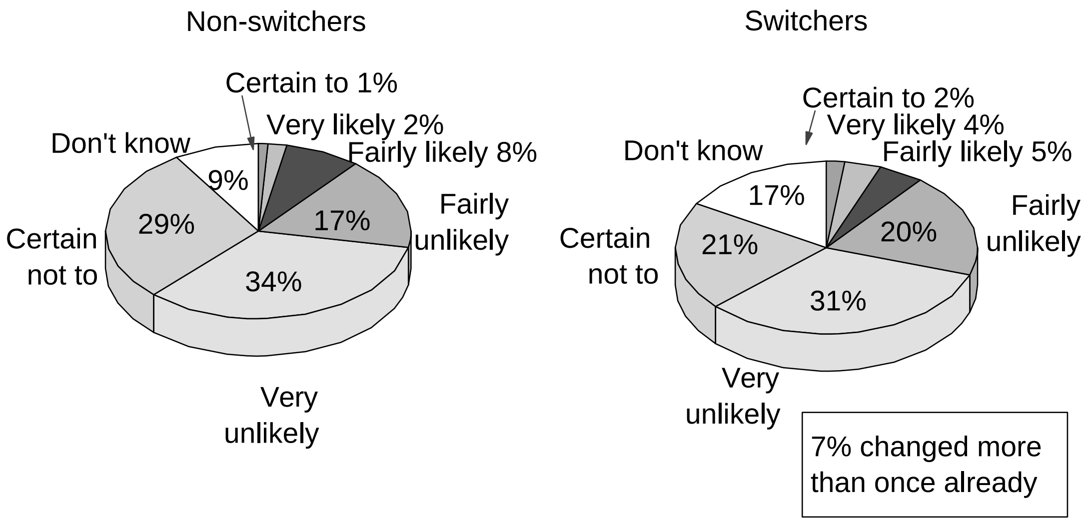
Likelihood of Switching in the Next 12 Months

- One in ten non-switchers say they are likely to switch electricity supplier in the next 12 months and most of these are fairly likely rather than very likely or certain to. We find that, generally speaking, those who are very or fairly likely to switch are the best predictors of actual behaviour. Three in ten go so far as to say they are certain not to switch.

- These are, nonetheless, in line with the figures last July in relation to gas competition when 10% of non-switchers said they would be likely to switch in the next 12 months. If all 10% of these non-switchers had, indeed, switched, we could have expected the proportion of gas switchers to have risen from 15% in July 1998 to 23% in July 1999. In fact, by March 1999, the level of gas switching was estimated at 25% nationally, which is slightly greater than would have been predicted on the basis of answers to this question and certainly higher than would have been predicated on the basis of those who said they were certain to switch or very likely to switch (just 3% of non-switchers).

Likelihood of Switching in Next 12 Months

Q How likely are you to change your electricity supplier (again) in the next 12 months?



Base: All non-switchers (849)

Base: All switchers (363)

- Similar figures are evident for switchers, with 11% saying they are likely to switch again in the next 12 months, though a higher proportion say they are very likely or certain to. Indeed, 7% say they have already switched more than once since the market was opened up to competition.

- In the table overleaf, the proportion of non-switchers who say they are likely to switch in the next 12 months is shown as a percentage of the <u>total sample</u> in different sub-groups of the population. The proportion of those who have already switched in each sub-group is also shown and the two figures added together to show what proportion of each sub-group would have switched in 12 months' time if all those who say they would be likely to switch actually do so.

- If this pattern holds true, in 12 months' time switching will be most prevalent among:

  - The under 64s, 16-34 year olds catching up with the 'middle-aged' but the elderly still lagging behind
  - ABC1s, C1s catching up with ABs, but C2DEs still lagging
  - Working people
  - Households with children, including single parent households
  - Owner-occupied households
  - Those with medium to high electricity bills
  - People with bank accounts
  - Direct debit payers, but being caught up by quarterly cash or cheque payers.
  - Those who have switched telephone or gas supplier
  - Those whose main heating fuel is gas

Penetration of Switchers by Sub-group

	(Base)	Switched	Likely to Switch	Total
		%	%	%
Total	(1,212)	5	10	15
Age				
16-34	(337)	4	13	17
35-64	(590)	7	9	16
65+	(285)	4	7	11
Social class				
AB	(145)	9	10	19
C1	(250)	5	14	19
C2	(229)	3	9	12
DE	(588)	4	8	12
E	(409)	4	7	11
Work status				
Working	(551)	5	12	17
Not working	(661)	5	8	13
Type of household				
Pensioner only	(297)	4	6	10
Adults, no children	(676)	5	8	13
Adults, + children	(415)	6	13	19
One parent h'hold	(132)	5	11	16
Type of house				
Detached	(160)	6	9	15
Semi	(420)	6	8	14
Terraced	(367)	6	13	19
Flat/maisonette	(207)	1	10	11
Housing tenure				
Owner occupied	(645)	7	11	18
Rented	(548)	3	10	13
Low income	(173)	2	10	12
Electricity bill				
High	(540)	5	11	16
Medium	(352)	5	13	18
Low	(196)	5	4	9
Bank account				
Yes	(995)	5	10	15
No	(201)	2	8	10

	(Base)	**Switched**	**Likely to Switch**	**Total**
		%	%	%
Method of payment				
DD/SO	(432)	10	11	21
Quarterly cash /cheque	(320)	3	13	16
PPM	(295)	1	8	9
Other	(162)	3	7	10
Type of heating				
Coal/oil	(102)	1	2	3
Electric	(147)	1	7	8
Gas	(945)	7	12	19
Telephone switcher				
Yes	(263)	7	13	20
Gas switcher				
Yes	(330)	11	12	23
No	(673)	5	11	16
Location				
Town/city	(888)	6	9	15
Village/countryside	(300)	3	12	15

Base: All

METHOD OF PAYMENT

Present Method of Payment

- The main methods of payment used in those areas opened up to electricity competition by the end of 1998 are quarterly cash/cheque, monthly direct debit/standing order and prepayment meters.

- There is a similar pattern of use of methods of payment for gas as for electricity, with two main exceptions - direct debit is more likely to be used to pay for gas than electricity, while prepayment meters are more prevalent in the electricity industry than the gas industry.

Methods of Payment Used

Q In which of these ways do you normally pay for your electricity/gas?

Base: All	**Electricity** (1,212) %	**Gas** (1,006) %
Quarterly		
Cash/cheque	29	30
DD/SO	9	9
Monthly		
Cash/cheque	2	2
DD/SO	24	32
Regular weekly/fortnightly cash scheme	3	3
Savings stamps	1	1
Fuel direct	1	2
Budget card/plan	6	8
Prepayment meter	25	11
Other	1	1

Reasons for Present Method of Payment

- Ease and convenience are key factors in choice of payment method, whether it be direct debit, cash/cheque or prepayment meter.

- Next in line for direct debit payers is the ease of budgeting. Cost is also a factor, but less important than these two. This bears out what was found in the qualitative research, where most people chose to pay by direct debit for reasons other than the discount - the discount was simply an 'added bonus'.

- For quarterly cash/cheque payers the next most important factors after convenience are habit (this is how they have always paid) and the ability to pay when the bill arrives.

- For prepayment meter customers, budgeting and control over payments are the next key factors.

Reason for Present Method of Payment

Q Why do you pay your electricity bill by. . . . .?

	DD/SO	Quarterly Cash/ cheque	Prepayment meter	Other
	%	%	%	%
Easy/convenient	83	53	61	69
Best way of budgeting	25	9	40	33
Cheaper	13	*	2	1
Have control over payments	5	10	20	6
Always paid in this way	4	28	13	11
Had no choice	2	1	3	0
Pay for what I use, when I use it	1	3	17	2
Pay when bill arrives	1	17	*	3
Dislike Direct Debit	*	7	2	1
Don't know	*	4	*	7

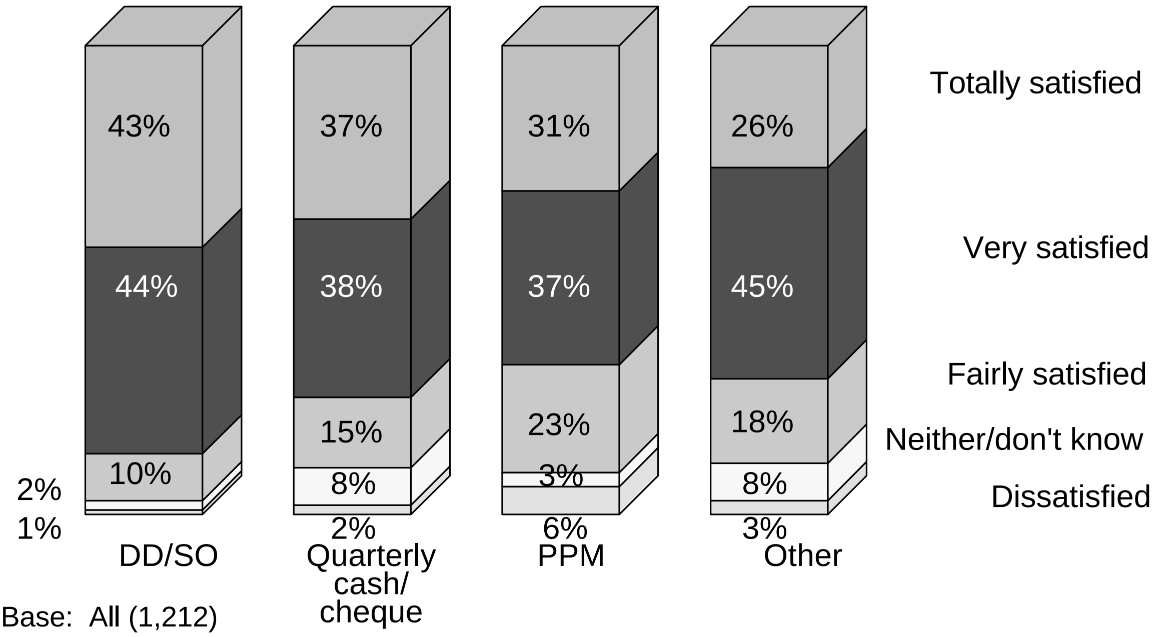
Base: All (1,212)

- Generally people pay in the way they do because this is the way they want to pay. Very few (less than one in twenty) say they had no choice in the matter.

- Almost all are satisfied with the method they currently use, and they are mainly totally or very satisfied.

Satisfaction with Method of Payment

Q *Overall, how satisfied are you with the method you use to pay for electricity?*



Base: All (1,212)

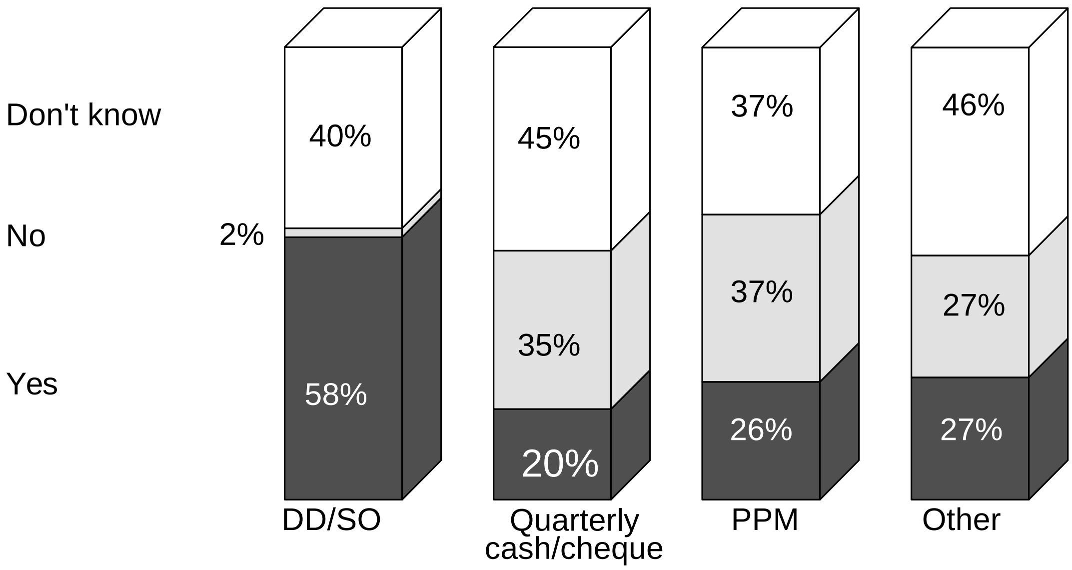
Awareness of Price Differential by Payment Method

- Nearly eight customers in ten (78%) are totally or very satisfied with the method they use to pay for electricity. There is, however, a lot of confusion and lower awareness about the relative cost of different methods of payment.

MORI

Awareness of Price Differential by Payment Method

Q *Is this the cheapest method of payment offered by your electricity supplier?*



Base: All (1,212)

- A large proportion of electricity customers (41% overall) do not know whether theirs is the cheapest method of payment offered by their supplier or not, and this is true whether they are paying by direct debit, cash or cheque, prepayment meter or some other way.

- A majority (58%) of direct debit payers are aware that direct debit is the cheapest method of payment, but as we have seen, this may not be their main reason for choosing this method.

- However, between 20% and 27% of those who pay in some other way wrongly think theirs is the cheapest method.

- Some, though, are aware they are not paying in the cheapest way, but still choose to pay in this way. This comprises 24% of all customers, but 35% of quarterly cash/cheque payers and 37% of prepayment meter customers.

- Their reasons for not choosing the cheapest method reflect the reasons they give for choosing this payment method - convenience, budgeting and control. However, the main reason given by quarterly cash/cheque payers is a dislike of direct debit, ie they know direct debit is cheaper but do not wish to pay this way. Qualitative research suggests that this is because they do not like the idea of paying in advance or paying more than they have used, and prefer the control that cash/cheque payment gives them.

Reasons for Not Choosing Cheapest Method

Q What are your main reasons for not choosing a cheaper method of payment offered by your supplier?

	Quarterly Cash/cheque	PPM	Other
Top Mentions	%	%	%
Dislike Direct Debit	36	1	8
Prefer to have control	32	25	4
Suits the way I want to pay	23	19	19
Easy/convenient	14	47	48
Best way of budgeting	12	38	35
Prefer to pay for what I use, when I use it	10	20	1

Base: All aware they do not pay by the cheapest method (251)

Preferred Methods of Payment for Electricity

- Electricity customers are not all aware of the full range of payment options offered by electricity suppliers. For instance, fewer than a third are aware of regular cash schemes or fuel direct.

- They would like to see a large range of payment options available, the differences between what they think are available and what should be available being most notable in the case of credit cards, cash schemes, savings stamps, fuel direct and budget plans.

- Slightly fewer think direct debit and quarterly cash/cheque should be options compared to those who think they are currently available.

Methods of Payment Offered/Should be Offered

Q Which of these methods of payment does your present electricity supplier offer?

Q And which do you think your present electricity supplier should offer?

	Does Offer	Should Offer	Difference
	%	%	+/-%
Quarterly			
Cash/cheque	70	64	-6
Direct Debit	65	60	-5
Standing order	43	47	+4
Credit card	31	41	+10
Monthly			
Cash/cheque	49	52	+3
Direct Debit	64	58	-6
Standing order	39	45	+6
Credit card	25	37	+12
Regular weekly/fortnightly cash scheme	22	37	+15
Savings stamps	36	47	+11
Fuel direct	19	35	+16
Budget card/plan	34	44	+10
Prepayment meter	53	54	+1
Other	*	1	+*
Don't know	7	16	+9

Base: All (1,212)

Dual Fuel Billing

- Customers are divided in their opinions about dual fuel billing. Although two in five would prefer separate bills, a third would prefer a joint bill with gas and electricity charges shown separately. Rather fewer would like a joint bill with the two charges combined.

- Those who have actually opted for dual fuel are also divided in their views, but though a joint bill with gas and electricity charges combined is their third favourite option, a quarter would prefer it to the other two options.

Preference for Dual Fuel

	All	Opted for Dual Fuel
Base: All	(1,212)	(208)
	%	%
Prefer separate bills	40	39
Joint bill with gas and electricity charges shown separately	32	33
Joint bill with gas and electricity charges combined	11	24
Would not buy from the same company	6	0
Don't know	9	4

Problems With Estimated Bills

- Those who do not pay their electricity bills by PPM were asked whether they ever receive estimated bills nowadays. Seven in ten say they do, whether they be switchers or non-switchers. Of course, switchers may well be talking about their previous supplier as well as or instead of their current supplier, as they have not been with their new supplier for long enough.
- However, few have had a problem with such bills.

Receipt of Estimated Bills

Q *Do you ever receive estimated bills nowadays?*

	All	Switchers	Non-switchers
Base: All without PPM	(909)	(326)	(583)
	%	%	%
Yes	70	68	70
No	22	24	22
Don't know	9	8	9

Problems with Estimated Bills

Q Have you had a problem in the last year caused by an estimated bill which is a) too high or b) too low?

	All	**Switchers**	**Non-switchers**
Base: All had estimated bill	(612)	(213)	(399)
	%	%	%
a) Too high			
Yes	9	7	9
No	90	92	90
Don't know	1	1	1
a) Too low			
Yes	4	2	4
No	94	97	94
Don't know	2	1	2

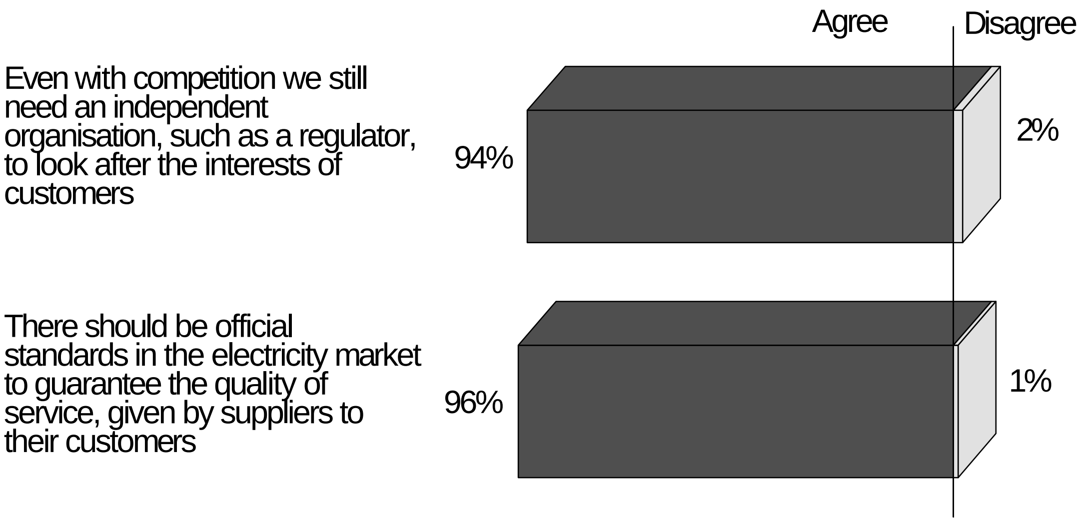
REGULATORY ISSUES

Need for Regulation

- Electricity customers clearly see the need for continued regulation in the competitive electricity market. Almost all are in favour of an independent organisation, like a regulator, to look after customers' interests and official quality of service standards by which suppliers must abide. Indeed, as many as two-thirds <u>strongly</u> agree that these two things are necessary.

Need for Regulation

Q Can you please tell me whether you agree or disagree with the following statements?



Base: All (1,212)

- This again echoes the qualitative research, where customers felt regulation was required to ensure certain minimum service standards are met and that the electricity companies do not form a 'cartel' to regulate the prices charged:

> *Of course regulation is needed or they could charge what they want*
> Qualitative Research

> *They (OFFER) want to see who can do it better, quicker, and then set those standards for everyone*
> Qualitative Research

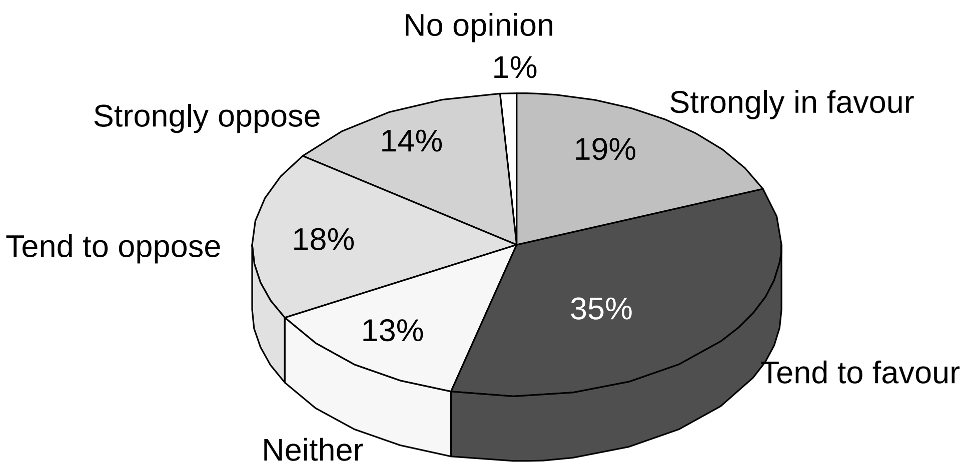
MORI

Energy Efficiency Measures

- On balance, customers are in favour of the £1 added to electricity bills to fund energy efficiency measures for a range of households. However, not all are in favour of this: a third are opposed to it.

Energy Efficiency Measures - 1

Q Are you in favour or opposed to this scheme?



Base: All (1,212)

- ABs, home-owners, the middle age groups (35-64), those who pay by direct debit and those in detached and semi-detached housing (ie the better off groups) are most in favour of the measures, while the young, C2s, and the less well off groups are least in favour.

- Very few (just 13%) say they have actually been offered such energy efficiency services and just 6% of electricity customers have taken advantage of this offer. Those who have benefited tend to be the opposite of those in favour - the poorer, more disadvantaged groups.

Proportions to have Benefited from Energy Efficiency Measures

	(Base)	**Benefited %**
Total	(1,212)	6
Housing Tenure		
Owner occupied	(645)	5
Rented	(548)	9
Type of Housing		
Detached	(160)	9
Semi-detached	(420)	11
Terraced	(367)	4
Flat/maisonette	(207)	2
Benefits/Other Needs		
State Pension only	(201)	9
Other benefits	(455)	12
Disabled	(166)	14
Low income	(173)	8

- The qualitative research suggested a lack of awareness of the availability of energy efficiency measures, but also that people were generally in favour of them, once they were explained. Although some felt that low income customers should not have to pay the £1, others felt it was not practical to exclude them for what was, after all, a small sum:

> *It's not a hell of a lot is it? Over a year. It's so little it's not noticeable*
>
> Qualitative Research

DISADVANTAGED CUSTOMERS

Definition

- For the purposes of this research, a number of categories have been identified as indicating 'disadvantaged' customers and the results analysed by these different categories.

- The different groups are as follows:

  - Low income customers, with a household income of less than £5,000 pa
  - Those in social classes D and E, particularly the latter
  - Benefit recipients (such as income support, housing benefit, council tax benefit)
  - The elderly and, particularly, those who receive a state pension only rather than an additional occupational pension
  - Those without a bank or building society account
  - Single parent families
  - Prepayment meter customers
  - Those who have difficulty paying their bills - as defined in the introduction

- These groups form between 7% (single parent families) and 26% (those who have had difficulty paying their bills at some time) of electricity customers in the areas opened up to competition by the end of December 1998 (see table overleaf).

- Disadvantage and payment method are not an exact fit. However, many of those who pay for their electricity by prepayment meter would indeed be classified as 'disadvantaged' according to other definitions. For instance, 50% of prepayment meter customers are in social classes DE compared with 30% in the population as a whole, 48% are benefit recipients compared to an average figure of 27%, and 28% have no bank account (compared to 12% on average). On average, 25% of customers in the areas surveyed pay by prepayment meter. This rises to 46% of single parent families, 46% of those who have an annual income of less than £5,000, 45% of benefit recipients and 59% of those without a bank account. Conversely, 12% of DEs pay by direct debit and 3% of ABs pay by prepayment meter.

- There is, of course, a high degree of overlap between the different groups. For instance 76% of those with an income under £5k per year are also in receipt of benefits, while 40% of those in social class E have a yearly income under £5k.

- There are some important differences between some of the groups, though. For instance, very few prepayment meter customers are elderly - just 7% are over 65 years old and over half are under 35. Similarly, though a higher percentage of the disadvantaged customers tend to be ‘not working’ than is true of the population as a whole, this is not true of prepayment meter customers or those who have difficulty paying their bills.

Overlap of Factors Constituting “Disadvantage”

Base: All	**All** (1,212)	**Social class Es** (409)	**One parent families** (132)	**HH income under £5k per year** (173)	**Re-ceive bene-fits** (455)	**“Diffi-culty pay-ing ”** (343)	**PPM cust-omers** (295)	**State pen-sion only** (201)	**With-out bank/ BS acc** (201)
	%	%	%	%	%	%	%	%	%
Age									
16-34	34	37	61	41	39	39	53	0	44
35-64	41	34	37	22	32	46	40	15	34
65+	24	28	1	37	29	15	7	85	22
Class									
AB	17	0	5	0	2	4	2	2	1
C1	24	0	18	14	16	19	17	14	11
C2	29	0	8	12	19	34	31	21	21
D	15	0	13	12	19	19	23	21	15
E	15	100	55	62	44	24	27	41	52
Non-working	46	95	62	94	74	49	46	89	72
One parent families	7	28	100	24	21	15	14	1	20
Rent from LA/HA	36	74	61	70	72	58	70	47	79
Unbanked	12	44	33	48	35	26	28	23	100
HH income under £5k per year	10	40	31	100	27	15	17	24	38
Receive benefits	27	81	78	76	100	46	48	54	76
“Difficulty paying”	26	42	52	41	43	100	43	18	54
PPM customers	25	46	46	46	45	43	100	12	59

Awareness of Competition

- In those areas opened up to competition, 'disadvantaged' customers are less likely to be aware that competition has been introduced into the electricity market than the average electricity customer. Nine in ten electricity customers are aware of competition, but this drops to less than eight in ten among Es (79%), those without a bank account (79%), those with a yearly income of less than £5k (72%).

- This finding is reiterated when looking at how well informed these customers feel about competition. Those with prepayment meters (45% informed), those in social class E (44%), those with low incomes (42%), and those without a bank or building society account (38%) all feel less well informed than average.

- In addition, the same groups show lower understanding of the newly competitive electricity market, with a higher proportion disagreeing with the statement 'I understand broadly how the new electricity market works'.

> *I don't think we do understand what's going on. All these years we've had Manweb selling us electricity. All of a sudden somebody else we've never heard of is coming along and selling us this same electricity. Where the hell are they getting it from?*
> Qualitative Research

- It appears that people in these disadvantaged groups are also less likely to be aware of alternative companies who supply electricity in the area. This is highlighted by the lower proportions who mention British Gas as a supplier of electricity in their area.

- Lower levels of awareness among disadvantaged customers were also evident when competition was first introduced into the gas market, when 79% of DEs were aware of a change in the domestic gas supply market in the previous 7 months compared to 90% of ABs. However, when last measured in July 1998, although still marginally less aware than average, figures were noticeably higher than at present in the electricity market (93% of DEs aware of gas competition).

Knowledge of Competition

	All	Social class Es	One parent families	HH income under £5k per year	PPM cust-omers	Re-ceive benefits	"Diffi-culty paying "	State pen-sion only	With-out bank/ BS acc
Base: All	(1,212)	(409)	(132)	(173)	(295)	(455)	(343)	(201)	(201)
	%	%	%	%	%	%	%	%	%
Aware of competition									
Yes	89	79	82	72	86	85	87	84	79
Informed about competition									
Informed	54	44	46	42	45	52	54	49	38
Not informed	46	54	54	57	54	47	45	50	61
'I feel I understand broadly how the new electricity market works'									
Agree	47	38	35	30	39	43	39	35	30
Disagree	40	44	47	50	46	46	46	44	54

Supplier Contact

- Although less knowledgeable about competition, disadvantaged customers are more likely to have had contact from door-to-door salespeople than other customers. This is most evident when comparing social class; Es are more than twice as likely to have had this form of contact than ABs (48% vs 22%). In addition, those receiving benefits (46%) and those on PPMs (44%) are also marginally more likely to have had contact from doorstep salespeople.

- This was also evident in the qualitative groups, with disadvantaged customers (most noticeably Liverpool) reporting high levels of door-to-door contact:

> *They're hounding you all the time - knocking on your door*
> Qualitative Research

- Comparing social class E with social class AB, the results show that the former are marginally more likely to have had problems with salespeople who are too pushy (34% vs 25%) and/or salespeople not giving all the relevant information (12% vs 5%). However, only when it comes to salespeople not giving all the relevant information is the difference statistically significant, given the small sample sizes involved.

> *They will not give you any information. You say can I have some leaflets to read and you can come back tomorrow and they say 'No you sign up for it now, then we'll give you the information'. They won't give you nothing*
> Qualitative Research

> *Pensioners and people like that are getting talked into all kinds of things*
> Qualitative Research

Contact with New Suppliers

Q In which of these ways, if any, have you had contact with the new electricity suppliers in this area?

	All	**Social class Es**	**Social class AB**	**One parent families**	**HH income under £5k per year**	**PPM cust-omers**	**Receive benefits**	**"Diffi-culty pay-ing"**	**State pen-sion only**	**With-out bank/ BS acc**
Base: All	(1,212)	(409)	(145)	(132)	(173)	(295)	(455)	(343)	(201)	(201)
	%	%	%	%	%	%	%	%	%	%
Doorstep	37	48	22	43	31	44	46	44	33	40
Telesales	7	3	8	4	4	6	5	5	2	5
Leaflet	29	24	42	29	20	22	26	25	19	20
None	42	40	41	45	52	44	42	42	52	53

Q Which, if any, have you personally experienced when visited by a doorstep electricity salesperson?

	All	**Social class Es**	**One parent families**	**HH income under £5k per year**	**Receive benefits**	**"Diffi-culty paying"**	**PPM cust-omers**	**State pen-sion only**	**With-out bank/ BS acc**
Base: All contacted	(605)	(222)	(70)	(74)	(259)	(177)	(160)	(89)	(100)
	%	%	%	%	%	%	%	%	%
Too pushy	29	34	33	26	27	35	32	30	39
Inconvenient time	24	23	21	23	19	25	23	13	23
No written info	19	27	28	37	24	19	11	25	30
Did not tell me all info	10	12	13	13	15	11	14	15	12
Tricked me into signing contract	9	10	13	12	7	14	9	16	12
Info unclear	8	16	23	13	8	7	14	8	11
Did not tell me the truth	7	7	10	5	4	9	7	2	12
Any problem	57	64	59	65	59	62	59	59	63

Attitudes Towards Competition

- Although the majority of disadvantaged customers do favour competition, the extent of this support is lower than among the general public as a whole. This is most notable among those without a bank or building society account, of whom only 54% believe that ‘it is better to have a choice of supplier than to be tied to one supplier’.

> *Competition's good, it helps the consumer because if they're coming in a lot cheaper than Manweb then North West Gas will have to bring their prices down to compete. If you stay with them you're going to get the benefit in the end anyway*
> Qualitative Research

> *I think it's good because if you are unemployed and have a very low income you shop around for bargains in anything. You're out to save money. It's the same with electric and gas, if you can make a saving it's more clothes on your back, food for your kids, it makes life easier to live with*
> Qualitative Research

- The disadvantaged feel less likely to see the potential benefits from the introduction of competition. Those with a yearly income of less than £5k, those receiving benefits, state pensioners, those without a bank account, social class Es and those who have difficulty paying are more likely than other groups to feel that they will **not** benefit from competition in the electricity market. PPM customers and single parents are no different from the average customer in this respect.

- In addition, disadvantaged customers show more concern about new suppliers, most noticeably one parent families, those without a bank or building society account and those who have difficulty paying. Disadvantaged customers are also marginally more likely to feel that standards of service will suffer as a result of lower prices - particularly those without a bank or building society account:

> *It's such an important thing. I don't trust anybody new. Your water, gas and leccy keep you alive. Without them you haven't got a life have you?*
> Qualitative Research

Attitudes to Competition

Q Can you please tell me whether you agree or disagree with the following statements?

Base: All	All (1,212) %	Social class Es (409) %	One parent families (132) %	HH income under £5k per year (173) %	PPM cust-omers (295) %	Receive benefits (455) %	"Diffi-culty paying" (343) %	State Pen-sion only (201) %	With-out bank/ BS acc (201) %
'It's better to have a choice of supplier than to be tied to one company'									
Agree	76	66	75	63	76	73	77	59	54
'If electricity prices fall the standard of service will suffer'									
Agree	22	26	26	27	24	27	29	27	32
'I don't trust many of the new electricity companies'									
Agree	34	39	45	41	36	38	43	41	44
'I don't feel I can benefit from competition in the electricity market'									
Agree	33	45	33	50	32	41	40	48	46

Price Issues

- Some disadvantaged groups have found it more difficult than the general public to compare the different prices suppliers are offering. On balance, those without a bank/building society account, low income groups, those in social class E, single parent families, those who have difficulty paying their bills and prepayment meter customers find it difficult to compare prices. The elderly, though, are actually almost twice as likely to think the prices easy to compare than they are to think them difficult.

- Disadvantaged customers also show greater levels of scepticism over potential savings. Those with prepayment meters (19%), those in receipt of benefits (18%), those with an income of less than £5k (10%) and those without a bank/building society account (8%) are all less likely than the general public to believe prices offered from new suppliers are lower:

> *It's only going to be coppers, there's not a great deal of difference*
> Qualitative Research
>
> *It's just an initial saving. . . .it's not going to last*
> Qualitative Research

You don't want to sign up with anybody else. They've given you all these promises but it might only be great for the first 12 months, then they put everything up. Then you're stuck with all your rates gone sky high

Qualitative Research

Comparison of Prices

Q How easy or difficult have you found it to compare the different prices available from the various electricity suppliers?

Base: All with information on prices	**All**	**Social class Es**	**One parent families**	**HH income under £5k per year**	**PPM cust-omers**	**Receive benefits**	**"Diffi-culty paying "**	**State pen-sion only**	**With-out bank/ BS acc**
	(813)	(257)	(91)	(103)	(182)	(299)	(232)	(112)	(121)
	%	%	%	%	%	%	%	%	%
Easy	35	29	27	21	28	29	29	34	21
Difficult	31	38	39	32	34	31	34	24	37

Q Do you think the prices offered by the new electricity suppliers are higher or lower than those offered by your local electricity company or are they about the same?

Base: All	**All**	**Social class Es**	**One parent families**	**HH income under £5k per year**	**PPM cust-omers**	**Receive benefits**	**"Diffi-culty paying"**	**State Pen-sion only**	**With-out bank/ BS acc**
	(1,212)	(409)	(132)	(173)	(295)	(455)	(343)	(201)	(201)
	%	%	%	%	%	%	%	%	%
Higher	3	4	3	9	4	5	3	6	7
Lower	25	22	22	10	19	18	24	20	8
Same	29	28	32	30	26	34	28	21	28
Don't know	43	46	43	51	51	43	45	53	57

Propensity to Switch Supplier

- Perhaps indicative of their lower levels of awareness and understanding of competition in the electricity market, some disadvantaged groups are less likely to have switched supplier. For example, ABs are twice as likely to have switched supplier as Es (9% vs 4%). Furthermore, only 2% of those on a low income and those without a bank/building society account, and 1% of those with prepayment meters have switched supplier. As the level of switching overall is still low, though, there is little potential for wide variations in the penetrations.

- Looking to the next twelve months this pattern seems set to continue, with both prepayment meter customers and Es less likely to switch supplier than average. The exception again is those having difficulty paying their bills, who are **more** likely to change supplier in the next twelve months than the average customer.

- This mirrors the experience when gas competition was introduced, when the better off groups were the first to switch. However, the lower income groups did 'catch up' (or indeed, 'overtake') in gas so it is possible they will also do so in electricity. However, customers' stated intentions suggest that this may not happen in the immediate future.

Incidence of Switching

	All	**Social class Es**	**Social class AB**	**One parent families**	**HH income under £5k per year**	**PPM cust-omers**	**Receive benefits**	**"Diffi-culty paying"**	**State pen-sion only**	**With-out bank/ BS acc**
Base: All	(1,212)	(409)	(145)	(132)	(173)	(295)	(455)	(343)	(201)	(201)
	%	%	%	%	%	%	%	%	%	%
Switched supplier	5	4	9	5	2	1	4	4	4	2
Likely to switch in next 12 months *	11	7	12	11	10	8	10	15	7	8
Switched gas supplier **	27	25	16	30	24	28	26	26	26	23

* Base = all non-switchers
**Base = all with mains gas

- Despite some indications in the qualitative research, there seems to be little evidence to suggest that disadvantaged customers are being actively discouraged from switching supplier. They are no more likely than the average customer to say that they have not switched because they were unable to change or because they had an outstanding debt.

- Some disadvantaged groups, though, show greater levels of inertia, in that they see no reason to switch because they are satisfied with their present supplier.

- While the majority do believe the process of switching to be easy, the 'disadvantaged' tend to find it less easy than other groups, particularly the elderly (state pensioners), those without a bank/building society account and, those in social class E. This is mainly because they do not know how easy or difficult it is to switch rather than that they think it is difficult.

Perceptions of Ease of Changing Supplier

Q How easy or difficult do you think it is to change electricity supplier?

	All	**Social class Es**	**One parent families**	**HH income under £5k per year**	**PPM cust-omers**	**Receive benefits**	**"Diffi-culty paying"**	**State pen-sion only**	**With-out bank/ BS acc**
Base:	(849)	(342)	(102)	(150)	(262)	(364)	(260)	(163)	(174)
	%	%	%	%	%	%	%	%	%
Easy	72	59	69	65	66	67	67	58	56
Difficult	6	9	10	8	7	9	9	7	11

Base: All non-switchers

Factors in Changing Supplier

- As with the population as a whole, price is the key consideration for disadvantaged customers. Around three-quarters of disadvantaged customers would rate price as the number one consideration when changing supplier, while just under half cite quality of service. The exception to this is state pensioners, of whom only two-thirds cite price (though it is still the main factor for this group).

- However, in contrast to the general public, disadvantaged customers tend to place more emphasis on the methods of payment available, putting this on a par with the company being trustworthy and reliable, and above the company being well known. The elderly are, again, an exception to this general finding.

Factors Behind Choice of New Supplier (Spontaneous & Prompted)

Q If you were to change supplier, what factors would be most important to you when choosing a new electricity supplier?

	All	**Social class Es**	**One parent families**	**HH income under £5k per year**	**PPM cust-omers**	**Receive benefits**	**"Diffi-culty paying "**	**State pen-sion Only**	**With-out bank/ BS acc**
Base:	(849)	(342)	(102)	(150)	(262)	(364)	(260)	(163)	(174)
	%	%	%	%	%	%	%	%	%
Cost	81	73	86	77	80	79	83	64	71
Service	51	40	46	45	45	48	44	45	41
Reliable	32	34	34	25	32	31	30	31	28
Well known	22	20	29	29	22	21	23	15	19
Payment methods	21	31	37	24	34	30	29	13	22
Ease of switch	17	14	13	12	20	15	18	10	14
Dual fuel	9	7	11	6	7	7	9	7	5
Experience of supplier	9	6	12	2	5	9	7	10	7

Base: All non-switchers

- Price is, again, a key item of information required by disadvantaged customers if they were to choose a new supplier, particularly for single parents and those who have had difficulty paying their bills - the two groups who were most likely to emphasise cost as a factor in switching.

Information Required when Choosing New Supplier

Q What information would you need to have to be able to choose a new supplier?

	All	**Social class Es**	**One parent families**	**HH income under £5k per year**	**PPM cust-om-ers**	**Receive benefits**	**"Diffi-culty paying "**	**State pen-sion only**	**With-out bank/ BS acc**
Base:	(849)	(342)	(102)	(150)	(262)	(364)	(260)	(163)	(174)
	%	%	%	%	%	%	%	%	%
Price	66	59	80	70	65	70	75	53	67
Service	31	25	20	22	32	33	35	31	24
Reliable	29	28	31	18	31	32	33	26	27
Price will remain	17	12	11	10	18	11	19	13	10
Supply continuity	7	6	10	3	3	5	9	7	4
Experience	7	5	9	9	6	8	5	3	6
Ease of changing	5	6	6	2	5	6	7	3	7

Base: All non-switchers

Method Of Payment

- ‘Disadvantaged’ customer groups are more likely to use prepayment meters than other methods of payment. The elderly, though, are an important exception to this. Low income (under £5k per year) customers, those in receipt of benefits, those in social class E, single parents, those without a bank or building society account and those who have difficulty paying are all most likely to pay by this method. The next most popular method among the disadvantaged is quarterly cash/cheque, cited by around one in five, although this rises to two in five among state pensioners.

Methods of Payment Used

Base: All	**All** (1,212) %	**Social class Es** (409) %	**One parent families** (132) %	**HH income under £5k per year** (173) %	**PPM cust-omers** (295) %	**Receive benefits** (455) %	**“Diffi-culty pay-ing ”** (343) %	**State pen-sion only** (201) %	**With-out bank/ BS acc** (201) %
Electricity									
PPM	25	46	47	46	100	45	43	12	59
Q’ly cash/ cheque	29	27	17	25	0	21	27	38	17
DD/SO	33	8	17	10	0	13	15	24	0
Regular cash scheme	3	4	6	6	0	4	6	4	5
Budget card/plan	6	9	12	7	0	12	7	10	11
Gas*									
PPM	11	25	25	20	46	25	20	4	27
Q’ly cash/cheque	30	31	26	42	16	26	31	39	26
DD/SO	40	11	17	14	11	14	22	26	0
Regular cash scheme	3	7	3	5	3	4	6	3	4
Budget card/plan	8	15	21	10	12	19	13	16	25

* Base = all with mains gas

- Prepayment meter payment is rather less common in the gas market than it is in the electricity market - overall, 11% of gas customers in the areas surveyed pay in this way, compared to a quarter of electricity customers. However, once again, it is the 'disadvantaged' groups (with the exception of the elderly) who are most likely to pay in this way, and least likely to pay by direct debit. Prepayment meter payment for gas is particularly high among those who also pay for their electricity by prepayment meter, though even among this group the figure is under half.

Methods of Payment of Disadvantaged Groups

	Prepayment meter	**Quarterly cash/ cheque**	**Electricity direct debit/ standing order**	**Regular weekly/fort-nightly cash scheme**	**Budget card/ plan**
Base: All	(295)	(320)	(432)	(39)	(69)
	%	%	%	%	%
One parent families	14	4	4	15	15
HH income under £5k per year	17	8	3	19	12
Receiving benefits	48	20	11	34	55
65+	7	35	25	27	24
Without bank/BS account	28	7	0	23	22

- There is a clear pattern by social class in terms of method of payment for electricity. Prepayment meters are most common among DEs (but not exclusively found among this group - a quarter of C2s use this method and even 3% of ABs). The opposite pattern is true of quarterly cash/cheque and, particularly, direct debit, which become more frequent methods of payment as one moves up the social scale.

Method of Payment by Social Class

	Social Class			
	AB	**C1**	**C2**	**DE**
Base: All	(145)	(250)	(229)	(588)
	%	%	%	%
Electricity				
Prepayment meter	3	18	27	42
Quarterly cash/cheque	40	25	27	28
Direct debit/standing order	53	42	33	13
Regular weekly/fortnightly cash scheme	0	2	4	4
Budget card/plan	1	8	4	9

- However, some disadvantaged customers do pay by direct debit or standing order. For instance, a quarter of the elderly and those who have difficulty paying pay for their electricity in this way as do one in six single parents.

Full Demographic Breakdown by Methods of Payment

Base:	Total Sample (1,212)	DD/SO (432)	Pre-payment Meter (295)	Quarterly Cash/Cheque (320)
	%	%	%	%
Social Class				
AB	17	29	2	24
C1	24	31	17	20
C2	29	29	31	27
DE	30	12	50	29
ABC1	41	59	19	44
C2DE	59	41	81	56
Benefits Received				
State Pension Only	11	8	5	15
Other Benefits	27	11	48	20
Work Status of Head of Household				
Working	54	63	54	48
Not Working	46	37	46	52
Financial Status				
Bank Account	82	96	64	87
Building Society Account	32	41	21	35
Neither	12	*	28	7
Age				
16 - 34	34	31	53	22
35-64	41	45	40	43
65+	24	25	7	35
Household Tenure				
Owned/ Mortgaged	56	80	21	70
Rented	42	18	78	29
Household Size				
One	21	18	16	26
Two	35	35	23	43
Three or more	44	47	61	31
Size of Gas/Elec Bill				
Up to £300	42	41	34	51
£300 and over	46	51	49	37
Switching				
Switcher	5	9	1	4
Non-Switchers	95	91	99	96
Location				
Town/city	63	59	64	59
Village/countryside	36	39	33	39

Base:	Budget Plan (69)	Regular/weekly fortnightly cash (39)	Other (47)
	%	%	%
Social Class			
AB	4	0	1
C1	34	15	32
C2	18	44	36
DE	44	41	32
ABC1	38	15	33
C2DE	62	85	67
Benefits Received			
State Pension Only	18	17	46
Other Benefits	55	34	45
Work Status of Head of Household			
Working	53	36	29
Not Working	47	64	71
Financial Status			
Bank Account	76	72	63
Building Society Account	30	17	16
Neither	22	23	35
Age			
16 - 34	38	34	32
35-64	38	40	14
65+	24	27	54
Household Tenure			
Owned/ Mortgaged	28	37	27
Rented	68	59	72
Household Size			
One	19	16	43
Two	36	40	50
Three or more	45	44	7
Size of Gas Bill			
Up to £300	58	32	49
£300 and over	38	55	53
Switching			
Switcher	1	3	4
Non-Switchers	99	97	96
Location			
Town/City	73	66	93
Village/Countryside	27	33	4

Desire for Gas Prepayment Meter

- Only those customers who currently have a prepayment meter for electricity (26%) and those who do not have a bank or building society account (14%) show any real desire to obtain a gas pre-payment meter. Even among these groups, though, the majority **do not** wish to obtain one.

Desire for Prepayment Meter

Q Would you like a gas prepayment meter?

	All	**Social class Es**	**One parent families**	**HH income under £5k per year**	**PPM cust-omers**	**Receive benefits**	**"Diffi-culty pay-ing "**	**State Pen-sion only**	**With-out bank/ BS acc**
Base:	(859)	(252)	(78)	(100)	(104)	(262)	(218)	(143)	(108)
	%	%	%	%	%	%	%	%	%
Yes	5	7	6	9	26	7	9	2	14
No	87	82	84	79	51	79	81	86	76
Don't know	9	11	11	12	23	14	10	13	10

Base: All who do not have a gas PPM

Information on Methods of Payment

- Among most disadvantaged groups, as among the wider population, a majority are satisfied with the information they have on methods of payment. However, in some cases there are clear indications that more information is required. Those most likely to want information on payment methods are those who have difficulty paying (40%) and single parents (38%).

> *They don't give much information on it really. You've got to go and find out about it yourself. They don't say here's what you could do*
> Qualitative Research

> *It's only if you're on the verge of getting cut off that you find out more about it. When you say 'I haven't got it'*
> Qualitative Research

Requirement for More Information on Methods of Payment

Q Can you tell me if you agree or disagree with the following statements?

I would like to know more about the different ways of paying for electricity

	All	Social class Es	One parent families	HH income under £5k per year	PPM cust-omers	Receive benefits	"Diffi-culty paying"	State pen-sion only	With-out bank/ BS acc
Base: all	(1,212)	(409)	(132)	(173)	(295)	(455)	(343)	(201)	(201)
	%	%	%	%	%	%	%	%	%
Strongly agree	6	8	15	4	9	10	13	6	14
Tend to agree	17	17	23	18	22	18	27	11	12
Neither	9	9	12	11	5	8	7	10	10
Tend to disagree	27	27	22	28	25	24	21	20	20
Strongly disagree	38	35	28	37	36	38	30	49	40
Agree	**23**	**26**	**38**	**22**	**31**	**28**	**40**	**17**	**26**
Disagree	**65**	**62**	**50**	**65**	**61**	**63**	**52**	**70**	**60**

Frequency of Payment

- Half of those people who pay by either tokens, card, key or stamps pay for electricity about once a week, while one in ten do so several times in one week. One person in twenty pays for electricity only once a month.

- Those who pay for electricity more than once a week are more likely to be single parents (22%).

Q How often do you pay for the electricity you use or buy tokens/cards/recharge your key?

	All who pay by tokens/card/key/stamps
Base: All who pay by token/cards/key/stamps	(384)
	%
Several times a week	11
About once a week	49
Several times a month	11
About once a month	5
About once a quarter	1
Don't know	23

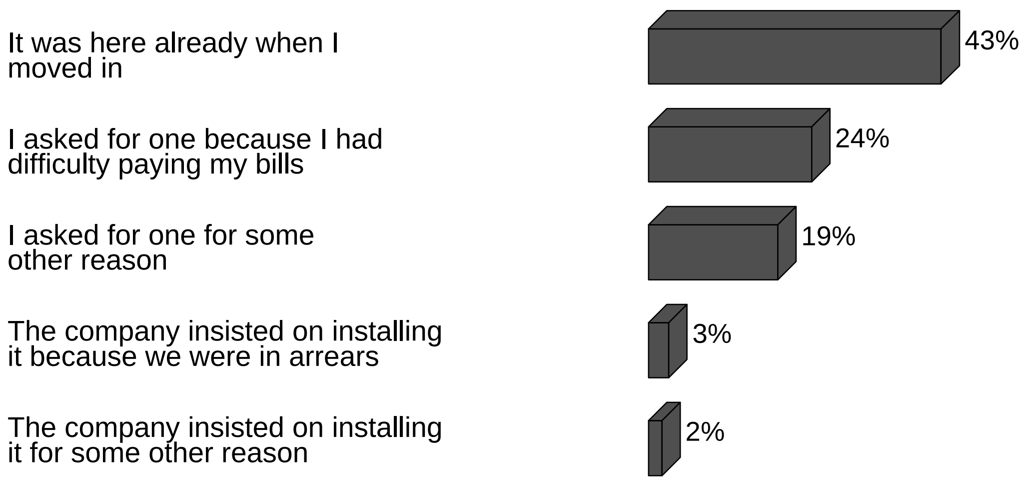
PREPAYMENT METER CUSTOMERS

How Prepayment Meter Initially Obtained

- There is an equal split between those people who have a prepayment meter because it was at their premises when they moved in (43%) and those who requested it from their supplier (24% because they had difficulty paying their bills, 19% for another reason).
- Only one person in twenty (5%) pays for electricity via a prepayment meter because their supplier forced them to do so.
- Those people receiving state pension benefit only (43%) and those who heat their homes using an electricity storage unit are the most likely groups to have asked for a prepayment meter because of trouble paying their bills (38%).

Obtaining a Prepayment Meter

Q *Which of these statements best describes why you first obtained it?*



Base: All PPM customers (295)

- The majority of PPM customers pay for their bills in this way because it suits them both in terms of ease and convenience and because they see it as an effective way of budgeting. The ability to have control over payments is also a perceived benefit to one in five PPM customers.

Reasons for Using Prepayment Meter

Q Why do you pay your electricity bill by….?

	Prepayment meter
	%
Easy/convenient	61
Best way of budgeting	40
Always paid in this way	13
Have control over payments	20
Pay for what I've used, when I have used it	17
Pay when bill arrives	*
Cheaper	2

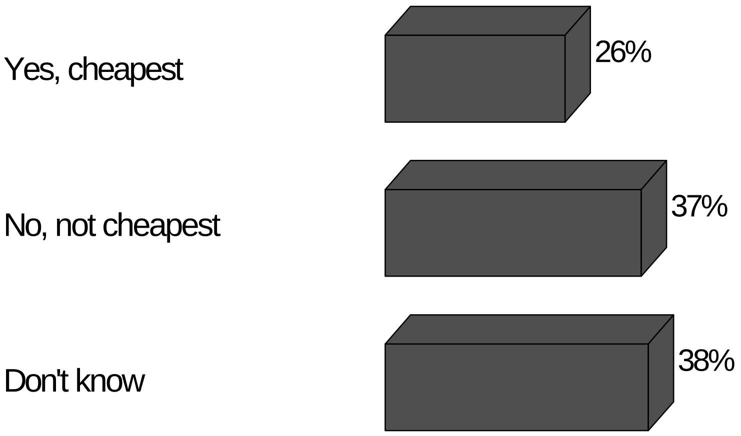
Base: All PPM customers (295)

Reason for not Choosing Cheaper Method

- Thirty-eight per cent of prepayment meter customers do not know if they are using the cheapest method to pay for electricity. A further 26% believe (incorrectly) their method is the cheapest. Hence only a minority is aware of the higher costs of prepayment meters. This does not, however, mean they are dissatisfied.

Prepayment Meters - Attitudes to Cost

Q Is this the cheapest method of payment offered by your electricity supplier?

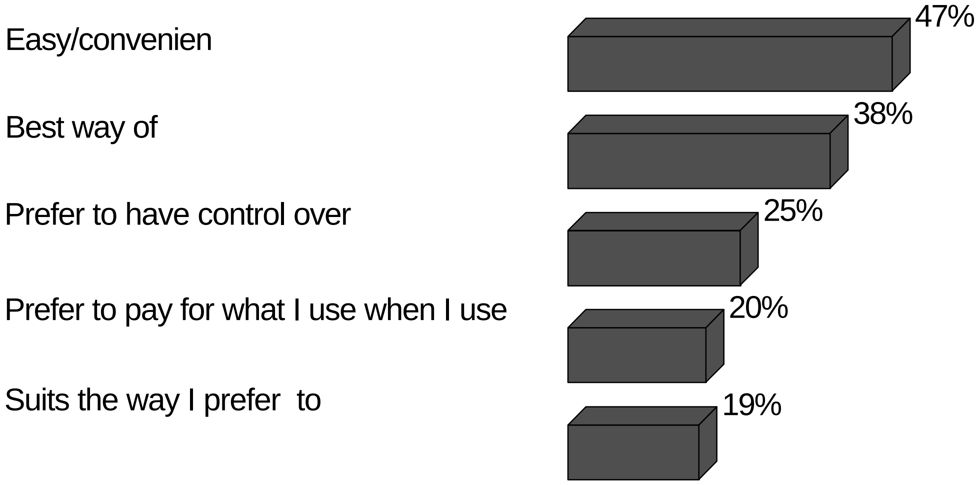


Base: All PPM customers (295)

- Among those who know it is not the cheapest method the main reason given for not choosing a cheaper method is that they find it most easy and convenient (47%). Two in five also believe prepayment meters are the best way to budget, while one-quarter prefer to have control over payments and one in five prefer to pay for what they use when they have used it.

Reasons for Preference of PPM

Q What are your main reasons for not choosing a cheaper method of offered by your



Base: All PPM customers who know it is not the cheapest

*The way the card works, you're in control of what you want to pay. If you've got a set amount taken out of the bank you've **got** to have that money there all the time*

Qualitative Research

The card's probably the best bet because if you can't afford it you don't have it

Qualitative Research

The good thing is you can't run into debt. If you don't pay for tokens you don't get any electricity

Qualitative Research

Satisfaction with Prepayment Meters

- Over 90% of prepayment meters customers are satisfied with the method they have chosen to pay for electricity. However, there has been an apparent shift in perceptions since this question was asked in 1997[1], with a fourteen point fall in those **totally** satisfied with their prepayment meter (45% to 31%) and a resulting ten point rise in those fairly satisfied (13% to 23%). Those very satisfied has remained constant at 37%.

Q Overall how satisfied are you with the method you use to pay for electricity?

	1997	**1999**
Base: All PPM customers	(506)	(295)
	%	%
Totally satisfied	45	31
Very satisfied	37	37
Fairly satisfied	13	23
Neither	1	1
Satisfied	**93**	**91**
Dissatisfied	**3**	**6**

1 Electricity Customer Attitude Survey July 1997, conducted for OFFER by MORI

Problems with Prepayment Meters

- Sixty-nine percent of prepayment meter customers have **not** experienced any problems with their payment method in the last year. Of the problems experienced, one person in fourteen (7%) mentions one of the following: the distance they have to travel to charge their key/card, the times when recharging facilities are open and the meter not working properly with key/card/tokens.

- Among those who have experienced any problems with their prepayment meter (31% of all prepayment meter customers) more than two-thirds found the problems inconvenient (32% very inconvenient, 38% fairly inconvenient).

- Approaching two-thirds of those who believe their meter was set to collect too much money queried the issue with their supplier. Of these, nearly two-thirds found their supplier to be **very** helpful (65%). However, more than one-quarter do **not** believe the contact to have been helpful (28%).

- More than half of those who had problems with their token/card/key not working properly believe that their supplier did respond quickly enough when this was queried, while only marginally fewer believe the supplier was too slow (42%).

Incidence of Problems with Prepayment Meters

Q Have you had any problems in the last 12 months with any of the following?

	%
The distance you have to travel to buy charges/tokens or recharge your key	7
The times when recharging facilities are open	7
Token/card/key not working properly in your meter	7
Meter set to collect too much money	6
Position of meter	6
Meter itself not working properly	5
Recharging facilities being unexpectedly unavailable	5
Don’t understand meter	3
None of these/Don’t know	69

Base: All prepayment meter customers (295)

Incidence of Prepayment Meter Problems

Q How inconvenient was this for you?

	%
Very inconvenient	32
Fairly inconvenient	38
Not very inconvenient	25
Not at all convenient	5
Inconvenient	**70**
Not inconvenient	**30**

Base: All who have had problems with prepayment meter (82)

Pre-payment Meter Issues

- There is approximately an even split between those who agree (43%) and those disagree (48%) that there are not enough accessible places to obtain tokens/cards or get keys charged.

- One in ten believe that payment is not available in small enough amounts. Females are more likely to agree with this (11%) than males (5%). Among those who would like smaller denominations, one in five would like them to be available in units of £1, one-third in units of £2 and one-quarter in units of £3.

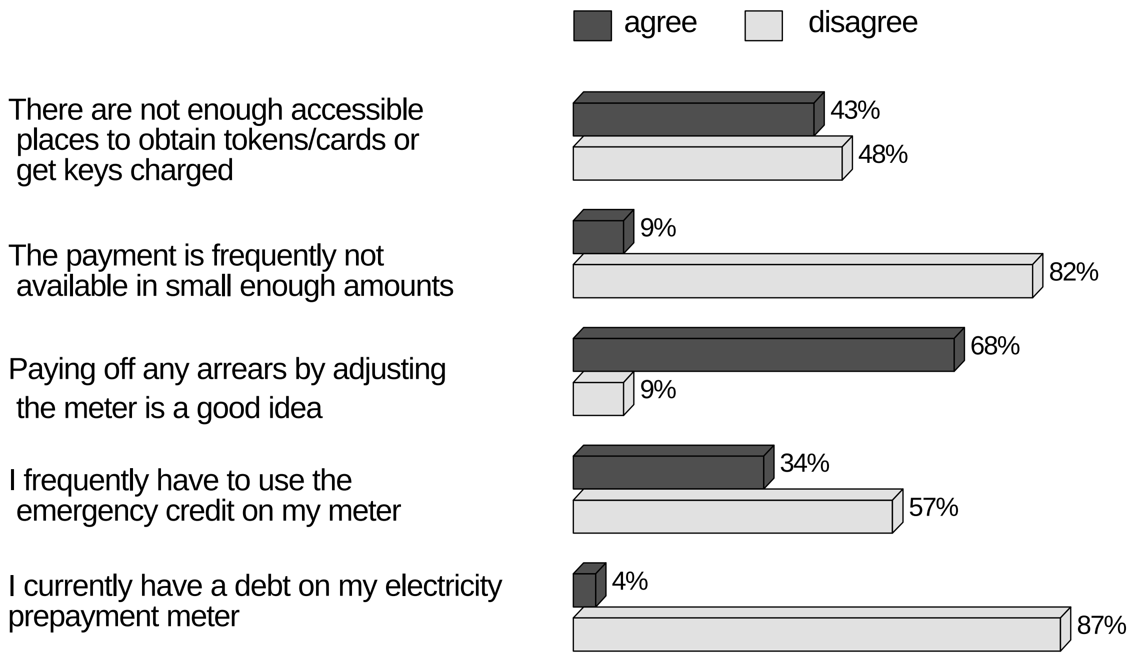
> *The people who buy cards are the people who have to budget, so a £10 card is too much*
>
> Qualitative Research
>
> *The likes of Threshers didn't sell £3 and if you use your emergency you would have to buy £6. At Thresher you'd have to buy £10 worth*
>
> Qualitative Research

- More than two-thirds support the concept of paying off arrears by adjusting the meter. This rises to 90% of those who have difficulty paying their electricity bills.

- One-third of prepayment meter users frequently have to use the emergency credit on their meter. This is more prominent among those who have a child under 5 years old and those who live in a privately rented property.

- Only four per cent of prepayment meter customers say they have a debt on their electricity pre-payment meter.

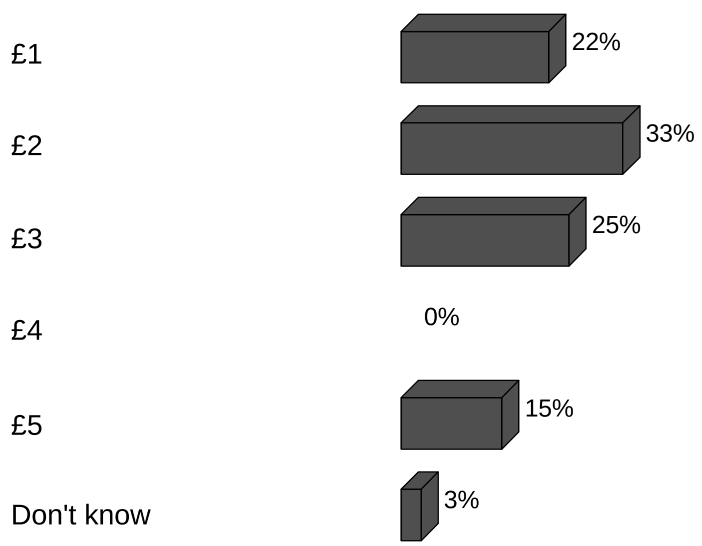
Prepayment Meter - Issues



Base: All PPM customers (295)

Prepayment Meters - Ideal Units of Payment

Q What is the minimum unit of payment that would be acceptable to you?



Base: All who feel payment is not available in small enough units (34)

Desired Standard for Repair of Prepayment Meters

- Two-thirds of prepayment meter users feel that a faulty card/key/token should be replaced within 24 hours, a third feel they should be replaced within 12 hours, (27% cite 24hrs exactly). In contrast, some (15%) believe that 2 hours is the maximum time they should wait, while 7% feel just one hour is acceptable. The average time mentioned is 13hrs.

- Three-quarters believe that electricity suppliers should have to pay a penalty of £20 if a faulty meter is not repaired in what they see as a reasonable period of time.

- Again over half feel recharging facilities or vending facilities should be repaired within 24 hours, a third feel they should be repaired within 12 hours, while in contrast 2 hours is the next most common requirement. The average length of time mentioned is 12 hours.

- Almost two-thirds (64%) believe suppliers should be fined £20 if recharging or vending facilities are not repaired in a reasonable amount of time.

Required Repair Performance

Q What is the maximum time you feel it would be reasonable to have to wait to get:

	A faulty token/card/key repaired/replaced	**Recharging/Vending facilities repaired**
	%	**%**
Up to 12 hours	36	33
13-24 hours	28	22
Over 24 hours	10	7
Don't know	26	37
Average	13 hrs	12 hrs

Base: All PPM customers (295)

Q Do you think the electricity company should have to pay a penalty of, say £20 to you if:

	A faulty token/card/key is not replaced within (this time)	**Your normal recharging or vending facilities are unexpectedly unavailable and not repaired within (this time)**
	%	%
Yes	77	64
No	7	4
Don't know	16	32

Base: All PPM customers (295)

Self-Disconnection

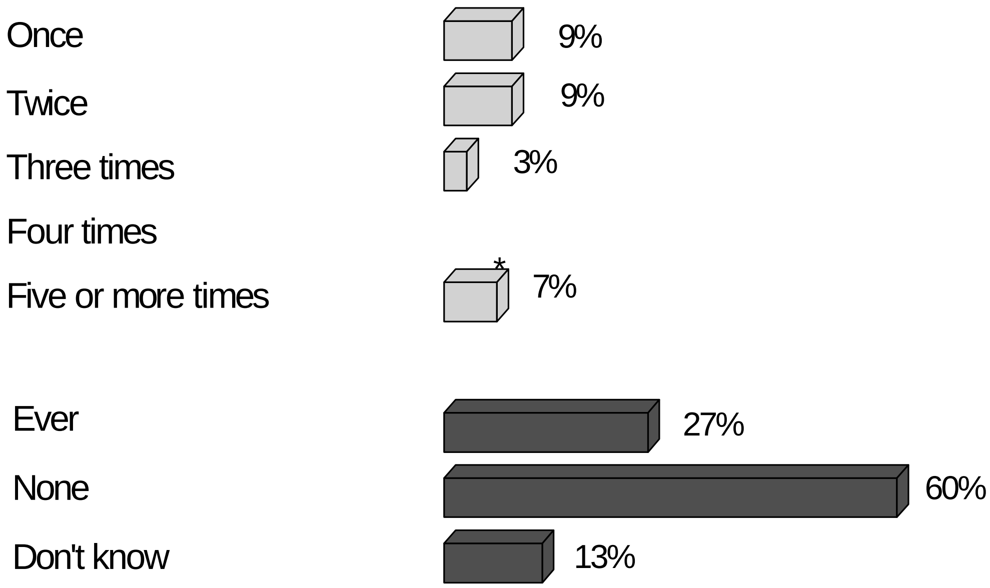
- The majority (60%) of prepayment meter customers have not run out of electricity in the past 12 months, while a further 13% cannot recall if they have or not. This leaves 27% who say that they have run out of electricity one or more times; mainly just once (9% of prepayment meter customers) or twice (9%). Related to this, a third (34%) say they 'frequently have to use the emergency credit on their meter'.

- The main reasons for running out of electricity are related to not having enough money at the time (21% of those who ran out of electricity or 6% of all prepayment meter customers) and/or that the nearest recharging facilities were closed and others were too far away or inconvenient (18%) rather than customers were waiting for a benefit payment (6%) or were deliberately cutting down to save money (1%). Over half (56%) simply cannot recall why they run out of electricity.

- For the majority the amount of time they spent without electricity was less than two hours (59%). However, one in five (19%) were without electricity for ten or more hours.

Self Disconnection - Incidence

Q In the last 12 months, how many times have you run out of electricity?



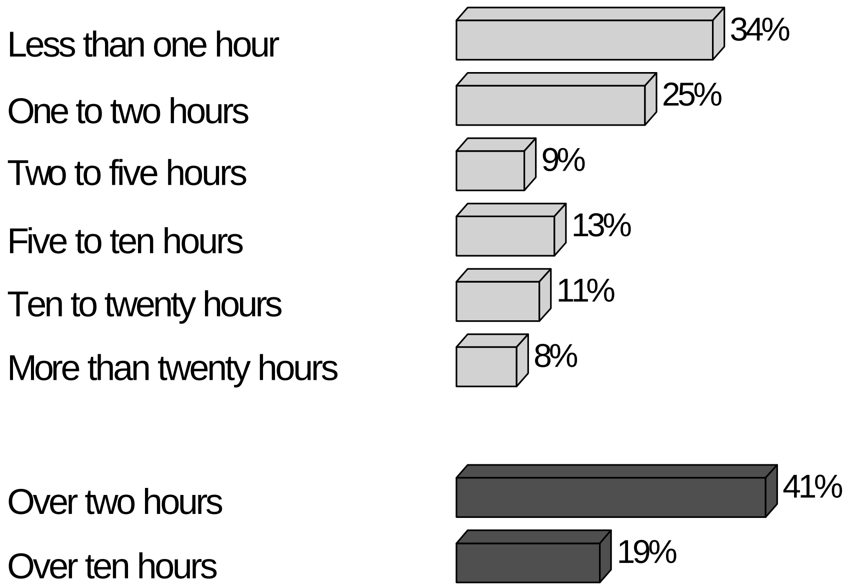
1992: 15% **ever** run out

1997: 10% run out in past year because couldn't afford to recharge it

Base: All PPM customers (295)

Self Disconnection - Duration

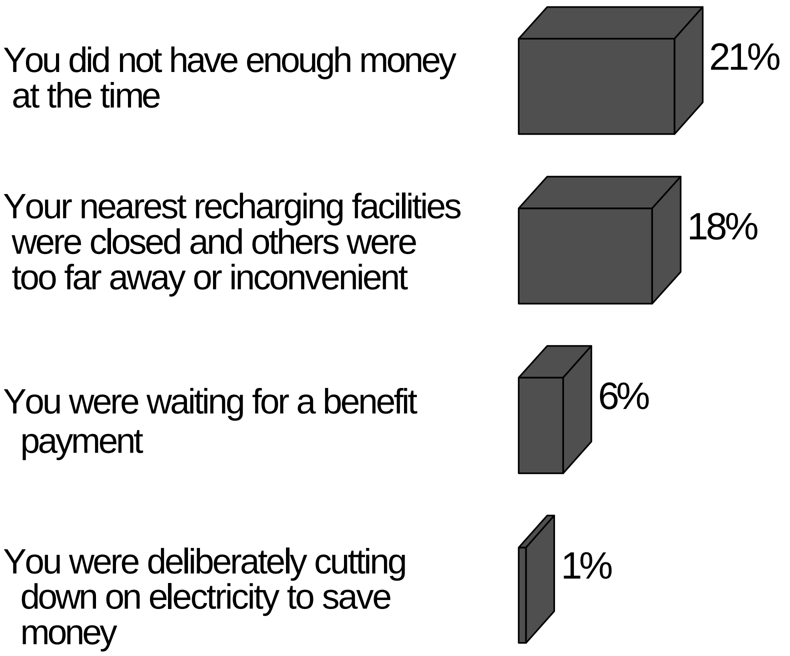
Q On average how long were you without electricity each time?



Base: All PPMs who have run out in past 12 months (90)

Self-Disconnection - Reasons

Q What have been the reasons for this?



Base: All who have run out in past year (90)

Electricity Consumption

- One in five prepayment meter customers feel that they generally use less electricity than they really need to use.

Q Do you generally use less electricity than you really need to use?

	All PPM customers
Base:	(295)
	%
Yes	20
No	69
Don't know	11

Returning to a Credit Meter

- One-quarter of prepayment meter customers (25%) claim they have at some time been informed that they could go back to a normal credit meter (a seven-point rise on 1997 figures). Noticeably, the elderly seem **least** likely to have been informed (3%).

Q Have you been informed at any time that you could go back to a normal credit meter?

Q If this option was offered to you at no charge would you take it?

Q And if this option meant a reduction in the price you had to pay for electricity, would you take it?

	1997	**1999**
Base: All PPM customers	(506)	(295)
	%	%
Been informed they could go back to a credit meter	18	25
Would take this option if offered at no charge	14	11
Would take option if it also meant a reduction in price of electricity	-	22

- If this option was made available to them at no extra charge, only 11% of prepayment meter customers would choose to return to a credit meter. However, if the option resulted in a reduced price for electricity this proportion doubles to more than one in five who would change to a credit meter (22%).

Profile of the Sample

	Weighted		Unweighted	
	No	**%**	**No**	**%**
Total	1,212	100	1,212	100
Gender				
Male	496	41	490	40
Female	716	59	722	60
Age				
16-34	415	34	337	28
35-64	503	42	590	49
65+	294	24	285	24
Social Class (CIE)				
AB	212	17	145	12
C1	287	24	250	21
C2	348	29	229	19
DE	365	30	588	49
E	177	15	409	34
Working Status (HoH)				
Working	655	54	551	45
Not working	557	46	661	55
No. of Children Under 5				
0	881	73	874	72
1	152	13	169	14
2+	97	8	82	7
No. of Children 5-15				
0	796	66	778	64
1	172	14	171	14
2+	172	14	181	15
Total No. of Children 1-15				
0	683	56	676	56
1	133	11	140	12
2+	294	24	275	23
Number in Household				
1	251	21	275	23
2	423	35	412	34
3+	537	44	523	43

Profile of the Sample (Cont)

	Weighted		Unweighted	
	No	**%**	**No**	**%**
Total	1,212	100	1,212	100
No. of Adults in Full-time Employment				
1-2	818	67	811	67
3+	247	20	210	17
Type of Household				
One parent family	90	7	132	11
Pensioner only H'hold	296	24	297	25
Disabled	115	9	166	14
Low income	116	10	173	14
Receipt of Benefits				
State pension only	136	11	201	17
Other	328	27	455	38
Condition of House				
Good	747	62	726	60
Average	376	31	395	33
Poor	49	4	62	5
Housing Tenure				
Owned/mortgage	682	56	645	53
Private rented	77	6	57	5
LA/HA rented	437	36	491	41
Type of Housing				
Detached	200	17	160	13
Semi	395	33	420	35
Terraced	339	28	367	30
Flat/maisonette	216	18	207	17
Size of Electricity Bill				
Low	195	16	196	16
Medium	319	26	352	29
High	557	46	540	45

Profile of the Sample (Cont)

	Weighted		Unweighted	
	No	**%**	**No**	**%**
Total	1,212	100	1,212	100
Main Fuel to Heat Home				
Coal/oil	170	14	102	8
Electric storage radiators	113	9	99	8
Other electric	77	6	54	4
Total electric	187	15	147	12
Mains gas	832	69	945	78
Easy to Heat Home				
Easy	916	76	917	76
Difficult	234	19	225	19
Bank Account				
Yes	1,049	87	995	82
No	149	12	201	17
Pay by DD	707	58	669	55
Possible to pay by DD	247	20	239	20
Electricity Payment Method				
PPM	306	25	295	24
DD/SO	396	33	432	36
Quarterly cash/cheque	356	29	320	26
Other	74	6	92	8
Gas Payment Method				
PPM	101	8	118	10
DD/SO	352	29	398	33
Quarterly cash/cheque	263	22	298	25
Other	72	6	86	7
Location				
Town/city	758	63	888	73
Village/countryside	431	36	300	25
Region				
Scotland	216	18	204	17
England/Wales	984	81	999	82

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 the sample sizes.

	Confidence intervals applicable to findings at or near these percentages *		
	10% or 90%	**30% or 70%**	**50%**
Sample size	±	±	±
1000	2	3	3
800	2	3	4
600	2	4	4
500	3	4	4
400	3	5	5
200	4	6	7

- 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 *		
	10% or 90%	**30% or 70%**	**50%**
Sub-groups compared	±	±	±
1000 and 1000	3	4	4
1000 and 800	3	4	5
1000 and 400	4	5	6
800 and 400	4	6	6
400 and 200	5	8	9

* based on 95% confidence level

Definition of Social Class

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 Timetable

Phase 1

29 April 1996 - Cornwall, Devon and Somerset

Phase 2

Phase 2a

10 February 1997 - Former county of Avon and Dorset

Phase 2b

7 March 1997 - Kent, East and West Sussex

Phase 3

Step 1

1 November 1997 - Scotland and the North East of England (Durham, Hartlepool, Middlesborough, Northumberland, Redcar & Cleveland, Stockton-on-Tees and Tyne & Wear)

Step 2

27 February 1998 - Cumbria, Greater Manchester, Merseyside, the City of Kingston-upon-Hull, Lancashire, the East Riding of Yorkshire, North Yorkshire and York

Step 3

27 March 1998 - Cheshire, Derbyshire, North Lincolnshire, North East Lincolnshire, Nottinghamshire, Shropshire, Staffordshire, South Yorkshire and West Yorkshire

Step 4

25 April 1998 - Wales, Gloucestershire, Hereford and Worcestershire, Leicestershire, Oxfordshire, Warwickshire, West Midlands and Wiltshire

Step 5

22 May 1998 - Bedfordshire, Buckinghamshire, Cambridgeshire, Essex, Hampshire, Hertfordshire, the Isle of Wight, Lincolnshire, Norfolk, Northamptonshire and Suffolk

Step 6

23 May 1998 - the remainder of Great Britain (i.e. Greater London and Surrey)

Ofgas Surveys - Methodology

Phase 1 Pilot Area

- 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 2b 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 Survey, July 1998

- 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 was 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.

ELECTRICITY COMPETITION

Topline Results Based on Weighted data

Results based on 1212 completed interviews in England, Wales and Scotland.

Interviews were conducted face-to-face, in home, between 6 February and 15 March 1999

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 (1212) unless otherwise stated.

Sex

	(%)	
Male	41	
Female	59	(19)

Age of respondent:

	(%)	
16-24	10	
25-34	25	
35-44	17	
45-54	15	
55-64	10	
65+	24	(20)

WRITE IN EXACT AGE (21/22)

Respondent is:

	(%)	
CIE	63	
Not CIE	35	(23)

Respondent is head of household

	(%)	
Yes	66	
No	32	(24)

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	17	
C1	24	
C2	29	
D	30	
E	15	(25)

Sex of Head of Household

	(%)	
Male	68	
Female	30	(26)

Age of Head of Household is:

	(%)	
16-34	34	
35-64	41	
65+	24	(27)

Working Status of Head of Household

Working (active)

	(%)	
Working full time (30hrs+)	44	
Working part time (8-29 hrs/wk)	6	
Self employed	1	
Waiting to start a job	*	
Unemployed (registered)	4	
Unemployed (not registered but looking for work)	2	
Working student	1	
Working on a Government training scheme	*	
Other	1	(28)

Not Working (inactive)

	(%)	
Long term sick/permanently ill	4	
Retired	28	
Housewife	4	
At home and not seeking work	2	
Non working student	1	
Disabled	*	
Other	*	(29)

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: ....

Sample pt no:

Ward:

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95 SOUTHWARK STREET, LONDON SE1 0HX

Household is:

	(%)	
Pensioner(s) only (ie no children or other adults)	24	
Adults and contains no children under 15	37	
Adults with child/ren under 15 - two parent household	28	
Adult with child/children under 15 - one parent household	7	(30)

No. in household (incl. respondent)

1	2	3	4	5	6	7	8	9+	
(21)	(35)	(18)	(18)	(7)	(1)	(*)	(*)	(*)	%

Children (under 5)

0	1	2	3	4	5	6	7	8	9+
(73)	(13)	(6)	(2)	(*)	(*)	(0)	(0)	(0)	(0)

Total No. of Children

0	1	2	3	4	5	6	7	8	9+
(56)	(11)	(16)	(6)	(1)	(*)	(*)	(*)	(*)	(0)

No. of adults in full-time employment in household (include. respondents)

1	2	3	4	5	6	7	8	9+
(35)	(16)	(4)	(1)	(*)	(0)	(0)	(0)	(0)

Type of housing

	(%)	
Detached house	16	
Semi-detached house	33	
Terraced house	28	
Flat or maisonette	18	
Other	4	
Don't know	1	(35)

Condition of House (INTERVIEWER TO RECORD DO NOT ASK)

	(%)	
Good	62	
Average	31	
Poor	4	(36)

Housing tenure

	(%)	
Being bought on mortgage	33	
Owned outright by household	24	
Rented from Local Authority	28	
Rented from Housing Assoc./Trust	8	
Rented from private landlord	6	
Other	1	(37)

SHOWCARD AA (R) **Using this card, approximately how much would you estimate your household's bill was for electricity 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.**

		(%)	
A)	Less than £100	2	
B)	£100-199	14	
C)	£200-299	26	
D)	£300-399	20	
E)	£400-499	10	
F)	£500-599	8	
G)	£600-699	3	
H)	£700-799	2	
I)	£800 or more	3	
	No idea	12	(38)

Household Income

SHOWCARD BB(R) **Which of the categories on this card represents your annual household income before tax? Just read out the number of the category which applies.**

		(%)	
A	Under £2,500	2	
B	£2,500 - £4,499	7	
C	£4,500 - £6,499	9	
D	£6,500 - £7,499	3	
E	£7,500 - £9,499	3	
F	£9,500 - £11,499	3	
G	£11,500 - £13,499	4	
H	£13,500 - £15,499	2	
I	£15,500 - £17,499	5	
J	£17,500 - £21,499	5	
K	£21,500 - £24,999	5	
L	. £25,000 - £29,999	5	
M	£30,000 - £39,999	5	
N	£40,000 or over	7	
	Refused	18	
	Don't know	16	(39/40)

Do you have a bank or building society account?

	(%)	
Has a bank account	82	
Has a building society account	32	
Neither	12	(41)

IF HAVE BANK/BUILDING SOCIETY ACCOUNT

Do you pay any bills by direct debit?

	(%)
Yes	58

No	34	(42)

IF NO
Would it be possible for you to pay some of your bills by direct debit through your bank/building society account if you wanted to or not?

	(%)	
Yes, is possible	29	
No, not possible	8	
Don't know	63	(43)

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

		(44)	
A	State pension	26	
B	Occupational pension	18	
C	Child allowance	34	
D	War Disability pension	1	
E	Income support	10	
F	One parent benefit	4	
G	Unemployment benefit	1	
H	Job seeker's allowance	3	
I	Family credit	4	
J	Disability working allowance	1	
K	Disability living allowance	5	
L	Attendance allowance	3	
M	Invalidity benefit	5	
N	Council tax benefit	20	
O	Housing benefit	17	
P	Winter fuel payments	10	
	None of these	26	(44/45)

What type of fuel do you mainly use to heat your home?

	(%)	
Coal/Solid Fuel	8	
Electricity storage radiators	9	
Other forms of electric heating	6	
Mains gas	69	
Bottled gas	1	
Oil	6	
Other	6	(46)

SHOWCARD DD (R) **Some people have difficulty heating their homes because they are draughty or badly insulated. How easy or difficult is it to adequately heat your home?**

	(%)	
Very easy	35	
Fairly easy	40	
Neither easy nor difficult	4	
Fairly difficult	13	
Very difficult	6	
Don't know	1	(47)

Location

	(%)	
Town/City	63	
Village/countryside	36	(48)

Telephone service (fixed line, ie excluding mobile phones) supplied by:

	(%)	
BT	75	
Other telecoms supplier	19	
No telephone	5	(49)

INTERVIEWER RECORD FROM APPEARANCE: DO NOT ASK

	(%)	
White	97	
Afro-Caribbean	1	
Asian	*	
Other	*	(50)

Length of Interview

	(%)	
Under 15 minutes	*	
15-19 minutes	10	
20-24 minutes	23	
25-29 minutes	38	
30-34 minutes	19	
35-39 minutes	5	
40-44 minutes	1	
45+ minutes	*	(51)

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

QA **Do you or any member of your immediate family work in the electricity or gas industry or in market research?**

	(%)		
Yes	0	CLOSE. DO NOT COUNT TO QUOTA	
No	100	ASK QB	(52)

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

	(%)		
Person most responsible	60		
Jointly responsible	40	ASK QC	
Not responsible but someone else in the household is	0	ASK TO TALK TO THE PERSON MOST RESPONSIBLE	
Not responsible, landlord pays the electricity supplier	0	CLOSE - DO NOT COUNT TO QUOTA	
Don't know	0	CLOSE - DO NOT COUNT TO QUOTA	(53)

QC **If your household were to change, say, to a new telephone, gas or electricity supplier or insurance company 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	53	GO TO Q1	
Jointly	46		
Someone else	0	ASK TO TALK TO THIS PERSON	
Don't know	0	CLOSE - DO NOT COUNT TO QUOTA	(54)

AWARENESS OF COMPETITION

Q1. **Were you aware that you can now buy electricity from suppliers other than your local electricity company?**

	(%)	
Yes	89	
No	10	
Don't know	1	(55)

Q2. SHOWCARD A (R) **(In fact, competition has recently been introduced into the domestic electricity market in this area, and is due to be introduced across the whole of Great Britain by June this year). Which of these statements best fits your awareness and understanding of these changes within the domestic electricity market?**

	(%)	
Very well informed	12	
Fairly well informed	41	
Not very well informed	28	
Not at all informed	18	
No opinion	1	(56)

SOURCES OF INFORMATION ABOUT COMPETITION

ASK THOSE AWARE OF COMPETITION AT Q1. OTHERS GO TO Q4

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

		(%)	
1	Advertising/promotional leaflets & brochures from electricity suppliers	40	
2	Advertising hoardings/posters	8	
3	Radio or TV advertisements	45	
4	Radio or TV programmes	22	
5	Caring or Advice Agency eg Age Concern, Citizen's Advice Bureau	*	
6	Door-to-door salespeople	36	
7	Exhibition stands in shopping centres/supermarkets	8	
8	Housing Association/Local Authority/Council	1	
9	Newspapers/magazines	33	
10	OFFER the electricity regulator	3	
11	Talking to relatives/friends/neighbours	17	
12	Telephone call from electricity supplier	6	
	Other (WRITE IN & CODE)	1	
	None of these	3	
	Don't know	2	(57/58)

Base: All aware of competition (1102)

CONTACT WITH ELECTRICITY SUPPLIERS

ASK ALL

Q4. SHOWCARD C(R) **Which of these companies are you aware of selling electricity in this area?** MULTICODE

Q5. SHOWCARD C(R) AGAIN **And which of these companies currently supplies your electricity?** SINGLE CODE

	Q4 Electricity Companies (%)	Q5 Current Supplier (%)	
British Gas	54	**3**	
Eastern Electricity	34	29	
Eastern Energy	3	1	
East Midlands Electricity	7	2	
Enron Direct	*	0	
Independent Energy	*	0	
London Electricity	4	2	
Manweb	10	7	
MEB	5	4	
Northern Electric & Gas	12	2	
Norweb	11	2	
Scottish Gas	13	1	
Scottish Hydro-Electric	4	*	
ScottishPower	26	15	
SEEBOARD	15	12	
Southern Electric	8	2	
SWALEC	4	1	
South Western Electricity	2	1	
Yorkshire Electricity	19	15	
Other (WRITE IN & CODE)	1	*	
Q4			
Q5			
Don't know	2	1	(59-62)

Q6. SHOWCARD D(R) **Overall, how satisfied or dissatisfied are you with the quality of service you have received from your present electricity supplier?**

	(%)	
Very satisfied	50	
Fairly satisfied	38	
Neither satisfied nor dissatisfied	7	
Fairly dissatisfied	2	
Very dissatisfied	1	
No opinion	2	(63)

Q7. SHOWCARD E(R) **In which of these ways, if any, have you had contact with the new electricity suppliers in this area?** MULTICODE OKAY

ASK IF CODED 1-4 AT Q7 ASK Q8. OTHERS GO TO Q11

Q8. SHOWCARD E(R) AGAIN **And with which, if any, of these have you had any problems?** MULTICODE OKAY

	Q7 Contact (%)	Q8 Problems (%)	
Visited by doorstep salesperson	37	12	
Telephone sales call from electricity supplier	7	1	
You have contacted the supplier to ask for information	4	1	
Leaflet through the door	29	1	
Other (WRITE IN & CODE)	1	*	
Q7			
Q8			
None of these	42	75	
Don't know	1	10	(64-65)

Q8 Base: All who have had contact with new electricity suppliers (821)

ASK ALL WHO HAVE BEEN VISITED BY A DOORSTEP SALEPERSON (CODE 1 AT Q7). OTHERS GO TO FILTER AT Q10.

Q9a. SHOWCARD F(R) **You said that you had been visited by one or more doorstep electricity salespeople. Overall, how informative was the contact that you had with these salespeople?**

	(%)	
Very informative	18	
Fairly informative	42	
Not very informative	25	
Not at all informative	8	
Don't know	8	(66)

Base: All who have been visited by a doorstep salesperson(605)

Q9b. SHOWCARD G(R) **Can I just check which, if any, of the things on this card you have personally experienced when visited by a doorstep electricity salesperson?** JUST READ OUT THE NUMBERS THAT APPLY - MULTICODE OK

		(%)
1	Salesman too pushy	29
2	Salesman tried to trick me into signing a contract	9
3	Salesman did not tell me the truth	7
4	Salesman did not tell me all the relevant information	10
5	Salesman did not know the answer to all the questions I had about changing supplier	4
6	Salesman did not leave me any written information	19
7	The information provided was unclear or confusing	8
8	The salesman called at an inconvenient time	24
	None of these	42
	Don't know	1

(67)

Base: All who have been visited by a doorstep salesperson(605)

ASK ALL WHO HAVE HAD A TELESALES CALL FROM AN ELECTRICITY SUPPLIER (CODE 2 AT Q7). OTHERS GO TO Q11

Q10. SHOWCARD H(R) AGAIN **And which, if any, of these things have you personally experienced when receiving a telesales call from an electricity supplier?** JUST READ OUT THE NUMBERS THAT APPLY - MULTICODE OKAY

		(%)
1	Salesman too pushy	2
2	Salesman tried to trick me into signing a contract	1
3	Salesman did not tell me the truth	7
4	Salesman did not tell me all the relevant information	4
5	Salesman did not know the answer to all the questions I had about changing supplier	5
6	Salesman did not offer to send me any written information	13
7	Salesman did not send me the information that I had requested	5
8	The information provided was unclear or confusing	7
9	The salesman called at an inconvenient time	36
	None of these	47
	Don't know	8

(68)

Base: All who who have had a telesales call from an electricity supplier (81)

ASK ALL

Q11. **Approximately how many electricity suppliers have you had information from, or discussions with, about supplying your electricity, including your present supplier?**

	(%)	
One	34	
Two	18	
Three	9	
Four or more	5	
None	31	
Don't know	2	(69)

Q12. **For how many electricity companies, if any, including your current electricity supplier, do you have information about their prices and other payment terms?**

	(%)		
One	33		
Two	17		
Three	5	ASK Q13	
Four or more	3		
None	39		
Don't know	4	GO TO Q14	(70)

IF CODED 1-4 AT Q12 ASK Q13a. OTHERS GO TO Q14

Q13a. SHOWCARD I(R) **How easy or difficult have you found it to compare the different prices available from the various electricity suppliers?**

	(%)		
Very easy	7		
Fairly easy	28	GO TO Q14	
Fairly difficult	19		
Very difficult	12	ASK Q13b	
Don't know	34	GO TO Q14	(71)

Base: All who have information about electricity suppliers prices and payment terms (813)

ASK IF CODED 3/4 (FAIRLY/VERY DIFFICULT) AT Q13a. OTHERS GO TO Q14

Q13b. **Why do you say that?** PROBE FULLY. WRITE IN. MULTICODE OKAY

	(%)	
Lack of information/no information to go on	49	
Nothing to compare figures to yet	27	
Confusing/not clear	29	
None of them give you an exact price	12	
Difficult to compare like with like	31	
Always say their prices are lower	8	
Difficult to understand	10	
Other (WRITE IN & CODE)	1	
Don't know	*	(72)

Base: All who find it difficult to compare prices(242)

ASK ALL

Q14. **Do you think the prices offered by the new electricity suppliers are higher or lower than those offered by your local electricity company or are they about the same?**

	(%)		
Higher	3	GO TO Q16	
Lower	25	ASK Q15	
About the same	29	GO TO Q16	
Don't know	43		(73)

IF LOWER AT Q14 ASK Q15. OTHERS GO TO Q16

Q15. **Approximately what percentage reduction in your electricity bill do you think you could get by switching from your local electricity supplier to one of the new suppliers?**

	(%)	
1-4%	3	
5-9%	12	
10-14%	22	
15-19%	8	
20-24%	4	
25-34%	3	
35%+	*	
Don't know	48	(74-76)

Base: All who think alternate supplier prices are lower (446)

SWITCHING ELECTRICITY SUPPLIER (ASK ALL)

Q16. **Have you changed or signed a contract to change electricity supplier since the electricity market was opened up to competition?**

	(%)		
Yes, changed or signed contract	5	= SWITCHER (ASK Q28-35)	
No	95	= NON SWITCHER (ASK Q17-27)	
Don't know	0	GO TO Q36	(77)

NON-SWITCHERS SECTION (Q17-Q27 TO BE ASKED OF THOSE CODED '2' AT Q16 . OTHERS GO TO FILTER AT Q28)

Q17. **What are your main reasons for staying with your current supplier**? DO NOT PROMPT. MULTICODE OKAY

IF CODED '18' AT Q17 GO TO Q19. OTHERS ASK Q18

Q18. SHOWCARD J (R) **Which of these, if any, had an influence on your decision?** MULTICODE OKAY

		Q17 Spontaneous (%)	Q18 Prompted (%)
1	Unable to change	1	2
2	Was/am in arrears with current supplier	*	1
3	See no reason to change/satisfied with current supplier	66	76
4	Can't be bothered/changing is too much hassle	14	29
5	The savings would not be sufficient for me to change supplier	4	15
6	Waiting to see what happens	4	15
7	Suspicious that lower prices will not be maintained	3	23
8	Suspect that other suppliers will offer poorer service than current supplier	2	8
9	Did not know I could change supplier	4	6
10	Do not know how to change	1	5
11	Have not been approached by another supplier	5	13
12	Don't know enough about other suppliers	6	23
13	Don't trust other suppliers	1	6
14	Advertising/promotional material from current supplier	0	0
15	May get locked into a contract	*	4
16	Would have to change payment method	1	7
17	Bad experience with changing or trying to change gas or electricity supplier	1	2
18	I have not made the decision to stay with my current supplier	4	5
	Other (WRITE IN) Q17	1	1
	Q18		
	Don't know	3	1

(78-81)

Base: All non-switchers (849)

MORI

CARD 2	10

IF FOUND WAS UNABLE TO SWITCH AT Q17 OR Q18 (CODE 1) ASK Q19. OTHERS GO TO Q21

Q19. **Why were you unable to change supplier?** DO NOT PROMPT. MULTICODE OKAY

		(%)	
1	Told that if you are in debt you can't change supplier	9	
2	New supplier did not seem interested in having me	0	
3	Current supplier made it difficult for me to leave	1	
4	No suitable payment method offered	6	
5	Had to change payment method	0	
	Other (WRITE IN)	27	
	Can't recall	60	(11)

Base: All those who were unable to change supplier (16)

IF TOLD COULD NOT MOVE BECAUSE IN DEBT AT Q19 (CODE 1) ASK Q20. OTHERS GO TO Q21

Q20. **Who told you this?** DO NOT PROMPT. MULTICODE OKAY

	(%)	
Current supplier	0	
New supplier	76	
Family/friends	0	
Read it/heard it somewhere	0	
Other (WRITE IN & CODE)	0	
Can't recall	24	(12)

Base: All those who were told they could not change supplier due to debt (4)

ASK ALL NON-SWITCHERS

Q21. SHOWCARD K(R) **How likely are you to change your electricity supplier in the next 12 months?**

	(%)	
Certain to	1	
Very likely	2	
Fairly likely	8	
Fairly unlikely	17	
Very unlikely	34	
Certain not to	29	
Don't know	10	(13)

Base: All non-switchers (849)

Q22. **If you were to change suppliers, what factors would be most important to you when choosing a new electricity supplier?** DO NOT PROMPT. MULTICODE OKAY

Q23. SHOWCARD L(R) **And which 2-3 of these factors would be most important?.** JUST READ OUT THE NUMBERS THAT APPLY. CODE UP TO 3 RESPONSES.

		Q22 Spontaneous (%)	Q23 Prompted (%)	
1	Reduced cost of electricity	69	81	
2	Quality of service	22	51	
3	Experience of supplier in electricity supply	1	9	
4	Well known company	4	22	
5	Positive overall image of the company	*	4	
6	Reliable/trustworthy company	10	32	
7	Ability to have gas and electricity from the same company	1	9	
8	Choice of convenient payment methods	8	21	
9	Experience of people I know	1	7	
10	Ease of switching	4	17	
11	Special offers (eg tokens, loyalty card points, air miles)	1	7	
	Other (WRITE IN & CODE) Q22	*	*	
	Q23			
	Don't know	17	8	(14-17)

Q24. **Approximately what percentage reduction in your electricity bill, if any, would be sufficient for you to consider switching supplier?** PROBE FULLY. WRITE IN.

	(%)	
0%	3	
1-4%	*	
5-9%	4	
10-14%	19	
15-19%	6	
20-24%	14	
25-34%	14	
35-44%	1	
45%+	4	
Anything	2	
Don't know	32	(18-20)

Q25. **What information would you need to have to be able to choose a new electricity supplier?** DO NOT PROMPT. MULTICODE OKAY

	(%)	
Price	66	
Standard of service	31	
Reliability	29	
Continuity of supply	7	
Experience of company in electricity supply	7	
Guarantee that price differential will be maintained	17	
Other (WRITE IN)	*	
Don't know	16	(21)

Q26. SHOWCARD M(R) **How easy or difficult do you think it is to change electricity supplier?**

	(%)		
Very easy	27	GO TO Q36	
Fairly easy	46		
Fairly difficult	4		
Very difficult	2	ASK Q27	
No opinion	22	GO TO Q36	(22)

IF DIFFICULT AT Q26 ASK Q27. OTHERS GO TO Q36

Q27. **Why do you say that?** DO NOT PROMPT. MULTICODE OKAY

	(%)	
Causes too much admin/paperwork	23	
From what I've heard it's difficult	19	
Too much hassle	34	
Problems with billing	13	
Do I need to have new wires?	13	
Other (WRITE IN & CODE)	20	
Don't know	7	(23)

Base: All who think it is difficult to change electriicty supplier (61)

SWITCHERS SECTION (ASK Q28-35 OF THOSE CODED '1' AT Q16 . OTHERS GO TO Q36)

Q28. **What were the main reasons why you decided to change your electricity supplier?** DO NOT PROMPT. MULTICODE OKAY

Q29. SHOWCARD N(R) **Which of these reasons, if any, influenced your decision?** JUST READ OUT THE NUMBERS THAT APPLY - MULTICODE OKAY

		Q28 Spontaneous (%)	Q29 Prompted (%)	
1	Cheaper prices	76	83	
2	Better service from new supplier	7	11	
3	Poor service from previous supplier	3	5	
4	Bad media reports about previous supplier	0	*	
5	Good media reports about new supplier	1	4	
6	Persuasive salesman	9	18	
7	Advertising by new electricity supplier	*	6	
8	Ability to buy gas and electricity from the same company	17	47	
9	Recommendations from friends/acquaintances	2	6	
10	Special offers (eg vouchers, airmiles)	1	8	
	Other (WRITE IN) Q28	4	4	
	Q29			
	Don't know	1	1	(24-25)

Q30. SHOWCARD I(R) AGAIN **How easy or difficult was it for you to leave your last electricity supplier?**

	(%)		
Very easy	59	GO TO Q32	
Fairly easy	21		
Fairly difficulty	4	ASK Q31	
Very difficult	4		
Don't know	12	GO TO Q32	(26)

IF DIFFICULT ASK Q31. OTHERS GO TO Q32

Q31. **Why do you say that?** PROBE FULLY. WRITE IN.

ANY ANSWER (WRITE IN AND CODE '1') 1

RESULTS IN TABLES

None/no answer X

Don't know Y (27-29)

ASK ALL SWITCHERS

Q32. **Did you feel misled in any way by any of the information you received from your new supplier?**

	(%)		
Yes	15	GO TO Q33	
No	78	GO TO Q34	
Don't know	6	GO TO Q34	(30)

Base: All switchers (363)

IF YES ASK Q33. OTHERS GO TO Q34

Q33. **In what way(s) were you misled?** DO NOT PROMPT. MULTICODE OKAY

	(%)	
Paying more than expected	13	
Pressurised into changing	21	
Certain things were not mentioned	45	
I thought I was signing for information only	15	
Took longer than thought/waiting for things to happen	13	
Other (WRITE IN)	5	
Can't recall	4	(31)

Base: All those who feel they were misled (52)

ASK ALL SWITCHERS

Q34. **Have you changed electricity supplier more than once since competition was introduced or only the once?**

	(%)	
More than once	7	
Only once	93	(32)

Base: All switchers (363)

Q35. SHOWCARD K(R) AGAIN **How likely or unlikely are you to switch electricity supplier again in the next 12 months?**

	(%)
Certain to	2
Very likely	4
Fairly likely	5
Fairly unlikely	20
Very unlikely	31
Certain not to	21
Don't know	18

(33)

Base: All switchers (363)

METHOD OF PAYMENT (ASK ALL)

Q36. SHOWCARD O(R) **In which of these ways do you normally pay for your electricity? (If you have signed a contract to change supplier, which method will you use?).** SINGLE CODE

SWITCHERS ONLY (CODE 1 AT Q16). OTHERS GO TO Q38

Q37. SHOWCARD O(R) AGAIN **And how did you pay before you changed electricity supplier?** SINGLE CODE

ASK ALL

Q38. SHOWCARD O(R) AGAIN **And which of these methods of payment does your present electricity supplier offer?** MULTICODE OKAY

Q39. SHOWCARD O(R) AGAIN **And which do you think your present electricity supplier should offer?** MULTICODE OKAY

		Q36 Current (%)	Q37 Past (%)	Q38 Offers (%)	Q39 Should Offer (%)	
	Quarterly					
1	-Cash/cheque	29	28	70	64	
2	-Direct debit	8	10	65	60	
3	-Standing order	1	1	43	47	
4	-Credit card	0	0	31	41	
	Monthly					
5	-Cash/cheque	2	3	49	52	
6	-Direct debit	23	40	64	58	
7	-Standing order	1	1	39	45	
8	Credit card	*	0	25	37	
9	Regular weekly/fortnightly cash scheme	3	1	22	37	
10	Savings stamps	1	*	36	47	
11	Fuel direct/deductions from income support	1	0	19	35	
12	Budget card/budget plan/pay as you go	6	4	34	44	
13	Prepayment meter (card, key or token)	25	8	53	54	
	Other (WRITE IN & CODE)	1	1	*	1	
	Q36					
	Q37					
	Q38					
	Q39					
	Don't know	*	2	7	16	(34-41)

Q37 Base: All switchers (363)

IF DIFFERENT CODE AT Q36 AND Q37 ASK Q40. OTHERS GO TO FILTER AT Q41

Q40. **You say that you now pay in a different way than you did before you changed electricity suppliers. Were you required to change your method of payment by your electricity supplier or was pressure placed on you to do so although you weren't actually required to change?** SINGLE CODE

	(%)	
Required to change	10	
Pressure to change	3	
Neither	62	
Don't know	24	(42)

Base: All who changed payment method when switched (85)

IF CODED IN BOXED AREA AT Q36 (ITEMS 10-13) ASK Q41. OTHERS GO TO Q42

Q41. SHOWCARD P(R) **How often do you pay for the electricity you use or buy tokens/cards/recharge your key?** IF VARIES PROBE: **What do you do most often?** SINGLE CODE

	(%)	
Several times a week	11	
About once a week	49	
Several times a month	11	
About once a month	5	
About once a quarter	1	
Don't know	23	(43)

Base: All who pay by card/token/stamps (384)

ASK ALL

Q42. **Why do you pay your electricity bill by. . . .** (READ OUT RESPONSE AT Q36) DO NOT PROMPT. MULTICODE OKAY

	(%)	
Easy/Convenient	67	
No bank account	1	
Best way of budgeting	25	
Dislike Direct Debit	3	
Have control over payments	11	
Pay when bill arrives	6	
Always paid in this way	15	
Pay for what I have used, when I have used it	6	
Cheaper	5	
Can't forget to pay	2	
Already here when moved in	1	
Had no choice	2	
Other (WRITE IN & CODE)	*	
Don't know	2	(44)

Q43. **Is this the cheapest method of payment offered by your electricity supplier?**

	(%)		
Yes, cheapest	35	GO TO Q45	
No, not the cheapest	24	ASK Q44	
Don't know	41	GO TO Q45	(45)

IF NOT THE CHEAPEST AT Q43 ASK Q44. OTHERS GO TO Q45

Q44. **What are your main reasons for not choosing a cheaper method of payment offered by your supplier?** DO NOT PROMPT. MULTICODE OKAY

	(%)	
Easy/Convenient	34	
No bank account	2	
Best way of budgeting	28	
Dislike Direct Debit	17	
Prefer to have control over payments	24	
Pay when bill arrives	4	
Haven't got round to it	4	
Prefer to pay for what I have used, when I have used it	13	
Suits the way I prefer to pay	22	
Unable to pay by direct debit	1	
Not allowed to pay by direct debit	0	
Other (WRITE IN & CODE)	3	
Don't know	3	(46-47)

Base: All who do not pay by the cheapest payment method (251)

ASK ALL

Q45. SHOWCARD Q(R) **Overall, how satisfied are you with the method you use to pay for electricity?**

	(%)		
Totally satisfied	37		
Very satisfied	41		
Fairly satisfied	15		
Neither satisfied nor dissatisfied	2		
Fairly dissatisfied	2	ASK Q46	
Very dissatisfied	*		
Totally dissatisfied	1		
Don't know	3	GO TO Q47	(48)

ASK ALL CODED 1-7 AT Q45. OTHERS GO TO Q47

Q46. Why do you say that? PROBE FULLY. WRITE IN.

ANY ANSWER (WRITE IN AND CODE '1')	1	
None/no answer	X	
Don't know	Y	(49-51)

ASK ALL

Q47. SHOWCARD R(R) **Using the answers on this card, can you tell me if you agree or disagree with the following statements?** READ OUT ROTATE ORDER. TICK START

			Strongly agree (%)	Tend to agree (%)	Neither (%)	Tend to disagree (%)	Strongly disagree (%)	Don't know/no opinion (%)	Not applic-able (%)	
❑	A	It's sometimes hard to pay for the electricity we use	3	12	4	31	48	2	1	(52)
	B	With my bills I frequently feel I'm 'robbing Peter to pay Paul'	5	12	5	28	46	2	1	(53)
❑	C	I would like to know more about the different ways of paying for electricity	6	17	9	27	38	2	1	(54)
	D	I am often unable to pay for my electricity within the time required	1	3	2	20	66	2	5	(55)
❑	E	I currently have an outstanding debt with my electricity supplier which is more than 6 months old	2	2	1	11	79	2	4	(56)

ASK Q48 OF ALL **WITHOUT** PREPAYMENT METERS (ie ALL **EXCEPT** ITEM 13 AT Q36) . THOSE WHO PAY BY PREPAYMENT METER (ITEM 13 AT Q36) GO TO Q50

Q48. **Do you ever receive estimated bills nowadays?**

	(%)		
Yes	70	ASK Q49	
No	22		
Don't know	9	GO TO Q67	(57)

Base: All without a prepayment meter (909)

IF YES AT Q48 ASK Q49.

Q49. **Have you had a problem in the last year caused by an estimated bill which is a) too high or b) too low?**

	a) Too high (%)	b) Too low (%)	
Yes	9	4	
No	90	94	
Don't know	1	2	(58-59)

Base: All who receive estimated bills (612)

PREPAYMENT METERS (ASK ALL WITH PREPAYMENT METERS (ITEM 13 AT Q36). OTHERS GO TO Q67)

Q50. SHOWCARD S(R) **Thinking about your prepayment meter, which of these statements best describes why you first obtained it?** SINGLE CODE

		(%)	
1	I asked for one because I had difficulty paying my bills	24	
2	I asked for one for some other reason	19	
3	It was already here when I moved in	43	
4	The company insisted on installing it because we were in arrears	3	
5	The company insisted on installing it for some other reason	2	
	Other reason (WRITE IN & CODE '6')	*	
	Don't know	8	(60)

Base: All with pre-payment meters (295)

Q51. SHOWCARD T(R) **Have you had any problems in the last 12 months with any of the following?** JUST READ OUT THE NUMBERS THAT APPLY - MULTICODE OK

		(%)		
1	The distance you have to travel to buy charges/tokens or recharge your key	7		
2	The times when recharging facilities are open	7		
3	Recharging facilities being unexpectedly unavailable	5	ASK Q52	
4	Token/card/key not working properly in your meter	7		
5	Meter itself not working properly	5		
6	Meter set to collect too much money	6		
7	Don't understand the meter	3		
8	Position of the meter	6		
	None of these	61		
	Don't know	8	GO TO Q56	(61)

Base: All with pre-payment meters (295)

IF HAD ANY PROBLEMS AT Q51 (CODES 1-8). OTHERS GO TO Q56

Q52. SHOWCARD U(R) **How inconvenient was this for you?**

	(%)	
Very inconvenient	32	
Fairly inconvenient	38	
Not very inconvenient	25	
Not at all inconvenient	5	
Don't know	1	(62)

Base: All who have had problems with prepayment meter (82)

IF CODE 6 AT Q51 ASK Q53. OTHERS GO TO FILTER AT Q55

Q53. **Did you contact the electricity company to query the meter being set to collect too much money?**

	(%)		
Yes	62	ASK Q54	
No	38	GO TO FILTER AT Q55	
Don't know	0		(63)

Base: All who believe meter was/is set to collect too much money (15)

IF YES AT Q53 ASK Q54. OTHERS GO TO FILTER AT Q55.

Q54. SHOWCARD V(R) **How helpful were they?**

	(%)	
Very helpful	65	
Fairly helpful	7	
Not very helpful	6	
Not at all helpful	22	
Don't know	0	(64)

Base: All who queried amount (12)

IF CODE 4 AT Q51 ASK Q55. OTHERS GO TO Q56

Q55. **Would you say the electricity company responded quickly enough when they told you that the token/card/key was not working properly in your meter?**

	(%)	
Yes	52	
No	42	
Don't know	0	
Did not contact	6	(65)

ASK ALL WITH PREPAYMENT METER.

Q56. **What is the maximum time you feel it would be reasonable to have to wait to get:?** READ OUT

A faulty token/card/key repaired/replaced	(%)	
1	7	
2	15	
3-6	6	
7-12	8	
13-24	28	
24+	10	
Don't know	26	(66-67)

Recharging facilities or vending facilities repaired	(%)	
1	5	(68-69)
2	11	
3-6	10	
7-12	7	
13-24	22	
24+	7	
Don't know	37	

Q57. **Do you think the electricity company should have to pay a penalty of say £20 to you if:** READ OUT

		Yes (%)	No (%)	Don't know (%)	
A	**A faulty token/card/key is not replaced within** (READ OUT ANSWER AT Q56. IF DON'T KNOW AT Q56 READ OUT 'WITHIN A SPECIFIED TIME')	77	7	16	(70)
B	**Your normal recharging or vending facilities are unexpectedly unavailable and not repaired within** (READ OUT ANSWER AT Q56. IF DON'T KNOW AT Q56 READ OUT 'WITHIN A SPECIFIED TIME')	64	4	32	(71)

Base: All with pre-payment meters (295)

Q58. **In the last 12 months, how many times have you run out of electricity?**

	(%)		
Once	9		
Twice	9		
Three times	3		
Four times	*		
Five or more times	7	ASK Q59	
None	60		
Can't recall	13	GO TO Q61	(72)

Base: All with pre-payment meters (295)

IF CODED 1-5 ASK Q59. OTHERS GO TO Q61

Q59. SHOWCARD W(R) **What have been the reasons for this?** MULTICODE OKAY

		(%)	
A	You did not have enough money at the time	21	
B	You were waiting for a benefit payment	6	
C	You were deliberately cutting down on electricity to save money	1	
D	Your nearest recharging facilities were closed and others were too far away or inconvenient	18	
E	Other (WRITE IN & CODE)	3	
	Don't know	56	(73)

Base: All who have run out of electricity (90)

Q60. **On average, how long were you without electricity each time?**

	(%)	
Less than one hour	34	
One to two hours	25	
Two to five hours	9	
Five to ten hours	13	
Ten to twenty hours	11	
More than twenty hours	8	
Can't recall	*	(74)

Base: All who have run out of electricity (90)

ASK ALL WITH PREPAYMENT METER.

Q61. **Do you generally use less electricity than you really need to use?**

	(%)	
Yes	20	
No	69	
Don't know	11	(75)

Base: All who have a prepayment meter (295)

Q62. **Have you been informed at any time that you could go back to a normal credit meter?**

	(%)	
Yes	25	
No	66	
Don't know	9	(76)

Base: All who have a prepayment meter (295)

Q63. **If this option was offered to you at no charge would you take it?**

Q64. **And if this option meant a reduction in the price you had to pay for electricity, would you take it?**

	Q63 No charge (%)	Q64 Reduction in price (%)	
Yes	11	22	
No	71	55	
Don't know	18	22	(11-12)

Base: All PPM customers (295)

Q65. **Could you please tell me whether you agree or disagree with the following statements?** READ OUT. ROTATE ORDER. TICK START

			Agree (%)	Disagree (%)	Don't know (%)	
❑	A	**There are not enough accessible places to obtain tokens/cards or get keys charged**	43	48	9	(13)
	B	**The payment is frequently not available in small enough amounts**	9	82	9	(14)
❑	C	**Paying off any arrears by adjusting the meter is a good idea**	68	9	23	(15)
	D	**I frequently have to use the emergency credit on my meter**	34	57	9	(16)
❑	E	**I currently have a debt on my electricity pre-payment meter**	4	87	10	(17)

Base: All PPM customers (295)

ASK ALL WHO AGREE AT Q65B). OTHERS GO TO Q67

Q66. **What is the minimum unit of payment that would be acceptable to you?** DO NOT PROMPT

	(%)	
£1	22	
2	33	
3	25	
4	0	
5	15	
6	0	
7	0	
8	0	
9	0	
10	*	
Larger than £10	0	
Don't know	3	(18)

Base: All who think payment is not available in small enough denominations (34)

AWARENESS OF ASPECTS OF ELECTRICITY COMPETITION (ASK ALL)

Q67. **I am now going to read out a number of statements relating to the electricity 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. ROTATE ORDER TICK START

			True (%)	False (%)	Don't know (%)	
❑	A	All electricity suppliers operate a scheme which provides special services for the elderly and disabled	31	24	45	(19)
	B	Those in debt with their current electricity supplier may not be able to change to a new supplier	50	13	37	(20)
	C	Customers need to pay their electricity bill by direct debit if they want to change electricity supplier	12	60	29	(21)
	D	Some companies allow you to choose the amount you wish to pay per month on a direct debit scheme	48	19	33	(22)
❑	E	All of the electricity suppliers offer advice on energy efficiency	68	11	22	(23)
	F	All electricity suppliers will offer help to those who have difficulty paying their bills	65	9	25	(24)
	G	I would need to pay someone to help me change electricity supplier	6	78	16	(25)
	H	Customers need to have new electricity cables to their homes if they want to change electricity supplier	4	77	18	(26)
❑	I	Some suppliers offer additional discounts for those who buy both their gas and electricity from them	73	4	23	(27)

Q68. SHOWCARD X(R) If you were to buy **gas and electricity from the same company, which of these would you prefer?** SINGLE CODE

		(%)	
A	Joint bill with gas and electricity charges combined	11	
B	Joint bill with gas and electricity charges given separately	32	
C	Prefer separate bills	40	
	Would not buy from the same company	6	
	Don't know	9	(28)

ROLE OF REGULATOR (ASK ALL)

Q69. SHOWCARD R(R) AGAIN **Can you please tell me whether you agree or disagree with the following statements?** READ OUT. ROTATE ORDER. TICK START

			Strongly agree (%)	Tend to agree (%)	Neither (%)	Tend to disagree (%)	Strongly disagree (%)	Don't know/no opinion (%)	
❑	A	**It's better to have a choice of supplier than to be tied to one company**	32	43	7	8	3	6	(29)
	B	**If electricity prices fall the standard of service will suffer**	4	18	9	47	12	10	(30)
	C	**I don't trust many of the new electricity companies**	12	22	22	23	5	16	(31)
❑	D	**Even with competition we still need an independent organisation, such as a regulator, to look after the interests of customers**	65	29	2	1	1	2	(32)
	E	**I don't feel I can get any benefits from competition in the electricity market**	11	22	14	31	11	11	(33)
	F	**I feel I understand broadly how the new electricity market works**	10	38	9	23	16	4	(34)
❑	G	**There should be official standards in the electricity market to guarantee the quality of service given by suppliers to their customers**	66	30	1	1	1	2	(35)

Q70. **Currently, £1 is added to the bills of all electricity customers, regardless of who their supplier is, to fund energy efficiency measures such as home insulation, for a range of households, including those on low incomes.**

SHOWCARD Y(R) **Are you in favour or opposed to this scheme?**

	(%)	
Strongly in favour	19	
Tend to favour	35	
Neither favour nor oppose	13	
Tend to oppose	18	
Strongly oppose	14	
No opinion	2	(36)

Q71a. **Have you, yourself, ever been offered such energy efficiency services?**

	(%)		
Yes	13	ASK Q71b	
No	84	GO TO Q72	
Don't know	3		(37)

IF YES ASK Q71b. OTHERS GO TO Q72.

Q71b. **Did you take advantage of this offer or not?**

	(%)		
Yes	50		
No	49		
Don't know	1		(38)

Base: All who have been offered energy efficiency advice (147)

THE GAS MARKET (ASK ALL)

Q72 **Is your household connected to mains gas or not?**

	(%)		
Yes	72	ASK Q73	
No	28	GO TO DEMOGRAPHICS	(39)

Q73. **And moving on to questions about the gas market. Have you changed your gas supplier since competition was introduced, or not?**

	(%)		
Yes, changed	27	= GAS SWITCHER	
No, not changed	73		
Don't know	*		(40)

ASK ALL WITH MAINS GAS (CODE 1 AT Q72)

Q74. SHOWCARD O(R) AGAIN **In which of these ways do you normally pay for your gas? If you have signed a contract to change supplier which method will you use?** SINGLE CODE

GAS SWITCHERS ONLY (CODE 1 AT Q73)

Q75. SHOWCARD O(R) AGAIN **How did you pay your gas bills before you changed supplier?** SINGLE CODE

		Q74 Spontaneous (%)	Q75 Prompted (%)	
	Quarterly			
1	Cash/cheque	30	35	
2	Standing order	8	6	
3	Direct debit	1	1	
4	Credit card	0	*	
	Monthly			
5	Cash/cheque	2	2	
6	Direct debit	31	28	
7	Standing order	1	1	
8	Credit card	*	*	
9	Regular weekly/fortnightly cash scheme	3	4	
10	Savings stamps	1	3	
11	Fuel direct/deductions from income support	2	1	
12	Budget card/budget plan/pay as you go	8	8	
13	Prepayment meter (Card, Key or token)	11	13	
	Other (WRITE IN)	*	*	
	Q74			
	Q75			
	Don't know	2	1	(41-44)

Q74 Base: All with mains gas (1006)

Q75 Base: All gas switchers (330)

IF DO **NOT** HAVE A PREPAYMENT METER AT Q74. OTHERS GO TO FILTER AT Q77

Q76. **Would you like a gas prepayment meter?**

	(%)	
Yes	5	
No	87	
Don't know	9	(45)

Base: All who do not have a gas prepayment meter (859)

ASK ALL GAS SWITCHERS (CODE 1 AT Q73). OTHERS GO TO DEMOGRAPHICS

Q77. SHOWCARD Z(R) **Has/did your experience of changing gas supplier made/make you more or less likely to change your electricity supplier or has/did it made/make no difference?**

	(%)		
Much more likely	5		
A little more likely	10		
No difference	67	ASK Q78	
A little less likely	7		
Much less likely	7		
Changed electricity supplier before changed gas supplier	*	GO TO Q79	
Don't know	4		(46)

Base: All gas switchers (330)

ASK ALL WITH AN OPINION AT Q77. OTHERS GO TO Q79

Q78. **Why do you say that?** WRITE IN PROBE FULLY. WRITE IN.

ANY ANSWER (WRITE IN AND CODE '1') 1

RESULTS IN TABLES

None/no answer X

Don't know Y (47-49)

ASK ALL GAS OR ELECTRICITY SWITCHERS (CODE 1 AT Q16 OR CODE 1 AT Q73). OTHERS GO TO DEMOGRAPHICS

Q79. **Are your gas and electricity supplied by the same company?**

	(%)		
Yes	38	ASK Q80	
No	47		
Don't know	15	GO TO DEMOGRAPHICS	(50)

Base: All gas or electricity switchers (535)

IF YES AT Q79 ASK Q80. OTHERS GO TO DEMOGRAPHICS

Q80. **Were you offered an additional discount as a result of this, that is, because you get both your gas and electricity from this company?**

	(%)	
Yes	54	
No	36	
Don't know	10	(51)

Base: All with Dual Fuel (208)

NOW TURN TO THE DEMOGRAPHIC PAGES