Household Consumer Perceptions of the energy market

Wave 3: Quarter 2 2019

Accent is registered to the market, opinion and social research International Standard ISO 2025

Contents

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Background and method

Background

- This report presents findings from a tracking survey commissioned jointly by Ofgem and Citizens Advice.
  - The Gas and Electricity Markets Authority (GEMA) is the regulator of Britain's gas and electricity markets. Its principal objective is to protect the interests of both current and future consumers. Ofgem carries out the day to day functions of GEMA.
  - Citizens Advice helps millions of people every year to find a way forward, across all sectors, whatever their problems. This informs its role as the statutory energy consumer advocate, fighting for the best outcomes for current and future consumers.

- The tracker is a representative survey of domestic energy bill-payers across Great Britain. It provides Ofgem and Citizens Advice with ongoing measures of consumer engagement in and experiences of the energy market.

Methodology

- Data was collected using a mixed-mode survey of 3,236 domestic energy bill-payers in Great Britain (GB). Fieldwork was carried out using:
  - An online survey via a commercial online panel (n = 2,936)
  - A face-to-face in-home survey with the digitally excluded population (n = 300). Participants were considered to be digitally excluded if they did not have access to the internet or had not used the internet in the previous six months.
- All participants were responsible (solely or jointly) for the energy bills in their household or for choosing their energy supplier.
- The survey used quotas to achieve a sample representative of the GB bill-payer population. Quotas were set on age, gender, social grade and region. Data were weighted to the known profile of the GB population. Quotas (other than gender) were based on census Household Reference Person (HRP)*, as a proxy for bill-payer.

* https://www.nomisweb.co.uk/datasets/st067

Fieldwork Dates

- Fieldwork dates for each of the three waves of the survey completed are shown below:

Fieldwork	Wave 1 (Q4 2018)	Wave 2 (Q1 2019)	Wave 3 (Q2 2019)
Online	24th October – 11th November	29th January – 6th February	26th March - 15th April 2019
Face-to-Face	24th October – 13th November	31st January – 17th February	1st – 16th April 2019

Comparisons between survey waves

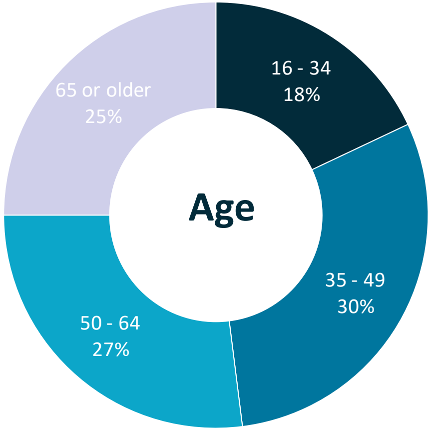
- This report presents results for the third tracking wave (Q2 2019)
- As the survey involved sampling a selection, rather than the whole population, of energy consumers, confidence intervals apply to the results. These confidence intervals indicate, for a given sample size and a given survey result, the degree of confidence we can have that the survey result is real and not due to random chance. For the total sample on which these results are based (n=3,236), there is a confidence interval of +/-2% (i.e. if 50% of survey respondents are satisfied with a statement, then the proportion in the population could lie between 48% and 52%).
- Confidence intervals also apply when comparing results between waves. Where there are statistically significant differences in findings to previous waves (i.e. we have statistical confidence that a real change has occurred), these are indicated. Where only wave three results are shown, there are no statistically significant differences in findings from previous waves.
- All measures of statistical significance have been tested at the 95% confidence level.

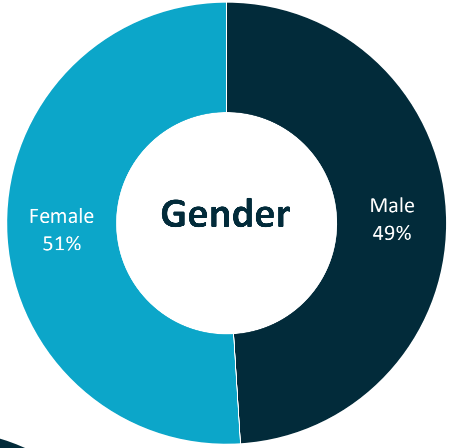
Contextualising the survey results: Key events in the retail energy market from Q1 2019 – Q2 2019

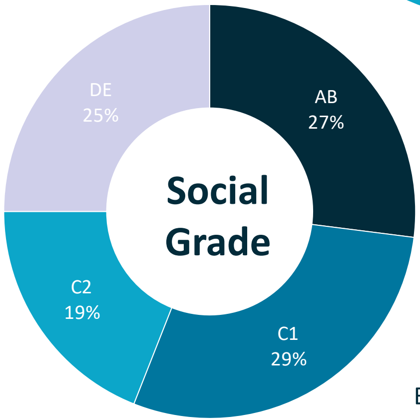
- Amendment of the levels of the default tariff and pre-payment price caps:
  - In February, Ofgem announced an increase in both price caps, which came into effect on 1 April 2019. Consequently, some customers received price increase notifications which may have affected their perceptions of the market.
- Suppliers exiting the market:
  - Seven energy suppliers exited the market between October 2018 and March 2019. All customers of these suppliers were migrated to a new supplier without any loss of supply, although it is possible that the experience has affected their perceptions of suppliers.

Sample profile

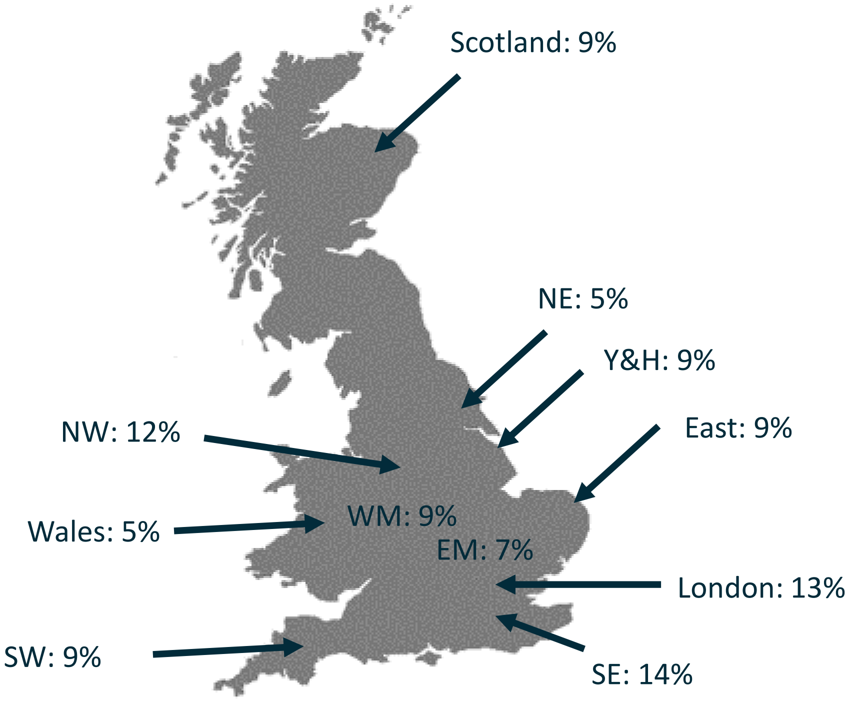
Sample profile







Region

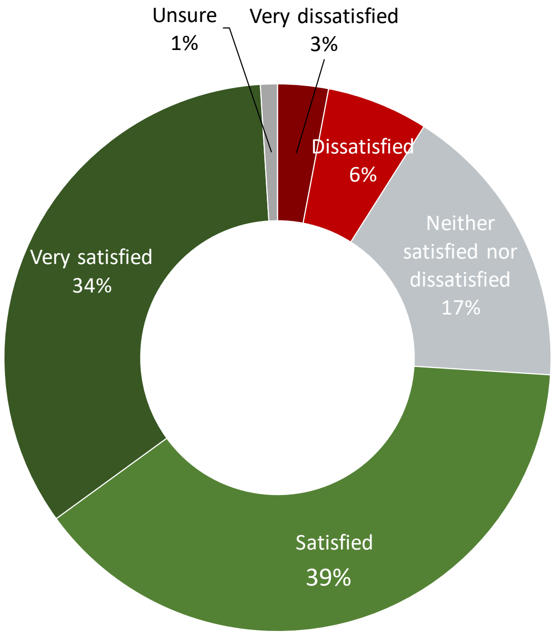


Base: All Participants (3,236)

Satisfaction with supplier

Overall satisfaction with supplier

73% are satisfied with their supplier.



- Satisfaction is higher among:
  - Those aged 65+ (79%) vs aged 16-64 (71%)
  - Those on a fixed tariff (76%) vs SVT (69%)
  - Customers paying by direct debit (76%) vs PPM* (68%) or standard credit (65%)
  - Those who have not contacted their supplier in last 3 months (76%) vs those who have (71%)
  - Those who have switched tariff or supplier in the past (76%) vs never switched (69%)
- These patterns are consistent with those seen in previous survey waves

Overall, how satisfied or dissatisfied are you with (...) as your supplier of (gas/electricity/gas and electricity)?
Base: All Participants (3,236)

* PPM = Pre-payment meter

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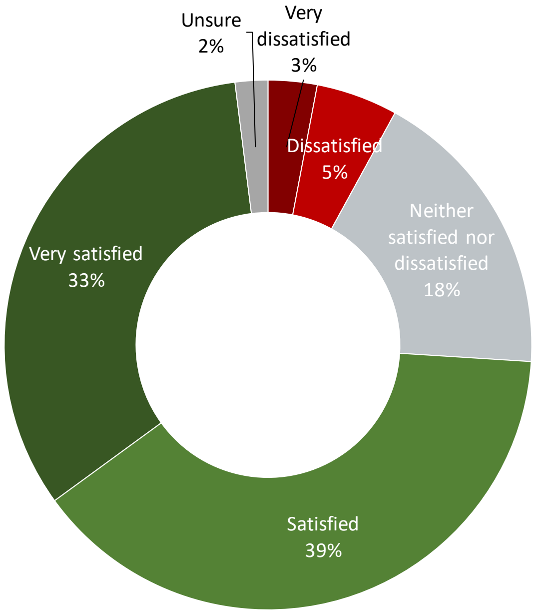
Overall satisfaction is trending down over time

- Over time, satisfaction with suppliers overall has trended downward.
- Wave on wave the proportion who are satisfied overall has declined among the following groups:
  - Customers on a fixed tariff (from 79% in Q4 2018 to 76% in Q1 2019)
  - Customers living in Scotland (from 77% in Q4 2018 to 73% in Q2 2019)*

* Satisfaction among Scottish customers has declined wave on wave, and is now the same as among customers living in England.

Satisfaction with customer service

72% are satisfied with customer service

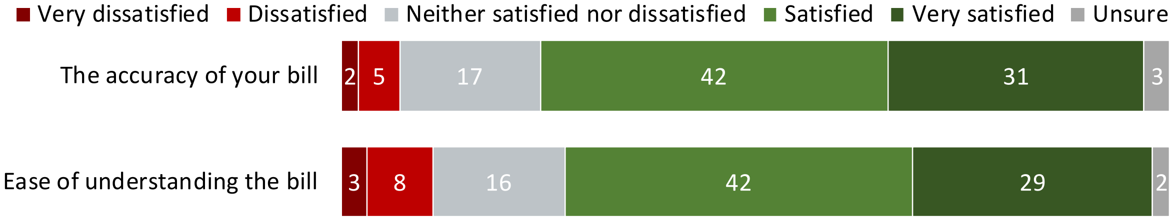


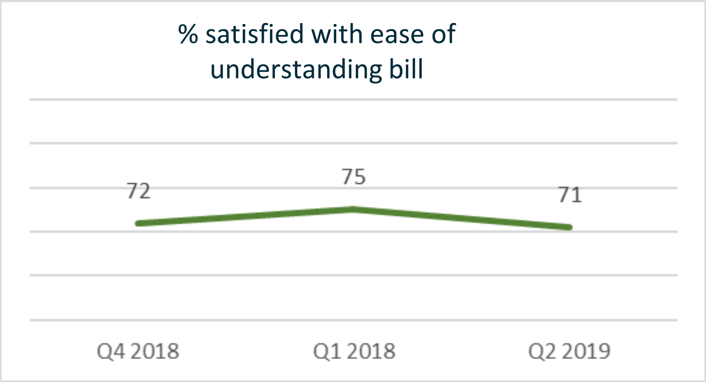
- Satisfaction with customer service is higher among:
  - The digitally excluded (82%) vs online (71%)
  - Those with a smart meter (74%) vs without a smart meter (70%)
  - Customers paying by direct debit (73%) vs standard credit (67%) or PPM (67%)

Overall, how dissatisfied or satisfied are you with the customer service you have received from your energy supplier?
Base: All Participants (3,236)

Satisfaction with bill

Over 70% are satisfied with accuracy and ease of understanding bills





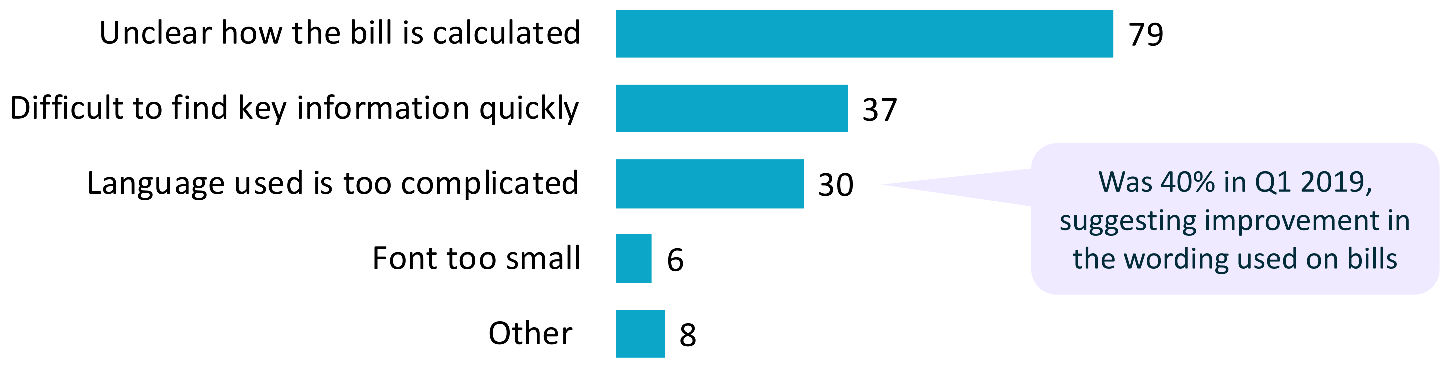
- ‘% satisfied’ with ease of understanding is <u>lower</u> among those:
  - Without a smart meter (70%) vs with a smart meter (74%)
  - Unaware or don’t understand the price cap (69%) vs aware of and understand it (78%)
  - Who have a disability (68%) vs those without (73%)
  - From a C2DE social grade (67%) vs ABC1 (74%)
  - Dissatisfied overall with their supplier (32%) vs satisfied (82%)

Please can you tell me how dissatisfied or satisfied you are with the following aspects of your energy supplier`s bills?

Base: Those who pay for their energy with a regular direct debit or standing order or with cash/cheque/credit card/BACS/App (2,701)

Reasons for dissatisfaction with ease of understanding the bill

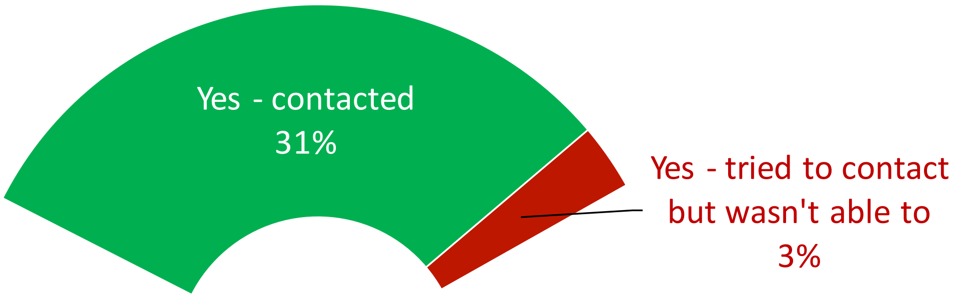
Clarity of calculation of bill continues to be the most common problem



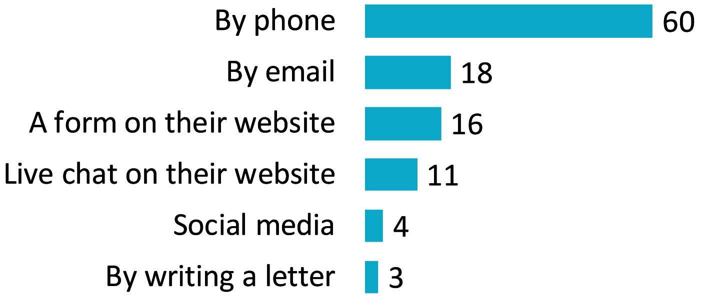
Why are you very dissatisfied/dissatisfied with the ease of understanding your bill from your energy supplier? (%)
Base: Those who are dissatisfied with the ease of understanding their bill from their energy supplier (276)

Recent contact with supplier (last 3 months)

31% tried to contact their supplier in last three months



Preferred contact method



- Those most likely to attempt to contact are:
  - Dissatisfied customers (54%) vs satisfied (32%)
  - Small Tier customers (41%) vs Largest Six suppliers (33%)
  - Ever switched (37%) vs never switched (29%)

Have you contacted, or tried to contact, your energy supplier within the last 3 months?
Base: All Participants (3,236)

How did you (try to) make contact with your energy supplier on that last occasion? (%)
Base: All who contacted or have tried to make contact in the last 3 months (1,112)

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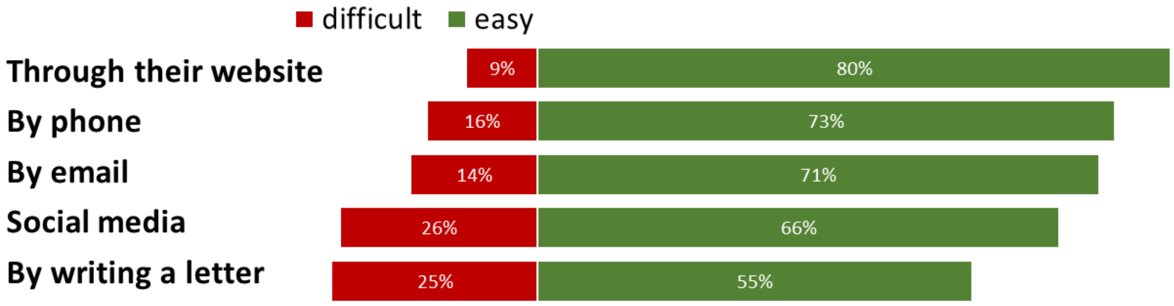
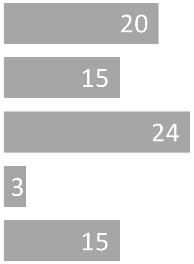
Ease of making last contact with supplier (among those who prefer each contact method)

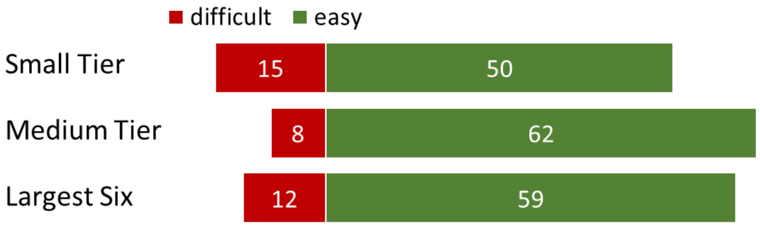
Website found to be the easiest contact method



Have not tried to contact in this way



Customers of smaller suppliers find it harder to make contact

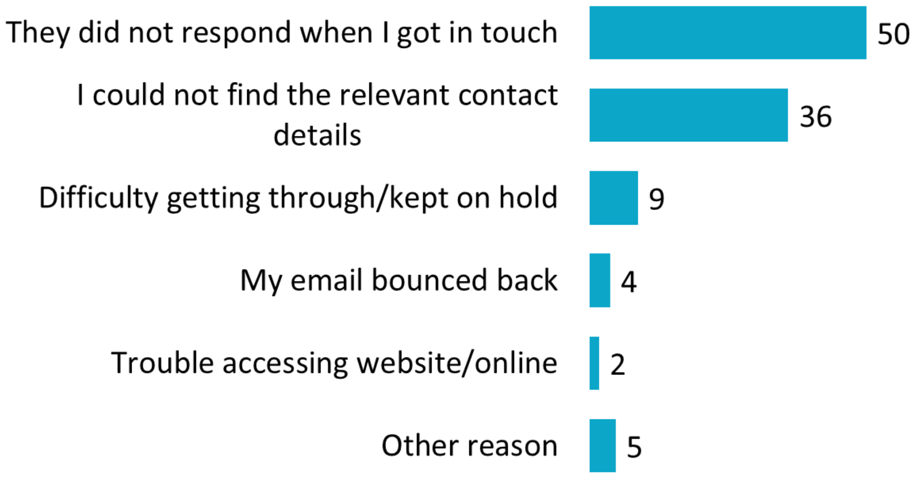


Thinking about the last time you tried to contact your energy supplier how easy or difficult did you find it to contact them in this way? Base: All Participants (3,236)

N.B. Neutral and 'Don't know' responses are not shown

Reasons for failed contact

Reasons for failed contact



Thinking of the last time you tried to make contact with your energy supplier, why were you not able to? (%)
Base: Those who failed to contact their energy supplier (103)

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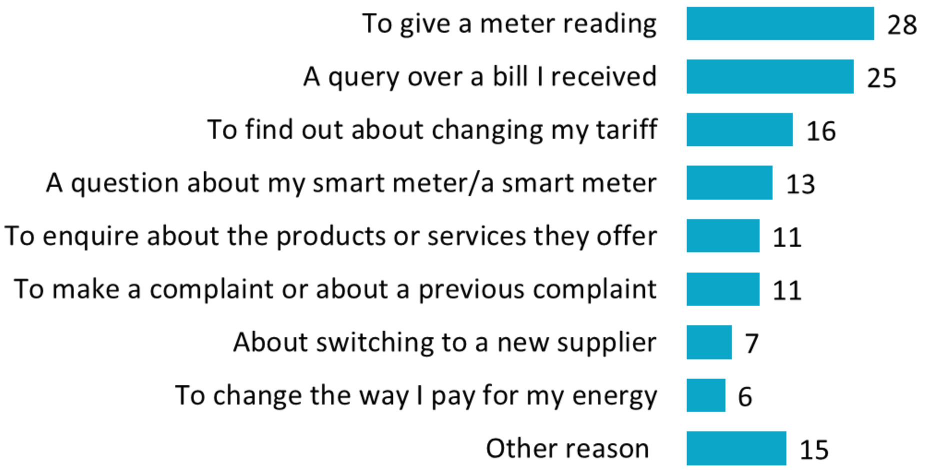
Reasons for last contacting supplier

% among those who contacted their supplier in the past 3 months



% of all participants

10%
9%
5%
4%*
4%
4%
2%
2%
5%

How do reasons for contact vary?

(among those who contacted their supplier)

- 38% without a Smart Meter contacted to give a meter reading
- 33% who switched tariff in last 12 months contacted to find out about changing tariff
- 24% with a Smart Meter asked a question about it

* Contact relating to smart meters will include all forms of contact (e.g. installations, ongoing use, changing smart meter etc)

Thinking of the last time you (made/tried to make) contact with your energy supplier, what was it about? (%)

Base: Those who contacted / tried to contact their energy supplier (1,112)

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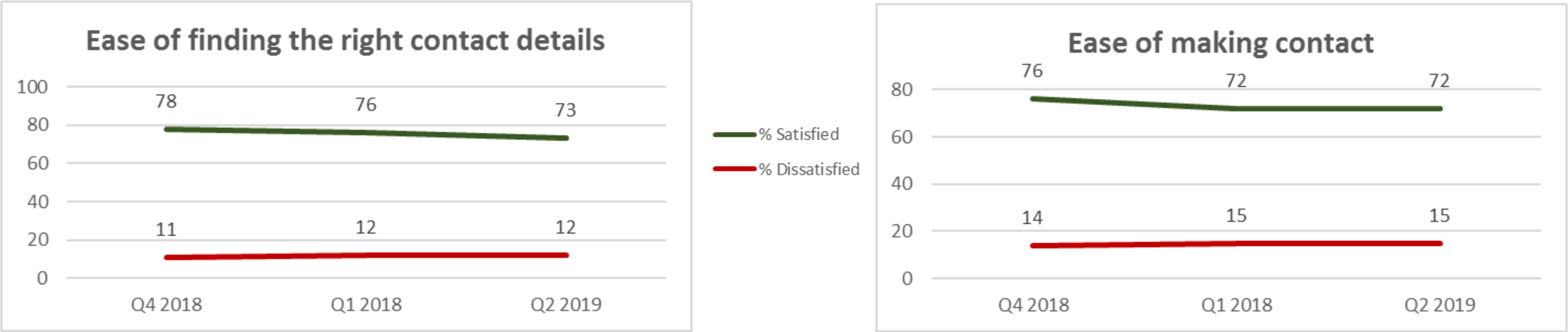
Satisfaction with contact

About three in four are satisfied with the ease of contacting supplier. However, satisfaction with ease of finding the right contact details has declined since Q4 2018
(satisfaction with ease of making contact has not statistically significantly changed between waves.)



Groups more satisfied with finding contact details are:

- Those satisfied overall with supplier (85%)
- Those aged 65+ (83%)
- Those on a fixed tariff (77%)

Groups more satisfied with ease of making contact are

- Satisfied overall with supplier (84%)
- Aged 65+ (83%)
- Fixed tariff (76%)
- Switchers (76%)
- Pay by direct debit (74%)

Please can you tell me how dissatisfied or satisfied you were with the following…?
Base: Those who contacted or tried to contact their energy supplier (1,112)

N.B. Neutral and 'Don't know' responses are not shown

Complaints

Complaints to suppliers

11% of those recently contacting suppliers did so in relation to a complaint

- This equates to 4% of all consumers

Among recent contactors, those more likely to have complained are:

- Dissatisfied overall with their supplier (31%) vs satisfied (7%) or neutral (12%)
- Younger consumers (19% aged 16-34; 12% aged 35-64 vs 3% among those aged 65+)
- Those with a disability (14% vs 10% without a disability)

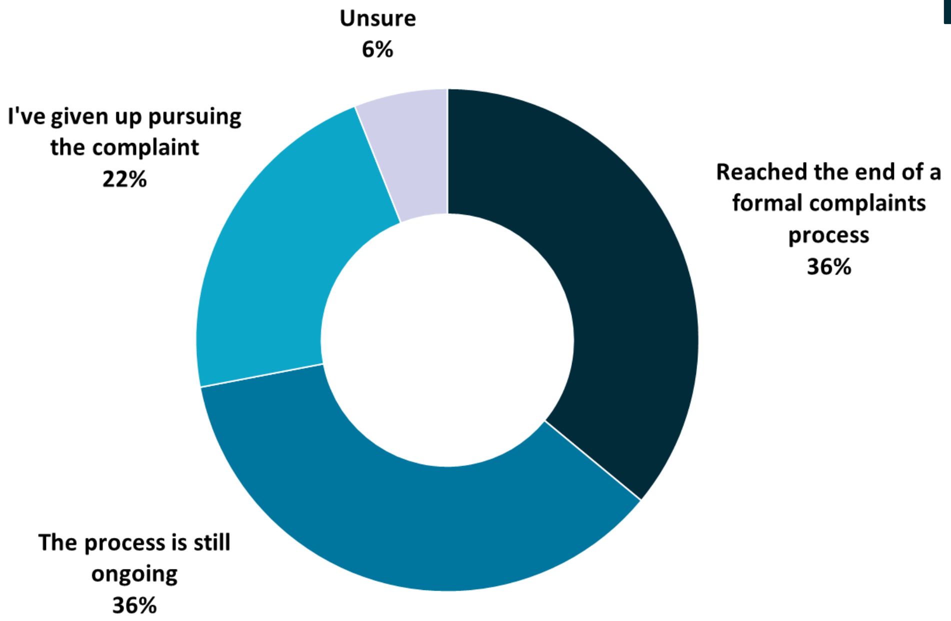
Base: Those who contacted or tried to contact their energy supplier (1,112)

Reason for complaints (%)

Base: Those who contacted their energy supplier to make a complaint (119)

Stage of complaint and time taken to process (Past 3 months)

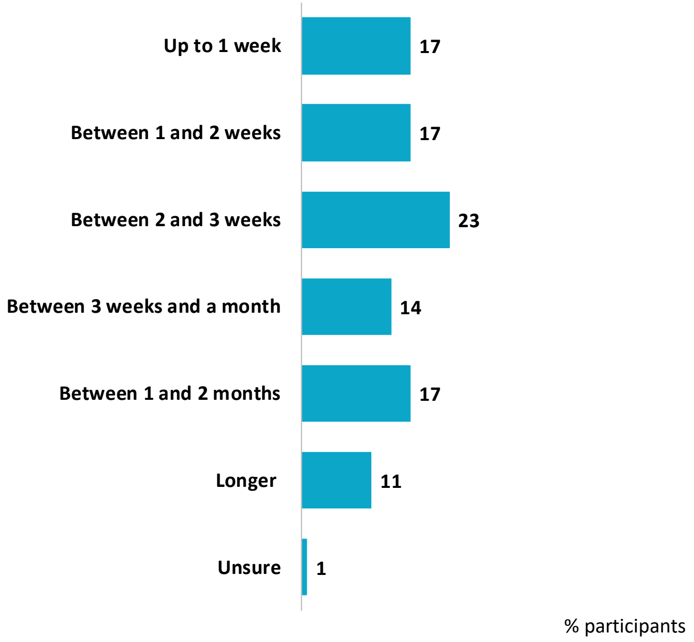
37% of complaints have been completed



What stage are you at with the complaint process?

Base: Those who contacted their energy supplier to make a complaint (119)

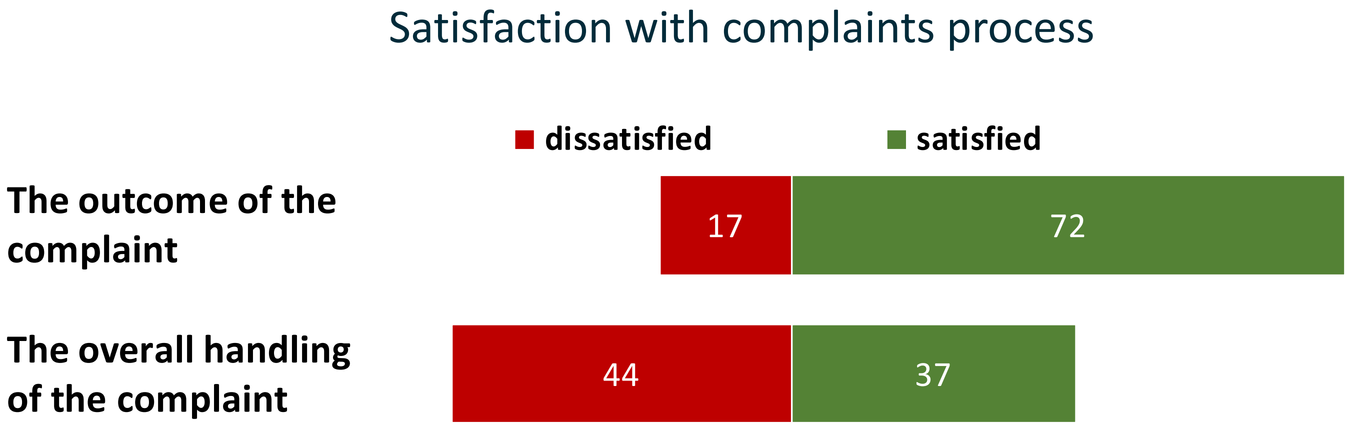
28% of complaints have been live for more than a month



Roughly, how long did the complaint process take from beginning to end?

Base: Those who knew the stage of their complaint process (114)

Satisfaction with the complaint process



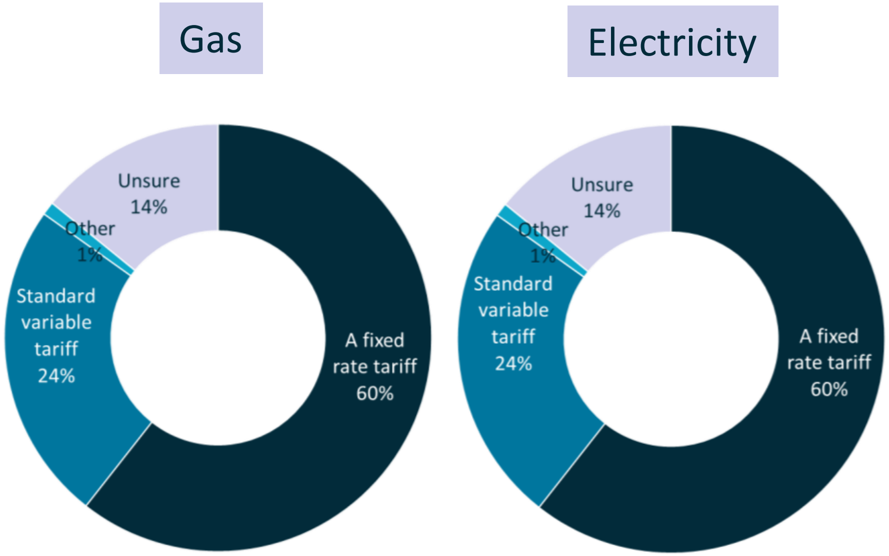
N.B. Charts don’t add to 100% as ‘neutral’ and ‘don’t know’ responses are not shown

Please can you tell me how satisfied or dissatisfied you are with the following aspects of your complaint.
Base: Those who contacted their energy supplier to make a complaint (119); Outcome reached (43)

Tariffs and information provision

Tariff type

For each fuel, 84% believe they know what tariff type they are on



Those who are unsure are most likely to be:

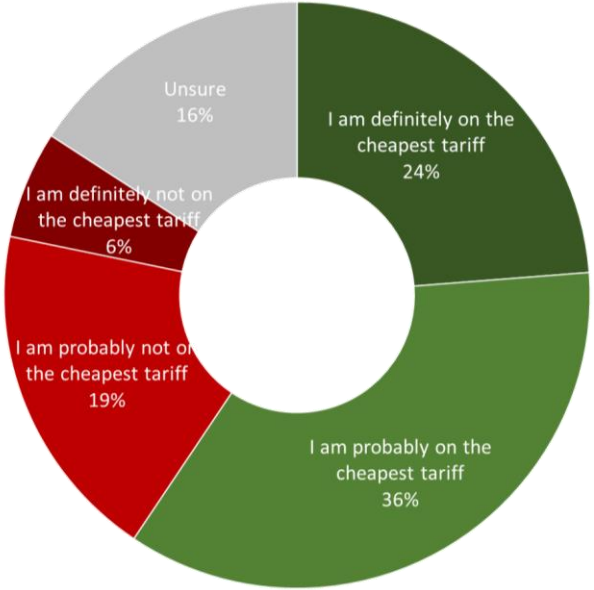
- Unaware or don't understand the price cap
- Aged 35+
- Using a PPM
- Never switched
- Digitally excluded
- Have a disability

% who are unsure what their tariff is	Group	Gas	Electricity
Price cap	Unaware	17%	17%
	Aware	7%	6%
Age	16-34	11%	11%
	35+	15%	15%
Payment Method	Direct Debit	11%	11%
	PPM	27%	27%
	Standard Credit	13%	14%
Switched suppliers	Ever switched	11%	11%
	Never switched	20%	21%
Online/Offline	Online	13%	13%
	Digitally Excluded	31%	32%
Disability	Disability	20%	20%
	No disability	12%	12%

What kind of gas / electricity tariff are you on?
Base: Gas (2,767), Electricity (3,098)

Cheapness of tariff

59% believe they are on their supplier's cheapest tariff



To what extent do you feel you are on the cheapest tariffs offered by your energy supplier?
Base: All Participants (3,236)

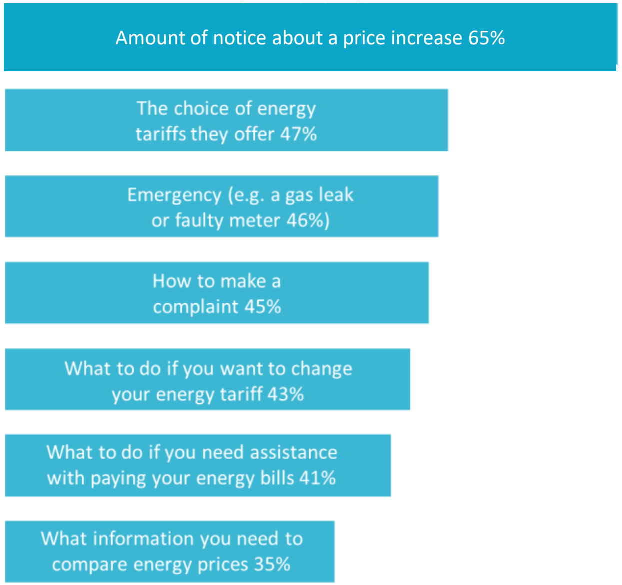
- The smaller the provider the more likely consumers are to feel they're on the cheapest tariff:
  - Small Tier (73%)
  - Medium Tier (69%)
  - Largest Six suppliers (54%)

- Consumers more likely to believe they're on the cheapest tariff:
  - Are on a fixed tariff (75%)
  - Are aware of the price cap (71%)
  - Have ever switched (71%)
  - Are satisfied with their supplier (67%)
  - Pay by direct debit (65%)
  - Social grade ABC1 (64%)
  - Use dual fuel (61%)
  - Online consumers (60%)

Information received in last six months, including tariffs

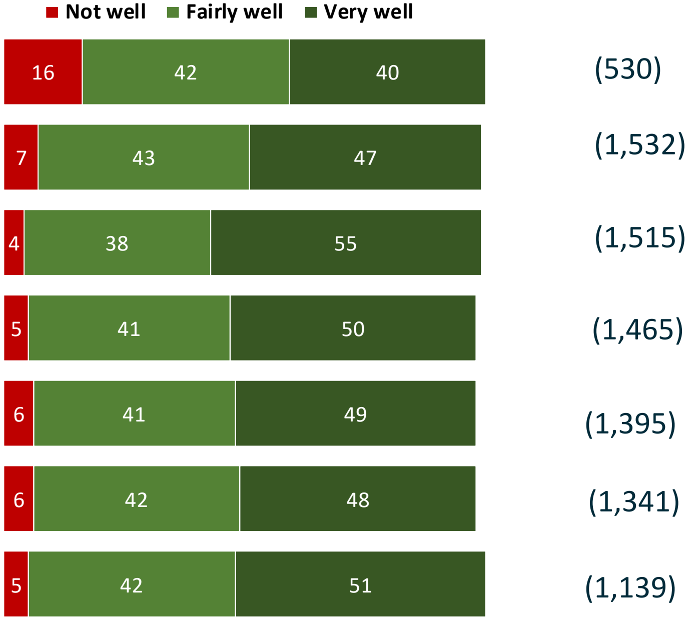
Information received

Proportion saying recall receiving



The proportion who recall receiving notification of a price increase increased from 49% in Q1 2019 to 65% in Q2 2019. this is similar to levels seen in Q4 2018 (60%)

How well information met needs



The proportion saying the information on how to make a complaint was useful dropped from 94% in Q4 2018 to 91% in Q2 2019

Do you recall if your energy supplier has given you information about any of the following in the last six months? Base: All participants (3,236), apart from 'Notification of price increase': All on SVT (820)

How well did the information you received meet your needs? Bases: those receiving information (individual bases are in brackets)

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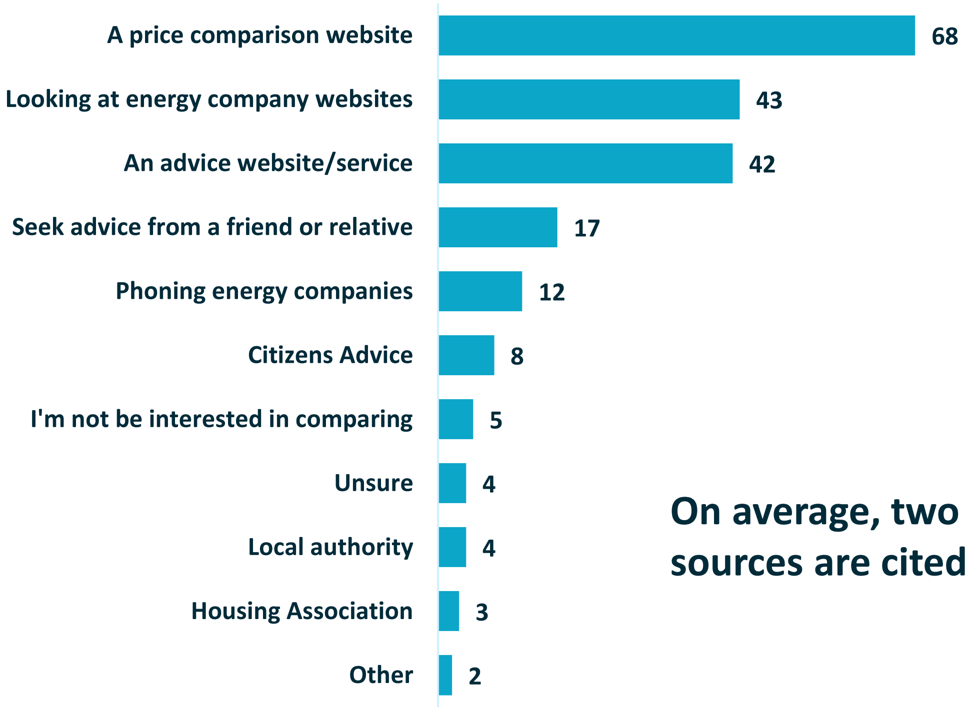
Switching

Information that would be used to compare suppliers

Over two thirds (68%) would use a price comparison website (PCW) to compare suppliers

Consumers more likely to use a PCW are :

- Customers of Medium (75%)-and Small (74%) Tier suppliers
- On a fixed tariff (73%)
- Ever switched supplier (78%)
- Aware of and understand the price cap (75%)
- Pay by direct debit (72%)
- ABC1 social grade (73%)
- Aged 35+ (72%)
- No disability (71%) vs have a disability (60%)



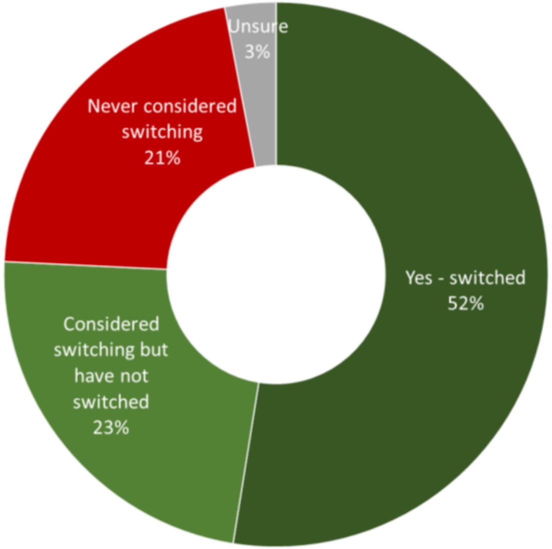
On average, two sources are cited

Where would you go to find information that would allow you to compare the products and services offered by different companies? (%)

Base: All Participants (3,236)

Incidence of switching energy supplier

Half (52%) have ever switched supplier



The proportion ever switching is lower among:

- Unaware or don't understand the price cap (49%)
- C2DE social grade (47%)
- Customers of the largest six suppliers (40%)
- Aged 16-34 (33%)
- Digitally excluded (30%)
- Paying by standard credit (26%) or PPM (39%)

Have you ever switched or considered switching energy supplier?
Base: All Participants (3,236)

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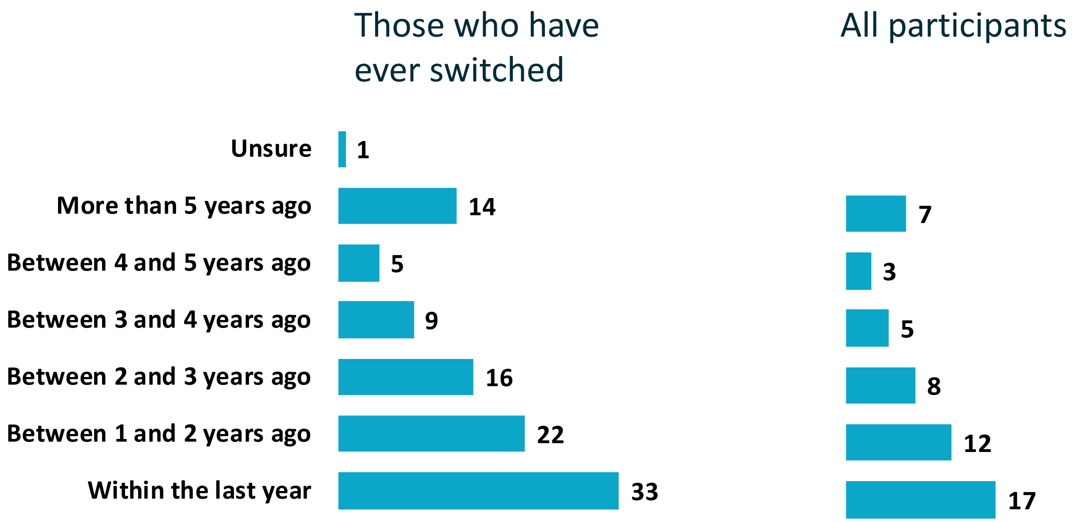
Last occasion switched supplier

33% of those who have ***ever*** switched supplier did so in the last year

This equates to 17% of all consumers switching in the last year



When was the last time you switched energy supplier? (%)
Base: Those who have ever switched (1,708); all Participants (3,236)

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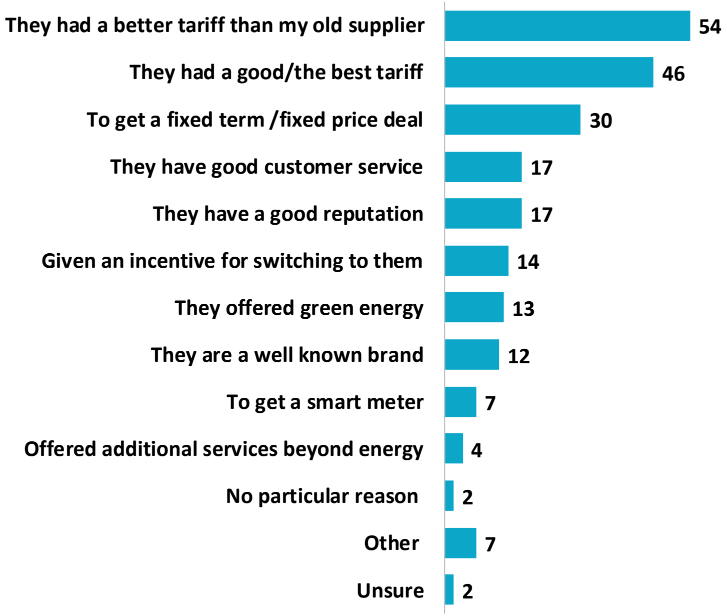
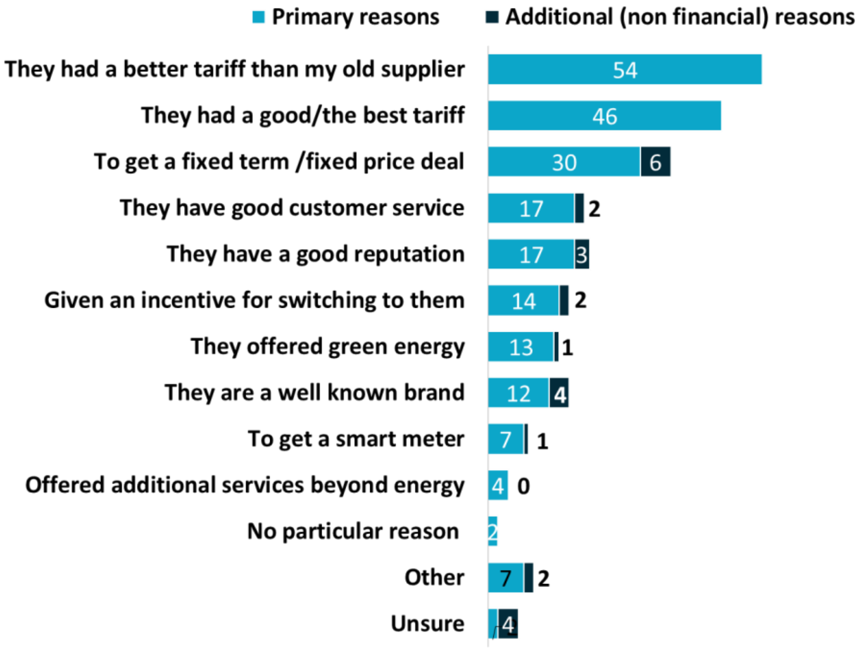
Reasons for choosing supplier

The key reasons for selecting a supplier are cost related



Once you had made the decision to switch to another energy supplier, what were the main reasons you chose the company you went with?
Base: Those who have ever switched (1,708)

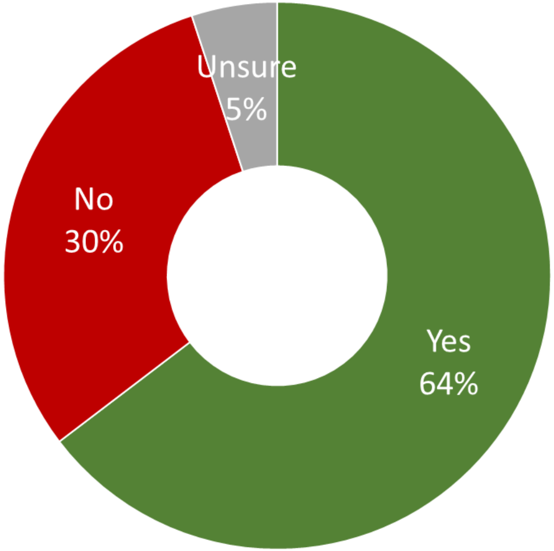
Even when prompting about non-cost reasons, service, reputation, incentives and green tariffs are secondary



Were there any other reasons for selecting them apart from the tariff?
Base: Those who have ever switched (1,708). Dark blue shows those who only selected financial reasons when first asked (678)

Use of Price Comparison Websites

64% who switched used a Price Comparison Website

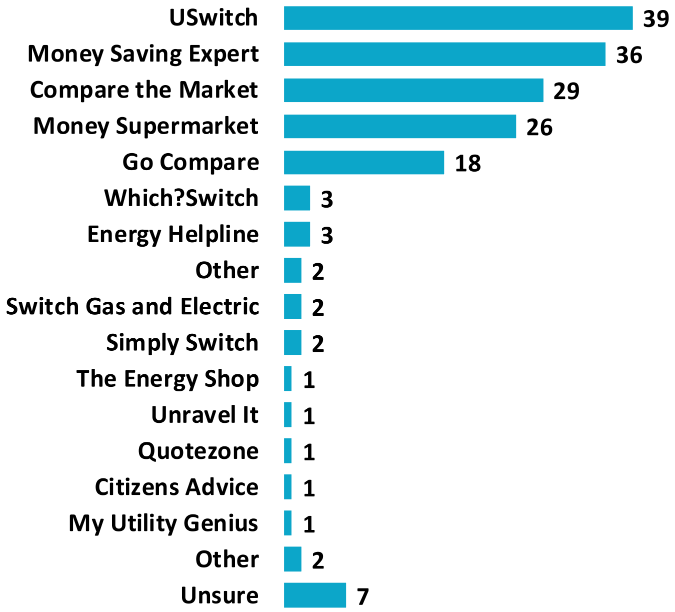


- The proportion using PCWs is lower among:
  - Use one of the largest six suppliers (61%)
  - On an SVT (61%)
  - Those who are unaware of or don’t understand the price cap (61%)
  - Those with a smart meter (59%)
  - Have a disability (57%)
  - C2DE social grade (55%)
  - PPM (43%) and standard credit (54%)
  - Aged 65+ (53%)
  - Two fuels from different suppliers (46%)
  - As would be expected, the digitally excluded (13%)

Did you use a price comparison website to help you switch energy supplier?
Base: Those who have ever switched supplier (1,708)

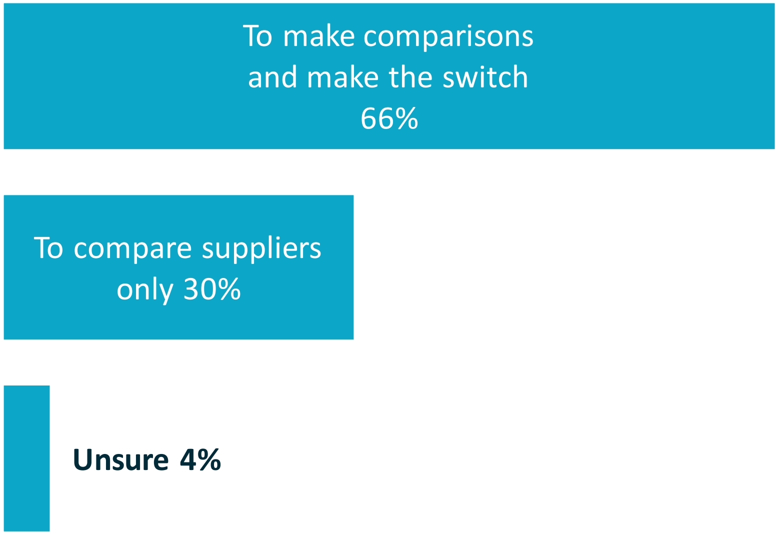
* PCW = Price Comparison Website

Price Comparison Websites (PCWs) used



Which price comparison websites did you use? (%)
Base: All who used price comparison website (1,084)

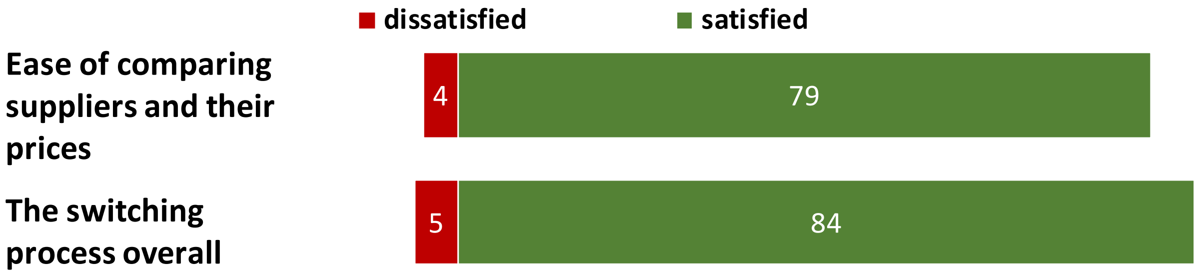
66% of those using PCWs used them to make the switch



Did you use the price comparison website only to compare suppliers or did you also use it to make the switch?
Base: Those who used a price comparison website to help them switch energy supplier (1,084)

Satisfaction with switching experience

High satisfaction with switching process (approximately 80%)



N.B. Bar charts don't add to 100% as 'neutral' and 'don't know' responses are not shown

Satisfaction with switching is higher for those who used a PCW

	Satisfied with ease of comparing suppliers and prices	Satisfied with the switching process overall
Did not use PCW	62%	77%
Used PCW only to compare suppliers	82%	83%
Used PCW to complete switch	92%	93%

Please can you tell me how dissatisfied or satisfied you were with the following aspects of your switch to another supplier?

Base: Those who switched their energy supplier (1,708), Did not use PCW (529), Used PCW only to compare suppliers (330), Used PCW to complete switch (710)

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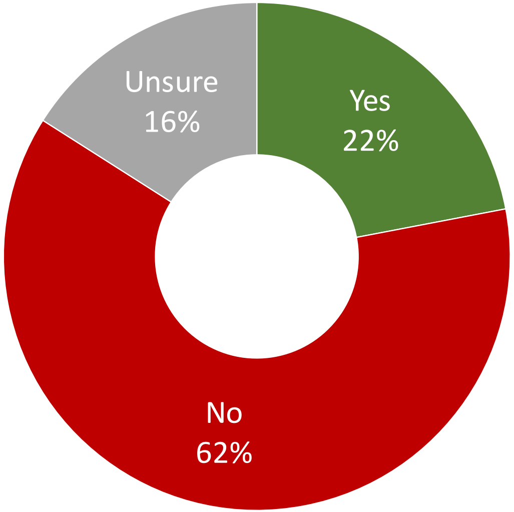
Consumers currently considering switching

22% are thinking of switching supplier



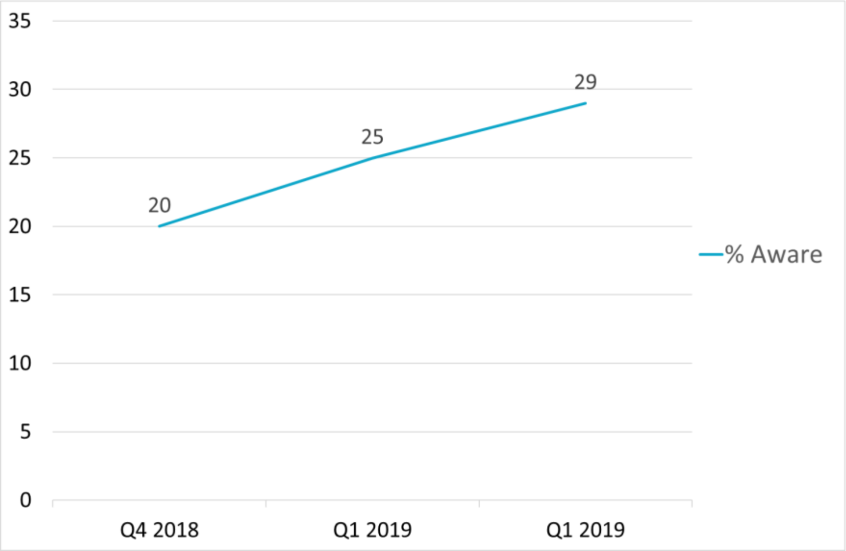
Are you currently considering changing your energy supplier?
Base: All Participants (3,236)

- The proportion considering switching is highest for:
  - Dissatisfied customers (66%)
  - Aged 16-49 (29%)
  - Small Tier customers (28%)
  - ABC1 (24%)
  - Online (23%) vs digitally excluded (5%)
- Little difference by whether switched before (23% switched v 19% never switched)

The energy price cap

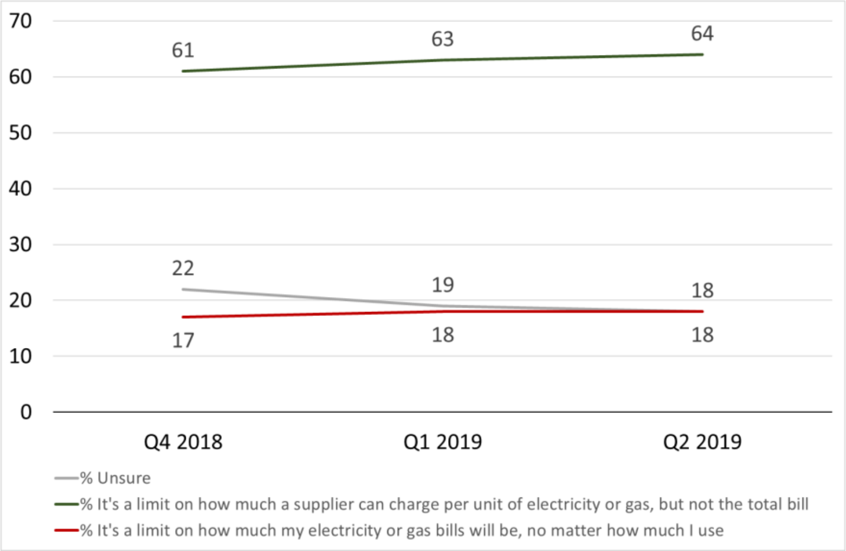
Awareness of the price cap

Awareness of the Default Tariff Cap has increased; up from 25% in Q1 2019 to 29% in Q2 2019



Before today, had you heard about a new energy price cap known as a `Default Tariff Cap'? (%) Base: All Participants (Q1 2019: 3,200; Q2 2019: 3,236)

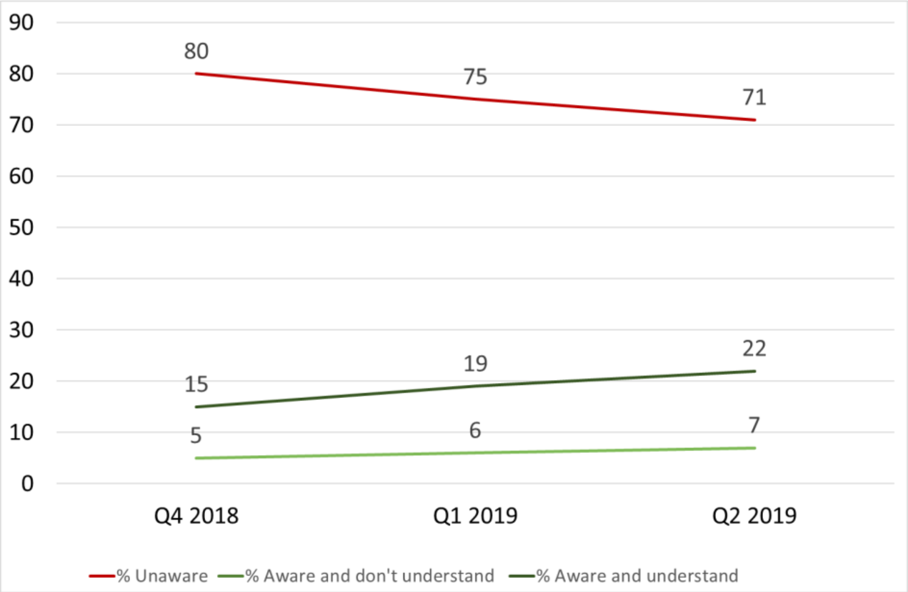
There's a persistent proportion of consumers who don't understand the price cap



Which of the following do you think best describes what an energy price cap is? (%) Base: All Participants (Q1 2019: 3,200; Q2 2019: 3,236)

Informed awareness of the cap has risen

19% had heard of the cap in Q1 2019 and understood it. This has risen to **22%** in Q2 2019



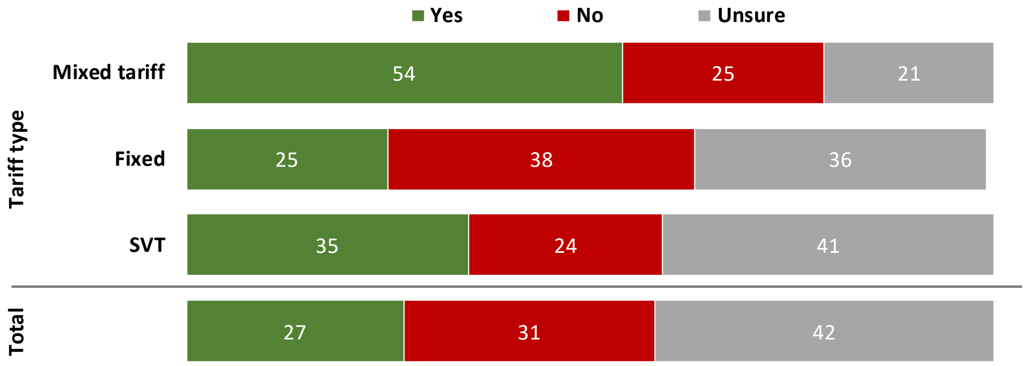
Before today, had you heard about a new energy price cap known as a `Default Tariff Cap'? / Which of the following do you think best describes what an energy price cap is? (%) Base: All Participants (Q1 2019: 3,200; Q2 2019: 3,236)

- Increases in informed awareness since Q4 2018 have been seen across all subgroups, apart from those who don't use the internet
- Informed awareness is among customers who:
  - Have ever switched supplier (27%)
  - Have contacted supplier in last 3 months (27%)
  - Are aged 50-64 (26%)
  - In the ABC1 social grade (25%)
  - Are online (23%) (vs 8% among the digitally excluded)
  - Pay by direct debit (24%)

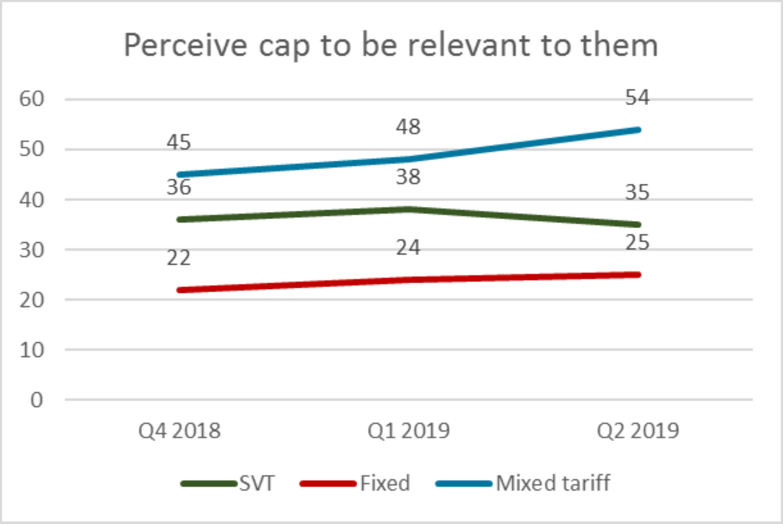
*** Pps = Percentage points**

Perceived relevance of cap

27% feel the cap could apply to them (**54%** for those on a mixed tariff)



Perceived relevance has increased most for those on a mixed tariff. Relevance remains unchanged for those on a SVT



Deemed most relevant by:

- Younger consumers: Aged 16-34 (37%)
- Aware of and understand the price cap (38%)

Knowing this, do you think that the default tariff price cap will apply to your energy bills? (%)
Base: All Participants (3,236), Mixed Tariff (43), Fixed (1802), SVT (666)

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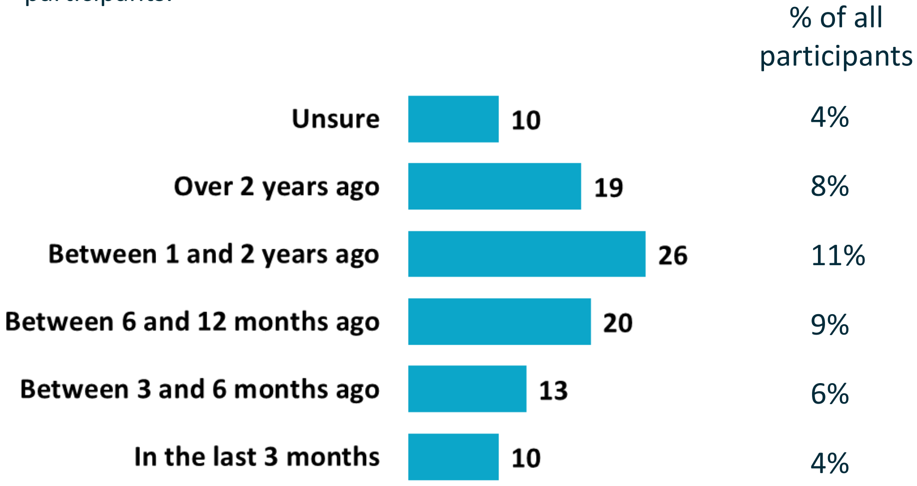
Smart meters

Smart meter use

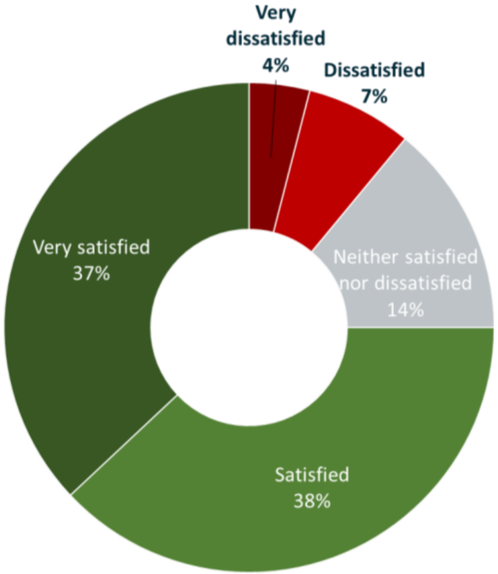
43% stated they have a Smart Meter

Among those with a smart meter, around a quarter (23%) claim they had it installed in the past 6 months. This equates to 10% of all participants.



Do you have a smart meter? / When did you have your smart meter installed? (%)
Base: All Participants (3,236) / All with smart meter (1,373)

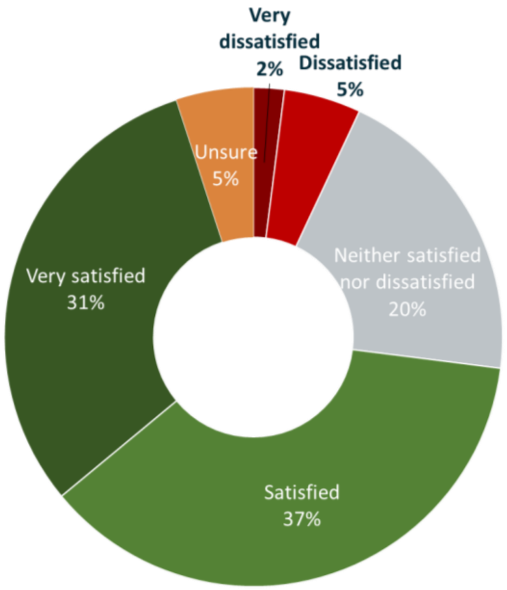
Three quarters are satisfied with the installation process



How dissatisfied or satisfied were you with the process you went through to have a smart meter installed? Base: All with smart meter installed in last 6 months (303)

Satisfaction with smart meter

Around two thirds (68%) are satisfied with their smart meter



Overall, how satisfied or dissatisfied are you with your smart meter?
Base: All with a smart meter (1,373)

- Higher satisfaction among:
  - The digitally excluded (84%)
  - Younger consumers aged 16-34 (72%)
  - Consumers who switched tariff in the past 12 months (75%)

Annexes

Abbreviations/terms used in this report

Suppliers:

- Largest Six suppliers = British Gas, EDF, E.On, nPower, SSE and Scottish Power
- Medium Tier suppliers = Bulb, Co-operative Energy, First Utility, Green Star, Octopus Energy, Ovo, Utilita, Utility Warehouse
- Small Tier suppliers = all other suppliers

Tariffs / Payment:

- Fixed = Consumer is on a fixed tariff for their electricity and gas
- SVT = Consumer is on a Standard Variable Tariff for their electricity and gas
- Mixed tariff = on different types of tariff for gas and electricity
- Dual Fuel = Consumer uses the same supplier for electricity and gas
- PPM = Pre-payment Meter

Demographics:

- SEG = Socio-Economic grade
- ABC1 = Consumers falling into the top three socio-economic bands
- C2DE = Consumers falling into the bottom three socio-economic bands
- Online = Survey sample sourced from an online consumer panel
- Digitally excluded = Sample sourced from face-to-face in-home interviews. All selected on the basis they have no or limited access to the internet

Other:

- PCW = Price Comparison Website
- PPS = Percentage points

Measuring smart meter use

- Use of smart meters was measured by asking participants to indicate which of the following best described the energy meters they have in their home.
- The question was asked separately of gas and electricity. The order of the meter descriptions was randomised across the survey sample.
- Those selecting the description for Meter A (the titles remained static) for either gas or electricity were deemed to have a smart meter.

Meter A	Meter B
Monitors energy use	Monitors energy use
Automatically sends readings of how much energy has been used in your home to your supplier	You or someone else in your household personally send readings of how much energy has been used in your home to your supplier OR someone from your supplier visits your home to take meter readings
Shows how much energy has been used in pounds and pence on a display or an app or online account	Does not show how much energy has been used in pounds and pence on a display or an app or online account
Has been installed in the last 5 years	Has been installed more than 5 years ago
SHOW IF HAVE A PRE-PAYMENT METER Allow those who pre-pay for energy to top up via their mobile or online	SHOW IF HAVE A PRE-PAYMENT METER Those who pre-pay for energy must top up at a pay point, post office or other shop

Accent

Sample profile: unweighted vs weighted

Demographic characteristic		Unweighted	Weighted
Gender	Male	48%	49%
	Female	52%	51%
Age	16-34	17%	18%
	35-49	28%	30%
	50-64	25%	27%
	65+	30%	25%
Social grade	AB	27%	27%
	C1	29%	29%
	C2	19%	19%
	DE	25%	25%

Demographic characteristic		Unweighted	Weighted
Region	East	9%	9%
	East Midlands	8%	7%
	London	11%	13%
	North East	4%	5%
	North West	12%	12%
	Scotland	9%	9%
	South East	14%	14%
	South West	9%	9%
	Wales	5%	5%
	West Midlands	9%	9%
	Yorkshire & Humber	9%	9%

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