Domestic Retail Market Report - June 2005

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Overview:

The Domestic Retail Market Report (DRMR) updates key indicators that Ofgem has used to assess the state of competition in the supply of energy to households in Great Britain. This report provides information on the level of these indicators up to the end of June 2005. This report has been published alongside the September 2005 DRMR.

In general, the indicators in this report show continued evidence of effective competition between domestic energy suppliers. Ofgem believes that a competitive retail energy market continues to bring benefits to domestic consumers. This is consistent with the conclusions set out in Ofgem's April 2004 review of competition in this sector.

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Target Audience: All parties interested in the development of competition in the supply of energy to households in Great Britain.

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Context

Ofgem's principal objective is to protect the interests of consumers present and future, wherever appropriate by promoting effective competition. We also have a number of secondary duties, including a requirement to have regard to the principles of best regulatory practice such as proportionality and transparency.

Ofgem has published a number of extended reports on the state of competition in the supply of energy to British households. These resource-intensive reviews have drawn positive conclusions about the domestic retail energy market. Consequently, we believe that the continued regular publication of broad and detailed analysis of the domestic market would not be justified at present.

Ofgem has instead decided to publish information on indicators of the state of competition between domestic energy suppliers. This is intended to facilitate the discussion and implementation of policies that most effectively protect consumers. It will also increase the transparency of the information that Ofgem considers in formulating policy decisions. Ofgem will publish future updates when we believe that this would help us to meet our statutory objectives. In doing this, we will also take account of our other priorities and commitments.

In addition, we continue to assess the extent to which domestic energy consumers are protected by effective competition. This includes the review and development of our analytical framework for making this assessment.

The information contained in this report is generally not appropriate for use by consumers in making a decision about whether or not to switch to a particular energy supplier. Information on how to change your energy supplier is available from the energywatch website at the following address:
http://www.energywatch.org.uk/help_and_advice/how_to_change_supplier/index.asp

Associated Documents

- Domestic Retail Market Report - June 2005 (Appendices), February 2006
- Domestic Retail Market Report - September 2005, February 2006 (Ref. No 23/06) http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/13816_2306.pdf?wtfrom=/ofgem/index.jsp
- Domestic Competitive Market Review, April 2004 (Ref. No. 78/04) http://www.ofgem.gov.uk/ofgem/work/index.jsp?section=/areasofwork/retailcompetition

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Appendix 6 – Key findings of customer experience survey - report prepared by Accent for Ofgem

Customer Experience Survey

Report (Key findings)

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Executive Summary

- A national survey of 2052 electricity and gas customers was conducted by telephone in March 2005. The purpose of the study was to measure switching rates and other measures of competition in the retail gas and electricity markets.

- Awareness of the ability to switch is very high in the market. Almost all gas and electricity customers are aware of the ability to change supplier and this is true among all segments of the market.

- Switching levels in the electricity and gas markets have remained unchanged since 2004. The survey showed that 47% of electricity customers and 46% of gas customers have changed suppliers.

- Switching is at a similar level in most segments of the market. The groups with significantly lower rates of switching are those in the Scottish Hydro PES area (about 30%), the unemployed (31%) and social group E (35%).

- Price is the key factor in switching supplier. Price increases are the main trigger to considering a new supplier and price is the main reason given for changing supplier.

- Most customers are satisfied with their supplier and this does not differ between switchers and non-switchers, or between suppliers.

- Those who have chosen not to switch cite general satisfaction with their current supplier. Debt and meter type are not cited as barriers to switching, even in the lower income or social groups.

- Switching is generally considered easy by those who have done so, and is expected to be easy by non-switchers.

- Over three quarters of customers have been approached by sales people inviting them to switch suppliers. All segments of the market appear to be equally targeted by suppliers.

- Most customers understand that changing supplier will not affect supply reliability, and this is therefore unlikely to be either a barrier or a catalyst for switching.

- Dual fuel deals are currently used by two thirds of the potential market. This share is likely to increase as switchers say they are more likely to choose dual fuel in the future. British Gas currently has about 41% of the dual fuel market.

- About 54% of electricity customers and 57% of gas customers currently use direct debit. Both switchers and non-switchers have shown a tendency to change to use of direct debit.

- Tenants, unemployed, lower SEG[1] and lower income groups are much less likely to use direct debit to pay their bills. But there is no evidence from this survey that those using direct debit are more targeted by gas and electricity companies than those using other payment types.

- It is concluded that overall the gas and electricity markets are operating well, with all segments having the opportunity to benefit from switching and the market operating almost entirely on price. It is not possible to determine from this survey the reason for lower switching rates in the unemployed and E social groups. Further research may be required in this area.

[1] Socio-economic grouping (eg AB, C1, C2, D, E)

A6.1 INTRODUCTION

A6.1.1 Background

Ofgem's Consumer Markets directorate is responsible for monitoring both the domestic and non-domestic gas and electricity supply markets. The directorate is interested in the development of competition and how specific groups of customers are benefiting from it (eg switching rates of different groups of customers and awareness of competition).

Ofgem therefore required a customer survey to measure the indicators of competition in the domestic gas and electricity markets. Ofgem will use the information to inform policy decisions.

A6.1.2 Objectives

Specific information was required about the impact of competition on certain customer groups, the key ones being:

- payment type
- supplier
- income
- social grouping
- switchers vs non-switchers
- ex-PES region
- age.

Other demographic variables were also considered of interest these being:

- house tenure
- length of tenure
- internet access
- whether switched other utilities
- pensioners
- disabled
- single parent households
- unemployed
- rural vs urban
- benefit claimants
- state pension as sole source of income.

The objective of the research programme was therefore to provide information about switching and other measures of competition for these groups, meeting Ofgem's quality assurance requirement that a minimum of 100 responses is obtained for every segment reported and Ofgem's further requirement that the sample be representative of the main supplier groups and new entrants.

A6.2 KEY FINDINGS

A6.2.1 Introduction

For key findings below, results are shown for the main segments of interest and 95% confidence intervals are shown in addition to proportions. The 95% confidence interval is expressed as a +/- percentage. For a difference between two proportions to be considered statistically significant, the difference must be greater than the sum of the two +/- confidence limits relating to those proportions.

A6.2.2 Awareness

Awareness of the ability to switch electricity or gas supplier is very high. Almost all (97%) of the population is aware that they can switch their electricity supplier. Awareness in key segments is shown in Table 1 below. None differ significantly from the overall.

Table 1: Awareness of Electricity Switching

	Aware can switch electricity supplier (%)	95% confidence interval (+/-)
All electricity customers	97	0.7
Payment method:		
Direct debit	98	0.8
Prepayment meter	95	2.5
Other	96	1.6
Age:		
Under 25	90	5.8
25-34	96	2.3
35-44	97	1.6
45-54	98	1.4
55-64	98	1.4
65+	97	1.6
Income:		
Less than £10K	95	2.2
£10-£24,999K	97	1.4
£25-£49,999K	98	1.3
£50K and over	97	2.8
Socio-economic group:		
AB	98	1.4
C1	98	1.1
C2	97	1.7
D	96	2.3
E	93	2.8
Rural/urban:		
Rural	97	1.2
Urban	97	1.0
PES region:		
Eastern	97	2.7
East Midlands	98	2.3
London	95	3.4
Manweb	96	3.2
MEB	97	2.7
Northern	99	1.6
Norweb	96	3.2
Scottish Hydro	92	4.5
ScottishPower	99	1.6
SEEBOARD	96	3.2
Southern Electricity	94	3.9
SWALEC	97	2.7
SWEB	98	2.3
Yorkshire	100	0

Awareness of the ability to change gas supplier is also very high at 95% overall, rising to 98% of those connected to mains gas (see Table 2). The awareness level of those not on mains gas is significantly lower at 85%, but this may be partly due to a misinterpretation of the question. Even though non-gas customers were asked if they were aware that gas customers could change supplier, they may have answered ‘no’ if they felt they personally could not change as it was not relevant to them.

Table 2: Awareness of Gas Switching

	Aware can switch gas supplier (%)	95% confidence interval (+/-)
All respondents	95	0.9
Payment method:		
Direct debit	99	0.6
Prepayment meter	97	2.5
Other	97	1.6
Age:		
Under 25	93	4.9
25-34	95	2.6
35-44	96	1.9
45-54	98	1.4
55-64	96	2.0
65+	92	2.4
Income:		
Less than £10K	92	2.7
£10-£24,999K	95	1.8
£25-£49,999K	98	1.3
£50K and over	96	3.2
Socio-economic group:		
AB	97	1.7
C1	97	1.4
C2	95	2.1
D	92	3.2
E	92	3.0
Rural/urban:		
Rural	93	1.7
Urban	96	1.1
PES region:		
Eastern	95	3.4
East Midlands	97	2.8
London	95	3.4
Manweb	95	3.5
MEB	95	3.5
Northern	93	4.2
Norweb	97	2.8
Scottish Hydro	88	5.4
ScottishPower	98	2.3
SEEBOARD	95	3.6
Southern Electricity	91	4.7
SWALEC	94	3.8
SWEB	94	3.9
Yorkshire	100	0
On mains gas:		
Yes	98	0.7
No	85	3.4

A6.2.3 Switching Levels

Electricity Switching

Almost half (47%) of electricity customers have ever changed electricity supplier (see Table 3). With the 95% confidence interval of +/- 2%, this finding does not differ significantly from the 2004 survey that showed electricity switching at 51%.

Electricity switching levels are lower than average in:

- the E social class (35%)
- unemployed householders (31%)
- the Scottish Hydro PES region (31%).

Prepayment customers (41% have switched) and standard credit customers (36%) are slightly less likely to have switched than direct debit customers (55%).

Table 3: Electricity Switching Levels

	Ever switched electricity supplier (%)	95% confidence interval (+/-)
All electricity customers	47	2.2
Payment method		
Direct debit	55	2.9
Prepayment meter	41	5.7
Other	36	3.9
Age		
Under 25	43	9.6
25-34	43	5.9
35-44	50	4.8
45-54	52	5.1
55-64	50	5.2
65+	42	4.3
Income		
Less than £10K	41	5.0
£10-£24,999K	52	4.1
£25-£49,999K	51	4.8
£50K and over	42	8.2
Socio-economic group		
AB	47	5.0
C1	49	4.0
C2	51	4.9
D	48	5.8
E	35	5.2
Rural/urban		
Rural	45	3.4
Urban	48	2.8
PES region		
Eastern	41	7.7
East Midlands	56	8.1
London	35	7.4
Manweb	46	8.1
MEB	54	7.9
Northern	52	8.2
Norweb	55	8.0
Scottish Hydro	31	7.7
ScottishPower	43	8.0
SEEBOARD	41	8.1
Southern Electricity	50	8.3
SWALEC	47	8.0
SWEB	42	8.2
Yorkshire	53	8.0

Gas Switching

Almost half (46%) of gas customers have ever switched gas supplier (see Table 4). With a 95% confidence interval of +/-2%, this finding does not differ from the 2004 survey that showed gas switching at 46%.

Gas switching is lower than average in:

- the E social class (36%)
- the Scottish Hydro PES area (30%).

Prepayment (36%) and other payment method customers (34%) are less likely to have switched than direct debit customers (54%).

Table 4: Gas Switching Levels

	Ever switched gas supplier (%)	95% confidence interval (+/-)
All gas customers	46	2.4
Payment method		
Direct debit	54	3.1
Prepayment meter	36	6.9
Other	34	4.3
Age		
Under 25	45	10.8
25-34	45	6.6
35-44	47	5.1
45-54	49	5.5
55-64	53	5.9
65+	36	4.9
Income		
Less than £10K	38	5.6
£10-£24,999K	51	4.5
£25-£49,999K	49	5.2
£50K and over	53	9.5
Socio-economic group		
AB	51	5.7
C1	46	4.5
C2	51	5.4
D	45	6.4
E	36	5.9
Rural/urban		
Rural	46	4.2
Urban	46	3.0
PES region		
Eastern	40	8.7
East Midlands	53	8.8
London	33	7.7
Manweb	39	10.3
MEB	49	8.7
Northern	51	9.0
Norweb	49	8.4
Scottish Hydro	30	9.9
ScottishPower	44	8.9
SEEBOARD	43	8.8
Southern Electricity	50	9.1
SWALEC	58	9.0
SWEB	40	9.9
Yorkshire	51	8.7

A6.2.4 The Dual Fuel Market

Of the potential dual fuel market, that is those with mains gas, 67% are currently using the same supplier for gas and electricity (Figure 1).

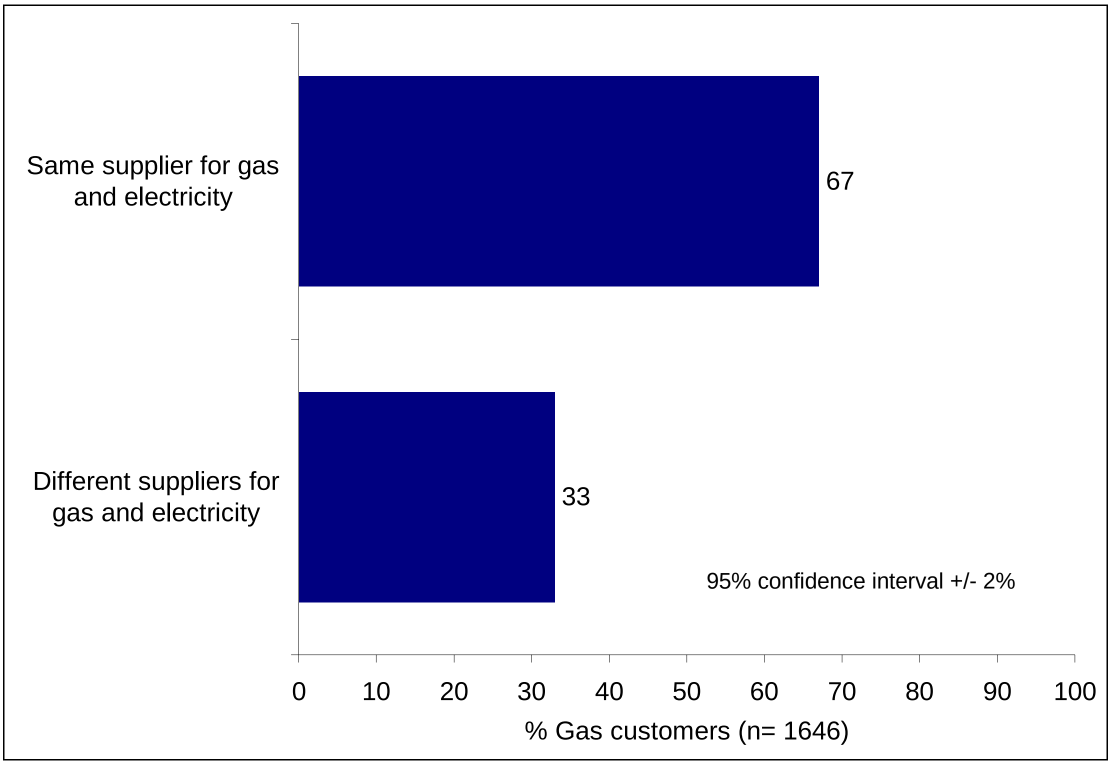

Figure 1: Dual Fuel Use by Gas Customers

Most switchers (86% of gas switchers, 87% of electricity switchers) use the same supplier for both fuels; non-switchers are evenly divided between dual fuel users and non-users (see Figure 2).

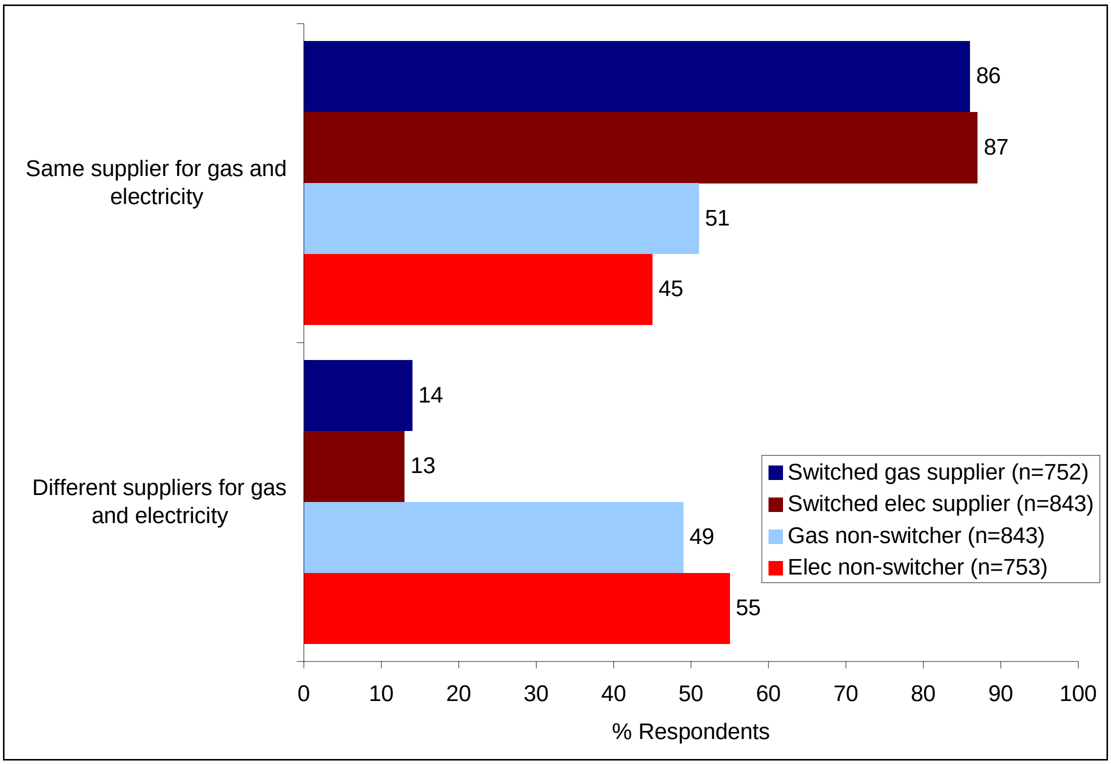

Figure 2: Dual Fuel Use by Switcher/Non-Switcher

Non-switchers can be dual fuel users for one of two reasons:

- a customer who has never switched gas supplier (gas non-switcher) can switch electricity supplier to his or her current gas supplier, or vice versa.
- a customer can inherit a dual fuel arrangement by, for example, moving house to a home where the previous owner made the switch to a dual fuel package.

The survey data show that 27% of gas non-switchers have switched electricity supplier, and that 18% of electricity non-switchers have switched gas supplier. This means that at least 24% of gas non-switchers and 27% of electricity non-switchers have another reason for using dual fuel, such as inheriting the arrangement.

A6.2.5 Satisfaction with Suppliers

Satisfaction with Electricity Suppliers

Most customers (85%) are satisfied with their electricity supplier. Over a third (36%) say they are very satisfied and half (49%) are satisfied. Only a small proportion (5%) are not satisfied with their supplier.

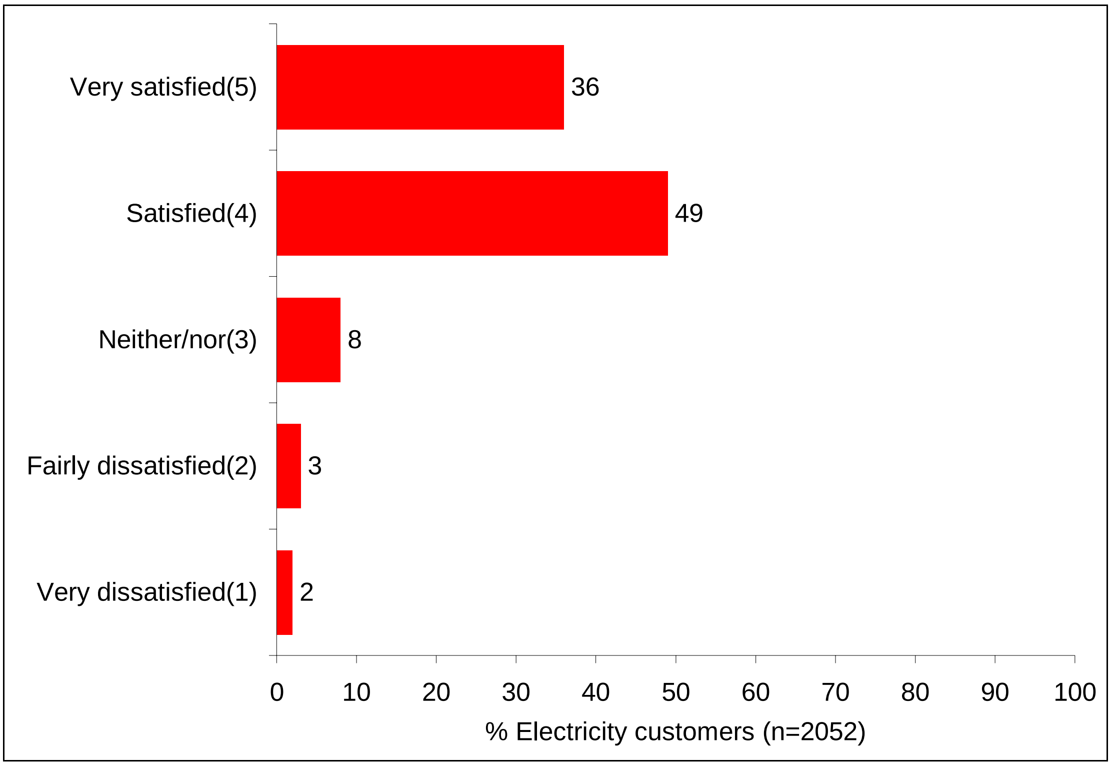

Figure 3: Overall Satisfaction with Electricity Suppliers

Satisfaction with electricity suppliers does not vary significantly dependent on whether the supplier also supplies gas or solely supplies electricity, as shown in Figure 4.

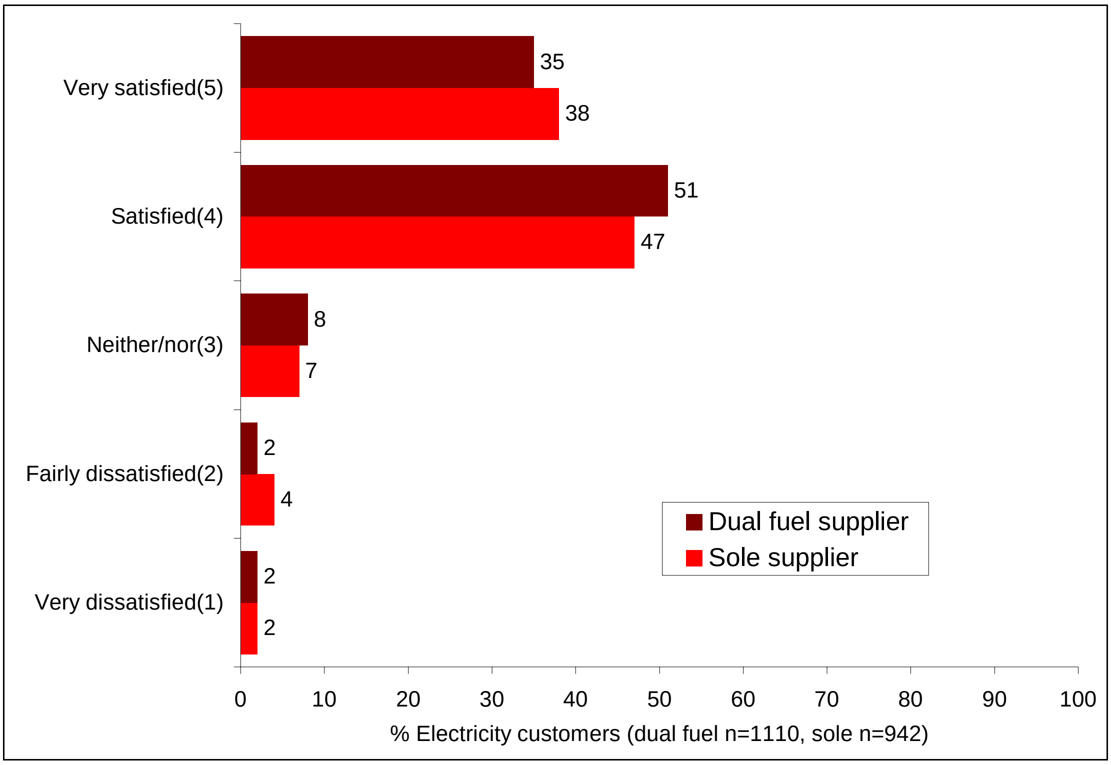

Figure 4: Overall Satisfaction with Electricity Suppliers Comparing Dual Fuel Suppliers to Sole Suppliers

Mean satisfaction with electricity suppliers is 4.17. There are no significant differences in mean satisfaction with individual suppliers. There is also no significant difference in mean satisfaction between switchers (mean rating 4.16) and non-switchers (4.19).

Satisfaction with Gas Suppliers

Satisfaction with gas suppliers shows a similar picture with 86% satisfied or very satisfied with their supplier.

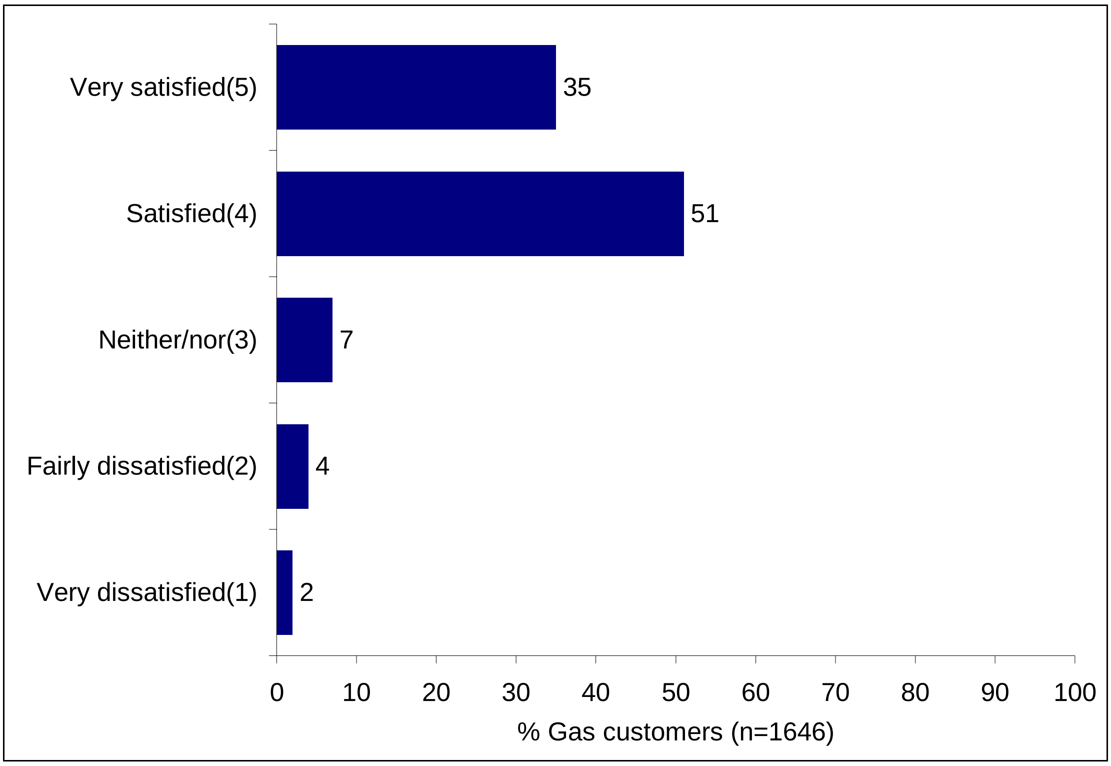

Figure 5: Overall Satisfaction with Gas Suppliers

As with electricity, satisfaction with gas suppliers does not vary significantly dependent on whether the supplier also supplies electricity or solely supplies gas, as shown below.

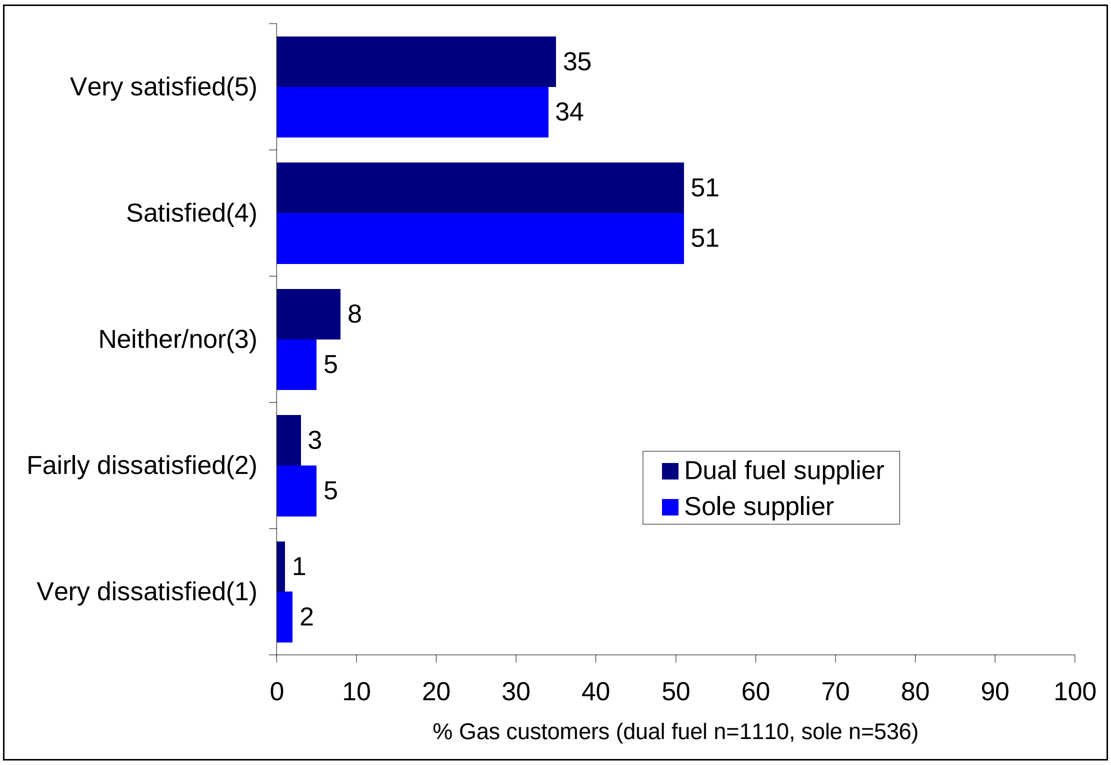

Figure 6: Overall Satisfaction with Gas Suppliers Comparing Dual Fuel Suppliers to Sole Suppliers

Mean satisfaction with with gas suppliers is 4.16. As with electricity, differences between mean satisfaction with individual gas suppliers are not significant. There is no significant difference between switchers (mean rating of 4.1) and non-switchers (4.22) in terms of satisfaction.

Reasons for satisfaction

Almost three quarters (73% of electricity, 74% of gas) customers gave the reason for their satisfaction as ‘overall service’. No other reason was mentioned by more than 3% of customers.

Reasons for dissatisfaction

The main reason given for dissatisfaction was ‘value for money’, mentioned by 38% of dissatisfied electricity customers and 41% of dissatisfied gas customers. Dissatisfaction with overall service was mentioned by about 10% of both groups. As the number of customers dissatisfied with suppliers was small (105 with electricity customers, 88 of gas customers), further analysis of this group is not possible.

A6.2.6 Switching

Frequency of Switching

Most switchers (65% electricity, 61% gas) have changed supplier only once.

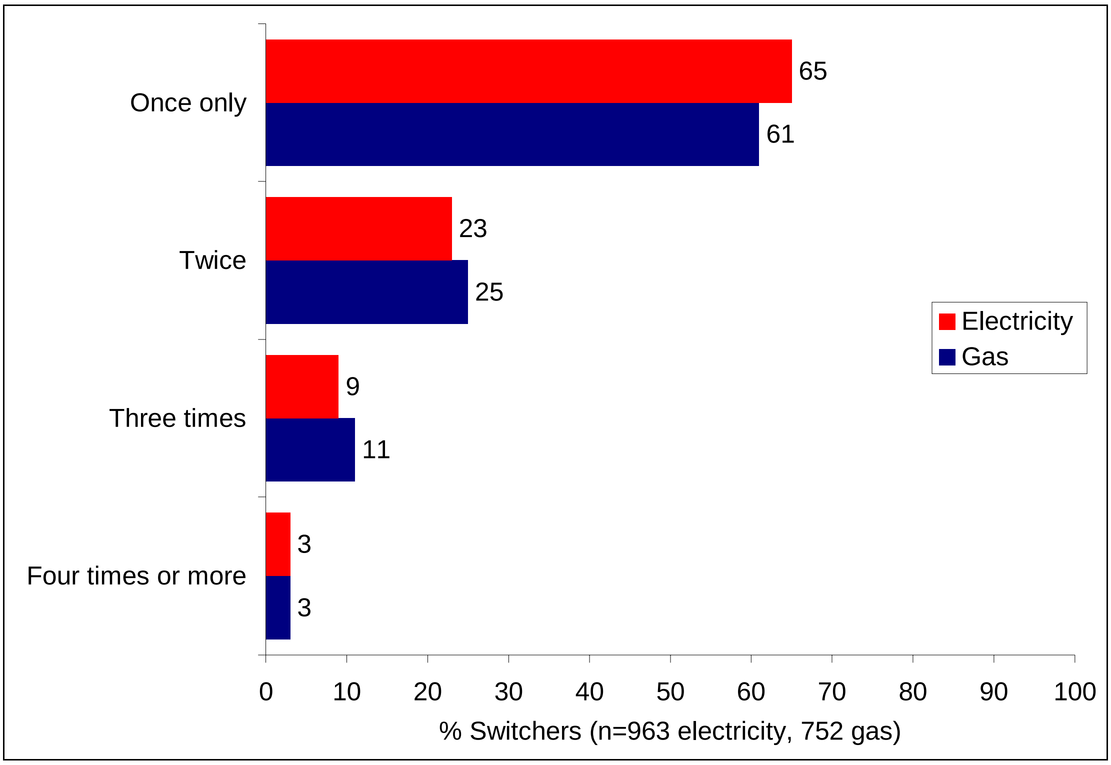

Figure 7: Frequency of Switching

Prompts for Switching

Price increases are the main prompt to start thinking about switching (43% electricity, 47% gas). The other main prompt is an approach from a supplier's salesperson (29% electricity, 28% gas).

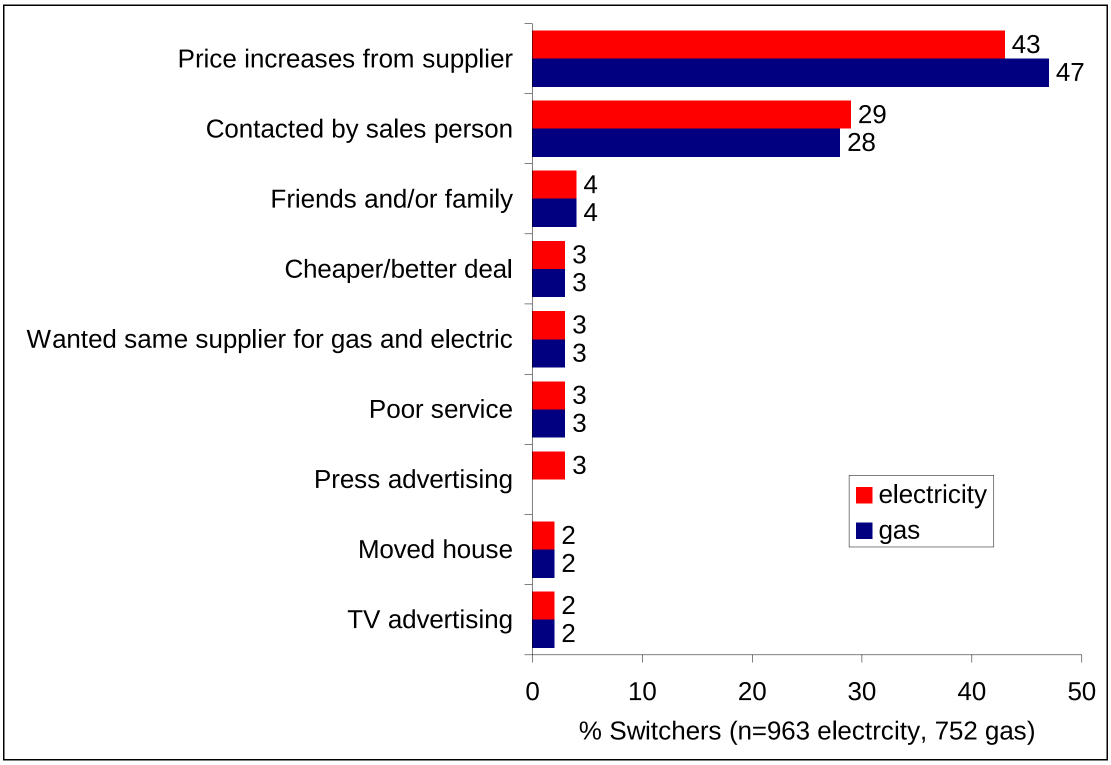

Figure 8: What Prompted Switchers to Start Thinking about Changing Supplier

Approaches by Salespeople

Over three quarters (77%) of both gas and electricity customers have been approached by salespeople from suppliers. Of customers aware of the ability to choose, 81% of electricity and 79% of gas customers had been approached, as shown in Table 5. All groups were equally likely to be approached, including lower income and lower SEG customers; the only group less likely to be approached by salespeople is those who have occupied their home for less than one year.

Table 5: Proportion of Customers Approached by Salespeople

	Electricity (%)	Gas (%)
All aware customers	81	79
Payment method:		
Direct debit	83	81
Prepayment meter	84	75
Other	81	78
Age:		
Under 25	73	76
25-34	72	70
35-44	83	84
45-54	85	79
55-64	83	80
65+	81	81
Income:		
Less than £10K	80	79
£10-£24,999K	81	80
£25-£49,999K	84	82
£50K and over	77	75
Socio-economic group:		
AB	78	80
C1	81	77
C2	84	80
D	79	79
E	82	83
Rural/urban:		
Rural	79	77
Urban	82	81
PES region:		
Eastern	80	81
East Midlands	89	78
London	79	84
Manweb	83	74
MEB	81	78
Northern	74	76
Norweb	79	77
Scottish Hydro	75	71
ScottishPower	77	73
SEEBOARD	78	81
Southern Electricity	83	83
SWALEC	83	85
SWEB	80	79
Yorkshire	85	83
Length of tenure of home:		
Less than one year	61	51
One yr to less than 3 years	74	74
3 to 7 years	80	82
8 to 15 years	83	81
16 years or more	86	83
Can't remember	78	76

Base: customers aware can switch suppliers	1986	1952

Of those approached, half were contacted by a representative calling at their home, and over a third (35% gas, 38% electricity) by telephone, as shown in Figure 9 below.

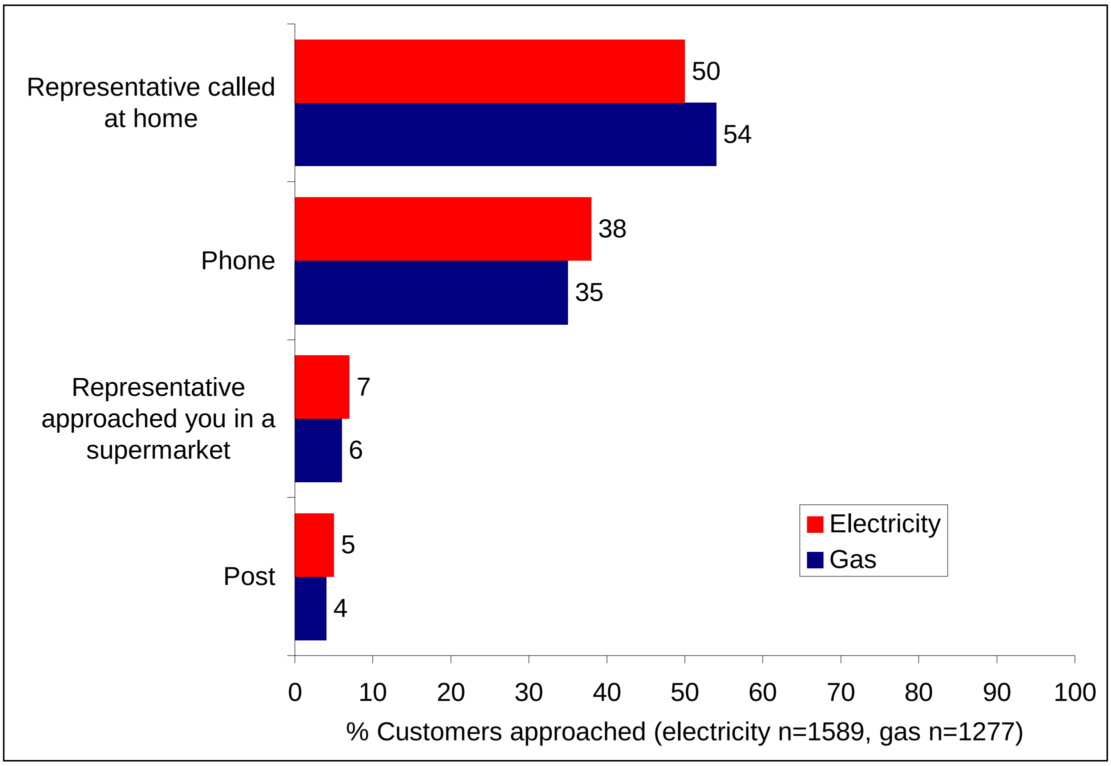

Figure 9: Marketing Methods Used by Suppliers

Reasons for Switching

Price is the key reason for switching supplier, cited by over two thirds of switchers (see Figure 10).

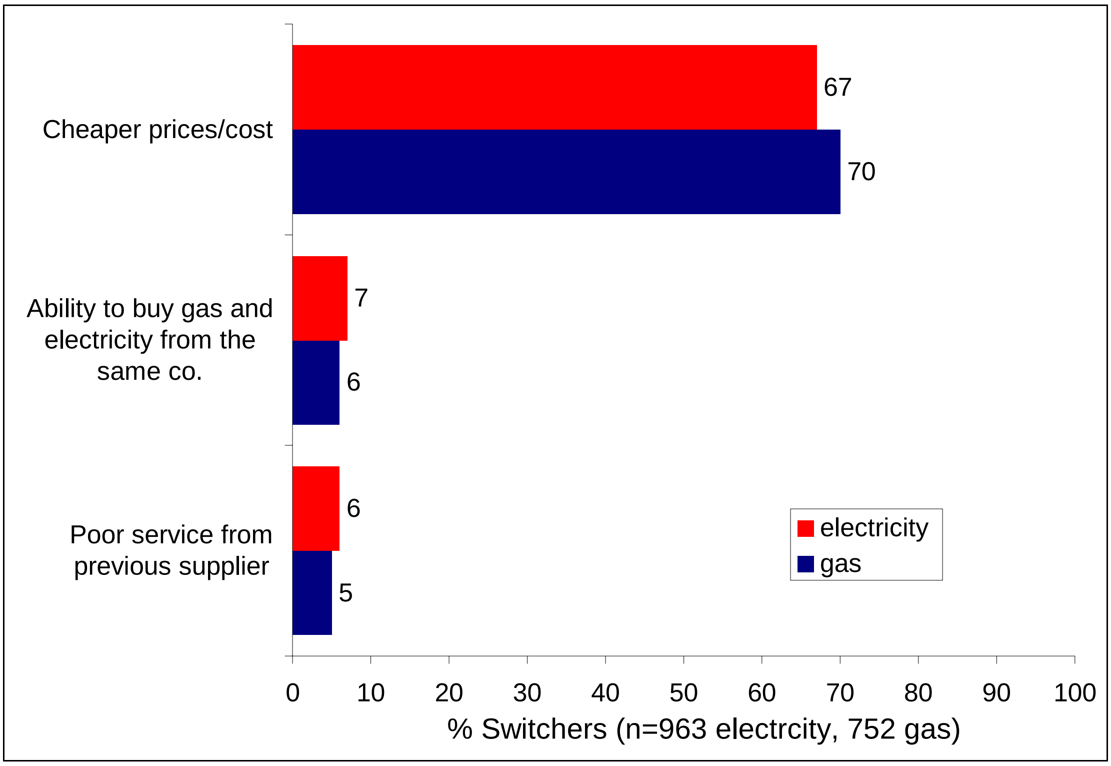

Figure 10: Reasons for Switching Suppliers

Less than two thirds of switchers (60% of electricity switchers, 61% of gas switchers) believe that they have in fact saved money by switching suppliers.

Reasons for Not Switching Supplier

The main reason given for not changing supplier is satisfaction with the currently used supplier (63% electricity, 60% gas). There is a small group who believe that changing would be too difficult or time consuming (14% electricity non-switchers, 18% gas), but generally there are few perceived barriers to change. Reasons such as debt or meter type were not cited by significant proportions, even in groups such as lower SEG and income groups where this might be expected.

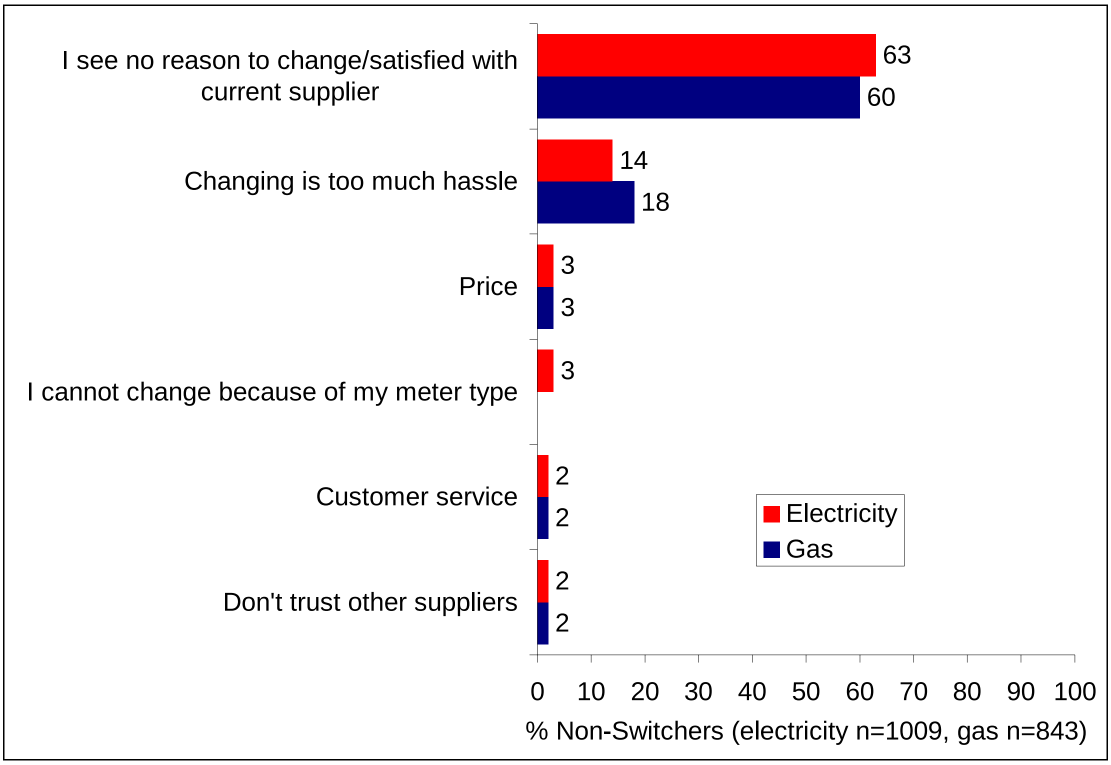

Figure 11: Reasons for Not Switching Supplier

Only 4% of non-switchers have ever tried to change supplier in either gas or electricity. This number is too small to analyse further.

Ease of Switching

Most of those who have changed supplier find the process easy or very easy (87% of switchers).

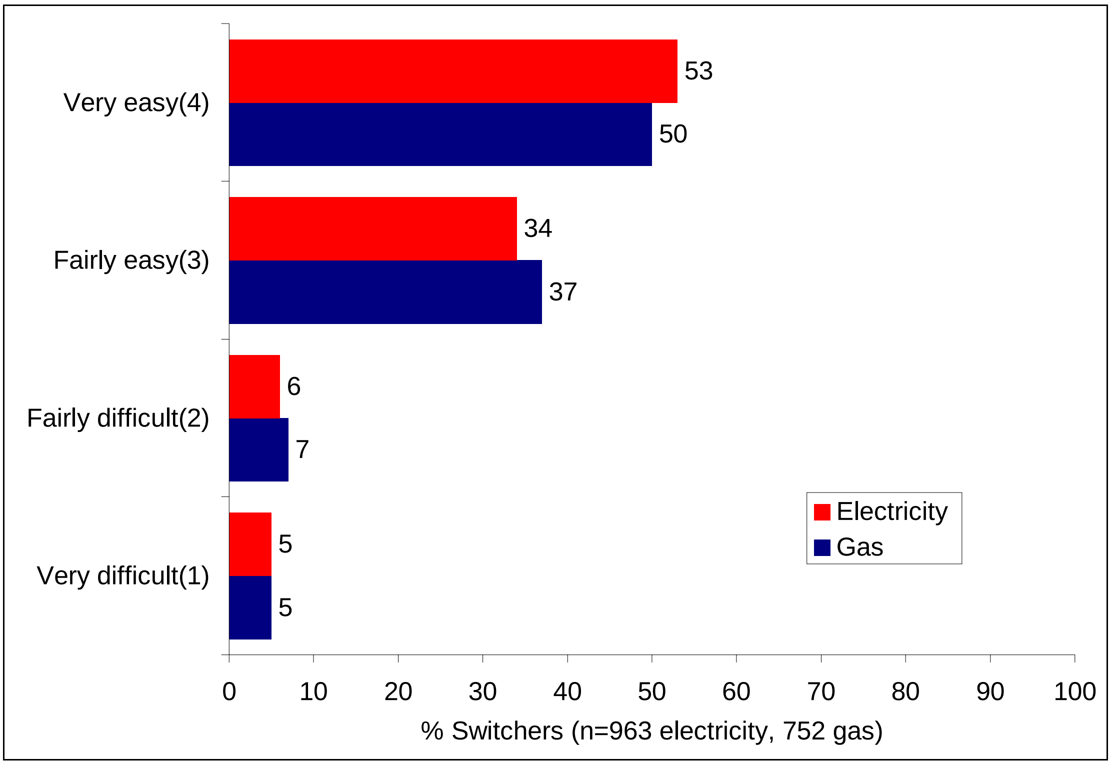

Figure 12: Ease of Switching Rated by Switchers

Most non-switchers expect the switching process to be easy or very easy (65% overall) and relatively few expect it to be difficult (16% electricity, 18% gas non-switchers), so it does not seem that the perceived difficulty of the switch is acting as a barrier.

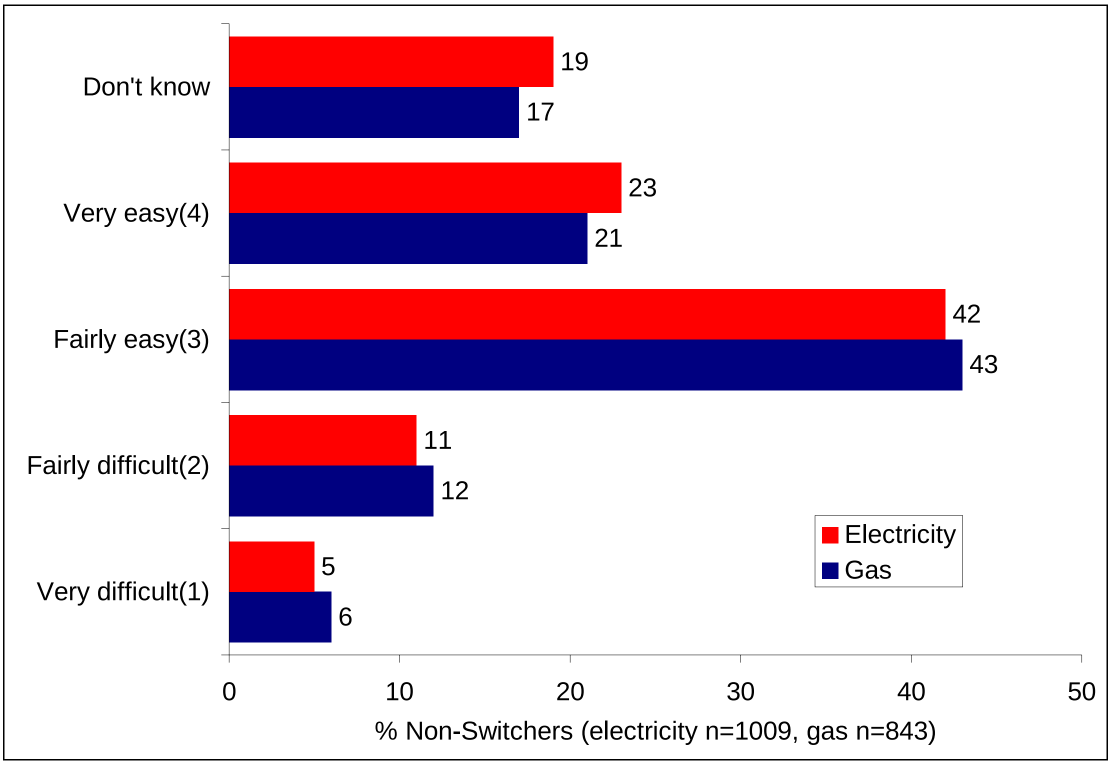

Figure 13: Perceived Ease of Switching Rated by Non-Switchers

Ease of Comparing Prices of Suppliers

Half of non-switchers, and, perhaps surprisingly, over a quarter of switchers, say they have never tried to compare prices of suppliers. Both switchers and non-switchers are most likely to say they find it easy to compare prices, although around a quarter of switchers and 12-15% of non-switchers say it is fairly or very difficult. Comparing prices does not appear to act as a major barrier to switching.

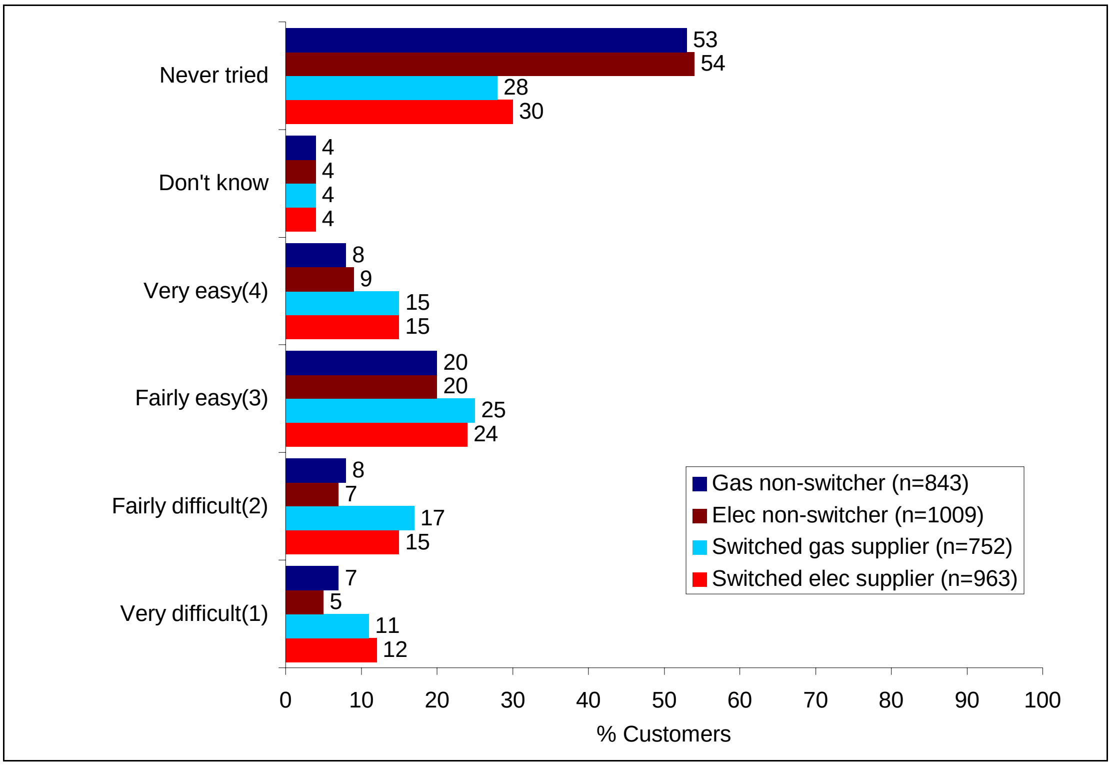

Figure 14: Ease of Comparison of Supplier Prices

Representatives of the electricity or gas company are most likely to be the source of price comparison information, used by over a third (36% gas, 38% electricity customers). The other main source of price information is the internet, used by 30%.

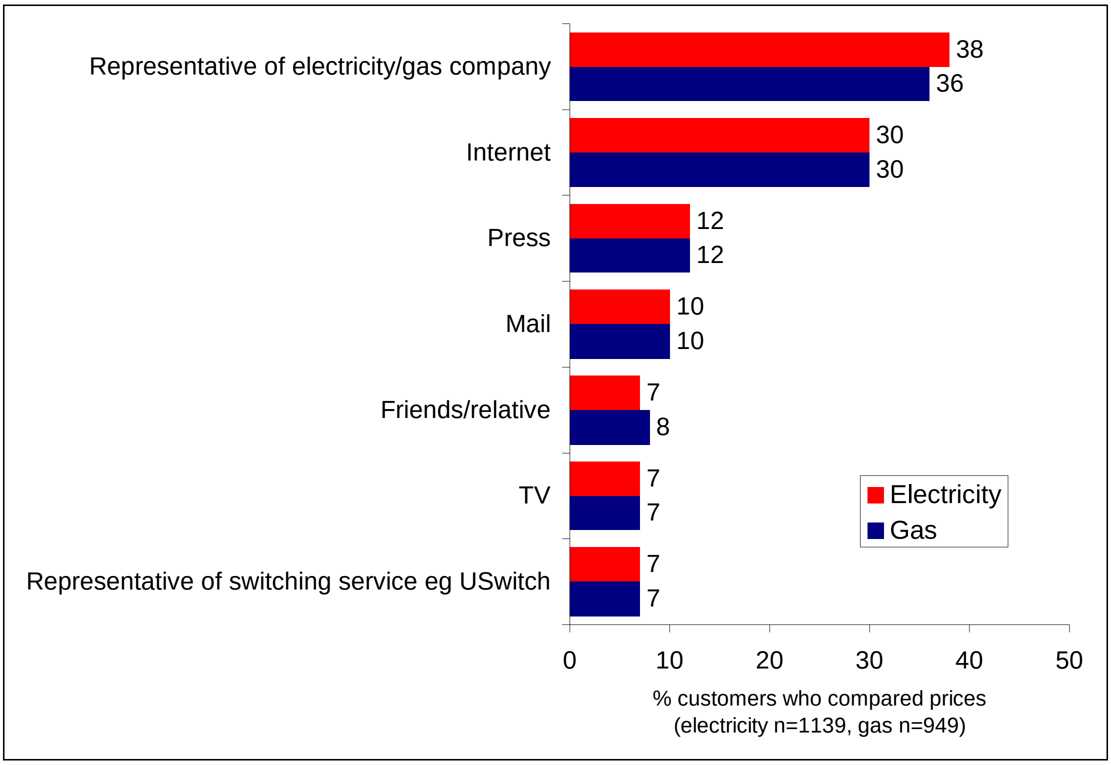

Figure 15: Sources of Supplier Comparison Information

Perceived Effect of Switching on Reliability of Supply

Most gas and electricity customers understand that switching supplier will not affect reliability of supply, so it does not appear that this is acting as either a barrier to, or a catalyst for, switching.

Table 6: Perceived Effect of Switching: Switchers

	Electricity Switchers (%)	Gas Switchers (%)
What effect did you think switching would have on supply?		
It would be more reliable	2	3
It would be less reliable	1	1
It would not affect supply	85	84
Don't know	11	11
And what effect did it have?		
It is more reliable	2	3
It is less reliable	1	1
It has had no effect	89	88
Don't know	8	8
Base	963	752

Table 7: Anticipated Effect of Switching: Non-Switchers

	Electricity Non-switchers (%)	Gas Non-switchers (%)
What effect do you think switching would have on supply?		
It would be more reliable	2	1
It would be less reliable	3	4
It would not affect supply	75	75
Don't know	20	20
Base	1009	843

A6.2.7 Payment Methods

Over half of customers (54% electricity, 57% gas) use direct debit as a payment method, with around a third (30%) using standard credit and around 12% of gas customers and 14% of electricity customers having a prepayment meter.

This finding does differ from Ofgem's other data on payment method. The survey finding matches data from suppliers in terms of use of prepayment meters, but appears to overestimate the use of direct debit and underestimate the use of standard credit in comparison with supplier figures. The previous surveys by JD Power and Associates are quite similar to our findings in gas, and also show a higher proportion using direct debit than standard credit in electricity, though not to the same extent as our survey.

Table 8: Payment Method: Sources Compared

	Gas			Electricity		
	Suppliers, Dec 04	JD Power 03	Accent 05	Suppliers, Dec 04	JD Power 03	Accent 05
Standard Credit	43%	32%	30%	43%	35%	31%
Direct Debit	47%	53%	57%	42%	46%	54%
Prepayment	10%	13%	12%	14%	17%	14%
Other		1%			1%	

Payment method varies quite substantially by several segmentations, the most significant being:

- dual fuel customers are more likely to use direct debit than non-dual fuel
- switchers are more likely to use direct debit than non-switchers
- tenants are much less likely to use direct debit than owner-occupiers
- those with the lowest incomes are much less likely to use direct debit than those with the highest incomes
- those in the D and E social groups are much less likely to use direct debit than those in the AB group
- unemployed and to a lesser extent disabled and single parent households are less likely to use direct debit.

These differences are shown in Table 9 to Table 14 below.

It might therefore be that some difference between the sample and the actual population in terms of these segments was driving the difference in direct debit use. However, the sample mainly differs from the known population in having a larger proportion of groups less likely to use direct debit; lower SEGs, lower income groups and unemployed. If

anything, these differences would be expected to depress the observed use of direct debit. Therefore this does not seem to be a likely explanation.

It is possible that, as all the types of 'other' payment that were included in that category were not individually listed, some respondents were confused as to what payment method they actually used and misattributed it to direct debit. However, the JD Power survey did appear to list each payment method separately and still overestimated the direct debit proportion. The most likely answer is, therefore, simply that some customers are unaware of what payment method they are using.

Table 9: Electricity Payment Method 1: By Dual Fuel, Switcher, Tenancy Type

		Dual Fuel			Switcher		Tenancy Type	
	Total	Dual Fuel %	Different suppliers %	Not applicable (no gas) %	Switched elec supplier %	Elec non-switcher %	Owner occupier %	Tenant %
Direct debit	54	62	42	48	63	46	62	29
Prepayment meter	14	12	17	17	12	15	8	33
Other (cash, cheque, standing order or anything else)	31	25	39	34	24	37	29	37
Don't know	1	1	2	1	1	1	1	1

Table 10: Electricity Payment Method 2: By Household Income and SEG

		Household Income				SEG				
	Total %	Less than £10K %	£10-£24,999K %	£25-£49,999K %	£50K and over %	AB %	C1 %	C2 %	D %	E %
Direct debit	54	39	54	69	70	69	61	49	40	40
Prepayment meter	14	23	18	7	4	5	11	18	21	23
Other (cash, cheque, standing order or anything else)	31	38	28	23	26	26	27	32	38	37
Don't know	1	0	1	1	1	1	2	1	0	1

Table 11: Electricity Payment Method 3: By Other Household Characteristics

	Total %	Long term illness or disability %	Single parent with dependent children %	Unemployed and claiming benefit %	In receipt of other state benefits %	Retired and receiving an occupational pension %	Retired receiving state pension only %
Direct debit	54	38	36	25	41	64	46
Prepayment meter	14	32	35	36	27	4	7
Other (cash, cheque, standing order or anything else)	31	29	29	38	32	30	45
Don't know	1	2		1		1	1

Table 12: Gas Payment Method 1: By Dual Fuel, Switcher, Tenancy Type

		Dual Fuel		**Switcher**		Tenancy Type	
	Total	Dual Fuel %	Different suppliers %	Switched gas supplier %	**Gas non-switcher** %	Owner occupier %	Tenant %
Direct debit	57	63	44	68	48	66	29
Prepayment meter	12	10	15	9	14	6	30
Other (cash, cheque, standing order or anything else)	30	26	40	23	37	27	40
Don't know	1	1	1	0	1	0	2

Table 13: Gas Payment Method 2: By Household Income and SEG

		Household Income				SEG				
	Total %	Less than £10K %	£10-£24,999K %	£25-£49,999K %	£50K and over %	AB %	C1 %	C2 %	D %	E %
Direct debit	57	45	57	70	70	72	65	53	42	42
Prepayment meter	12	21	14	5	3	3	8	16	19	20
Other (cash, cheque, standing order or anything else)	30	34	29	25	26	24	27	30	38	37
Don't know	1	0	1	1	1	1	1	1	0	1

Table 14: Gas Payment Method 3: By Other Household Characteristics

	Total %	Long term illness or disability %	Single parent with dependent children %	Unemployed and claiming benefit %	In receipt of other state benefits %	Retired and receiving an occupational pension %	Retired receiving state pension only %
Direct debit	57	40	37	29	47	69	50
Prepayment meter	12	29	33	36	25	3	6
Other (cash, cheque, standing order or anything else)	30	31	29	35	27	28	44
Don't know	1		1		1	0	0

Changing Payment Method

A small proportion of switchers (14% electricity, 16% gas switchers) changed payment method when they switched. Of these, the most common switch is from standard credit to direct debit (60% of electricity switchers who changed method, 56% gas), as shown in Table 15.

Among non-switchers, a similar proportion has changed their payment method (16% of electricity customers, 14% of gas customers). Again the most common change is from cash to direct debit (59% of electricity non-switchers who changed method, 57% gas) (see Table 15).

Table 15: Change of Payment Method

Change of payment type	Electricity Switchers %	Gas Switchers %	Electricity Non-Switchers %	Gas Non-Switchers %
To DD from Prepayment	8	8	5	3
To DD from Other	60	56	59	57
To Prepayment from DD	7	5	5	6
To Prepayment from Other	7	5	9	16
To Other from DD	9	11	13	4
To Other from Prepayment	2	3	2	4
To Other from Other	5	7	6	10
Base: those who changed method of payment	131	118	172	120

A6.2.8 Dual Fuel

Most switchers change to a dual fuel package. Two fifths of switchers changed from one dual fuel package to another; almost the same number changed from separate suppliers to a dual fuel package. Switching from dual fuel to separate suppliers is the least common move.

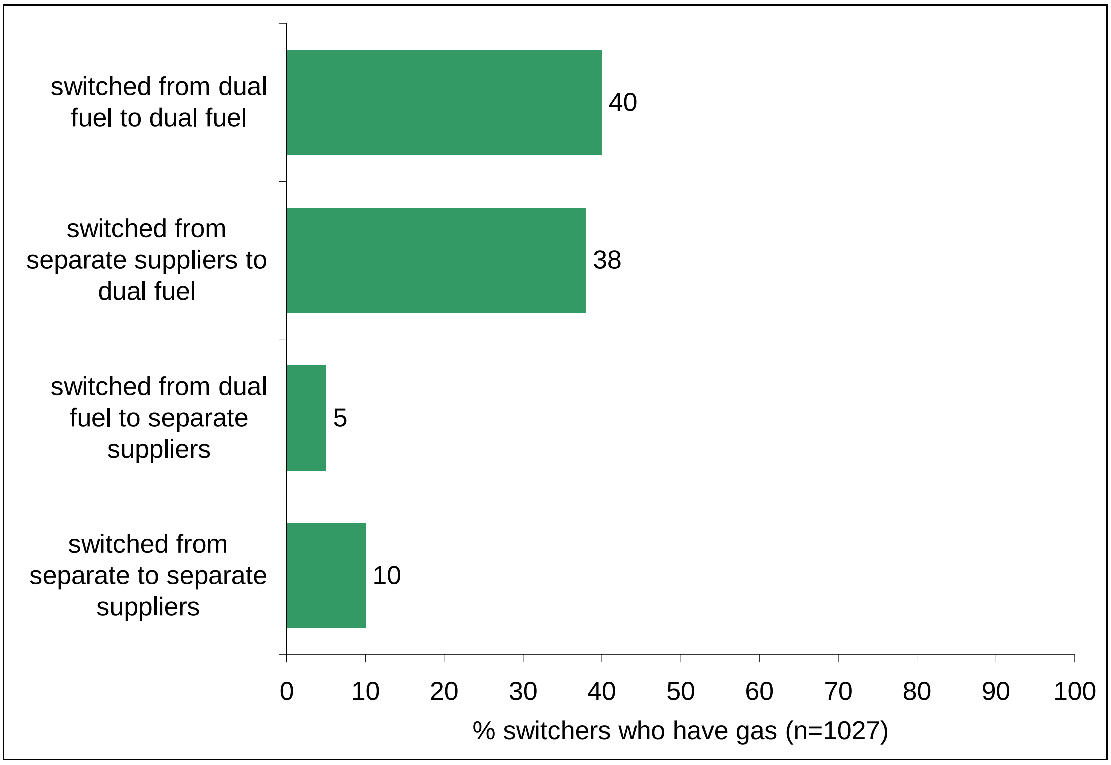

Figure 16: Nature of Last Switch: From/To Dual Fuel Packages

Most switchers (55%) now have dual fuel and would continue to select a dual fuel package in a future switch, and only 4% think they would switch away from dual fuel to separate suppliers. The market therefore looks likely to increase consolidation to dual fuel suppliers.

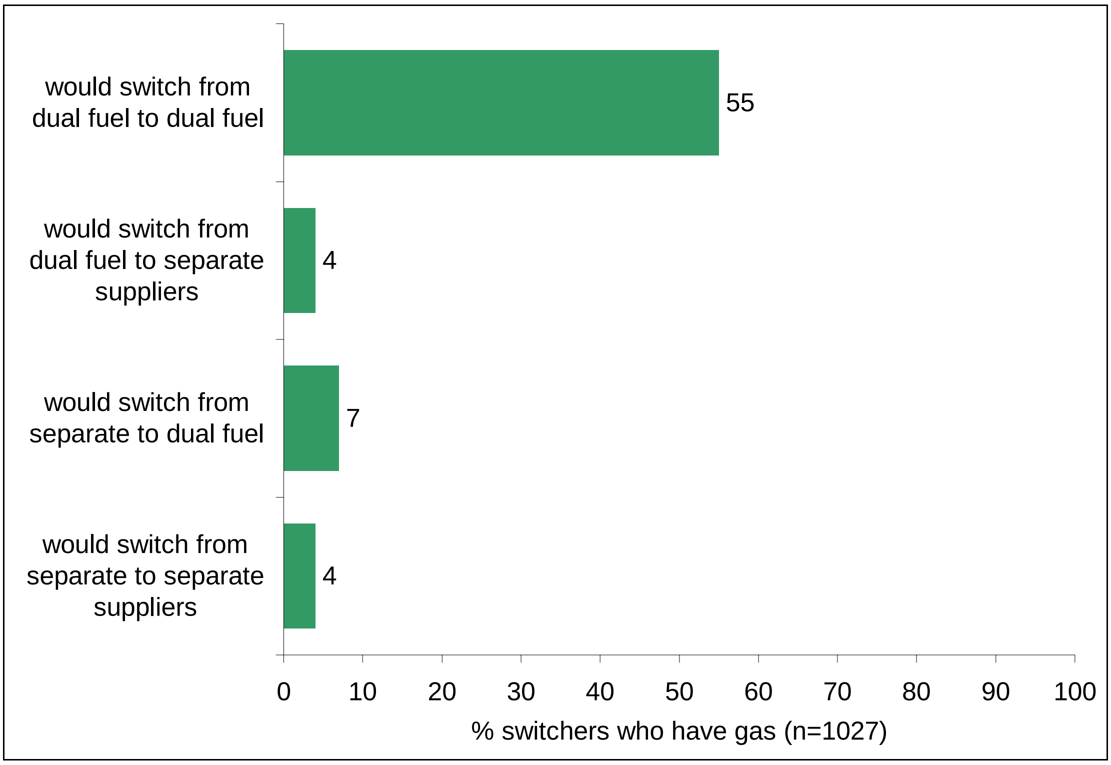

Figure 17: Planned Future Switch From/To Dual Fuel Packages

British Gas has the largest share of the dual fuel market (41%). Supplier market shares are shown below in Figure 18.

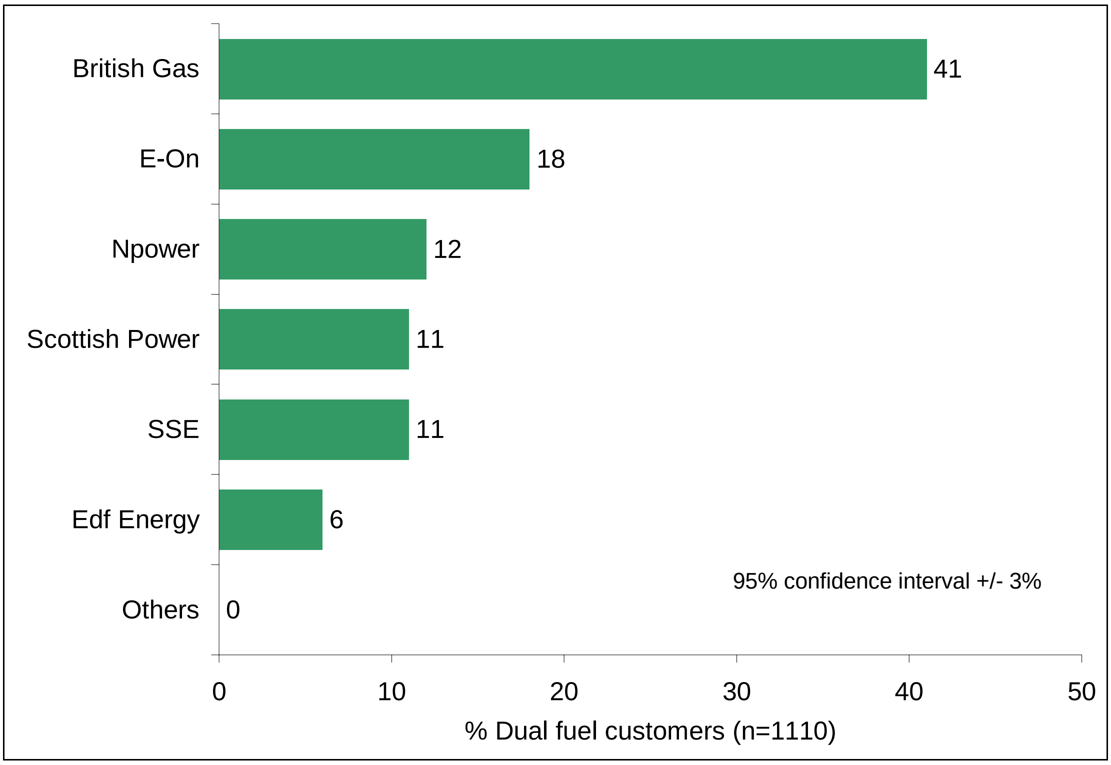

Figure 18: Dual Fuel Supplier Market Shares

A6.3 Conclusions and Recommendations

The gas and electricity retail markets appear to be maturing. Almost all customers are aware that they can change suppliers if they wish to do so, but switching levels appear to have stabilised, with no significant difference between this survey and the findings for 2004. The current survey indicates that about 47% of electricity customers and 46% of gas customers have switched supplier.

As switching is still continuing at a steady rate, this suggests that there is a group of active customers switching relatively frequently, but also a group of non-switchers who are not likely to change supplier in the current market circumstances.

There do not appear to be undue barriers to switching in the market. Most customers have been offered the opportunity to switch by being approached by salespeople, and most do not feel tied to their supplier by debt, meter type or any other barrier (or at least are not prepared to admit to this if they do), nor do they believe that supply reliability will be adversely affected. Switching is generally experienced as an easy process, and those who have not yet switched are not put off by the perceived difficulty of switching. Their main reason for not switching is satisfaction with their current supplier and no perceived need to change.

Generally switching rates are comparable across most groups of the population. The groups that have lower switching rates than the average in gas and electricity are households in the lowest socio-economic group (Group E) and, for electricity only, households led by the unemployed. Geographically, the Scottish Hydro PES area has a lower than average rate of switching in both gas and electricity. The lower rate of switching in the Scottish Hydro region may be attributed to high satisfaction with and loyalty to the incumbent supplier. The reason for the lower rates of switching in the E group and among the unemployed is not clear from this research. It does not appear to be due to debt, meter type or similar factors, or to lack of targeting by suppliers. Further work may be required in this area.

Switching when it does take place is driven almost entirely by cost. Price increases are a key reason for prompting the consideration of switching, and cost is the main reason for actually switching supplier. However, only 60% of switchers believe that they have in fact saved money by switching. This might be expected to discourage further switching among those who have not achieved their anticipated savings.

Most electricity and gas customers (85%) are satisfied or very satisfied with their supplier. There is no significant difference in mean satisfaction ratings between switchers and non-switchers, or between individual suppliers. The small proportion of dissatisfied customers mainly cites ‘value for money’ as the reason for their dissatisfaction, and might therefore be expected to switch suppliers in the future. Poor service is very infrequently mentioned in the market as a whole. Thus, although there may be a number of gas and electricity customers who are very dissatisfied with service or billing, as identified through complaints to Ofgem, these customers form a small proportion of the overall market.

Two thirds of the potential dual fuel market is currently using the same supplier for gas and electricity. British Gas continues to have the largest share (41%) of the dual fuel users market. The dual fuel share of the market is likely to continue to grow, as most switchers say they would switch to a dual fuel offer if switching again in the future.

Most customers are using direct debit to pay their gas and electricity bills. The survey found that 54% of electricity customers and 57% of gas customers were using this method. Switching prompts a small proportion of switchers to also change payment method. Around 15% of switchers change payment method at the time of the switch, most commonly from cash to direct debit. But a similar proportion of non-switchers have also changed payment method, again most commonly from cash to direct debit. This can be a way of saving money without switching supplier, as some suppliers offered a discount for direct debit payment.

Payment method used varies widely by factors like home ownership, socio-economic group and income, with direct debit less used by tenants, lower income and lower SEG households. Direct debit customers appear to be more likely to switch than those using prepayment and other payment methods. But there is no evidence that direct debit users are more targeted by sales people. All groups had a similarly high proportion recalling being approached to change supplier.

In summary:

- all segments of the market appear to have the opportunity to benefit from switching gas and electricity supplier
- awareness of switching is high, and no significant barriers to switching have been identified
- overall satisfaction with suppliers is high
- price is the key driver of switching in the gas and electricity markets
- overall switching has remained at the same level since 2004, and most segments of the market show similar switching levels
- the reasons for the lower rates of switching among the unemployed and those in the E social class are not clear from the research. Ofgem may wish to consider further research in this area, possibly including qualitative approaches, to develop a fuller understanding of this segment of the market.

Appendix 7 - Methodology of customer experience survey - report prepared by Accent for Ofgem

Customer Experience Survey

Report (methodology and questionnaire)

May 2005

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A7.1 METHODOLOGY

A7.1.1 Summary

The survey was a national survey of 2052 householders (target 2050), conducted by telephone. Householders were interviewed about switching experience in both their gas and electricity supply. A sample of 140 respondents was randomly selected in each of the 14 ex-PES areas, giving a total of 1960. A top-up sample of 90 hard-to-find householders (unemployed and under 25 year olds) was then added, to ensure a minimum of 100 respondents in each of the cells of interest. The sample was then weighted by PES area, and gas and electricity supplier used, to more accurately reflect the population.

A7.1.2 Administration of the Fieldwork

The interviewing was conducted from Accent's dedicated telephone units in Edinburgh and Bristol by specially trained telephone interviewers using computer assisted interviewing. Interviewers were briefed by the manager on the background of the project, the specifics of the questionnaire, the sampling method and quotas required.

Fieldwork was conducted between 10.03.05 and 23.03.05. The average length of interview was 8-10 minutes, with interview lengths ranging from 6 minutes with non-switchers to up to 15 minutes with switchers.

The questionnaire had the following structure:

- introduction to the survey and identification of the decision-maker
- screening questions on household characteristics
- awareness of switching
- electricity questions
    - covering contact with sales people
    - switching behaviour with reasons
    - ease of switching
    - suppliers used
    - payment method
    - satisfaction with reasons
- gas questions – as above (gas and electricity sections were randomised in terms of which was presented first, to prevent order effects)
- dual fuel questions
- other switching behaviour.

The questionnaire used is at the end of this appendix.

A7.1.3 Sample

The sample was selected from UK householders responsible for the selection of gas and electricity suppliers.

The sample was designed to meet Ofgem's objectives, namely:

- to provide cell sizes of a minimum of 100 for each of the variables specified in the brief
- to provide a nationally representative sample with respect to suppliers used
- to provide an overall robust assessment of the key indicators of switching.

The following segmentations were agreed with the client:

- Age
    - Under 25
    - 25-34
    - 35-44
    - 45-54
    - 55-64
    - 65+
- Income
    - Less than £10K
    - £10K-£24,999
    - £25K-£49,999
    - £50K and over
- SEG
    - AB
    - C1
    - C2
    - D
    - E
- Rural/urban
- Region
    - The 14 ex-PES areas
- Electricity supplier
    - Powergen
    - British Gas
    - Npower
    - EDF
    - SSE
    - Scottish Power
- Gas supplier
    - Powergen
    - British Gas
    - Npower
    - EDF
    - SSE
    - Scottish Power

- Electricity switcher/non-switcher
- Gas switcher/non-switcher
- Dual fuel/use separate supplier
- Electricity payment method
    - Direct debit
    - Prepayment meter
    - Other
- Gas payment method
    - Direct debit
    - Prepayment meter
    - Other
- Home tenure – owner occupier/tenant
- Length of tenure
    - Less than one year
    - 1-3 years
    - 3-7 years
    - 8-15 years
    - more than 15 years
- Internet access at home – yes/no
- Disabled –yes/no
- Single parent with dependent children –yes/no
- Unemployed and claiming benefit – yes/no
- Other state benefits – yes/no
- Retired on occupational pension – yes/no
- State pension sole income – yes/no
- Switched other utilities – yes/no

The target for each of the above segments was 100 valid interviews.

A total sample size of 2050 was selected. It was decided to ensure geographic coverage by setting a quota of 140 for each of the 14 ex-PES regions. Within each region respondents were selected at random. This gave an initial sample of 1960. From published census and other data on the incidence of the above variables in the population, it was calculated that from this sample of 1960 100 interviews would be achieved in all the above cells, with the exception of under-25-year-old householders and unemployed householders. A further 90 interviews were therefore specifically targeted at these groups in order to achieve the 100 interviews per cell required. This gave the total of 2050.

The respondent numbers (base) achieved in each of the cells of the key segmentations is given below in Table 16 to Table 30. These numbers should be referred to when considering the reliability of the statistics quoted in the report. To assist with the assessment of the reliability of these statistics, a table is also given showing some examples of the 95% confidence intervals or various proportions from various sample sizes (Table 31).

NB: When considering the reliability of proportions within a segment, the relevant base size to be considered is the unweighted base, even though the data may have been subsequently weighted. For example, the weighted total of respondents in the Scottish Hydro region is 59. However, proportions in the Scottish Hydro segment are based on a total of 140 observations, and therefore confidence limits around proportions in this segment are properly calculated on a base of 140.

Table 16: Age of Respondent

	Number of Respondents
Under 25	103
25-34	274
35-44	424
45-54	371
55-64	362
65+	505
Refused	13
Total	2052

Table 17: Socio-Economic Group

	Number of Respondents
A	66
B	323
C1	596
C2	406
D	281
E	318
Refused	62
Total	2052

Table 18: Household Income

	Number of Respondents
Less than £10K	374
£10-£24,999K	582
£25-£49,999K	424
£50K and over	140
Refused	532
Total	2052

Table 19: Rural/Urban Location

	Number of Respondents
Rural	834
Urban	1218
Total	2052

Table 20: Home Tenancy Type

	Number of Respondents
Owner occupier	1532
Tenant	516
Other, specify	4
Total	2052

Table 21: Length of Time in Home

	Number of Respondents
Less than one year	123
One year to less than 3 years	284
3 to 7 years	442
8 to 15 years	440
16 years or more	755
Don’t know	8
Total	2052

Table 22: Access to Internet at Home

	Number of Respondents
Yes	1183
No	869
Total	2052

1.

Table 23: Current Electricity Supplier

	Number of Respondents
Powergen	332
British Gas	491
Npower	285
EDF Energy	249
SSE	337
ScottishPower	293
Other	33
Don`t know	32
Total	2052

Table 24: Electricity Payment Method

	Number of Respondents
Direct debit	1146
Prepayment meter	289
Other (cash, cheque, standing order or anything else)	597
Don't know	20
Total	2052

Table 25: Current Gas Supplier

	Number of Respondents
Not applicable	421
Powergen	213
British Gas	760
Npower	169
EDF Energy	101
SSE	154
ScottishPower	175
Other	26
Don`t know	33
Total	2052

Table 26: Gas Payment Method

	Number of Respondents
Not applicable	421
Direct debit	969
Prepayment meter	186
Other (cash, cheque, standing order or anything else)	464
Don't know	12
Total	2052

Table 27: Ever Switched Electricity Supplier

	Number of Respondents
Not applicable	59
Yes	1047
No	933
Don't know	13
Total	2052

Table 28: Ever Switched Gas Supplier

	Number of Respondents
Not applicable	454
Yes	836
No	752
Don't know	10
Total	2052

Table 29: Switched Other Utilities

	Number of Respondents
Yes	660
No	1392
Total	2052

Table 30: Household characteristics

	Number of Respondents
Long term illness/disability	189
Single parent/dependent children	121
Unemployed & claiming benefit	100
Other state benefits	168
Retired/occupational pension	339
Retired/state pension only	358

NB: Does not add to total of respondents as more than one answer can be given

Table 31: Examples of 95% confidence intervals (+/-) for Some Sample Sizes and Proportions

sample size (random from infinite popn.)	50% giving the same response	40% or 60% giving the same response	30% or 70% giving the same response	20% or 80% giving the same response	10% or 90% giving the same response
30	17.89	17.53	16.40	14.31	10.74
40	15.50	15.18	14.20	12.40	9.30
50	13.86	13.58	12.70	11.09	8.32
60	12.65	12.40	11.60	10.12	7.59
70	11.71	11.48	10.74	9.37	7.03
80	10.96	10.74	10.04	8.77	6.57
90	10.33	10.12	9.47	8.26	6.20
100	9.80	9.60	8.98	7.84	5.88
110	9.34	9.16	8.56	7.48	5.61
120	8.95	8.77	8.20	7.16	5.37
150	8.00	7.84	7.33	6.40	4.80
200	6.93	6.79	6.35	5.54	4.16
250	6.20	6.07	5.68	4.96	3.72
300	5.66	5.54	5.19	4.53	3.39
350	5.24	5.13	4.80	4.19	3.14
400	4.90	4.80	4.49	3.92	2.94
450	4.62	4.53	4.23	3.70	2.77
500	4.38	4.29	4.02	3.51	2.63
600	4.00	3.92	3.67	3.20	2.40
700	3.70	3.63	3.39	2.96	2.22
800	3.46	3.39	3.18	2.77	2.08
900	3.27	3.20	2.99	2.61	1.96
1000	3.10	3.04	2.84	2.48	1.86
1100	2.95	2.90	2.71	2.36	1.77
1200	2.83	2.77	2.59	2.26	1.70
1300	2.72	2.66	2.49	2.17	1.63
1400	2.62	2.57	2.40	2.10	1.57
1500	2.53	2.48	2.32	2.02	1.52
1600	2.45	2.40	2.25	1.96	1.47
1700	2.38	2.33	2.18	1.90	1.43
1800	2.31	2.26	2.12	1.85	1.39
1900	2.25	2.20	2.06	1.80	1.35
2000	2.19	2.15	2.01	1.75	1.31
2100	2.14	2.10	1.96	1.71	1.28

A7.1.4 Weighting Procedure

To make the data more representative of the overall population, they were weighted by a total of three variables:

- Customer's electricity supplier to reflect market share data provided by Ofgem
- PES region to reflect relative size of the PES in terms of customer numbers
- Customer's gas supplier to reflect national market share data provided by Ofgem.

2.

Ofgem provided electricity market share data within each region, but gas market share only at a national level. The weighting procedure used is therefore a mixture of interlocking and rim weighting.

Interlocking weighting is used when target data (the known proportions) are available for each cell of a matrix. So, in this case, if electricity supplier is crossed by region, from the provided data (on electricity supplier within PES region and customer numbers in each PES) the percentage of the sample that should lie within each cell of that matrix (the target) is known. The actual percentages in each of these cells achieved in the survey data were then calculated. Dividing the target by the actual gives the first weight used (w1), which weights individual respondents with regard to both these variables.

As a small number of respondents did not provide information on their supplier, those individuals were excluded from weighting by supplier. The market shares were recalculated as a proportion of those who did know who their supplier was.

To weight by the third variable, gas supplier market share, rim weighting was used. This method is used when only the overall proportions of the variable are known, as in this case; the national market share is known, but not how this differs by PES region. Rim weighting inevitably distorts the results of any preceding variable to some extent; only the final variable used is completely accurately reflected in the sample. The second weight (w2) weights those with a named gas supplier in proportion to the overall market share of their supplier. It is calculated by dividing the target percentage of the market (ie that provided by Ofgem) by the actual percentage achieved in the sample of gas users following weighting by w1.

A7.1.5 Sample Characteristics After Weighting

On the graphs below, the survey data are compared to external data sources such as the 2001 Census and CACI 2004 with regard to age, income and socio-economic grouping. These show that, broadly, the survey data after weighting show a good concordance with the known population data, and can therefore be taken as representative of the population. Where the survey sample differs significantly from the population it is in areas that were targeted for boosting in the survey. Thus in the survey, there is a slightly higher proportion of younger householders and a higher proportion of householders in the lower socio-economic groups than is found in the population.

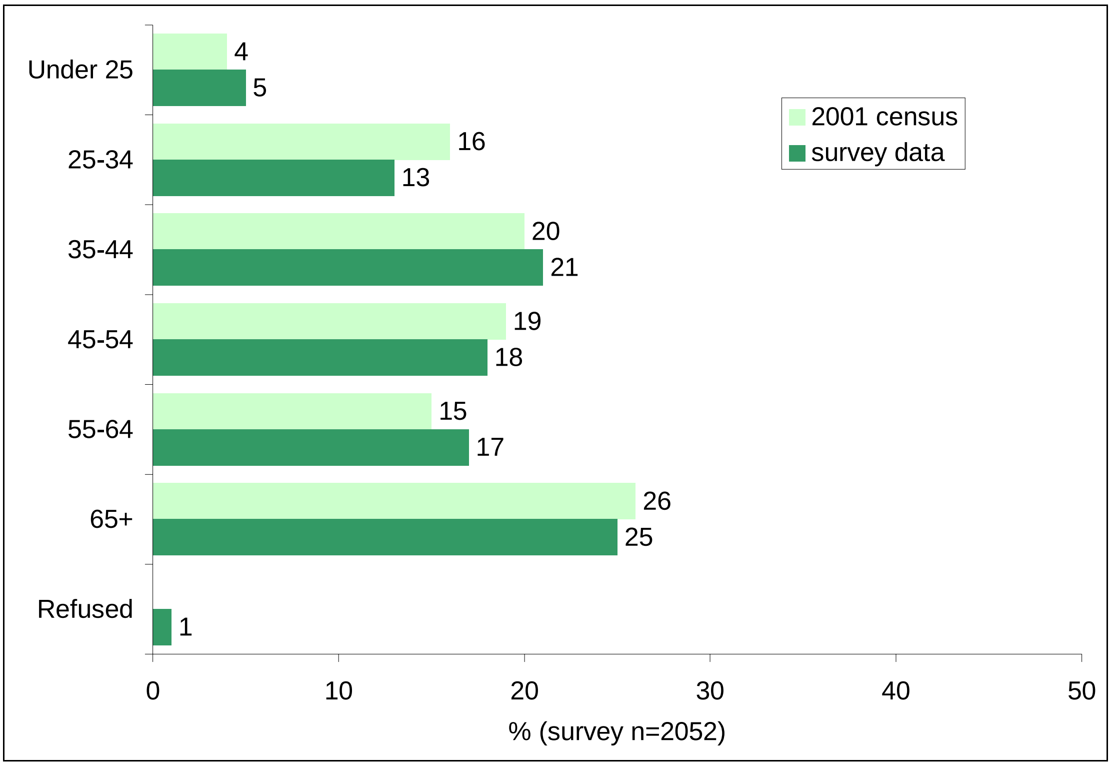

Figure 19: Age: Survey data compared to Census

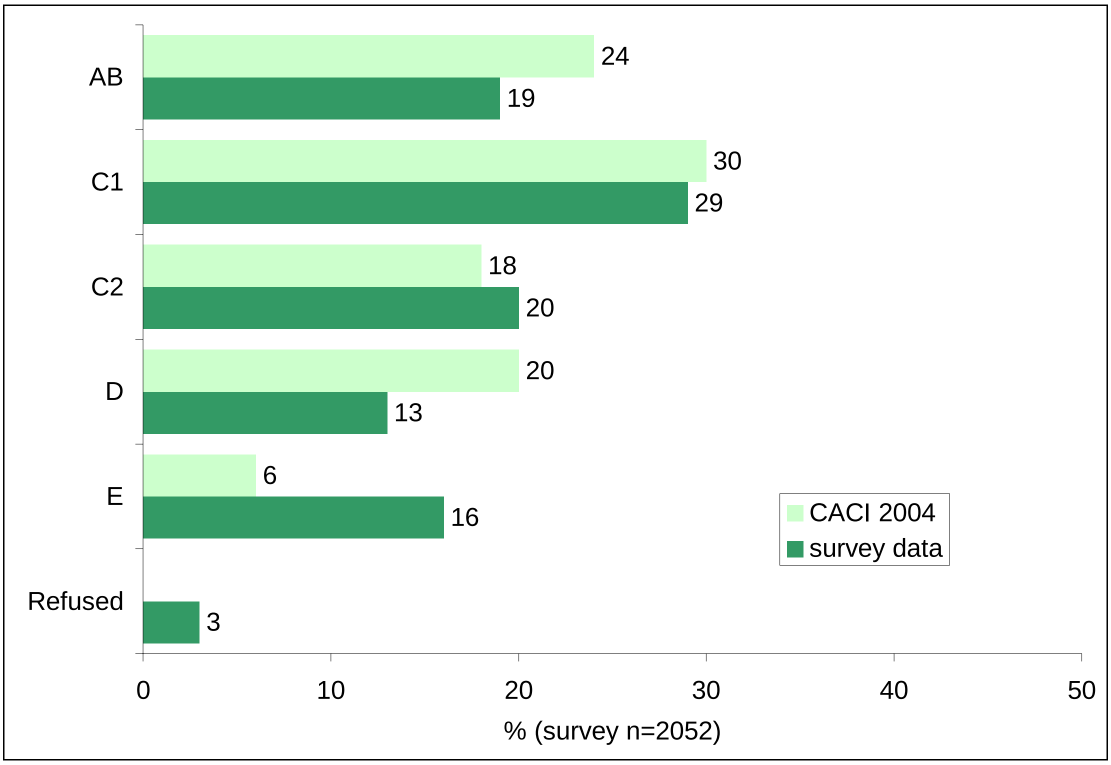

Figure 20: SEG: Survey data compared to CACI 2004

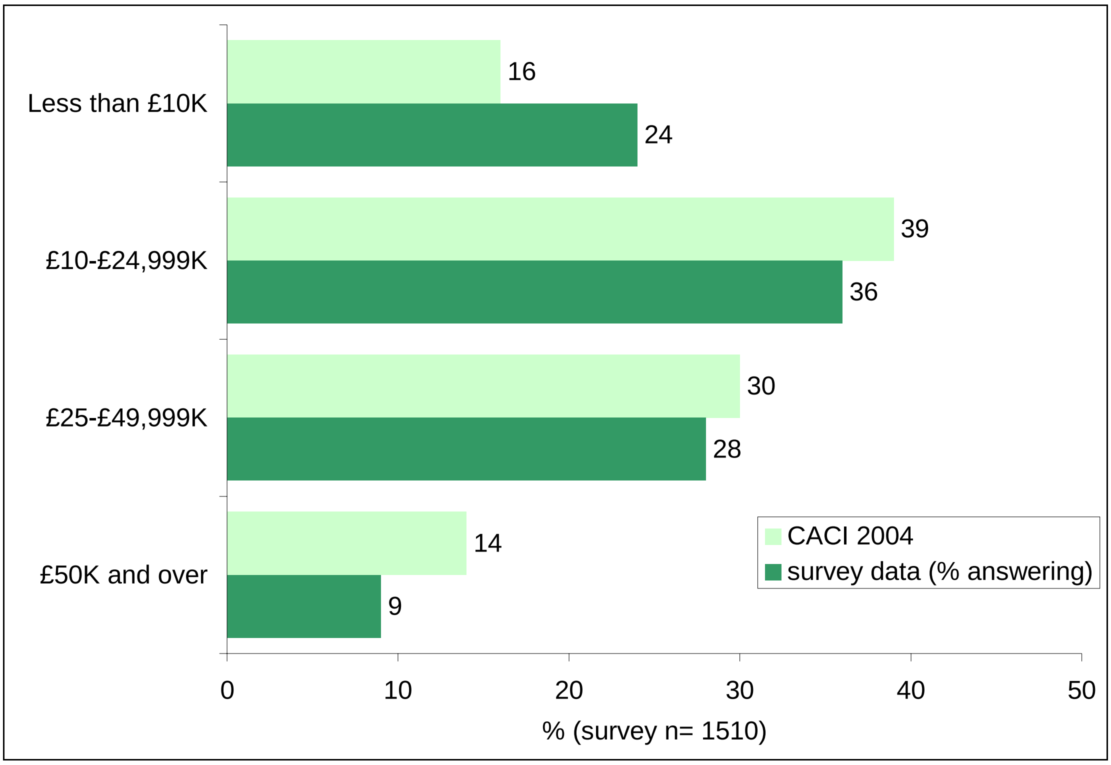

Figure 21: Household income: Survey data compared to CACI 2004

Figure 22 below shows the proportion of the survey respondents who agreed with the statements about themselves, and compares it to Census 2001 data where relevant. Unemployed householders were specifically targeted in the survey and would be expected to be at a higher proportion than in the population.

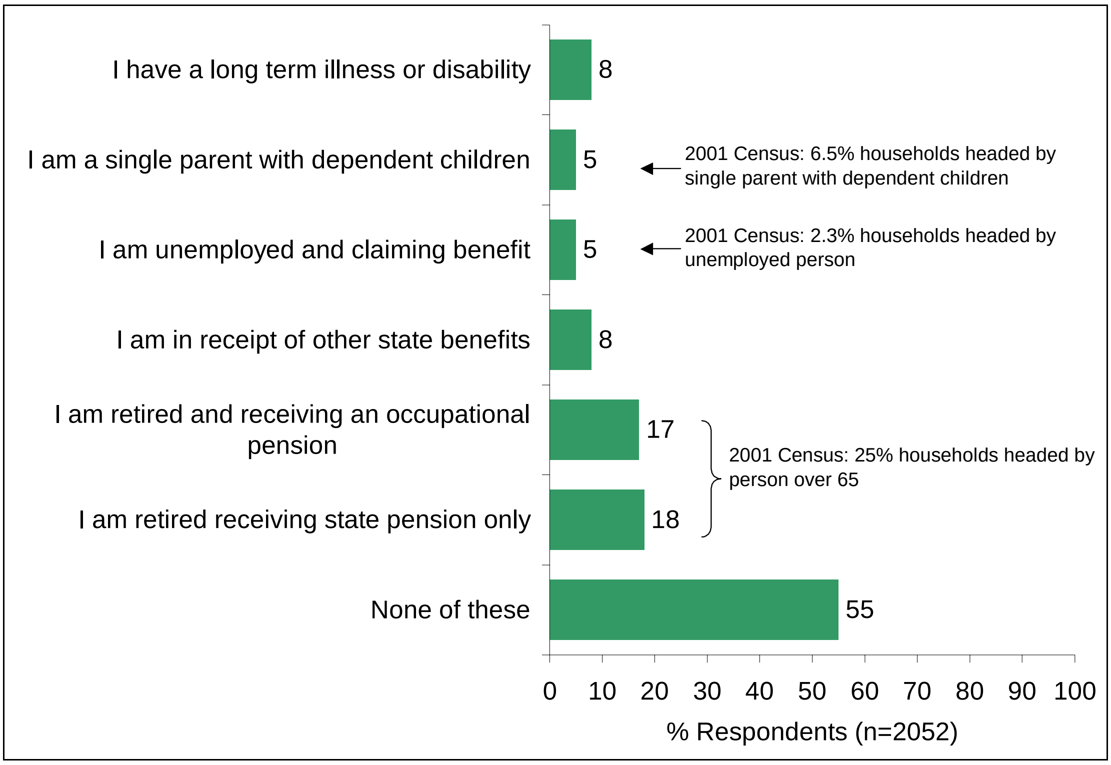

Figure 22 :Household characteristics: Survey data with comparative statistics

Three quarters of the survey respondents owned their own home, slightly higher than the CACI data proportion of 66%, as shown in
Table 32 .

Table 32: Tenancy type: Survey data compared to CACI 2004

	Survey data %	CACI 2004 %
Owner occupier	75	66
Tenant	25	33

Well over a third (37%) of householders had occupied their home for 16 years or more; 6% had moved in the last year (Figure 23). Comparable data are not available.

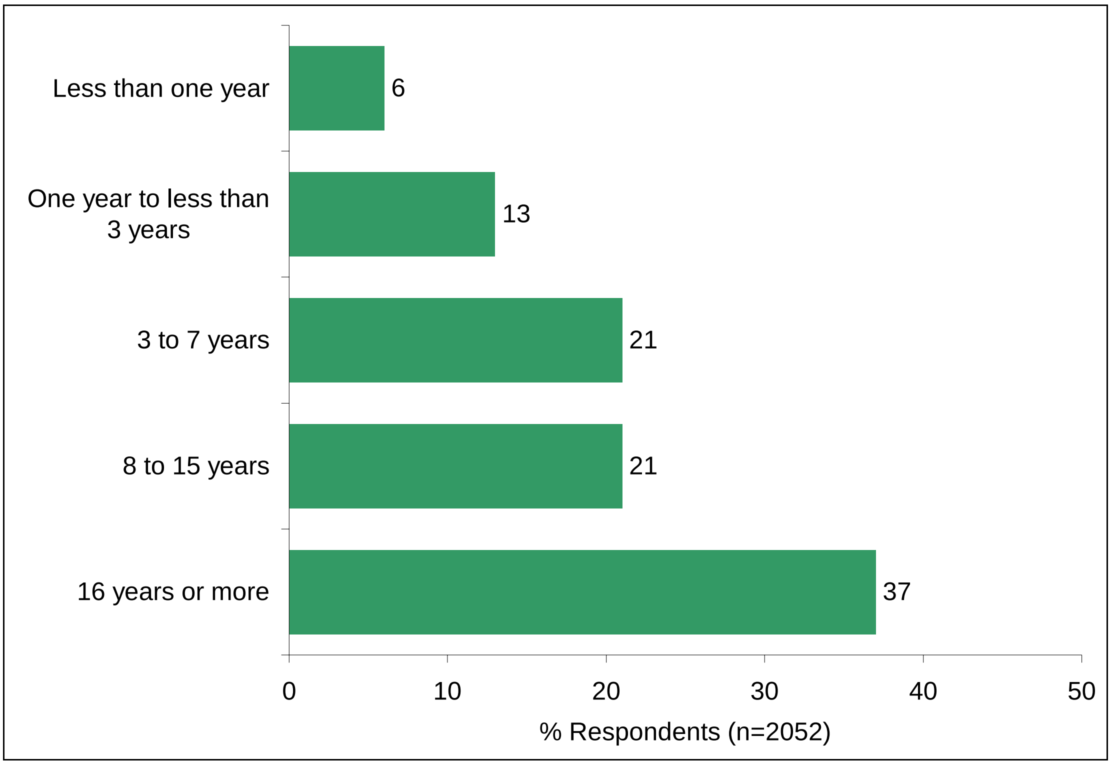

Figure 23: Length of household occupancy

About two fifths of the sample live in rural areas.

Table 33: Do you live in a rural or urban area?

	Survey data %
Rural	39
Urban	61

Overall, over half (57%) of the households have access to the internet. This varies widely according to age, income and socio-economic group with younger, wealthier and higher SEG households more likely to have internet access.

Table 34: Do you have access to the Internet at home?

		Age						Household Income				SEG				
	Total %	Under 25 %	25-34 %	35-44 %	45-54 %	55-64 %	65+ %	Less than £10K %	£10-£24,999K %	£25-£49,999K %	£50K and over %	AB %	C1 %	C2 %	D %	E %
Yes	57	69	74	75	71	52	23	31	58	78	89	78	66	56	44	30
No	43	31	26	25	29	48	77	69	42	22	11	22	34	44	56	70

A7.1.6 Data Analysis

Proportions and means quoted in this report refer to the weighted data, as described above.

This report analyses the main findings of the survey. Where significant differences by segment have been observed, these are highlighted and illustrated in tables or graphs.

Data tabulations accompany this report. They include cross breaks of all the questions by all the segmentations agreed with the client.

A7.2 Questionnaire

Project number 1397: OFGEM CUSTOMER EXPERIENCES

Word version of WinMINT questionnaire

Recruitment

Good morning/afternoon/evening. My name is .... from Accent Marketing & Research and I am carrying out research for Ofgem, the Office of Gas and Electricity Markets, into customers' experience with gas and electricity suppliers. I am not trying to sell you gas or electricity services. We are interested in your opinions only. Are you the person who would be responsible for choosing gas and electricity suppliers for your household?

INTERVIEWER: IF NOT, ASK TO SPEAK TO DECISION MAKER AND REINTRODUCE

Could you spare about 15 minutes to help us with our questions? We are interested in your experiences no matter which suppliers you use and whether or not you have changed gas or electricity supplier.
3.
Any answer you give will be treated in confidence in accordance with the Code of Conduct of the Market Research Society.

Q1. The first questions are about you and your household. We want to ensure that we have a range of people in our survey. Do you or any members of your family work in the following jobs? **INTERVIEWER: READ OUT**

1 Marketing
2 Market research
3 PR
4 Journalism
5 The electricity industry
6 The gas industry
7 None of the above

IF Q1 = 1 – 6, THANK AND CLOSE

Q2 A: Can you please give me the first part of your postcode?

INTERVIEWER: PLEASE ENTER THE FIRST HALF OF THE POSTCODE EG: IF FULL POSTCODE IS *RG12 8QT* PLEASE ENTER *RG12*; IF FULL POSTCODE IS *RG1 5TT* PLEASE ENTER *RG1*

Q2 B: And now the second part of your postcode?

INTERVIEWER: TYPE IN SECOND PART OF POSTCODE

**INTERVIEWER: PLEASE CODE PES FROM THE LOOKUP OF POSTCODES PROVIDED. THE POSTCODE GIVEN WAS #Q2A# #Q2B#
CHECK WITH SUPERVISOR IF IN DOUBT**

1	East Midlands	9	ScottishPower
2	Eastern	10	SEEBOARD
3	London	11	Southern Elec.
4	Manweb	12	SWALEC
5	MEB	13	SWEB
6	Northern	14	Yorkshire
7	Norweb	NO AREA CODE	
8	Scottish Hydro		

Q2 C: Do you live in a rural or urban area?

1 Rural
2 Urban

Q3. Do you own your home, whether outright or mortgaged, or do you rent?

1 Owner occupier
2 Tenant
3 Other, specify

Q4. How long have you lived at this property?
INTERVIEWER: READ OUT

1 Less than one year
2 One year to less than 3 years
3 3 to 7 years
4 8 to 15 years
5 16 years or more

Q5. Do you have access to the internet at home?

1 Yes
2 No

Q6. Into which of the following age bands do you fall?
INTERVIEWER: READ OUT

1	Under 25	5	55-64
2	25-34	6	65+
3	35-44	7	Refused
4	45-54		

Q7. What is your occupation (or occupation of head of household, if not respondent)?
INTERVIEWER: WRITE IN NOTEPAD AND RECORD SEG ACCORDINGLY ON NEXT SCREEN

1	A	5	D
2	B	6	E
3	C1	7	Refused
4	C2		

Q8. What is the total annual income of your household, before tax?
INTERVIEWER: READ OUT BANDS

1 Less than £10K
2 £10-£24,999K
3 £25-£49,999K
4 £50K and over
5 Refused

Q9. Do any of the following statements apply to you?
INTERVIEWER: READ OUT

1 I have a long term illness or disability which limits my ability to work
2 I am a single parent with dependent children
3 I am unemployed and claiming benefit
4 I am in receipt of other state benefits
5 I am retired and receiving an occupational pension
6 I am retired receiving state pension only
7 None of these

Main Questionnaire

Thank you for answering those questions. I now have some questions about your electricity and gas supply. The questionnaire will take about 10 minutes. You do not have to answer questions you do not wish to and you can terminate the interview at any point.

Order of Q10 and Q11 randomised

Q10. Did you already know that you can change your electricity supplier?

1 Yes = Aware
2 No = Unaware

Q11. **Did you already know that you can change your gas supplier?** **INTERVIEWER: IF RESPONDENT NOT ON MAINS GAS, ASK:** Do you know that gas customers can change their supplier?

1 Yes = Aware
2 No = Unaware

Order of Electricity Section and Gas Section randomised

Electricity Section

Q12. Have you ever been contacted or approached by sales people trying to get you to change electricity supplier?

1 Yes
2 No **GO TO Q14**
3 Not sure/can't remember **GO TO Q14**

Q13. The last time that a sales person contacted or approached you about this, what method did they use?
INTERVIEWER: CODE ONE ANSWER

1 Phone
2 Post
3 Email
4 Representative called at home
5 Representative approached you in a supermarket or similar outlet
6 Other, specify

Q14. **AWARE ONLY (Q10 = 1):** Have you ever changed your electricity supplier? **INTERVIEWER: NB DO NOT INCLUDE CHANGE OF SUPPLIER DUE TO MERGER OR TAKEOVER OF EXISTING SUPPLIER ETC**

1 Yes = switcher
2 No **GO TO Q16**
3 Don't know **GO TO Q16**

Q15. **SWITCHERS ONLY (Q14 = 1):** How many times have you changed your electricity supplier?

1 once only
2 twice
3 three times
4 four times or more
5 can't remember

Q16. Ask all: Who is your current supplier of electricity?
INTERVIEWER: PLEASE USE LIST BELOW TO RECODE BACK INTO CURRENT SUPPLIERS AT THE BOTTOM OF THE SCREEN
INTERVIEWER: DO NOT PROMPT

Atlantic Electric & Gas (SSE)
Bizz Energy
British Gas (British Gas)
Business Energy (British Gas)
East Midlands (Powergen)
Eastern (Powergen)
Economy Power
Ecotricity
EdF Energy (EdF Energy)
Electricity Direct (British Gas)
Enron Direct (British Gas)
Independent Elec. (npower)
London Electricity(EdF Energy)
London Energy (EdF Energy)
Manweb (ScottishPower)
Midlands (npower)
Northern (npower)
Norweb (Powergen)
npower (npower)
On Energy (Powergen)
OPUS Energy
Powergen (Powergen)
RWE (npower)
Scottish & Southern (SSE)
Scottish Hydro (SSE)
ScottishPower (ScottishPower)
SEEBOARD Energy (EdF Energy)
Southern Electric (SSE)
SWALEC (SSE)
SWEB Energy (EdF Energy)
Telecom Plus
Total Fina Gas & Power
TXU Energi (Powergen)
Utilita
Virgin (EDF Energy)
Yorkshire Elec. (npower)
Zest

Other (specify)

CURRENT SUPPLIERS

1 PowerGen	6 ScottishPower	11 Telecom Plus
2 British Gas	7 Bizz Energy	12 Total FinGas & Power
3 Npower	8 Economy Power	13 Utilita
4 EDF Energy	9 Ecotricity	14 Zest 4
5 SSE	10 OPUS Energy	15 Other

Q.17 **SWITCHERS ONLY (Q14 = 1); OTHERS GO TO Q19:** The last time that you changed electricity supplier, what prompted you to start thinking about switching electricity supplier?
INTERVIEWER: CODE ALL THAT APPLY
INTERVIEWER: DO NOT PROMPT

1 Price increases from supplier
2 Press editorial
3 TV editorial
4 Radio editorial
5 Press advertising
6 TV advertising
7 Radio advertising

8 Contacted by sales person
9 Friends and/or family
10 Other (specify)

Q.18 **SWITCHERS ONLY (Q14 = 1):** What was the main reason why you decided to leave your previous electricity supplier?
INTERVIEWER: CODE ONE ANSWER ONLY
INTERVIEWER: DO NOT PROMPT

1 cheaper prices/cost
2 poor service from previous supplier
3 ability to buy gas and electricity from the same company (dual fuel)
4 wanted to take electricity from my existing gas supplier because they offered an additional 5 discount to do so
6 wanted to take electricity from my existing gas supplier for some other reason
7 certainty of price/fixed price deal
8 believed it would be easy to switch
9 wanted to receive advice on energy efficiency
10 only one bill for gas/electricity
11 wanted to try new supplier
12 payment methods
13 British company
14 company image
15 moved house/new house
16 didn't decide/tricked into it
17 pressured by sales person (PROBE NO OTHER REASON)
18 there is no standing charge
19 better billing
20 company changed/taken over
21 to combine telephone with supplier
22 other, specify
23 don't know

Q19. **AWARE NON SWITCHERS ONLY (Q10 = 1 AND Q14 = 2); OTHERS GO TO Q20**: What is your main reason for staying with your current electricity supplier?
INTERVIEWER: CODE ONE ANSWER ONLY
INTERVIEWER: DO NOT PROMPT

1 I cannot change because of my meter type (such as dynamic teleswitched on Total Heat Total Control tariff)
2 I cannot change because I am in debt to the electricity company
3 I see no reason to change/satisfied with current supplier
4 changing is too much hassle
5 waiting to see what happens
6 suspicious that lower prices will not be maintained
7 suspect that other suppliers will offer poorer services than current supplier

8 have not been approached by another supplier
9 don't know enough about other suppliers
10 don't trust other suppliers
11 the savings are not large enough to make it worth while
12 price
13 customer service
14 other, specify
15 Don’t know

Q20. **ASK ALL:** What payment method do you use to pay your electricity bill currently?
INTERVIEWER: READ OUT

1 Direct debit
2 Prepayment meter
3 Other (cash, cheque, standing order or anything else)
4 Don’t know

Q21. **SWITCHERS ONLY (Q14 = 1); OTHERS GO TO Q23:** Did you change the method you used to pay your bills when you last changed your electricity supplier?

1 yes
2 no **GO TO Q23**
3 can’t remember, don’t know **GO TO Q23**

Q22. Which payment method did you change from?
INTERVIEWER: READ OUT

1 Direct debit
2 Prepayment meter
3 Other (cash, cheque, standing order or anything else)
4 Don't know

Q23. **NOT AWARE AND AWARE NON SWITCHERS (Q10 = 2 OR Q14 = 2); OTHERS GO TO Q25:** Have you ever changed the method you use to pay your electricity bill?

1 yes
2 no **GO TO Q25**
3 can’t remember, don’t know **GO TO Q25**

Q24. Which payment method did you change from?
INTERVIEWER: READ OUT

1 Direct debit
2 Prepayment meter
3 Other (cash, cheque, standing order or anything else)
4 Don’t know

Q25. **SWITCHERS ONLY (Q14 = 1); OTHERS GO TO Q26:** Thinking about the last time you switched electricity supplier, how easy or difficult was the process?
INTERVIEWER: READ OUT

1 very easy
2 fairly easy
3 fairly difficult
4 very difficult
5 don't know

Q26. **AWARE NON SWITCHERS (Q14 = 2); OTHERS GO TO Q28:** Have you ever tried to change your electricity supplier?

1 yes
2 no **GO TO Q28**

Q27. Why didn't the change of electricity supplier go ahead?
INTERVIEWER: CODE ONE ANSWER ONLY
INTERVIEWER: DO NOT PROMPT

1 I changed my mind
2 The supplier I was changing to put up prices
3 The switch was blocked by my existing supplier
4 I decided to change to a different supplier
5 I withdrew from the process because it was too difficult
6 I withdrew from the process for another reason
7 Other, specify

Q28. **AWARE NON SWITCHERS (Q14 = 2); OTHERS GO TO Q29:** If you were to try to change electricity supplier, how easy or difficult do you think the process would be?
INTERVIEWER: READ OUT

1 very easy
2 fairly easy
3 fairly difficult
4 very difficult
5 don't know

Q29. **SWITCHERS ONLY (Q14 = 1); OTHERS GO TO Q30:** Do you believe that you have saved money by changing your electricity supplier?

1 yes
2 no
3 don't know

Q30. **AWARE SWITCHERS (Q14 = 1); OTHERS GO TO Q32:** How easy or difficult have you found it to compare the different prices available from various electricity suppliers?
INTERVIEWER: READ OUT

1 very easy
2 fairly easy
3 fairly difficult
4 very difficult
5 don't know
6 never tried **GO TO Q32**

Q31. Where did you get the information from to make comparisons between electricity suppliers?
INTERVIEWER: CODE ALL THAT APPLY
DO NOT PROMPT

1 Representative of electricity company
2 Representative of switching service eg USwitch
3 Press
4 TV
5 Mail
6 Internet
7 Friends/relative
8 Other

Q32. **ALL:** Overall how satisfied or dissatisfied are you with your electricity supplier?
INTERVIEWER: READ OUT

1 very satisfied
2 satisfied
3 neither/nor **GO TO Q35**
4 fairly dissatisfied **GO TO Q34**
5 very dissatisfied **GO TO Q34**
6 no opinion **GO TO Q35**

Q33. What is the main reason you are satisfied with your current electricity supplier?
INTERVIEWER: CODE ONE ANSWER ONLY
INTERVIEWER: DO NOT PROMPT

1 satisfied with the overall service
2 satisfied with enquiry handling
3 my supplier proactively displays a willingness to reduce bills
4 satisfied with complaint handling
5 my supplier reassures me that their prices are competitive
6 satisfied with fault handling
7 have made expected savings
8 satisfied with meter reading
9 sufficient payment options
10 satisfied with frequency of billing
11 satisfied with accuracy of bills
12 my supplier has built a relationship with me
13 satisfied with sales and registration
14 consistent information/responses given by my supplier
15 satisfied with the reliability of electricity supply
16 worse service from other suppliers
17 satisfied with the brand/reputation of my supplier
18 staff polite and professional
19 satisfied with value for money
20 able to combine telephone with supplier
21 received advice on energy efficiency
22 other (please specify)
23 don’t know

Q34. **IF Q32 = 1 OR 2, GO TO Q35:** What is the main reason you are dissatisfied with your current electricity supplier?
INTERVIEWER: CODE ONE ANSWER ONLY
INTERVIEWER: DO NOT PROMPT

1 dissatisfied with value for money
2 better service from other suppliers
3 trust other suppliers more
4 not able to buy gas and electricity from them
5 don’t receive advice on energy efficiency
6 it is not a British company
7 standing charge
8 unable to combine telephone with supplier
9 dissatisfied with the overall service
10 dissatisfied with enquiry handling
11 my supplier does not proactively display a willingness to reduce bills
12 dissatisfied with complaint handling
13 my supplier does not reassure me that their prices are competitive
14 dissatisfied with fault handling
15 expected savings not made

16 dissatisfied with meter reading
17 insufficient payment options
18 dissatisfied with frequency of billing
19 dissatisfied with accuracy of bills
20 my supplier has not built a relationship with me
21 dissatisfied with sales and registration
22 inconsistent information/responses given by my supplier
23 dissatisfied with the reliability of fuel supply
24 dissatisfied with my supplier's brand/reputation
25 staff not polite or professional
26 other (please specify)
27 don't know

Q35. **SWITCHERS ONLY (Q14 = 1); OTHERS GO TO Q37**: What effect, if any, did you think changing supplier would have on the quality of the electricity supply that you receive?
INTERVIEWER: READ OUT: Did you think...

1 It would be more reliable/fewer power cuts
2 It would be less reliable/more power cuts
3 It would not affect the electricity supply
4 Don't know/never thought about it

Q36. And what effect, if any, did changing supplier have on the quality of the electricity supply that you receive?
INTERVIEWER: READ OUT: Do you think...

1 It is more reliable/fewer power cuts
2 It is less reliable/more power cuts
3 It has had no affect on my electricity supply
4 Don't know/never thought about it

Q37. **NON SWITCHERS ONLY (Q14 = 2); OTHERS GO TO Q38:** What effect, if any, do you think changing supplier would have on the quality of the electricity supply that you receive?
INTERVIEWER: READ OUT: Do you think...

1 It would be more reliable/fewer power cuts
2 It would be less reliable/more power cuts
3 It would not affect the electricity supply
4 Don't know/never thought about it

Gas Section

Q38. Do you have mains gas at your home?

1 Yes
2 No **GO TO Q67**

Q39. **AWARE (Q11 = 1); OTHERS GO TO Q41:** Have you ever been contacted or approached by sales people trying to get you to change gas supplier?

1 Yes
2 No **GO TO Q41**
3 Not sure, can't remember **GO TO Q41**

Q40. The last time that a sales person contacted or approached you about this, what method did they use?

1 Phone
2 Post
3 Email
4 Representative called at home
5 Representative approached you at supermarket or similar outlet
6 other, specify

Q41. **AWARE (Q11 = 1); OTHERS GO TO Q42:** Have you ever changed your gas supplier?

INTERVIEWER: NB DO NOT INCLUDE CHANGE OF SUPPLIER DUE TO MERGER OR TAKEOVER OF EXISTING SUPPLIER ETC

1 Yes
2 No **GO TO Q43**
3 Don't know **GO TO Q43**

Q42. **SWITCHERS ONLY (Q41 = 1); OTHERS GO TO Q43:** How many times have you changed your gas supplier?

1 once only
2 twice
3 three times
4 four times or more

Q43. **ALL (WITH MAINS GAS):** Who is your current supplier of gas?
INTERVIEWER: PLEASE USE LIST BELOW TO RECODE BACK INTO CURRENT SUPPLIERS AT THE BOTTOM OF THE SCREEN

Atlantic Electric & Gas (SSE)
Bizz Energy
British Gas (British Gas)
Business Energy (British Gas)
East Midlands (Powergen)
Eastern (Powergen)
Economy Power
Ecotricity
EdF Energy (EdF Energy)
Electricity Direct (British Gas)
Enron Direct (British Gas)
Independent Elec. (npower)
London Electricity (EdF Energy)
London Energy (EdF Energy)
Manweb (ScottishPower)
Midlands (npower)
Northern (npower)
Norweb (Powergen)
npower (npower)
On Energy (Powergen)
OPUS Energy
Powergen (Powergen)
RWE (npower)
Scottish & Southern (SSE)
Scottish Hydro (SSE)
ScottishPower ScottishPower)
SEEBOARD Energy (EdF Energy)
Southern Electric (SSE)
SWALEC (SSE)
SWEB Energy (EdF Energy)
Telecom Plus
Total Fina Gas & Power
TXU Energi (Powergen)
Utilita
Virgin (EDF Energy)
Yorkshire Elec. (npower)
Zest
Other (specify)

CURRENT SUPPLIERS

1 PowerGen
2 British Gas
3 Npower
4 EDF Energy
5 SSE
6 ScottishPower
7 Bizz Energy
8 Economy Power
9 Ecotricity
10 OPUS Energy
11 Telecom Plus

12 Total FinGas & Power
13 Utilita
14 Zest 4
15 Other

Q44. **SWITCHERS ONLY (Q41= 1); OTHERS GO TO Q46**: The last time that you changed your gas supplier, what prompted you to start thinking about switching gas supplier?
INTERVIEWER: CODE ALL THAT APPLY
INTERVIEWER: DO NOT PROMPT

1 Price increases from supplier
2 Press editorial
3 TV editorial
4 Radio editorial
5 Press advertising
6 TV advertising
7 Radio advertising
8 Contacted by sales person
9 Family and/or friends
10 Other (specify)

Q45. What was the main reason why you decided to leave your previous gas supplier?
INTERVIEWER: CODE ONE ANSWER ONLY
INTERVIEWER: DO NOT PROMPT

1 cheaper prices/cost
2 poor service from previous supplier
3 ability to buy gas and electricity from the same company (dual fuel)
4 wanted to take gas from my existing electricity supplier because they offered an additional discount to do so
5 wanted to take gas from my existing electricity supplier for some other reason
6 certainty of price/fixed price deal
7 believed it would be easy to switch
8 wanted to receive advice on energy efficiency
9 only one bill for gas/electricity
10 wanted to try new supplier
11 payment methods
12 British company
13 Company image
14 moved house/new house
15 didn't decide/tricked into it
16 Pressured by sales person (PROBE NO OTHER REASON)
17 there is no standing charge
18 better billing
19 company changed/taken over

20 to combine telephone with supplier
21 other, specify
22 don't know

Q46. **NON SWITCHERS ONLY (Q41 = 2); OTHERS GO TO Q47:** What is your main reason for staying with your current gas supplier?
INTERVIEWER: CODE ONE ANSWER ONLY
INTERVIEWER: DO NOT PROMPT

1 I cannot change because I am in debt to the gas company
2 I see no reason to change/satisfied with current supplier
3 changing is too much hassle
4 waiting to see what happens
5 suspicious that lower prices will not be maintained
6 suspect that other suppliers will offer poorer services than current supplier
7 have not been approached by another supplier
8 don't know enough about other suppliers
9 don't trust other suppliers
10 the savings are not large enough to make it worth while
11 price
12 customer service
13 other, specify
14 don't know

Q47. **ALL (WITH GAS MAINS):** What payment method do you use to pay your gas bill currently?
INTERVIEWER: READ OUT

1 Direct debit
2 Prepayment meter
3 Other (cash, cheque, standing order or anything else)
4 Don't know

Q48. **SWITCHERS ONLY (Q41 = 1); OTHERS GO TO Q50:** Did you change the method you used to pay your bills when you last changed your gas supplier?

1 yes
2 no **GO TO Q50**
3 can't remember, don't know **GO TO Q50**

Q49. Which payment method did you change from? **INTERVIEWER: READ OUT**

1 Direct debit
2 Prepayment meter
3 Other (cash, cheque, standing order or anything else)
4 Don't know

Q50. **NOT AWARE (Q11= 2) AND NON SWITCHERS (Q41 = 2); OTHERS GO TO Q52:** Have you ever changed the method you use to pay your gas bill?

1 yes
2 no **GO TO Q52**
3 can't remember, don't know **GO TO Q52**

Q51. Which payment method did you change from?

1 Direct debit
2 Prepayment meter
3 Other (cash, cheque, standing order or anything else)
4 Don''t know

Q52. **SWITCHERS ONLY (Q41 = 1); OTHERS GO TO Q53**: Thinking about the last time you switched gas supplier, how easy or difficult was the process?
INTERVIEWER: READ OUT

1 very easy
2 fairly easy
3 fairly difficult
4 very difficult

Q53. **NON SWITCHERS ONLY (Q41 = 2); OTHERS GO TO Q55:** Have you ever tried to change your gas supplier?

1 yes
2 no **GO TO Q55**

Q54. Why didn't the change of gas supplier go ahead?
INTERVIEWER: CODE ONE ANSWER ONLY
INTERVIEWER: DO NOT PROMPT

1 I changed my mind
2 The supplier I was changing to put up prices
3 The switch was blocked by my existing supplier
4 I decided to change to a different supplier
5 I withdrew from the process because it was too difficult
6 I withdrew from the process for another reason
7 Other, specify

Q55. **NON SWITCHERS ONLY (Q41 = 2); OTHERS GO TO Q56:** If you were to try to change gas supplier, how easy or difficult do you think the process would be?
INTERVIEWER: READ OUT

1 very easy
2 fairly easy
3 fairly difficult
4 very difficult
5 don't know

Q56. **SWITCHERS ONLY (Q41 = 1); OTHERS GO TO Q57:** Do you believe that you saved money by changing your gas supplier?

1 yes
2 no
3 don't know

Q57. **AWARE SWITCHERS (Q41 = 1); OTHERS GO TO Q59:** How easy or difficult have you found it to compare the different prices available from various gas suppliers?

INTERVIEWER: READ OUT

1 very easy
2 fairly easy
3 fairly difficult
4 very difficult
5 don't know
6 never tried **GO TO Q59**

Q58. Where did you get the information from to make comparisons between gas suppliers?
INTERVIEWER: CODE ALL THAT APPLY
1 Representative of energy company
2 Representative of switching service eg USwitch
3 Press
4 TV
5 Mail
6 Internet
7 Friends/relative
8 Other

Q59. **ALL (WITH GAS MAINS):** Overall how satisfied or dissatisfied are you with your gas supplier?
INTERVIEWER: READ OUT

1 very satisfied
2 satisfied
3 neither/nor **GO TO Q62**
4 fairly dissatisfied **GO TO Q61**
5 very dissatisfied **GO TO Q61**
6 no opinion (don't read out) **GO TO Q62**

Q60. What is the main reason you are satisfied with your current gas supplier?
INTERVIEWER: CODE ONE ANSWER ONLY
INTERVIEWER: DO NOT PROMPT
1 satisfied with the overall service

2 satisfied with enquiry handling
3 my supplier proactively displays a willingness to reduce bills
4 satisfied with complaint handling
5 my supplier reassures me that their prices are competitive
6 satisfied with fault handling
7 have made expected savings
8 satisfied with meter reading
9 sufficient payment options
10 satisfied with frequency of billing
11 satisfied with accuracy of bills
12 my supplier has built a relationship with me
13 satisfied with sales and registration
14 consistent information/responses given by my supplier
15 satisfied with the reliability of gas supply
16 worse service from other suppliers
17 satisfied with the brand/reputation of my supplier
18 staff polite and professional
19. satisfied with value for money
20 able to combine telephone with supplier
21 received advice on energy efficiency
22 other (please specify)
23 don't know

GO TO Q62

Q61. What is the main reason you are dissatisfied with your current gas supplier?
INTERVIEWER: CODE ONE ANSWER ONLY
INTERVIEWER: DO NOT PROMPT

1 dissatisfied with value for money
2 better service from other suppliers
3 trust other suppliers more
4 not able to buy gas and electricity from them
5 don't receive advice on energy efficiency
6 it is not a British company
7 standing charge
8 unable to combine telephone with supplier
9 dissatisfied with the overall service
10 dissatisfied with enquiry handling
11 my supplier does not proactively display a willingness to reduce bills
12 dissatisfied with complaint handling
13 my supplier does not reassure me that their prices are competitive
14 dissatisfied with fault handling
15 expected savings not made
16 dissatisfied with meter reading
17 insufficient payment options
18 dissatisfied with frequency of billing
19 dissatisfied with accuracy of bills
20 my supplier has not built a relationship with me
21 dissatisfied with sales and registration
22 inconsistent information/responses given by my supplier
23 dissatisfied with the reliability of fuel supply

24 dissatisfied with my supplier's brand/reputation
25 staff not polite or professional
26 other (please specify)
27 don't know

Q62. **SWITCHERS ONLY (Q41 = 1); OTHERS GO TO Q64:** What effect, if any, did you think changing supplier would have on the quality of the gas supply that you receive?

INTERVIEWER: READ OUT: Did you think…
1 It would be more reliable/fewer interruptions to gas supply
2 It would be less reliable/more interruptions to gas supply
3 It would not affect the gas supply
4 Don't know/never thought about it

Q63. And what effect, if any, did changing supplier have on the quality of the gas supply that you receive?
INTERVIEWER: READ OUT: Do you think…

1 It is more reliable/fewer interruptions to gas supply
2 It is less reliable/more interruptions to gas supply
3 It has had no effect on my gas supply
4 Don't know/never thought about it

Q64. **NON SWITCHERS ONLY (Q41 = 2); OTHERS GO TO Q65:** What effect, if any, do you think changing supplier would have on the quality of the gas supply that you receive?
INTERVIEWER: READ OUT: Do you think…

1 It would be more reliable/fewer interruptions to gas supply
2 It would be less reliable/more interruptions to gas supply
3 It would not affect the gas supply
4 Don't know/never thought about it

Dual fuel

Q65. **SWITCHERS WHO ARE CURRENTLY DUAL FUEL CUSTOMERS (Q14 = 1 OR Q41 = 1 AND Q16 = Q43); OTHERS GO TO Q66:** The last time you switched supplier, did you change from using the same supplier for gas and electricity?

1 yes
2 no
3 can't remember

Q66. **ALL SWITCHERS (Q14 = 1 OR Q41 = 1); OTHERS GO TO Q67**: If in the future you should decide to switch suppliers of gas and electricity would you switch to separate suppliers for each fuel or to using the same supplier for gas and electricity?

INTERVIEWER: READ OUT

1 separate suppliers
2 same suppliers
3 don't know

Other Switching Behaviour

Q67. Finally, apart from gas and electricity, have you switched any other utility or service to your home?

1 yes, telephone
2 yes, internet access
3 None
4 Other, specify

THAT WAS THE LAST QUESTION. THANK YOU VERY MUCH FOR YOUR HELP IN THIS RESEARCH

Please can I take a note of your name and telephone number for quality control purposes?
Respondent name:
Home Telephone:
Work Telephone:

INTERVIEWER: DO YOU CONFIRM THAT THIS INTERVIEW WAS CONDUCTED UNDER THE TERMS OF THE MARKET RESEARCH SOCIETY CODE OF CONDUCT AND IS COMPLETELY CONFIDENTIAL