Ipsos MORI

Consumers' views of price comparison guides and tariff structures

7 September 2012

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Objectives

Through its Retail Market Review[1], Ofgem is proposing a range of reforms that are aimed at enhancing effective consumer engagement in the retail energy markets in Great Britain leading to greater and more effective competition. One of the aims of the review is to make it easier for consumers to choose the tariff that is right for them by improving tariff comparability, simplifying the structure of tariffs and improving consumer decision making.

This particular research project was designed to address two aspects of Ofgem's proposals for the Retail Market Review: the proposal for new price comparison guides to facilitate tariff choice, and options for the structure of the standardised element of proposed new standard tariffs. Specifically these two objectives related to:

i) the testing of several executions of proposed **price comparison guides** for their performance in helping consumers select the cheapest tariff;

ii) establishing the precise structure of standard tariffs, where consumer views on the alternatives of **two-part or three-part standard tariff structures** were explored.

Methodology

A mixed methodology was considered to be the most appropriate approach for this research project. A qualitative phase allowed for careful consideration of the complexities of tariff structures, and provided insight into how consumers approach comparison guides. The quantitative exercise presented a detailed clarification of the type of comparison guide that most enables consumers to choose the cheapest tariff available. The qualitative research was conducted first to enable the findings from the groups to inform the quantitative research, but also to add colour and explicatory detail to the subsequent quantitative study.

Qualitative phase

The qualitative phase of the research involved 76 participants in six focus groups and six mini-groups[2] across six locations (Aylesford, Colwyn Bay, Greenock, London, Newcastle and Tamworth) during the period 16 – 26 April 2012. The groups were recruited to comprise a broad range of electricity consumers, taking into account a number of key criteria that are likely to influence views of the most salient issues.[3]

A total of eight price comparison guides were presented to participants, each with a different format of price metric. Each format of the guide contained a price comparison table for three different tariffs: standard, fixed rate, and tracker.[4] The order in which the eight different

[1] http://www.ofgem.gov.uk/Markets/RetMkts/rmr/Pages/rmr.aspx

[2] The six mini-groups were designed to ensure more vulnerable individuals were able to participate fully in discussions. Vulnerable individuals were defined as: the frail elderly; those with poor literacy and/or numeracy; those with no qualifications; and those with no internet access.

3 Quotas for recruitment were set on the following criteria: gender, age, ethnicity, socio-economic group, fuel poverty, long-term condition/disability, difficulty with literacy and/or numeracy, gas or electricity only customers, economy 7 vs non-economy 7, payment type, urban/rural, switching behaviour, internet use and media use.

[4] The price comparison guide included a short description of each type of tariff. A standard tariff is a basic tariff that has no minimum contract length, has no end date, and has no penalty for switching. A fixed rate tariff is a tariff where the supplier guarantees that the price per unit of electricity will stay the same for a set period. A

formats of comparison guide were presented was rotated to minimise the possibility of introducing bias into the participant responses. In addition, the type of comparison guide shown varied according to whether the groups were composed of participants on an Economy 7 (E7) tariff or a non-Economy 7 (non E7) tariff. Participants were asked to work through three separate price comparison guide tasks, to:

- identify the best deal for them personally
- identify the cheapest supplier
- identify a preference for the format of the price comparison guide.

The qualitative phase also helped shortlist those formats of the price comparison guide that would be considered in the quantitative survey. This was to make the quantitative questionnaire more focused and manageable in length. Feedback during the qualitative phase identified a clear preference for indicative cost guides to have the unit presented in the cell; and therefore the two indicative cost formats which presented the units in the column header (rather than the cell) were not included in the quantitative phase.

Participants in the qualitative phase were also asked to consider two possible options for the way in which standard tariffs should be structured, identifying their preference for either a two or a three-part tariff structure. To aid discussions, Ofgem was named as the possible alternative to suppliers to set the regional adjuster under the three-part tariff. This was the starting point for discussion so that participants could then talk about the pros and cons of each structure without being diverted by discussions of who could set the regional adjuster.

Quantitative phase

Following the qualitative fieldwork, six formats of price comparison guides were tested quantitatively in the period 11-18 May 2012. This involved an online quota survey of 2,009 consumers, representative of the online population of electricity customers in Great Britain, and a series of hall tests using a face-to-face Computer Assisted Personal interviewing (CAPI) booster survey of 197 electricity customers identified as "vulnerable"[5] by a composite definition. All of the latter were non-users of the internet. The two surveys were combined and weighted together in the correct proportions to give a complete picture of all types of electricity consumer.

Different versions of the price comparison guides were shown for E7 and non-E7 consumers. The E7 versions presented usage rates specific to E7 customers and included an assumption about the split between day and night usage to allow the price of E7 tariffs to be presented with a single number. Respondents were randomly allocated with an annual consumption figure to use in the estimations. Half of these were "signposted" with information on which consumption band (low, medium or high) this placed them in; the other half were given only the annual figure in kilowatt hours (kWh) and megawatt hours (MWh).

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tracker tariff is a tariff where the supplier guarantees that the price per unit of electricity will be linked to a specific benchmark until a set date. Full details of the price comparison guides presented in the qualitative phase can be found in the Appendix.

[5] The vulnerability criteria included: elderly and state-supported (aged 65+ and social grade E); those who have disability or long term illness; those who have difficulties with literacy or numeracy, or no formal qualifications; those on low income (household income up to £11,499 per annum); and those for whom English is not the first language at home

Respondents were also randomly allocated with a tariff type (standard, fixed or tracker) to focus on, so the choice of type of tariff was removed from the quantitative element of the study, though information on all three types was still given to all respondents to make the guides more realistic.

The price comparison guide formats

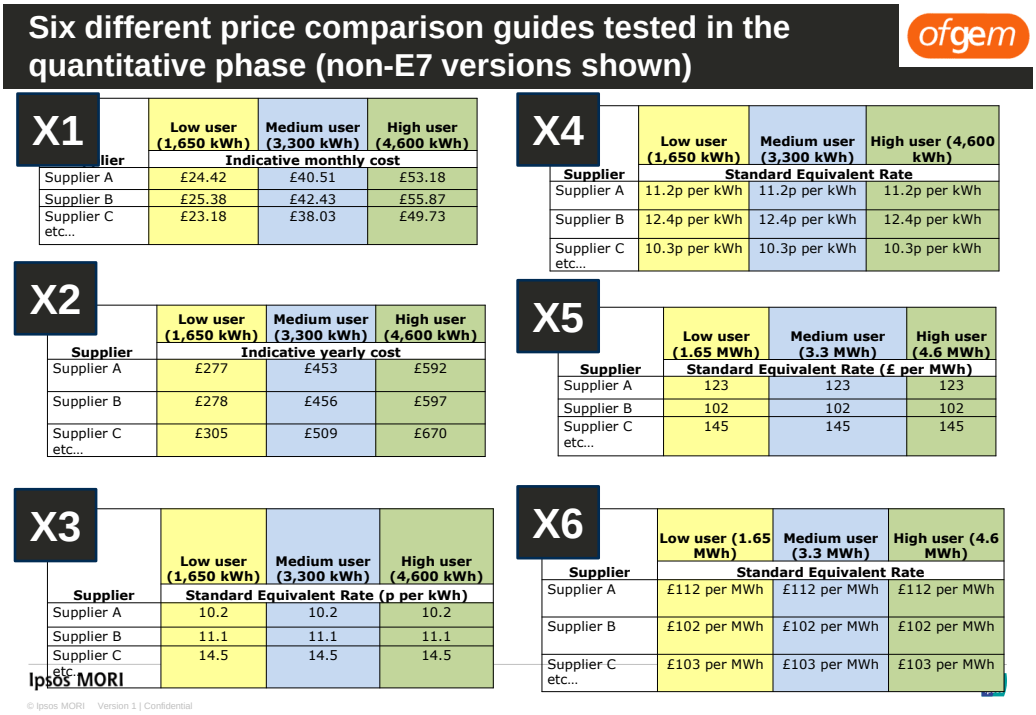
The six formats of metric used in the price comparison guide shown to respondents in the quantitative survey are detailed below. For ease of analysis, these formats are named X1-X6 throughout the report. The six formats for E7 customers were presented in the same format but included usage rates specific to E7 customers and included an assumption about the split between day and night use. E7 options are therefore named Z1-Z6.

- X1(Z1): Indicative monthly cost – high, medium, low user defined in kWh - £00.00 in cells
- X2(Z2): Indicative yearly cost – high, medium, low user defined in MWh - £000 in cells
- X3 (Z3): Standard Equivalent Rate – p per kWh – high, medium, low user defined in kWh – 00.0 in cells
- X4 (Z4): Standard Equivalent Rate – p per kWh – high, medium, low user defined in kWh – 00.0p per kWh in cells
- X5 (Z5): Standard Equivalent Rate - £ per MWh – high, medium, low user defined in MWh – 000 in cells
- X6 (Z6): Standard Equivalent Rate - £ per MWh – high, medium, low user defined in MWh - £000 per MWh in cells

Options X1 and X2 showed indicative cost;[6] options X3-X6 showed Standard Equivalent Rate (SER)[7] options, with X3 and X4 expressing the SER in kWh and options X5 and X6 using MWh. These six options are summarised below in shortened form - the actual executions showed all three tariff types with six suppliers per tariff, examples of which can be found in the Appendix.

[6] Indicative costs were expressed as approximate total cost in pounds per month or year, including standing charges

[7] SER is a single figure (cost per unit) allowing comparison between tariffs and can be expressed as per kWh or per MWh. It excludes the standing charge.



The six formats of price comparison guide metrics were presented in random order to eliminate any order effect from the method. To compare performance of each format, responses were verified to calculate whether consumers were able to select the cheapest supplier for their allocated tariff type and consumption level correctly, and how long this took. Furthermore, all were asked for their preference between the six options and whether their choice would make them more likely to consider switching. Their understanding of the units presented in their preferred price comparison guide was also tested.

Consumer context

Understanding how consumers engage with the electricity market, and how aware they are of the way electricity tariffs work, is a crucial context for the findings of the research.

Experience of the market

As found in previous Ofgem research[8], though a few consumers are highly active, many consumers have low levels of energy literacy and do not engage with the market on a regular basis - either because of their low energy literacy or because they have little belief that a worthwhile saving can be made from switching. Furthermore, they have little knowledge of the structure of electricity tariffs and few know which tariff they are on. These factors have an impact on their trust and understanding of price comparison guides and in their preference for how standard tariffs should be structured.

For example, *reactive* consumers (as defined in the Consumer First Panel[9]) have typically changed tariff or supplier in response to a sales pitch in the street or over the telephone, which means that they are likely to have only ever compared one supplier with another,

[8] Ofgem Consumer First Panel – Year 4, Oct-Nov 2011. http://www.ofgem.gov.uk/Sustainability/Cp/CF/Documents1/Ofgem%20Consumer%20First%20Panel%20Year%204.pdf

[9] See above

rather than compared all possible prices across the market. Few are likely to have had in-depth discussions about the various tariff options available to them.

Furthermore, some consumers have had bad experiences of switching supplier and therefore have become *disengaged* with the market. Others may never have experienced a 'trigger' to switch (e.g. a significant price rise, poor customer service), and this combined with a perception that 'all suppliers are the same' and that switching will be a 'hassle' has meant they have never actively engaged with the market.

Identifying electricity usage

Given that the cheapest tariff for a low electricity user may be different to that of a medium or high user, consumers' awareness of their electricity usage is integral to their ability to use Ofgem's proposed price comparison guides. It is therefore crucial to understand how aware consumers are of their electricity use, including their ability to 'self-classify' themselves in terms of their own consumption. It is also important to understand whether they know their actual energy usage or, if not, how to find out what it is. Analysis during the qualitative phase was able to compare unprompted self-classification with actual electricity consumption as presented on a bill. This revealed that approximately half of the focus group participants for whom we had bill information were able to correctly identify themselves as a high, medium or low user of electricity.

Consumers taking part in the qualitative phase do attempt to self-classify themselves into one of the three categories, but many find it difficult to make a decision about how much electricity they use. Their decisions are influenced by a number of factors including:

- the number and type of appliances owned and how frequently they are used;
- their behaviour in terms of electricity use (such as switching lights off or doing many loads of laundry);
- the composition of their household;
- their perception of how expensive their bills are; and
- comparison with people like themselves or different from themselves.

Consumers therefore base their decisions on subjective factors rather than making reference to the number of kilowatt hours of electricity they normally use in a given period. Consumers are unlikely to proactively look for factual information that may help them make a decision. Even if they did consult the number of units used on their bill, many struggle to find this information helpful as they also struggle to interpret the usage columns in the price comparison guides (which provide a specific example of how many units a low, medium and high energy customer would use).

Most consumers are unsure how to use the usage figures presented in the price comparison guides to help select whether they should be a high, medium or low user. Having been given a specific usage of 2,000 kWh consumers in the focus groups were tasked with identifying themselves as high, medium or low users using the price comparison guide tables; some common methods used to complete the task include:

- Assuming the usage figures given on the guide are maximum usage amounts for that category (so for non-E7 users, up to 1,650kWh means low user, anything between 1,651-3,299 means medium user, and anything above 3,300 means high user)

- Assuming the divisions between low and medium, and medium and high, are halfway in between the figures shown (so using the column with the figure closest to the specified usage given)

- Assuming the unit cost underneath the costs presented in indicative cost guides is the same in all three categories, calculating a pro-rata unit amount based on one, and multiplying by the specified usage to compare prices across providers

- Assuming that at certain times (over a day, or over a year) consumers are classified differently (either low, high or medium) and that therefore users of the guide should calculate an average of the price across all three usage columns, and comparing this against the average prices for each supplier.

Therefore, though they are able to read the table and identify the cheapest supplier within a usage column, there is a risk that consumers will incorrectly select a supplier because they have been unable to correctly identify themselves as a low, medium or high user. The possible benefit of 'signposting' consumers – that is telling them they are low, medium or high users – is considered in the quantitative analysis.

Price comparison guide findings

The quantitative survey compared six different formats of price comparison guide across three key criteria:

- the performance of each format in helping consumers correctly identify the cheapest supplier:

- consumers' preference for the format of each guide;

- the understanding of the units presented.

Performance

The key feature of the performance of the price comparison guides is the close similarity between the scores of each of the six formats. For all non-E7 consumers, the proportion selecting the correct supplier ranged from 54% to 60%, which is a significant difference overall, but with very little discrimination between individual formats. On the key distinction between the best of the indicative cost formats and the best of the SER formats, the difference (format X5 is ahead of X1 by 3 points) is only borderline in terms of statistical significance. The pattern is similar for the average time to make a correct choice; X5 (SER, MWh – top of column) is faster but not significantly so. There is no significant difference in the ease of use rated for each option – all range from 63% to 67% very/fairly easy among those who selected the correct answer. The finding for the "all non-E7" group of consumers (the largest segment) sets the pattern for smaller groupings. Among all E7 consumers, the smaller sample size means the small variations in performance are not significantly different.

Vulnerable non-E7 consumers are a little less likely to identify the cheapest supplier than all non-E7 consumers – on average 51% get it right, compared to 57% among all non-E7 consumers. However there remains little difference in performance between formats in statistical terms. For E7 vulnerable consumers, the small sample makes it even less likely any significant difference would be observed. Among non-E7 consumers who have never switched the average proportion making a correct choice falls to 50%. There is again little variation in performance, though format X4 (SER, p/kWh in cell) shows a small but significant difference with a lead of five points over format X1 (monthly indicative cost).

Our conclusion overall is that there is no consistent and statistically significant pattern of better performance for any of the formats of price comparison guide. The individually significant differences in isolated instances do not provide decisive policy guidance.

Signposting

If signposting is provided, non-E7 consumers find using the guides easier and quicker and are more accurate in their ability to select the cheapest supplier. On average, the ability to identify the cheapest supplier is increased by eight percentage points among those who are helped by signposting, and for all formats the improvement is statistically significant. The average improvement in time taken is a reduction of six seconds (from a range of between 41-47 seconds to complete the task), and in three formats out of six there is significant improvement in the ease of use rating from those who correctly identified the cheapest supplier.

E7 consumers show a similar pattern, though with a need for a 14-point improvement to be statistically significant due to a smaller sample size, only in the case of format Z5 (SER, MWh, at top of column) is the difference likely to be significant. On average the performance of E7 consumers is improved by eight points. Non-E7 vulnerable consumers show a beneficial effect of signposting on their choice of the cheapest supplier (up nine points on average) though only formats X2 (monthly indicative cost) and X4 (SER, p/kWh in cell) are significantly improved because of the smaller sample size. The improvement in the ability to choose the cheapest supplier is best in the case of non-E7 consumers who have never switched – on average their performance at making the right choice is improved by ten points if helped by signposting, and on three of the six formats the improvement is statistically significant.

Our conclusion on signposting is that it has a generally beneficial effect on the accuracy of the supplier choices made, which, given the qualitative findings on the difficulty consumers had in interpreting the usage categories, is not surprising. Signposting may also improve the speed of decision making and make consumers feel the choice was easier in some cases, though the latter two factors are less certain than the positive effect on accuracy.

Preference

Consumers were asked about their preference between the formats for price comparison guides in two successive ways: firstly between the two indicative cost formats (X1 and X2), then between the four SER formats (X3-X6), then between all six formats. The first two choices were followed up with a question probing the degree to which the format they chose would make them more likely to consider switching supplier (expressed as a percentage of those who were not previously considering switching).

A clear preference is expressed among the indicative costs formats throughout for format X1 (monthly indicative cost). There is very little discrimination between the four SER formats for all consumer sub-samples, the only clear pattern being less preference for format X5 than for any of the others. Furthermore, more than a third (37%) have no preference for any of the SER formats. Among the non-E7 group as whole, around half of those who choose each format (and did not previously consider switching) claim the method of presentation makes them more likely to consider switching. With no significant difference between them, this suggests likelihood to consider switching is a poor discriminator between formats of price comparison guide.

When all six formats are compared side-by-side for non-E7 consumers format X1 stands out even more as the most popular choice, and most who choose it believe it to be an

improvement over anything they have seen before. Very similar patterns of preferences are seen for those on E7 tariffs, non-E7 vulnerable consumers and non-E7 consumers who have never switched, with format X1 (monthly indicative cost) being the most preferred format throughout. The “no preference” figures among non-switchers are higher than those for all consumers, but not significantly so, which is encouraging for the potential effect on future engagement.

In terms of preference, the quantitative research gives a clear result: consumers prefer monthly indicative cost as the basis for a price comparison table, though the preference is far from a majority. The qualitative research provides some reasons for this preference, including that the indicative cost tables are perceived to be easier to understand than the SER tables (reasons for this follow), and that they are easier to use because they do not require a calculation to be made or because the differences between suppliers’ rates are easier to spot. Furthermore, most people budget on a monthly basis and so prefer monthly indicative cost to yearly. Having the units in the cells rather than simply in a row on top makes people focus more on the meaning of the figures and therefore aids understanding.

Understanding

Having identified a preferred format, consumers were also asked about their understanding of what their choice of price comparison guide meant for the amount they would be paying for their electricity, using a multiple choice question.

Among the non-E7 consumers, for the most popular format (format X1: monthly indicative cost) 58% of those who preferred this are able to describe precisely how much this means they would be paying for electricity; for format X2 (yearly indicative cost) it is 64%, though this is not significantly better, taking into account the sample size. Format X4 (SER p/kWh, units in cell) is also well understood in comparison to to X3, X5 and X6 – 60% get the definition right.

However, for the two indicative cost formats, it is possible for consumers to get the answer *almost* right - that is, they describe the figure as the ‘actual amount’ they would pay, rather than the ‘rough amount’ each month/year; furthermore it may be that they did understand but simply chose this response without reading the rest of the list. In contrast, those who describe SER formats as the ‘actual’ amount they pay are simply wrong and miss that the figures present a cost per unit. In this context, it is more difficult to misunderstand completely in the case of indicative cost tariffs.

Overall, understanding of the most popular format (format X1) is not significantly different to that of the less popular format X2 (yearly indicative cost) or the SER-based format X4 (SER, p/kWh in cell), however the probability of being completely misled by the price comparison guide is much greater for format X4, with 17% describing it as the actual amount they expect to pay.

The pattern of understanding across the main sub-groups of the sample is much the same; with X1, X2 and X4 being best understood. Format X3 (SER based on kWh, units not in cell) and most especially the two formats based on MWh (X5 and X6) are consistently the least understood. Furthermore, understanding is a little worse among non-E7 vulnerable consumers and non-E7 consumers who have never switched, and this is even more the case for formats X3, X5 and X6.

The qualitative research reveals that many consumers simply do not understand what the figures in the SER tables represent, and the definition provided about SER does not aid understanding. In other words, participants do not realise the SER tables show a cost per

unit of electricity. Understanding of the £ per MWh table is particularly low, because consumers do not know what MWh stands for, and some wrongly interpret the table as showing pounds per month.

As confirmed by the quantitative research, the principal misunderstanding with the indicative cost tables is that consumers believe the figures to be the exact amount they will pay each month or year, rather than a rough amount. The qualitative research reveals that this often occurs when consumers are focussing on fixed-rate tariffs, because they wrongly believe that the monthly payment amount, rather than the unit cost, is fixed.

The qualitative research also pointed to confusion about whether the indicative cost and SER guides represent **all** costs, including the standing charge. A prompt to clarify this was added to the description of the price comparison guides for the quantitative survey.

Using price comparison guides

When consumers choose a tariff using a price comparison guide, they are not instructed to choose the cheapest tariff, rather they will be thinking about finding the tariff that suits their individual needs best. The qualitative research simulated this by presenting participants with two different types of price comparison guides (SER and indicative cost), each with three types of tariffs (standard, fixed-rate and tracker) offered by six different suppliers. We asked participants to use each of the guides to identify the tariff that was “best for them”.

Most consumers go about this by first reading the tariff descriptions (for example: what is a standard, fixed-rate, or tracker tariff) and considering their different features before identifying a preferred type of tariff. Most then attempt to select the supplier offering the cheapest rate within their chosen tariff type. However, some consumers include non-financial considerations in their decisions, which may lead them to choose a more expensive supplier within a particular tariff type. For example, some consumers assume that they may earn loyalty rewards by choosing a supplier with a slightly more expensive rate. Others are concerned about avoiding or selecting a particular brand, which was not possible in the exercise but was pro-actively mentioned by some participants.

Some consumers are confused about what the metrics in the price comparison guide represent. For example, some believe that the units in fixed rate tariffs represent the amount they will pay as a direct debit each month. Some of these participants therefore choose a more expensive tariff, preferring to not risk underpaying for higher electricity use in the colder months and believing they will receive a rebate at the end of the year if they have overpaid. Finally, some consumers who have a very poor understanding of the guides select a tariff that is similar to what they already pay, in order to retain comfort in their budgeting.

A small number of consumers follow a slightly different journey. They look at all the tables and choose, or attempt to choose, the cheapest metric available (lowest figure for their specified usage) across all tariff types, without considering the implications of which tariff type they choose. In other words, they do not take into consideration that for fixed rate tariffs the price will remain fixed for a set period, whereas standard tariff rates could change over time. Those who opt for this route have little awareness of the different features of the tariffs.

When asked in the quantitative research where they expect to see price comparison guides, 59% say they would like electricity suppliers to send them to their customers. This is particularly important to those who do not have access to the internet, who in the qualitative phase suggested that they often feel frustrated at the assumption that everyone is able to get online.

The next most popular source is a price comparison website, though this is much less frequently mentioned by vulnerable consumers (34%) than by all consumers (52%). Just under a third, expect it to be sent by consumer organisations.

Two/three-part tariff structure findings

Ofgem is currently considering the way in which standard electricity tariffs should be structured. This is a particularly challenging topic for consumers, many of whom have little knowledge or understanding of the different components of electricity tariffs. Participants were presented with two possible options to consider during the qualitative phase of the project:

- the **three-part** option comprised of a national standing charge and a 'regional adjuster' both set by Ofgem, and the supplier's own national unit rate
- the **two-part** option comprised of an Ofgem set national standing charge plus regional unit rates from each supplier.

To simplify the discussion, Ofgem was named as the organisation that could be responsible for setting the regional adjuster as an alternative to suppliers.

Consumers participating in the focus groups debated the relative advantages and disadvantages of each option in terms of confidence in the way the components are structured, the level of detail that would appear on a bill, and whether they preferred regional or national price comparisons.

When comparing the two options available, consumers have greater confidence that prices will be set fairly and transparently under the three-part option. This is due in part to a deep mistrust of electricity suppliers, with several consumers concerned that suppliers would use their power to set the regional price difference to increase electricity prices and make greater profit. Compared to suppliers, consumers are more likely to trust Ofgem to set the regional price difference because it is independent from commercial pressures and because they perceive that – in its role as a regulator – it will do what is best for consumers.

Some consumers feel that there might be more competition in prices if suppliers set the regional adjustor. These consumers suggest that suppliers may not pass on the 'real' costs of the regional difference (in some areas) to ensure that their prices remain locally competitive. Though a few consumers were in favour of the two-part tariff for this reason, others who believe the two-part tariff could lead to more competition still prefer the three-part option overall. This is because they prioritise the need for the regional price difference to be set fairly and they trust an independent organisation such as Ofgem to do this more than suppliers.

Consumers are split as to the level of detail they would like to see on their bills – a three-part structure would present all three components of the tariff separately, whereas a two-part structure would present the regional adjuster and supplier rate as one combined regional unit rate. Those who prefer to see all three parts favour the greater level of transparency in having the components broken down, others feel that having three figures is overly complicated. There is no obvious difference here between the types of consumer, with preference split regardless of level of engagement in the market, energy literacy, tariff type and those identified as vulnerable groups.

A further difference between the two-part and three-part tariff structures is in the way in which price comparisons can be made. Consumers are also divided in terms of preference for ability to compare prices regionally or nationally. Those who think the regional price difference is unfair are more likely to say they want to be able to compare tariffs at a national level on the assumption that they'll be able to see the regional price difference alongside published price comparison guides. Those who prefer to compare tariffs at a regional level are consumers who do not feel strongly about knowing what is happening in other regions and only want to have to look at information that is relevant to them. Some consumers prefer regional comparisons because they feel they would pay more attention to the information if it were conveyed in local press, and that this may in turn lead to a higher rate of engagement overall because the information will appear more relevant to individual consumers.

Others would prefer to compare within their region, but feel that it would be better if the information were conveyed in the national press because more people would read it. For example, these consumers only want to review rates from suppliers that are available in their area. This presents a logistical challenge in the number of price comparisons that would need to be presented.

The quantitative research confirms this split. When asked where they expect to see price comparison information, just 30% expect it to appear in national or local newspapers. Within this group, opinions are equally divided about whether they prefer to see national comparison data or local comparison data with 44% choosing each option. Preference is closely related to switching experience: those who have never switched supplier are more likely prefer to see local comparisons (59% compared to 39% of switchers) while switchers favour national data (49% compared to 27%).

It is worth pointing out that many consumers are inconsistent and like different elements of each tariff structure; overwhelmingly however, when asked to trade-off between the various pros and cons and choose just one of the tariff structures as a whole, consumers are in favour of the **three-part tariff structure**. We did not set out to explore the level of trust that consumers have in Ofgem and suppliers. However, spontaneous comments by participants indicated that the most important factor in determining preference for the three-part tariff structure is the level of trust expressed for the entity responsible for setting regional price differences. Even among those participants who believe a two-part structure will increase competition among suppliers and lead to lower prices, many ultimately express a preference for a three-part structure based on the fact that they trust Ofgem more than suppliers to have the consumers' interests at heart and to set prices fairly. For these consumers, the option that offers the best deal for consumers is therefore perceived to be one that guarantees fairness rather than cheaper prices.

Conclusions

There is no consistent and statistically significant pattern of better performance for any of the formats of price comparison guide. No comparison guide clearly outperformed the others in terms of ability to ensure consumers chose the cheapest tariff, speed of making a correct choice and ease of use.

Signposting consumers to a particular usage category has a generally beneficial effect on consumers' ability to choose the cheapest tariff, which increases the performance of the price comparison guide by about 8% on average compared to non-signposted consumers.

In terms of consumers' preference for the formats of metrics used in price comparison guides, the quantitative research gives a clear result: **consumers prefer monthly indicative cost as the basis for a price comparison table,** with 37% of non-E7 and 38% of E7 consumers preferring it over the other five formats.

The differences in how likely non-E7 consumers would be to switch when using the various formats are not statistically significant, however, the number of survey respondents refusing to provide a preference for a type of SER guide (37%) may indicate the extent to which consumers do not like to work with these types of guides.

Overall, **understanding of the most preferred format, X1 (58%, monthly indicative cost), is not significantly different from that of the less popular format, X2 (64%, yearly indicative cost), or the SER-based format, X4 (60%, p per kWh, units in cell).** However, the probability of being completely misled by the price comparison guide is arguably much greater for format X4 for whom 17% thought the figures presented the actual amount they would have to pay. In contrast, there is scope to significantly improve the number correctly understanding the indicative cost formats, with 24% (X1) and 20% (X2) believing the amount represented in indicative cost tables was the **exact** and not the **rough** amount they expected to pay.

The two SER-based formats that use MWh (X5 and X6) are extremely poorly understood, despite the way they evidently facilitate the correct selection of the cheapest tariff (lowest figure). For example, around a quarter of non-E7 consumers believe the figures in these guides represent a rough monthly cost, rather than a cost per megawatt hour.

Both the quantitative and qualitative research revealed that **consumers find working with price comparison guides quite difficult**: the proportion of consumers finding the guides easy to use to select the cheapest tariff is generally around two-thirds and never higher than three-quarters, and when consumers used the guides in the qualitative research to select the best tariff, many expressed that this was difficult. Some of the problems encountered included:

- Not understanding the descriptions of the different types of tariff
- Not knowing how much electricity they use
- Not being sure about how to categorise themselves as low, medium or high users based on their electricity usage
- Not understanding what the figures in the guide represent and which costs are included and which are not
- Assuming suppliers were ordered from cheapest to most expensive.

E7 consumers have an additional challenge, as the guides developed for them include an assumption about day and night electricity usage, which many failed to notice. Once this assumption was pointed out to the consumers participating in the qualitative research, many were unsure of what proportion of electricity they used during the day and at night, so were unable even to guess at the difference in what they would pay compared to what was shown in the guides.

In terms of the two or three-part standard tariff structure **consumers are relatively split over the amount of detail they would like to see on their bill**. Though some prefer a more comprehensive breakdown which shows all three components of a tariff (including the standing charge and regional adjuster), others would be more comfortable with combining the regional rate and supplier national rate together in one figure.

Consumers are also split as to whether they would prefer to compare energy prices at the local or national level. Given the low proportion who expect to see price comparison information in newspapers, consumers are relatively indifferent about whether price comparisons are presented in national or local press. Although some suggest that national comparisons would have greater exposure, others are only interested in comparing the prices of suppliers that are relevant to them – ie available in their local area.

However, **the factor that concerns consumers most when trading off between the two-part and three-part option is the level of trust in the entity responsible for the regional adjuster** – consumers want this to be set fairly and transparently. Compared to suppliers, there is a clear preference for Ofgem to be responsible for setting the regional price difference since consumers believe Ofgem will be fair, transparent, independent and have consumers' interests at heart.

Introduction

Section 1: Introduction

In April 2012, Ofgem commissioned Ipsos MORI to conduct research to explore consumer understanding of, reactions to and likely engagement with the various options for electricity tariff structures and comparison guides. The research was carried out in two stages in April-May 2012, with a qualitative research phase informing the design of the quantitative research that followed. This report presents the combined findings of both phases of the research.

1.1 Background and context

Ofgem's principal objective is to protect the interests of current and future energy consumers.

On 26 November 2010, Ofgem launched a review into the state of the retail energy market of Great Britain (GB). In March 2011, Ofgem put forward a series of proposals as part of the Retail Market Review (RMR), which aims to help transform the GB retail energy market by enabling consumers to choose an energy option that best meets their needs. These proposals were based on a wide range of research which identified consumer confusion, tariff complexity and numbers of tariffs available as major factors behind disengagement from the competitive market. Our customer engagement research for Ofgem conducted in March 2012 confirms that disengagement from the market continues to be an issue, with switching of electricity supplier falling from 19% in 2008 to 14% in 2012[10].

Ofgem commissioned research in 2011 to inform its proposals for simpler tariffs. This research[11] established some key principles for the new "standard tariffs" that Ofgem proposed to introduce. For example, it was conclusive that consumers prefer, and can compare prices more easily with, a fixed standing charge, and secondly that their selection process is also aided by the inclusion of a price comparison guide with the competing tariff prices. Ofgem determined that the next stage of the process was to test alternative models for each of these elements, namely the fixed standing charge and the price comparison guides.

1.2 Objectives

This research therefore had two main aims. Regarding price comparison guides, the aim was to gain insight into how different formats of comparison guides impact on consumers' willingness to engage with the market and abilities to compare electricity tariffs, make decisions about the best tariff for their circumstances, and make accurate judgments about the cheapest tariff available. Two main types of comparison guide were tested, one presenting information about the indicative cost of electricity in pounds per unit of time, and another presenting the Standard Equivalent Rate, which shows the relative cost of tariffs in pence per kilowatt hour or pounds per megawatt hour.

In particular, this part of the research aimed to:

- explore the extent to which consumers can understand and work with different price comparison guides – principally comparing the effectiveness of those with indicative costs and those with Standard Equivalent Rates

[10] **TO BE ADDED BEFORE PUBLICATION**
[11] http://www.ofgem.gov.uk/Markets/RetMkts/rmr/Documents1/Tariff_Comparability_Quantitative_Research.pdf

- explore more broadly the key enablers and barriers to understanding and using each type of price comparison guide

- evaluate of how well each guide enables consumers to compare tariffs reliably – including comparing across tariff types as well as comparing between suppliers within tariff type

- explore consumer willingness to engage with different types of comparison guides

- explore the impact of different explanations and presentation of the alternative concepts

- test the relative impacts of each type of price comparison guide (indicative costs vs. Standard Equivalent Rate) on a set of key indicators such as the proportion making the correct choice, ease of use, length of time taken to select the cheapest tariff, preference and impact on likely switching behaviour

- understand the impact of different information, signposting of information or different perceptions of a consumer's own consumption on their ability to select the cheapest tariff using the guides

- assess the potential for the indicative costs shown to mislead consumers (e.g. by raising expectations that this is a guaranteed and accurate predictor of what they will pay).

A further objective was to explore qualitatively consumer views of the advantages and disadvantages of two and three-part tariff structures. The **three-part** option comprises of a national standing charge and a "regional adjuster" both set by Ofgem, and the supplier's own national unit rate. The **two-part** option consists of an Ofgem set national standing charge plus regional unit rates from each supplier. Specifically, this part of the research aimed to:

- probe understanding of the two options for standard tariffs

- understand variations in comprehension according to the format in which information is communicated

- evaluate the relative benefits of the two-part and three-part tariff structures and consumers trade offs for each

- establish preference for type of tariff structure.

1.3 Methodology

A mixed methodology was considered to be the most appropriate approach for this research. A qualitative phase, conducted first to enable the findings from the groups to inform the quantitative research, allowed for careful consideration of the complexities of tariff structures, and provided in-depth insight into how consumers approach comparison guides; the subsequent quantitative exercise presented an evaluation of the type of comparison guide that most enables consumers to choose the cheapest tariff available.

1.3.1 Qualitative phase

Qualitative research is particularly useful when exploring *how* and *why* individuals make decisions under different circumstances, because it allows participants the freedom to express their thoughts and opinions without being restricted by a structured questionnaire.

Six focus groups and six mini-groups of 1 hour 40 minutes were conducted during the period 16 – 26 April 2012 in six locations across Great Britain (Aylesford, Colwyn Bay, Greenock, London, Newcastle and Tamworth). The groups were recruited to comprise a broad range of electricity consumers, taking into account a number of key criteria that are likely to influence views of the most salient issues. The criteria included the following recruitment variables:

- Gender
- Age
- Ethnicity
- Socio-Economic Group (SEG)
- Fuel poverty
- Long-term condition/disability
- Difficulty with literacy and/or numeracy
- Electricity only vs. gas and electricity
- Economy 7 vs. non-Economy 7
- Payment type
- Urban/rural
- Switching behaviour
- Internet use
- Media use

The purpose of the mini-groups was to ensure specific groups of more vulnerable individuals (including the frail elderly, those with poor literacy and/or numeracy, those with no qualifications, and those with no internet access) were able to participate fully and with sufficient time in the exercises, and could express themselves more freely than would perhaps be the case in a larger group.

A total of 76 respondents participated in the qualitative research phase. Participants were recruited by specialist qualitative Ipsos MORI recruiters. The recruitment was conducted face-to-face on street and through door-knocking. Recruitment happened within easy travelling distance of the venues (while ensuring the rural quota was met). All respondents were given information about the purpose of the focus group and received £35 as a thank-you for their participation. The groups were over-recruited to take into account a dropout rate of 20%, which is a common feature of focus group research.

In relation to the discussion of price comparison guides, eight guides were presented to participants during the qualitative phase, each with a different format of price metric. Each format of price comparison guide contained a price comparison table for three different tariffs: standard, fixed rate, and tracker.[12] The order in which the different formats of comparison guide were presented was rotated to minimise the possibility of introducing bias into the responses.[13] In addition, the type of comparison guide shown varied according to

[12] The price comparison guide included a short description of each type of tariff. A standard tariff is a basic tariff that has no minimum contract length, has no end date, and has no penalty for switching. A fixed rate tariff is a tariff where the supplier guarantees that the price per unit of electricity will stay the same for a set period. A tracker tariff is a tariff where the supplier guarantees that the price per unit of electricity will be linked to a specific benchmark until a set date. Full details of the price comparison guides presented in the qualitative phase can be found in the Appendix.

[13] The rotation method ensured that half the groups worked with indicative cost guides for Scenario A while the other half used SER guides. The format of indicative cost and SER guide shown in Scenarios A and B was also rotated. Each group worked with four different formats of price comparison guide across Scenarios A-D, and across all groups, all formats were shown at least five times. All groups saw all formats for Scenarios E and F,

whether the groups were composed of participants on an Economy 7 tariff or a non-Economy 7 tariff. Participants were asked to work through three separate price comparison guide tasks to:

- identify the best deal for them
- identify the cheapest supplier
- identify a preference for the format of the price comparison guide.

The research materials used (discussion guide and a sample of a booklet used in focus groups) as well as a table displaying the type and order of comparison guides shown to each group can be found in the appendices.

1.3.2 Quantitative phase

The quantitative research sought to test the performance of, and preferences for, six of the original eight possible executions of the Price Comparison tables, using versions suitable for both Economy 7 (E7) and non-Economy 7 (non-E7) consumers. In summary, the six formats tested (in random order) were as follows:

- X1 (Z1): Indicative monthly cost – high, medium, low user defined in kWh - £00.00 in cells
- X2 (Z2): Indicative yearly cost – high, medium, low user defined in MWh - £000 in cells
- X3 (Z3): Standard Equivalent Rate – p per kWh – high, medium, low user defined in kWh – 00.0 in cells
- X4 (Z4): Standard Equivalent Rate – p per kWh – high, medium, low user defined in kWh – 00.0p per kWh in cells
- X5 (Z5): Standard Equivalent Rate - £ per MWh – high, medium, low user defined in MWh – 000 in cells
- X6 (Z6): Standard Equivalent Rate - £ per MWh – high, medium, low user defined in MWh - £000 per MWh in cells.

Copies of the stimulus material shown are included in the appendices. While the fundamental division is between indicative cost and SER, each incorporates variations in display format and/or the metric used. Indicative cost can be monthly or yearly; SER can be based on kWh or MWh, and within each variant, this can be shown with simple numbers in the cells of the table, or with the units included in every cell.

After the first four qualitative focus groups, the decision was made not to test two of the eight types of comparison guides originally proposed by Ofgem in the quantitative research. Findings from the first four groups indicated that when using comparison guides showing indicative cost, consumers preferred the £ sign to be present in the cells and directly in front

but half chose from among the SER formats for Scenario E while half chose from among indicative cost formats for Scenario E.

of the number (e.g. £00), rather than shown in a top row of the table. Therefore, although the indicative cost options with units displayed in the top row were used throughout the qualitative research phase, they were not tested in the survey. The qualitative findings relating to the other six types of comparison guide were less conclusive and they were therefore tested in the survey.

The survey methodology included a nationally representative online survey of 2,009 electricity customers, screened from Ipsos MORI's GB panel, combined with 197 Computer Assisted Personal Interviewing (CAPI) interviews from eight face-to-face hall tests in six locations with electricity customers who do not use the internet and are identified as "vulnerable" by a set of criteria. All respondents had mains electricity, were at least jointly responsible for paying the bills and paid them direct to an energy company. The vulnerability criteria included (in no particular order):

a. Elderly and state-supported (aged 65+ and social grade E)

b. Have disability or long term illness

c. Have difficulties with literacy or numeracy, or no formal qualifications

d. Low income (household income up to £11,499 per annum)

e. English not first language at home

f. Do not use the internet.

The total sample of 2,206 interviews included 1,017 who met at least one of the vulnerability criteria above (although they were not necessarily targeted for inclusion as "vulnerable" customers). The overall sample also included 303 customers with Economy 7 tariffs, 143 of these met one or more of the above criteria (a-e) for vulnerability[14]. Online fieldwork was conducted in the period 9-18 May 2012; hall tests were conducted in the period 16-18 May 2012 in Romford (2 days), Neath (2 days), Hull, Chester-le-Street, Dereham and Glasgow.

In the hall tests, the questionnaire script was almost identical to the online script (the only variations being those required to collect demographic information). Participants were encouraged to fill in the questionnaire themselves with minimal interviewer help. As in our previous tariff research for Ofgem in 2011, many were unable to do so, being unfamiliar with computers (none were internet users, for example).

The script (paper version shown in appendices) showed the alternative executions of price comparison tables on the same page as questions about them. In the hall tests, paper copies of the table were also available to make them easier to read for people unaccustomed to computer screens. Respondents were allocated a random level of annual consumption and asked to find the cheapest supplier for one of three randomly allocated tariff types – standard, fixed or tracker. All three types of tariff were shown in the price comparison tables to make them more realistic, since real life versions would be likely to

[14] Please note we are aware that these are only indicators of vulnerability. As such, an individual may be subject to one or more of these vulnerability attributes and in reality be no more or less 'vulnerable' than an individual who is subject to none of them. Similarly, an individual may meet none of these criteria, and be in a 'vulnerable' state for other reasons (e.g. grief, unemployment, stress, etc). Nevertheless, it is likely individuals who experience multiple dimensions of vulnerability are more likely to be disadvantaged in their interactions with the energy market, and for this reason they were targeted separately through the face-to-face hall tests. Where 'vulnerable customers' are reported on separately in this report, they include both those who were purposively targeted as meeting multiple vulnerability criteria (including being non-internet users), as well as those who were included in the main quantitative survey sample and happened to meet one or more vulnerability criteria.

give information for a range of tariffs. The random allocations of consumption levels were confirmed to be essential by exploration of customer knowledge of consumption levels in the qualitative research. The qualitative phase found that few people knew their annual consumption, and only around half of those who had bill information were able accurately to classify themselves as low, medium or high users. Furthermore, many were unable to locate a recent bill to check their consumption, particularly consumers who use pre-payment meters, pay by direct debit or are on online tariffs. Since the test would not work without a reliable annual consumption figure, this was confirmed as the only workable approach.

The random allocation of annual consumption figures was also used as a vehicle to test the effect of "signposting" which consumption band customers should use on the price comparison guides – approximately half were told, along with their consumption figure, whether they were a Low, Medium or High user, the remainder just given a consumption figure with no explanation.

Data from both surveys was combined for reporting purposes and weighting was applied to ensure the sample was nationally representative of electricity customers. Weighting variables included sex, age, social grade, region, internet use, disabled/long term illness, education level and income. Target weights were taken from a combination of Ofgem's survey of Customer Engagement with the Energy market 2012 survey, conducted by Ipsos MORI, and publicly available data on penetrations of special vulnerable groups from Government surveys.

1.4 Interpretation of findings

This study combined qualitative and quantitative research to harness the strengths of both methodologies. Where the two methodologies were used to explore a similar question, the findings have been analysed together to enable commentary about both the *extent* to which something is happening and *why* it appears to be happening.

However, it was not possible to test all of the elements explored in the qualitative phase through the quantitative survey. Therefore some sections of this report rely solely on qualitative findings. These do not enable statements about *how many* people hold particular views, but are used to shed light on *why* they hold them. Such findings are illustrative rather than statistically reliable. However, they are important to understanding the context of participants' engagement in the electricity market, different ways of reading and understanding price comparison guides and how participants' assess the benefits and drawbacks of different types of tariff structures. Where possible we have stated how common a particular view was amongst participants, but these proportions should be considered indicative, rather than exact.

Throughout the report, verbatim comments have been included to illustrate certain viewpoints, particularly where there was broad agreement about an issue. It is important to remember that the views expressed do not always represent those of all participants.

When interpreting the quantitative findings, it is important to remember that results are based on a sample of electricity consumers, and not the entire eligible population. Consequently, results are subject to sampling tolerances, and not all differences between subgroups or price comparison guides are statistically significant.

We can, however, predict the variation between the results and the "true" values from knowledge of the size of the samples on which the results are based and the number of times that a particular answer is given or task is completed. The confidence with which we can make this prediction is usually chosen to be 95% - that is, the chances are 95 in 100 that

the “true” value will fall within a specified range. The table below illustrates the predicted ranges for different sample sizes and percentage results at the “95% confidence interval”.

Size of sample on which results is based	Approximate sampling tolerances applicable to percentages at or near these levels		
	10% or 90%	30% or 70%	50%
	±	±	±
100 respondents	6	9	10
500 respondents	3	4	4
1,000 respondents	2	3	3
2,009 respondents (total completing the quantitative phase)	1	2	2

Source: Ipsos MORI

Strictly speaking the tolerances shown here apply only to random samples; in practice good quality quota sampling has been found to be as accurate.

Where sub-samples are deemed to be too small to be reliable the findings are shown in charts as absolute figures (denoted N), indicating also the base size in the format X/Y, where X is the absolute number giving that response and Y is the base, the total number who could have given that response.

Where figures do not add up to 100% or the base total, this is due to weighting.

1.5 Report outline

The rest of this report is structured as follows:

Section 2: Consumer context – this describes consumers’ initial awareness and understanding of the electricity market and their own electricity usage, and how these impact on their trust and understanding of price comparison guides, and in their attitudes towards tariff structures.

Section 3: Working with price comparison guides: findings – this sets out findings from the quantitative phase relating to the price comparison guides. It explores which guide most enables consumers to choose the cheapest tariff, whether signposting of electricity usage is helpful, and consumers’ preferences in terms of the type of guide and its layout.

Section 4: Working with price comparison guides: interpretation – this section complements the previous section by considering how consumers interpret and engage with price comparison guides. It includes an analysis of how participants understood the comparison guides, suggestions about improvements in layout, and the impact of this on consumers’ ability to use the guides to help them engage with the electricity market.

Section 5: Consumer views of tariff structures – discusses consumers’ views about two- and three-part tariff structures for standard tariffs, exploring responsibility for setting a

regional adjuster, presentation of tariffs in price comparison guides and bills, and consumer preferences for comparing tariffs at a national or regional level.

Consumer context

Section 2: Consumer context

SUMMARY: Though some consumers are highly active, many have low levels of energy literacy and engage very sporadically, if at all, in the market; furthermore, they have little knowledge of the structure of electricity tariffs and few know which tariff they are on. These factors have an impact on their trust and understanding of price comparison guides, and in their preference for how standard tariffs should be structured.

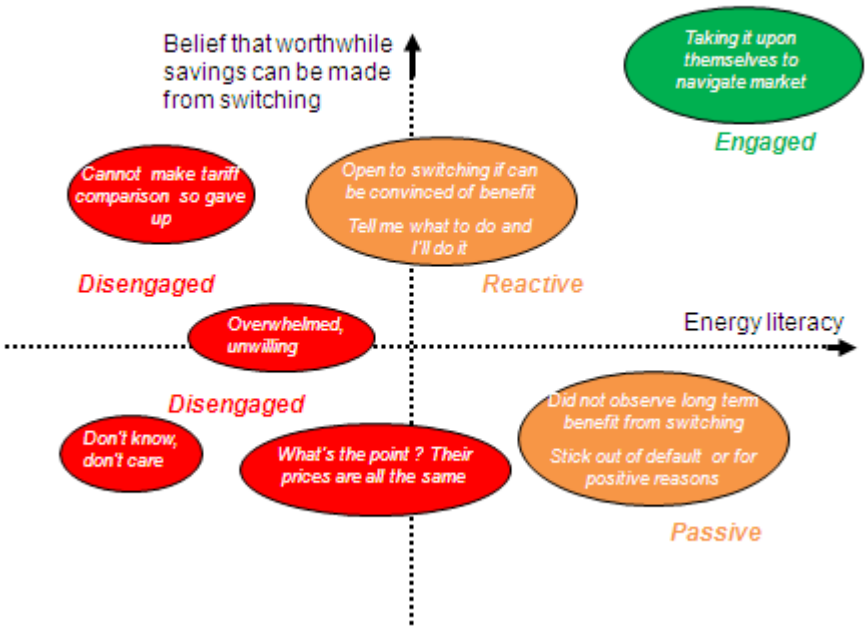
2.1 Engagement with the electricity market

Understanding the context for the focus group discussions is essential to interpreting accurately the qualitative research findings. Focus groups started with a preliminary discussion exploring what consumers already know about the electricity market and electricity tariffs in general. These views and experiences impact on consumers' trust and understanding of price comparison guides, and on their attitudes towards tariff structures.

What we know about consumers and engagement with the electricity market

Previous Consumer First Panel research conducted by Ipsos MORI in 2011 revealed that engagement with the energy market is shaped by two main factors: level of energy literacy and the belief that worthwhile savings can be made from switching. Based on these two factors, Ipsos MORI identified four typologies of energy consumers. As the attitudes of participants in the focus groups conducted for this research project reflect these typologies, it is useful briefly to summarise them here.

Figure 2.1: Engagement requires energy literacy and a belief that *worthwhile* savings can be made from switching



What we know about consumers and engagement with the electricity market (continued)

Engaged: These consumers have relatively high levels of energy literacy. They know what a tariff is, are familiar with different types of tariffs and are confident in their ability to choose the best tariff for them (although they are not always correct). However, like other types of consumers, they often lack a detailed understanding of technical terms such as kWh.

Reactive: These consumers tend to switch tariffs in response to an encounter with a supplier sales agent or another trigger such as a high bill or increased direct debit payments. These consumers are typified by relatively low energy literacy, and are often vulnerable or from households on low incomes. However, they are interested in financial savings from lower prices or taking advantage of discounts or rewards.

Passive: These consumers, despite often having high levels of energy literacy, do not engage very often (if at all) with the energy market. These consumers are aware of their right to switch, but for various reasons, both positive (satisfaction with supplier, brand loyalty), negative (fear of higher prices) and situational (inability to switch due to rental agreements) do not to do so.

Disengaged: These consumers perceive little price differentiation in the market, and since this is the most important factor for them in choosing a tariff, see little incentive to review their tariff options. Another barrier for this group is the perception that tariff comparisons are difficult, and this, combined with the belief that prices vary little, results in the view that the effort of switching outweighs the potential benefits. It should be noted, however, that some consumers are 'disengaged' for positive reasons, such as being satisfied with the customer service provided by their current supplier or wanting to support their suppliers' efforts to 'go green'.

Many of the participants in the focus groups conducted for this study can be classified as either *reactive* or *disengaged* (as identified in the findings from the Consumer First Panel above)[15]. These groups generally have a fairly low initial awareness of the electricity market and many state that they have never actively sought information about different electricity tariffs. Their understanding of tariffs is also generally low. Initially, some of these participants were unsure what a tariff was and many were unable to identify the different components of a tariff. As a result, the information presented in price comparison guides is new and not always understood.

"I didn't know I could choose because it's a flat [that I live in] and you get whatever is already connected up."
Male, Economy 7, Newcastle

[15] Ofgem is currently in its fourth year of the Consumer First Panel. The Panel is recruited from fresh each year, and administered by an independent research agency. Typically, the Panel (of around 100 consumers) will meet 3-4 times over the year in a deliberative process, whereby they build their knowledge and understanding of energy related issues, and offer Ofgem their views on these during a series of workshops.

Reactive consumers have often changed tariffs in response to a door-to-door or telephone sales call or being approached in a supermarket. This means they have only ever compared one supplier with another, rather than comparing all possible prices across the market to find the best deal. Moreover, few *reactive* consumers have in-depth discussions about the various tariff options available to them with the new supplier, and sense that they are on a 'default' tariff. Consequently, not many consumers are able to name their current tariff.

"I was in [a supermarket] about two or three years ago and [a supplier] did a comparison and… said [a tariff they offered] was cheaper so I just changed."
Female, Economy 7, Tamworth

Reactive consumers typically trust the information coming from a sales representative instead of making the comparisons for themselves, and some have had bad experiences as a result. For example, some report being billed for a contract that they did not think they had signed, while others, such as the example quoted below, complain that the deals they were sold were not actually cheaper than their previous tariffs.

"You're quite right, stay with your supplier, because some people, they tell you [supplier] are charging you 'x', we'll charge you 'y', but they forget to tell you that 'y' hasn't got the VAT added onto it yet."
Male, Non-Economy 7, Greenock

Some of those reporting poor experiences from a switch returned to their original supplier, and do not plan to change again, therefore becoming *disengaged* from the market.

Disengagement from the market can also stem from hearing negative reports about other people's experiences switching. Several consumers participating in the qualitative research reported hearing "horror stories" from family or friends and had made the decision not to switch as a result.

Other consumers were *disengaged* or *passive* because they saw switching as a major hassle and did not believe worthwhile savings could be made from switching. Small differences in the unit rates presented in price comparison guides are therefore unlikely to encourage them to switch; however they may be more inclined to switch if presented with information about the quality of customer service or benefits such as loyalty bonuses.

"I don't trust any of the information I get, and I think what's the point in going with that [supplier] just to find out that they tell porkies, or you save £2 a month or something and all the stress that goes with it."
Female, Non-Economy 7, Greenock

A small group of consumers taking part in the qualitative research who had actively chosen their current tariff on the basis of independent advice, for example from an independent organisation or a price comparison website, can be classified as *engaged*.

"I constantly check on the comparison sites whether my tariff can be beaten by any of the others."
Male, Economy 7, Newcastle

As found in previous Consumer First Panel research, *engaged* consumers have a more informed view of the market and tariffs available, though some still lack some technical knowledge that would enable them to understand fully price comparison guides. For example, although awareness of how tariffs are structured is higher among this group than other groups, not all are aware of standing charges and unit rates and many therefore assume that the prices listed in the Standard Equivalent Rates price comparison guides include all charges.

In addition to the four groups identified in the typology above, some consumers are restricted in their ability to engage with the energy market. Such consumers have researched other tariffs and would like to switch but for various reasons are unable to do so. Some consumers are in arrears with their current suppliers and cannot - or believe they cannot[16] - switch until they have paid the amount owed. For those wanting to become credit customers instead of using a prepayment meter, the cost of changing meter type is a particular challenge. This results in a great deal of dissatisfaction and frustration with the current state of affairs.

"I'm only staying with [supplier] because I owe them money. I'll get that paid and then change."
Female, Economy 7, Newcastle

"If we wanted to swap the meters over they were going to charge us about £300 a meter."
Male, Non-Economy 7, Colwyn Bay

Given consumers' very different initial knowledge of and attitudes towards the electricity market, it is not surprising that general willingness to engage with the price comparison guides varies from one individual to another.

Overall, consumers welcome the idea of simplifying tariff comparisons, since many find navigating the market and comparing electricity prices difficult. In addition, consumers are very receptive to information about tariffs that comes from an independent source, and not a supplier. The majority are therefore keen to engage with the exercises in the focus groups to ensure that the guides are ultimately easy to understand and useful to them.

[16] Although pre-payment meter users with a debt of up to £200 may be eligible to switch to an alternative supplier under the Debt Assignment Protocol, knowledge of this did not come up spontaneously through this research.

2.2 Electricity usage and interpreting the usage columns

SUMMARY: Though consumers are able to read the tables in price comparison guides and identify the cheapest supplier within a usage column, there is a risk that they will incorrectly select a supplier because they have been unable to identify themselves as a low, medium or high user.

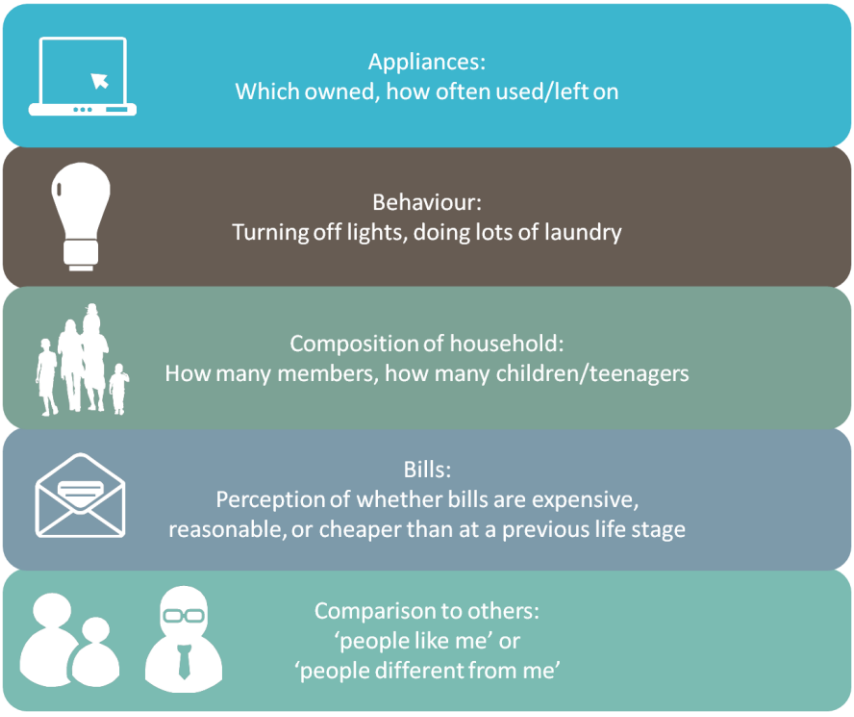
Self-classifying electricity usage

Given that the cheapest option for a low electricity user may be different to that of a medium or high user, consumers' awareness of their electricity usage is integral to their ability to use Ofgem's price comparison guides and select the best deal for them. It is crucial to understand how aware consumers are of their electricity use, including how well they are able to 'self-classify' in terms of their energy use and whether they know their exact usage or how to find out what it is.

Focus group participants were asked to think about their electricity use and state whether they thought they fell into the low, medium, or high use category. Following a group discussion, they were asked for their final view and then asked to complete the exercises based on what they had decided about their usage category.

Consumers who took part in the qualitative phase based their decisions about how much electricity they think they use on a combination of subjective considerations, the most common of which are shown below.

Figure 2.2: Factors considered when self-classifying level of electricity usage



The factor most commonly considered is the number/nature of appliances owned and how often they are used. For example:

"[when giving my answer] I was working out what things I'm using because I know that the oven, the grill, the hobs, kettle, toaster even, are quite high users of electricity."

Male, Economy 7, Newcastle

Some consumers consider how many people are living in their household and what their typical behaviour is. For example, they think about whether their children forget to switch off lights, leave mobile phone chargers plugged in or 'constantly' use laptops.

For some, thinking about the cost of their bills is a factor. Those who comment on their bills do so because they think the amount they pay is either:

- very expensive, and therefore they must be high users;
- cheap or quite reasonable, and therefore they rule out being high users; or
- cheaper than at a previous stage in their lives (for example because children have moved away from home), and therefore they now consider themselves low users.

"... I'm a fairly low [user] 'cause I use less than £10 a week."
Male, Non-Economy 7, Newcastle

Finally, many consumers compare themselves to people similar to or different from themselves. Some compare themselves to family, friends or neighbours who are at a similar life stage to them or have similar household compositions. On the other hand, many retired respondents compare themselves to people who are still working, as a way to gauge their electricity usage. They reason that since they spend more time at home, they probably use more electricity than people who spend most of the day away at work.

Other less frequent considerations include being dual fuel or electricity only customers and having taken energy-saving measures such as installing better insulation or electricity-monitoring technology. E7 consumers share the same considerations, as well as comparing themselves to other consumers who they know use the tariff.

Bill information collected from 33 participants to verify how accurate they were in classifying themselves as low, medium or high users revealed that around half of participants could correctly do this. Furthermore, there is no clear pattern as to which types of consumers are more able to self-classify. E7, non-switchers and more vulnerable participants were no more or less likely to self classify correctly in comparison to other groups.

However, some consumers participating in the qualitative research find it particularly difficult to select one option and are therefore inclined to sit on the fence between two levels of use, such as low-medium or medium-high. During the tasks administered in the focus groups, more participants classed themselves as medium users, an indication that this may be a default choice for those who are unsure about their usage.

Among those who struggle to make a decision, many complain that they do not know what to compare themselves to and that they are unaware of objective benchmarks for either behaviour, cost or the number of units used.

"The difficulty was, I don't know what to compare it to. I can only just judge myself."
Male, Non-Economy 7, Greenock

Consumers are unlikely to proactively look for factual information that may help them make a decision. For example, on first seeing a price comparison guide, very few consumers taking part in the focus groups notice the usage consumption figures in the tables (that help define low, medium and high users) until they are prompted. Furthermore, even consumers who have bills handy do not refer to them to calculate which category they are in.

"I wouldn't know how many units I've used, how many kilowatts or megawatts, whatever it is you've used. I mean, I don't think they put that on the bill, do they? I've never really looked for it."
Female, Non-Economy 7, Tamworth

Using energy usage columns in price comparison guides

Consumers also struggle to interpret the usage columns in the price comparison guides which provide a specific example of how many units a low, medium and high energy customer would use. One of the exercises participants completed in the focus groups was to decide whether they were low, medium or high users, imagining that they used a specific amount (e.g. 2,000 kWh) that fell between the usage categories[17]. Under these circumstances, most consumers are unsure how to select whether they should be a high, medium or low user.

One common method used to complete the task is to assume the usage figures given on the guide are maximum usage amounts for that category.

"Is it not the case that if you're below 1650 you're a low user, and if you're between 1650 and 3300 you're a medium user, and if you're above 3300 you're a high user? Is that not what it means?"
Male, Non-Economy 7, Greenock

Another method used by consumers participating in the qualitative research is to assume the divisions between low and medium, and medium and high, are halfway in between the figures shown (so using the column with the figure closest to the specified usage given).

"And that's the bit that I'm not sure, is that heading. Because [if I used 2000 kWh] I would definitely… say I'm a low user."
Female, Non-Economy 7, Greenock

Other less frequent assumptions include that at certain times (over a day, or over a year) consumers are classified differently (either low, medium or high) and that therefore users of the guide should calculate an average across all three categories.

[17] The usage categories participants were asked to consider were: Low – 1,650 kWh; Medium – 3,300 kWh; High- 4,600 kWh.

"Well, I was working an average out. You got £119 on the higher user but you're not going to be a higher user 24/7 are you? And your lowest, £126 is D for the low user, so I was taking an average of the three."

Male, Non-Economy 7, Tamworth

In summary, the qualitative research findings suggest that consumers base assumptions about electricity usage on subjective factors, that there is no pattern of who is more or less likely to be able to accurately categorise themselves as low, medium or high users, that very few know their specific usage, and that some would not know where to find usage information on their bills. Even when asked to work with a specific usage figure - so that the difficulty of knowing usage is removed - erroneous assumptions about the meaning of the usage figures in the price comparison guides may lead consumers to look in the 'wrong' column and thereby not select the cheapest tariff for them.

Not being able to choose the right usage category will also have wider implications. Once consumers have chosen their tariffs on the basis of the price comparison guides, they will largely expect the amount stated in the guide to be the amount they are billed. Consequently, errors in reading the price comparison guides could damage trust in the guides.

The possible benefit of signposting consumers as low, medium or high users is considered in the quantitative analysis.

Working with price comparison guides: findings

Section 3: Working with price comparison guides: findings

3.1 Selecting the cheapest tariff – performance

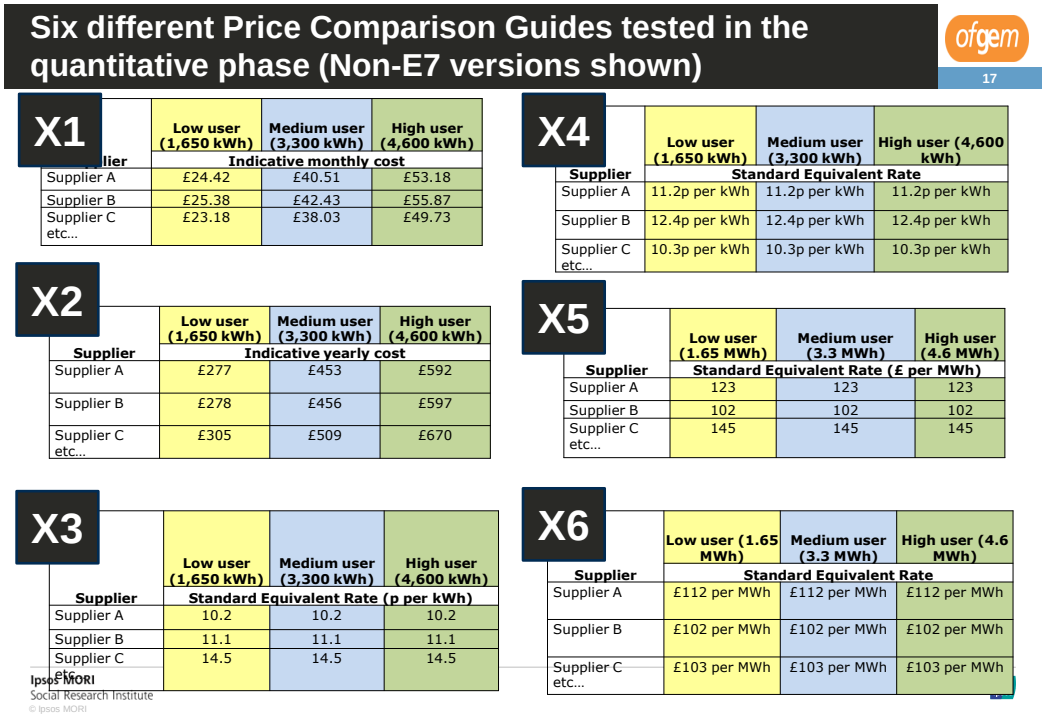
SUMMARY: Our conclusion is that there is no consistent and statistically significant pattern of better performance for any of the options of price comparison guides. The individually significant differences in isolated instances do not provide decisive policy guidance.

Methodology

Each respondent in the quantitative research was shown six formats of price comparison table. While these were essentially the same for non-Economy 7 (non-E7) and Economy 7 (E7) customers, the precise figures in the tables and the randomly allocated consumption figures given to respondents were different for non-E7 (designated X1-X6) and E7 (designated Z1-Z6), so the results are shown separately. The six formats tested were as follows:

- X1 (Z1): Indicative monthly cost – high, medium, low user defined in kWh - £00.00 in cells
- X2 (Z2): Indicative yearly cost – high, medium, low user defined in MWh - £000 in cells
- X3 (Z3): Standard Equivalent Rate – p per kWh – high, medium, low user defined in kWh – 00.0 in cells
- X4 (Z4): Standard Equivalent Rate – p per kWh – high, medium, low user defined in kWh – 00.0p per kWh in cells
- X5 (Z5): Standard Equivalent Rate - £ per MWh – high, medium, low user defined in MWh – 000 in cells
- X6 (Z6): Standard Equivalent Rate - £ per MWh – high, medium, low user defined in MWh - £000 per MWh in cells

The key difference in the formats is between indicative costs (formats X1 and X2) and Standard Equivalent Rates (formats X3-X6), though there is also an important difference between Standard Equivalent Rates (SER) expressed in kWh and MWh. Finer distinctions relate to the precise units shown in the tables. The six options are summarised as in the (shortened) non-E7 example below (full examples of stimulus used are in the appendices):



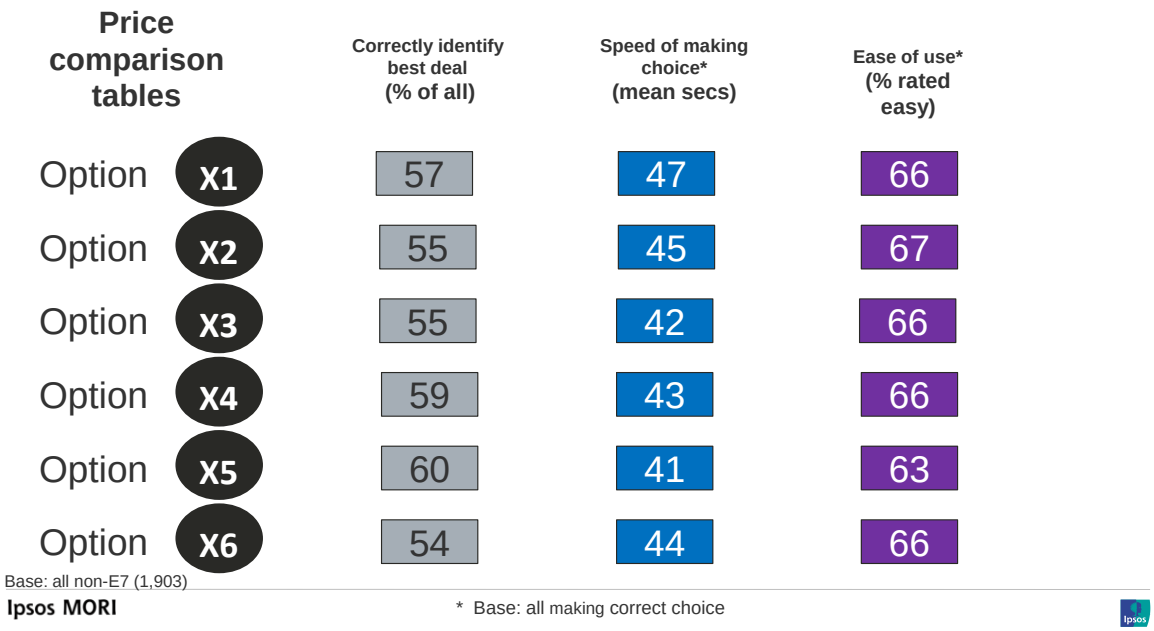
The six formats were shown to respondents in random order, so each format was shown first to approximately one sixth of the sample. Respondents were each given a random level of annual consumption to assume, and told to assume they were interested in one of the three tariff types (standard, fixed or tracker), again randomly allocated. The allocated consumption figure was displayed continuously on the screen to remind them. It should be noted that the annual consumption figure was expressed in two forms, randomly allocated: either as kWh and MWh only, or as kWh and MWh plus a "signpost" description informing them that they are low, medium or high users. Each participant saw only the signposted or non-signposted version throughout.

A sequence of questions was then used to establish the relative performance of each price comparison table in terms of its ability to lead the respondent to a correct answer when seeking the cheapest tariff, the time taken to make a correct choice and how easy those who selected the correct choice rated the table to use. Respondents were then asked to give their preferred format and asked further questions about that format (see overleaf). We consider the outcomes below for each of the key consumer groups: non-E7 consumers, E7 consumers, vulnerable non-E7 consumers, vulnerable E7 consumers, non-E7 consumers who have never switched and E7 consumers who have never switched.

Non-E7 tariffs

The performance outcomes of the six formats among 1,903 non-E7 consumers are summarised in the chart below:

Summary of key questions - performance



The proportion correctly identifying the cheapest supplier on their allocated tariff type and for their allocated consumption levels are very similar between the six options of the comparison table, ranging from 54% to 60%. The key distinction is between the indicative cost formats and the SER formats. Here the difference is borderline in terms of statistical significance. The best performing indicative cost format in terms of proportion able to identify the cheapest supplier is X1 (monthly indicative cost) at 57% correct, while the best SER format is X5 (£ per MWh, no units in cell) at 60% correct. While statistical analysis suggests this 3-point difference is significant, this difference is small, which suggests that the choice of format should be settled by other factors. Format X4 (SER, p/kWh in cell) appears to perform better than X1, but here the difference is not statistically significant. There is also no significant difference between the two indicative cost formats, formats X1 and X2. Even the three-point difference between X1 and the worst-performing SER format, X6 (£ per MWh, in cell), is no more than borderline.

The pattern is similar for the average time taken to make a correct choice; though X5 is slightly quicker than X1 the six-second difference is not decisive. In fact all formats take in the range of 41-47 seconds on average.[18]

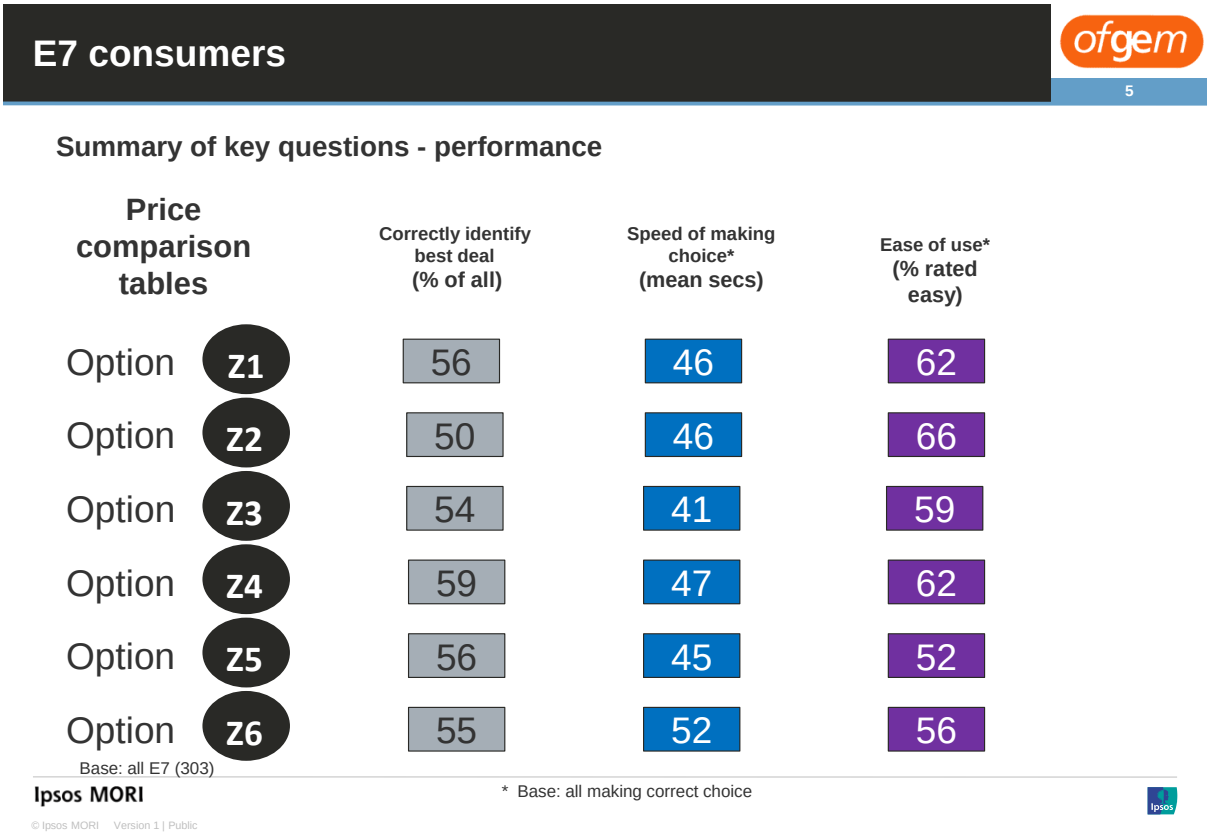
The ease of use is rated very similarly for all six formats – among those who correctly identified the cheapest supplier, a range of 63% to 67% rated the tables as very/fairly easy to use. X5 is rated lowest at 63%, and while this is not significantly different to other formats it may be indicative of a poorer understanding of the X5 format, despite its ability to yield a correct choice.[19]

[18] Please note: time taken is based on all making correct choice
[19] Please note: ease of use is based on all making correct choice

The conclusion from the performance chart for the non-E7 tariff options is that there is no sufficiently strong evidence that any of the six options is distinguished by performing significantly better.

E7 Tariffs

Out of the total sample of 2,209, 303 were on E7 tariffs and these were allocated a higher range of random consumption figures, and asked about the E7 table formats labelled Z1-Z6. The precise formats of these tables were identical to the non-E7 tables. The six options for Economy 7 customers were presented in the same format but included usage rates specific to Economy 7 customers and included an assumption about the split between day and night use. The performance outcomes among E7 consumers are summarised in the chart below:



The range of proportions correctly identifying the cheapest supplier is slightly larger than for non-E7 consumers (50-59%) and the average proportion is slightly lower (55%, compared to 57% for the non-E7). However, the E7 sample is much smaller so larger differences are necessary to establish significance. While we can be somewhat confident that the nine-point superiority of format Z4 (SER kWh) over format Z2 (indicative costs yearly) is significant, this is not decisive because format Z1 (also indicative costs, but monthly) performs better than Z2. Crucially, however, there is no significant difference between the best indicative format (Z1) and the best SER format (Z4).

The difference between the quickest and slowest time for making the correct choice is also slightly larger than for non-E7 consumers. Those who chose correctly took between 41-52 seconds on average, suggesting Z3 (SER, kWh, no units in cells) is fastest and Z6 (SER, MWh, with units in cells) is slowest. But again the difference, with this sample size, is not

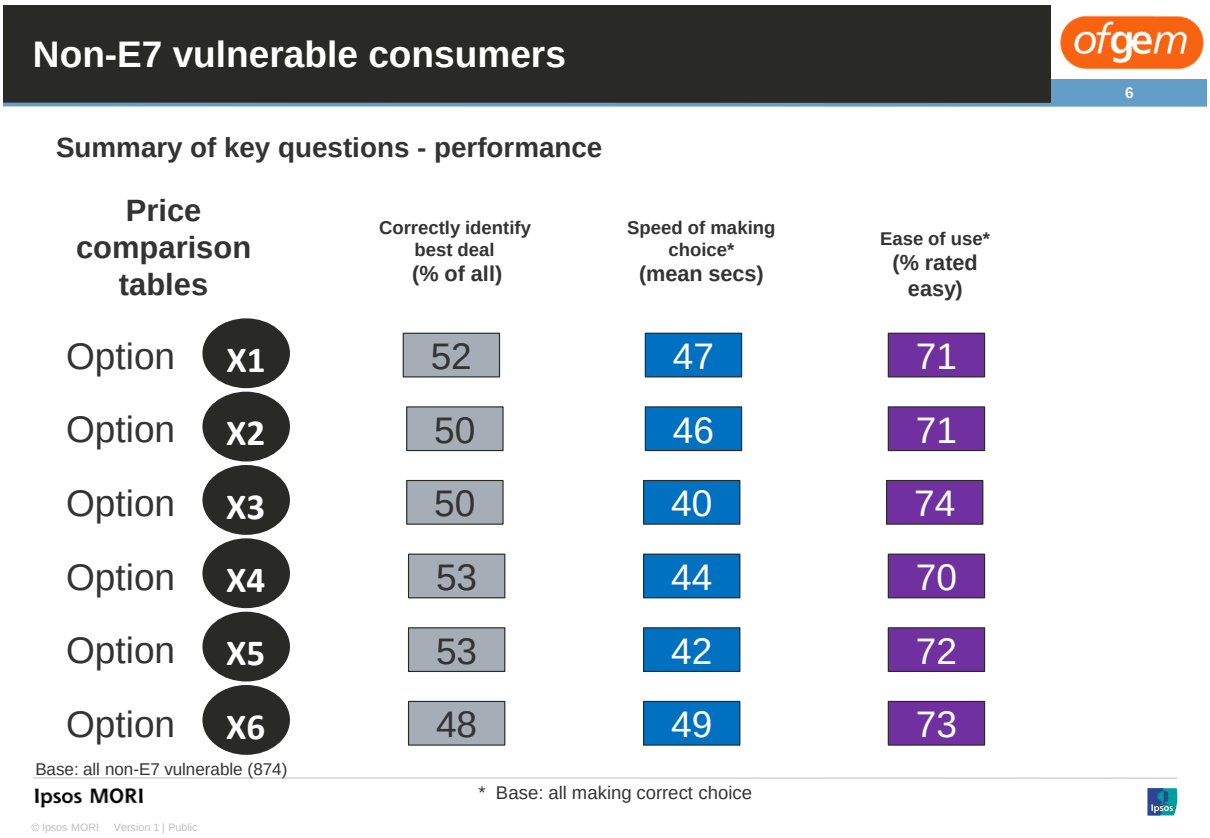
sufficiently conclusive, particularly the difference between indicative cost formats and SER formats.

As in the case of non-E7 consumers, Z5 (SER, £/MWh not in cell) is lowest rated for its ease of use among those who selected the correct supplier. Z2 (yearly indicative cost) is highest rated. The differences here are larger and we can be more confident that some of them are significant. Thus the highest rated (the easiest to use), are the indicative cost formats Z2 and Z1 plus the SER format Z4 (p/kWh in cell). The least likely to be rated easy are the SER formats that use MWh – Z5 and Z6. These differences are likely to be significant.

For E7 tariffs there is again no conclusive superiority of any one format in terms of the proportion correctly identifying the cheapest supplier or the speed of choice. There is, however, some indication that the indicative cost formats, especially Z2, are rated as easier, particularly when compared to the SER format Z5, which use MWh.

Vulnerable consumers

By the composite definition used[20], 874 of the non-E7 consumers were identified as "vulnerable", and were analysed separately. The performance of the non-E7 options X1-X6 is summarised below:



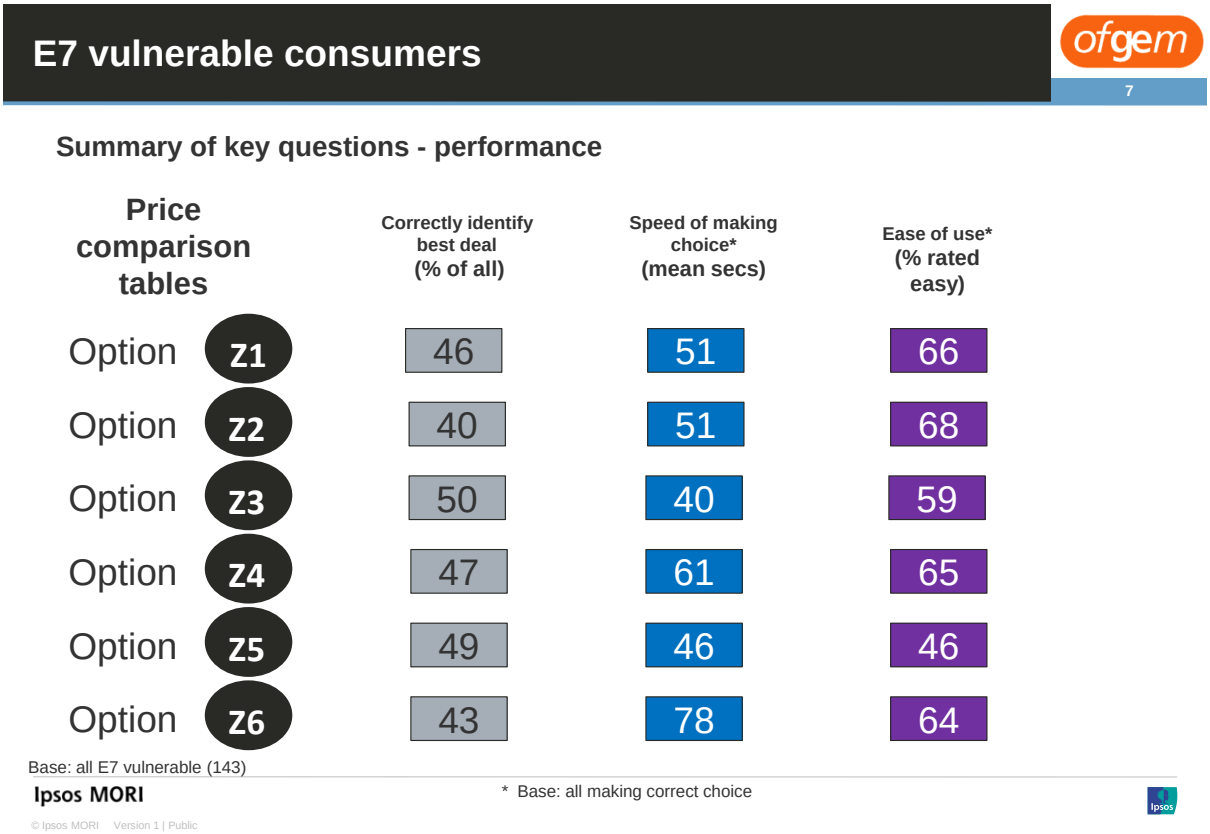
While the average proportion that correctly identifies the cheapest supplier is lower than for all non-E7 consumers (51%, compared to 57%) the variations in performance again do not provide a reliable basis on which to choose between indicative cost formats and SER

[20] Vulnerable consumers were specifically targeted as experiencing multiple dimensions of vulnerability (see page 20), or were included in the main online quantitative sample for the research and happened to experience one or more dimensions of vulnerability.

formats. The only finding of possible significance is that format X6 (SER, £/MWh in cell) performs less well than format X1 (monthly indicative cost).

Given the sample size, it is not possible to say that there is any significant difference between the times taken to arrive at the correct answer with each format.

Relative ratings of ease of use show no significant differences between formats for vulnerable non-E7 consumers.



The vulnerable consumers on E7 tariffs are a very small sub-sample (143) and very large variations would be required to show significant differences in performance between formats. Overall this group has the poorest performance; the mean proportion identifying the correct supplier across the six formats is 46%, which compares to 55% for all E7 consumers and 57% for all non-E7 consumers). It is impossible to be confident about the significance of the small variations between formats for the proportion choosing the correct supplier.

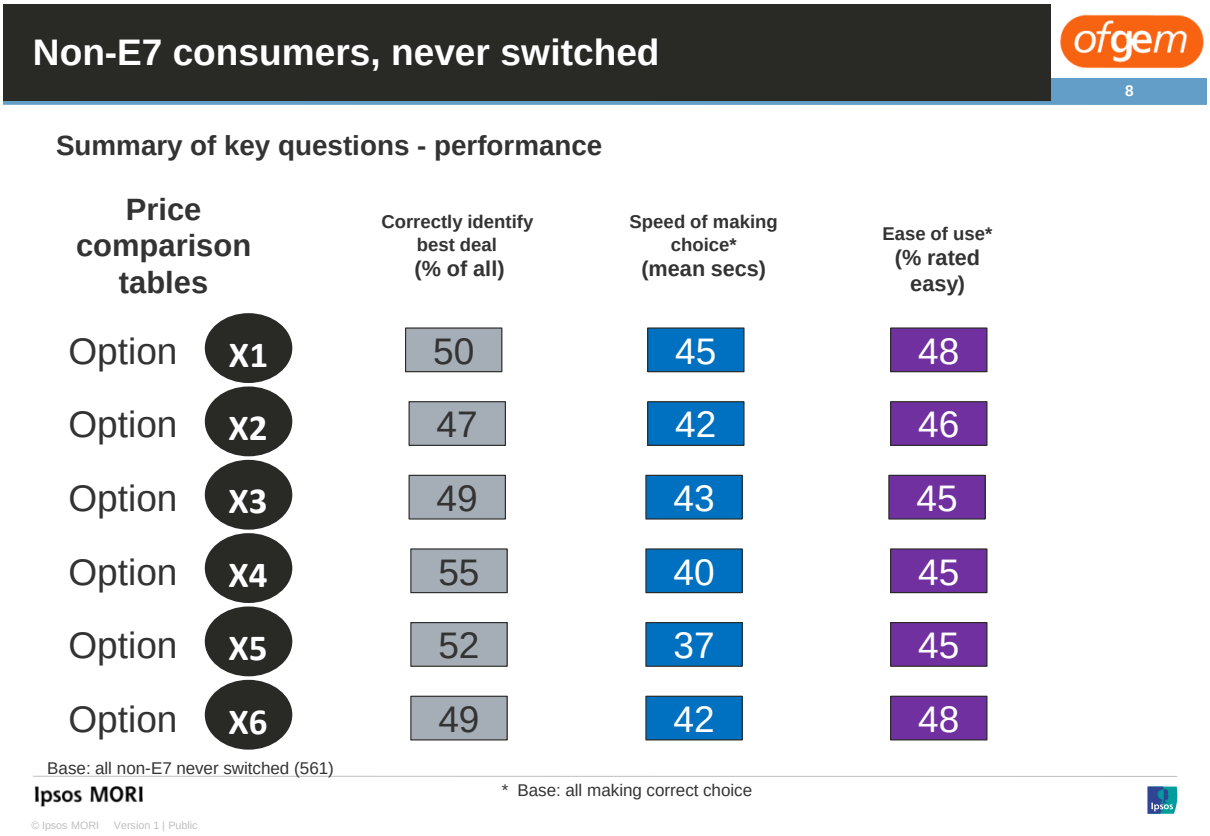
There are some large variations in the times taken to make a correct choice, with the suggestion that format Z3 is quickest. Z4 and Z6 especially take considerably longer. But these may simply be the effects of so small a sub-sample – outliers to the data are more influential on the means. Consistent with all E7 consumers, however, format Z5 is rated lowest by some margin in terms of ease of use.

Non-Switchers

Given the aims of the Retail Market Review with regard to stimulating engagement with the market, it is relevant to view the outcomes by the sub-group identified as non-switchers. These are the 30% of the total sample, (33% of vulnerable consumers) who say they have never switched electricity supplier. Because of the consumer detriment that is potentially

incurred by not switching to the cheapest deal, these are a priority group for targeting measures designed to alter perceptions and behaviour.

The outcomes in terms of performance for 561 non-E7 non-switchers are as follows:



Those who have never switched supplier are less likely than all non-E7 consumers to be able choose the cheapest supplier correctly.On average across the six formats, 50% get it right, compared to 57% for all non-E7 consumers. There is no great variation by format, though, as in the case of all non-E7 consumers, there is a borderline significant superiority of one of the SER format, in this case X4 (SER, p/kWH, in cell), over the best indicative cost format X1 (monthly). Again this lead (of five points, 55% compared to 50%) is not fully conclusive. X4 also takes less time on average to produce the correct answer, though X5 (SER, p/kWH not in cell) is even quicker. There is no significant difference in terms of ease of use according to those who have selected the correct answer.

Summary of key questions - performance

Price comparison tables	Correctly identify best deal (% of all)	Speed of making choice* (mean secs)	Ease of use* (%/N rated easy)
Option Z1	45	59	42%
Option Z2	47	42	45%
Option Z3	44	36	24/38
Option Z4	47	50	44%
Option Z5	52	47	26/39
Option Z6	46	50	25/39

Base: all E7 never switched (86)

* Base: all making correct choice

Ipsos MORI

Those E7 consumers who have never switched number only 86 so very large differences would be required to distinguish reliably between formats. On average they perform similarly to the Vulnerable E7 group – average proportions correct across all formats is just 47% (46% for Vulnerable E7).

While format Z5 is most likely to lead to a correct choice, its 52% is not significantly different to any of the other formats, including the 47% for the best performing indicative cost format, Z2.

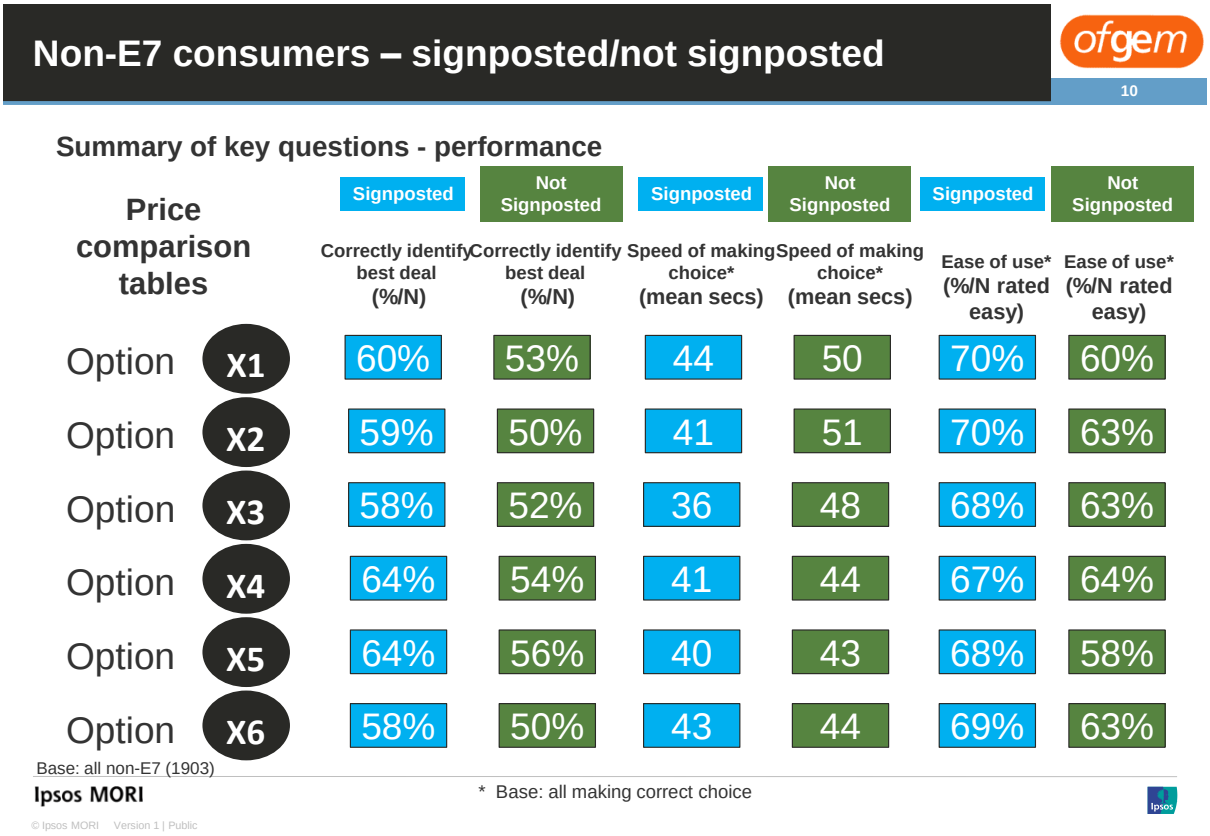
3.2 Effects of signposting consumption bands

SUMMARY- Our conclusion on signposting is that it has a generally beneficial effect on the accuracy of the supplier choices made, and that it may also improve the speed of decision making and make consumers feel the choice was easier in some cases, though the latter two factors are less certain than the positive effect on accuracy.

As discussed above, respondents were asked to use randomly allocated annual consumption levels when considering the six price comparison formats. This gave us an opportunity to test the effects of giving consumers more help in using the low, medium and high user bands of the charts correctly. Each respondent was allocated one of 20 levels of consumption (different ranges were used for non-E7 and E7) and in half of these levels an additional explanation was given to tell them which consumption band they fitted in to. For example, “signposted” respondents would have been told to assume their annual consumption was:

"1,000 kilowatt hours (kWh) or 1.0 megawatt hours (MWh), which means you are a LOW user"

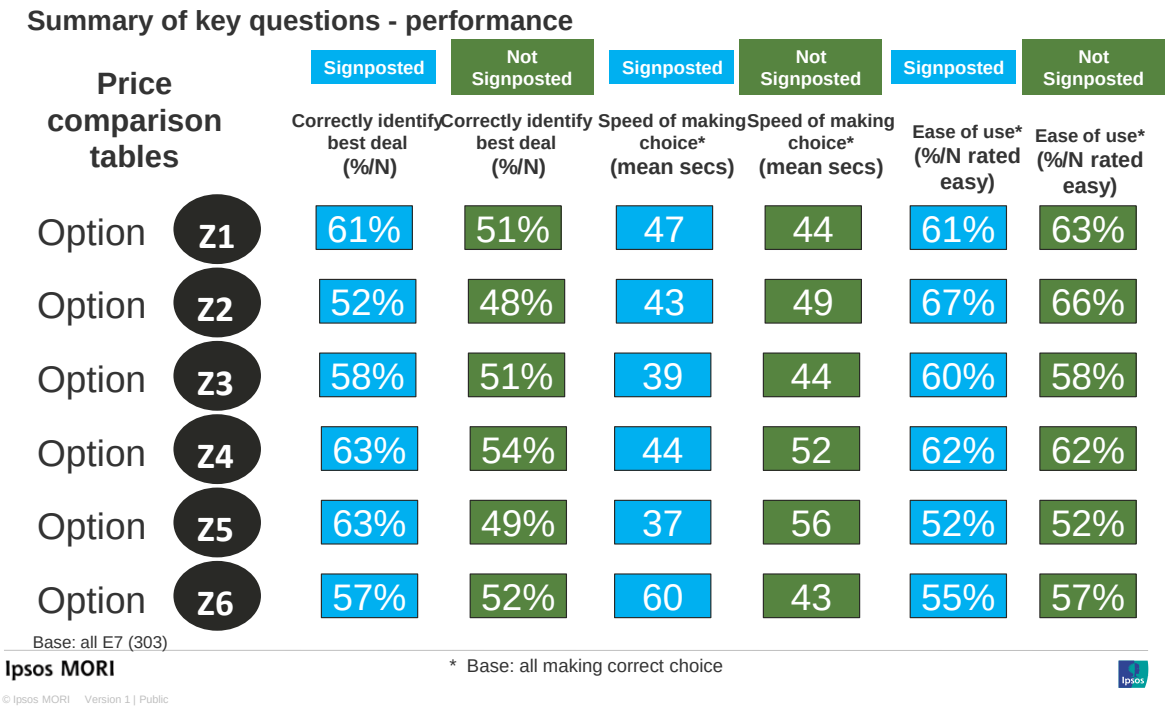
This statement was displayed at the top of the screen for the whole questionnaire for "signposted" participants; for the non-signposted only their assumed annual usage was displayed on the screen. The effects of this signposting on performance can be seen in the chart for Non-E7 tariffs below:



For all six options, respondents are significantly more likely to identify the cheapest supplier correctly if they have been "signposted" towards the correct band of the price comparison table. Across all six options this means the average percentage who are correct is 61%, compared to the average for non-signposted respondents of 53%. This is a decisive difference, and resonates with the qualitative research finding that many found it difficult to define themselves as high/medium/low even when given a usage figure (see section 2.2). The lower figures for those not signposted suggest that inability to fit a known consumption into the low, medium or high consumption bands may be a significant source of error in the use of price comparison tables.

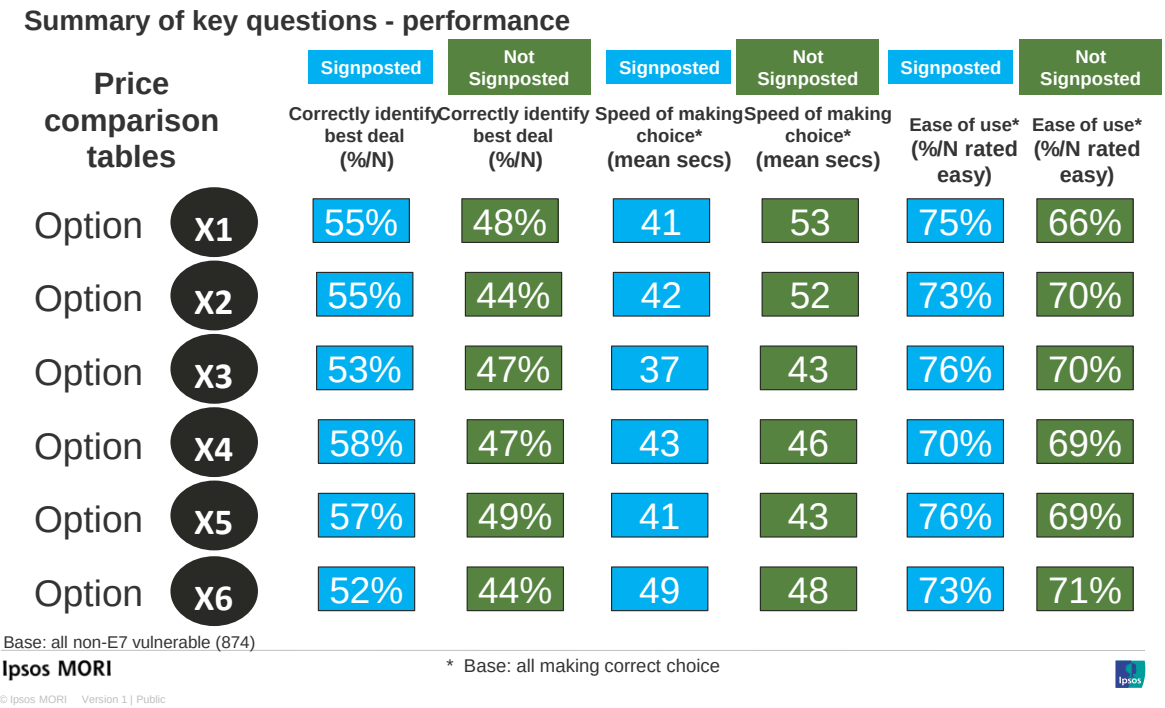
The signposting also speeds up the correct choices throughout, though only by marginal amounts in some cases, notably for options X5 and X6 (the MWh options). However, respondents do show evidence of noticing the improved ease of use that follows: for three out of the six options ease of use is rated significantly higher and for one it is borderline. Overall this is a positive recommendation for the value of signposting.

E7 consumers – signposted/not signposted



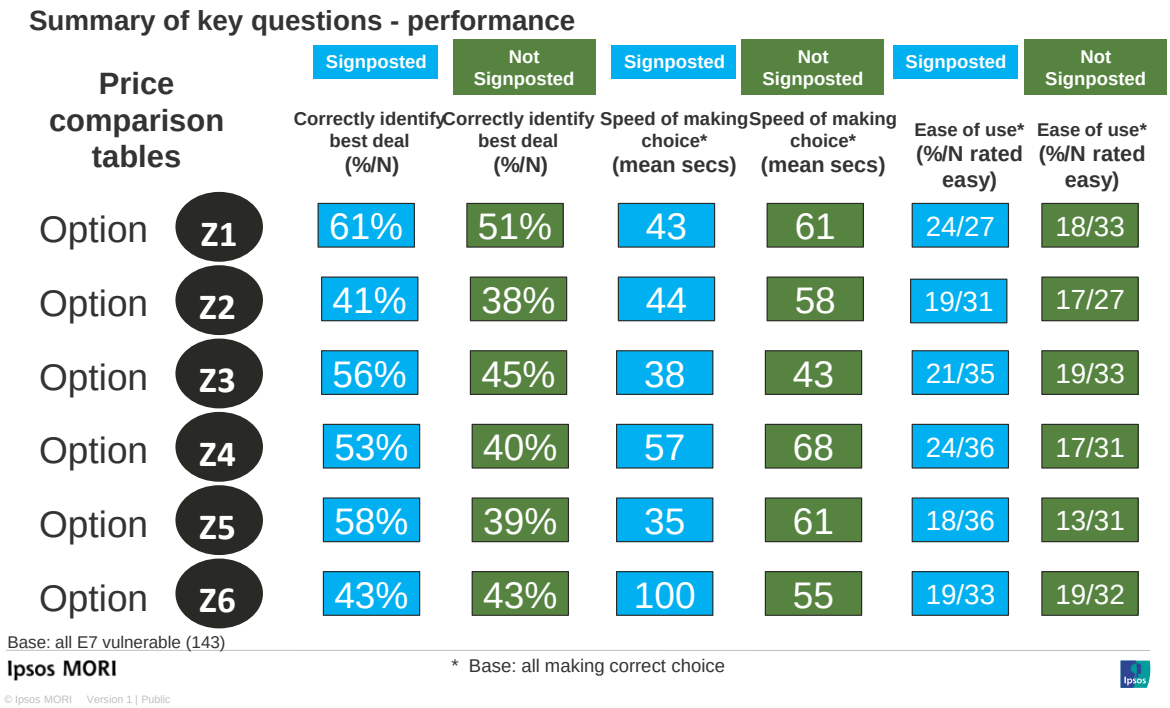
E7 consumers show a similar pattern of improved likelihood of making correct choices as a result of signposting. However the small sample size precludes the confirmation of any of the differences as statistically significant. For E7 consumers, the time taken varies rather erratically, occasionally actually taking longer when signposted, but it is likely that this is due to large variations within a very small sample. The same occurs for ease of use, with no clear pattern of improvement due to signposting.

Non-E7 vulnerable consumers – signposted/not signposted

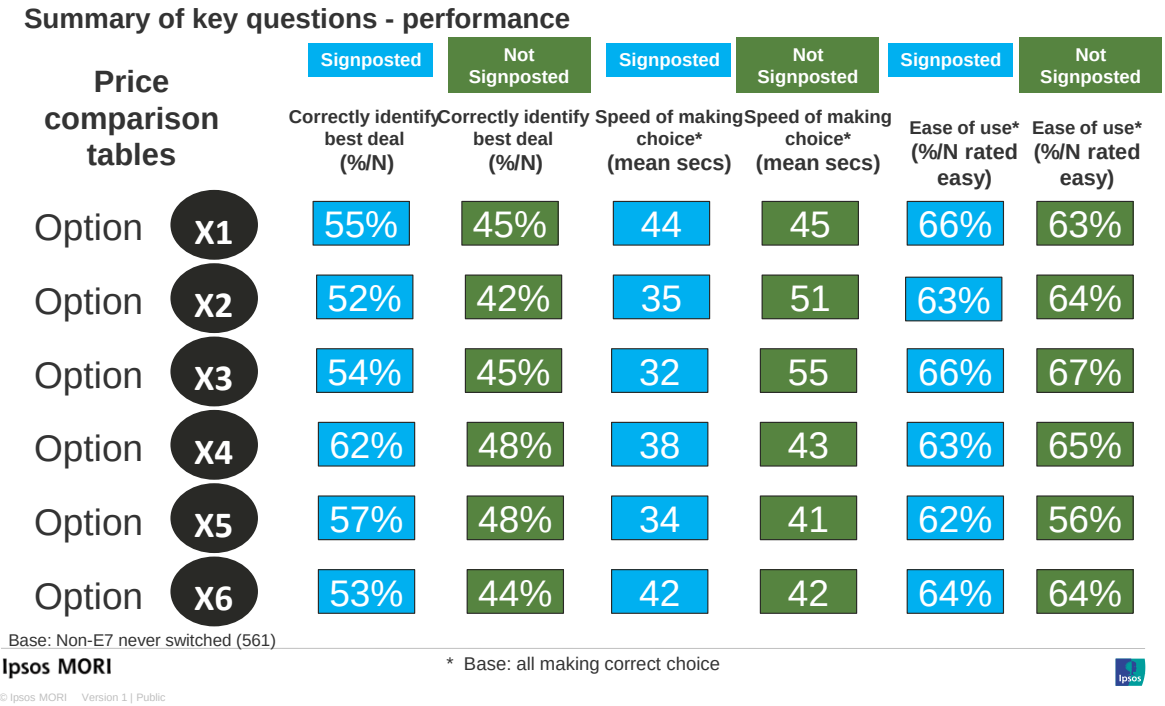


Non-E7 vulnerable consumers show a pattern of improved likelihood of making correct choices as a result of signposting but, with a relatively small sample size (874, divided into two), it is possible to be confident this improvement is statistically significant in only two of the options (X2 and X4). Improvements in time taken are similarly inconclusive (for option X6 there is no improvement at all) and all ratings of ease of use, though improved, show no significant change.

E7 vulnerable consumers – signposted/not signposted



The chart showing differences between signposted and non-signposted respondents for vulnerable E7 consumers is included above for completeness, though the sample size (143, divided into two) is too small to show statistically significant differences. For all options except Z6 (SER, £ per MWh, unit in cell) signposting appears to improve the ability to make a correct choice of supplier, but differences shown are not statistically significant.



Among non-E7 consumers who have never switched there are relatively strong improvements in performance due to signposting. The ability to correctly identify the cheapest supplier is enhanced by 9-14 points, although only the 14-point enhancement at option X4 (SER, p/kWh, in cell) is statistically significant. There are wide variations in the improvement in time taken, which is zero in one case. Improvements in ease of use are not conclusive.

The sample size of E7 consumers who have never switched (93) means it is unlikely to be able to provide any statistically significant evidence for the value of signposting.

3.3 Table design preferences

SUMMARY: In terms of preference, the quantitative research gives a clear result: consumers prefer monthly indicative cost as the basis for a price comparison table, though the preference is far from a majority. Supporting attitudinal questions show little discrimination between price comparison guides.

Methodology

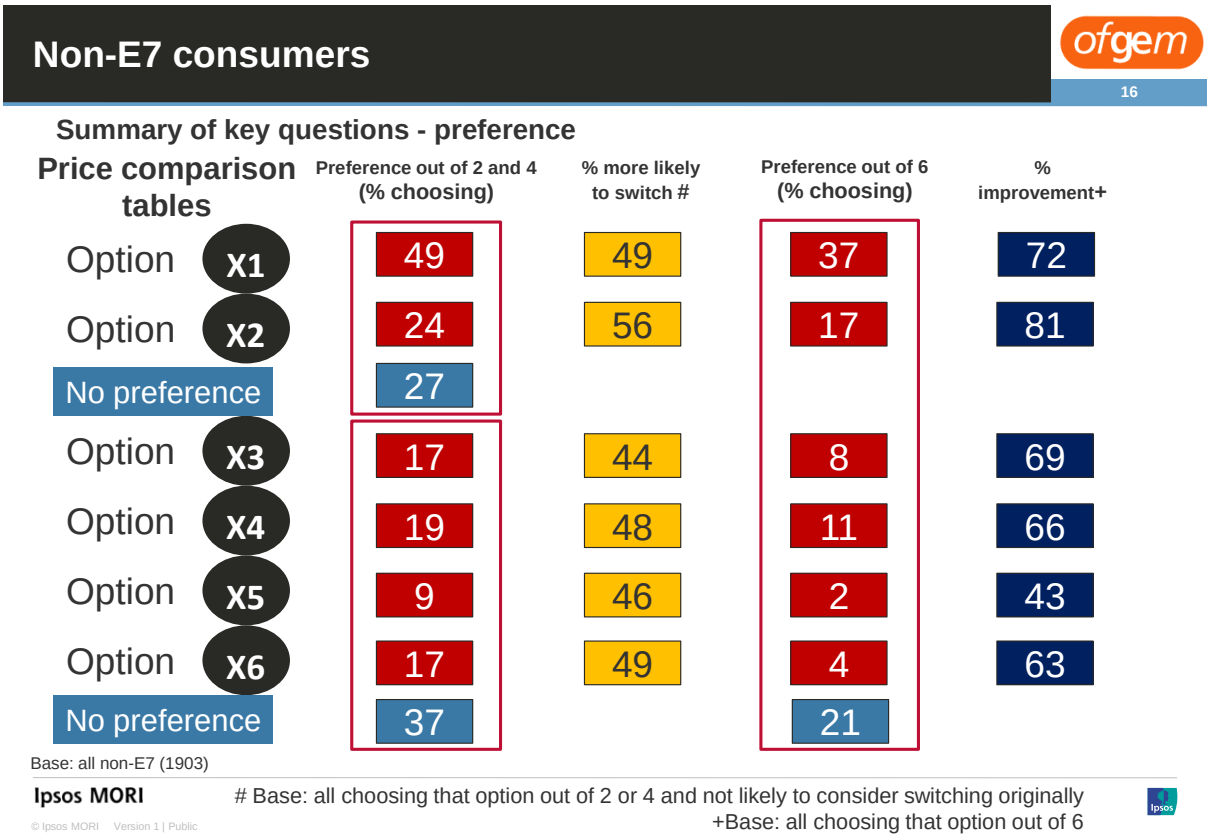
The second part of the quantitative research sought to establish consumer preference for one of the six formats of price comparison chart. The preference questions were asked in two successive ways, firstly all respondents were asked for their preference among the two indicative cost formats (X1 and X2), followed by a question probing the degree to which the

one they chose would make them more likely to consider switching. This figure is expressed as a percentage of the proportion who were not already (at the start of the interview) likely to consider switching supplier. This makes the figure more relevant to the stimulation of market engagement, although has the disadvantage of removing, on aggregate, about two-thirds of respondents from the base for percentages. This leads to small sub-sample sizes which make some comparisons inconclusive.

The same question was asked to establish a preference between just the four SER formats, again with follow up questions on likely engagement. Respondents were then asked for their preferred choice out of all six formats, and for the format selected they were asked if it represented an improvement over the way they have seen prices displayed before.

Non-E7 tariffs

The choices of all non-E7 consumers are shown in the chart below:



Between the two indicative costs formats (X1 and X2) there is a very clear preference expressed for X1, the monthly indicative costs – selected by 49%, over twice the proportion who select X2 (yearly indicative costs). Just over a quarter (27%) did not express a preference. On the relative likelihood to consider switching of those not previously intending to switch, X2 appears somewhat more effective, being likely to convert just over half (56%) compared to X1 (49%). However this seven-point difference is not statistically significant – we can conclude only that there is no difference between them.

Among the four SER formats the preference is much more evenly divided with no clear winner, though X5 (SER, £ per MWh, unit not in cell) does emerge as a clear loser, being selected by only 9%. Furthermore, despite having four options to choose from, the

proportion giving no preference is ten points higher than for the indicative cost options at 37%. This, in itself, may be an indication of the poorer reception of SER options in general.

The choice among all six formats sees 54% choosing one of the two indicative cost formats (X1 or X2) with X1 chosen by 37% and being therefore most popular. Among the SER formats, X4 is the only one to be chosen by more than 10%. The two formats using MWh (X5 and X6) are selected by only tiny minorities. One in five (21%) are did not express a preference out of the six options.

Despite the greater popularity of X1, it is in fact X2 that is significantly more highly rated by those choosing it as an improvement over the methods they have seen before. The rating for X2 (yearly indicative cost) is also significantly better than those for all the SER formats, especially X5 (SER, £ per MWh, not in cell) which is lowest rated in terms of improvement.

When we asked consumers about the reasons for their preferences for the format of the price comparison guides in the qualitative phase, three themes emerged as determinants of preference: i) understanding, ii) ease of use and iii) the extent to which the guide could facilitate budgeting. These are summarised in the table below.

Table 3.1: Reasons for preferring monthly indicative cost and p per kWh SER guides

Reason for preference	Indicative cost - £ per month, unit in cell	SER – p per kWh, unit in cell
Understanding	Easier to understand than SER for many Units in cells aids understanding	Units in cells aids understanding
Ease of use	Money is more tangible Do not need to do a calculation Easier to see differences in cost	Can find kWh used on bill to help personalise figures
Help budget	Many people paid and budget on monthly basis	Can budget more accurately than using indicative cost tables *(as long as information on standing charge and consumption is also available)*

The extent to which consumers feel they **understand** the figures presented in price comparison guides is a key factor in determining their preference. Many consumers perceive the figures presented in monthly indicative cost guides to be easier to understand, especially when the £ sign appears in all cells. (This will be discussed further in Section 4.) The smaller group preferring the p per kWH SER guide also feel they understand the option better when the units are in the cells - rather than appearing only in a row along the top – as this emphasises that the figures represent a cost per unit of electricity.

"[The pound sign] reminds you that you're dealing with money rather than just numbers."

Female, Non-Economy 7, London

"Because when you do these things you're bored and not concentrating and it needs to stand out really easily."

Female, Non-Economy 7, London

Another important element is how easy consumers find it to use the figures presented in the price comparison guide to help them make a decision. Many participants think it is easier to compare tariffs and suppliers in the indicative cost guides because they find thinking about money spent over a period of time more tangible than money spent per unit of electricity. They are all aware of how much they pay for their electricity in monetary terms, but few know how many units they use, or what their current cost per unit is. Consumers also appreciate that the monthly indicative cost guide saves them from having to make a calculation to figure out their approximate monthly/yearly spend.

"[I prefer the indicative cost comparison guides] 'cause [it's] already worked out for you, basically."

Male, Non-Economy 7, Greenock

Some consumers also feel that differences in price between tariff types (standard, tracker, fixed-rate) and suppliers are easier to see when looking at indicative cost compared to SER guides. Some focus group participants who had been asked to choose the best tariff for them first by looking at an SER price comparison guide and had selected a fixed-rate tariff, swapped to a standard tariff when completing the same exercise using an indicative cost table. This is likely to be because they could see more easily that there was a difference in price between the initial cost of fixed-rate and standard tariffs.

However, the minority that prefer the p per kWh guide think that it is easier to use because they can multiply the unit rate by the usage figure on their bill to calculate how much they will pay over a particular time period.[21]

"I can do some maths and work out how much per year it would [cost] so it would be easier for me to be sure I was getting the best for me, with it so much per kilowatt."

Female, Economy 7, Tamworth

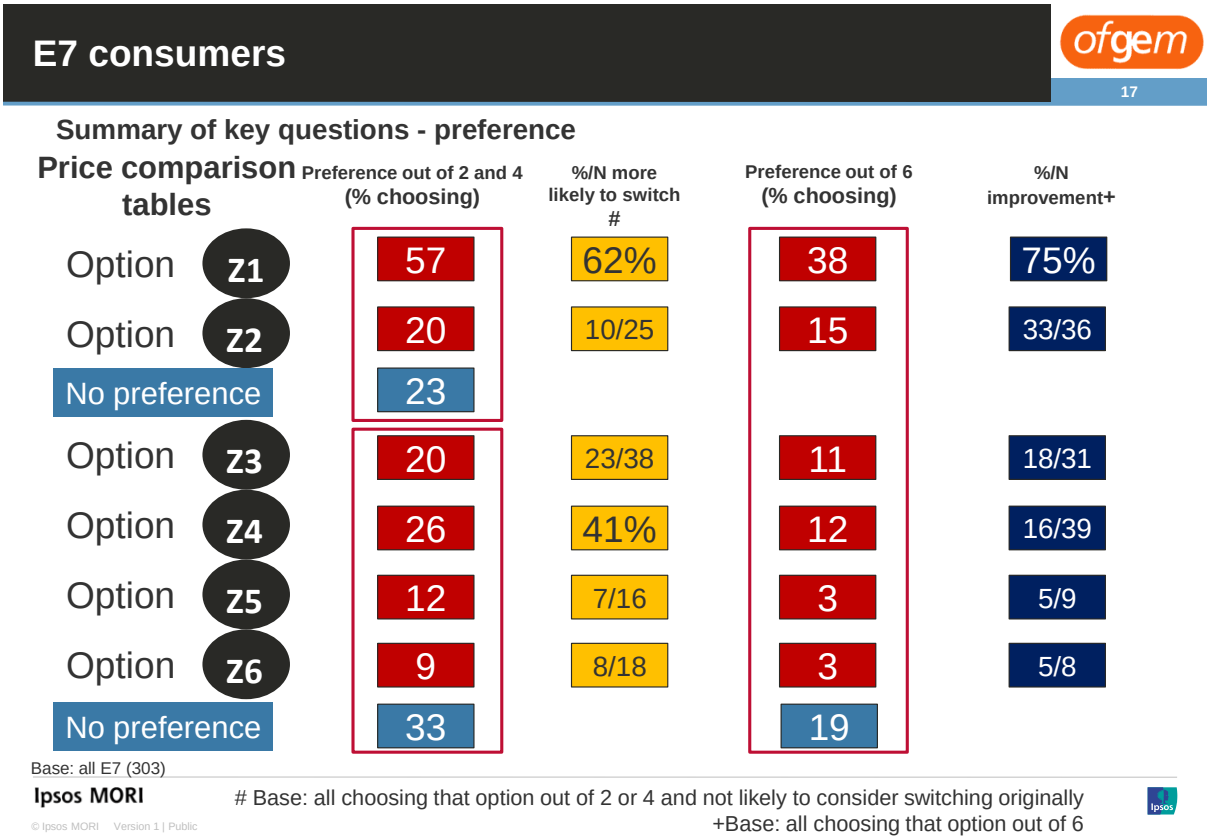
A final consideration for consumers is how similar the price comparison guides are to how they currently budget. Many consumers prefer to budget on a monthly basis, and thus prefer the monthly indicative cost guide (X1) over the yearly indicative cost guide (X2). However, some noted that the bigger amounts quoted in the yearly indicative costs could make the differences between suppliers appear more significant and may consequently make them more likely to see the value in finding the best tariff.

[21] The introductions to the price comparison guides used in the qualitative phase did not offer clarification as to whether or not the standing charge was included in the SER or Indiciative cost figures (see Appendix); therefore those who took part in the qualitative work did not consider this difference in their rationale for preference in price comparison guide format.

"It's the way the incomes are and everything as well, I think. It's easy to work out like that, in the monthly, than it is in the yearly, isn't it."

Male, Non-Economy 7, Colwyn Bay

E7 tariffs

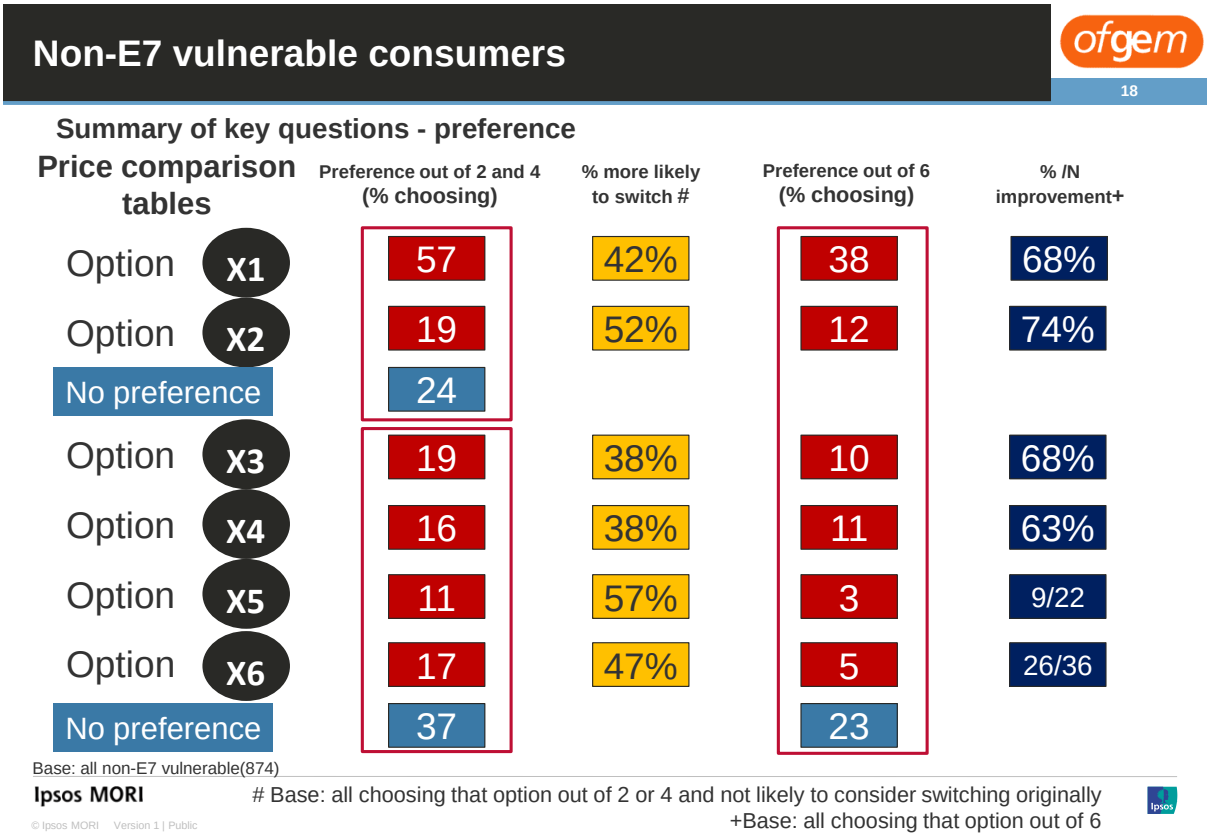


For E7 participants, format Z1 (indicative costs, monthly) receives almost three times the proportion of choices to the other indicative cost format Z2 (indicative costs, yearly) and is the clear preference. Format Z1 is also rated as more likely to persuade those previously not intending to consider switching (62%), though sub-samples here are too small for significance testing.

Among the four SER formats, E7 consumers show some preference for formats Z3 and Z4, especially the latter, but the figures are not sufficiently different to confirm a real preference between the two. As with non-E7 consumers, an additional 10% fail to give a preference compared to the indicative cost formats, suggesting greater disinterest in SER formats. The sub-sample bases are too small to reliably compare the likelihood of considering switching with each choice.

E7 consumers also select format Z1 as the most preferred option out of all six, with Z2 in second place, though strictly the proportion of mentions of Z2 is not significantly different to Z3 and Z4. Formats Z5 and Z6, the MWh options, are selected by only 3% each. The indicative cost formats, Z1 and Z2, are the most highly rated in terms of the improvement they bring, though there is not a significant difference between them.

Vulnerable consumers



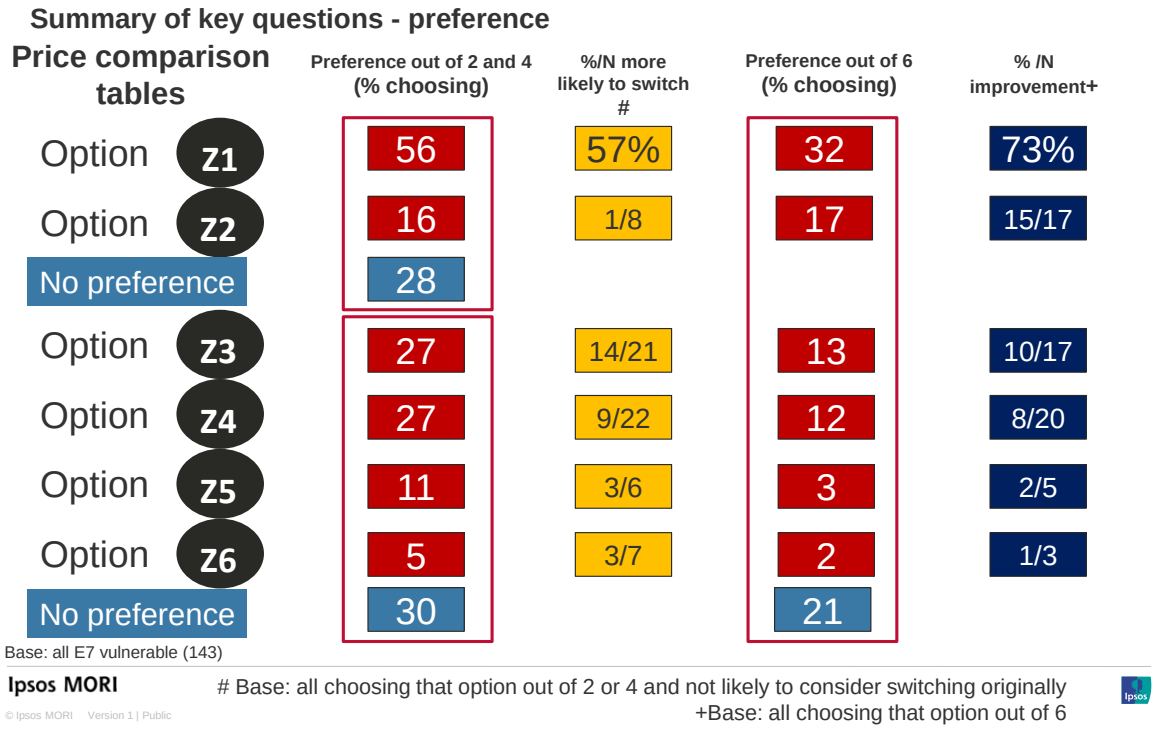
Vulnerable consumers are even more likely to select format X1 (monthly indicative cost) over X2 (yearly indicative cost). Respondents are similarly more likely to switch as a result of each format being used – 42% for X1 and 52% for X2, which are not significantly different.

Among the four SER formats, there is no significant difference between the choice of X3, X4 and X6, only X5 is substantially less popular.

Out of all six formats, the result is similar to all non-E7 consumers: the preferred choice is format X1 with X2 in second place, though not significantly above X3 and X4. All formats except X5 are considered to be an improvement by a majority of those selecting them.

The proportion giving no preference (23%) is very similar to all non-E7 consumers.

E7 vulnerable consumers

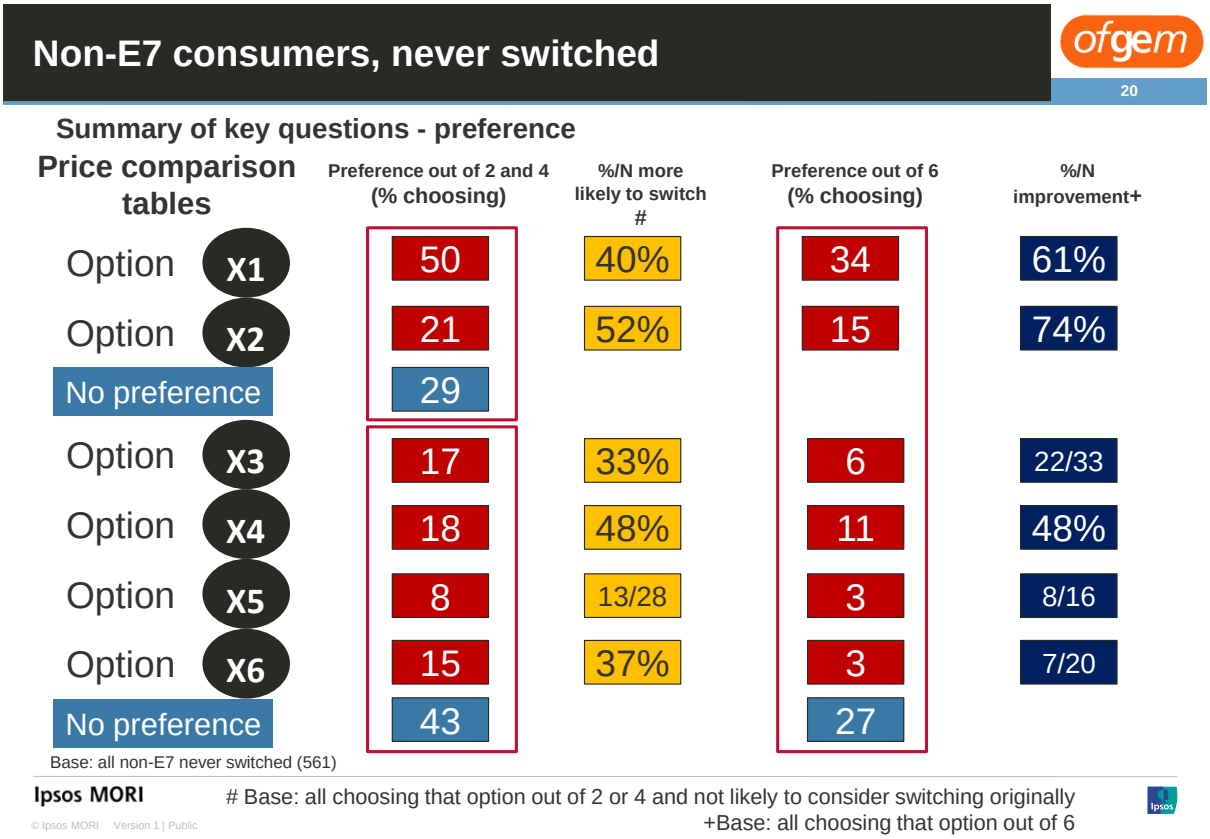


As previously, the vulnerable E7 group is small and so large differences are required for variations to be statistically significant. The pattern is similar to other groups: format Z1 (monthly indicative cost) is most popular by a wide margin (a significant margin, even with this small sample size). Z1 is also indicated to be the most likely to promote consideration of switching among those who were not likely to consider it originally, though the sample size is too small to be conclusive.

Z3 and Z4 are most likely to be selected among the SER formats, but the margin is not significant.

Among all six, Z1 is also preferred, again by a significant margin over Z2 (yearly indicative cost), and all SER formats are less popular. Z1 and Z2 are indicated to be most likely to be considered improvements.

Non-Switchers



The chart based on 561 non-E7 consumers who have never switched confirms that, even for those with no experience of choosing a new supplier or tariff, format X1 (monthly indicative cost) is preferred, both out of the two indicative cost formats (it is significantly more popular than format X2 – yearly indicative cost) and out of all six formats.

There is little to choose between the other formats; even X2 is not significantly more likely to be chosen than the most popular of the SER formats, X4.

Format X1 is likely to prompt 40% of those who choose it, who previously did not consider switching to do so. This is not significantly different to X2 (52%).

The majority who select X1 out of all six formats consider it to be an improvement.

The proportion giving no preference between formats (27%) is not significantly higher than that of all Non-E7 consumers implying that there is little contrast in the degree of engagement achieved with the selection task. The same was true for vulnerable consumers. This is encouraging for the potential positive impact of these price comparison tables on the target groups of consumers who do not currently engage with the market.

Working with price comparison guides: interpretation

Section 4: Working with price comparison guides: interpretation

4.1 Understanding of chosen option

When consumers choose a tariff using a price comparison guide, they are not instructed to choose the cheapest tariff, rather they will be thinking about finding the tariff that suits them best. In addition to being able to correctly identify themselves as low, medium or high users, consumers' understanding of the tariff descriptions and units presented in the tables is therefore critical to their ability to make an informed and correct choice.

As part of the quantitative survey, respondents were asked about their understanding of the figures in the type of comparison guide they chose as their 'preferred option' to find out whether they could correctly identify what the figures in their chosen table represent. Because the survey was self-completion, respondents chose their selected answer from a pre-coded list.

SUMMARY: Overall, understanding of the most popular format (X1, monthly indicative cost) is not significantly different to that of the less popular format X2 (yearly indicative cost) or the SER-based X4 (SER, p/kWh, in cell). However, the probability of being completely misled by the price comparison guide is much greater for format X4. The two MWh-based formats (X5 and X6) are extremely poorly understood, despite the way they evidently facilitate the correct estimation of the cheapest supplier.

By no means do all participants understand fully what they selected, even if they were capable of using the numbers in the table to successfully compare suppliers. The format that performs the best in enabling consumers to select the cheapest supplier (X5, £ per MWh, unit in cell) is not the best understood (just 32% of those who selected format X5 as their preferred price comparison guide correctly identified what the figures meant); and furthermore, there is no significant difference in performance between the best (X2) and least (X6) understood.

Understanding; Non-E7 consumers

Thinking about your preferred method, which of these answers best describes what the table tells you about the amount you think you would pay if you chose this method?

	Option X1 Base: 687	Option X2 Base: 324	Option X3 Base: 144	Option X4 Base: 187	Option X5 Base: 40	Option X6 Base: 74
The actual amount you would pay	24%	20%	25%	17%	18%	27%
The rough cost to you for each unit of electricity (per kilowatt hour – kWh) you use, excluding standing charges	11%	7%	46%	60%	12%	12%
The rough cost to you for each 1000 units of electricity (per megawatt hour – MWh) you use, excluding standing charges	1%	2%	5%	4%	32%	17%
Roughly how much you would pay each month in total	58%	6%	12%	6%	27%	24%
Roughly how much you would pay each year in total	1%	64%	3%	6%	7%	16%
Don't know	5%	2%	9%	7%	4%	5%

Base: all non-E7 with a preference X1-X6 (1,456)

Ipsos MORI

Green boxes show the correct response for that option e.g. Option X1 shows roughly how much you would pay each month in total

For the most popular format (X1, indicative monthly costs) just 58% of those who prefer that option choose the correct answer; that the figures represent **roughly** how much they would pay each month in total. A further 24% broadly understand it is intended to be a total monthly payment, but wrongly assume it is an **exact** amount. It is possible that survey respondents did not read all the answer options carefully and so did not grasp the subtle difference between the two answers. This may illustrate a potential issue with price comparison tables that some consumers may have high expectations of the accuracy of indicative costs, which may not be borne out in reality.

The qualitative research revealed that this misunderstanding often occurs when participants are focussing on fixed-rate tariffs, because participants wrongly believe that the monthly payment amount, rather than the unit cost, is fixed. Additional reasons for believing the figure in the table represents the exact amount to be paid are that some participants lack awareness of the impact of seasons on their bills or are accustomed to paying by direct debit, which acts to even out costs over the year.

This misunderstanding might be corrected by clarifying that the amount shown in the tables is specific to a particular usage and should therefore be seen as a guide only. The stimulus material did, in fact, point this out, but perhaps the explanation needed to be more prominent. The qualitative research suggests that if this information is not properly understood there is a risk that if people receive bills different to those they expect, their confidence in making decisions about the best tariff for them will be undermined which could be detrimental for further engagement.

Nevertheless those who choose format X1 yet misunderstand it completely are the prime concern here, given its overall high popularity, especially the 11% who see it as presenting unit costs, and the 5% who have no idea how to interpret it.

Among those choosing format X2 (yearly indicative cost), 64% fully understand it and report that it is a rough estimate of what they would pay over a year; this is not significantly different to format X1. Format X4 (SER, p/kWh, in cell) is also similarly well understood, with 60% of those who prefer this format saying it is a rough cost per unit of electricity. However, unlike X1 and X2 – where a significant number broadly understand the intent of the metric and assume it is an exact rather than rough total cost – 33% fundamently misunderstand format X4 and assume that it is a total amount rather than a cost per unit of electricity. Format X3 is indicated to be a little less well understood since a majority get it wrong or don't understand (though the figures are, in fact, not greatly different from X4), but X5 and especially X6 are indicated to be the most poorly understood of all.

The larger figures associated with the two SER-based formats which use MWh, X5 (£ per MWh, unit in top row) and X6 (£ per MWh, unit in cell), mislead the majority in each case into believing they represent actual amounts or rough amounts they would pay - many consumers miss that this format represents a cost per unit. This is probably due to the use of the £ sign in the tables and the size of the figures which (unlike a cost in pence) may be more in line with the overall cost of some bills.

The qualitative research revealed that, despite explanations, many consumers do not understand what the figures in the SER price comparison guides represent, and the definition provided about SER does not aid understanding.

"I'm not quite sure what the standard equivalent rate is… It [the definition] didn't help me at all. I mean I did choose one [a tariff] just because it was the lowest, but I'm not exactly sure what it is."
Male, Non-Economy 7, Greenock

Understanding of the £ per MWh price comparison guides is particularly low, because participants do not know what MWh stands for, and some wrongly interpret the table as showing pounds per month.

The qualitative research also showed that if the units were not included in each cell, consumers were less likely to notice them, and therefore unlikely to know what the figures meant. For example, when asked what the figures in the SER, £ per MWh, unit on top row guide represented, one participant stated,

"That's what they [suppliers] expect you to use. In the standard, the tariffs, they're expecting you to use 101 units."

Male, Non-Economy 7, Greenock

Furthermore, participants generally assume that the figures in the tables represent all costs, including the standing charge.

Understanding; E7 consumers

Thinking about your preferred method, which of these answers best describes what the table tells you about the amount you think you would pay if you chose this method?

	Option Z1 Base: 114	Option Z2 Base: 36	Option Z3 Base: 31	Option Z4 Base: 39	Option Z5 Base: 9	Option Z6 Base: 8
The actual amount you would pay	25%	8[N]	15[N]	12[N]	-	1[N]
The rough cost to you for each unit of electricity (per kilowatt hour – kWh) you use, excluding standing charges	4%	3[N]	16[N]	19[N]	1[N]	-
The rough cost to you for each 1000 units of electricity (per megawatt hour – MWh) you use, excluding standing charges	-	-	-	1[N]	4[N]	3[N]
Roughly how much you would pay each month in total	62%	12[N]	1[N]	3[N]	3[N]	5[N]
Roughly how much you would pay each year in total	3%	22[N]	-	-	-	-
Don't know	6%	1[N]	1[N]	3[N]	2[N]	-

Base: all E7 with a preference Z1-Z6 (237)

[N] = number of respondents where base size is below 40

Ipsos MORI

Green boxes show the correct response for that option e.g. Option X1 shows roughly how much you would pay each month in total

E7 consumers who select format Z1 (monthly indicative cost) are also mostly likely to understand it properly (62% of those who preferred this format) though, again, a further 25% mistakenly answer that it is the **actual** amount they would pay. But comparatively few get it completely wrong or don't know (13% in total). E7 consumers are indicated to be less likely to fully understand format Z2. Formats Z3 and Z4 (monthly SER) show similar numbers who fully understand them (about one in two), but greater proportions who get them completely wrong than for the indicative cost formats. The majority of E7 consumers do not understand formats Z5 and Z6, the MWh versions, correctly.

Understanding; Non-E7 vulnerable consumers

Thinking about your preferred method, which of these answers best describes what the table tells you about the amount you think you would pay if you chose this method?

	Option X1 Base: 316	Option X2 Base: 117	Option X3 Base: 75	Option X4 Base: 79	Option X5 Base: 22	Option X6 Base: 36
The actual amount you would pay	34%	23%	31%	14%	5[N]	12[N]
The rough cost to you for each unit of electricity (per kilowatt hour – kWh) you use, excluding standing charges	9%	4%	33%	55%	3[N]	4[N]
The rough cost to you for each 1000 units of electricity (per megawatt hour – MWh) you use, excluding standing charges	1%	3%	2%	9%	4[N]	4[N]
Roughly how much you would pay each month in total	50%	10%	16%	4%	9[N]	13[N]
Roughly how much you would pay each year in total	1%	59%	3%	12%	1[N]	4[N]
Don't know	6%	2%	15%	6%	2[N]	1[N]

Base: all vulnerable non-E7 with a preference X1-X6 (645) [N] = number of respondents where base size is below 40

Ipsos MORI

Green boxes show the correct response for that option e.g. Option X1 shows roughly how much you would pay each month in total

Vulnerable consumers are slightly less likely to fully understand their choice of tariff, though, as for all non-E7 consumers, the indicative cost formats X1 and X2 are generally less likely to be completely misunderstood, and half or more understand them fully. Format X4 is best understood of the SER formats, but still 45% of those who selected this choice either misunderstand or do not know what it represents. The MWh formats X5 and X6 leave most vulnerable consumers baffled or misled, with just 4 in 25 and 1 in 9 having the correct understanding respectively.

Understanding; E7 vulnerable consumers

Thinking about your preferred method, which of these answers best describes what the table tells you about the amount you think you would pay if you chose this method?

	Option Z1 Base: 46	Option Z2 Base: 17	Option Z3 Base: 17	Option Z4 Base: 20	Option Z5 Base: 5	Option Z6 Base: 3
The actual amount you would pay	33%	3[N]	8[N]	5[N]	-	-
The rough cost to you for each unit of electricity (per kilowatt hour – kWh) you use, excluding standing charges	6%	*[N]	8[N]	7[N]	1[N]	-
The rough cost to you for each 1000 units of electricity (per megawatt hour – MWh) you use, excluding standing charges	-	-	-	-	1[N]	2[N]
Roughly how much you would pay each month in total	40%	12[N]	1[N]	3[N]	1[N]	1[N]
Roughly how much you would pay each year in total	8%	9[N]	-	-	-	-
Don't know	12%	-	1[N]	1[N]	1[N]	-

Base: all vulnerable E7 with a preference Z1-Z6 (108) * = Less than 0.5 due to rounding [N] = number of respondents where base size is below 40

Ipsos MORI

Green boxes show the correct response for that option e.g. Option X1 shows roughly how much you would pay each month in total

Where figures do not add up to 100% or the base total, this is due to weighting.

Among vulnerable E7 consumers the base sizes for most preferences are too small to conclude anything, though they illustrate again the principal that, even at lower levels of understanding, it is more difficult to get it **completely** wrong with the indicative costs if we include "the actual amount you would pay" as a broadly acceptable answer. On the other hand, if they expect this to be the exact cost they may be disappointed or irritated to find, in practice, that it is only approximate.

Understanding; Non-E7 consumers, never switched

Thinking about your preferred method, which of these answers best describes what the table tells you about the amount you think you would pay if you chose this method?

	Option X1 Base: 187	Option X2 Base: 90	Option X3 Base: 33	Option X4 Base: 51	Option X5 Base: 16	Option X6 Base: 20
The actual amount you would pay	26%	23%	12[N]	17%	7[N]	6[N]
The rough cost to you for each unit of electricity (per kilowatt hour – kWh) you use, excluding standing charges	8%	3%	11[N]	58%	2[N]	3[N]
The rough cost to you for each 1000 units of electricity (per megawatt hour – MWh) you use, excluding standing charges	-	1%	1[N]	5%	3[N]	1[N]
Roughly how much you would pay each month in total	57%	5%	9[N]	8%	2[N]	5[N]
Roughly how much you would pay each year in total	1%	66%	3[N]	2%	-	3[N]
Don't know	7%	2%	1[N]	10%	1[N]	1[N]

Base: all non-E7 with have never switched with a preference X1-X6 (397)

[N] = number of respondents where base size is below 40

Ipsos MORI

Green boxes show the correct response for that option e.g. Option X1 shows roughly how much you would pay each month in total

For those non-E7 consumers who have never switched (the 397 who show a preference for any format) the findings are very similar to those for **all** non-E7 consumers. Formats X1 and X2 give similar levels of understanding and show that respondents are less likely to choose a completely wrong interpretation than with SER format X4, despite X4 showing a similar level of correct interpretations. Other SER formats, especially the MWh formats are poorly understood.

4.2 Using the guides to choose the best tariff

SUMMARY: Consideration of whether consumers understand price comparison guides and how they go about making a decision reveals that there is a set of tools that consumers need in order to effectively choose the best tariff for them, including:

- A clear explanation of the unit used within the price comparison guide and how these should be interpreted by the reader
- Clear descriptions of the various tariff types
- Knowledge of their electricity usage
- Ability to self-categorise as a low, medium or high user based on their usage
- Clarification of the units the price comparison guide uses and which costs are included in the figures.

Economy 7 consumers require two additional tools:

- Knowledge of their own day and night electricity usage patterns
- Awareness of assumptions made by the price comparison guides about day and night usage.

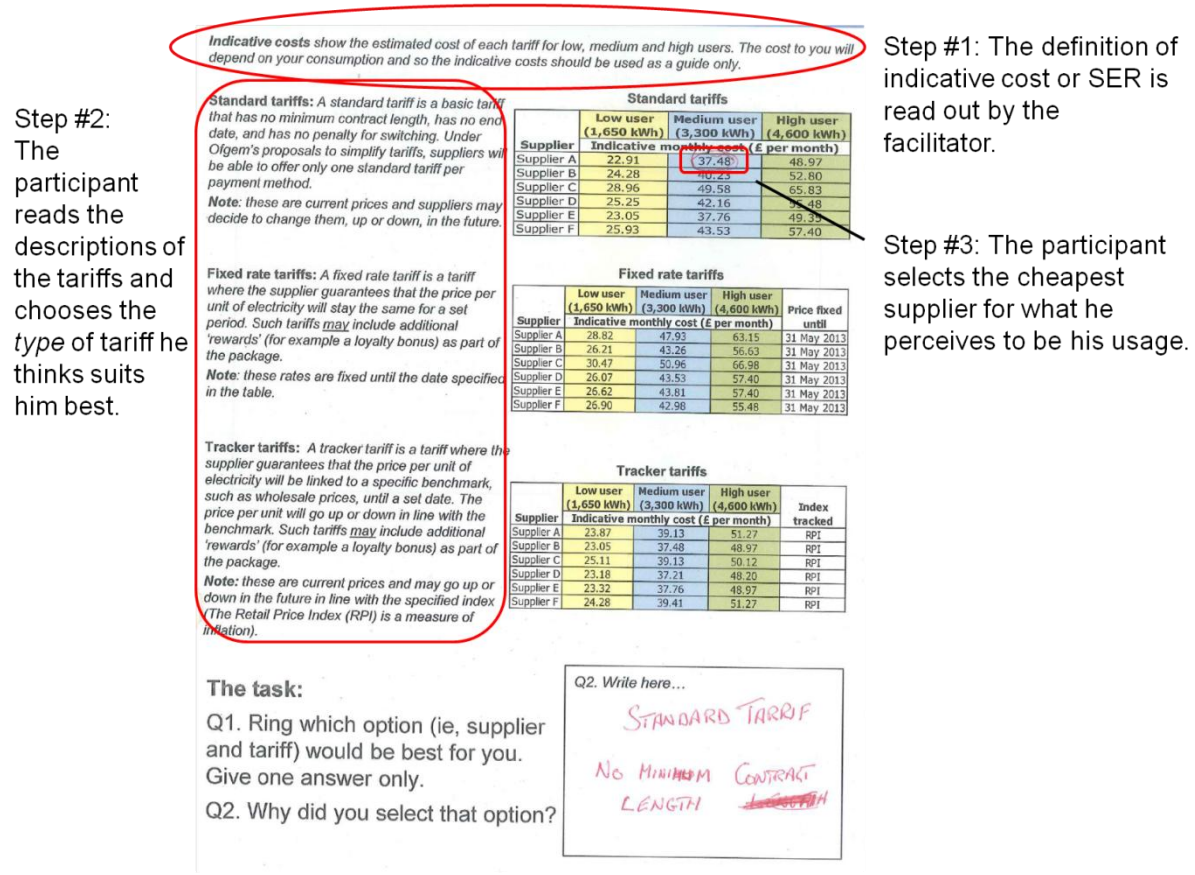
It is also important to consider how consumers go about making a decision when asked to engage with a price comparison guide. This will help in developing the layout of the guide and clarifying what information and terminology should be provided to help consumers make an informed choice.

The first exercise that focus group participants were asked to complete involved them using two types of price comparison guides to choose the *best tariff for their circumstances*. These were rotated so that different groups saw different guides in different orders to choose the best tariff for them. Each price comparison guide showed three different types of tariff – standard, fixed rate, and tracker – with six suppliers offering different rates within each tariff type (see the Appendix for an example). Participants were asked individually to ring the best tariff for them, following which the reasons for the choices were discussed as a group.

The exercise was particularly revealing in terms of understanding how consumers would go about completing this task 'in the real world', and adds a layer of analysis beyond the relatively more simple question of whether consumers can use the guides to choose the cheapest tariff.

The most common customer journey to choosing the best tariff is illustrated in the figure below.

Figure 4.1: The most common customer journey to choose the best tariff



For these participants, being on the correct *type* of tariff is the first consideration, and a supplier is then chosen from within the table for that type, regardless of whether cheaper options are available on a different tariff type.

Selecting a tariff

The reasons why participants found a certain type of tariff more attractive than others are summarised in the table below.

Table 4.2: Reasons for selecting a tariff type

Tariff type	Reasons for selecting	Reasons for not selecting
Standard	• No penalty for switching • Ability switch at any time • No contract	• Too uncertain • Supplier can change prices at any time
Fixed rate	• Believe it provides certainty (sometimes incorrectly) • Facilitates budgeting • Provides protection from future price rises • May come with a loyalty bonus	• End date too early • Uncertainty about what would happen at the end of the period • Insufficient information about loyalty bonus • Tied into contract • Penalty for switching
Tracker	• Having prices tied to an index is fairer • Think having prices tied to the RPI means they will rise less than on a standard tariff	• Do not like being tied to having to accept increases/decreases in a specific measure of inflation • Confusion about whether the tracker ties the consumer in until a set date, or the price is fixed to where the benchmark is currently until a set date • Insufficient information about loyalty bonus

Those choosing standard tariffs are uncomfortable about being tied into a contract and prefer the freedom of being able to change supplier at any time.

"If you've got like a 12 month contract you can't break it and if you do you're charged to change to another company, whereas with the standard it's says no minimum contract length, has no end of date, no penalty for switching, so it's sort of free and easy to do as you feel."
Male, Non-Economy 7, London

Conversely, those who do not choose the standard tariff explain that the uncertainty around price changes dissuaded them.

"I wouldn't go for the standard tariff obviously 'cause it says right underneath there the prices may go up and down at any time..."
Male, Non-Economy 7, Newcastle

Those who prefer the fixed-rate tariff are keen on the certainty it provides, which also helps them budget. Additionally, some are attracted to the idea of loyalty bonus.

"I went for the fixed rate because I know that it's going to be set there for the next year, which is what I need… I know what my expenses are going to be for the next year for my fuel. And it was a wee bit dearer, but I think it might balance itself because you don't know where the prices are going just now."
Female, Non-Economy 7, Greenock

It is important to note that not all of those choosing a fixed-rate tariff recognise that they are effectively speculating on future price rises to standard tariffs out-weighing the initial higher price of the fixed-rate tariff. Since most participants read the explanations of the various tariff types first, and then select a supplier from within a particular type of tariff, they may not realise that the fixed-rate tariff is, at least initially, more expensive than standard tariffs.

Some of those not choosing a fixed-rate tariff are averse to being tied into a contract and do not want to be penalised for switching tariffs or suppliers. Others, however, could be persuaded to choose this type of tariff if some of the conditions were different. For example, when prompted, some participants say that the end date for the fixed-rate is too soon but that if it were further in the future (e.g. 18 months or two years) they may have chosen it. Others explain that they like the idea of a loyalty bonus but that they would need more information about it before making a decision on this basis.

In general, there is relatively low awareness about what will happen at the end of the fixed-rate period. Some participants assume that they will be put back on a standard tariff at the end of the period. Others are unsure about the default action but accept that they will need to make another decision about their tariff at the end of the period. For some, the uncertainty and fear of the cost increasing hugely is decisive.

"…[with the fixed rate] I wondered what would happen after your period had ended. You know, you pay a certain amount, and then is it going to jump a way up."
Female, Non-Economy 7, Greenock

The tracker tariff is poorly understood by most participants and is therefore not a popular option. Among those who understand very little about it, some do not see a difference between the standard and tracker tariffs, since the descriptions of both explain that the prices can go up or down.

Some who understand the idea of a tracker are still confused about what the end date means. They are unsure whether they will be tied into the tracker tariff for a certain period, or if the tariff will remain pegged to where the benchmark currently is for a set period.

Among those who prefer the tracker, the principal attraction is that price changes are based on something tangible, and are not simply at the suppliers' discretion, which some participants think is fairer.

"I like the idea of there being a marker that… the costs are based on, you know like say the price of oil for example will affect the

price of your electricity and I thought it was fairer… because it would actually be a correlation between what's actually going on in the real world and what I'm actually paying, so that's why I did it."
Female, Non-Economy 7, Colwyn Bay

In contrast, other consumers dislike the inflexibility of being attached to a tracker tariff. They believe that standard tariffs will track some form of inflation but that suppliers are unlikely to pass the whole cost of inflation through to customers on these tariffs to ensure they remain competitive. They therefore prefer the flexibility of being able to move between standard tariffs.

Selecting a supplier

Reasons for choosing a particular supplier vary. Most participants select, or try to select, the cheapest tariff. Of those who do this, many do not spontaneously articulate why they have chosen a particular supplier because for them it is obvious that they would want to select the cheapest option.

However, not all are successful in choosing the cheapest option. The qualitative research suggests that some people struggle to find the cheapest price when the numbers have decimal points and differ by small amounts. This may be one explanation for the good performance of the £ per MWh price comparison guide in the quantitative research, which showed whole numbers. Others admitted to assuming that suppliers were ranked in order from cheapest to most expensive, and selecting Supplier A on this basis, without reading the whole table. Other participants based their decision on different factors or on misunderstandings about what the figures in the guide represent.

The table below summarises the most common reasons participants cited for choosing a particular supplier.

Table 4.3: Reasons for selecting a supplier

Consideration	Thought process and selection
Which is the cheapest supplier?	Look at the column for their perceived usage.
My usage varies depending on the season.	Take an average of prices across all usage columns and select the supplier that is cheapest on average.
I'd like a better loyalty bonus and good service is important to me.	Assume the cheapest supplier will not give a very good loyalty bonus and may have poor customer service. Select the second-cheapest supplier.
I'm on a direct debit and I do not want to receive a huge bill at the end of the year.	Assume if they overpay, they will get some back at the end of the year. Choose a supplier with a middle-range price (ie assume all underlying unit rates are the same and they are simply picking their direct debit amount).
I don't really understand these tables. What do I pay now?	Choose a supplier tariff that is closest to what they already pay.

Some participants who pay through direct debit choose a supplier that is slightly more expensive, assuming that the cost presented in the price comparison guide is a fixed amount they will pay each month that related to an 'allowance' of electricity. These consumers do not realise that the price differences between the suppliers in indicative cost tables reflect underlying differences in the cost of the tariffs components. As noted above, this is particularly the case for the fixed rate tariff.

"I expected it would be a wash up at the end of the year, but I wouldn't expect it to fluctuate each month"
Female, Non-Economy 7, Greenock

Others proactively make non-financial decisions. These include considering what benefits may come with the tariff under a bonus or loyalty scheme, and the assumption that the cheapest suppliers may not offer the best customer service.

"I went one up from the cheapest… The benefits that I might get back might outweigh the price. So that's why… I might get more bonuses."
Female, Non-Economy 7, Kent

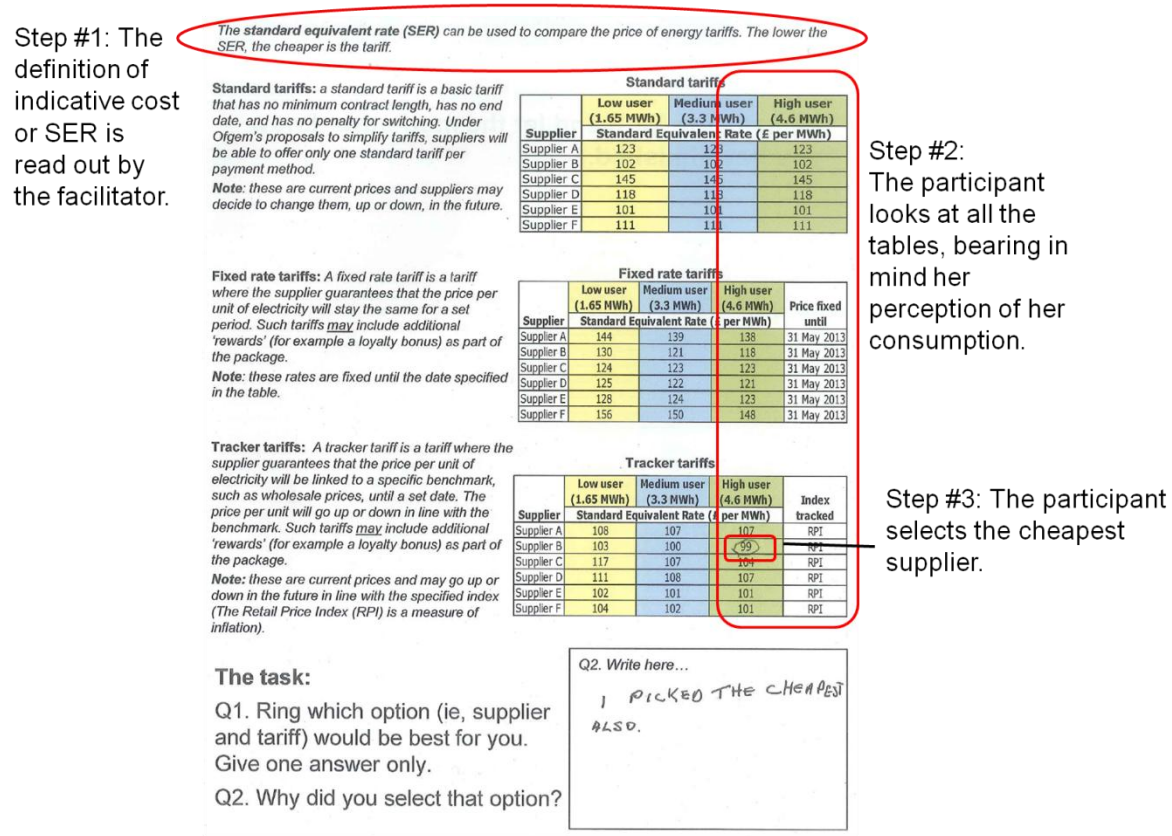
The price comparison guides used in this research did not name actual suppliers, but rather used 'Supplier A' to 'Supplier F'. Some participants spontaneously mentioned that if real supplier names had been listed, this was likely to have influenced their decision, either in the sense of wanting to avoid a supplier with which they had had a bad experience, or in the sense of encouraging them toward a brand they liked or trusted, even if that supplier did not offer the cheapest tariff.

Others who struggle to understand the price comparison guide select a supplier that is in line with what they already pay, often to ensure that they are not caught out unexpectedly when budgeting. These consumers are likely to accept the amount they currently pay as acceptable and therefore be less likely to switch supplier as a result of looking at a price comparison guide.

"I picked the one [supplier] that was reasonably in the middle… for the simple reason I just went with what I already pay."
Female, Non-Economy 7, Colwyn Bay

A small number of participants, follow a slightly different journey. They look at all the tables and choose, or attempt to choose, what they perceive to be the the cheapest metric available (lowest figure for their specified usage) across all tariff types. Those who opt for this route have little awareness of the different risks involved in different tariffs, and their chosen tariff is only the cheapest at that point in time and that prices may fluctuate in the future depending on the type of tariff selected.

Figure 4.4: Alternative customer journey to choose the best tariff



Considerations for Economy 7 customers

Economy 7 consumers also follow one of these two journeys. However, the price comparison guides used with the Economy 7 groups include an additional piece of information about the assumptions made about how much electricity is used during the day and during the night.

Figure 4.5: Extract from an Economy 7 price comparison guide

Indicative costs *show the estimated cost of each tariff for low, medium and high users. The cost to you will depend on your consumption and so the indicative costs should be used as a guide only.*

Standard tariffs: *a standard tariff is a basic tariff that has no minimum contract length, has no end date, and has no penalty for switching. Under Ofgem's proposals to simplify tariffs, suppliers will be able to offer only one standard tariff per payment method.*

Note*: these are current prices and suppliers may decide to change them, up or down, in the future. The costs assume that 45% of electricity is used during the day and 55% at night.*

Standard tariffs

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)
	Indicative yearly cost		
Supplier A	£453	£806	£1159
Supplier B	£456	£813	£1169
Supplier C	£509	£918	£1328
Supplier D	£526	£951	£1377
Supplier E	£598	£1097	£1595
Supplier F	£486	£872	£1258

Economy 7 (E7) customers face an additional challenge in using the price comparison guides effectively as they need to know what proportion of electricity they use during the day versus during the night. Our research indicates that some E7 consumers are unsure of when their night time tariff begins and ends, and although many can guess at how much they use during the day and at night, they are uncertain.

"Do you know where it says… 45% of which is used during the day and 55% at night, when's day and when's night?"
Male, Economy 7, Newcastle

Most E7 consumers did not notice the assumption written into the explanation of the tariff in the price comparison guide, but nevertheless completed the task. When prompted for their views on it, many disagreed with the proportions assumed by the guides, or recognised that their consumption pattern was probably different.

"No I'd say you use about 30% at night and 70% through the day."
Male, Economy 7, Newcastle

"It'd be difficult to use 55% at night, for me anyway."
Female, Economy 7, Tamworth

E7 consumers that do not take into account this assumption may not choose the cheapest supplier or tariff for them, since the prices are only correct for that exact day/night split.

Once E7 consumers are made aware of the assumption and its importance, they are divided as to whether or not they would like more detail in the price comparison guide. Less vulnerable participants tend to be in favour of the guides showing more information such as both day and night tariffs for each supplier and clarification over the hours classed as 'night'. Such information could help E7 customers match a tariff to their individual behaviour. More vulnerable groups believe this additional information would overly complicate the guides and would prefer to have just one unit rate with a clear assumption about the day/night split.

4.3 Accessing the guides

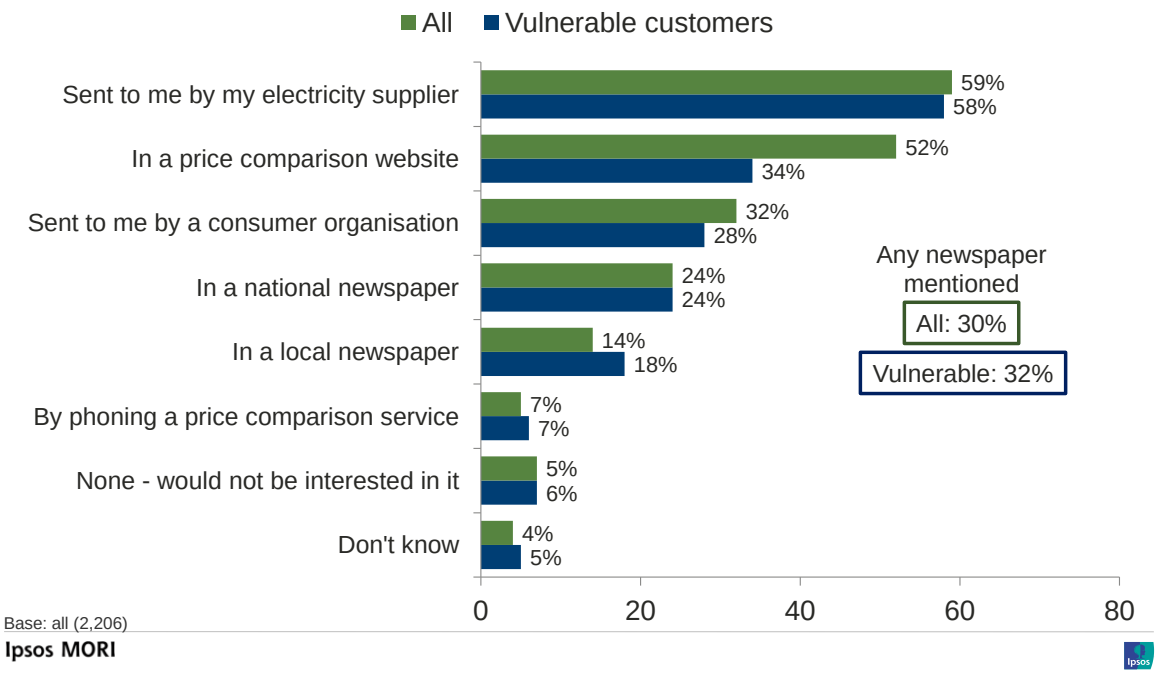
SUMMARY: Most consumers expect price comparison information to be sent to them by their electricity supplier, with no significant difference in preferences for vulnerable consumers as opposed to all consumers.

A third aspect to understanding how price comparison guides may be used in 'real life' considers where consumers want and expect to see such information.

Findings from the quantitative survey suggest that the most popular source for the kind of price comparison information included in the survey is electricity suppliers themselves – 59% expect them to send such price comparison guides to their customers. This is a finding common to all consumers and to vulnerable consumers. This is particularly important to those who do not have access to the internet, who in the qualitative phase suggested that they often feel frustrated at the assumption that everyone is able to get online.

The next most popular source is price comparison websites, though this is much less frequently mentioned by vulnerable consumers (34%) than by all consumers (52%). Just under a third expect it to be sent by consumer organisations.

Ideal provider of price comparison information



Newspapers are by no means the most popular option. Overall, 30% of all consumers want to receive this data in a newspaper of some kind, most of these selecting a national newspaper. Those who have switched in the past are more inclined towards price comparisons in newspapers, with 32% selecting either national or local newspaper compared to 25% of those who have never switched.

Just 5% of all consumers say they would not be interested in it at all.

Consumer views of tariff structures

Section 5: Consumer views of tariff structures

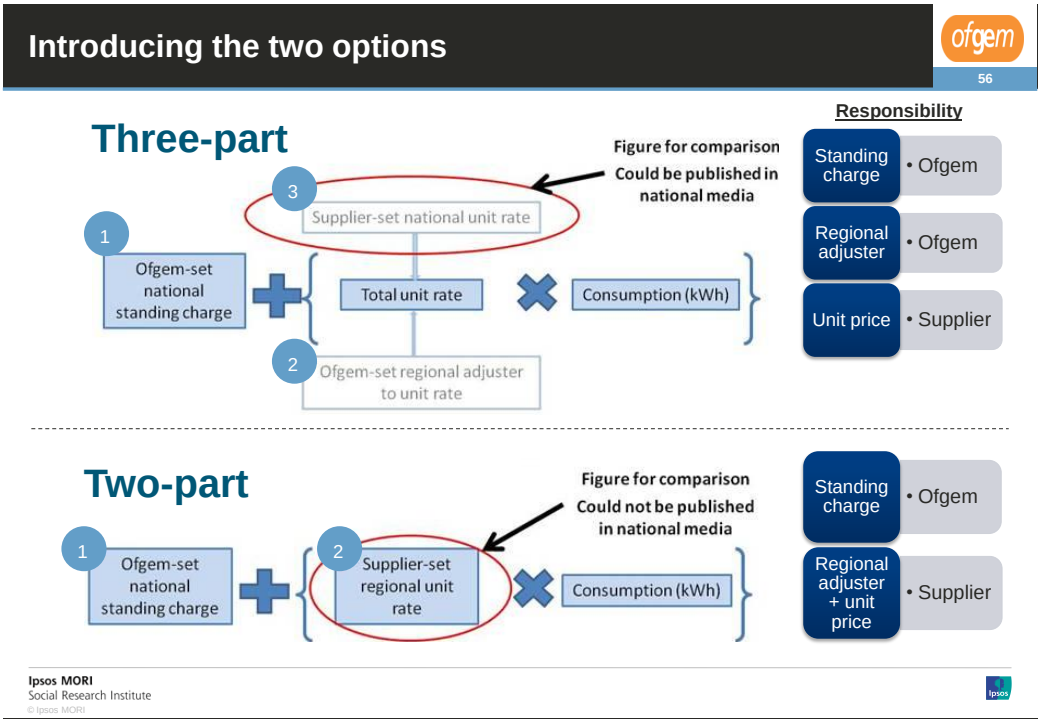
SUMMARY: Consumers are relatively split over the amount of detail they would like to see on their bill or how they would like to compare energy prices. However when asked to trade-off the various pros and cons of the possible standard tariff structures, consumers are in favour of the **three-part tariff structure.** The most important factor in determining this preference is the level of trust in the entity responsibility for the regional price differences; beliving it will be able to set this component fairly and transparently.

Ofgem is currently considering the way in which standard electricity tariffs should be structured.

As noted in Section 2, many consumers have little initial knowledge or understanding of how electricity tariffs are structured. Awareness of the various components of a tariff is generally low; though some participants spontaneously are aware that there can be a standing charge as well as a price per unit. Those with tiered pricing are less clear about how this relates to a standing charge. Consumers know that suppliers set prices, and some believe the government has some sort of role in this as well, but few are able to say exactly what they think the government's role entails.

Consumers therefore find it difficult to spontaneously discuss options for structuring tariffs; and hence for the purpose of the qualitative phase, participants were presented with two possible options on which to comment - a two and a three-part tariff structure:

- The **three-part** option comprised of a national standing charge and a "regional adjuster" both set by Ofgem, and the supplier's own national unit rate.
- The **two-part** option comprised of an Ofgem set national standing charge plus regional unit rates from each supplier.



To aid discussions, Ofgem was named as the possible alternative to suppliers to set the regional adjuster. This was the starting point for discussion so that participants could then talk about the pros and cons of each structure without being diverted by discussions of who could set the regional adjuster. Participants were asked to discuss the relative advantages and disadvantages of each option in terms of:

i) confidence in the way the components are structured;

ii) the level of detail that would appear on a bill; and

iii) whether they preferred regional or national price comparisons.

It was common for participants to like different elements of the two options and so they were also asked to trade-off between their preferences.

5.2 Preferences regarding structure of tariff components

A key difference between the two options is how the regional price differences are set within the tariff. Under the three-part structure we discussed with participants the option of this responsibility being placed with Ofgem, under a two-part structure this responsibility would be placed with suppliers.

When comparing the structure of the two options available, consumers have greater confidence that prices will be set fairly and transaprently under the three-part option. This is due to how consumers believe Ofgem should carry out its role as an independent regulator, mistrust of electricity suppliers and an insistence that the setting of the regional adjuster should be fair and transparent.

Although awareness of the role of Ofgem is limited, consumers are broadly aware that it is an independent regulator. They believe that in comparison to suppliers, Ofgem will do what

is best for consumers; and furthermore believe that the way in which they calculate the regional adjuster will provide a fair reflection of the true regional differences in cost of being connected to the electricity network.

"They [Ofgem] are independent. They will base it on what they think is a fair charge."
Male, Non-Economy 7, Greenock

"With Ofgem, they're there to protect the consumer, they're not going to rip you off are they, they're there to look after you..."
Male, Non-Economy 7, Colwyn Bay

This expression of trust in Ofgem is in line with recent findings from the Consumer First Panel exploring views of Ofgem's ideal role in the market. The research found that that although there is some doubt about the effectiveness of Ofgem, consumers associate the organisation with authority and independence, and believe it is there to represent the interests of consumers..

Some consumers feel that there might be more competition in prices if suppliers set the regional price differences, and a few of these were in favour of the 2-part tariff for this reason. These consumers suggest that suppliers may not pass on the 'real' costs of the regional difference (in some areas) to ensure that their prices remain locally competitive. They welcome the opportunity for suppliers to have another tool with which to reduce prices to the consumer, as long as their actions are monitored and their prices are clear for consumers to consider.

"I would like the suppliers to do the regional price difference, because if they're monitored properly and it's clear, that's where they would get competitive."
Female, Non-Economy 7, Greenock

However, others who believe the 2-part structure would lead to more competition still prefer Ofgem to be responsible for the regional adjustor because they prioritise the need for the regional price difference to be set fairly, and they trust an independent organisation such as Ofgem to do this more than they would trust market forces.

Many consumers did not think that making suppliers responsible for setting the regional adjustor would result in lower prices. These consumers typically distrust suppliers and believe that suppliers would use their power to set the regional adjustor to increase prices. Some of this worry relates to the stability of supplier rates and concern that consumers may suddenly be faced with higher bills because the supplier has increased their regional adjuster.

"In that scenario, [2-part tariff], you'll be giving the supplier two things that they can take more money from you, instead of just the one."
Male, Non-Economy 7, Greenock

"They [suppliers] could say they're going to drop it [the regional adjuster] and then, you know, as soon as you've changed to them they put it up."
Male, Non-Economy 7, Tamworth

5.3 Preferences regarding level of detail desired

A second difference between the two structures for standard tariffs centres on how electricity prices will be broken down when presented on bills or in price comparison guides. As outlined below, prices could be shown in three components under a three-part tariff structure, or with the unit rate and regional adjuster combined to show a supplier regional unit rate under the two-part structure.

How the two different structures may be displayed on a bill

ofgem
58

Three-part

National Standing charge (set by Ofgem)	£100 per year
National Unit rate (set by supplier)	10.2p per kWh
Regional price difference (set by Ofgem)	0.5p per kWh

Two-part

National Standing charge (set by Ofgem)	£100 per year
Regional Unit rate (set by supplier)	10.7p per kWh

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Consumers, are split as to the level of detail they would like to see on their bills. Some would prefer to have prices split into three components as per the three-part tariff structure. These consumers prefer a more comprehensive breakdown, and feel that having a national unit rate and regional price difference is more transparent and clear. Such a breakdown is particularly important to those who would like to know the regional price difference for their local area.

"I prefer the three rows. I like to see where the charges are. I like to know what it is I'm paying for."
Female, Non-Economy 7, Greenock

"That information [regional price difference] is vital. I prefer the three-part option. It's explaining everything."
Female, Non-Economy 7, Tamworth

Other consumers prefer the two-part presentation format – suggesting that having three figures where there could only be two is overly complicating things, and that having just two figures is clearer.

"Why do you need like three columns to be looking at, when two does exactly the same job? I find the two-part option is easier."
Female, Non-Economy 7, Colwyn Bay

"It's obviously just easier looking at two figures, just standard unit set with your supplier, who's obviously got the regional price difference and that, in that figure as well."
Male, Non-Economy 7, Tamworth

When asked to consider more vulnerable people, many consumers suggest that having less information on the bill would be easier for those with difficulties with literacy and/or numeracy. As this kind of projective exercise makes it easier for participants to reveal weaknesses that they may not otherwise want to admit to, this finding may suggest that the preference for less information is more widely held than participants openly admit. However, some vulnerable customers themselves state a preference for the three-part option which they feel is more transparent and makes it easier to understand how the bill is composed.

A few consumers suggest a compromise, with bills showing the simpler 2-part version first for those who might find having more figures too complicated, then all three elements separately, for those who wanted to know the break down. This would enable them to have their wish for Ofgem to set the regional adjuster but without this making presentation on bills more complicated.

5.4 Preferences regarding national/regional comparison

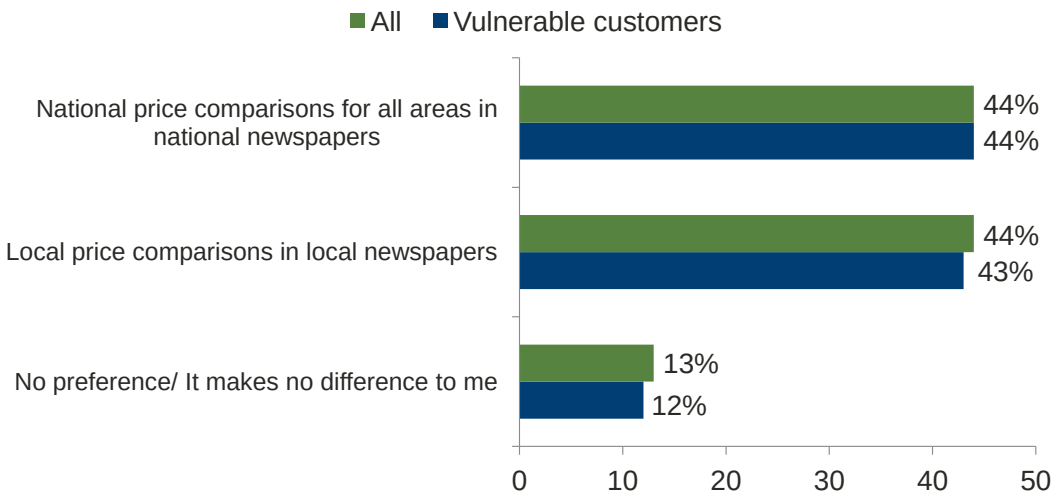
A further difference between the two-part and three-part tariff structure is in the way in which price comparisons can be made. The two-part structure only allows for regional comparisons of supplier unit rates, whereas the three-part structure allows for a national comparison of each suppliers' unit rate.

Many consumers struggle to articulate where they currently obtain information about electricity tariffs, and are not necessarily aware this information is accessible. Those who proactively gather information often use price comparison websites, but many do not seek this information, and, as previously described, tend only to make tariff comparisons in response to sales calls. Therefore, it is difficult for some consumers to engage in a discussion about whether they would prefer to compare tariffs at a regional or national level.

Others, however, are able to give an opinion, and among these, consumers are split in terms of preference for ability to compare regionally and nationally. This is confirmed by the quantitative research, as shown below.

According to the quantitative survey, just 30% of the consumers expect to see price comparison information appearing in national or local newspapers at all (as shown in 4.3). Among this group, opinions are equally divided about whether they prefer to see national comparison data or local comparison data with 44% choosing each option. Just 13% have no preference.

Summary of newspaper comparison preferences



Base: all selecting newspapers as their ideal source of price comparison information (632)

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Preference is closely related to switching experience: those who have never switched supplier are more likely prefer to see local comparisons (59% compared to 39%) while those who have changed supplier at least once in the past favour national data (49% compared to 27%).

The qualitative research indicates that consumers who think the concept of a regional adjustor is unfair are more likely to want to be able to compare tariffs at a national level so that they can see the regional price difference; however in reality, even for a three-part tariff structure, the regional adjustor may not necessarily be presented separately in comparison price guides.

Consumers who prefer to compare tariffs at a regional level are those who do not feel strongly about knowing what is happening in other regions and only want to have to look at information that is relevant to them. They assume only having regional figures will require them to sort through less information (particularly which suppliers are available in their local area) which in turn makes it easier to engage with.

"Probably locally it's easier to compare prices isn't it? 'Cause what somebody else is doing at the other end of the country doesn't really matter does it?"
Female, Economy 7, Tamworth

Some of those who state a preference for a local comparison believe that they are more likely to engage with information that presents a local rather than a national price. They suggest a local figure will appear more relevant and encourage them to think about the best deal available.

"Nationally, you would just ignore it. But [if] this is locally, it would jump out more, you'd be like 'oh I need to look at that because I didn't realise'."
Female, Non-Economy 7, London

However, consumers are also aware that national newspapers have greater exposure. Some of those preferring a local comparison therefore suggested that regional information should be published at the national level. This would be possible under the three-part structure using a series of regional tables that detailed the (national) supplier rates available within a particular region; however, this would be more challenging under a two-part structure where supplier rates differ by region.

5.5 Overall preferences taking everything into account

Many participants change their minds about which option they prefer as the different aspects – confidence in structure, level of detail and regional vs. national comparisons – are discussed. Some participants prefer an independent organisation such as Ofgem to be responsible for the regional adjustor, but would like less detail on their bills, for example.

"First of all I went with that one [the three part option], but now I prefer [the two part option]… it's obviously just easier looking at two figures."
Male, Non-Economy 7, Greenock

Other combinations of preferences expressed by those who prefer the three-part option are:

- wanting more detail on the bill but preferring regional comparisons,
- wanting less detail on the bill but preferring national comparisons, and
- wanting less detail on the bill and preferring regional comparisons.

Among the few participants preferring that suppliers set the regional adjustor, many prefer to see the breakdown for all three elements of the tariff on their bills.

Overwhelmingly, however, when asked to trade-off between the various pros and cons and choose just one of the tariff structures as a whole, consumers are in favour of the **three-part tariff structure**. The most important factor in determining this preference is the level of trust (as spontaneously mentioned by participants) in the entity responsibility for the regional price difference. Even among those participants who believe a two-part structure will increase competition among suppliers and lead to lower prices, many ultimately express a preference for a three-part structure based on the independence and role of Ofgem – they trust Ofgem more than suppliers to have the consumers' interests at heart and to set prices fairly.

Standard tariff structure trade-off

	Three-part	Two-part
	Standing charge • Ofgem Regional adjuster • Ofgem National Unit price • Supplier	Standing charge • Ofgem Regional adjuster + unit price • Supplier
Confidence in structure	• Transparent • Fair • Trust in an independent org such as Ofgem. • Mistrust in suppliers	• Might promote more competition
Detail	• Comprehensive • Transparent	• Less information to consider
Level of comparison	• National papers have greater readership • Some want to compare regional adjusters	• Only interested in suppliers available to them

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Appendices

Appendices

Type and order of price comparison for qualitative phase

The table below displays the type and order of comparison guides shown to each group during the qualitative phase.

		Best for you		Cheapest		Layout	
Group	**Econ 7?**	**Scenario A**	**Scenario B**	**Scenario C**	**Scenario D**	**Scenario E**	**Scenario F**
G1		SER (p/kWh) – unit on top row	Indicative cost (£/year) – unit on top row	SER (£/MWh) – unit on top row	Indicative cost (£/month) – unit on top row	SER	IC
MG3		SER (p/kWh) – unit on top row	Indicative cost (£/year) – unit on top row	SER (£/MWh) – unit on top row	Indicative cost (£/month) – unit on top row	SER	IC
G4		Indicative cost (£/month) – unit on top row	SER (£/MWh) – unit on top row	Indicative cost (£/year) – unit on top row	SER (p/kWh) – unit on top row	IC	SER
MG2		Indicative cost (£/month) – unit on top row	SER (£/MWh) – unit on top row	Indicative cost (£/year) – unit on top row	SER (p/kWh) – unit on top row	IC	SER
G6	Yes	SER (p/kWh) – unit in cell	Indicative cost (£/year) – unit in cell	SER (£/MWh) – unit in cell	Indicative cost (£/month) – unit in cell	SER	IC
MG5		SER (p/kWh) – unit in cell	Indicative cost (£/year) – unit in cell	SER (£/MWh) – unit in cell	Indicative cost (£/month) – unit in cell	SER	IC
G3	Yes	SER (£/MWh) – unit in cell	Indicative cost (£/month) – unit in cell	SER (p/kWh) – unit in cell	Indicative cost (£/year) – unit in cell	SER	IC
G5		Indicative cost (£/year) – unit in cell	SER (p/kWh) – unit in cell	Indicative cost (£/month) – unit in cell	SER (£/MWh) – unit in cell	IC	SER
MG1	Yes	Indicative cost (£/year) – unit on top row	SER (p/kWh) – unit on top row	SER (£/MWh) – unit on top row	Indicative cost (£/month) – unit on top row	IC	SER
G2		Indicative cost (£/month) – unit in cell	SER (£/MWh) – unit in cell	Indicative cost (£/year) – unit in cell	SER (p/kWh) – unit in cell	IC	SER
MG6		Indicative cost (£/month) – unit in cell	SER (£/MWh) – unit in cell	Indicative cost (£/year) – unit in cell	SER (p/kWh) – unit in cell	IC	SER
MG4		SER (£/MWh) – unit on top row	Indicative cost (£/month) – unit on top row	SER (p/kWh) – unit on top row	Indicative cost (£/year) – unit on top row	SER	IC

Ofgem – Tariff Structures

Interview Discussion Guide

As part of a wider project into the structure of energy tariffs, we'll be conducting 6 discussion groups and 6 mini-groups with customers across England, Scotland and Wales; those participating in the mini-groups have been identified as vulnerable customers due to either their age, level of literacy/numeracy, qualifications or access to the internet. The findings from the qualitative part of the project will feed into the design of a larger quantitative survey.

Ofgem defines the specific objectives of the qualitative research as follows:

- To probe understanding of the two standing charge options
- To evaluate the relative benefits of the two-part and three-part standing charges and how consumers may trade them off against each other
- To establish preference for type of standing charge
- To explore the extent to which consumers can understand and work with different price comparison guides – principally comparing those with indicative costs and those with Standard Equivalent Rates. This would involve detailed discussion of both concepts and comparison of their relative benefits and drawbacks
- To explore more broadly the key enablers and barriers to understanding and using each type of price comparison guide
- To understand variations in comprehension according to the format in which information is communicated
- To evaluate of how well each guide enables consumers to compare tariffs reliably – including comparing across tariff types as well as comparing between suppliers within tariff type. This would also extend to consumer willingness to engage with this information
- To explore the impact of different explanations and presentation of the alternative concepts
- Early objective: input into design of quantitative fieldwork materials (e.g. by short-listing most popular presentation options if possible.

Where possible we will look to identify any differences between key demographics (e.g. vulnerable vs not vulnerable, differences by switching behaviour, differences by use of internet)

We will aim to cover all of the following material across the sample as a whole. However, the amount and depth of coverage typically varies according to the individuals interviewed. For example, we may not ask all the questions listed or they may be asked in a different order.

Session	Description	Timing
Introduction	Introduce research and participants. Gather information on household demographics, self-identified energy use and tariff type.	5 mins
Introducing energy tariffs	To reflect on how customers identify themselves as high/medium/low energy users and to explore engagement with the energy market – including awareness of tariffs and switching behaviour.	10 mins
Comparison chart task – 'best for you'	Ask participants to work through a number of comparison charts and identify which option is the 'best for them'. Explore how participants made their decision and measure preference for SER or indicative cost, type of unit, and placement of unit. .	18 mins
Comparison chart task – 'cheapest'	Test suitability of tables by asking participants to identify the 'cheapest' tariff and measure preference for SER or indicative cost, type of unit, and placement of unit.	12 mins
Comparison chart layout task	To explore preference for the structure of a comparison chart – considering choice of SER or indicative cost, type of unit, and placement of unit.	15 mins
Introducing tariff structures	To introduce how tariffs are structured and who the key players are in setting tariff prices.	5 mins
Tariff structures – the proposal	Explore the benefits and disadvantages of the structure of the two proposals.	15 mins
Tariff structures – implications and presentation	Explore the implications in how information will be presented; and identify a preference for either the 2 part or 3 part tariff structures.	15 mins
Conclusions	To capture an overall impressions of the suggested changes and their impact.	5 mins

Session	Purpose/notes	Timing
BEFORE THE GROUP STARTS: - Make sure participants have shown their electricity bill to the hostess to capture: i) tariff type, ii) electricity usage iii) period of billing. CHECK THIS INFORMATION HAS BEEN COLLECTED BEFORE HANDING OVER INCENTIVE. - Make sure participants have a name badge, their ID,	This is collected to work out how much energy participants use and compare this to their perceptions during	

and their sticker. - Sit switchers and non-switchers appropriately.	the discussion.	
Introduction		**5 mins**
▪ THANK PARTICIPANTS FOR TAKING PART IN THE RESEARCH ▪ INTRODUCE SELF, IPSOS MORI ▪ EXPLAIN PURPOSE OF RESEARCH REASSURE THAT THERE ARE NO RIGHT OR WRONG ANSWERS, AND NOT TO WORRY IF YOU FEEL YOU KNOW LITTLE ABOUT HOW ENERGY TARIFFS CURRENTLY WORK – ONE OF THE RESEARCH OBJECTIVES IS TO HELP MAKE IT EASIER TO UNDERSTAND! ▪ EXPLAIN THAT WE'VE BROUGHT SIMILAR TYPES OF PEOPLE TOGETHER TO AID ANALYSIS, BUT WE'LL BE SPEAKING TO A RANGE OF ENERGY CUSTOMERS ACROSS GREAT BRITAIN. ▪ EXPLAIN THAT THE GROUP WILL LAST FOR 1 HOUR 40 MINUTES AND WILL BE AUDIO RECORDED (GAIN PERMISSION TO RECORD) FOR ANALYSIS PURPOSES. NO ONE WILL BE ABLE TO IDENTIFY THEM FROM THE RESEARCH FINDINGS. REASSURE PARTICIPANTS THAT THE INFORMATION WE'VE COLLECTED FROM THEIR LATEST <u>ENERGY BILL</u> WILL BE KEPT COMPLETELY CONFIDENTIAL AND WILL ONLY BE USED TO HELP GIVE CONTEXT TO THE ANALYSIS. ▪ REASSURE RE: CONFIDENTIALITY/MRS CODE OF CONDUCT. We are independent researchers and want to hear about your experiences and views. ▪ OTHER HOUSEKEEPING: fire alarms, toilets, talk one at a time. ▪ Do you have any questions about the interview? HAND OUT THE TASK BOOKLET TO PARTICPANTS AND ASK THEM TO WRITE THEIR ID NUMBER AT THE TOP. ASK THEM NOT TO OPEN THE REST OF THE BOOKLET. ASK PARTICIPANTS TO WRITE IN THE BOX PROVIDED WHETHER THEY THINK THEY ARE A HIGH, MEDIUM OR LOW USER OF <u>ELECTRICITY</u>. ONCE EVERONE HAS WRITTEN THEIR ANSWER, ASK PARTICIPANTS TO INTRODUCE THEMSELVES ▪ **Can I start by asking you to introduce yourself?** Please say a bit about: - Who lives in your household - Whether they use both gas and electricity and if they know what tariff they are on at the moment - Do you reckon you are a high/medium or low electricity user?	To explain the research to the respondent and ensure that they are comfortable with the process NB: from the bill - we are only interested in the amount of energy they use, not other details like cost or address etc… We will not provide definitions here, but instead probe for understanding of what customers think makes them a high, medium or low user. We can then match this back after the group to the information collected on their	

	energy bill This will help put comments around electricity use in context	
Introducing energy tariffs		**10 mins**
How easy was it to write answer the question of whether you were a high/medium or low energy user? **What types of things were you thinking about when coming up with an answer?** PROMPT: Did you think about… - What you use electricity for? - How much you pay? - How much energy you use? - How you compare to other people you know? **Having heard responses from around the group, would you change your answer?** **REFER BACK TO INTROS – WHETHER OR NOT THEY KNOW THEIR CURRENT TARIFF** **How much do you feel you know about the other types of tariffs available?** - What are the differences? - What does your tariff mean? PROMPT ON TYPE OF TARIFF: - Eg, standard rate, fixed rate, capped (If appropriate: Econ 7 – capped, fixed etc). PROMPT ON PAYMENT METHOD: - Direct debit, Pre payment meter (PPM, or card or key meter), Quarterly/monthly payment on receipt of bill (payment on demand) **Why did you choose your current tariff over other alternatives?** PROMPT ON: - Did you know others were available? - Was it the cheapest option? If not, what else was the deciding factor? **Has anyone recently changed the type of tariff they are on or your supplier?** - What was the change? Why? What prompted you to change? Prompt on: price, customer service, tariff package. **How often to you think about changing tariffs or suppliers?**		

Comparison chart task – the 'best for you'		**18 mins**
WARM UP: how would you currently go about looking to compare the price of electricity? - Price comparison services? Media? Information from suppliers? Word of mouth/family/friends? Other?		3 mins
INTRODUCE CONTEXT AND EXPLAIN THAT: Ofgem is currently exploring ways to help customers compare different types of energy tariffs. We have a couple of examples of electricity comparison tables to work through and our task is to identify which we think is the easiest to use. ASK PARTICIPANTS TO RETURN TO THEIR TASK BOOKLETS. THEY WILL FIND 2 DIFFERENT SETS OF TABLES TO WORK THROUGH.- SCENARIO A AND B FOR EACH SET OF TABLES WE WANT THEM TO RECORD (in the appropriate boxes) - Which option (ie, tariff and supplier) they think is the "best for them" - and *why?*. **NB show example of how to 'ring' the answer**. AND READ OUT INTRODUCTIONS TO EACH SCENARIO. REMEMBER TO ASK PARTICIPANTS TO **RECORD THEIR ID** AT THE TOP OF EACH PAGE – JUST IN CASE THEM BECOME DETACHED. THEY HAVE APPROX 5 MINS TO WORK THROUGH BOTH EXAMPLES. REMIND THEM THAT THEY HAVE ALREADY IDENTIFIED THEMSELVES AS LOW/MEDIUM/HIGH EARLIER IN THE GROUP ENERGY USER, AND THE CATEGORIES IN THE TABLES ARE THERE TO HELP THEM. IT IS POSSIBLE TO CHANGE NOW UPON VIEWING THE RANGES IN THE TABLE, BUT PLEASE **KEEP THE SAME RATING THROUGHOUT THE TASKS**. ASK PARTICIPANTS TO WORK INDEPENDENTLY AND REMIND THEM THAT THERE ARE NO RIGHT OR WRONG ANSWERS,WE ARE ASKING WHICH IS 'BEST FOR THEM' **Now I'd like you to think about how you came to your answer - how easy was it to give an answer?** - How did you approach the task? **What did you look at first?** PROBE: - did you look in a particular column, at a particular type of tariff? - **Or** did you scan for the best price in the table overall? - What information did you take into account?	This task explores how customers go about reading the tables and deciding which is the best for them: comparing the trade offs of different types of tariffs. We'll rotate the scenarios across groups. One will use indicative costing, the other will use SER in order to probe on which approach they find easier to use. **NB.** Please do not help participants with the task, we want to see how they come to a decision without clarification of terminology or how to read the table. It's important here to explore the 'customer journey'	5 mins 10 mins

What made the task difficult? Were any parts of the tables confusing? PROBES: on understanding of key terms such as: - 'standard equivalent rate' - Indicative annual cost – what did they think this included? Did they think this would be the amount they would on their bill? If misled, would that change their answer/stop them from using it in the future? - Retail price index **Was one set of tables easier than the other? If so why?** - What other information would you have liked in the table to help you make your decision? ASK PARTICIPANTS TO RAISE THEIR HANDS TO SHOW WHETHER THEY PREFER THE TABLES WITH AVERAGE COST IN £ OR COST PER UNIT (ie scenario A or B) **And now I'd like to ask… <u>Why</u> did you select the tariff and supplier that you did?** - Was it easy to understand the differences between the different types of tariff? - Why did you choose that particular tariff? - PROBE: thought it was the cheapest type of tariff? Easiest to understand? Fixed would help me manage my money? I like the idea of a 'reward'… - Was the option you chose the cheapest supplier within the tariff? Why/why not? - (For those who selected 'fixed') Would it make a difference if the dates in the 'price fixed until' column differed by provider? Easier/more difficult? - What would you do at the end of the tracker date (31 May 2013)? - Similarly for those who chose a Tracker tariff, how much difference would other measures of inflation make? **SEE "PROBES FOR SPECIFIC TYPES OF TABLES HANDOUT" TO CHECK PROMPTS HAVE BEEN COVERED ON THE TABLES SHOW.** **Which set of tables would be the most likely to encourage you to go and do further research on energy prices and which tariff you were on?** - Why?	or process in reading the table NB. See tables on the pros and cons of SER and IAC options. NB: there isn't a definite cheapest type of tariff per se, it depends on whether the risk with a fixed/tracker pays off, but it will be important to probe and identify if one is perceived to be cheaper than the other.	
Comparison chart task – the 'cheapest		**12 mins**
Now I'd like to ask you to complete a second task… ASK PARTICIPANTS TO RETURN TO THEIR TASK BOOKLETS. AGAIN THEY WILL FIND 2 DIFFERENT SETS	We are not testing which type of tariff they prefer, but	5 mins

OF TABLES TO WORK THROUGH – SCENARIO C AND D. FOR EACH SET OF TABLES WE WANT THEM TO RECORD (in the appropriate boxes) - Which supplier offers the cheapest electricity for them (ie for their type of energy usage) within each of the different types of tariff. They should give one answer for each type of tariff: a standard tariff, a fixed-rate tariff, and a tracker tariff. CLARIFY THAT THE ANSWERS FOR THE CHEAPEST OPTIONS MAY BE DIFFERENT IN EACH TABLE. **NB show example of how to 'ring' the answer**. AND READ OUT INTRODUCTIONS TO EACH SCENARIO.	asking them to identify the cheapest supplier within a type of tariff.	7 mins
THERE IS NOT ENOUGH TIME TO MARK ALL THE ANSWERS, BUT AS AN EXAMPLE, TELL PARTICIPANTS WHICH WAS THE 'RIGHT' ANSWER FOR THE FIXED RATE TABLES (for low/medium/high users) AND ASK THEM TO 'MARK' THEIR OWN WORK. **How easy it was to find THE CHEAPEST suppliers?** PROMPT: - Was it easier to identify the cheapest option across one type of tariff over another? - Was one set of tables easier than the other? If so why? - Which set of tables do you think you would find easier/better for comparisons and for predicting how much energy would cost you if you changed supplier/tariff? Why? - Specific prompt on price per month, is that indicative of what you would charge on a monthly basis? Vs per unit or per hour. ASK PARTICIPANTS TO RAISE THEIR HANDS TO SHOW WHETHER THEY PREFER THE TABLES IN SCENARIO C OR D – BE SPECIFIC ABOUT THE MEASUREMENT AND TYPE OF TABLE; eg: - Standard equivalent rate - cost per unit in p/kWh - Indicative cost – pounds per year **SEE "PROBES FOR SPECIFIC TYPES OF TABLES HANDOUT" TO CHECK PROMPTS HAVE BEEN COVERED ON THE TABLES SHOW.**	Offers some feedback for participants which should help provide context to the discussion – we'll mark answers in full back in the office	
Comparison chart layout task		**15 mins**
Now I'd like you to do a third task… ASK PARTICIPANTS TO RETURN TO THEIR BOOKLETS	This task specifically	5 mins

AND LOOK AT SCENARIOS E AND F. TELL THEM TO IMAGINE THEY WERE USING THESE TABLES TO HELP THEM WORK OUT WHICH SUPPLIER WAS THE BEST FOR THEM. FOR EACH SCENARIO WE WANT THEM TO COMPARE THE LAYOUTS OF THE DIFFERENT TABLES AND TELL US <u>WHICH THEY THINK IS THE BEST AND WHY.</u> **<u>NB show example of how to 'ring' the answer</u>**. AND READ OUT INTRODUCTIONS TO EACH SCENARIO. USING A **FLIP CHART**, ASK PARTICIPANTS TO VOTE FOR THEIR FAVOURITE TABLE ACROSS SCENARIO E AND SCENARIO F. **REVIEW THE RESULTS ACROSS EACH SCENARIO:** - Eg, Why was this table the most popular? - Eg, What did you not like about the least popular? - Etc… - What else, if anything, could be done to improve the tables? **And now comparing all 8 tables across scenario E and F, which do you think is the single best table?** **PROMPT:** - Which type of **unit of electricity** (.e.g to units, kWh, MWh, £ or pence etc) do you think is best? Why? - Do you think it makes it easier or more difficult if the **placing of the unit** measurement is in the cell or in the row above? Why? **Which do you think would be the easiest option for people you know who have more difficulty with understanding tables and figures, (or who are more vulnerable)?** **Tables such as these may be published in newspapers to help customers compare electricity tariffs. In reality, they are likely to have more options (eg there are 14 different suppliers currently). Do you think that would change anything you have said so far? Why?** **For you personally, what would you do with this information?** - Would having the information displayed in this way have any effect on whether you consider your energy options? Why/why not? - What else would have to happen to encourage you to think about whether you are with the best supplier for you?	identifies preferences for table layout and unit of measurement We'll rotate whether the SER or Indicative Cost examples are shown first. The review is intended to create a hierarchy of preference, by identifying favourites within each scenario and an overall favourite	10 mins
Introducing Tariff Structures		**5 mins**

WARM UP: So far we've been discussing how you can compare the cost of electricity tariffs between suppliers, but now I'd like to move the discussion on slightly and ask you about the different bits that make up the final price customers pay. **How much do you feel you know about how tariff prices are currently structured?** - What makes up the different components of the price you pay on your bill? - PROMPT IF STRUGGLING: Have you heard of a standing charge? Is there anything else? Tiered pricing? (If appropriate – prompt on how Econ 7 is calculated) - Who is involved? - PROMPT IF STRUGGLING What role do the suppliers have? What role, if any, does the Government have? **INTRODUCE ROLE OF OFGEM:** - *The Office of Gas and Electricity Markets (Ofgem) is the independent economic regulator of Great Britain's gas and electricity industries* - *Its principal duty is to protect the interests of existing and future consumers by promoting effective competition and regulating the monopoly companies which run the gas and electricity networks.* - *This involves promoting quality and value for customers, and making sure customers are treated fairly and that energy companies consider the needs of vulnerable customers.* - *Ofgem is funded by a licence fee, which is paid by the energy companies it regulates.* **INTRODUCE CONCEPT OF REGIONAL DIFFERENCES:** - *Suppliers choose how much to charge you for your energy.* - *Prices are also set depending on where you live. There is a regional price adjustment for being connected to the electricity network, which depends on how far you are from the generation of electricity and how much investment is needed in the infrastructure (i.e. the pipes and wires) that supplies your energy. As a result, customers in some areas will pay slightly more for their energy.* - *It's not possible to review whether or not there is a regional price difference at the moment, but we can decide who sets the cost of the regional adjustment*	This section introduces participants to some of the key information they need to be able make a decision about tariff structure. **NB** Try to limit the discussion about the fairness of regional differences, which is out of scope for this piece of research. Note for moderators: We cannot be sure what the price difference will be, but if pressed: won't be over a	

Ask participants if they have any questions.	£100 more like tens of pounds.	
Tariff structures – the structure		**15 mins**
INTRODUCE THE TASK: Ofgem is currently looking at different ways of designing how tariffs are created and structured. We want to know which you think is the best system. **INTRODUCE THE 3 CARDS THAT MAKE UP PART OF THE SYSTEM:** - <u>The National Standing Charge</u>**:** this is a standard charge that everyone pays to connect to the electricity network, for example quite similar to the way you may pay line rental for a phone line in your home. - <u>The Regional Price Difference:</u> This is the amount that you pay to be connected to the network and differs depending on where you live. Some areas will have a higher Regional Price Difference than others Unlike the standing charge it is paid depending on how much energy you use (ie a certain amount per unit – not a flat rate regardless of how much you use).. - <u>Supplier National Rate</u> this is the amount of money you pay to receive electricity (an amount per unit) from your supplier. This will differ between suppliers but will be the same figure across the country. **INTRODUCE THE TWO CONCEPTS:** PLACE THE DIFFERENT CARDS IN THE RELEVANT COLUMNS ON THE FLIP CHART <u>If doing 3 PART SYSTEM first:</u> - Under the column of 'Ofgem responsibility': **(1)** the national standing charge, and **(2)** the regional price difference. - Under the column of 'Supplier responsibility': **(3)** national supplier rates. <u>If doing 2 PART SYSTEM first:</u> - Under the column of 'Ofgem responsibility':**(1)** the national standing charge - Under the column of 'Supplier responsibility': regional price difference and the national supplier rates, which will merge and be presented as a 'regional rate' **(2).** **WRITE UP THE PROS AND CONS (AS THEY ARE REVEALED) ON A SEPARATE FLIPCHART TO START BUILDING UP A DEBATE…** **Looking at the structures on the flip chart, what are the**	Each heading will be on a large A4-card and then later placed on a large scale flow chart which has two headings: "Responsibility of Ofgem" and "Responsibility of Supplier". Rotate which system is presented first across the different groups.	5 mins 10 mins

positives about each structure? PROMPT: - Easy to understand? - Confident that the prices will be set correctly? - Do you think it is transparent? - Which do you think will offer a better deal for customers? **What are the negatives?** PROMPT: - Easy to understand? - Confident that the prices will be set correctly? - Do you think it is transparent? **PROMPTS:** - Two-part tariff does not allow Ofgem to control regional variations in tariffs - Three-part tariff allow Ofgem to control regional variations in tariffs - Does either tariff allow for greater competition and therefore a better deal for customers?	These initial questions capture immediate reactions and top of mind thoughts to the proposed structure – the more in-depth trade off and discussion of implications takes place below.	
Tariff structures – implications and presentation		15 mins
It's also important to consider how information about energy prices might be presented under these two structures… **Unprompted: Which of the two options do you think will be easier to understand when presented on an electricity bill?** **CONTINUE TO WRITE UP THE PROS AND CONS (AS THEY ARE REVEALED) ON THE FLIPCHART TO…** **Prompted:** INTRODUCE THE BILL HANDOUT AND ADD THE HEXAGONS ON TO THE FLIP CHART TO SHOW THE PROS AND CONS OF EACH SYSTEM. **Two-part tariff:** - Easier to understand on bills**?** - Less information but not all the detail. **Three-part tariff:** - Potentially more complex to present on bills - But is it more comprehensive and transparent? Do you really want more information –prompt customers have told us otherwise elsewhere? **Unprompted: How easy will it be to compare electricity prices and tariffs for each of the two options?** - PROBE: within your region? Across the country?		5 mins

How important, if at all, is it to be able to compare prices at a national level? - Why? - Is this more or less important than having a system that is simple at the regional level? - Link back to media consumption… how do you find out about energy prices? **What about for other customers?** - Why? **Does it depend on what type of tariff you are on?** **PROMPTS:** **Two-part tariff:** - Allow publication of unit rates in local newspapers **Three-part tariff:** - Allow publication of unit rates in national newspapers **REVIEW ALL OF THE PROS AND CONS ON THE FLIPCHART** Thinking about everything we've discussed about both of these options… **Ask participants to put their hands up to indicate: which do you think is the best option for you?** - Why do you say that? **Which do you think would be the easiest option for people you know who have more difficulty with understanding tables and figures, (or who are maybe more vulnerable)?** **How could it be improved for the consumer?**	Discusses the trade-off's between the different pros and cons of the two tariff structures	5 mins 5 mins
Conclusions		**5 mins**
Overall, what do you think of the changes proposed? **Will it make it easier or harder for consumers to choose the best energy tariff? Why?** **If you could give Ofgem one message on how to help you choose your best energy choices, what would that be?** **Thanks and close** INCENTIVES (AND CHECK WE HAVE BILL DETAILS)		

Focus group materials

Ipsos MORI – MG5 – Non-E7 – Tamworth
Wed 25th April

ID #:

In the space below please write down whether you would class yourself (ie your household bill) as a high, medium or low electricity user.

SCENARIO A

ID #:

*The **standard equivalent rate (SER)** can be used to compare the price of energy tariffs. The lower the SER, the cheaper is the tariff.*

Standard tariffs: *a standard tariff is a basic tariff that has no minimum contract length, has no end date, and has no penalty for switching. Under Ofgem's proposals to simplify tariffs, suppliers will be able to offer only one standard tariff per payment method.*

***Note**: these are current prices and suppliers may decide to change them, up or down, in the future.*

Standard tariffs

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)
	Standard Equivalent Rate		
Supplier A	11.2p per kWh	11.2p per kWh	11.2p per kWh
Supplier B	12.4p per kWh	12.4p per kWh	12.4p per kWh
Supplier C	10.3p per kWh	10.3p per kWh	10.3p per kWh
Supplier D	11.9p per kWh	11.9p per kWh	11.9p per kWh
Supplier E	10.2p per kWh	10.2p per kWh	10.2p per kWh
Supplier F	14.6p per kWh	14.6p per kWh	14.6p per kWh

Fixed rate tariffs: *A fixed rate tariff is a tariff where the supplier guarantees that the price per unit of electricity will stay the same for a set period. Such tariffs may include additional 'rewards' (for example a loyalty bonus) as part of the package.*

***Note**: these rates are fixed until the date specified in the table.*

Fixed rate tariffs

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Price fixed until
	Standard Equivalent Rate			
Supplier A	12.9p per kWh	12.5p per kWh	12.4p per kWh	31 May 2013
Supplier B	13.1p per kWh	12.2p per kWh	11.9p per kWh	31 May 2013
Supplier C	12.5p per kWh	12.4p per kWh	12.4p per kWh	31 May 2013
Supplier D	12.6p per kWh	12.3p per kWh	12.2p per kWh	31 May 2013
Supplier E	14.5p per kWh	14.0p per kWh	13.9p per kWh	31 May 2013
Supplier F	15.7p per kWh	15.1p per kWh	14.9p per kWh	31 May 2013

Tracker tariffs: *A tracker tariff is a tariff where the supplier guarantees that the price per unit of electricity will be linked to a specific benchmark, such as wholesale prices, until a set date. The price per unit will go up or down in line with the benchmark. Such tariffs may include additional 'rewards' (for example a loyalty bonus) as part of the package.*

***Note:** these are current prices and may go up or down in the future in line with the specified index (The Retail Price Index (RPI) is a measure of inflation).*

Tracker tariffs

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Index tracked
	Standard Equivalent Rate			
Supplier A	10.9p per kWh	10.8p per kWh	10.8p per kWh	RPI
Supplier B	10.4p per kWh	10.1p per kWh	10.0p per kWh	RPI
Supplier C	11.8p per kWh	10.8p per kWh	10.5p per kWh	RPI
Supplier D	11.2p per kWh	10.9p per kWh	10.8p per kWh	RPI
Supplier E	10.3p per kWh	10.2p per kWh	10.2p per kWh	RPI
Supplier F	10.5p per kWh	10.3p per kWh	10.2p per kWh	RPI

The task:

Q1. Ring which option (ie, supplier and tariff) would be best for you. Give one answer only.

Q2. Why did you select that option?

Q2. Write here…

SCENARIO B

ID #:

Indicative costs *show the estimated cost of each tariff for low, medium and high users. The cost to you will depend on your consumption and so the indicative costs should be used as a guide only.*

Standard tariffs: *A standard tariff is a basic tariff that has no minimum contract length, has no end date, and has no penalty for switching. Under Ofgem's proposals to simplify tariffs, suppliers will be able to offer only one standard tariff per payment method.*

Note*: these are current prices and suppliers may decide to change them, up or down, in the future.*

Standard tariffs

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)
	Indicative yearly cost		
Supplier A	£277	£453	£592
Supplier B	£278	£456	£597
Supplier C	£305	£509	£670
Supplier D	£313	£526	£693
Supplier E	£349	£598	£795
Supplier F	£293	£486	£638

Fixed rate tariffs: *A fixed rate tariff is a tariff where the supplier guarantees that the price per unit of electricity will stay the same for a set period. Such tariffs may include additional 'rewards' (for example a loyalty bonus) as part of the package.*

Note*: these rates are fixed until the date specified in the table.*

Fixed rate tariffs

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Price fixed until
	Indicative yearly cost			
Supplier A	£321	£529	£693	31 May 2013
Supplier B	£367	£615	£808	31 May 2013
Supplier C	£316	£522	£684	31 May 2013
Supplier D	£315	£526	£693	31 May 2013
Supplier E	£348	£579	£762	31 May 2013
Supplier F	£324	£519	£670	31 May 2013

Tracker tariffs: *A tracker tariff is a tariff where the supplier guarantees that the price per unit of electricity will be linked to a specific benchmark, such as wholesale prices, until a set date. The price per unit will go up or down in line with the benchmark. Such tariffs may include additional 'rewards' (for example a loyalty bonus) as part of the package.*

Note: *these are current prices and may go up or down in the future in line with the specified index (The Retail Price Index (RPI) is a measure of inflation).*

Tracker tariffs

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Index tracked
	Indicative yearly cost			
Supplier A	£288	£473	£620	RPI
Supplier B	£278	£453	£592	RPI
Supplier C	£293	£476	£620	RPI
Supplier D	£280	£450	£583	RPI
Supplier E	£282	£456	£592	RPI
Supplier F	£303	£473	£606	RPI

The task:

Q1. Ring which option (ie, supplier and tariff) would be best for you. Give one answer only.

Q2. Why did you select that option?

Q2. Write here…

ID #:

Please stop here and let the moderator know you have finished.

SCENARIO C

ID #:

*The **standard equivalent rate (SER)** can be used to compare the price of energy tariffs. The lower the SER, the cheaper is the tariff.*

Standard tariffs: *a standard tariff is a basic tariff that has no minimum contract length, has no end date, and has no penalty for switching. Under Ofgem's proposals to simplify tariffs, suppliers will be able to offer only one standard tariff per payment method.*

***Note**: these are current prices and suppliers may decide to change them, up or down, in the future.*

Standard tariffs

Supplier	Low user (1.65 MWh)	Medium user (3.3 MWh)	High user (4.6 MWh)
	Standard Equivalent Rate		
Supplier A	£112 per MWh	£112 per MWh	£112 per MWh
Supplier B	£102 per MWh	£102 per MWh	£102 per MWh
Supplier C	£103 per MWh	£103 per MWh	£103 per MWh
Supplier D	£119 per MWh	£119 per MWh	£119 per MWh
Supplier E	£124 per MWh	£124 per MWh	£124 per MWh
Supplier F	£146 per MWh	£146 per MWh	£146 per MWh

Fixed rate tariffs: *A fixed rate tariff is a tariff where the supplier guarantees that the price per unit of electricity will stay the same for a set period. Such tariffs may include additional 'rewards' (for example a loyalty bonus) as part of the package.*

***Note**: these rates are fixed until the date specified in the table.*

Fixed rate tariffs

Supplier	Low user (1.65 MWh)	Medium user (3.3 MWh)	High user (4.6 MWh)	Price fixed until
	Standard Equivalent Rate			
Supplier A	£131 per MWh	£122 per MWh	£119 per MWh	31 May 2013
Supplier B	£157 per MWh	£151 per MWh	£149 per MWh	31 May 2013
Supplier C	£129 per MWh	£125 per MWh	£124 per MWh	31 May 2013
Supplier D	£126 per MWh	£123 per MWh	£122 per MWh	31 May 2013
Supplier E	£145 per MWh	£140 per MWh	£139 per MWh	31 May 2013
Supplier F	£125 per MWh	£124 per MWh	£124 per MWh	31 May 2013

Tracker tariffs: *A tracker tariff is a tariff where the supplier guarantees that the price per unit of electricity will be linked to a specific benchmark, such as wholesale prices, until a set date. The price per unit will go up or down in line with the benchmark. Such tariffs may include additional 'rewards' (for example a loyalty bonus) as part of the package.*

***Note:** these are current prices and may go up or down in the future in line with the specified index (The Retail Price Index (RPI) is a measure of inflation).*

Tracker tariffs

Supplier	Low user (1.65 MWh)	Medium user (3.3 MWh)	High user (4.6 MWh)	Index tracked
	Standard Equivalent Rate			
Supplier A	£109 per MWh	£108 per MWh	£108 per MWh	RPI
Supplier B	£118 per MWh	£108 per MWh	£105 per MWh	RPI
Supplier C	£103 per MWh	£102 per MWh	£102 per MWh	RPI
Supplier D	£112 per MWh	£109 per MWh	£108 per MWh	RPI
Supplier E	£105 per MWh	£103 per MWh	£102 per MWh	RPI
Supplier F	£104 per MWh	£101 per MWh	£100 per MWh	RPI

The task:

Q1. Please ring which you think is the cheapest:

a) Standard tariff

b) Fixed rate tariff

c) Tracker tariff

SCENARIO D

ID #:

Indicative costs *show the estimated cost of each tariff for low, medium and high users. The cost to you will depend on your consumption and so the indicative costs should be used as a guide only.*

Standard tariffs: *a standard tariff is a basic tariff that has no minimum contract length, has no end date, and has no penalty for switching. Under Ofgem's proposals to simplify tariffs, suppliers will be able to offer only one standard tariff per payment method.*

Note*: these are current prices and suppliers may decide to change them, up or down, in the future.*

Standard tariffs

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)
	Indicative monthly cost		
Supplier A	£24.42	£40.51	£53.18
Supplier B	£25.38	£42.43	£55.87
Supplier C	£23.18	£38.03	£49.73
Supplier D	£23.05	£37.76	£49.35
Supplier E	£26.07	£43.81	£57.78
Supplier F	£29.10	£49.86	£66.22

Fixed rate tariffs: *A fixed rate tariff is a tariff where the supplier guarantees that the price per unit of electricity will stay the same for a set period. Such tariffs may include additional 'rewards' (for example a loyalty bonus) as part of the package.*

Note*: these rates are fixed until the date specified in the table.*

Fixed rate tariffs

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Price fixed until
	Indicative monthly cost			
Supplier A	£26.76	£44.08	£57.78	31 May 2013
Supplier B	£30.61	£51.23	£67.37	31 May 2013
Supplier C	£27.03	£43.26	£55.87	31 May 2013
Supplier D	£26.35	£43.53	£57.02	31 May 2013
Supplier E	£26.21	£43.81	£57.78	31 May 2013
Supplier F	£28.96	£48.21	£63.53	31 May 2013

Tracker tariffs: *A tracker tariff is a tariff where the supplier guarantees that the price per unit of electricity will be linked to a specific benchmark, such as wholesale prices, until a set date. The price per unit will go up or down in line with the benchmark. Such tariffs may include additional 'rewards' (for example a loyalty bonus) as part of the package.*

Note: *these are current prices and may go up or down in the future in line with the specified index (The Retail Price Index (RPI) is a measure of inflation).*

Tracker tariffs

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Index tracked
	Indicative monthly cost			
Supplier A	£23.32	£37.48	£48.58	RPI
Supplier B	£25.25	£39.41	£50.50	RPI
Supplier C	£24.01	£39.41	£51.65	RPI
Supplier D	£24.42	£39.68	£51.65	RPI
Supplier E	£23.46	£38.03	£49.35	RPI
Supplier F	£23.18	£37.76	£49.35	RPI

The task:

Q1. Please ring which you think is the cheapest:

a) Standard tariff

b) Fixed rate tariff

c) Tracker tariff

ID #:

Please stop here and let the moderator know you have finished.

SCENARIO E

ID #:

*The **standard equivalent rate (SER)** can be used to compare the price of energy tariffs. The lower the SER, the cheaper is the tariff.*

Table 1

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Price fixed until
	Standard Equivalent Rate (p per kWh)			
Supplier A	14.4	13.9	13.8	31 May 2013
Supplier B	12.5	12.2	12.1	31 May 2013
Supplier C	13.0	12.1	11.8	31 May 2013
Supplier D	15.6	15.0	14.8	31 May 2013
Supplier E	12.4	12.3	12.3	31 May 2013
Supplier F	12.8	12.4	12.3	31 May 2013

Table 2

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Price fixed until
	Standard Equivalent Rate			
Supplier A	12.9p per kWh	12.5p per kWh	12.4p per kWh	31 May 2013
Supplier B	13.1p per kWh	12.2p per kWh	11.9p per kWh	31 May 2013
Supplier C	12.5p per kWh	12.4p per kWh	12.4p per kWh	31 May 2013
Supplier D	12.6p per kWh	12.3p per kWh	12.2p per kWh	31 May 2013
Supplier E	14.5p per kWh	14.0p per kWh	13.9p per kWh	31 May 2013
Supplier F	15.7p per kWh	15.1p per kWh	14.9p per kWh	31 May 2013

Table 3

Supplier	Low user (1.65 MWh)	Medium user (3.3 MWh)	High user (4.6 MWh)	Price fixed until
	Standard Equivalent Rate (£ per MWh)			
Supplier A	144	139	138	31 May 2013
Supplier B	130	121	118	31 May 2013
Supplier C	124	123	123	31 May 2013
Supplier D	125	122	121	31 May 2013
Supplier E	128	124	123	31 May 2013
Supplier F	156	150	148	31 May 2013

Table 4

Supplier	Low user (1.65 MWh)	Medium user (3.3 MWh)	High user (4.6 MWh)	Price fixed until
	Standard Equivalent Rate			
Supplier A	£131 per MWh	£122 per MWh	£119 per MWh	31 May 2013
Supplier B	£157 per MWh	£151 per MWh	£149 per MWh	31 May 2013
Supplier C	£129 per MWh	£125 per MWh	£124 per MWh	31 May 2013
Supplier D	£126 per MWh	£123 per MWh	£122 per MWh	31 May 2013
Supplier E	£145 per MWh	£140 per MWh	£139 per MWh	31 May 2013
Supplier F	£125 per MWh	£124 per MWh	£124 per MWh	31 May 2013

The task:

Q1. Imagine you wanted to compare the energy tariffs of different suppliers; ring which table layout you think is best in helping you compare between suppliers.

Q2. Why did you select that option?

Q2. Write here…

SCENARIO F

ID #:

Indicative costs *show the estimated cost of each tariff for low, medium and high users. The cost to you will depend on your consumption and so the indicative costs should be used as a guide only.*

Table 5

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Price fixed until
	Indicative yearly cost (£ per year)			
Supplier A	323	516	666	31 May 2013
Supplier B	315	519	680	31 May 2013
Supplier C	366	612	804	31 May 2013
Supplier D	346	575	758	31 May 2013
Supplier E	319	526	689	31 May 2013
Supplier F	313	522	689	31 May 2013

Table 6

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Price fixed until
	Indicative yearly cost			
Supplier A	£321	£529	£693	31 May 2013
Supplier B	£367	£615	£808	31 May 2013
Supplier C	£316	£522	£684	31 May 2013
Supplier D	£315	£526	£693	31 May 2013
Supplier E	£348	£579	£762	31 May 2013
Supplier F	£324	£519	£670	31 May 2013

Table 7

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Price fixed until
	Indicative monthly cost (£ per month)			
Supplier A	28.82	47.93	63.15	31 May 2013
Supplier B	26.21	43.26	56.63	31 May 2013
Supplier C	30.47	50.96	66.98	31 May 2013
Supplier D	26.07	43.53	57.40	31 May 2013
Supplier E	26.62	43.81	57.40	31 May 2013
Supplier F	26.90	42.98	55.48	31 May 2013

Table 8

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Price fixed until
	Indicative monthly cost			
Supplier A	£26.76	£44.08	£57.78	31 May 2013
Supplier B	£30.61	£51.23	£67.37	31 May 2013
Supplier C	£27.03	£43.26	£55.87	31 May 2013
Supplier D	£26.35	£43.53	£57.02	31 May 2013
Supplier E	£26.21	£43.81	£57.78	31 May 2013
Supplier F	£28.96	£48.21	£63.53	31 May 2013

The task:

Q1. Imagine you wanted to compare the energy tariffs of different suppliers; ring which table layout you think is best in helping you compare between suppliers.

Q2. Why did you select that option?

Q2. Write here…

Survey stimulus material

Indicative Costs show the estimated cost of each tariff for low, medium and high users, including the standing charge. The cost to you will depend on the exact amount of electricity you use, and so the indicative costs should be used as a guide only.

X1

STANDARD TARIFFS

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)
	Indicative monthly cost		
Supplier A	£24.42	£40.51	£53.18
Supplier B	£25.38	£42.43	£55.87
Supplier C	£23.18	£38.03	£49.73
Supplier D	£23.05	£37.76	£49.35
Supplier E	£26.07	£43.81	£57.78
Supplier F	£29.10	£49.86	£66.22

FIXED RATE TARIFFS

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Price fixed until
	Indicative monthly cost			
Supplier A	£26.76	£44.08	£57.78	31 May 2013
Supplier B	£30.61	£51.23	£67.37	31 May 2013
Supplier C	£27.03	£43.26	£55.87	31 May 2013
Supplier D	£26.35	£43.53	£57.02	31 May 2013
Supplier E	£26.21	£43.81	£57.78	31 May 2013
Supplier F	£28.96	£48.21	£63.53	31 May 2013

TRACKER TARIFFS

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Index tracked *The Retail Price Index (RPI) is a measure of inflation*
	Indicative monthly cost			
Supplier A	£23.32	£37.48	£48.58	RPI
Supplier B	£25.25	£39.41	£50.50	RPI
Supplier C	£24.01	£39.41	£51.65	RPI
Supplier D	£24.42	£39.68	£51.65	RPI
Supplier E	£23.46	£38.03	£49.35	RPI
Supplier F	£23.18	£37.76	£49.35	RPI

Indicative Costs show the estimated cost of each tariff for low, medium and high users, including the standing charge. The cost to you will depend on the exact amount of electricity you use, and so the indicative costs should be used as a guide only. The costs assume that 45% of electricity is used during the day and 55% at night.

Z1

STANDARD TARIFFS

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)
	Indicative monthly cost		
Supplier G	£40.51	£72.68	£104.86
Supplier H	£38.03	£67.73	£97.43
Supplier I	£42.43	£76.53	£110.63
Supplier J	£37.76	£67.18	£96.61
Supplier K	£43.81	£79.28	£114.76
Supplier L	£49.86	£91.38	£132.91

FIXED RATE TARIFFS

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)	
	Indicative monthly cost			Price fixed until
Supplier G	£45.18	£79.83	£114.76	31 May 2013
Supplier H	£52.88	£94.13	£135.38	31 May 2013
Supplier I	£45.73	£78.18	£110.63	31 May 2013
Supplier J	£44.36	£78.73	£113.11	31 May 2013
Supplier K	£44.08	£79.28	£114.76	31 May 2013
Supplier L	£49.58	£88.08	£127.13	31 May 2013

TRACKER TARIFFS

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)	Index tracked *The Retail Price Index (RPI) is a measure of inflation*
	Indicative monthly cost			
Supplier G	£38.31	£66.63	£94.96	RPI
Supplier H	£42.16	£70.48	£99.08	RPI
Supplier I	£39.68	£70.48	£101.56	RPI
Supplier J	£40.51	£71.03	£101.56	RPI
Supplier K	£38.58	£67.73	£96.61	RPI
Supplier L	£38.03	£67.18	£96.61	RPI

Indicative Costs show the estimated cost of each tariff for low, medium and high users, including the standing charge. The cost to you will depend on the exact amount of electricity you use, and so the indicative costs should be used as a guide only.

X2

TRACKER TARIFFS

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Index tracked *The Retail Price Index (RPI) is a measure of inflation*
	Indicative yearly cost			
Supplier A	£288	£473	£620	RPI
Supplier B	£278	£453	£592	RPI
Supplier C	£293	£476	£620	RPI
Supplier D	£280	£450	£583	RPI
Supplier E	£282	£456	£592	RPI
Supplier F	£303	£473	£606	RPI

STANDARD TARIFFS

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)
	Indicative yearly cost		
Supplier A	£277	£453	£592
Supplier B	£278	£456	£597
Supplier C	£305	£509	£670
Supplier D	£313	£526	£693
Supplier E	£349	£598	£795
Supplier F	£293	£486	£638

FIXED RATE TARIFFS

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Price fixed until
	Indicative yearly cost			
Supplier A	£321	£529	£693	31 May 2013
Supplier B	£367	£615	£808	31 May 2013
Supplier C	£316	£522	£684	31 May 2013
Supplier D	£315	£526	£693	31 May 2013
Supplier E	£348	£579	£762	31 May 2013
Supplier F	£324	£519	£670	31 May 2013

Indicative Costs show the estimated cost of each tariff for low, medium and high users, including the standing charge. The cost to you will depend on the exact amount of electricity you use, and so the indicative costs should be used as a guide only. The costs assume that 45% of electricity is used during the day and 55% at night.

Z2

TRACKER TARIFFS

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)	Index tracked *The Retail Price Index (RPI) is a measure of inflation*
	Indicative yearly cost			
Supplier G	£476	£846	£1219	RPI
Supplier H	£456	£806	£1159	RPI
Supplier I	£486	£852	£1219	RPI
Supplier J	£460	£800	£1140	RPI
Supplier K	£463	£813	£1159	RPI
Supplier L	£506	£846	£1189	RPI

STANDARD TARIFFS

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)
	Indicative yearly cost		
Supplier G	£453	£806	£1159
Supplier H	£456	£813	£1169
Supplier I	£509	£918	£1328
Supplier J	£526	£951	£1377
Supplier K	£598	£1097	£1595
Supplier L	£486	£872	£1258

FIXED RATE TARIFFS

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)	Price fixed until
	Indicative yearly cost			
Supplier G	£542	£958	£1377	31 May 2013
Supplier H	£635	£1130	£1625	31 May 2013
Supplier I	£532	£945	£1357	31 May 2013
Supplier J	£529	£951	£1377	31 May 2013
Supplier K	£595	£1057	£1526	31 May 2013
Supplier L	£549	£938	£1328	31 May 2013

The **Standard Equivalent Rate (SER)** can be used to compare the price of energy tariffs. The lower the SER, the cheaper is the tariff. Standing charges are not included in the SER.

X3

FIXED RATE TARIFFS

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Price fixed until
	Standard Equivalent Rate (p per kWh)			
Supplier A	14.4	13.9	13.8	31 May 2013
Supplier B	12.5	12.2	12.1	31 May 2013
Supplier C	13.0	12.1	11.8	31 May 2013
Supplier D	15.6	15.0	14.8	31 May 2013
Supplier E	12.4	12.3	12.3	31 May 2013
Supplier F	12.8	12.4	12.3	31 May 2013

TRACKER TARIFFS

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Index tracked *The Retail Price Index (RPI) is a measure of inflation*
	Standard Equivalent Rate (p per kWh)			
Supplier A	10.3	10.0	9.9	RPI
Supplier B	10.8	10.7	10.7	RPI
Supplier C	11.7	10.7	10.4	RPI
Supplier D	11.1	10.8	10.7	RPI
Supplier E	10.4	10.2	10.1	RPI
Supplier F	10.2	10.1	10.1	RPI

STANDARD TARIFFS

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)
	Standard Equivalent Rate (p per kWh)		
Supplier A	10.2	10.2	10.2
Supplier B	11.1	11.1	11.1
Supplier C	14.5	14.5	14.5
Supplier D	10.1	10.1	10.1
Supplier E	12.3	12.3	12.3
Supplier F	11.8	11.8	11.8

The **Standard Equivalent Rate (SER)** can be used to compare the price of energy tariffs. The lower the SER, the cheaper is the tariff. Standing charges are not included in the SER. The SER assumes that 45% of electricity is used during the day and 55% at night.

Z3

FIXED RATE TARIFFS

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)	Price fixed until
	Standard Equivalent Rate (p per kWh)			
Supplier G	14.4	13.9	13.7	31 May 2013
Supplier H	12.5	12.2	12.1	31 May 2013
Supplier I	13.0	12.1	11.8	31 May 2013
Supplier J	15.6	15.0	14.8	31 May 2013
Supplier K	12.4	12.3	12.3	31 May 2013
Supplier L	12.8	12.4	12.3	31 May 2013

TRACKER TARIFFS

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)	Index tracked *The Retail Price Index (RPI) is a measure of inflation*
	Standard Equivalent Rate (p per kWh)			
Supplier G	10.3	10.0	9.9	RPI
Supplier H	10.8	10.7	10.7	RPI
Supplier I	11.7	10.7	10.4	RPI
Supplier J	11.1	10.8	10.7	RPI
Supplier K	10.4	10.2	10.1	RPI
Supplier L	10.2	10.1	10.1	RPI

STANDARD TARIFFS

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)
	Standard Equivalent Rate (p per kWh)		
Supplier G	10.2	10.2	10.2
Supplier H	11.1	11.1	11.1
Supplier I	14.5	14.5	14.5
Supplier J	10.1	10.1	10.1
Supplier K	12.3	12.3	12.3
Supplier L	11.8	11.8	11.8

The **Standard Equivalent Rate (SER)** can be used to compare the price of energy tariffs. The lower the SER, the cheaper is the tariff. Standing charges are not included in the SER.

X4

STANDARD TARIFFS

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)
	Standard Equivalent Rate		
Supplier A	11.2p per kWh	11.2p per kWh	11.2p per kWh
Supplier B	12.4p per kWh	12.4p per kWh	12.4p per kWh
Supplier C	10.3p per kWh	10.3p per kWh	10.3p per kWh
Supplier D	11.9p per kWh	11.9p per kWh	11.9p per kWh
Supplier E	10.2p per kWh	10.2p per kWh	10.2p per kWh
Supplier F	14.6p per kWh	14.6p per kWh	14.6p per kWh

FIXED RATE TARIFFS

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	
	Standard Equivalent Rate			Price fixed until
Supplier A	12.9p per kWh	12.5p per kWh	12.4p per kWh	31 May 2013
Supplier B	13.1p per kWh	12.2p per kWh	11.9p per kWh	31 May 2013
Supplier C	12.5p per kWh	12.4p per kWh	12.4p per kWh	31 May 2013
Supplier D	12.6p per kWh	12.3p per kWh	12.2p per kWh	31 May 2013
Supplier E	14.5p per kWh	14.0p per kWh	13.9p per kWh	31 May 2013
Supplier F	15.7p per kWh	15.1p per kWh	14.9p per kWh	31 May 2013

TRACKER TARIFFS

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)	Index tracked *The Retail Price Index (RPI) is a measure of inflation*
	Standard Equivalent Rate			
Supplier A	10.9p per kWh	10.8p per kWh	10.8p per kWh	RPI
Supplier B	10.4p per kWh	10.1p per kWh	10.0p per kWh	RPI
Supplier C	11.8p per kWh	10.8p per kWh	10.5p per kWh	RPI
Supplier D	11.2p per kWh	10.9p per kWh	10.8p per kWh	RPI
Supplier E	10.3p per kWh	10.2p per kWh	10.2p per kWh	RPI
Supplier F	10.5p per kWh	10.3p per kWh	10.2p per kWh	RPI

Z4

The **Standard Equivalent Rate (SER)** can be used to compare the price of energy tariffs. The lower the SER, the cheaper is the tariff. Standing charges are not included in the SER. The SER assumes that 45% of electricity is used during the day and 55% at night.

STANDARD TARIFFS

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)
	Standard Equivalent Rate		
Supplier G	11.2p per kWh	11.2p per kWh	11.2p per kWh
Supplier H	12.4p per kWh	12.4p per kWh	12.4p per kWh
Supplier I	10.3p per kWh	10.3p per kWh	10.3p per kWh
Supplier J	11.9p per kWh	11.9p per kWh	11.9p per kWh
Supplier K	10.2p per kWh	10.2p per kWh	10.2p per kWh
Supplier L	14.6p per kWh	14.6p per kWh	14.6p per kWh

FIXED RATE TARIFFS

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)	
	Standard Equivalent Rate			Price fixed until
Supplier G	12.9p per kWh	12.5p per kWh	12.4p per kWh	31 May 2013
Supplier H	13.1p per kWh	12.2p per kWh	11.9p per kWh	31 May 2013
Supplier I	12.5p per kWh	12.4p per kWh	12.4p per kWh	31 May 2013
Supplier D	12.6p per kWh	12.3p per kWh	12.2p per kWh	31 May 2013
Supplier K	14.5p per kWh	14.0p per kWh	13.9p per kWh	31 May 2013
Supplier L	15.7p per kWh	15.1p per kWh	14.9p per kWh	31 May 2013

TRACKER TARIFFS

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)	Index tracked *The Retail Price Index (RPI) is a measure of inflation*
	Standard Equivalent Rate			
Supplier G	10.9p per kWh	10.8p per kWh	10.8p per kWh	RPI
Supplier H	10.4p per kWh	10.1p per kWh	10.0p per kWh	RPI
Supplier I	11.8p per kWh	10.8p per kWh	10.5p per kWh	RPI
Supplier J	11.2p per kWh	10.9p per kWh	10.8p per kWh	RPI
Supplier K	10.3p per kWh	10.2p per kWh	10.2p per kWh	RPI
Supplier L	10.5p per kWh	10.3p per kWh	10.2p per kWh	RPI

The **Standard Equivalent Rate (SER)** can be used to compare the price of energy tariffs. The lower the SER, the cheaper is the tariff. Standing charges are not included in the SER.

X5

TRACKER TARIFFS

Supplier	Low user (1.65 MWh)	Medium user (3.3 MWh)	High user (4.6 MWh)	Index tracked *The Retail Price Index (RPI) is a measure of inflation*
	Standard Equivalent Rate (£ per MWh)			
Supplier A	108	107	107	RPI
Supplier B	103	100	99	RPI
Supplier C	117	107	104	RPI
Supplier D	111	108	107	RPI
Supplier E	102	101	101	RPI
Supplier F	104	102	101	RPI

STANDARD TARIFFS

Supplier	Low user (1.65 MWh)	Medium user (3.3 MWh)	High user (4.6 MWh)
	Standard Equivalent Rate (£ per MWh)		
Supplier A	123	123	123
Supplier B	102	102	102
Supplier C	145	145	145
Supplier D	118	118	118
Supplier E	101	101	101
Supplier F	111	111	111

FIXED RATE TARIFFS

Supplier	Low user (1.65 MWh)	Medium user (3.3 MWh)	High user (4.6 MWh)	Price fixed until
	Standard Equivalent Rate (£ per MWh)			
Supplier A	144	139	138	31 May 2013
Supplier B	130	121	118	31 May 2013
Supplier C	124	123	123	31 May 2013
Supplier D	125	122	121	31 May 2013
Supplier E	128	124	123	31 May 2013
Supplier F	156	150	148	31 May 2013

The **Standard Equivalent Rate (SER)** can be used to compare the price of energy tariffs. The lower the SER, the cheaper is the tariff. Standing charges are not included in the SER. The SER assumes that 45% of electricity is used during the day and 55% at night.

Z5

TRACKER TARIFFS

Supplier	Low user (3.3 MWh)	Medium user (6.6 MWh)	High user (9.9 MWh)	Index tracked *The Retail Price Index (RPI) is a measure of inflation*
	Standard Equivalent Rate (£ per MWh)			
Supplier G	108	107	107	RPI
Supplier H	103	100	99	RPI
Supplier I	117	107	104	RPI
Supplier J	111	108	107	RPI
Supplier K	102	101	101	RPI
Supplier L	104	102	101	RPI

STANDARD TARIFFS

Supplier	Low user (3.3 MWh)	Medium user (6.6 MWh)	High user (9.9 MWh)
	Standard Equivalent Rate (£ per MWh)		
Supplier G	102	102	102
Supplier H	111	111	111
Supplier I	145	145	145
Supplier J	123	123	123
Supplier K	101	101	101
Supplier L	118	118	118

FIXED RATE TARIFFS

Supplier	Low user (3.3 MWh)	Medium user (6.6 MWh)	High user (9.9 MWh)	
	Standard Equivalent Rate (£ per MWh)			Price fixed until
Supplier G	144	139	138	31 May 2013
Supplier H	130	121	118	31 May 2013
Supplier I	124	123	123	31 May 2013
Supplier J	156	150	148	31 May 2013
Supplier K	128	124	123	31 May 2013
Supplier L	125	122	121	31 May 2013

The **Standard Equivalent Rate (SER)** can be used to compare the price of energy tariffs. The lower the SER, the cheaper is the tariff. Standing charges are not included in the SER.

X6

FIXED RATE TARIFFS

Supplier	Low user (1.65 MWh)	Medium user (3.3 MWh)	High user (4.6 MWh)	Price fixed until
	Standard Equivalent Rate			
Supplier A	£131 per MWh	£122 per MWh	£119 per MWh	31 May 2013
Supplier B	£157 per MWh	£151 per MWh	£149 per MWh	31 May 2013
Supplier C	£129 per MWh	£125 per MWh	£124 per MWh	31 May 2013
Supplier D	£126 per MWh	£123 per MWh	£122 per MWh	31 May 2013
Supplier E	£145 per MWh	£140 per MWh	£139 per MWh	31 May 2013
Supplier F	£125 per MWh	£124 per MWh	£124 per MWh	31 May 2013

TRACKER TARIFFS

Supplier	Low user (1.65 MWh)	Medium user (3.3 MWh)	High user (4.6 MWh)	Index tracked *The Retail Price Index (RPI) is a measure of inflation*
	Standard Equivalent Rate			
Supplier A	£109 per MWh	£108 per MWh	£108 per MWh	RPI
Supplier B	£118 per MWh	£108 per MWh	£105 per MWh	RPI
Supplier C	£103 per MWh	£102 per MWh	£102 per MWh	RPI
Supplier D	£112 per MWh	£109 per MWh	£108 per MWh	RPI
Supplier E	£105 per MWh	£103 per MWh	£102 per MWh	RPI
Supplier F	£104 per MWh	£101 per MWh	£100 per MWh	RPI

STANDARD TARIFFS

Supplier	Low user (1.65 MWh)	Medium user (3.3 MWh)	High user (4.6 MWh)
	Standard Equivalent Rate		
Supplier A	£112 per MWh	£112 per MWh	£112 per MWh
Supplier B	£102 per MWh	£102 per MWh	£102 per MWh
Supplier C	£103 per MWh	£103 per MWh	£103 per MWh
Supplier D	£119 per MWh	£119 per MWh	£119 per MWh
Supplier E	£124 per MWh	£124 per MWh	£124 per MWh
Supplier F	£146 per MWh	£146 per MWh	£146 per MWh

The **Standard Equivalent Rate (SER)** can be used to compare the price of energy tariffs. The lower the SER, the cheaper is the tariff. Standing charges are not included in the SER. The SER assumes that 45% of electricity is used during the day and 55% at night.

Z6

FIXED RATE TARIFFS

Supplier	Low user (3.3 MWh)	Medium user (6.6 MWh)	High user (9.9 MWh)	Price fixed until
	Standard Equivalent Rate			
Supplier G	£131 per MWh	£122 per MWh	£119 per MWh	31 May 2013
Supplier H	£157 per MWh	£151 per MWh	£149 per MWh	31 May 2013
Supplier I	£129 per MWh	£125 per MWh	£124 per MWh	31 May 2013
Supplier J	£126 per MWh	£123 per MWh	£122 per MWh	31 May 2013
Supplier K	£145 per MWh	£140 per MWh	£139 per MWh	31 May 2013
Supplier L	£125 per MWh	£124 per MWh	£124 per MWh	31 May 2013

TRACKER TARIFFS

Supplier	Low user (3.3 MWh)	Medium user (6.6 MWh)	High user (9.9 MWh)	Index tracked *The Retail Price Index (RPI) is a measure of inflation*
	Standard Equivalent Rate			
Supplier G	£109 per MWh	£108 per MWh	£108 per MWh	RPI
Supplier H	£118 per MWh	£108 per MWh	£105 per MWh	RPI
Supplier I	£103 per MWh	£102 per MWh	£102 per MWh	RPI
Supplier J	£112 per MWh	£109 per MWh	£108 per MWh	RPI
Supplier K	£105 per MWh	£103 per MWh	£102 per MWh	RPI
Supplier L	£104 per MWh	£101 per MWh	£100 per MWh	RPI

STANDARD TARIFFS

Supplier	Low user (3.3 MWh)	Medium user (6.6 MWh)	High user (9.9 MWh)
	Standard Equivalent Rate		
Supplier G	£112 per MWh	£112 per MWh	£112 per MWh
Supplier H	£102 per MWh	£102 per MWh	£102 per MWh
Supplier I	£103 per MWh	£103 per MWh	£103 per MWh
Supplier J	£119 per MWh	£119 per MWh	£119 per MWh
Supplier K	£124 per MWh	£124 per MWh	£124 per MWh
Supplier L	£146 per MWh	£146 per MWh	£146 per MWh

Please note these are examples taken from tables showing price comparisons for *standard tariffs*

AA

X1

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)
	Indicative monthly cost		
Supplier A	£24.42	£40.51	£53.18
Supplier B	£25.38	£42.43	£55.87
Supplier C etc...	£23.18	£38.03	£49.73

X2

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)
	Indicative yearly cost		
Supplier A	£277	£453	£592
Supplier B	£278	£456	£597
Supplier C etc...	£305	£509	£670

Please note these are examples taken from tables showing price comparisons for *standard tariffs*

DD

Z1

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)
	Indicative monthly cost		
Supplier G	£40.51	£72.68	£104.86
Supplier H	£38.03	£67.73	£97.43
Supplier I etc...	£42.43	£76.53	£110.63

Z2

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)
	Indicative yearly cost		
Supplier G	£453	£806	£1,159
Supplier H	£456	£813	£1,169
Supplier I etc...	£509	£918	£1,328

Please note these are examples taken from tables showing price comparisons for *standard tariffs*

BB

X3

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)
	Standard Equivalent Rate (p per kWh)		
Supplier A	10.2	10.2	10.2
Supplier B	11.1	11.1	11.1
Supplier C	14.5	14.5	14.5
etc...			

X5

Supplier	Low user (1.65 MWh)	Medium user (3.3 MWh)	High user (4.6 MWh)
	Standard Equivalent Rate (£ per MWh)		
Supplier A	123	123	123
Supplier B	102	102	102
Supplier C	145	145	145
etc...			

X4

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)
	Standard Equivalent Rate		
Supplier A	11.2p per kWh	11.2p per kWh	11.2p per kWh
Supplier B	12.4p per kWh	12.4p per kWh	12.4p per kWh
Supplier C	10.3p per kWh	10.3p per kWh	10.3p per kWh
etc...			

X6

Supplier	Low user (1.65 MWh)	Medium user (3.3 MWh)	High user (4.6 MWh)
	Standard Equivalent Rate		
Supplier A	£112 per MWh	£112 per MWh	£112 per MWh
Supplier B	£102 per MWh	£102 per MWh	£102 per MWh
Supplier C	£103 per MWh	£103 per MWh	£103 per MWh
etc...			

Please note these are examples taken from tables showing price comparisons for *standard tariffs*

EE

Z3

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)
	Standard Equivalent Rate (p per kWh)		
Supplier G	10.2	10.2	10.2
Supplier H	11.1	11.1	11.1
Supplier I etc...	14.5	14.5	14.5

Z5

Supplier	Low user (3.3 MWh)	Medium user (6.6 MWh)	High user (9.9 MWh)
	Standard Equivalent Rate (£ per MWh)		
Supplier G	102	102	102
Supplier H	111	111	111
Supplier I etc...	145	145	145

Z4

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)
	Standard Equivalent Rate		
Supplier G	11.2p per kWh	11.2p per kWh	11.2p per kWh
Supplier H	12.4p per kWh	12.4p per kWh	12.4p per kWh
Supplier I etc...	10.3p per kWh	10.3p per kWh	10.3p per kWh

Z6

Supplier	Low user (3.3 MWh)	Medium user (6.6 MWh)	High user (9.9 MWh)
	Standard Equivalent Rate		
Supplier G	£112 per MWh	£112 per MWh	£112 per MWh
Supplier H	£102 per MWh	£102 per MWh	£102 per MWh
Supplier I etc...	£103 per MWh	£103 per MWh	£103 per MWh

Please note these are examples taken from tables showing price comparisons for *standard tariffs*

CC

X1

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)
	Indicative monthly cost		
Supplier A	£24.42	£40.51	£53.18
Supplier B	£25.38	£42.43	£55.87
Supplier C etc...	£23.18	£38.03	£49.73

X2

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)
	Indicative yearly cost		
Supplier A	£277	£453	£592
Supplier B	£278	£456	£597
Supplier C etc...	£305	£509	£670

X3

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)
	Standard Equivalent Rate (p per kWh)		
Supplier A	10.2	10.2	10.2
Supplier B	11.1	11.1	11.1
Supplier C etc...	14.5	14.5	14.5

X4

Supplier	Low user (1,650 kWh)	Medium user (3,300 kWh)	High user (4,600 kWh)
	Standard Equivalent Rate		
Supplier A	11.2p per kWh	11.2p per kWh	11.2p per kWh
Supplier B	12.4p per kWh	12.4p per kWh	12.4p per kWh
Supplier C etc...	10.3p per kWh	10.3p per kWh	10.3p per kWh

X5

Supplier	Low user (1.65 MWh)	Medium user (3.3 MWh)	High user (4.6 MWh)
	Standard Equivalent Rate (£ per MWh)		
Supplier A	123	123	123
Supplier B	102	102	102
Supplier C etc...	145	145	145

X6

Supplier	Low user (1.65 MWh)	Medium user (3.3 MWh)	High user (4.6 MWh)
	Standard Equivalent Rate		
Supplier A	£112 per MWh	£112 per MWh	£112 per MWh
Supplier B	£102 per MWh	£102 per MWh	£102 per MWh
Supplier C etc...	£103 per MWh	£103 per MWh	£103 per MWh

Please note these are examples taken from tables showing price comparisons for *standard tariffs*

FF

Z1

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)
	Indicative monthly cost		
Supplier G	£40.51	£72.68	£104.86
Supplier H	£38.03	£67.73	£97.43
Supplier I etc...	£42.43	£76.53	£110.63

Z2

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)
	Indicative yearly cost		
Supplier G	£453	£806	£1,159
Supplier H	£456	£813	£1,169
Supplier I etc...	£509	£918	£1,328

Z3

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)
	Standard Equivalent Rate (p per kWh)		
Supplier G	10.2	10.2	10.2
Supplier H	11.1	11.1	11.1
Supplier I etc...	14.5	14.5	14.5

Z4

Supplier	Low user (3,300 kWh)	Medium user (6,600 kWh)	High user (9,900 kWh)
	Standard Equivalent Rate		
Supplier G	11.2p per kWh	11.2p per kWh	11.2p per kWh
Supplier H	12.4p per kWh	12.4p per kWh	12.4p per kWh
Supplier I etc...	10.3p per kWh	10.3p per kWh	10.3p per kWh

Z5

Supplier	Low user (3.3 MWh)	Medium user (6.6 MWh)	High user (9.9 MWh)
	Standard Equivalent Rate (£ per MWh)		
Supplier G	102	102	102
Supplier H	111	111	111
Supplier I etc...	145	145	145

Z6

Supplier	Low user (3.3 MWh)	Medium user (6.6 MWh)	High user (9.9 MWh)
	Standard Equivalent Rate		
Supplier G	£112 per MWh	£112 per MWh	£112 per MWh
Supplier H	£102 per MWh	£102 per MWh	£102 per MWh
Supplier I etc...	£103 per MWh	£103 per MWh	£103 per MWh

Tariff Structures
Main draft questionnaire (Final) V10

Welcome to the survey. Ipsos MORI is conducting this research on behalf of the national energy regulator, Ofgem, and we really appreciate your participation.

Please be assured that the survey is entirely confidential, and Ipsos MORI will not release any information which could be used to identify you in any way, and will not pass your details on to third parties.

ASK ALL
S1.
Are you… **(SP)**

1. Male
2. Female

ASK ALL
S2.
Please type in your age
(RECORD EXACT AGE, NUMERIC, ALLOW 16-99)

ONLINE ONLY – SCREENING QUESTIONS TO DEFINE ELIGIBLE RESPONDENTS

ASK ALL
QA.
Do you have mains electricity in your home?

Please choose one answer only **(SP)**

1. Yes
2. No **(CLOSE)**

ASK ALL WHO CODE 1 AT QA, ELSE SCREEN OUT
QB.
Are you responsible or jointly responsible for the electricity bills in your household?

Please choose one answer only **(SP)**

1. Yes
2. No **(CLOSE)**

ASK ALL WHO CODE 1 AT QB, ELSE SCREEN OUT
QC.
Do you pay an energy company direct for your electricity, or do you ONLY pay for it as part of your rent?

Please choose one answer only **(SP)**

1. Pay energy company direct
2. ONLY pay as part of rent **(CLOSE)**

-

PRACTICE QUESTION AND INTRO – GO THROUGH TOGETHER – CAPI VERSION ONLY

TEST1 **Which of the following is your favourite colour? Please select one answer only.**

Red	1
Yellow	2
Blue	3
Pink	4
Green	5
Brown	6

If you have any questions while you complete the section please let the interviewer know. When you get to the end, please tell the interviewer.

Welcome to the survey. Ipsos MORI is conducting this research on behalf of the national energy regulator, Ofgem, and we really appreciate your participation. As you answer the questions the progress bar will tell you how far it is to the end.

Please be assured that the survey is entirely confidential, and Ipsos MORI will not release any information which could be used to identify you in any way, and will not pass your details on to third parties.

ALL VERSIONS (ONLINE AND CAPI)
MAIN QUESTIONNAIRE – TO BE ASKED OF ALL WHO CODE 1 AT QC (I.E. THOSE WHO HAVE NOT SCREENED OUT DURING QA-QC)

ASK ALL
Q1.
How do you pay for your electricity?

Please choose one answer only **(SP)**

1. Monthly Direct Debit
2. Quarterly Direct Debit
3. Pay by cheque, cash or card on receipt of your bill
4. Prepayment Meter
5. Fuel Direct (where a set amount is deducted from your benefits before you receive them)
6. Weekly/Fortnightly payment scheme
7. Payment card/book that I use whenever I choose
8. Other method

ASK ALL

Q2.

How many times, if any, have you ever switched your electricity supplier, other than simply because you moved home?

Please choose one answer only **(SP)**

1. Never
2. Once
3. Twice
4. Three times
5. Four times or more

ASK ALL

Q3.

Which of these answers best describes how likely you are at the moment to consider switching to a new tariff or a new supplier?

Please choose one answer only **(SP)**

1. Very likely to consider switching to a new tariff or a new supplier
2. Fairly likely to consider switching to a new tariff or a new supplier
3. Don't know
4. Fairly unlikely to consider switching to a new tariff or a new supplier
5. Very unlikely to consider switching to a new tariff or a new supplier

ASK ALL

Q4.

Do you have Economy 7 electricity?

Please choose one answer only **(SP)**

1. Yes **(GO TO Q24)**
2. No/don't know **(GO TO Q5)**

ASK ALL WHO CODE 2 AT Q4, ELSE GO TO INTRO BEFORE Q24
PART 1 – NON-E7
Q5-Q23

SYSTEM ALLOCATES A USAGE FIGURE TO EACH RESPONDENT AND DISPLAYS IT AT THE TOP OF THE PAGE.
EVEN SPREAD EXPECTED – USE MINIMUM ALLOCATION.

Please assume just for this exercise that you know your annual consumption of electricity is **(INSERT ALLOCATED USAGE FIGURETEXT)**. This is likely to be different to the actual amount of electricity your household uses each year, but, for this exercise, please assume this is your annual electricity usage to work out the cheapest supplier.

(hidden coding – usage figures text to be allocated)

1. 1,000 kilowatt hours (kWh) or 1.0 megawatt hours (MWh)
2. 1,000 kilowatt hours (kWh) or 1.0 megawatt hours (MWh), which means you are a LOW user
3. 1,500 kilowatt hours (kWh) or 1.5 megawatt hours (MWh)
4. 1,500 kilowatt hours (kWh) or 1.5 megawatt hours (MWh), which means you are a LOW user
5. 2,000 kilowatt hours (kWh) or 2.0 megawatt hours (MWh)
6. 2,000 kilowatt hours (kWh) or 2.0 megawatt hours (MWh), which means you are a LOW user
7. 2,500 kilowatt hours (kWh) or 2.5 megawatt hours (MWh)
8. 2,500 kilowatt hours (kWh) or 2.5 megawatt hours (MWh), which means you are a MEDIUM user
9. 3,000 kilowatt hours (kWh) or 3.0 megawatt hours (MWh)
10. 3,000 kilowatt hours (kWh) or 3.0 megawatt hours (MWh), which means you are a MEDIUM user
11. 3,500 kilowatt hours (kWh) or 3.5 megawatt hours (MWh)
12. 3,500 kilowatt hours (kWh) or 3.5 megawatt hours (MWh), which means you are MEDIUM user
13. 4,000 kilowatt hours (kWh) or 4.0 megawatt hours (MWh)
14. 4,000 kilowatt hours (kWh) or 4.0 megawatt hours (MWh), which means you are a HIGH user
15. 4,500 kilowatt hours (kWh) or 4.5 megawatt hours (MWh)
16. 4,500 kilowatt hours (kWh) or 4.5 megawatt hours (MWh), which means you are a HIGH user
17. 5,000 kilowatt hours (kWh) or 5.0 megawatt hours (MWh)
18. 5,000 kilowatt hours (kWh) or 5.0 megawatt hours (MWh), which means you are a HIGH user
19. 5,500 kilowatt hours (kWh) or 5.5 megawatt hours (MWh)
20. 5,500 kilowatt hours (kWh) or 5.5 megawatt hours (MWh), which means you are a HIGH user

PLEASE RECORD USAGE FIGURETEXT ALLOCATED FOR EACH RESPONDENT IN THE DATA

SYSTEM ALLOCATES A RANDOM TYPE OF TARIFF CODE TO EACH RESPONDENT AND INSERTS IT IN THE QUESTION TEXT FOR EACH OPTION X1-X6.
EVEN SPREAD EXPECTED – USE MINIMUM ALLOCATION.

1. STANDARD

2. FIXED RATE
3. TRACKER

PLEASE RECORD TYPE OF TARIFF ALLOCATED FOR EACH RESPONDENT IN THE DATA

RANDOMISE ORDER OF SECTIONS X1 TO X6.

PLEASE INCLUDE TEXT 'Your annual consumption is' **BEFORE THE CONSUMPTION USAGE FIGURE TEXT.**

SECTION X1

ASK ALL WHO CODE 2 AT Q4, ELSE GO TO Q24
SHOW OPTION X1
RECORD TIME TAKEN TO ANSWER
Q5.
Please look at this method of comparing prices and assume that you want to choose the cheapest **(INSERT TARIFF TYPE)** tariff from this list. Which of the six suppliers is cheapest for you, assuming the annual consumption shown above? Please give your best estimate.

Please choose one answer only **(SP)**

1. Supplier A
2. Supplier B
3. Supplier C
4. Supplier D
5. Supplier E
6. Supplier F
7. No idea, cannot work it out

ASK ALL WHO CODE 2 AT Q4, ELSE GO TO Q24
SHOW OPTION X1
Q6.
Thinking about the way the price comparisons are shown here, how easy or difficult do you think it is to choose the cheapest for you?

Please choose one answer only **(SP)**

1. Very easy
2. Fairly easy
3. Neither easy nor difficult
4. Fairly difficult
5. Very difficult

SECTION X2

ASK ALL WHO CODE 2 AT Q4, ELSE GO TO Q24

SHOW OPTION X2
RECORD TIME TAKEN TO ANSWER
Q7.
Please look at this method of comparing prices and assume that you want to choose the cheapest **(INSERT TARIFF TYPE)** tariff from this list. Which of the six suppliers is cheapest for you, assuming the annual consumption shown above? Please give your best estimate.

Please choose one answer only **(SP)**

1. Supplier A
2. Supplier B
3. Supplier C
4. Supplier D
5. Supplier E
6. Supplier F
7. No idea, cannot work it out

ASK ALL WHO CODE 2 AT Q4, ELSE GO TO Q24
SHOW OPTION X2
Q8.
Thinking about the way the price comparisons are shown here, how easy or difficult do you think it is to choose the cheapest for you?

Please choose one answer only **(SP)**

1. Very easy
2. Fairly easy
3. Neither easy nor difficult
4. Fairly difficult
5. Very difficult

SECTION X3

ASK ALL WHO CODE 2 AT Q4, ELSE GO TO Q24
SHOW OPTION X3
RECORD TIME TAKEN TO ANSWER
Q9.
Please look at this method of comparing prices and assume that you want to choose the cheapest **(INSERT TARIFF TYPE)** tariff from this list. Which of the six suppliers is cheapest for you, assuming the annual consumption shown above? Please give your best estimate.

Please choose one answer only **(SP)**

1. Supplier A
2. Supplier B
3. Supplier C
4. Supplier D
5. Supplier E

6. Supplier F
7. No idea, cannot work it out

ASK ALL WHO CODE 2 AT Q4, ELSE GO TO Q24
SHOW OPTION X3
Q10.
Thinking about the way the price comparisons are shown here, how easy or difficult do you think it is to choose the cheapest for you?

Please choose one answer only **(SP)**

1. Very easy
2. Fairly easy
3. Neither easy nor difficult
4. Fairly difficult
5. Very difficult

SECTION X4

ASK ALL WHO CODE 2 AT Q4, ELSE GO TO Q24
SHOW OPTION X4
RECORD TIME TAKEN TO ANSWER
Q11.
Please look at this method of comparing prices and assume that you want to choose the cheapest **(INSERT TARIFF TYPE)** tariff from this list. Which of the six suppliers is cheapest for you, assuming the annual consumption shown above? Please give your best estimate.

Please choose one answer only **(SP)**

1. Supplier A
2. Supplier B
3. Supplier C
4. Supplier D
5. Supplier E
6. Supplier F
7. No idea, cannot work it out

ASK ALL WHO CODE 2 AT Q4, ELSE GO TO Q24
SHOW OPTION X4
Q12.
Thinking about the way the price comparisons are shown here, how easy or difficult do you think it is to choose the cheapest for you?

Please choose one answer only **(SP)**

1. Very easy
2. Fairly easy
3. Neither easy nor difficult
4. Fairly difficult

5. Very difficult

SECTION X5

ASK ALL WHO CODE 2 AT Q4, ELSE GO TO Q24
SHOW OPTION X5
RECORD TIME TAKEN TO ANSWER

Q13.
Please look at this method of comparing prices and assume that you want to choose the cheapest **(INSERT TARIFF TYPE)** tariff from this list. Which of the six suppliers is cheapest for you, assuming the annual consumption shown above? Please give your best estimate.

Please choose one answer only **(SP)**

1. Supplier A
2. Supplier B
3. Supplier C
4. Supplier D
5. Supplier E
6. Supplier F
7. No idea, cannot work it out

ASK ALL WHO CODE 2 AT Q4, ELSE GO TO Q24
SHOW OPTION X5

Q14.
Thinking about the way the price comparisons are shown here, how easy or difficult do you think it is to choose the cheapest for you?

Please choose one answer only **(SP)**

1. Very easy
2. Fairly easy
3. Neither easy nor difficult
4. Fairly difficult
5. Very difficult

SECTION X6

ASK ALL WHO CODE 2 AT Q4, ELSE GO TO Q24
SHOW OPTION X6
RECORD TIME TAKEN TO ANSWER

Q15.
Please look at this method of comparing prices and assume that you want to choose the cheapest **(INSERT TARIFF TYPE)** tariff from this list. Which of the six suppliers is cheapest for you, assuming the annual consumption shown above? Please give your best estimate.

Please choose one answer only **(SP)**

1. Supplier A
2. Supplier B
3. Supplier C
4. Supplier D
5. Supplier E
6. Supplier F
7. No idea, cannot work it out

ASK ALL WHO CODE 2 AT Q4, ELSE GO TO Q24
SHOW OPTION X6
Q16.
Thinking about the way the price comparisons are shown here, how easy or difficult do you think it is to choose the cheapest for you?

Please choose one answer only **(SP)**

1. Very easy
2. Fairly easy
3. Neither easy nor difficult
4. Fairly difficult
5. Very difficult

END RANDOMISATION OF SECTIONS X1 TO X6 AND STOP DISPLAYING CONSUMPTION FIGURE TEXT IN TOP CENTRE

ASK ALL WHO CODE 2 AT Q4, ELSE GO TO Q24
SHOW COMPARISON PICTURE AA
Q17.
You have now seen several different ways of comparing prices between suppliers. Now first of all, which of these two methods do you prefer?

Please choose one answer only **(SP)**

1. OPTION X1
2. OPTION X2
3. No preference at all **(GO TO Q19)**

ASK ALL WHO CODE 1 OR 2 AT Q17, ELSE GO TO Q19
SHOW COMPARISON PICTURE AA
Q18.
Thinking about your preferred method, what impact do you think it would have on you if this method was introduced for comparing all tariffs available?

Please choose one answer only **(SP)**

1. It would make me much more likely to consider switching to a new tariff or a new supplier
2. It would make me somewhat more likely to consider switching to a new tariff or a new supplier

3. It would make no difference to me
4. It would make me somewhat less likely to consider switching to a new tariff or a new supplier
5. It would make me much less likely to consider switching to a new tariff or a new supplier
6. Don't know

ASK ALL WHO CODE 2 AT Q4, ELSE GO TO Q24
SHOW COMPARISON PICTURE BB
Q19.
Which of these other four methods of comparing prices between suppliers do you prefer?

Please choose one answer only **(SP)**

1. OPTION X3
2. OPTION X4
3. OPTION X5
4. OPTION X6
5. No preference at all **(GO TO Q21)**

ASK ALL WHO CODE 1-4 AT Q19, ELSE GO TO Q21
SHOW COMPARISON PICTURE BB
Q20.
Thinking about this preferred method, what impact do you think it would have on you if this method was introduced for comparing all tariffs available?

Please choose one answer only **(SP)**

1. It would make me much more likely to consider switching to a new tariff or a new supplier
2. It would make me somewhat more likely to consider switching to a new tariff or a new supplier
3. It would make no difference to me
4. It would make me somewhat less likely to consider switching to a new tariff or a new supplier
5. It would make me much less likely to consider switching to a new tariff or a new supplier
6. Don't know

ASK ALL WHO CODE 2 AT Q4, ELSE GO TO Q24
SHOW COMPARISON PICTURE CC
Q21.
And finally, if you had to choose between **all six** methods of comparing prices between suppliers which one would you prefer?

Please choose one answer only **(SP)**

1. OPTION X1
2. OPTION X2
3. OPTION X3

4. OPTION X4
5. OPTION X5
6. OPTION X6
7. No preference at all **(GO TO Q43)**

ASK ALL WHO CODE 1-6 AT Q21, ELSE GO TO Q43
SHOW COMPARISON PICTURE CC

Q22.
Thinking about your preferred method, compared to the way you have seen prices compared before, would you consider your preferred method represents:

Please choose one answer only **(SP)**

1. A big improvement
2. A small improvement
3. No real change
4. A small change for the worse
5. A big change for the worse
6. Don't know

ASK ALL WHO CODE 1-6 AT Q21, ELSE GO TO Q43
SHOW COMPARISON PICTURE CC

Q23.
Again, thinking about your preferred method, which of these answers best describes what the table tells you about the amount you think you would pay if you chose the cheapest supplier using this method?

Please choose one answer only **(SP)**

The table shows:
1. The actual amount you would pay
2. The rough cost to you for each unit of electricity (per kilowatt hour – kWh) you use, excluding standing charges
3. The rough cost to you for each 1000 units of electricity (per megawatt hour – MWh) you use, excluding standing charges
4. Roughly how much you would pay each month in total
5. Roughly how much you would pay each year in total
6. Don't know

ASK ALL WHO CODE 1 AT Q4, ELSE GO TO Q43
PART 1 – E7
Q24-Q42

We would like to show you some electricity prices from different suppliers (six suppliers at a time) compared in a number of different ways and for each screen we'd like you to choose the supplier you think is **cheapest.** We will only ask about one tariff type (standard, fixed or tracker tariff) so you should assume that is the one you are interested in. In reality, you might want to choose another tariff, but **please focus on the type mentioned in the question for now.**

In reality, each method of payment may have its own prices, so for the whole of this exercise please assume you will continue to pay for your electricity **the same way** as you do now.

Please assume just for this exercise that you use 45% of your electricity during the day and 55% at night.

NEW SCREEN

SYSTEM ALLOCATES A USAGE FIGURE TO EACH RESPONDENT AND DISPLAYS IT AT THE TOP OF THE PAGE.
EVEN SPREAD EXPECTED – USE MINIMUM ALLOCATION.

We also want you to assume that you know your annual consumption of electricity is **(INSERT ALLOCATED USAGE FIGURETEXT)**. This is likely to be different to the actual amount of electricity your household uses each year, but, for this exercise, please assume this is your annual electricity usage to work out the cheapest supplier.

(hidden coding – usage figures text to be allocated)

1. 2,000 kilowatt hours (kWh) or 2.0 megawatt hours (MWh)
2. 2,000 kilowatt hours (kWh) or 2.0 megawatt hours (MWh), which means you are a LOW user
3. 3,000 kilowatt hours (kWh) or 3.0 megawatt hours (MWh)
4. 3,000 kilowatt hours (kWh) or 3.0 megawatt hours (MWh), which means you are a LOW user
5. 4,000 kilowatt hours (kWh) or 4.0 megawatt hours (MWh)
6. 4,000 kilowatt hours (kWh) or 4.0 megawatt hours (MWh), which means you are a LOW user
7. 5,000 kilowatt hours (kWh) or 5.0 megawatt hours (MWh)
8. 5,000 kilowatt hours (kWh) or 5.0 megawatt hours (MWh), which means you are a MEDIUM user
9. 6,000 kilowatt hours (kWh) or 6.0 megawatt hours (MWh)
10. 6,000 kilowatt hours (kWh) or 6.0 megawatt hours (MWh), which means you are a MEDIUM user
11. 7,000 kilowatt hours (kWh) or 7.0 megawatt hours (MWh)
12. 7,000 kilowatt hours (kWh) or 7.0 megawatt hours (MWh), which means you are a MEDIUM user
13. 8,000 kilowatt hours (kWh) or 8.0 megawatt hours (MWh)
14. 8,000 kilowatt hours (kWh) or 8.0 megawatt hours (MWh), which means you are a MEDIUM user
15. 9,000 kilowatt hours (kWh) or 9.0 megawatt hours (MWh)
16. 9,000 kilowatt hours (kWh) or 9.0 megawatt hours (MWh), which means you are a HIGH user
17. 10,000 kilowatt hours (kWh) or 10.0 megawatt hours (MWh)
18. 10,000 kilowatt hours (kWh) or 10.0 megawatt hours (MWh), which means you are a HIGH user
19. 11,000 kilowatt hours (kWh) or 11.0 megawatt hours (MWh)
20. 11,000 kilowatt hours (kWh) or 11.0 megawatt hours (MWh), which means you are a HIGH user

PLEASE RECORD USAGE FIGURETEXT ALLOCATED FOR EACH RESPONDENT IN THE DATA

SYSTEM ALLOCATES A RANDOM TYPE OF TARIFF CODE TO EACH RESPONDENT AND INSERTS IT IN THE QUESTION TEXT FOR EACH OPTION Z1-Z6.
EVEN SPREAD EXPECTED – USE MINIMUM ALLOCATION.

1. STANDARD
2. FIXED RATE
3. TRACKER

PLEASE RECORD TYPE OF TARIFF ALLOCATED FOR EACH RESPONDENT IN THE DATA

RANDOMISE ORDER OF SECTIONS Z1 TO Z6.

PLUS THE WORDS:"Assuming 45% daytime use, 55% at night".
PLEASE INCLUDE TEXT 'Your annual consumption is' **BEFORE THE CONSUMPTION USAGE FIGURE TEXT.**

SECTION Z1

ASK ALL WHO CODE 1 AT Q4, ELSE GO TO Q43
SHOW OPTION Z1
RECORD TIME TAKEN TO ANSWER
Q24.
Please look at this method of comparing prices and assume that you want to choose the cheapest **(INSERT TARIFF TYPE)** tariff from this list. Which of the six suppliers is cheapest for you, assuming the annual consumption shown above? Please give your best estimate.

Please choose one answer only **(SP)**

1. Supplier G
2. Supplier H
3. Supplier I
4. Supplier J
5. Supplier K
6. Supplier L
7. No idea, cannot work it out

ASK ALL WHO CODE 1 AT Q4, ELSE GO TO Q43
SHOW OPTION Z1
Q25.
Thinking about the way the price comparisons are shown here, how easy or difficult do you think it is to choose the cheapest for you?

Please choose one answer only **(SP)**

1. Very easy
2. Fairly easy
3. Neither easy nor difficult
4. Fairly difficult
5. Very difficult

SECTION Z2

ASK ALL WHO CODE 1 AT Q4, ELSE GO TO Q43
SHOW OPTION Z2
RECORD TIME TAKEN TO ANSWER
Q26.
Please look at this method of comparing prices and assume that you want to choose the cheapest **(INSERT TARIFF TYPE)** tariff from this list. Which of the six suppliers is cheapest for you, assuming the annual consumption shown above? Please give your best estimate.

Please choose one answer only **(SP)**

1. Supplier G
2. Supplier H
3. Supplier I
4. Supplier J
5. Supplier K
6. Supplier L
7. No idea, cannot work it out

ASK ALL WHO CODE 1 AT Q4, ELSE GO TO Q43
SHOW OPTION Z2
Q27.
Thinking about the way the price comparisons are shown here, how easy or difficult do you think it is to choose the cheapest for you?

Please choose one answer only **(SP)**

1. Very easy
2. Fairly easy
3. Neither easy nor difficult
4. Fairly difficult
5. Very difficult

SECTION Z3

ASK ALL WHO CODE 1 AT Q4, ELSE GO TO Q43
SHOW OPTION Z3
RECORD TIME TAKEN TO ANSWER
Q28.
Please look at this method of comparing prices and assume that you want to choose the cheapest **(INSERT TARIFF TYPE)** tariff from this list. Which of the six suppliers

is cheapest for you, assuming the annual consumption shown above? Please give your best estimate.

Please choose one answer only **(SP)**

1. Supplier G
2. Supplier H
3. Supplier I
4. Supplier J
5. Supplier K
6. Supplier L
7. No idea, cannot work it out

ASK ALL WHO CODE 1 AT Q4, ELSE GO TO Q43
SHOW OPTION Z3
Q29.
Thinking about the way the price comparisons are shown here, how easy or difficult do you think it is to choose the cheapest for you?

Please choose one answer only **(SP)**

1. Very easy
2. Fairly easy
3. Neither easy nor difficult
4. Fairly difficult
5. Very difficult

SECTION Z4

ASK ALL WHO CODE 1 AT Q4, ELSE GO TO Q43
SHOW OPTION Z4
RECORD TIME TAKEN TO ANSWER
Q30.
Please look at this method of comparing prices and assume that you want to choose the cheapest **(INSERT TARIFF TYPE)** tariff from this list. Which of the six suppliers is cheapest for you, assuming the annual consumption shown above? Please give your best estimate.

Please choose one answer only **(SP)**

1. Supplier G
2. Supplier H
3. Supplier I
4. Supplier J
5. Supplier K
6. Supplier L
7. No idea, cannot work it out

ASK ALL WHO CODE 1 AT Q4, ELSE GO TO Q43
SHOW OPTION Z4

Q31.
Thinking about the way the price comparisons are shown here, how easy or difficult do you think it is to choose the cheapest for you?

Please choose one answer only **(SP)**

1. Very easy
2. Fairly easy
3. Neither easy nor difficult
4. Fairly difficult
5. Very difficult

SECTION Z5

ASK ALL WHO CODE 1 AT Q4, ELSE GO TO Q43
SHOW OPTION Z5
RECORD TIME TAKEN TO ANSWER
Q32.
Please look at this method of comparing prices and assume that you want to choose the cheapest **(INSERT TARIFF TYPE)** tariff from this list. Which of the six suppliers is cheapest for you, assuming the annual consumption shown above? Please give your best estimate.

Please choose one answer only **(SP)**

1. Supplier G
2. Supplier H
3. Supplier I
4. Supplier J
5. Supplier K
6. Supplier L
7. No idea, cannot work it out

ASK ALL WHO CODE 1 AT Q4, ELSE GO TO Q43
SHOW OPTION Z5
Q33.
Thinking about the way the price comparisons are shown here, how easy or difficult do you think it is to choose the cheapest for you?

Please choose one answer only **(SP)**

1. Very easy
2. Fairly easy
3. Neither easy nor difficult
4. Fairly difficult
5. Very difficult

SECTION Z6

ASK ALL WHO CODE 1 AT Q4, ELSE GO TO Q43

SHOW OPTION Z6
RECORD TIME TAKEN TO ANSWER
Q34.
Please look at this method of comparing prices and assume that you want to choose the cheapest **(INSERT TARIFF TYPE)** tariff from this list. Which of the six suppliers is cheapest for you, assuming the annual consumption shown above? Please give your best estimate.

Please choose one answer only **(SP)**

1. Supplier G
2. Supplier H
3. Supplier I
4. Supplier J
5. Supplier K
6. Supplier L
7. No idea, cannot work it out

ASK ALL WHO CODE 1 AT Q4, ELSE GO TO Q43
SHOW OPTION Z6
Q35.
Thinking about the way the price comparisons are shown here, how easy or difficult do you think it is to choose the cheapest for you?

Please choose one answer only **(SP)**

1. Very easy
2. Fairly easy
3. Neither easy nor difficult
4. Fairly difficult
5. Very difficult

END RANDOMISATION OF SECTIONS Z1 TO Z6 AND STOP DISPLAYING CONSUMPTION FIGURE TEXT IN TOP CENTRE

ASK ALL WHO CODE 1 AT Q4, ELSE GO TO Q43
SHOW COMPARISON PICTURE DD
Q36.
You have now seen several different ways of comparing prices between suppliers. Now first of all, which of these two methods do you prefer?

Please choose one answer only **(SP)**

1. OPTION Z1
2. OPTION Z2
3. No preference at all **(GO TO Q38)**

ASK ALL WHO CODE 1 OR 2 AT Q36, ELSE GO TO Q38
SHOW COMPARISON PICTURE DD
Q37.

Thinking about your preferred method, what impact do you think it would have on you if this method was introduced for comparing all tariffs available?

Please choose one answer only **(SP)**

1. It would make me much more likely to consider switching to a new tariff or a new supplier
2. It would make me somewhat more likely to consider switching to a new tariff or a new supplier
3. It would make no difference to me
4. It would make me somewhat less likely to consider switching to a new tariff or a new supplier
5. It would make me much less likely to consider switching to a new tariff or a new supplier
6. Don't know

ASK ALL WHO CODE 1 AT Q4, ELSE GO TO Q43
SHOW COMPARISON PICTURE EE
Q38.
Which of these other four methods of comparing prices between suppliers do you prefer?

Please choose one answer only **(SP)**

1. OPTION Z3
2. OPTION Z4
3. OPTION Z5
4. OPTION Z6
5. No preference at all **(GO TO Q40)**

ASK ALL WHO CODE 1-4 AT Q38, ELSE GO TO Q40
SHOW COMPARISON PICTURE EE
Q39.
Thinking about this preferred method, what impact do you think it would have on you if this method was introduced for comparing all tariffs available?

Please choose one answer only **(SP)**

1. It would make me much more likely to consider switching to a new tariff or a new supplier
2. It would make me somewhat more likely to consider switching to a new tariff or a new supplier
3. It would make no difference to me
4. It would make me somewhat less likely to consider switching to a new tariff or a new supplier
5. It would make me much less likely to consider switching to a new tariff or a new supplier
6. Don't know

ASK ALL WHO CODE 1 AT Q4, ELSE GO TO Q43
SHOW COMPARISON PICTURE FF

Q40.
And finally, if you had to choose between all six methods of comparing prices between suppliers which one would you prefer?

Please choose one answer only **(SP)**

1. OPTION Z1
2. OPTION Z2
3. OPTION Z3
4. OPTION Z4
5. OPTION Z5
6. OPTION Z6
7. No preference at all **(GO TO Q43)**

ASK ALL WHO CODE 1-6 AT Q40, ELSE GO TO Q43
SHOW COMPARISON PICTURE FF
Q41.
Thinking about your preferred method, compared to the way you have seen prices compared before, would you consider your preferred method represents:

Please choose one answer only **(SP)**

1. A big improvement
2. A small improvement
3. No real change
4. A small change for the worse
5. A big change for the worse
6. Don't know

ASK ALL WHO CODE 1-6 AT Q40, ELSE GO TO Q43
SHOW COMPARISON PICTURE FF
Q42.
Again, thinking about your preferred method, which of these answers best describes what the table tells you about the amount you think you would pay if you chose the cheapest supplier using this method?

Please choose one answer only **(SP)**

The table shows:
1. The actual amount you would pay
2. The rough cost to you for each unit of electricity (per kilowatt hour – kWh) you use, excluding standing charges
3. The rough cost to you for each 1000 units of electricity (per megawatt hour – MWh) you use, excluding standing charges
4. Roughly how much you would pay each month in total
5. Roughly how much you would pay each year in total
6. Don't know

PART 2

ASK ALL (NON-E7 AND E7)
CODE 7 AND 8 ARE EXCLUSIVE

Q43.

Please choose all the sources below where you would like to see, or from which you would like to receive, this kind of price comparison information.

Please choose all that apply **(MP)**

1. In a national newspaper
2. In a local newspaper
3. Sent to me by my electricity supplier
4. Sent to me by a consumer organisation
5. In a price comparison website
6. By phoning a price comparison service
7. None – would not be interested in it
8. Don't know

ASK IF NATIONAL/LOCAL NEWSPAPER SELECTED (CODES 1 OR 2 AT Q43), ELSE GO TO Q45

Q44.

Bearing in mind that electricity prices vary somewhat in different parts of the country, would you prefer to see local price comparisons in your local newspaper only, or national price comparisons in national newspapers which include the prices in all areas?

Please choose one answer only **(SP)**

1. Local price comparisons in local newspapers
2. National price comparisons for all areas in national newspapers
3. No preference/it makes no difference to me

NEW SCREEN

Now a few questions about yourself…

ASK ALL

Q45.

Please select one answer option to state which, if any, is the highest educational or professional qualification you have obtained.

Please choose one answer only **(SP)**

1. GCSE/O-level/CSE
2. Vocational qualifications (NVQ1+2)
3. A-Level or equivalent (NVQ3)
4. Bachelor degree or equivalent (NVQ4)
5. Masters/PhD or equivalent
6. Other
7. No formal qualifications
8. Still studying

ASK ALL
Q46.
Do you have any long-standing illness, disability or infirmity that leads to a significant difficulty with one or more areas of your life?

Please choose one answer only **(SP)**

1. Yes
2. No

ASK ALL
Q47**.**
To which of the following ethnic groups do you consider you belong?

Please choose one answer only **(SP)**

White
1. British
2. Irish
3. Any other white background

Mixed
4. White and black Caribbean
5. White and black African
6. White and Asian
7. Any other mixed background

Asian or Asian British
8. Indian
9. Pakistani
10. Bangladeshi
11. Any other Asian background

Black or British Black
12. Caribbean
13. African
14. Any other black background

Chinese or other ethnic group
15. Chinese
16. Any other

17. Prefer not to answer

ASK ALL
Q48.
Do you have any particular difficulties with reading, writing or numbers, other than just with your eyesight?

Please choose one answer only **(SP)**

1. Yes
2. No

ASK ALL
Q49.
Is English your first language at home or not?

Please choose one answer only **(SP)**

1. Yes, English is my first language that I use at home
2. No, English is not my first language that I use at home

ASK ALL
Q50.
Which of these ranges comes closest to the total weekly/annual income of the whole of your household, before anything is deducted for Tax, National Insurance, Pension schemes etc.?

Please choose one answer only **(SP)**

LAYOUT AS TABLE SHOWN BELOW

	RADIO BUTTON (SP)	WEEKLY INCOME	ANNUAL INCOME
		£	£
1		Less than 86	Up to 4,499
2		87 - 124	4,500 - 6,499
3		125 - 144	6,500 - 7,499
4		145 - 182	7,500 - 9,499
5		183 - 221	9,500 - 11,499
6		222 - 259	11,500 - 13,499
7		260 - 298	13,500 - 15,499
8		299 - 336	15,500 - 17,499
9		337 - 480	17,500 - 24,999
10		481 - 576	25,000 - 29,999
11		577 - 769	30,000 - 39,999
12		770 - 961	40,000 - 49,999
13		962 – 1,442	50,000 - 74,999
14		1,443 – 1,923	75,000 - 99,999
15		1,924 or more	100,000 or more
16		Prefer not to answer	Prefer not to answer

CREATE A CODE FOR "EVER USES INTERNET" IN THE DATA AND CODE ALL RESPONDENTS AS 1 IN THIS VARIABLE

INCLUDE THE FOLLOWING VARIABLES FROM PANEL DATA

HCAL_STDREGION:

1. NORTH EAST
2. NORTH WEST
3. YORKSHIRE AND HUMBERSIDE
4. WEST MIDLANDS
5. EAST MIDLANDS
6. EAST ANGLIA
7. SOUTH WEST
8. SOUTH EAST
9. GREATER LONDON
10. WALES
11. SCOTLAND

HCAL_STDSOCIALGRADE:

1. UPPER MID CLASS (A)
2. MIDD CLASS (B)
3. LOWER MID CLASS (C)
4. SKILLED WRK CLASS (D)
5. WORKING CLASS (E)
6. LOWER LEV OF SUB (F)

HCAL_STDHOUSEHOLDSIZE:

1. Household with 1 individual
2. Household with 2 individuals
3. Household with 3 individuals
4. Household with 4 individuals
5. Household with 5 individuals or more

RECODE REGION FOR QUOTAS AND INCLUDE IN THE DATA:

1. England
2. Scotland
3. Wales

RECODE SOCIAL GRADE FOR QUOTAS AND INCLUDE IN THE DATA:

1. AB
2. C1
3. C2
4. D
5. E

ONLINE ONLY - Thank you for completing the survey

CAPI SURVEY ONLY

Q51. AGE - Please type in your age
(record exact age, numeric, allow 16-99)

RECODE:
1.16-24
2.25-34
3.35-44
4.45-54
5.55-64
6.65+

Q52. How many people are there in your household?

TYPE IN NUMBER

CAPI SURVEY - Thank you for completing the survey. Please hand the machine back to the interviewer.

INTERVIEWER - COMPLETE INTERVIEW:

Q53. INTERVIEWER: Fill in sex of respondent:

1. Male
2. Female

Q54. INTERVIEWER: Fill in SEG

1. AB
2. C1
3. C2
4. D
5. E

Q55. INTERVIEWER FILL IN REGION/COUNTRY WHERE HALL LOCATED:

1. North East
2. North West
3. Yorkshire and Humberside
4. West Midlands
5. East Midlands
6. East Anglia
7. South West
8. South East
9. Greater London
10. Wales
11. Scotland

Q56. Questionnaire **mainly** completed by:

1. Respondent
2. Interviewer

INSERT CODE 2 FOR “DO NOT USE INTERNET” FOR ALL HALL TEST RESPONDENTS