

Consumers' experiences with energy during the Covid-19 pandemic

July 2021 update



In April 2020 Ofgem began polling domestic energy consumers to understand the impact that social distancing measures introduced to reduce the spread of Covid-19 had on their energy consumption and their financial wellbeing. We are also monitoring consumer awareness of the support measures introduced by the Government to help, should people need assistance with paying energy bills.

Four waves of polling have been undertaken. We spoke to a fresh sample of adults each time. Fieldwork was carried out by Ipsos MORI.

Note, substantial questionnaire revisions were made between April and May 2020. Results for all four waves are shown when the question wording is consistent. Also note, results aren't strictly comparable between April 2020 (telephone methodology) and all subsequent waves due to a change in methodology.

Methodology: Ofgem Consumer Polling

Ofgem consumer polling Wave 1 (April 2020)

Fieldwork was carried out by Ipsos MORI, using a telephone survey with 1,000 adults aged 18+ across GB, from which a representative sample of 855 adults were domestic energy bill payers who have mains Gas or Electricity. Fieldwork ran from 3-12 April 2020.

Ofgem consumer polling Wave 2 (May 2020)

Fieldwork was carried out by Ipsos MORI, using an online survey with 2,000 adults aged 16-75 across GB, from which a representative sample of 1,885 adults were domestic energy bill payers who have mains Gas or Electricity. Fieldwork ran from 22-25 May 2020.

Ofgem consumer polling Wave 3 (October 2020)

Fieldwork was carried out by Ipsos MORI, using an online survey with 2,000 adults aged 16-75 across GB, from which a representative sample of 1,887 adults were domestic energy bill payers who have mains Gas or Electricity. Fieldwork ran from 2-6 October 2020.

Ofgem consumer polling Wave 4 (March 2021)

Fieldwork was carried out by Ipsos MORI, using an online survey with 2,000 adults aged 16-75 across GB, from which a representative sample of 1,864 adults were domestic energy bill payers who have mains Gas or Electricity. Fieldwork ran from 22 - 24 March 2021.

Consumers' energy consumption and bills

- Are consumers using more energy or concerned about their energy bills?
- Are any consumers reducing their energy use?
- Which consumers are most likely to be using more energy or expressing concern about energy bills?
- How many consumers with a credit meter have adjusted their payment arrangements?

Payment and top-up issues

- Are PPM customers worried about topping up?
- What issues with payment have PPM customers experienced?
- Do experiences with topping up PPMs vary between younger and older Britons?
- How many consumers have fallen behind on any regular household bills?
- Which household bills do consumers prioritise?

Awareness of Government support initiatives

- How many consumers are aware of support initiatives introduced by the Government?

Supplier switching

- How many consumers have switched supplier?

Energy use increased for the majority over winter and more are thinking about their energy bills

In March 2021, nearly three-in-five (58%) consumers agreed they were using more energy than normal for the time of year, significantly more compared to October 2020 (43%). And more were thinking about their energy bills in general (39%, up from 33% in October).

- There is likely to be a seasonal effect as energy use typically increases over winter, but the higher use may have been compounded by the requirement to stay at home during the winter lockdown.

However, certain pockets of the population have reduced their energy use

Conversely, around one-in-seven (14%) consumers decreased their energy use. This has been trending up throughout the tracking and is significantly higher compared to May 2020 (9%).

The consumers most likely to have reduced consumption were younger (28% among 16-24-year olds) or had experienced a negative financial impact resulting from the social distancing measures introduced to curb the pandemic.

- 28% of consumers who were worried that either they or their partner will lose their job had reduced their energy use, while 26% of those who lost their job had done this.
- Note that this survey does not explore the reasons why some consumers have reduced their consumption so we don't know the extent to which this might be due to energy rationing.

Around one-in-five were worried about paying bills, but this sentiment is steady

22% of consumers with a credit meter were concerned about their energy supply being impacted by the ongoing social distancing measures while 21% agreed they were worried they might fall behind on energy bills because of a fall in income. Levels of concern were similar compared to results seen throughout 2020.



Younger Britons remain the age group most worried about energy bills and the most likely to have fallen into arrears

In March 2021, twice as many consumers with a credit meter and aged 16-34 (42%) were worried they might fall behind on energy bills due to a fall in income, compared to the Great Britain (GB) average (21%). At the same time, nearly three times as many had fallen into arrears on their energy bills (20%) compared to the GB average (7%).

Many prepayment meter (PPM) customers had concerns about topping up, although this sentiment is steady

Nearly a third of PPM customers were worried about being able to top up because of a fall in income (32%), although this proportion hasn't increased compared with 2020.

Around a quarter (27%) were worried they wouldn't be able to top up because they couldn't leave their home or because their top up shop was closed (26%).*

Fewer PPM customers reported needing to access emergency credit, although some have reduced their energy use

Significantly fewer PPM customers drew on emergency credit in March 2021 (27%) compared to October 2020 (35%).

However, around one-in-seven PPM customers reduced the amount of energy they used (14%) or reduced the amount they put on the meter (13%). 10% ran out of credit and were temporarily disconnected.

In March 2021 more Britons aged 16-34 had to use emergency credit (32%) compared to those aged 35+ (24%) or were temporarily disconnected (14% vs 7%).



* Polling was undertaken during a national lockdown.

One-in-eight have fallen behind on household bills

We asked consumers if they'd fallen behind on any household bills in the past few months. 12% told us they had. This increased to a quarter among 16-24 year olds (24%).

Consistent with October, consumers would prioritise accommodation costs, council tax and insurance above other bills if required to do so for financial reasons. Consumers prefer to reduce energy use rather than deferring payment for it

Approximately half said they would not defer insurance bills, council tax or accommodation bills.

- 50% wouldn't defer their rent or mortgage payments and 48% wouldn't defer council tax.

When it comes to energy, groceries, mobile phones and credit cards, consumers tend to say they would reduce the amount they spend rather than attempt to defer payment.

- 64% would reduce spending on food/groceries, while 52% would spend less on energy. 51% would reduce spending on credit cards and mobile phones.



Around a quarter of consumers with a credit meter were aware of financial support available to them

- Consistent with previous waves, 30% of consumers with a credit meter knew they could ask suppliers to reduce payments or provide payment holidays, and almost a quarter (23%) knew their energy supply can't be cut off if they fall into arrears on bills.*

Awareness of support for PPM customers was relatively low

- One-in-six (16%) PPM consumers knew that suppliers can provide assistance with topping up for those unable to leave home.
- Meanwhile 22% knew smart PPMs could be converted to a credit meter, topped up online or that their supplier could extend the duration of emergency credit on these meters.**

Switching intentions continued to rise

In March 2021, 26% of consumers were thinking about switching supplier while 13% were in the process of switching or actively looking for a new supplier. Both metrics have been trending up over time and are now significantly higher compared to May 2020.

* Suppliers cannot cut off households on credit meters who are unable to pay their energy bill without first trying to find ways to help the household pay off the debt. [Energy supply disconnection and prepayment meter rules | Ofgem](#).

** [A new range of protections for PPM consumers](#) was introduced in December 2020, requiring suppliers to identify PPM consumers who are self-disconnecting and to offer short-term support.



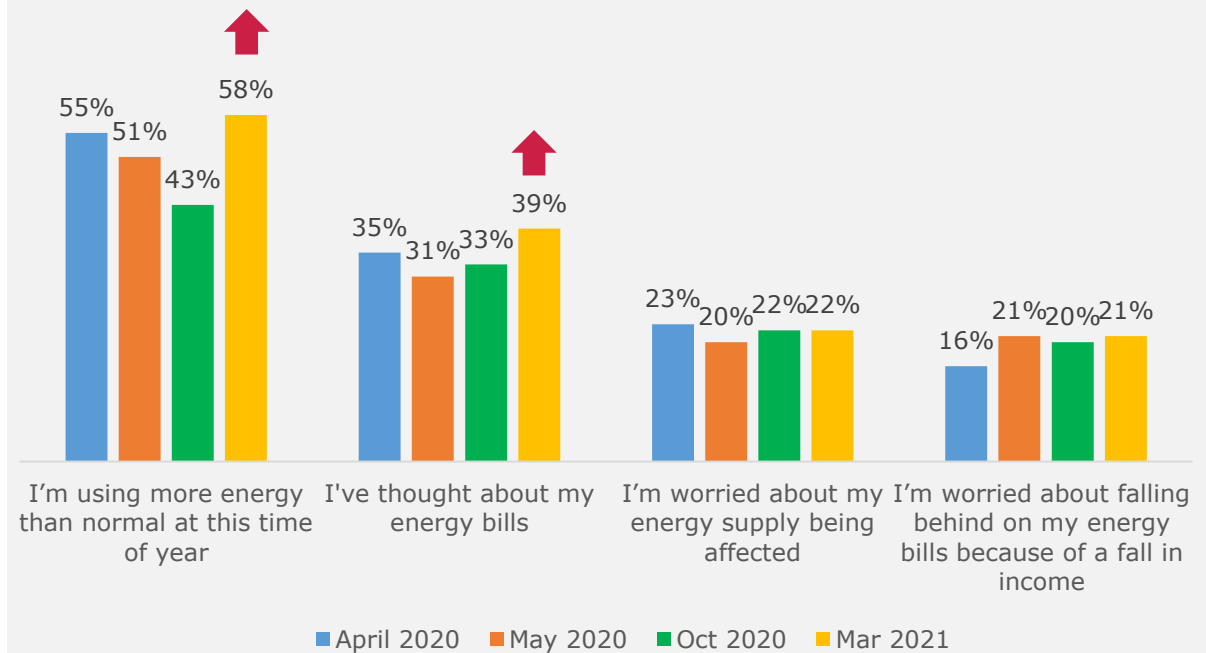
Energy use increased for the majority over winter and more are thinking about their energy bills.

- In March 2021, perceptions of higher than normal energy use increased to a tracking high (58%), while the number of people who gave thought to their energy bills rose from a third (33%) to almost two-in-five (39%).

Concern about supply or falling behind on bills due to a drop in income has held steady over the duration of our tracking.

- Around one-in-five are worried about their supply being affected (22%) or about falling behind on their energy bills (21%).

Concerns about energy bills (All GB)



To what extent do you agree or disagree with the following statements? % who agree shown on chart. Note that in April 2020 consumers were asked whether they agree or disagree with the statement "I haven't thought about the impact on my energy bills" - % who disagree shown on chart. Sample base: All Customers April 2020 n=855, May 2020 n= 1880, October 2020 n=1887, March 2021 n=1864. Arrows denote a statistically significant change between October 2020 and March 2021 at the 95% confidence level.

As noted on the previous slide, in March 2021 around three-in-five (58%) consumers perceived their energy use to be higher than normal for the time of year.

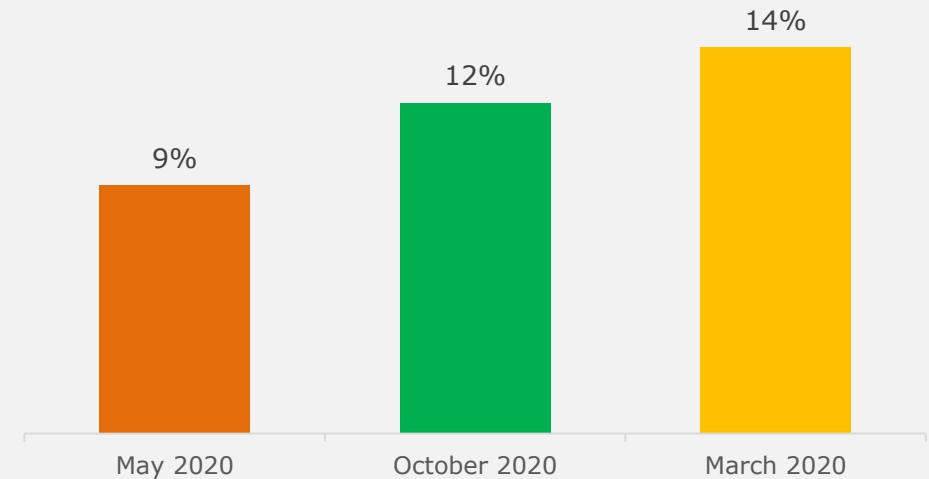
Conversely one-in-seven (14%) reduced the amount of energy they used and this has significantly increased between May 2020 and March 2021.

In March 2021, the consumers most likely to have reduced their consumption were either young, had experienced a negative financial impact from the pandemic or were worried they would experience a negative financial impact from the pandemic, including:

- 28% of 16-24 year olds
- 28% of those who have fallen behind on household bills
- 28% of those who were worried they or their partner would take a pay cut or other loss of income
- 26% of those who had, or their partner had, lost their job.

Note that this survey does not include questions exploring the reasons why consumers have reduced the amount of energy they are using.

% of consumers who have reduced the amount of energy they're using



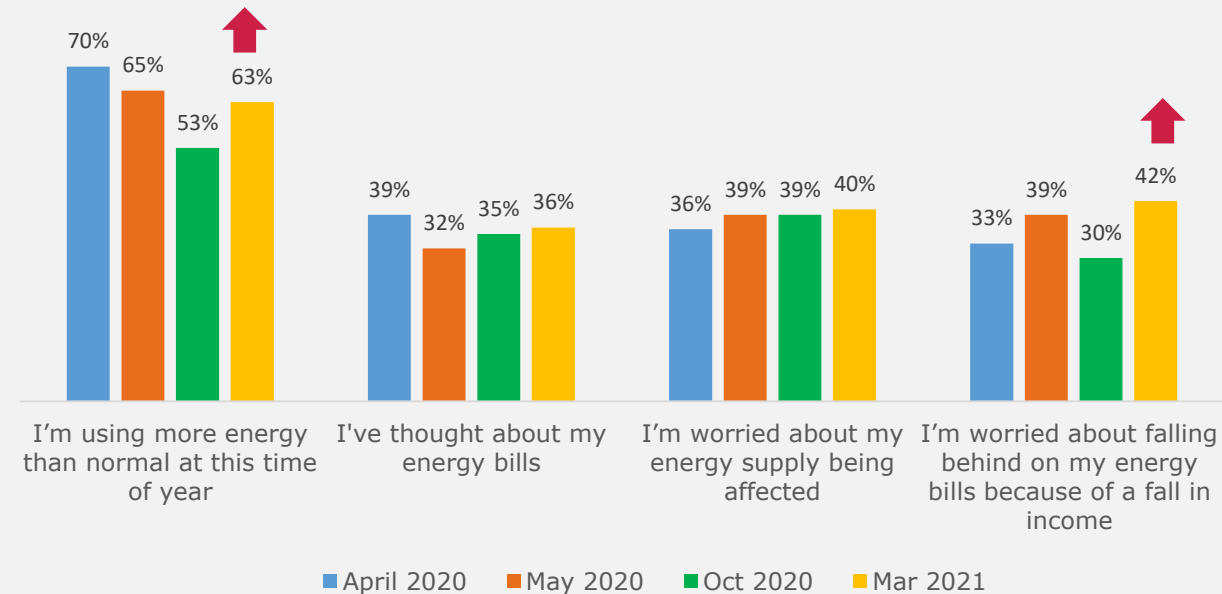
Thinking about your energy bills since the Government asked people to socially distance themselves from each other. Which, if any, of the following have happened to you or your household - I've reduced the amount of energy I'm using?

Sample base: All consumers: May 2020 n= 1880, October 2020 n=1887, March 2021 n=1864.

Britons aged 16-34 continue to be the group most concerned about energy bills:

- In March 2021, twice as many were worried about being able to pay energy bills due to a fall in income (42%) compared to the GB average (21%). This concern has significantly increased among this age group compared with October 2020.
- Similarly, nearly twice as many were concerned about their energy supply (40%) compared to the GB average (22%).

Young peoples' concerns about energy bills



To what extent do you agree or disagree with the following statements? % who agree shown on chart
 Note that in April 2020 consumers were asked whether they agree or disagree with the statement "I haven't thought about the impact on my energy bills" - % who disagree shown on chart.
 Sample base: April 2020 (aged 18-34) n=140, May 2020 (aged 16-34) n=568, October 2020 (aged 16-34) n=550; March 2021 (aged 16-34) n=545. In April 2020 the sample was aged 18 and older.
 Arrows denote a statistically significant change between October 2020 and March 2021 at the 95% confidence level.

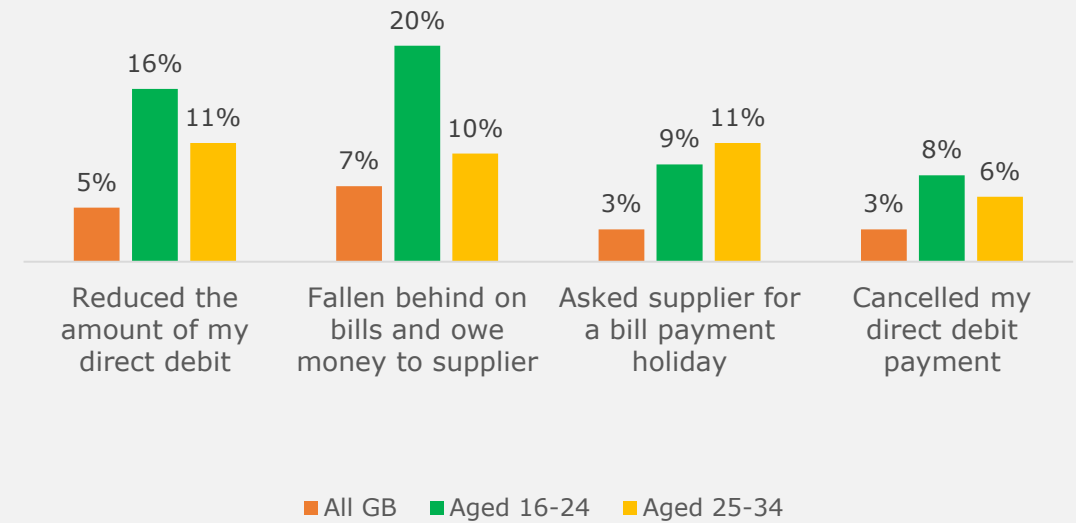
How many consumers with a credit meter have adjusted their payment arrangements?

Across GB, around one-in-twenty consumers with a credit meter have made changes to their bill payment arrangements.

However, consumers aged under 35 were more likely to have been affected by social distancing measures, especially those in the 16-24 age group.

- In March 2021, one-in-five (20%) consumers aged 16-24 had fallen behind on bills and owe money to their supplier while 16% had reduced the amount of their direct debit.
- Around one-in-twelve 16-24 year olds had asked for a bill payment holiday (9%) or cancelled their direct debit (8%).

Have any of the following happened to you? (Among those with a credit meter, March 2021)



Have any of the following happened to you?
Sample base: Customers with a credit meter.
Pay by direct debit n=1438 (Aged 16-24 n=118, Aged 25-34 n=248). Pay by direct debit or standard credit n=1605 (Aged 16-24 n=158, Aged 25-34 n=287).

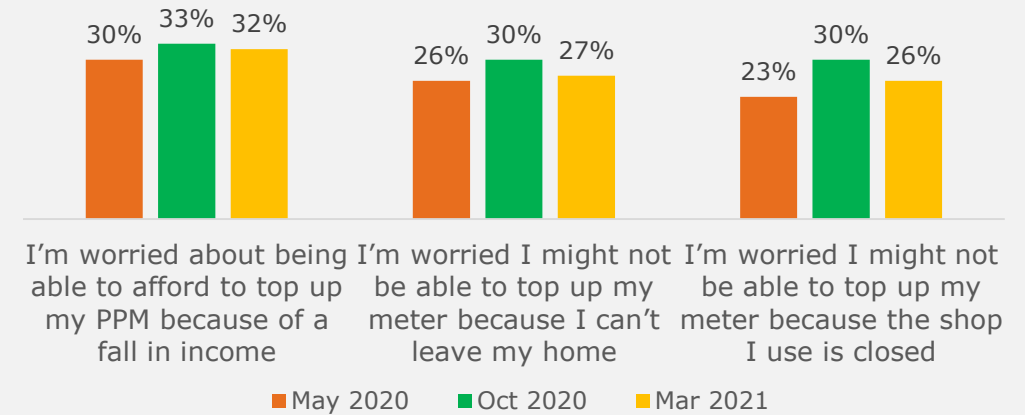
Fears about being unable to top up because of a fall in income remained the most common concern among PPM customers (32% in March – consistent with previous waves).

Just over a quarter of PPM customers were worried they may be unable to top up because they couldn't leave their home (27%) or because their top up shop was closed (26%), a marginal decrease compared to October.

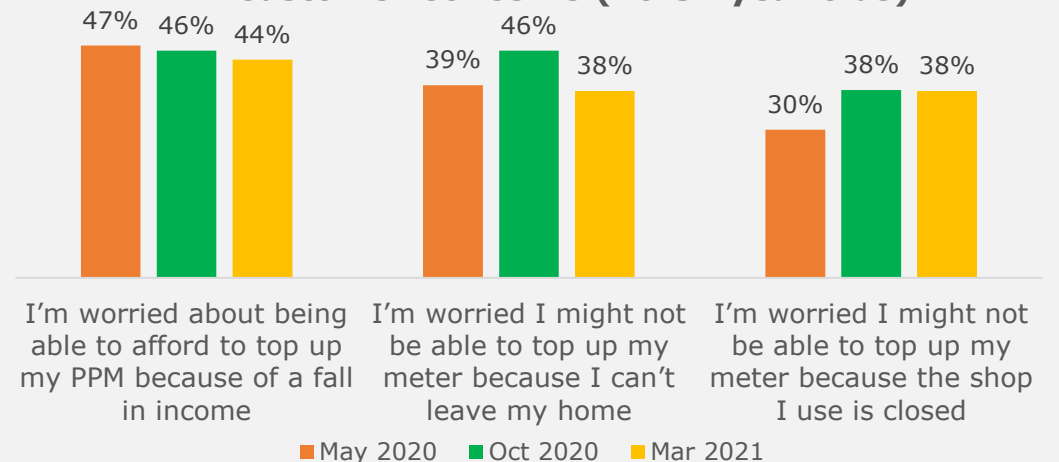
More consumers aged 16-34 with a PPM were concerned about topping up compared to the GB average.

- Around two-in-five were worried they'd be unable to top up due to a fall in income (44%) or that they'd be unable to access top up points, either because they couldn't leave their home (38%) or because the shop they normally use was closed (38%).

PPM Customer Concerns (All GB)



PPM Customer Concerns (16-34 year olds)



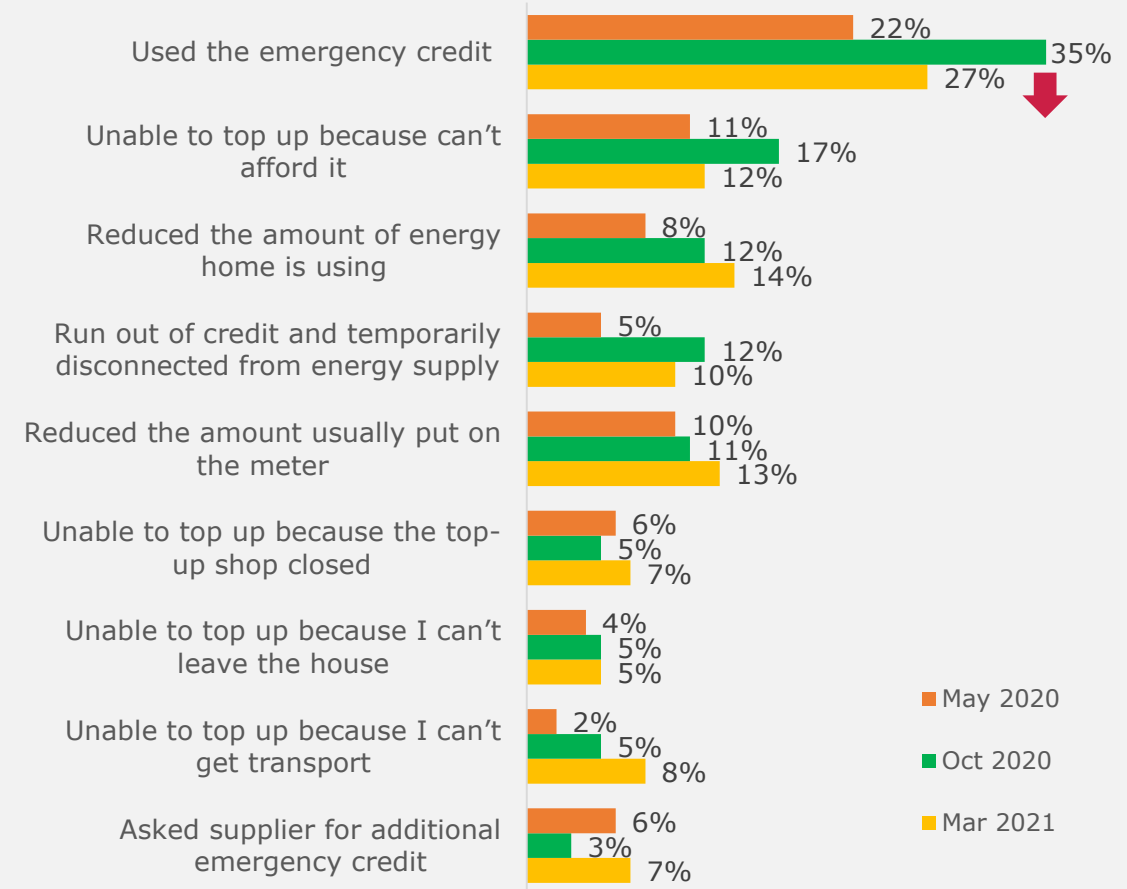
To what extent do you agree or disagree with the following statements? % who agree shown on charts
Sample base: Customers with a PPM. May n=241, October n=215, March n=266. PPM customers aged 16-34, May n=89, October n=81, March n=110. Chart does not show April 2020 data as samples are too small when results are broken down by age group.

In March 2021, fewer PPM customers reported needing to access emergency credit, although one-in-seven have reduced their energy use (14%).

- 27% reported they had made use of emergency credit - a statistically significant fall compared to October (35%).
- However, around one-in-seven are taking steps to reduce their expenditure. 14% reduced the amount of energy they used while 13% reduced the amount they put on the meter.
- 10% ran out of credit and were disconnected from their supply, while 12% said they were unable to top up because they couldn't afford it.

Ofgem introduced a [new range of protections for PPM consumers](#) in December 2020 to help support them should they face difficulty with topping up their meter.

What issues have PPM customers experienced with topping up?



Have any of the following happened to you?

Base: Customers with a PPM, May 2020 n=241, October 2020 n=215, March 2021 n=266.

The response frame for the question was changed between April and May 2020, so only results from May 2020 onward are shown.

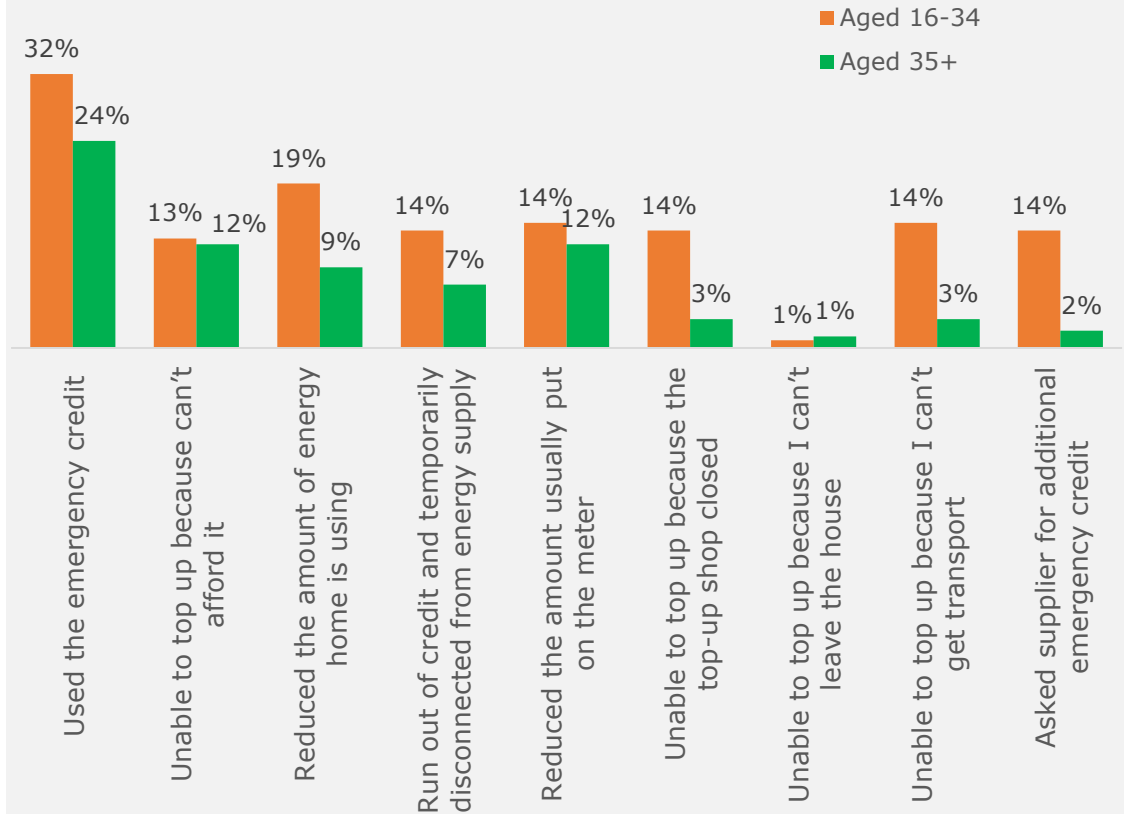
Arrows denote a statistically significant change between October 2020 and March 2021 at the 95% confidence level.

Do experiences with topping up PPMs vary between younger and older Britons? (March 2021)

More consumers aged 16-34 have experienced issues when topping up compared with those aged 35+.

- Affordability issues:
 - Nearly a third (32%) of 16-34 year olds have used emergency credit compared to 24% among those aged 35+.
 - Twice as many aged 16-34 reduced the amount of energy used (19%) compared to consumers aged 35 or over (9%).
 - One-in-seven (14%) asked their supplier for additional emergency credit (compared to 2% of those aged 35 or over).
 - More have been temporarily disconnected (14% vs 7%).
- Issues arising because of social distancing:
 - More 16-34 year olds were unable to top-up because they couldn't get transport (14%) compared to those aged 35+ (3%) or because their usual top up shop was closed (14% vs 3%).

Issues experienced by PPM customers when topping up by Age

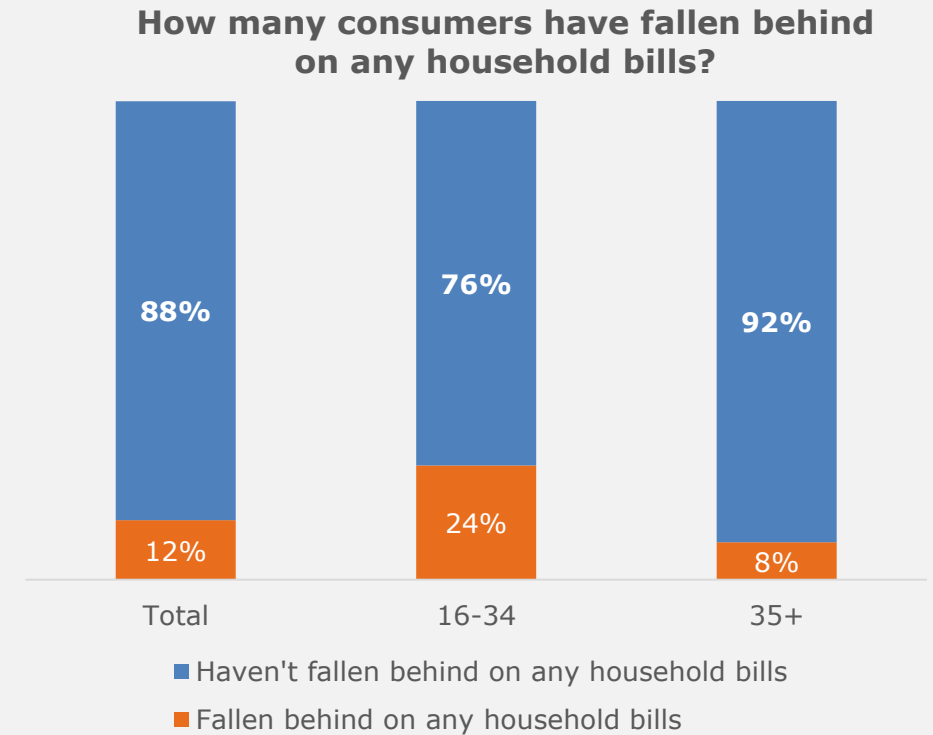


Have any of the following happened to you?
Base: Customers with a PPM, Aged 16-34 n=110, Aged 35+ n=156.

How many consumers have fallen behind on any regular household bills? (March 2021)

In March, 12% of Britons said they'd fallen behind on household bills (similar to October 2020 – 13%).

- Three times as many Britons aged 16-34 had fallen behind on bills compared to those aged 35+ (24% vs 8%).



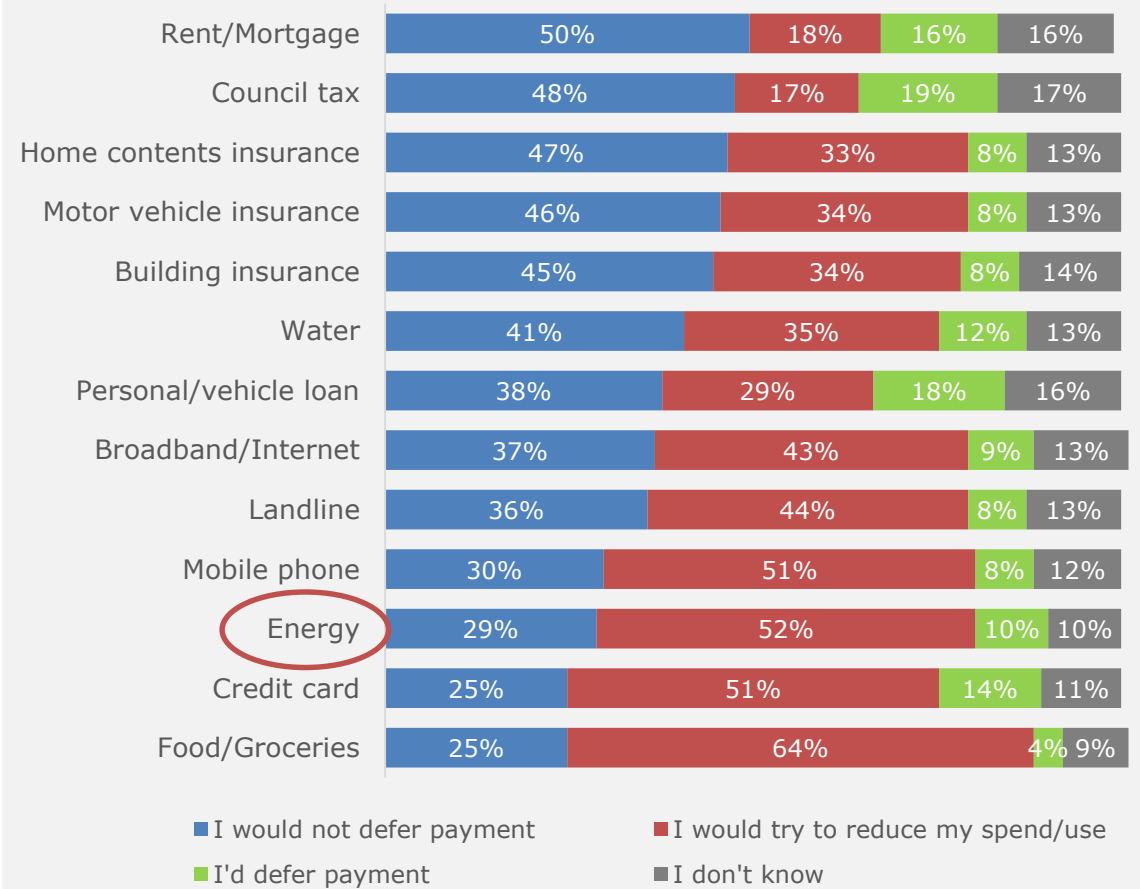
You mentioned you had fallen behind on your energy bills. Have you fallen behind on any other household bills in the last few months? / Have you fallen behind on any of your regular household bills in the last few months?

Sample base: All GB n=1864, Aged 16-34 n=545; Aged 35+ n=1319.

We explored which household bills would be prioritised by households if they encountered financial difficulties.

- The bills consumers would prioritise are: accommodation costs, council tax and insurances (around half would not defer payment for each of these).
- Whereas more than half of consumers say they would try to reduce the amount they spend on food/groceries, energy, credit cards or mobile phone bills rather than deferring payment.

Which bills do consumers prioritise?



You mentioned that you are responsible for paying the following household bills or expenses. If your financial situation changed significantly and you found yourself in a situation where you were unable to pay for all of these, which, if any, of these would you try to reduce expenditure on or defer payments and which would you not?

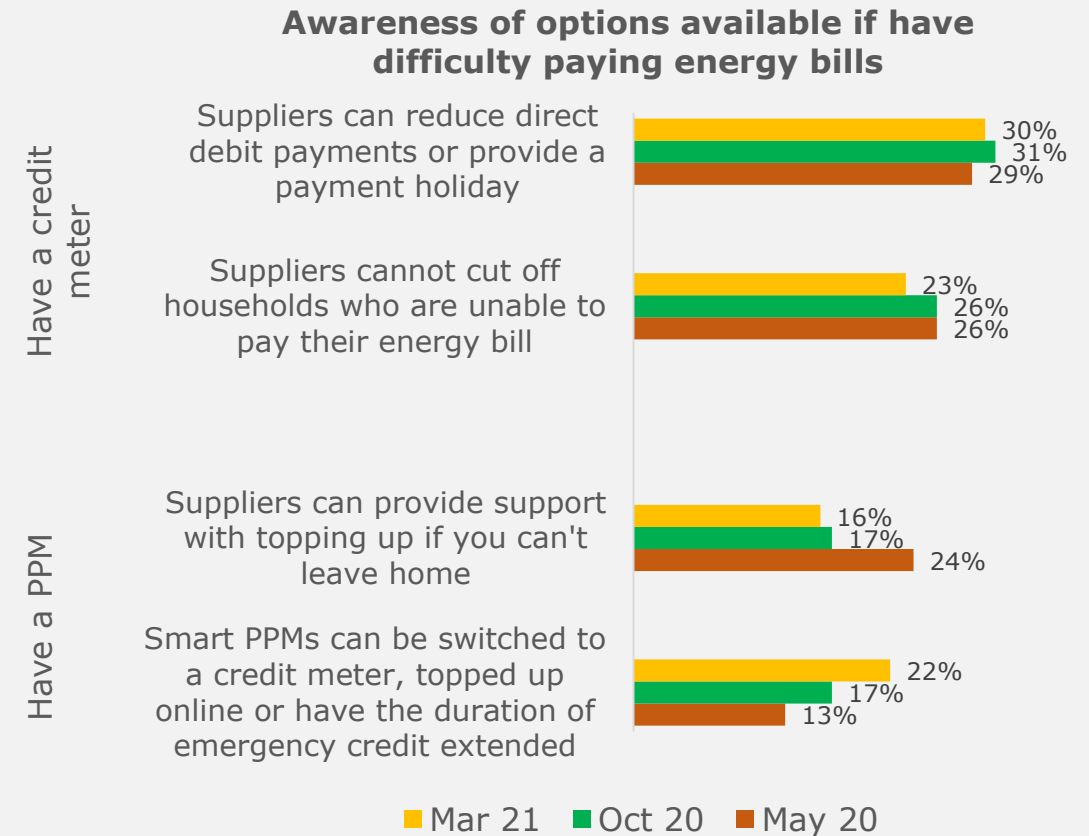
Sample base: Consumers who pay each type of bill – see appendix for sample sizes.

Initiatives for credit meters:

- Consistent with previous waves, 30% of consumers with a credit meter knew they could ask suppliers to reduce payments or provide payment holidays, and almost a quarter (23%) knew they can't be cut off.

Initiatives for prepayment meters

- One-in-six (16%) PPM consumers knew that suppliers can provide assistance with topping up for those unable to leave home.
- While 22% knew smart PPMs could be converted to a credit meter, topped up online or that their supplier could extend the duration of emergency credit on these meters. This has significantly increased since May 2020 (13%).



The Government has introduced some measures to help people manage their energy bills during isolating/social distancing. Before being interviewed today, which, if any, of the following were you aware of?

Note: suppliers cannot cut off households on credit meters who are unable to pay their energy bill without first trying to find ways to help the household pay off the debt.

Sample base: Have a credit meter May 2020 n=1698, October n=1712 March 2021 n=1625; Have a PPM May n=241, October n=215, March 2021 n=266.

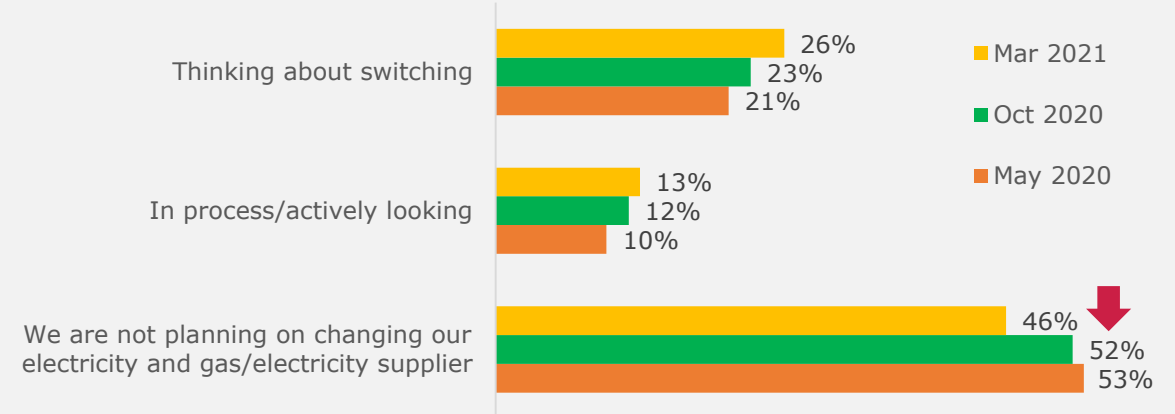
There has been a steady increase in the proportion of consumers who are either considering switching or in the process of switching supplier since May 2020.

- In March 2021, 26% were thinking about switching and a further 13% were actively looking or in the process of switching.
- Consumers aged 16-24 remained the group most likely to be thinking about switching (35%) or actively looking/in process (30%).

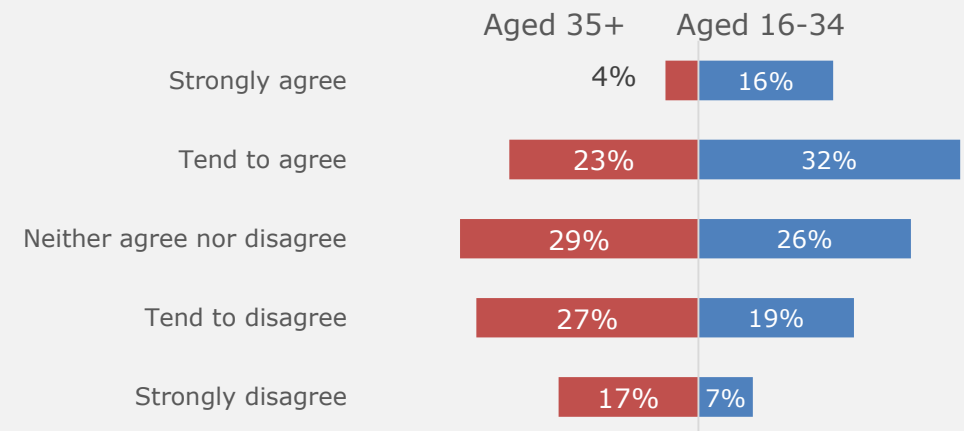
We asked consumers which type of supplier they'd consider.

- More consumers aged 16-34 expressed a preference for large, well-known suppliers compared to those aged 35+.

Supplier switching



I'd only consider a large, well-known supplier



Which of the following, if any, best describes what those in your household are doing right now?
To what extent do you agree or disagree with the statement I'd only consider using a large, well-known supplier? Sample base: All consumers; May 2020 n=1880; October 2020 n=1887; March 2021 n=1864
Arrows denote a statistically significant change between October 2020 and March 2021 at the 95% confidence level.

Type of bill	Sample size (consumers who are responsible for paying each bill)
Energy	1903
Water	1462
Rent / Mortgage	1069
Food / Groceries	1664
Mobile Phone	1575
Broadband / Internet	1529
Council Tax	1491
Home Contents Insurance	1100
Building Insurance	917
Motor Vehicle Insurance	1049
Credit Card	1086
Personal / Vehicle Loan	377
Landline Telephone	1115

Credit meter: These meters measure how much energy you are using. Energy suppliers then create a bill based on this information and send it to customers for payment. Customers with a credit meter usually pay their energy bill through a direct debit payment or by transferring money/sending a cheque/paying cash on receipt of the bill.

Prepayment meter (PPM): With a prepayment, or 'pay as you go' tariff, you pay for your energy before you use it - usually by adding money to a 'key' or smart card, which is then inserted into the meter.

Emergency credit: This is a provision on a prepayment meter that suppliers extend to customers when their prepayment meter credit runs low or runs out to ensure continuity of supply or return on supply.

Ofgem is the Office of Gas and Electricity Markets. We are a non-ministerial government department and an independent National Regulatory Authority, recognised by EU Directives. Our role is to protect consumers now and in the future by working to deliver a greener, fairer energy system.

We do this by:

- **working with Government, industry and consumer groups to deliver a net zero economy at the lowest cost to consumers.**
- **stamping out sharp and bad practice, ensuring fair treatment for all consumers, especially the vulnerable.**
- **enabling competition and innovation, which drives down prices and results in new products and services for consumers.**