

HOUSEHOLD CONSUMER PERCEPTIONS OF THE ENERGY MARKET

Prepared by Quadrangle for Citizens Advice and Ofgem

Q3'21 – September - October 2021



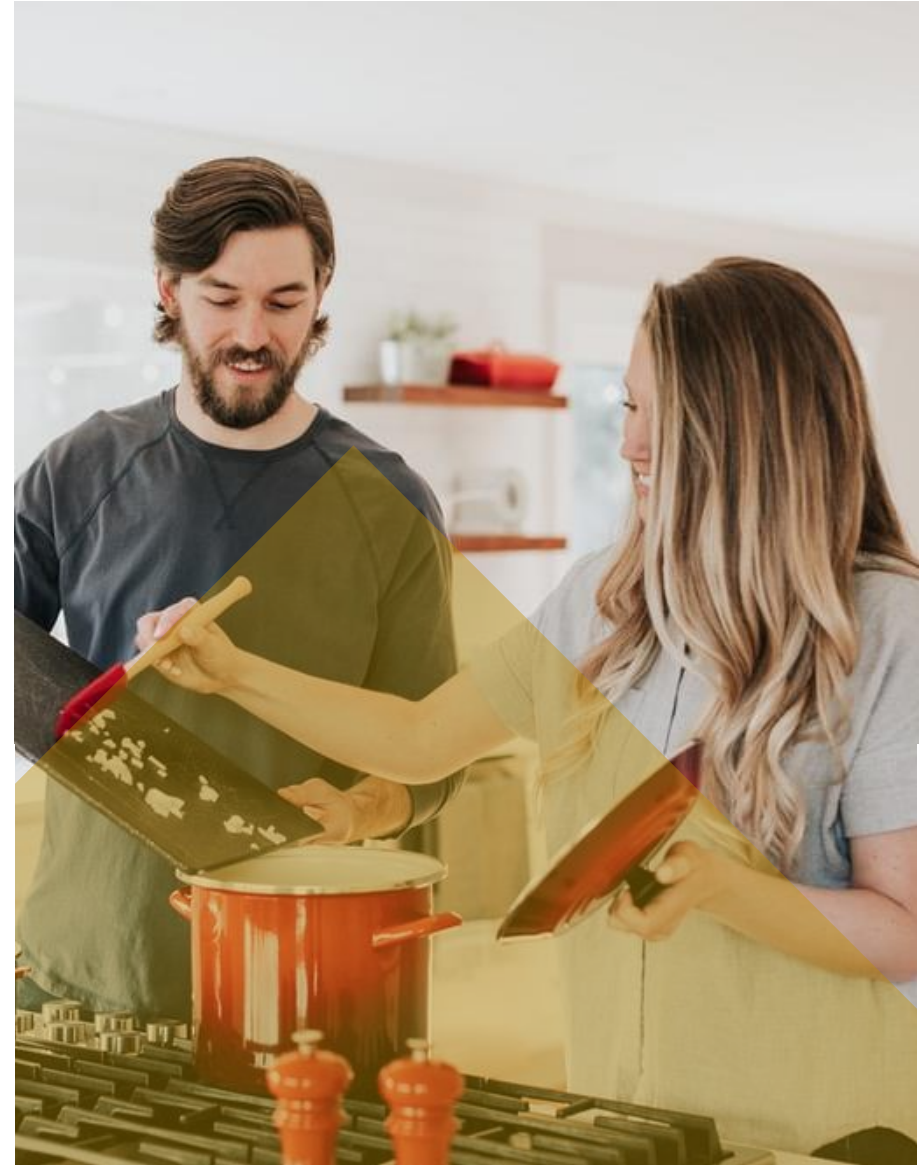


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- **Objectives** - The purpose of the research is to measure how well gas and electricity suppliers deliver to customer service principles set out by Ofgem, as well as providing measurement of topical energy issues and an understanding of consumer experiences when dealing with suppliers or energy matters. Ofgem and Citizens Advice have been jointly funding this research since 2018.
- **Methodology** – Data for the current quarter (Q3'21) was collected between 24th September – 18th October 2021, using a mixed-method approach. The majority of the interviews were conducted using Computer-Assisted Web-Interviewing (3,059 interviews). Consumers who are digitally-excluded were interviewed using Computer-Assisted Telephone Interviewing (150 interviews).
- **Quotas and weighting** - The survey follows the same approach as previous quarters and uses quotas to achieve a sample representative of the GB bill-payer population (other than gender). Data is also weighted to the known profile of the GB population.



Overall satisfaction

Consumers are generally **satisfied** with their energy supplier overall (72%), which is similar to the previous wave Q2'21 (May 2021) (73%).

The **customer service** that suppliers provide is the most important driver of consumers' overall satisfaction (contributes 70% of the satisfaction score), followed by **billing** (contributes 9%). Consumers' experiences with their suppliers in terms of customer service and billing are stable compared to Q2'21. Other experiences with the supplier are also important, but less so.

Customer service performance

- **Customer service:** consumers are mostly satisfied with the service they receive from their gas and electricity suppliers (71%), which is consistent with Q2'21. A small proportion are dissatisfied (9%) – this is being driven by issues contacting suppliers by phone, and difficulties with specific queries (billing, tariff changes, and meter readings).
- **Contact ease:** perceptions of contact ease are broadly stable compared to last quarter (66%), but perceptions of each contact channel vary – consumers are most likely to find it difficult to contact their supplier by phone (32% find it difficult).
- **Billing:** satisfaction levels remain constant compared to Q2'21 – most consumers are satisfied with the ease of understanding their bill (74%) and the accuracy of their bill (74%).
- **Complaints handling:** for the first time since Q1'20, a higher proportion of those who complain are satisfied with complaint handling (41%) than are dissatisfied (32%). This is driven by suppliers responding more quickly to consumer complaints. However, there is still lots of room for improvement.
- **Switching:** most people find it easy to compare suppliers and prices, and those who switch are generally satisfied with the process (82%). However, fewer consumers are satisfied with the switching process this quarter.

Affordability and debt support

- This quarter more consumers are concerned they are going to struggle to pay energy bills (33%, vs 21% in previous wave, May 2021).
- However, the proportion of **credit meter** consumers that have fallen behind on an energy bill is consistent with last quarter (9%). 62% of these have sought support from their supplier about paying their energy bills, and most are satisfied with the support received (68%).
- 27% of consumers who pay for their energy using a **prepayment meter** have run out of credit, and 5% of prepayment consumers have run out of credit for 3 hours or more.

Supplier of Last Resort process (SoLR)

- While most consumers who have been transferred to a new supplier by Ofgem were satisfied with the Supplier of Last Resort process (58%), 19% were dissatisfied.
- Common reasons given for dissatisfaction are price increases after being transferred, delayed refunds, lack of choice over the new supplier, and a lack of communication from the suppliers.
- Consumers' experiences of customer service from the supplier of last resort are mixed – 21% consumers report the customer service is better at their new supplier, while 23% say it is worse.



RESEARCH OVERVIEW

The survey focuses on measuring how well gas and electricity suppliers deliver to customer service principles set out by Ofgem, as well as providing measurement of topical energy issues and an understanding of consumer experiences when dealing with suppliers or energy matters.

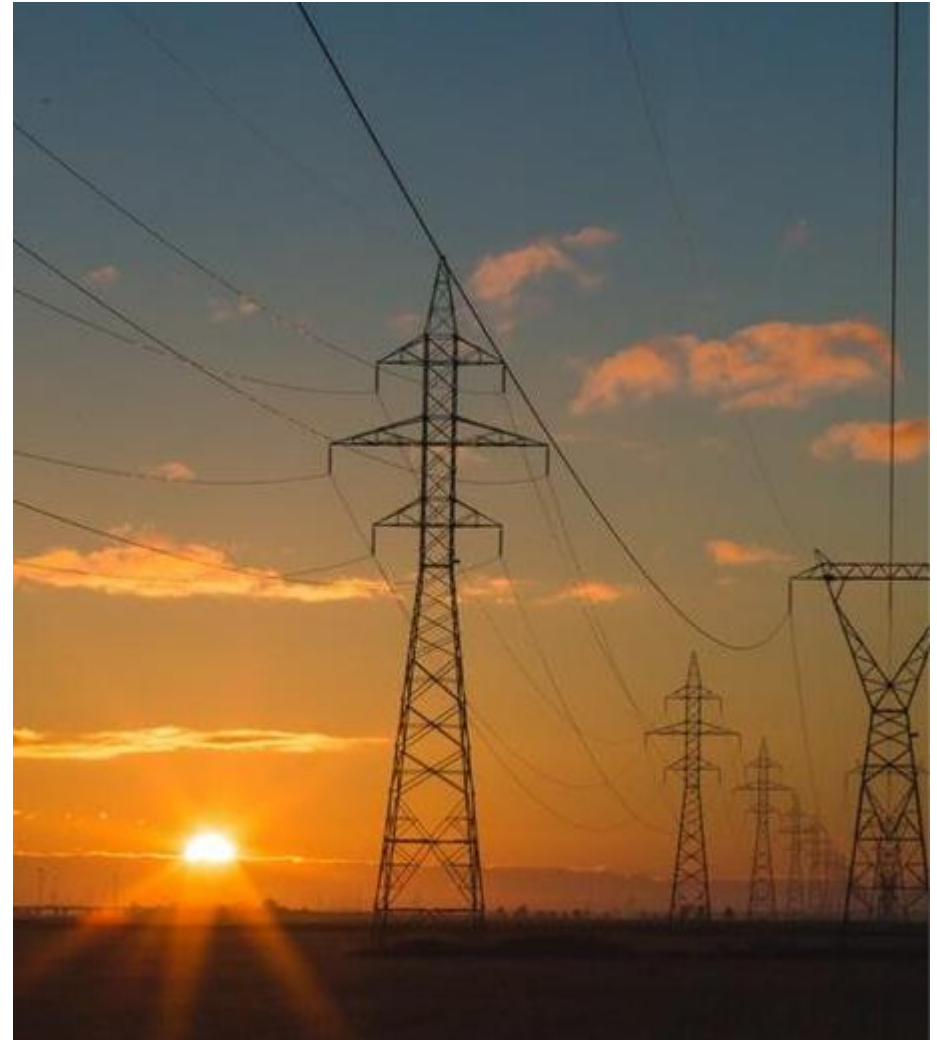
Background to the survey



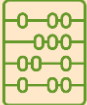


- Ofgem and Citizens Advice have been jointly funding a tracking survey of approximately 3,200 GB domestic energy consumers to measure the quality of service delivered by domestic energy suppliers since 2018.
- The survey has been running approximately once per quarter to monitor changes over time. This report focuses on Q3'21 (September and October 2021).
- This wave, there has been a change of provider conducting the research on behalf of Ofgem and Citizens Advice (Quadrangle). There has consequently been a review of the question set in the survey – some key questions have been maintained, and these results are therefore comparable to previous waves of the survey. However, some questions have been added or amended (the results from these questions will not be comparable to previous waves of the research).

Research objectives

Key research objectives are to:

- Measure satisfaction with the dimensions of customer service at GB level
- Determine which areas of customer service are stronger / weaker
- Monitor changes to the quality of service provided over time
- Understand how satisfaction and experiences of energy vary across different consumer groups (e.g. how they pay for energy and demographics)
- Measure consumer attitudes towards topical issues, such as affordability concerns and experiences of the SoLR process



Main survey	Digitally excluded respondents
 <p>Data was collected using a mixed-method approach. The majority of the interviews were conducted using Computer-Assisted Web-Interviewing (CAWI).</p>	<p>Consumers who are digitally-excluded were interviewed using Computer-Assisted Telephone Interviewing (CATI).</p>
 <p>Consistently with previous waves of the research, respondents were sourced from the Savanta online panel.</p>	<p>Respondents were sourced from a database of GB consumers.</p>
 <p>3,059 responses were collected.</p>	<p>150 interviews were achieved.</p>
 <p>1st October 2021 – 18th October 2021</p>	<p>24th September 2021 – 4th October 2021</p>
 <p>Respondents were included in the survey if they met the following criteria:</p> <ul style="list-style-type: none"> • Know the energy type they have in their home • Are responsible for their household’s energy bills or for choosing their energy supplier • Pay their energy bills directly to their supplier • Specified their age, gender, region, and socio-economic grade (for quotas and weighting purposes) • Know who their energy supplier is 	<p>In addition to the screening criteria in the main survey, these respondents also either:</p> <ul style="list-style-type: none"> • Do not have internet access at either home, work, or another location • Are not confident using the internet • Have <i>only</i> used the internet in the past 6 months for email, general browsing, accessing news/sports websites, or accessing social media – rather than using the internet for more complex tasks such as online banking

FIELDWORK DATES

The fieldwork timings for each of the quarters of the research are shown in the table below.

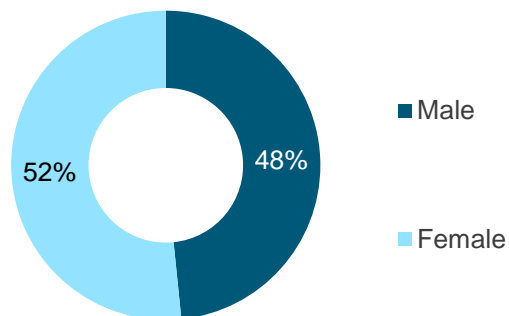
	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20
Main survey	24 th Oct – 11 th Nov 2018	29 th Jan – 6 th Feb 2019	26 th Mar – 15 th Apr 2019	3 rd – 17 th Jul 2019	1 st – 23 rd Oct 2019	6 th – 22 nd Jan 2020	1 st – 17 th Apr 2020
Digitally excluded respondents	24 th Oct – 13 th Nov 2018	31 st Jan – 17 th Feb 2019	1 st – 16 th Apr 2019	1 st – 23 rd Jul 2019	3 rd – 17 th Oct 2019	9 th – 24 th Jan 2020	1 st – 24 th Apr 2020

	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Main survey	21 st Aug – 16 th Sep 2020	20 th Nov – 15 th Dec 2020	5 th – 20 th Feb 2021	5 th – 20 th May 2021	1 st – 18 th Oct 2021
Digitally excluded respondents	24 th Aug – 28 th Sep 2020	24 th Nov – 14 th Dec 2020	n/a	n/a	24 th Sep – 4 th Oct 2021

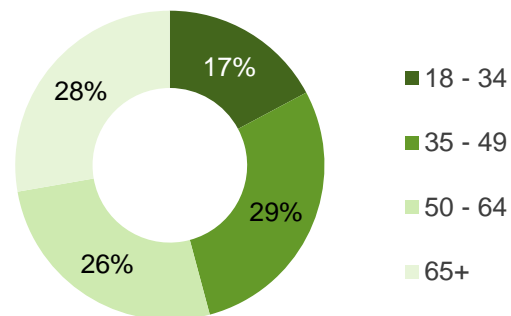
QUOTAS AND WEIGHTING

The survey follows the same approach as previous waves, and uses quotas to achieve a sample representative of the GB bill-payer population (other than gender). Quotas are set on gender, age, socio-economic group (SEG) and region. Data is weighted to the known profile of the GB population. Quotas were based on census Household Reference Person (HRP) as a proxy for bill-payer.

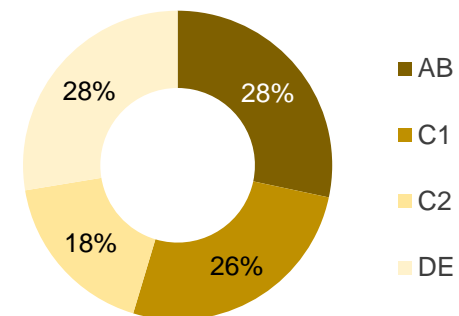
Gender



Age



Socio-economic group (SEG)



Region



Weighted data shown

Base sizes: Q3'21=3209

Q8. Please indicate your gender. Q7. Which of the following age groups are you in? Q9. How would you describe the occupation of the main income earner in your household? Q13. Please can you tell us which region you live in?



OVERALL SATISFACTION OVERVIEW

Consumers are generally satisfied with their supplier, which is consistent with the previous quarter – in the context of the gas crisis, it will be interesting to monitor this.

Consistent with previous waves, just under three-quarters (72%) of consumers are satisfied with their supplier overall.

Those significantly more likely to be satisfied are:

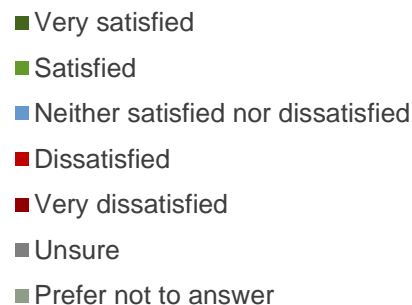
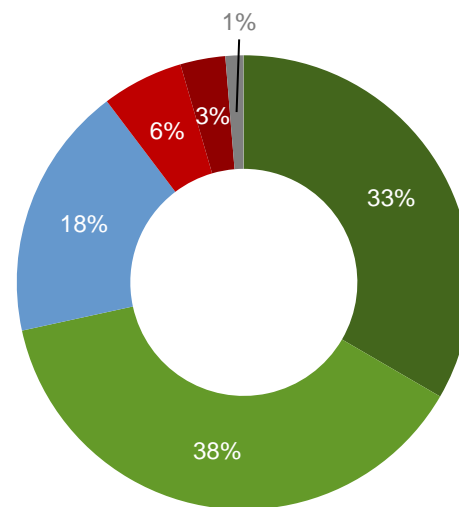
- Older consumers (aged 65+, 76%) – driven by positive perceptions of their supplier’s customer service
- Digitally excluded consumers (83%) – this is because digitally excluded consumers are less likely to feel neutrally about their supplier. This means that whilst digitally excluded consumers are more likely to be satisfied, there remains a significant proportion that are not.

However, a tenth of consumers are dissatisfied (9%).

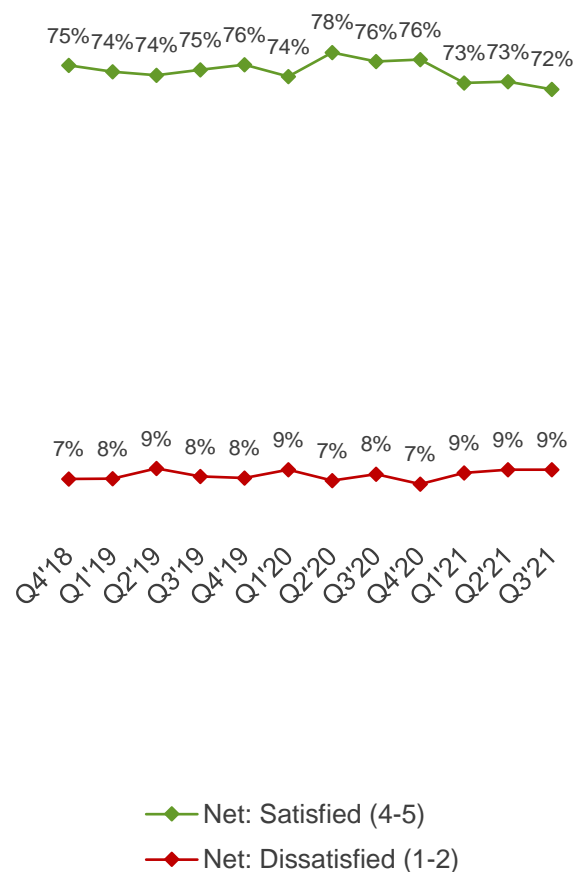
Those significantly more likely to be dissatisfied are:

- Concerned about affordability (i.e. that they are not going to be able to pay their energy bills, 13%)
- Black-African people (15%) – driven by dissatisfaction with billing
- Consumers currently receiving state benefits (13%) – driven by dissatisfaction with billing
- Consumers with a long-term illness, physical or mental health problem or disability* (12%) – driven by encountering more issues across the process, including with customer service and billing

Overall satisfaction – Q3'21



Overall satisfaction – over time



*Definition of abbreviation or phrase can be found in the appendix

Base sizes: Q4'18=3276, Q1'19=3176, Q2'19=3209, Q3'19=3185, Q4'19=3185, Q1'20=3201, Q2'20=3026, Q3'20=3180, Q4'20=3181, Q1'21=3166, Q2'21=3172, Q3'21=3167
 Q21. Overall, how satisfied or dissatisfied are you with your supplier as your supplier of <FUEL TYPE>?

DRIVERS OF SATISFACTION

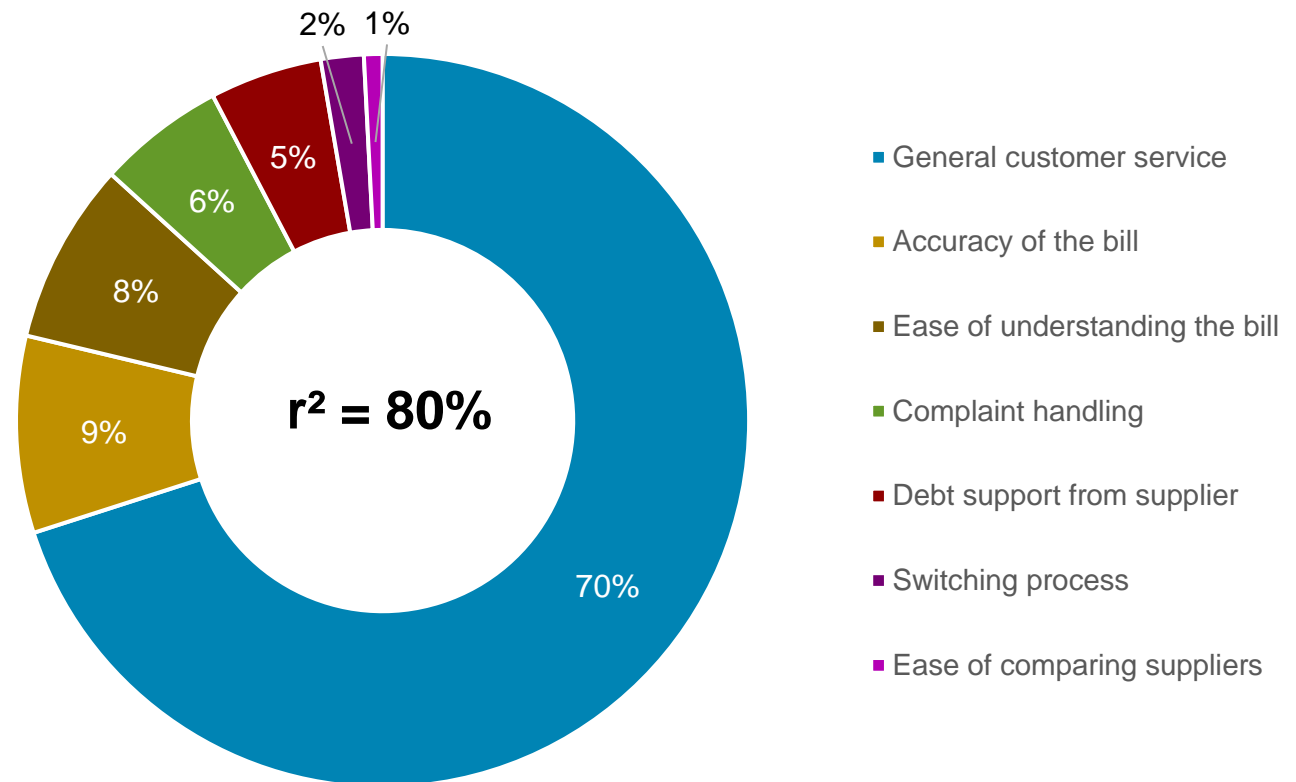
The customer service that suppliers provide is the most important driver of consumers' overall satisfaction.

Statistical drivers analysis shows* that the most important driver of satisfaction is the general **customer service** that suppliers provide – 70% of the variation in a consumer's overall satisfaction score is determined by their customer service experiences.

The next most influential factor is **billing** – accuracy and easy of understanding the bill are similarly important.

Other interactions with the supplier are less important, but still do contribute to overall satisfaction – for consumers who need their **complaints handling**, or need **debt support** from their supplier, these services are also important.

Drivers of overall satisfaction – Q3'21



* r^2 represents the amount of variance in overall satisfaction that is explained by the drivers model. An r^2 of 80% indicates a model with strong explanatory power. – i.e. that 80% of the variance in an individual's overall satisfaction score can be explained by the factors included in the model.



CUSTOMER SERVICE SATISFACTION

Consumers continue to be broadly satisfied with the service they receive from suppliers. A small proportion are dissatisfied – these consumers are more likely to have switched or have a disability or illness.

Most consumers are satisfied with the service they received from their supplier (71%).

Those significantly more likely to be satisfied are:

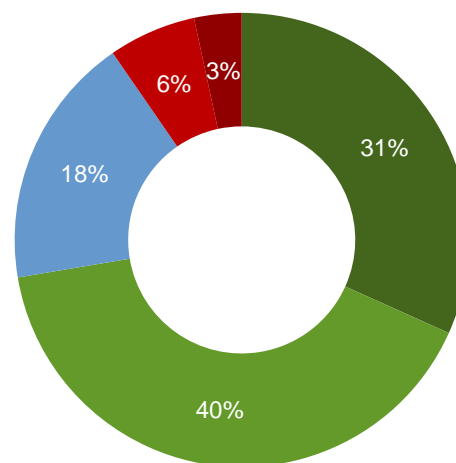
- Women (73%, men are more likely to be neutral)
- Older consumers (aged 65+, 74%)
- Consumers on fixed tariffs (74%)
- Smart meter consumers (74%)

However, a tenth of consumers are not satisfied with their supplier’s customer service (9%). Dissatisfaction is most commonly driven by difficulty contacting the supplier, a perception that the supplier is not listening, and long resolution times.

Those significantly more likely to be dissatisfied are:

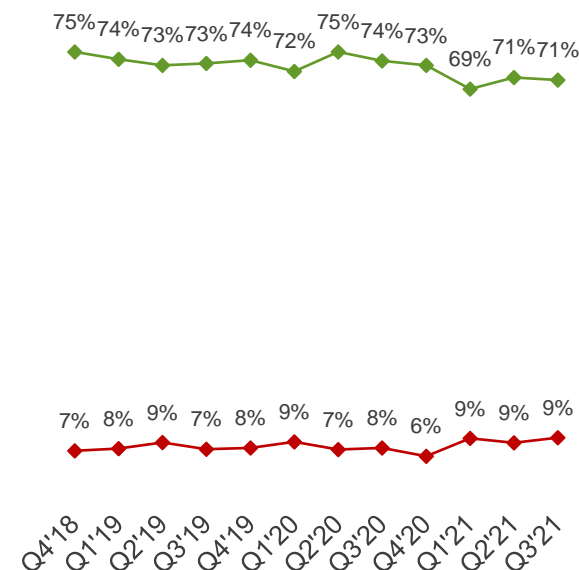
- Consumers who switched supplier (dissatisfaction increases if the switch was unsuccessful, 24%) – this is self-reported and may also include consumers who were transferred to a new supplier through the SoLR process
- Consumers with a long-term illness, physical or mental health problem or disability* (12%) – accessing help/info when needed is a particular issue for this group

Customer service satisfaction – Q3'21



- Very satisfied
- Satisfied
- Neither satisfied nor dissatisfied
- Dissatisfied
- Very dissatisfied

Customer service satisfaction– over time



- ◆ Net: Satisfied (4-5)
- ◆ Net: Dissatisfied (1-2)

Base sizes: Q4'18=3237, Q1'19=3142, Q2'19=3168, Q3'19=3157, Q4'19=3141, Q1'20=3174, Q2'20=2987, Q3'20=3142, Q4'20=3118, Q1'21=3138, Q2'21=3118, Q3'21=3131
 Q23. And overall, how dissatisfied or satisfied are you with the customer service you have received from your supplier?

CONTACT EASE

In the last three quarters fewer consumers have found it easy to contact their supplier, driven by those who approach by phone. However, there are also particular topics that consumers find it more difficult to contact their supplier about.

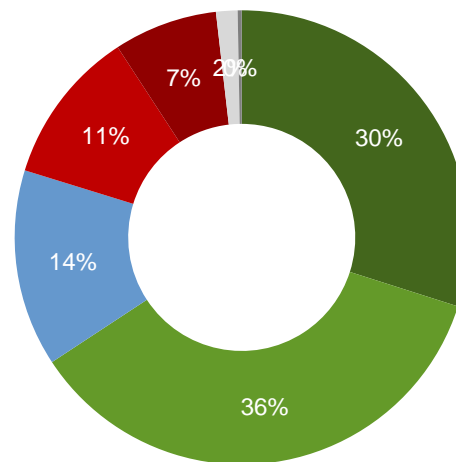
Contact ease has been in steady decline over time, but has dropped more notably since Q4'20.

In Q3'21, Contact ease is highest amongst consumers who last contacted their supplier via the supplier's **app** or **website** (68% and 64% respectively), and lowest amongst those who **phoned** (58%). Those who phoned their supplier are also more likely to have found the process actively difficult (32%) – this is driving the increase in consumers finding the contact process difficult overall.

There are also specific queries that consumers find it particularly difficult to contact their supplier about. Contact ease has fallen most since Q4'20 for consumers contacting their supplier about:

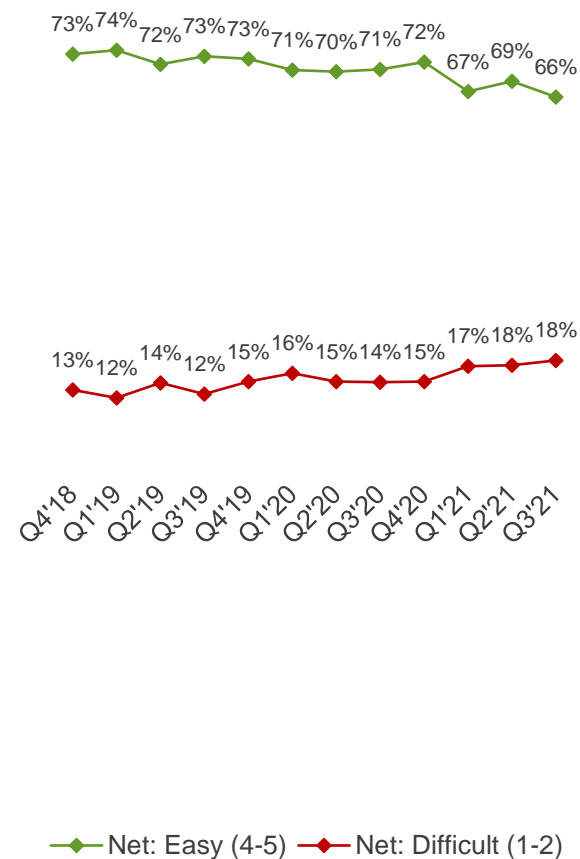
- **Billing queries** (51% in Q3'21 found it easy, vs 58% in Q4'20)
- **To find out about changing their tariff** (57%, vs 64%)
- **Giving a meter reading** (68%, vs 79%)

Contact ease – Q3'21



- Very easy
- Fairly easy
- Neither easy nor difficult
- Fairly difficult
- Very difficult
- Unsure
- Prefer not to answer

Contact ease – over time



Base sizes: Q4'18=2698, Q1'19=2596, Q2'19=2604, Q3'19=2569, Q4'19=2521, Q1'20=2594, Q2'20=2466, Q3'20=2494, Q4'20=2483, Q1'21=2575, Q2'21=2610, Q3'21=2431
 Q45. Thinking about the last time you tried to contact your supplier how easy or difficult did you find it to contact them?

BILLING SATISFACTION

Billing satisfaction levels remain constant – most consumers are satisfied with the ease of understanding their bill and the accuracy of their bill.

Consistently with the past few waves, around three-quarters of consumers are satisfied with billing overall (74%, 74%).

Those significantly more likely to be satisfied are (% ease of understanding, % accuracy):

- Older consumers (aged 65+, 77%, 80%)
- Earning more than £25K a year (76%, 76%)
- Smart meter consumers (76%, 77%)

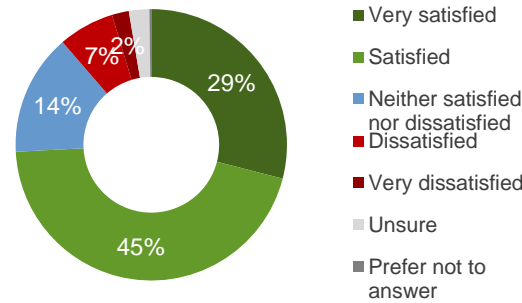
However, around a tenth of consumers are not satisfied (9%, 8%) – and this increases for specific consumer groups.

Those significantly more likely to be dissatisfied are:

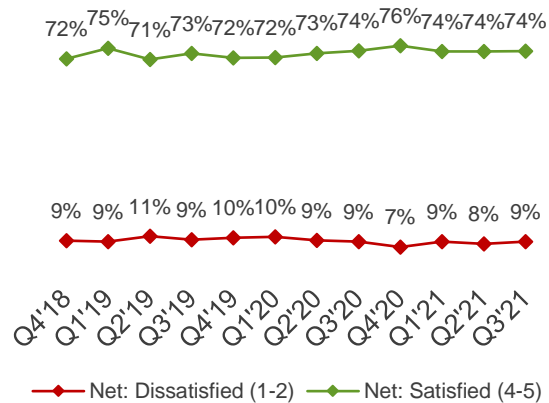
- On a standard variable tariff (11%, 12%)
- Consumers with a long-term illness, physical or mental health problem or disability* (12%, 11%)
- Black-African people (22%, 17%)
- Consumers currently receiving state benefits (13%, 12%)

Ease of understanding the bill

Q3'21

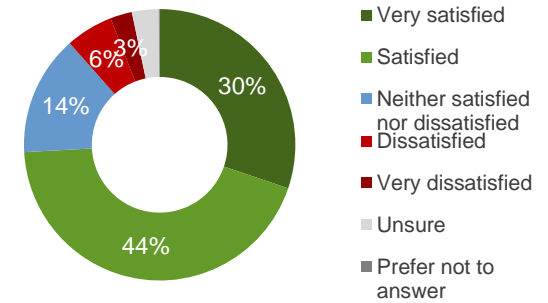


Over time

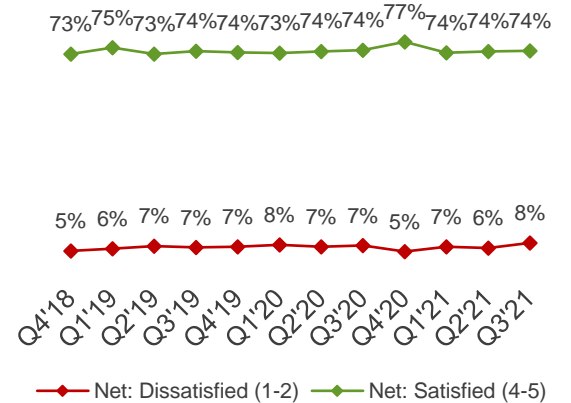


The accuracy of the bill

Q3'21



Over time



"I don't understand the bill, I'm not sure why it's so expensive in the winter months and then cheaper in the summer" Black-African consumer

"Every energy supplier does the same thing they write corporate jargon that the layman customer cannot understand" Consumer with a disability or illness*, receiving state benefit

Base sizes: Q4'18=2701, Q1'19=2673, Q2'19=2657, Q3'19=2678, Q4'19=2701, Q1'20=2687, Q2'20=2558, Q3'20=2654, Q4'20=2700, Q1'21=2726, Q2'21=2641, Q3'21=2710
 Q37_1. Please can you tell me how dissatisfied or satisfied you are with the following aspects of your supplier's bills? - Ease of understanding the bill.
 Q37_2. Please can you tell me how dissatisfied or satisfied you are with the following aspects of your supplier's bills? - The accuracy of your bill.

INFORMATION PROVIDED BY SUPPLIER

Consumers are most likely to remember being notified of a price increase; they are less likely to recall receiving information on cheaper tariffs, comparing prices, escalating complaints or accessing advice.

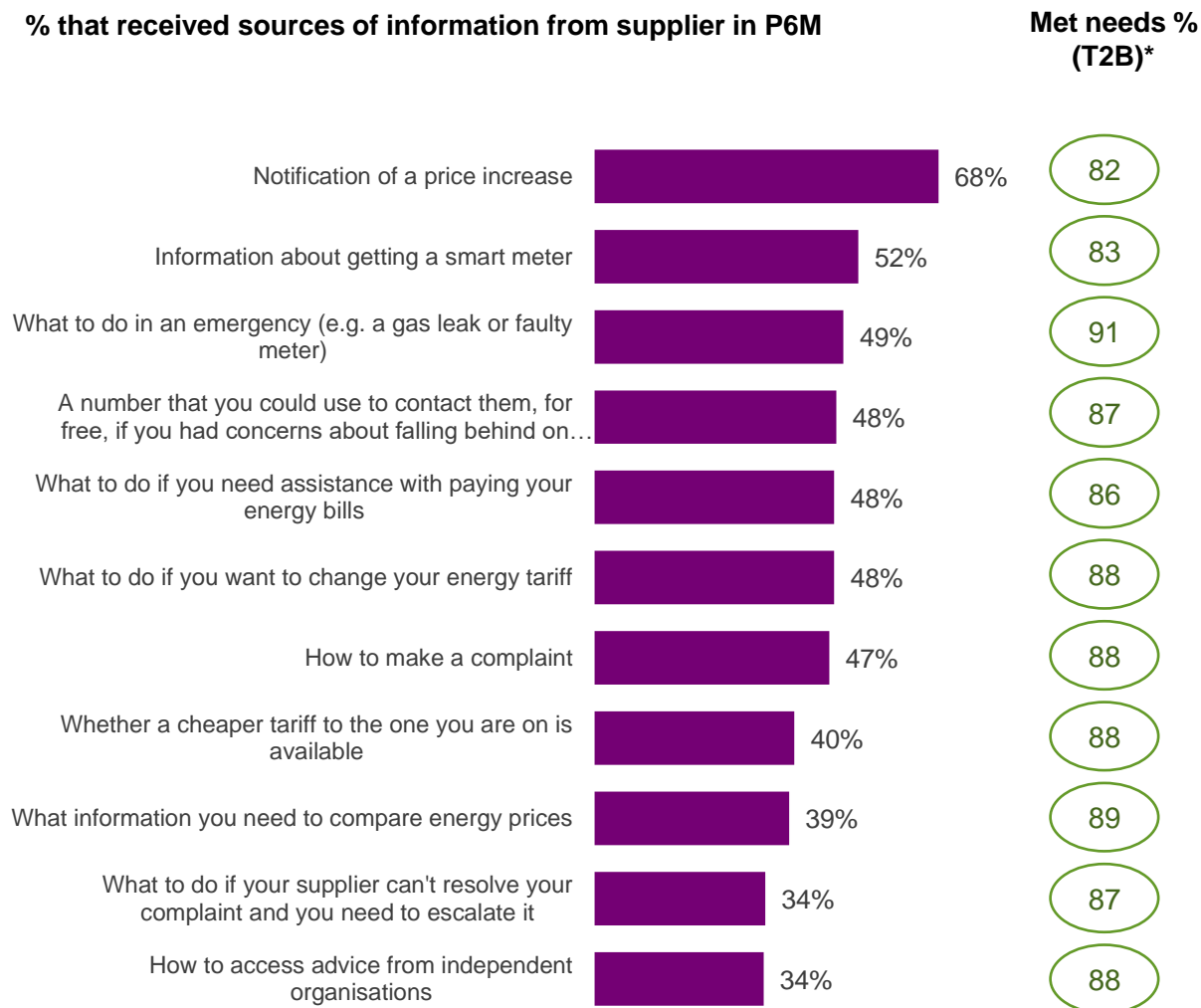
Consumers are more likely to recall receiving a price increase notification than any other information from their supplier (asked of standard variable tariff consumers only) – this is consistent with last quarter (there are no significant differences between Q3 and Q2 in terms of information sources received).

- **Smart Meter consumers** are significantly more likely to recall receiving information. This is true across all relevant statements. There is a similar picture for **switchers in the last 12 months**.

- **Digitally excluded** consumers have lower recall rates, and especially regarding:

- Assistance with paying energy bills (37%)
- Comparing energy prices (27%)
- Complaint resolution (24%)

However, they are much more likely to recall receiving a price increase notification (89%).



Base sizes: Q3'21= from 924 (Notification of price increase) to 3,209. *How well the information received met the consumer's needs (5pt scale – T2B shown)

Q42_SUM. Do you recall if your supplier has given you information about any of the following in the last six months?

Q43_SUM. How well did the information you received from the following meet your needs?

COMPLAINTS SATISFACTION

For the first time since Q1'20, a higher proportion of those who complain are satisfied with complaint handling than dissatisfied. This is driven by suppliers responding more quickly to consumer complaints.

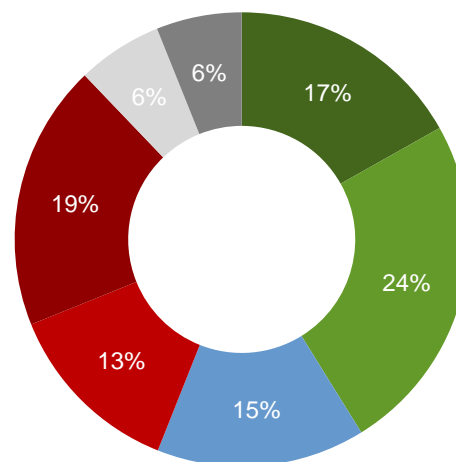
10% of consumers made a complaint in the past 3 months (vs 12% in Q2'21)

For the first time, a greater proportion of consumers are satisfied (41%) with the way their complaint was handled than are dissatisfied (32%) (although 3 in 5 are still not satisfied, 59%).

The improvement appears to be being driven by suppliers **responding to consumer complaints more quickly** (62% satisfied, vs 44% in Q2'21). However, half of consumers still think it takes **too long to get through to someone** who can resolve their complaint (47% are dissatisfied).

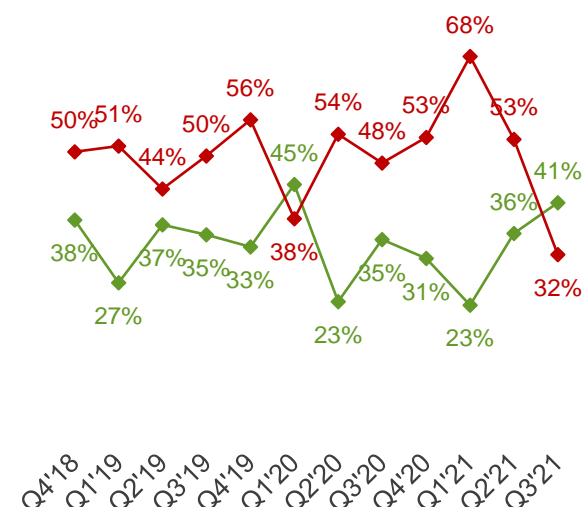
There are no significant differences across subgroups, due to low base sizes.

Overall complaint handling satisfaction – Q3'21



- Very satisfied
- Satisfied
- Neither satisfied nor dissatisfied
- Dissatisfied
- Very dissatisfied
- Unsure
- Prefer not to answer

Overall complaint handling satisfaction – over time



- ◆ Net: Satisfied (4-5)
- ◆ Net: Dissatisfied (1-2)

SWITCHING SATISFACTION

Most people find it easy to compare suppliers and prices, and those who switch are generally satisfied with the process. However, fewer consumers are satisfied with the switching process this quarter.

19% reported switching their supplier in the past 12 months

As has been seen in previous waves, consumers most commonly switch suppliers for a **better tariff** (65%) – consumers tend to switch to smaller suppliers for this.

However, an increasing proportion of consumers this quarter are switching to get a **fixed price deal** (38%, vs 31% in Q2'21), or because the **brand is well-known** (19%, vs 13% in Q2'21) – likely reflecting consumers' increased desire for security in the context of the uncertainty in the sector at the time.

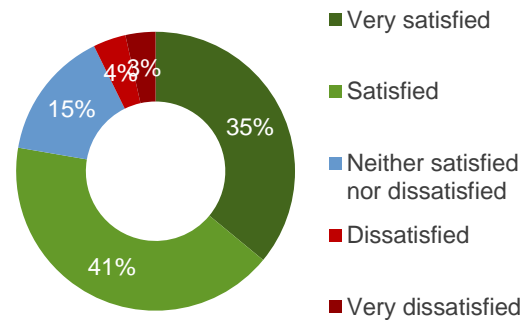
Most consumers that switched supplier found it easy to compare suppliers and were satisfied with the switching process overall.

However, satisfaction with switching is declining.

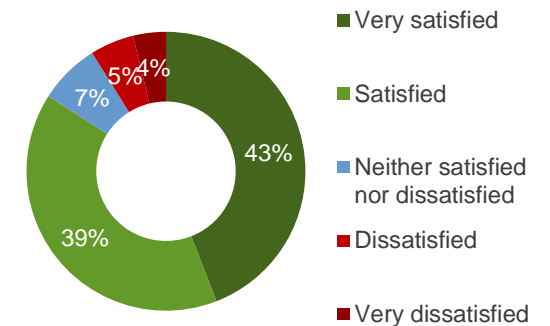
Those significantly most like to be dissatisfied are:

- Younger consumers (aged 34 years and under, 17%)

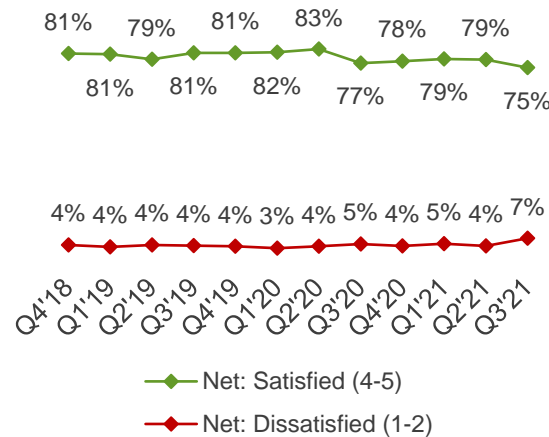
Ease of comparing suppliers + prices Q3'21



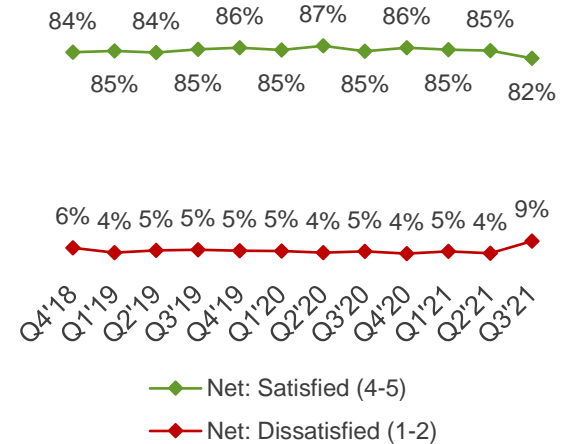
The switching process overall Q3'21



Over time



Over time



Base sizes: Ease of comparing Q4'18=1694, Q1'19=1633, Q2'19=1652, Q3'19=1650, Q4'19=1795, Q1'20=1778, Q2'20=1603, Q3'20=1395, Q4'20=1426, Q1'21=1354, Q2'21=1320, Q3'21=606 / Switching process overall Q4'18=1716, Q1'19=1653, Q2'19=1684, Q3'19=1676, Q4'19=1827, Q1'20=1803, Q2'20=1622, Q3'20=1424, Q4'20=1458, Q1'21=1380, Q2'21=1339, Q3'21=608
 Q60_SUM. Using a scale of 1 to 5 please can you tell me how dissatisfied or satisfied you were with the following aspects of your switch to another supplier?



AFFORDABILITY CONCERNS

More consumers are concerned they are going to struggle to pay their energy bills this wave – this is likely to be a reflection of the gas crisis.

A significant proportion (a third, 33%) of consumers are concerned that they are going to **struggle to pay their energy bills** – an increase since last quarter where only a fifth were concerned. This is likely a reflection of the current gas crisis.

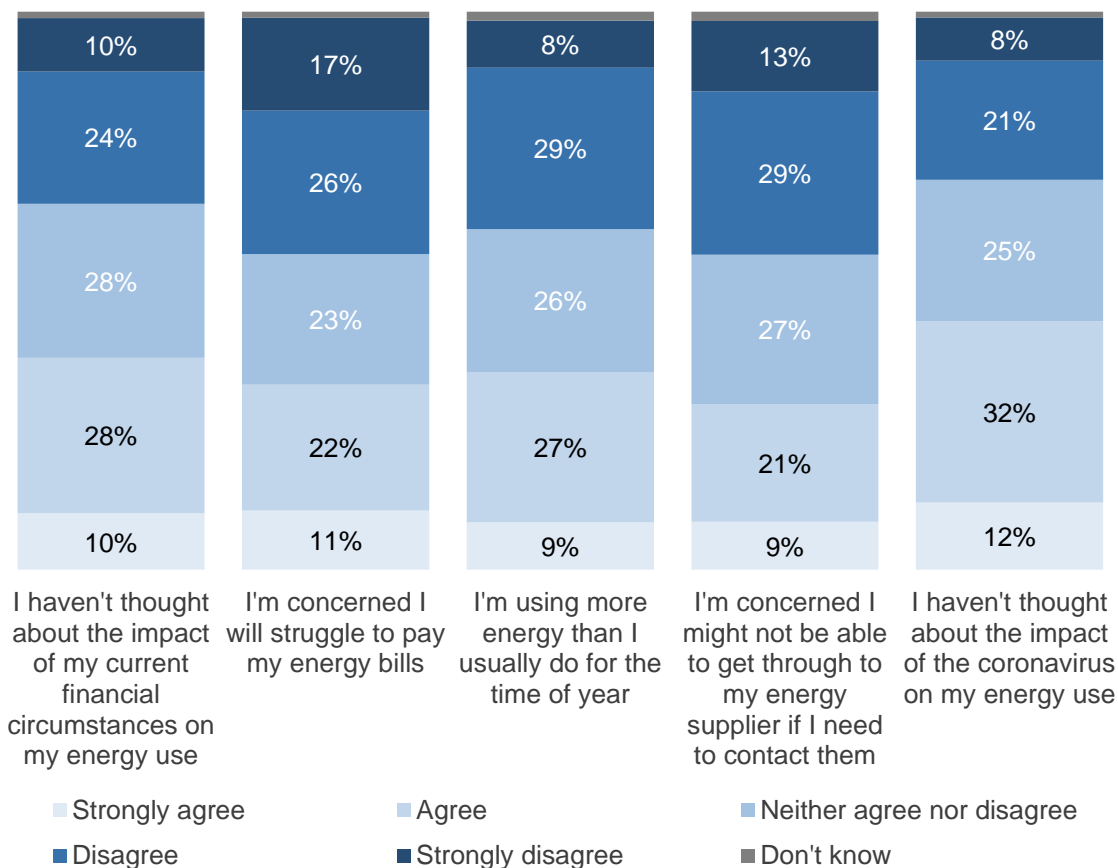
Those **significantly more likely to be concerned** are:

- Women (37%)
- Younger consumers (aged 50 years and under, 46%)
- Consumers living in London (43%)
- Consumers with lower household incomes (£25K and under, 41%)
- Consumers with a long-term illness, physical or mental health problem or disability* (43%)
- Consumers receiving state benefits (52%)
- Prepayment consumers (55%)

These groups may need more support than others.

A third of consumers (30%) are also concerned that they **won't be able to get through to their supplier** if needed (this rises to 55% for those with affordability concerns).

Consumers' perceptions of the impact of their financial situation on energy use – Q3'21



FALLING INTO DEBT – CREDIT METER CONSUMERS

There are not more consumers falling behind on their energy bills this quarter, however, some consumer groups are more likely to have fallen behind on their bills than others.

9% have fallen behind on an energy bill in the past three months

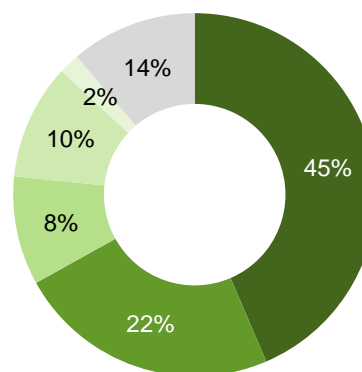
The proportion of consumers that have fallen behind on an energy bill is consistent with last wave – around a tenth.

Those significantly most likely to have fallen behind on their energy bills are:

- Younger consumers (aged 50 years and under, 17%)
- Consumers with lower household incomes (£25K and under, 12%)
- Consumers with a long-term illness, physical or mental health problem or disability* (14%)
- Consumers receiving state benefits (18%)

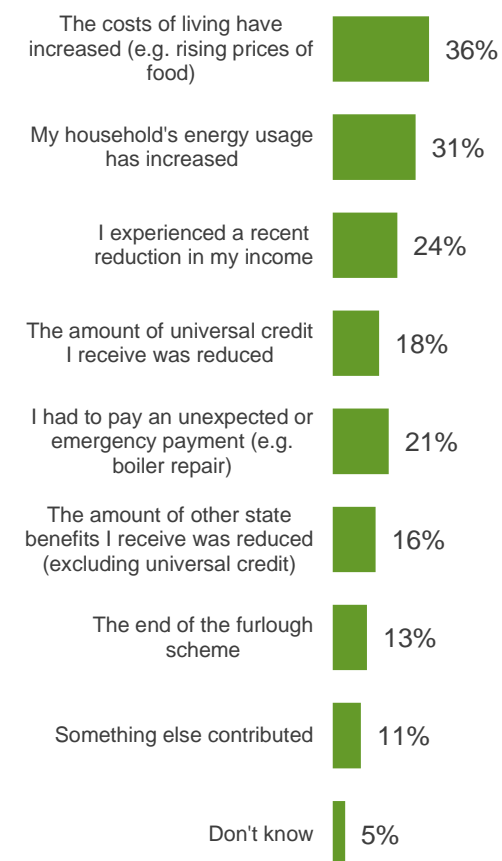
Unsurprisingly, these consumers are demographically similar to those who are concerned that they will struggle to pay their energy bills.

Is this the first time the customer has fallen behind? – Q3'21



- Yes
- No - it has happened once before
- No - it has happened twice before
- No - it has happened three or more times before
- Prefer not to answer
- Don't know

Contributing factors to falling behind - Q3'21



Base sizes: First time happened, Direct debit / Standard credit consumers only=246 / Contributing factors, Direct debit / Standard credit consumers only=221

Q63A2. You mentioned that your household has fallen behind on an energy bill in the past 3 months. Is this the first time this has ever happened?

Q63A4. What factors, if any, do you think contributed to you falling behind on your energy bills?

GETTING SUPPORT – CREDIT METER CONSUMERS

Not all consumers that have fallen behind on their energy bills are looking to their suppliers to help them. However, those who have been in contact with their supplier for debt support have been satisfied with the support they have received.

62% of those who have fallen behind on their bills have been in contact with their energy supplier for help

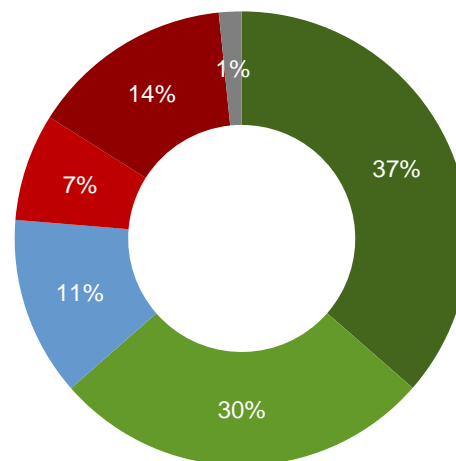
Three-fifths of consumers have sought support from their supplier about paying their energy bills. A quarter of these are because the supplier got in touch first (15% were contacted by their supplier proactively, vs 46% who contacted their supplier first).

Most suppliers are offering something to their consumers to help – 9 in 10 were offered a support option. **Most consumers are satisfied** (64%) with the support they got from their supplier.

However, a significant proportion are not satisfied (a fifth).

Generally, this suggests that suppliers could be doing more to offer help to consumers who need it.

Satisfaction with debt management support – Q3'21



- Very satisfied
- Satisfied
- Neither satisfied nor dissatisfied
- Dissatisfied
- Very dissatisfied
- Unsure

Options the supplier offered to discuss – Q3'21



Base sizes: Direct debit / Standard credit consumers only=151

Q63AC1. Overall, how satisfied or dissatisfied are you with the support you have received from your supplier about paying your bills?

Q63AC3. Please could you say whether your supplier proactively offered to support you in any of the following ways?

RUNNING OUT OF CREDIT – PREPAYMENT CONSUMERS

More prepayment meter consumers have run out of credit (vs credit meter consumers who have fallen behind) – but this is inflated by consumers forgetting to top up, rather than not being able to afford their bills.

27% have run out of credit on their prepayment meter in the past three months

Just over a quarter of consumers who pay for their energy using a prepayment meter have run out of credit, however the majority of these were only disconnected from their energy supply for 3 hours or less (73%) – suggesting that they *may* have forgotten to top up, rather than be struggling to pay for their energy. This leaves a total of 5% of prepayment meter consumers who have run out of credit on their prepayment meter for 3 hours or more.

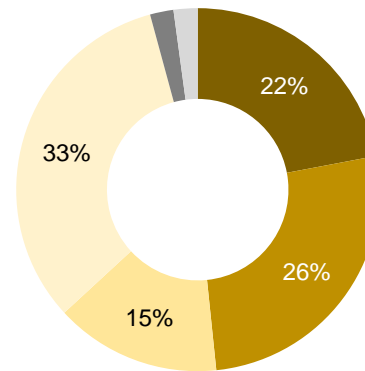
“The new app no longer alerts me to it running out, so I wasn't aware it was low.”
prepayment meter consumer

“I just forgot to top up.” prepayment meter consumer

However, around half (48%) of consumers stated that the rising costs of living have contributed to their running out of credit.

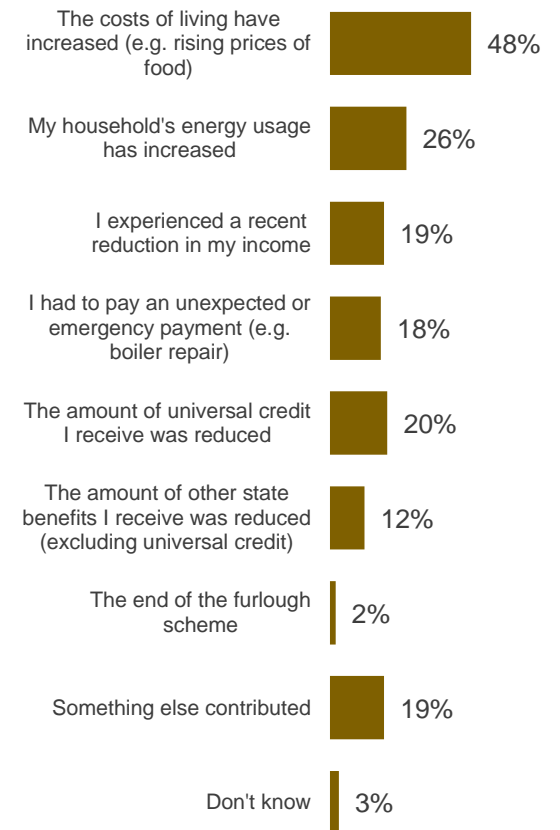
“My household's energy prices have increased meaning I pay more than usual”
prepayment meter consumer

Is this the first time the customer has run out of credit? – Q3'21



- Yes
- No - it has happened once before
- No - it has happened twice before
- No - it has happened three or more times before
- Prefer not to answer
- Don't know

Contributing factors to running out of credit - Q3'21



Base sizes: First time happened, Prepayment meter only=95 / Contributing factors, Prepayment meter only=91

Q63A2. You mentioned that your household has fallen behind on an energy bill in the past 3 months. Is this the first time this has ever happened?

Q63A4. What factors, if any, do you think contributed to you falling behind on your energy bills?

RUNNING OUT OF CREDIT – PREPAYMENT CONSUMERS

Most prepayment meter consumers are happy with the support their suppliers have offered. As with credit meter consumers, a minority of those who have run out of credit were contacted by their supplier in the first instance (for those who have been in contact with their supplier for support).

39% of those who have run out of credit on their prepayment meter have been in contact with their energy supplier for help

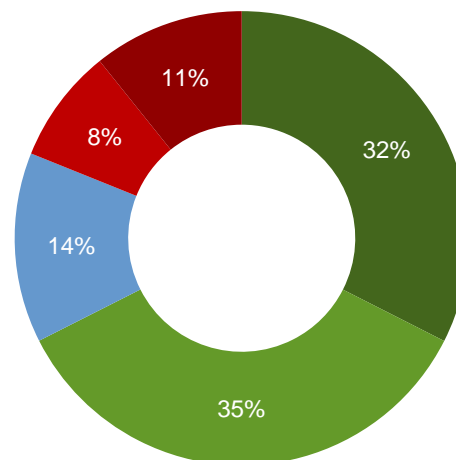
Two-thirds of consumers who have been in contact with their supplier for support are satisfied with the support they received (67%). The suppliers most commonly offered information about organisations that can provide support (32%), but less than a quarter were offered tangible financial support from their supplier (24% were offered energy vouchers and 22% were offered emergency credit extensions).

Furthermore, a sixth of these consumers were not offered help from their supplier (16%), and a fifth aren't satisfied with the support they received (19%).

Of those who have been in contact with their supplier for help – the supplier reached out first to around a quarter of these (11% of the 39% who have been in contact). The remaining consumers had to initiate the contact with their supplier themselves (the remaining 28% or the 39%).

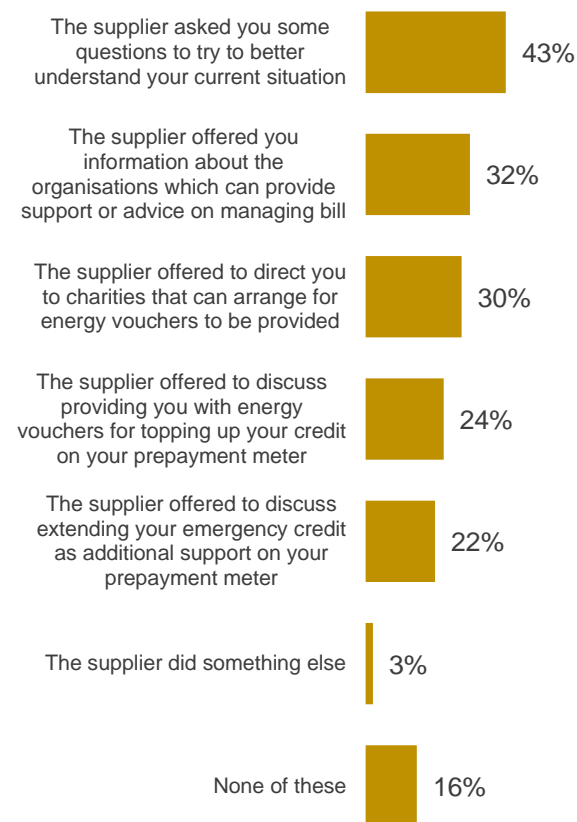
As with credit meter consumers, this also suggests that suppliers could be doing more to offer help to consumers who need it.

Satisfaction with debt management support – Q3'21



- Very satisfied
- Satisfied
- Neither satisfied nor dissatisfied
- Dissatisfied
- Very dissatisfied

Options the supplier offered to discuss – Q3'21



Base sizes: Prepayment meter only=37

Q63AC1. Overall, how satisfied or dissatisfied are you with the support you have received from your supplier about paying your bills?

Q63AC3. Please could you say whether your supplier proactively offered to support you in any of the following ways?

AFFORDABILITY CONCERNS: CUSTOMER VOICES

For those who are concerned about the affordability of energy, or who are already struggling to afford their energy bills, the **rising cost of energy** is front-of-mind.

Factors driving affordability concerns

Those whose income has recently been reduced, (e.g. due to stopping work), or who whose outgoings have increased (e.g. due to supporting family) are particularly worried.

Covid-19 is also a prominent factor in some consumers' income reduction.

"Bills increase, yet your benefit income remains the same. How can we afford to live? I am too ill to work"

"Had to support a relative, so money is short. I have asked for prepay meter ..no response"

"Energy prices have risen to a ridiculous level all in the name of greed"

"My partner lost his job due to covid"

"I was paying by direct debit but they said it wasn't enough each month, and I couldn't afford the new monthly bill"

"[I have fallen behind on my energy bills] as I am off work due to Covid"

Barriers to seeking support

Not all customers are getting in contact with their supplier to seek support. Consumers mention a number of key reasons that they might not seek support from their supplier:

- Embarrassment / shame
- Lack of awareness – they did not know their supplier could help them
- Not thinking that supplier will be able to help / that they will be happy with the outcome
- Poor experience in the past

"I don't think they would be able to offer any practical help"

"I tried before under 'warm homes' scheme and was passed from pillar to post without a resolution"

"I felt ashamed that I didn't have enough money to top up"

"Because they are not going to lower prices just because people can't afford to pay, they will just enforce prepay meter"

"Was not aware of this service"

"I manage day to day and I feel like if I was to ask for help it would only make me struggle in other months"

EXPERIENCES OF OFGEM'S SUPPLIER OF LAST RESORT PROCESS



SATISFACTION WITH TRANSFER TO NEW SUPPLIER

Most consumers who have been transferred to a new supplier by Ofgem were satisfied with (or feel neutral about) the process, but a significant proportion are dissatisfied – this is driven by both the previous and new supplier (specifically higher costs, delayed refunds, lack of choice, and lack of communication.)

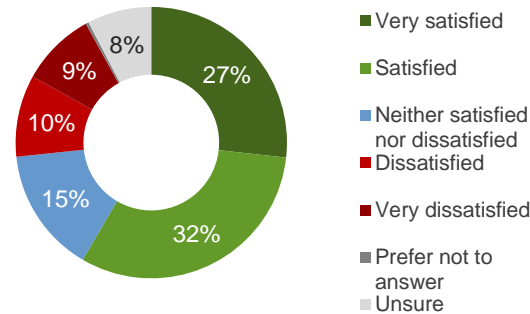
19% have ever been a consumer of an energy supplier that has gone out of business

Three-fifths were satisfied with the transfer (58%), with a fifth being unsatisfied with the transfer (19%). Dissatisfaction is being driven by:

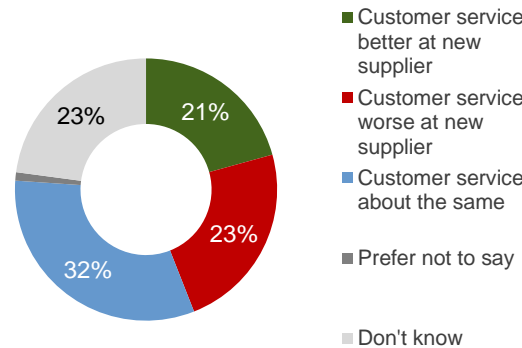
- **Higher tariff** with the new supplier
- Previous suppliers **owing consumers money**, which takes a long time to be refunded
- Consumers **not being given a choice** of which supplier they were transferred to
- The **new supplier not communicating** with consumers

A similar proportion of consumers feel the service is better at their new provider (21%), compared with those who feel the customer service is worse (23%). Most are neutral (32%) or don't know (23%) – suggesting that there is a level of apathy surrounding the process for some consumers.

Satisfaction with transfer to new supplier – Q3'21



Customer service perceptions – Q3'21



Reasons for dissatisfaction

"I had no choice in the matter, plus I was passed over to an energy supplier I would never return to if I had a choice."

"I was sent over to [large supplier A], but I got no say so in the process and my fixed rate is not being honoured."

"I was told [large supplier B] were taking over but they haven't been in touch and I know we have a bill due."

"We just received an email saying we had been transferred then nothing from the new company."

"The switch was seamless, but I was owed money, which took months to be received."

"The tariff of the new provider was 50% higher than the one that went bust."

Base sizes: Satisfaction Q3'21=537 / Customer service Q3'21=584

S10Q1. Have you ever been a customer of an energy supplier that has gone out of business?

S10Q2. Overall, how satisfied or dissatisfied were you with the process of being transferred to your new supplier?

S10Q3. And was the customer service at the new supplier better, worse, or about the same as the customer service at your previous supplier?



Headlines

- Consumers are generally **satisfied** with their gas and electricity suppliers overall (72%), which is similar to Q2'21 (73%).
- Consumers experiences with their suppliers in terms of **customer service** and **billing** are stable compared to Q2'21. Consumers' experiences with these areas have the most influence on their overall satisfaction with their supplier.
- Other experiences with the supplier also contribute to overall satisfaction, but less strongly so. There have been some movements since Q2'21 in these areas:
 - **Complaints handling:** for the first time since Q1'20, a higher proportion of those who complain are satisfied with complaint handling (41%) than are dissatisfied (32%).
 - **Switching:** those who switch are generally satisfied with the process (82%). However, fewer consumers are satisfied with the switching process this quarter.
- More consumers this quarter are **concerned they are going to struggle to pay energy bills** (33% vs 21% in Q2'21), but the proportion of consumers that have fallen behind on their bills is stable compared to Q2'21 (9% of credit meter consumers).
- While most consumers who have been transferred to a new supplier by Ofgem were satisfied with the **Supplier of Last Resort process** (58%), 19% were dissatisfied. Consumers' experiences of customer service from the supplier of last resort are mixed.

Key areas to monitor / recommendations

- In the context of the gas crisis, it will be important to monitor the key experiences that consumers have with their suppliers closely in future waves of the research, as consumers may be engaging more with their suppliers.
- It will also be particularly important to monitor affordability concerns, and the proportion of consumers that are falling behind on their energy bills / running out of credit on their prepayment meters. Some groups have greater affordability concerns and may need more support than others from their suppliers or from independent bodies.
- There is also more that suppliers could be doing to offer support to consumers who have fallen behind on their bills, or who have run out of credit on their prepayment meters. This could be reaching out to consumers to offer help proactively, or making sure that appropriate support options are being offered to consumers.

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GLOSSARY OF TERMS

Throughout this report, some abbreviations or reductions of words and phrases have been used for conciseness. Please find their full definitions below.

Abbreviations and meanings

- **SoLR** – Ofgem’s Supplier of Last Resort process

Reductions of words and phrases

- **Consumers with a disability or illness*** – refers to any long-term illness, physical or mental health problem or disability which limits your daily activities or the work that consumers can do. This includes problems due to old age.
- **Ethnic groups** – due to low sample sizes, consumers of different ethnic backgrounds have been grouped as follows to allow high-level investigation into differences by ethnic group:
 - **White ethnic group** – includes consumers that are English / Welsh / Scottish / Northern Irish / British, Gypsy or Irish Traveller, or any other White background.
 - **Mixed / Multiple ethnic group** – includes consumers that are White and Black Caribbean, White and Black African, White and Asian, or any other Mixed / Multiple ethnic background.
 - **Asian / Asian British ethnic group** – includes consumers that are Indian, Pakistani, Bangladeshi, Chinese, or any other Asian background.
 - **Black / African / Caribbean / Black British ethnic group** – includes consumers that are African, Caribbean, or any other Black / African / Caribbean ethnic background.

