

HOUSEHOLD CONSUMER PERCEPTIONS OF THE ENERGY MARKET

Prepared by Quadrangle for Citizens Advice and Ofgem

Q4'21 – January 2022





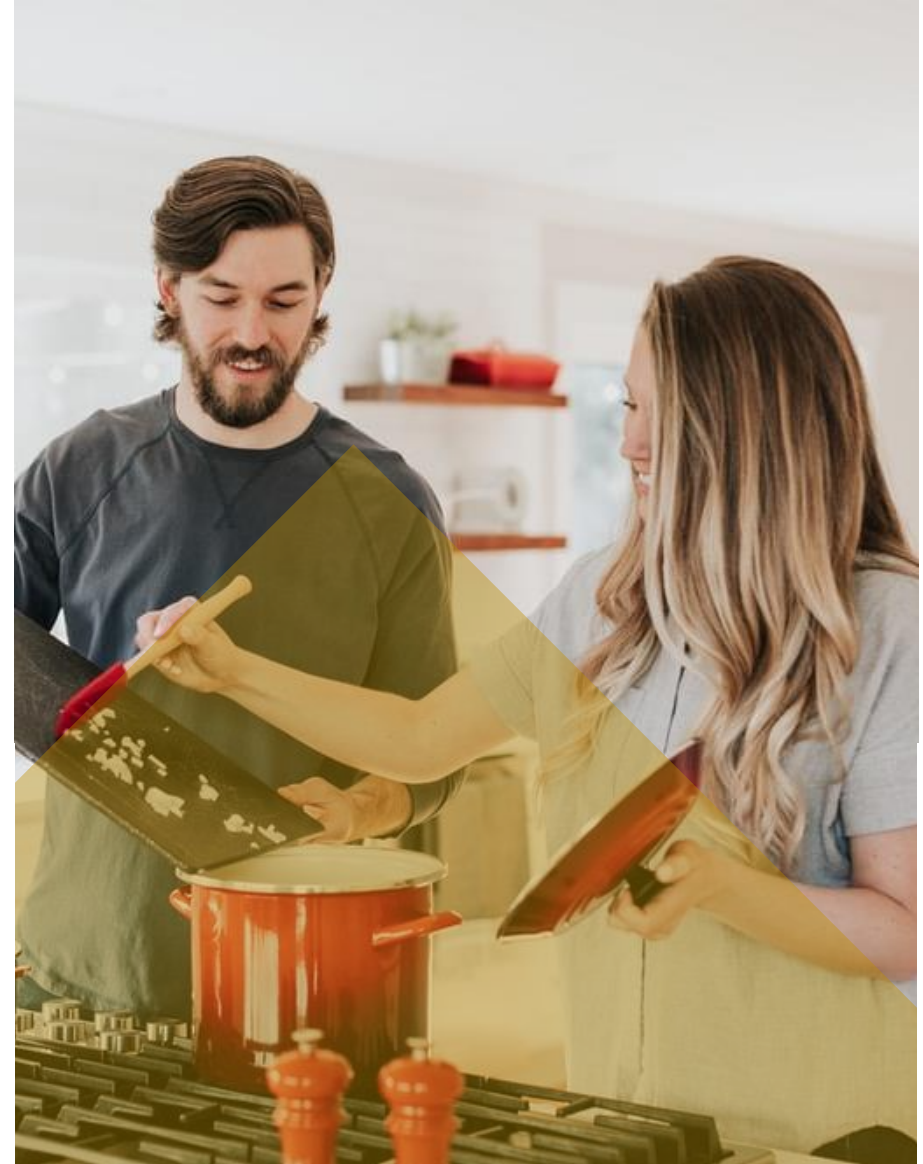
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- **Objectives** - The purpose of the research is to measure how well gas and electricity suppliers deliver to customer service principles set out by Ofgem, as well as providing measurement of topical energy issues and an understanding of consumer 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 (Q4'21) was collected between 10th – 26th January 2022, using a mixed-method approach. The majority of the interviews were conducted using Computer-Assisted Web-Interviewing (3,043 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 remain generally **satisfied** with their energy supplier overall (70%), although this is starting to show decline compared to Q3'21 (-2%).

The main drivers of overall satisfaction – **customer service** and **billing** – are also both showing decline this quarter. It is very likely that the current uncertainty in the sector is causing this – e.g. consumers are getting in contact about more complex issues and are not understanding what is causing higher costs on their bills.

Customer service performance

- **Customer service:** most consumers are satisfied with their supplier's customer service (68%), although this has declined since last quarter (-3% vs Q3'21). 11% of consumers are dissatisfied with customer service this quarter.
- **Contact ease:** in Q4'21, significantly fewer consumers found it easy to contact their supplier (61%, -5% vs Q3'21), and significantly more found it difficult (23%, +5% vs Q3'21). This may be being driven by consumers getting in contact about more complex queries.
- **Billing:** satisfaction levels remain high – most consumers are satisfied with the ease of understanding their bill (72%) and the accuracy of their bill (71%). However, more consumers are dissatisfied with their bill accuracy this quarter – due to billing complexity, and a lack of understanding around what is causing increased costs.
- **Complaints handling:** there has been an increase in consumers saying they were dissatisfied with complaint handling this quarter – this is being driven by longer waiting times and poorer customer service perceptions.
- **Switching:** a decline in switching satisfaction (79%, -3% vs Q3'21) may be being driven by more consumers switching to get a fixed term deal – these customers are more likely to be using comparison sites, which seem to be causing issues and worsening the switching process for consumers.

Affordability and debt support

- There has been a significant increase in the proportion of consumers with affordability concerns this quarter (41%, +8% vs Q3'21). This is unsurprising given the current gas crisis.
- The proportion of consumers that have fallen behind on an energy bill, or have run out of credit on their prepayment meter, is consistent with last quarter (9% of credit meter consumers, and 31% of prepayment meter consumers).
- Fewer consumers are looking to their suppliers to help them with their energy bills (e.g. 54% of credit meter consumers, -7% vs Q3'21). Those that have been in contact with their supplier for support are mostly satisfied with the support they have received (58%) – although this has declined since Q3'21 (-8% vs Q3'21).

Supplier of Last Resort and Special Administration process

- Around a fifth of consumers have experienced either the Supplier of Last Resort or Special Administration process (22%).
- Most consumers who have been transferred to a new supplier by Ofgem are satisfied with the Supplier of Last Resort process (58%), although one in five are dissatisfied (20%).
- Reasons given for dissatisfaction are similar to last quarter: price increases after being transferred, delayed refunds, lack of choice over the new supplier, and a lack of communication from the suppliers.



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.

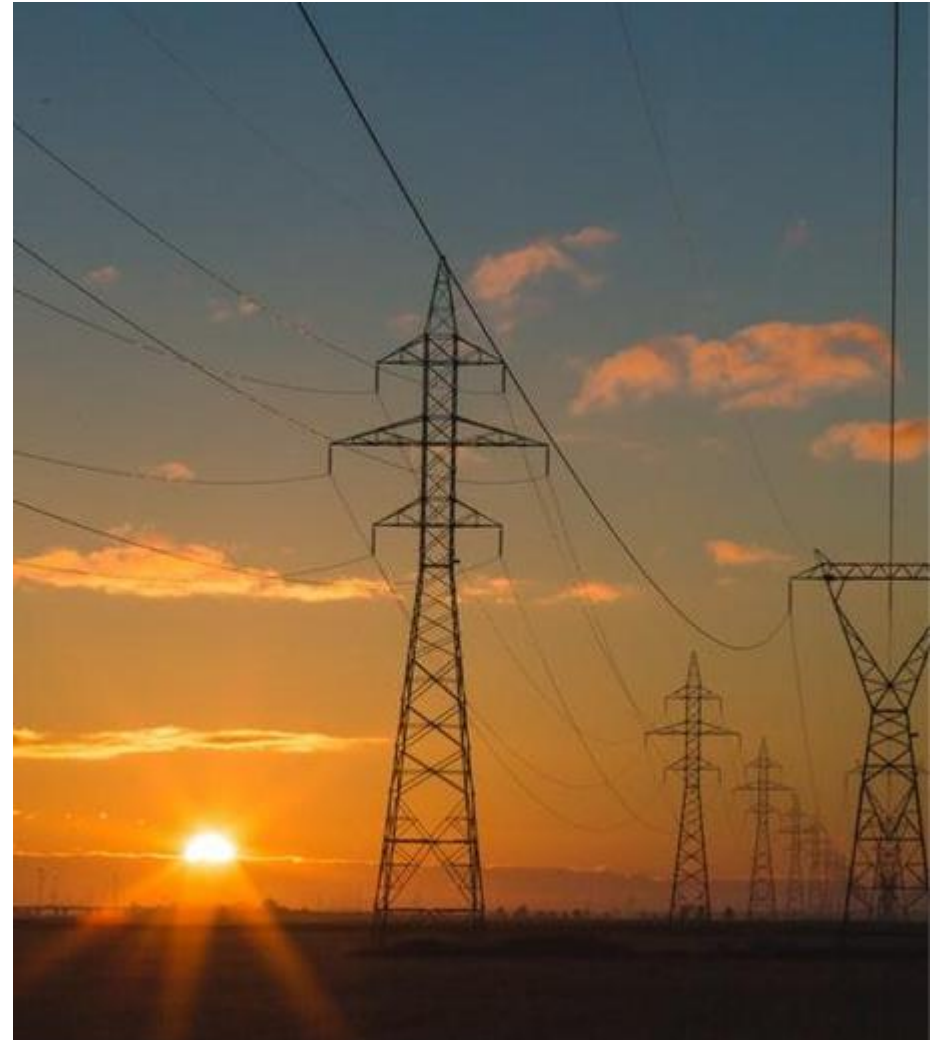
Background to the survey



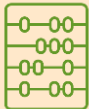


- Ofgem and Citizens Advice have been jointly funding a tracking survey of approximately 3,200 GB domestic energy consumers to measure the quality of service delivered by domestic energy suppliers since 2018.
- The survey has been running approximately once per quarter to monitor changes over time. This report focuses on the thirteenth wave of the research (Q4'21, January 2022).
- In mid-2021 there was 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 Supplier of Last Resort (SoLR) process



Main survey		Digitally excluded respondents	
	Data was collected using a mixed-method approach. The majority of the interviews were conducted using Computer-Assisted Web-Interviewing (CAWI).	Consumers who are digitally-excluded were interviewed using Computer-Assisted Telephone Interviewing (CATI).	
	Consistently with previous waves of the research, respondents were sourced from the Savanta online panel.	Respondents were sourced from a database of GB consumers.	
	3,043 responses were collected.	150 interviews were achieved.	
	18 th January 2022 – 26 th January 2022	10 th January 2022 – 21 st January 2022	
	<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 13 waves of the research are shown in the table below.

	Q4'18 (W1)	Q1'19 (W2)	Q2'19 (W3)	Q3'19 (W4)	Q4'19 (W5)	Q1'20 (W6)	Q2'20 (W7)
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 (W8)	Q4'20 (W9)	Q1'21 (W10)	Q2'21 (W11)	Q3'21* (W12)	Q4'21** (W13)
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	18 th Jan – 26 th Jan 2022
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	10 th Jan – 21 st Jan 2022

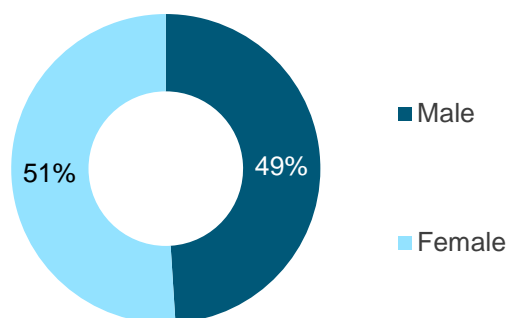
*Q3'21 fieldwork was delayed in order to allow time for survey changes to better capture consumer experiences of the SoLR process

**Q4'21 fieldwork was delayed in order to avoid the Christmas period, which can sometimes create strange results (positivity bias)

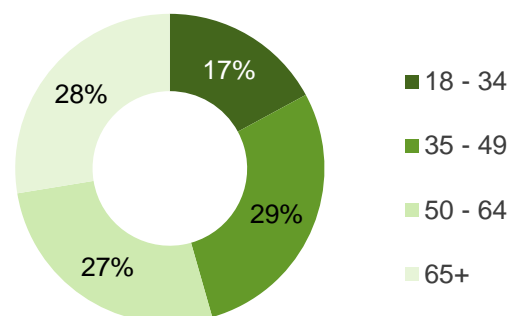
QUOTAS AND WEIGHTING

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.

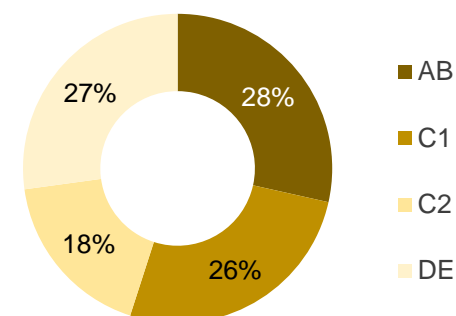
Gender



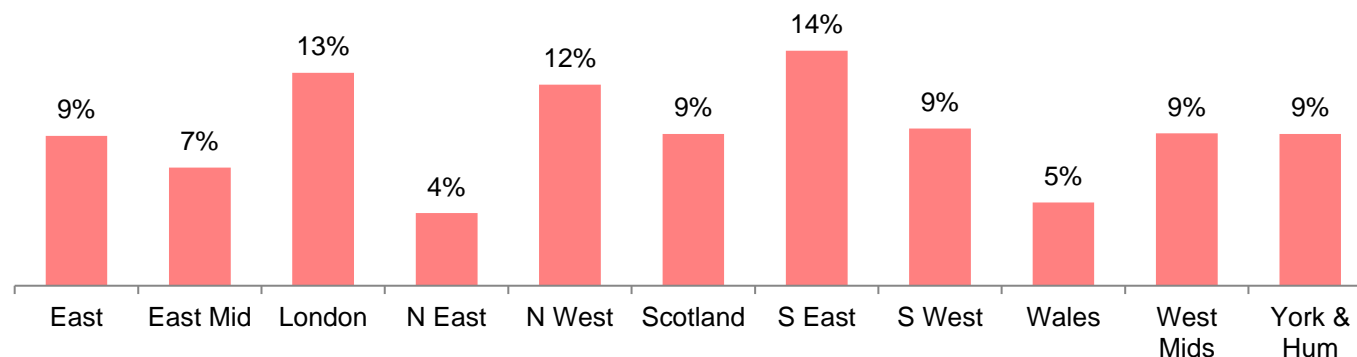
Age



Socio-economic group (SEG)



Region



Weighted data shown



OVERALL SATISFACTION OVERVIEW

Consumers remain generally satisfied with their supplier, but this is showing decline – with significantly fewer consumers strongly satisfied compared to Q3'21. In the context of the current gas crisis, it will be interesting to continue to monitor this.

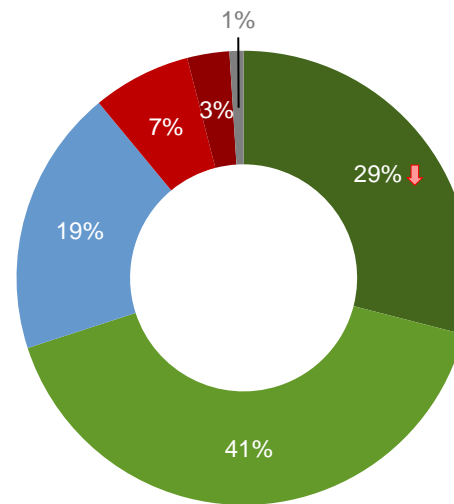
Consistently with last quarter, consumers significantly more likely to be satisfied are:

- Older consumers (aged 65+, 75%) – this continues to be driven by positive perceptions of their supplier's customer service.
- Digitally excluded consumers (84%) – as with last quarter, this is not because they have lower levels of dissatisfaction, but because non-digitally excluded consumers are significantly more likely to feel neutral about their supplier. This means that whilst digitally excluded consumers are more likely to be satisfied, there remains a significant proportion that are not.
- Consumers who have a smart meter (72%) – this may be because they are generally more energy-engaged.

Those significantly more likely to be dissatisfied are:

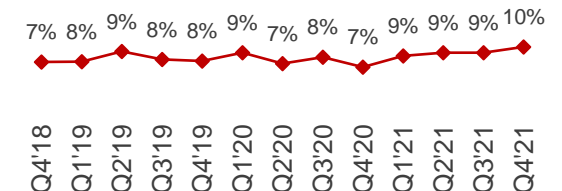
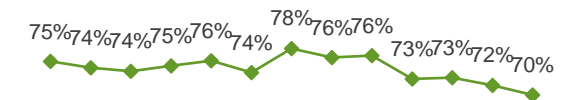
- Consumers who have attempted to switch but weren't able to (23%).
- Consumers who have been through the SoLR process (17%)
note: those who have since switched are significantly more likely to be satisfied than those who remain with their Ofgem-appointed supplier (62% vs 43%).
- Consumers on variable tariffs (12%).

Overall satisfaction – Q4'21



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

Overall satisfaction – over time



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

Indicates a significant
Increase / Decrease
At 95% confidence WoW



CUSTOMER SERVICE SATISFACTION

Consumers continue to be broadly satisfied with the service they receive from suppliers, but this is showing decline since last quarter. Dissatisfaction with customer service is also continuing to grow – this is interesting particularly in the context of the current uncertainty in the sector.

Those significantly more likely to be satisfied are:

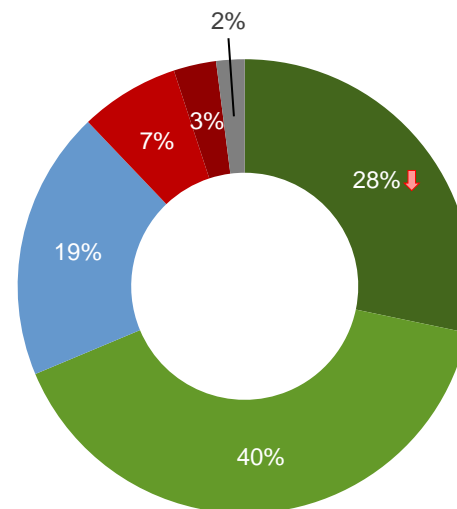
- Older consumers (aged 65+, 72%)
- Smart meter consumers (70%)
- Consumers that are digitally excluded (77%) – although this is not because they have lower levels of dissatisfaction, but because non-digitally excluded consumers are significantly more likely to feel neutral about their supplier.

In Q4'21, just over a tenth of consumers are not satisfied with their supplier's customer service. Dissatisfaction is most commonly driven by difficulty contacting the supplier.

Those significantly more likely to be dissatisfied are:

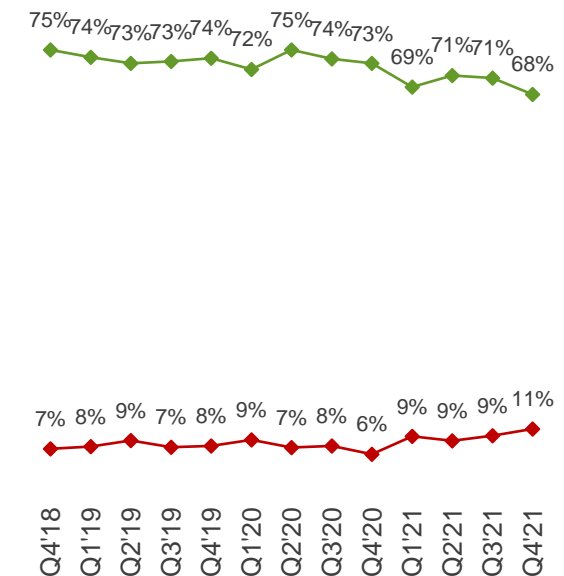
- Consumers who tried to switch but were not able to (28%)
- Consumers who have been through the SoLR process (17%)
note: those who have since switched are significantly more likely to be satisfied than those who remain with their Ofgem-appointed supplier (67% vs 48%).
- Consumers on variable tariffs (13%)
- Consumers with a long-term illness, physical or mental health problem or disability* (13%)

Customer service satisfaction – Q4'21



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

Customer service satisfaction – over time



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

Base sizes: Q4'18=3274, Q1'19=3175, Q2'19=3208, Q3'19=3185, Q4'19=3185, Q1'20=3202, Q2'20=3027, Q3'20=3180, Q4'20=3180, Q1'21=3165, Q2'21=3172, Q3'21=3167, Q4'21=3143

Q23. And overall, how dissatisfied or satisfied are you with the customer service you have received from your supplier?

CONTACT EASE/DIFFICULTY

In Q4'21, significantly fewer consumers found it easy to contact their supplier, and significantly more found it difficult. This continues a longer term trend.

The same proportion of consumers contacted their supplier in Q4'21 as in Q3'21 (29%), suggesting that increased volumes may not be the reason that ease of contact has declined.

Consumers who got in contact are now also significantly less likely to be satisfied overall (67% satisfied if contacted, vs 74% if not contacted).

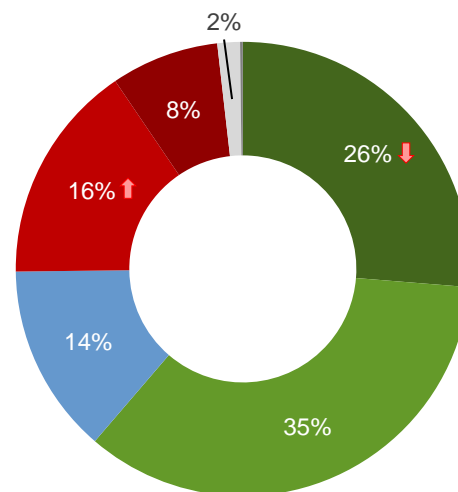
Those who contacted their supplier by **live chat** find it the most difficult (46% find it difficult), followed by those who contact via **phone** (38% find it difficult). Conversely, better-performing channels are **email** and **app** (29% find it difficult).

Consumers contacting their supplier via all channels had reduced ease perceptions this quarter – suggesting that something other than channel is driving the decline. It could be because consumers are contacting their suppliers about more complex topics – e.g. significantly more got in contact about billing (21%, +4% vs Q3'21), and significantly less got in contact to give a meter reading (20%, -4% vs Q3'21).

Those who were **significantly more likely to find contacting their supplier difficult**, and who may therefore need more support, are:

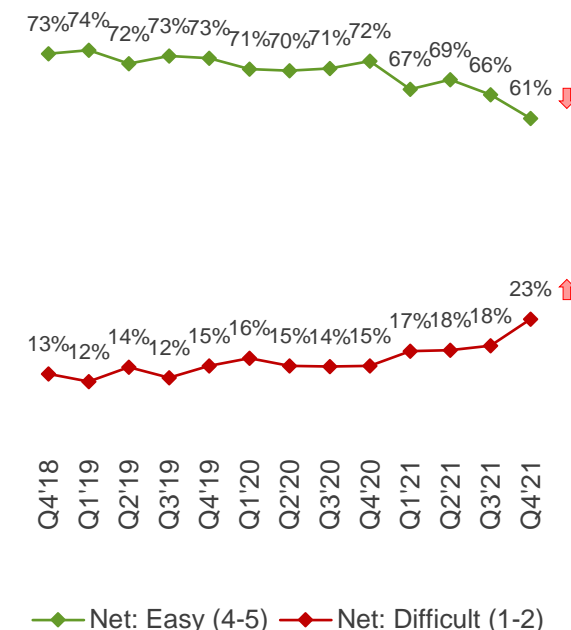
- Women (25%)
- Consumers aged 64 years and under (25%)
- Consumers who tried to switch but were not able to (44%)
- Consumers with a long-term illness, physical or mental health problem or disability* (29%)
- Those consumers on prepayment meters (30%)

Contact ease – Q4'21



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

Contact ease – over time



Indicates a significant
↑ Increase / Decrease ↓
At 95% confidence WoW

BILLING SATISFACTION

Billing satisfaction levels continue to remain high – most consumers are satisfied with the ease of understanding their bill and the accuracy of their bill. However, dissatisfaction with billing accuracy increased in Q4'21 – a lack of understanding around what is causing increased costs seems to be driving this.

Satisfaction with ease of understand bills (72%) and billing accuracy (71%) remain stable this quarter.

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

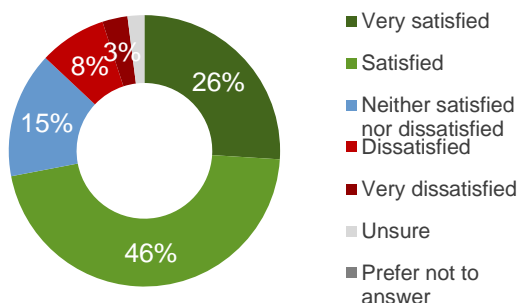
- Consumers on fixed tariffs (75%, 74%)
- Paying by direct debit (73%, 72%)
- Consumers that have a smart meter (75%, 72%)
- Those aged 65+ years (75%, 79%)

However, around a tenth of consumers are not satisfied – and this proportion increases for specific consumer groups, who may need more support. In verbatim comments, consumers typically mention the **complex** nature of bills and **jargon** used, as well as **not understanding high costs** (leading consumers to think their bills are inaccurate), as reasons that they are not satisfied with their bill.

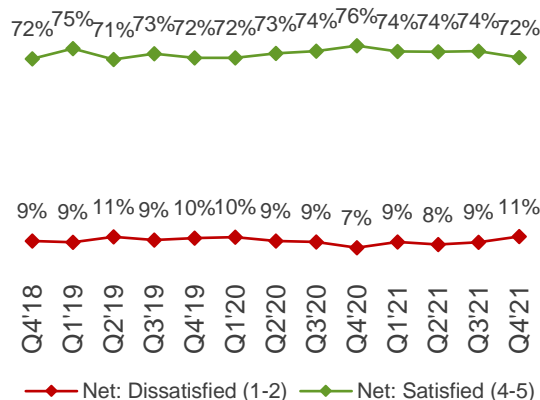
Those significantly most likely to be dissatisfied are:

- Consumers with a long-term illness, physical or mental health problem or disability* (13%, 11%)
- Consumers who have been through SoLR (13%, 15%)

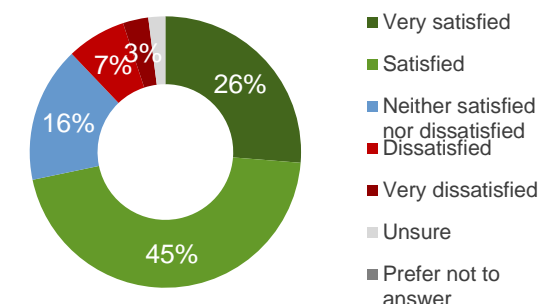
Ease of understanding the bill Q4'21



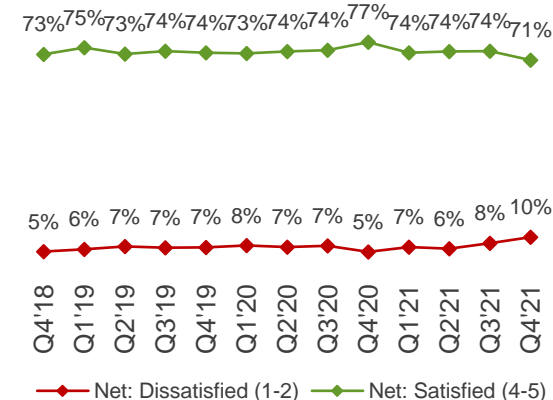
Over time



The accuracy of the bill Q4'21



Over time



*"It varies so much, and I don't understand how I am paying so much" Consumer with a disability or illness**

"It's hard to understand the bills, and even the customer service advisor couldn't explain it to us!" SoLR consumer

Base sizes: Q4'18=2637, Q1'19=2622, Q2'19=2589, Q3'19=2602, Q4'19=2649, Q1'20=645, Q2'20=513, Q3'20=2622, Q4'20=2648, Q1'21=2689, Q2'21=2592, Q3'21=2635, Q4'21=2652

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.

Indicates a significant
↑ Increase / Decrease ↓
At 95% confidence WoW

INFORMATION PROVIDED BY SUPPLIER

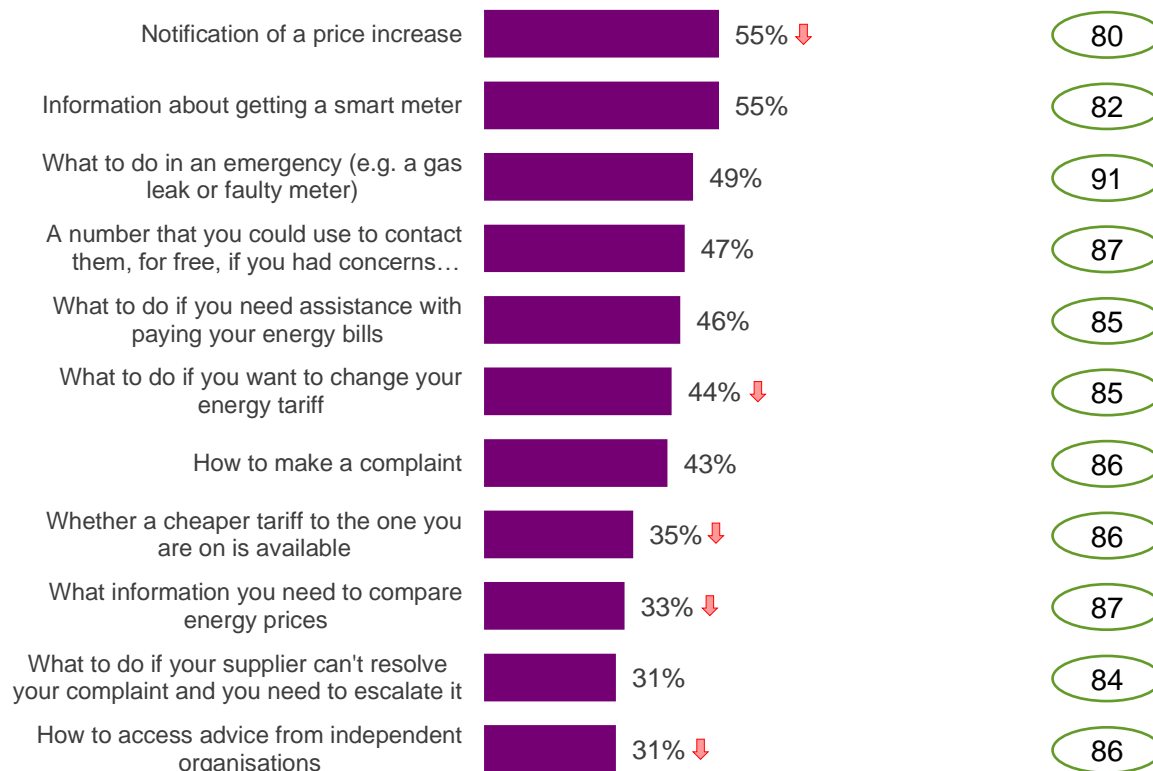
Generally, fewer consumers reported receiving information from their suppliers this quarter. Though these communications might usually be sent at set times, it may be worth suppliers considering that consumers might appreciate more proactive, regular guidance or communications from their suppliers (specifically support information, such as how to access independent advice or what to do if they need help).

There are a handful of differences by consumer group and supplier:

- Some consumers are generally more likely to recall receiving information – including **men**, **smart meter owners**, consumers who have **switched**, **Asian** consumers, and consumers that have been through the **SoLR or Special Administration process**. This may reflect that these groups are more energy-engaged generally.
- Digitally excluded** consumers have generally lower recall rates, meaning they may need targeted support. This is especially regarding:
 - What to do if you need assistance in paying your energy bills (33%)
 - What to do in an emergency (40%)
 - What to do if you want to change your energy tariff (34%) or compare prices (17%)

% that received sources of information from supplier in P6M

NB. Comparisons are shown to Q3'21 data, collected in October 21, following a price cap increase – at this time supplier had recently sent out notifications of a price increase. This may have included information about changing tariffs, available cheaper tariffs, and information to enable price comparisons. Therefore, decreases seen here may be due to seasonality. Therefore, we may expect to see a rise again in Q2'22 (May 22).



Met needs (% scoring very + fairly well, for those who received info)

↑ Indicates a significant Increase / Decrease ↓
At 95% confidence WoW

COMPLAINTS SATISFACTION

In Q4'21, there has been a significant increase in consumers saying they were dissatisfied with the complaint handling – this is being driven by longer waiting times and poorer customer service perceptions.

9% of consumers made a complaint in the past 3 months (vs 10% in Q3'21)

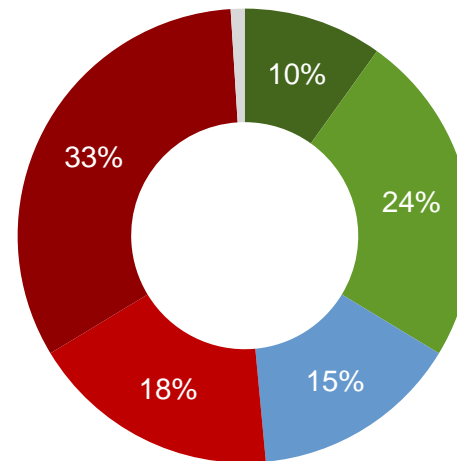
Again this quarter more consumers are dissatisfied with the handling of their complaint than are satisfied.

The **increase in dissatisfaction** appears to be being driven by significantly more consumers:

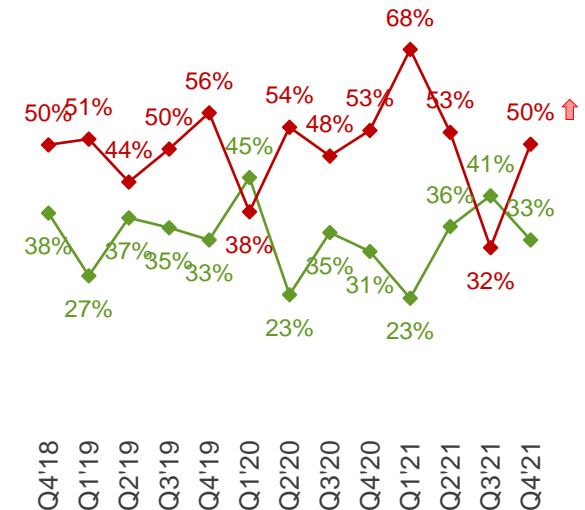
- Finding it **difficult to contact** their suppliers (45%, vs 28% in Q3'21)
- Experiencing **long waiting times** / waiting a long time to receive a response to their query (52%, vs 26% in Q3'21)
- Experiencing **poor customer service** (e.g. those who contacted via email – 63%, vs 29% in Q3'21)

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

Overall complaint handling satisfaction – Q4'21 **Overall complaint handling satisfaction – over time**



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



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

Indicates a significant
↑ Increase / Decrease ↓
At 95% confidence WoW

SWITCHING SATISFACTION

Although most consumers tend to be satisfied when they switch suppliers, this has been steadily declining and has continued to decline this quarter. This decline may be being driven by more consumers switching to get a fixed term deal – these customers are more likely to be using comparison sites, which seem to be causing issues and worsening the switching process for consumers.

15% reported switching their supplier in the past 12 months (vs 19% in Q3'21) ↓

Interestingly, the top reason that consumers switched has changed this quarter. The top reason why consumers switch tends to be to get a **better tariff** and, whilst this was still a popular reason to switch (35%), this quarter the top reason that consumers switched was **to get a fixed term deal** (36%). This is unsurprising given the uncertainty about energy prices at the moment – consumers are likely to be looking for more stability.

However, it is worth noting that consumers who switched to get a fixed term deal are more likely to be dissatisfied with the switch (10%, vs 8% for those who switched to get a better tariff).

Verbatim comments suggest a reduction in the range of offers available via comparison sites have been a factor contributing to dissatisfaction with switching this quarter.

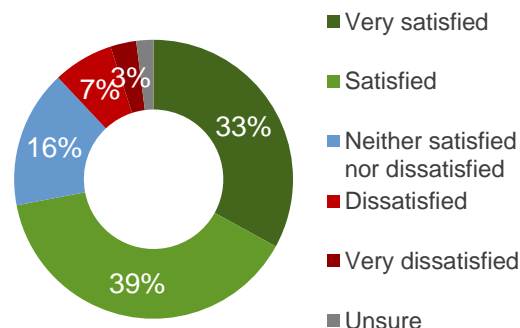
"The comparison sites do not cover the type of tariff I was seeking"
Switched to get fixed term deal

"I tried using a comparison site but nothing came up. I then had to write down all the calculations needed and went to each." Switched to get fixed term deal

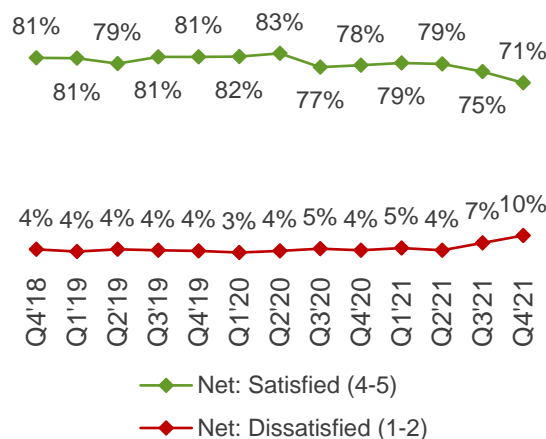
Those **significantly more likely to be dissatisfied overall** are:

- Younger consumers (aged 34 years and under, 17%)
- Prepayment consumers (8%)
- Consumers who have been through the SoLR process (and since switched, 12%)

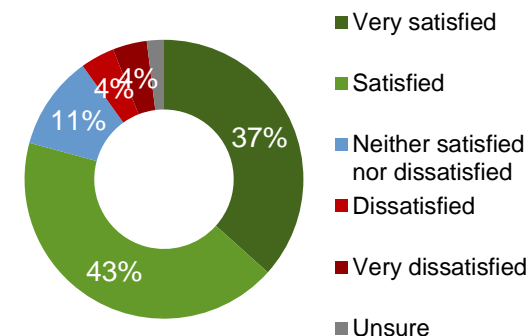
Ease of comparing suppliers + prices – Q4'21



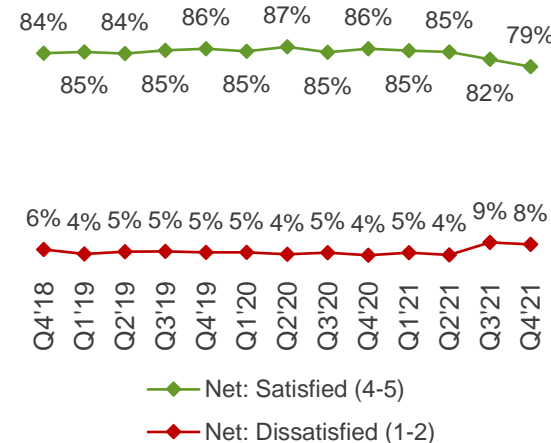
Over time



The switching process overall – Q4'21



Over time



Indicates a significant
↑ Increase / Decrease ↓
At 95% confidence WoW

Base sizes: Ease of comparing Q4'18=1694, Q1'19=1627, Q2'19=1640, Q3'19=1638, Q4'19=1798, Q1'20=1768, Q2'20=1624, Q3'20=1400, Q4'20=1421, Q1'21=1373, Q2'21=1330, Q3'21=605, Q4'21=463 / Switching process overall Q4'18=1715, Q1'19=1646, Q2'19=1673, Q3'19=1663, Q4'19=1827, Q1'20=1792, Q2'20=1642, Q3'20=1428, Q4'20=1454, Q1'21=1400, Q2'21=1349, Q3'21=607, W=463 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

In Q4'21, significantly more consumers are using more energy, are thinking about the impact of their current circumstances on their energy use, and – crucially – are worried they will struggle to pay their energy bills. This is unsurprising given the current gas crisis, and suggests that consumers may benefit from increased support.

This quarter, 2 in 5 consumers are concerned that they are going to **struggle to pay their energy bills** (41%). This is a significant increase from last quarter (33% in Q3'21) and shows that even more consumers are likely to benefit from increased support.

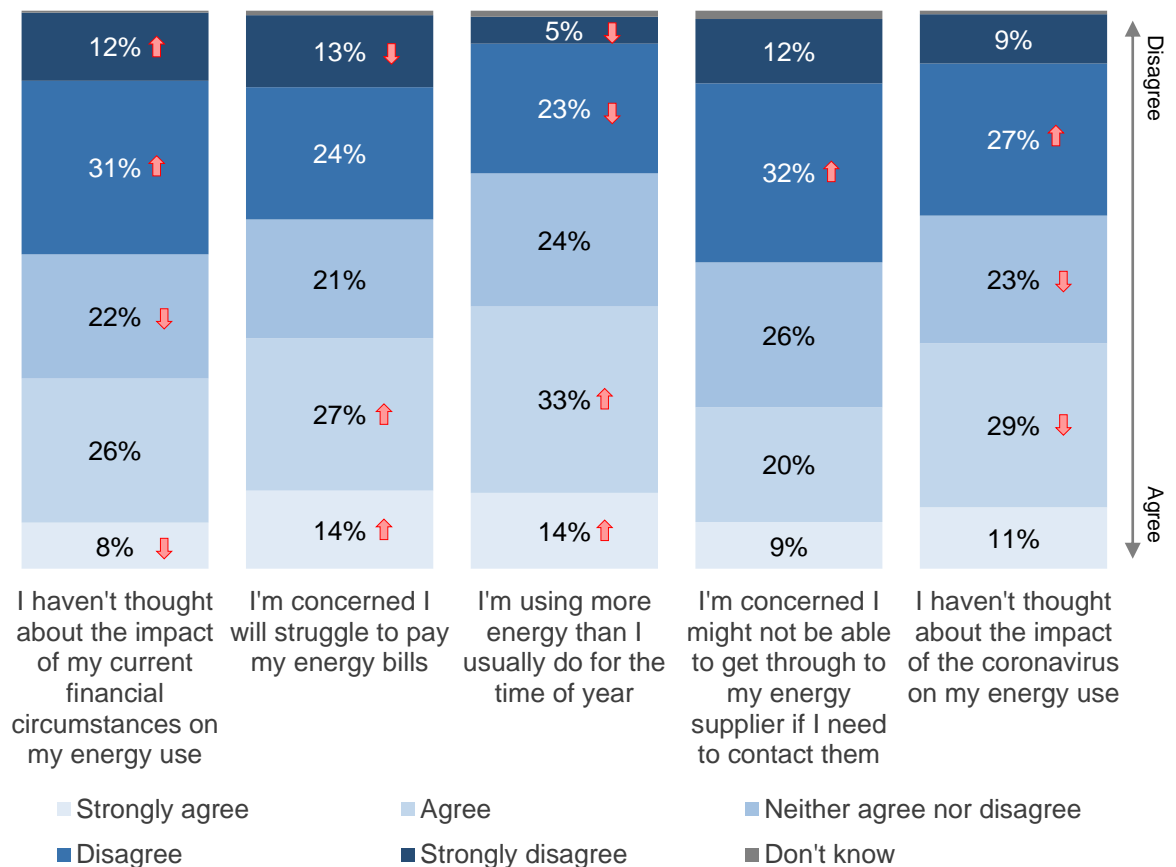
Those **significantly more likely to be concerned** are:

- Women (49%)
- Consumers aged 64 years and under (49%) – however, older customers (65+) are significantly less likely to have thought about it, suggesting that they may not be less at risk (just maybe less informed / worried)
- Consumers with lower household incomes (£25K and under, 49%)
- Consumers with a long-term illness, physical or mental health problem or disability* (52%)
- Consumers receiving state benefits (62%)
- Prepayment consumers (64%)

These groups may need more support than others, so it may be worth ensuring guidance is tailored to meet the needs of these consumers.

In addition to the concerns about paying bills, significantly more consumers agree that they are **using more energy than they usually do**, which could potentially be exacerbating existing fears about higher bills.

Consumers' perceptions of the impact of their financial situation on energy use – Q4'21



Indicates a significant
↑ Increase / Decrease ↓
At 95% confidence WoW

FALLING INTO DEBT – CREDIT METER CONSUMERS

Reassuringly, there has not been an increase in the proportion of consumers falling behind on their energy bills this quarter. For those that have fallen behind, the increasing cost of living is typically the reason given – it will be interesting to monitor this as these costs are likely to continue to increase.

9% have fallen behind on an energy bill in the past three months (vs 9% in Q3'21)

For these consumers, the increasing cost of living is the top reason why they have fallen behind.

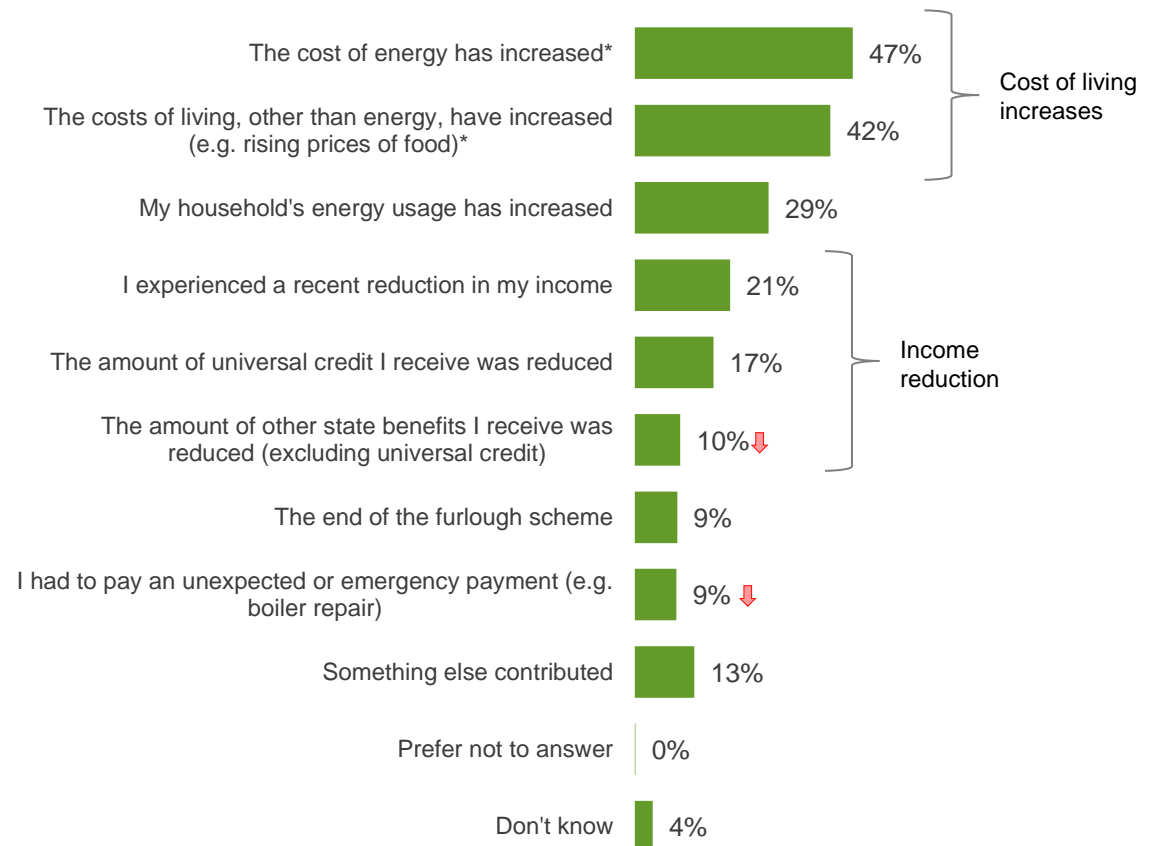
Those significantly most likely to have fallen behind on their energy bills, and therefore who need more support, are:

- Younger consumers (aged 50 years and under, 15%)
- Women (11%)
- Consumers with a long-term illness, physical or mental health problem or disability* (15%)
- Consumers receiving state benefits (15%)
- Consumers that have been through the SoLR process (17%)

Unsurprisingly, these consumers are demographically similar to those who are concerned that they will struggle to pay their energy bills – suggesting that they may need both reassurance and tangible financial support.

However, interestingly, **digitally excluded customers** are significantly less likely to have fallen behind on their energy bills (4%).

Contributing factors to falling behind – Q4'21



*Note that these two options were added in Q4'21 to split out the previous code "The costs of living have increased (e.g. rising prices of food)"

GETTING SUPPORT – CREDIT METER CONSUMERS

Fewer consumers than last quarter are looking to their suppliers to help them with their energy bills, and suppliers also seem to be less likely to offer help. However, those that have been in contact with their supplier for support are mostly satisfied with the support they have received – although this has declined since Q3'21.

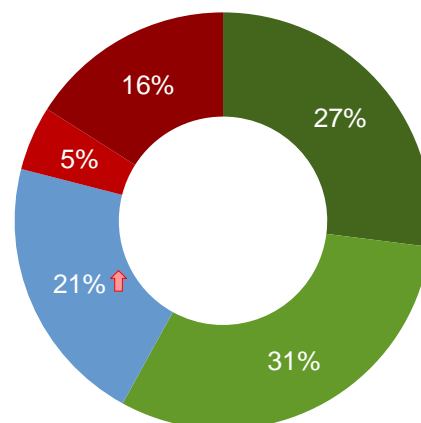
54% of those who have fallen behind on their bills have been in contact with their energy supplier for help (vs 61% in Q3'21)

Only just over half of consumers who have fallen behind have tried to engage with their supplier for support – this is a notable decrease since last quarter (-7% vs Q3'21). Consistently with last quarter, only a small proportion of this (a fifth, 10% overall) is because the supplier reached out first – meaning there may be an opportunity for suppliers to be more proactive.

However, positively, **most consumers that have been in contact with their supplier for support are satisfied** with the support they got from their supplier. This may be because there has been a decrease in suppliers offering support options (+6% weren't offered anything). There has also been no significant change in the options suppliers offer to discuss compared to last quarter.

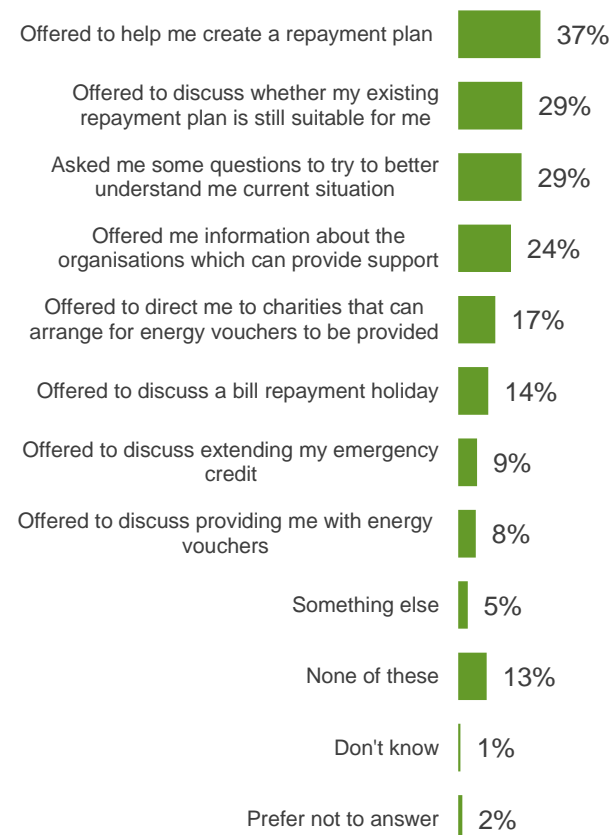
A significant proportion also remain dissatisfied (a fifth) –these consumers are much less likely to have been offered a help option by their supplier.

Satisfaction with debt management support – Q4'21



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

Options the supplier offered to discuss – Q4'21



↑ Indicates a significant Increase / Decrease ↓
 At 95% confidence WoW

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.

31% have run out of credit on their prepayment meter in the past three months (vs 27% in Q3'21)

Just under a third of consumers who pay for their energy using a prepayment meter have run out of credit. However, data suggests that for a large proportion of these they *may* have forgotten to top up, rather than be struggling to pay for their energy (62% only ran out of credit for 3 hours or less). This leaves a total of **10%** of prepayment meter consumers who have run out of credit on their prepayment meter for 3 hours or more (+5% vs Q3'21).

"I simply forgot to top up. I wasn't in financial difficulties."
Prepayment consumer

"Didn't have time to top up the meter."
Prepayment consumer

However, the increase in those who have run out of credit since last quarter does suggest that more prepayment consumers have been struggling. Similarly to credit meter customers, the rising cost of living and energy are the largest contributing factors when prepayment consumers have fallen behind. Whilst suppliers and advice bodies may not be able to directly influence this, it is worth ensuring that any support available is appropriate and works well (e.g. credit codes that need power in order to work).

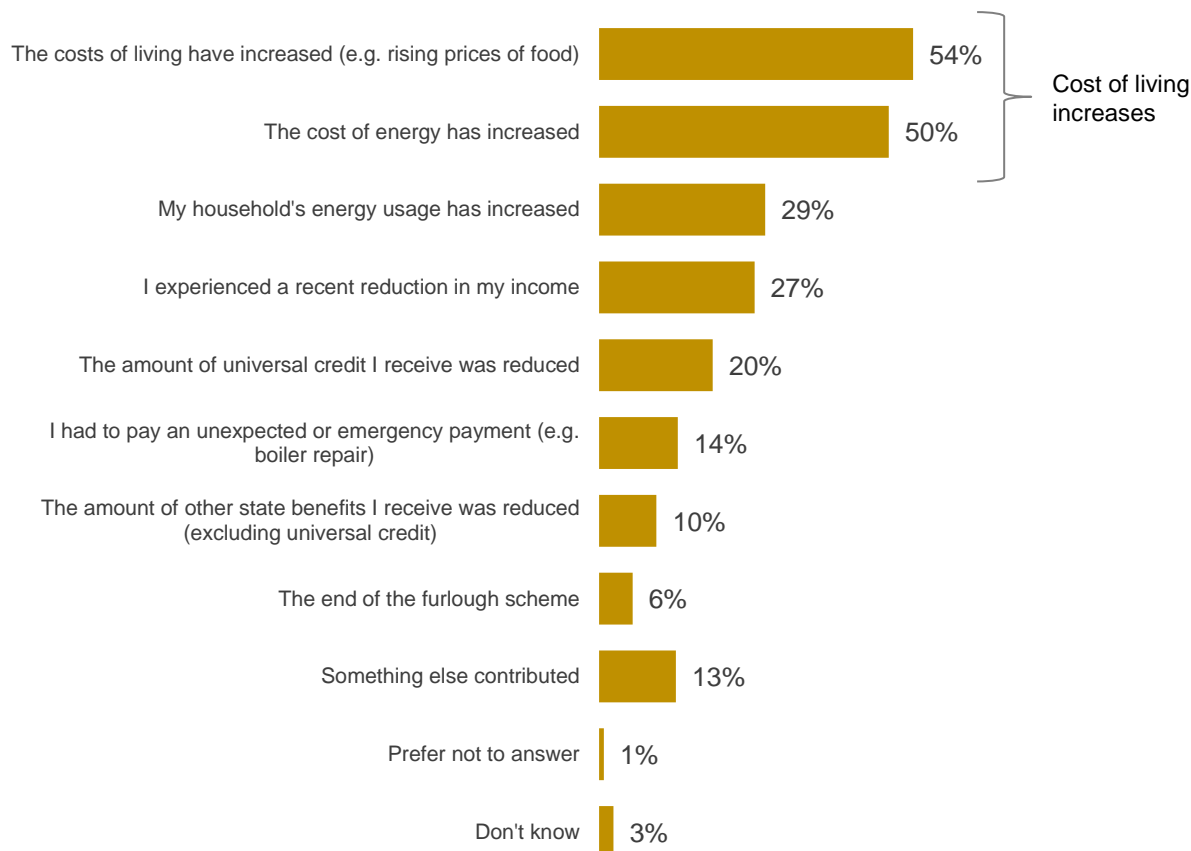
"I did not have the money to top up."
Prepayment consumer

"No money to top up."
Prepayment consumer

"My top up ran out so the electric went off, I purchased credit online but could not input code as electric was off."
Prepayment consumer

"We ran out of emergency credit and all the shops was shut where we top up."
Prepayment consumer

Contributing factors to running out of credit – Q4'21



↑ Indicates a significant Increase / Decrease ↓
At 95% confidence WoW

GETTING SUPPORT – PREPAYMENT CONSUMERS

Most prepayment meter consumers are satisfied with the support their suppliers have offered but, as with credit meter consumers, only a small proportion have received support because their supplier reached out proactively.

37% of those who have run out of credit on their prepayment meter have been in contact with their energy supplier for help (vs 39% in Q3'21)

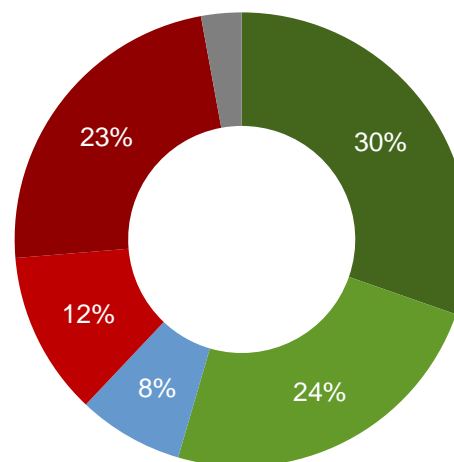
However, this rises to 55% for those who were disconnected for 7 hours or more (these people may be more likely to have been disconnected due to affordability, rather than forgetting to top up). This is similar to the proportion of consumers paying via credit meter.

For those who have been in contact with their supplier for help – the supplier reached out first to only a fifth (7% overall, compared to 11% in Q3'21, although this difference is not significant).

Around half of consumers that have been in contact with their supplier for help are satisfied with the support they received (54%). Compared to last quarter, the offering of tangible financial support has increased (29%, +7% were offered emergency credit extensions).

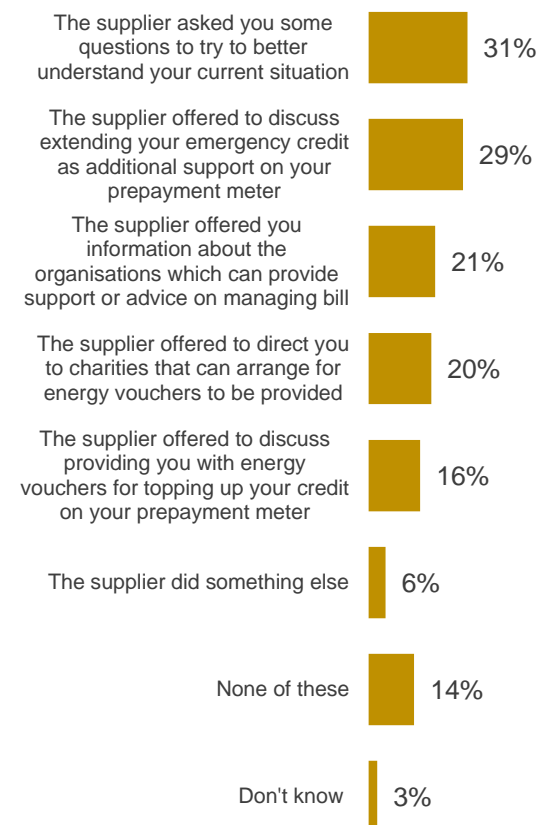
However, there also remains an increasingly large proportion of consumers who were dissatisfied with the support they received (35%, vs 19% in Q3'21).

Satisfaction with debt management support – Q4'21*

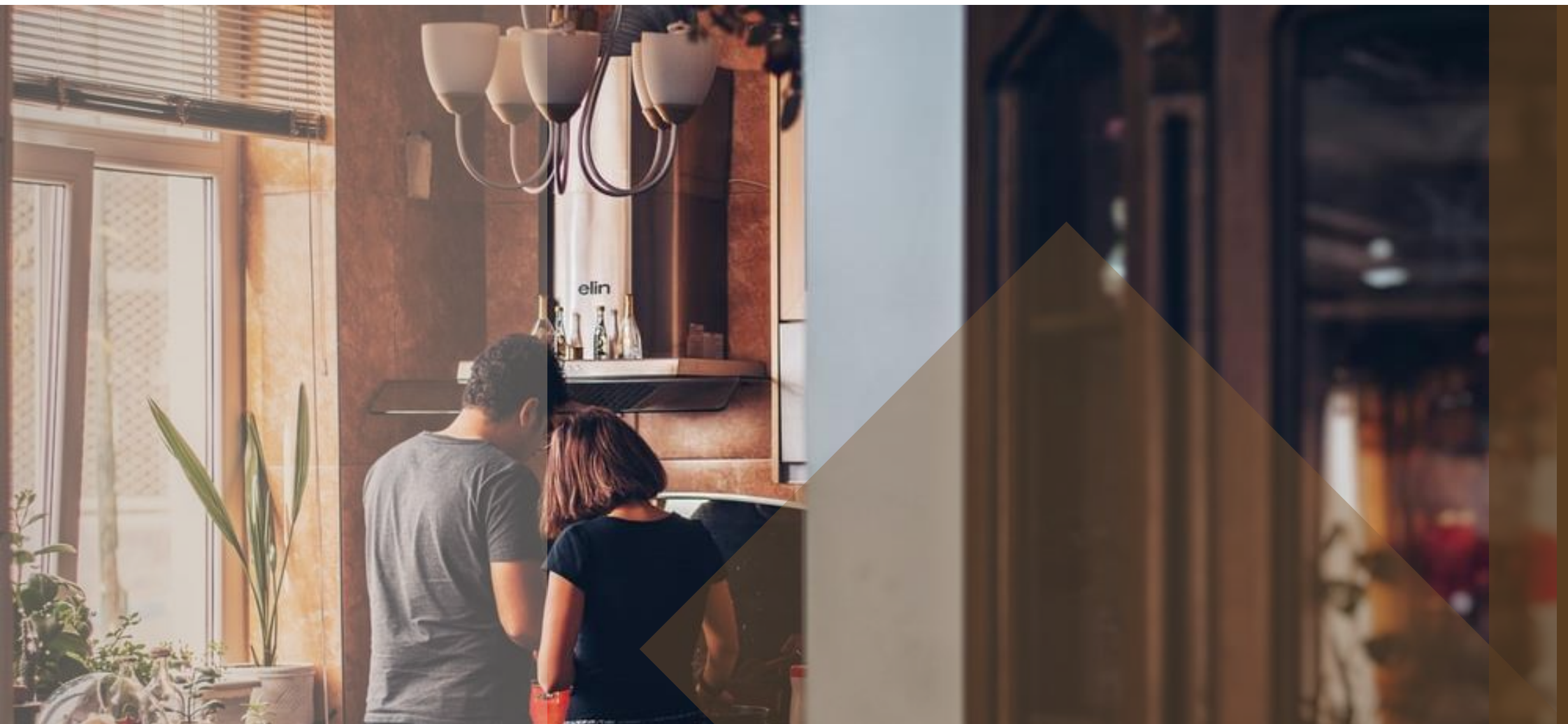


- Very satisfied
- Satisfied
- Neither satisfied nor dissatisfied
- Dissatisfied
- Very dissatisfied
- Unsure

Options the supplier offered to discuss – Q4'21*



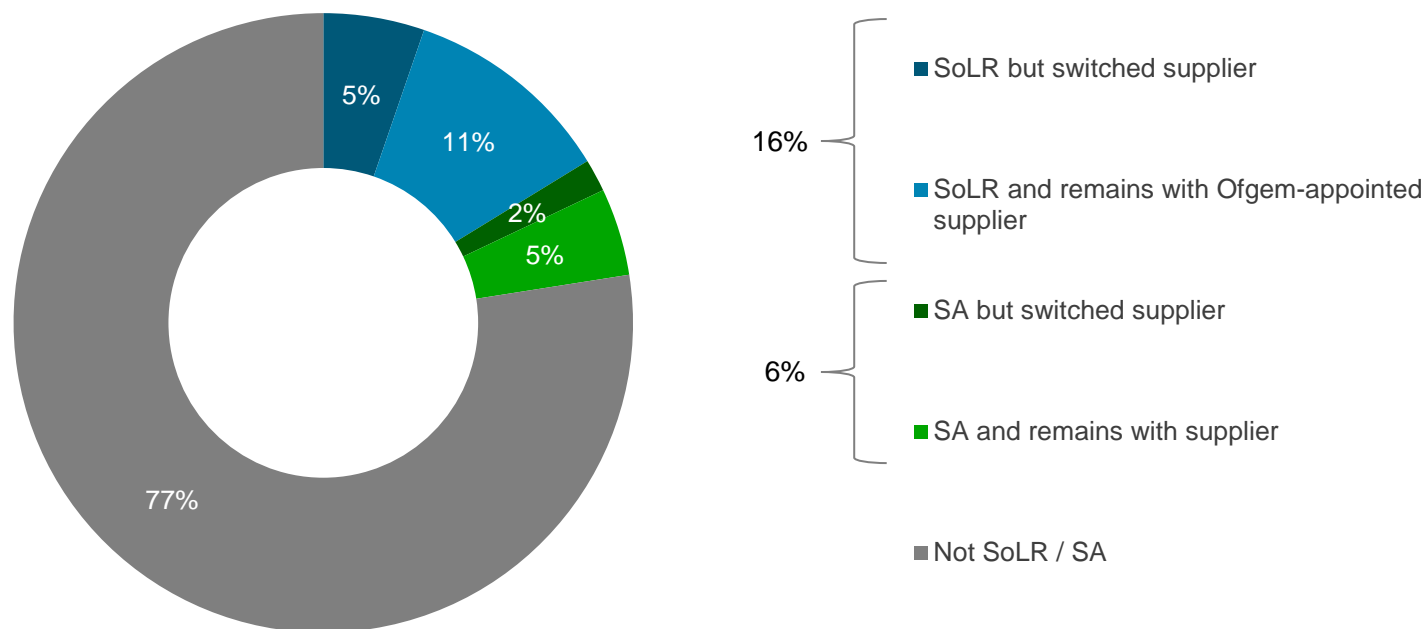
↑ Indicates a significant Increase / Decrease ↓
At 95% confidence WoW



SUPPLIER OF LAST RESORT PROCESS - PROFILING

Around a fifth of consumers have experienced either the SoLR or Special Administration (SA) process. In our sample, consumers have been customers of a wide range of suppliers that have gone out of business.

Consumer SoLR status distribution



SATISFACTION WITH TRANSFER TO NEW SUPPLIER

Consumer perceptions of the SoLR process are similar to last wave: most were satisfied with (or feel neutral about) the process, but a fifth remain dissatisfied. This continues to be driven by higher tariffs, lack of choice and communication, and delayed refunds.

16% have been a consumer of an energy supplier that has gone out of business (excluding Special Administration)

Most consumers continue to feel positively about the transfer process (around three-fifths are satisfied). However, a fifth remain dissatisfied.

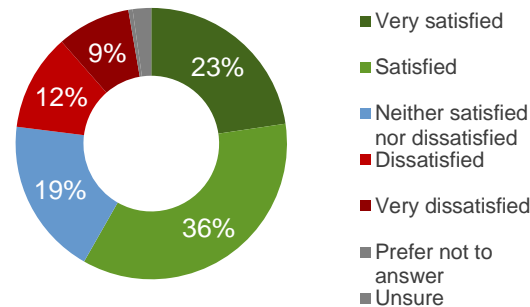
Verbatim comments from consumers over the past two waves of research show that dissatisfaction is being driven by:

- **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

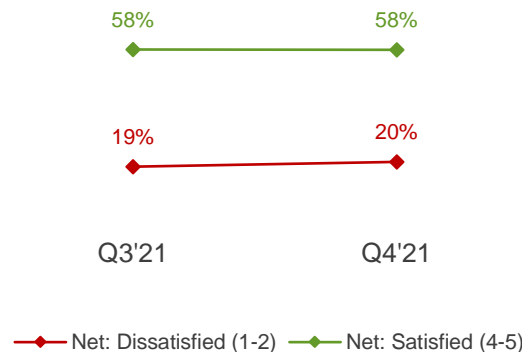
"I had no choice and the increase in energy prices I am paying is unbelievable"

"My substantial credit with the old supplier still has not been refunded several months later"

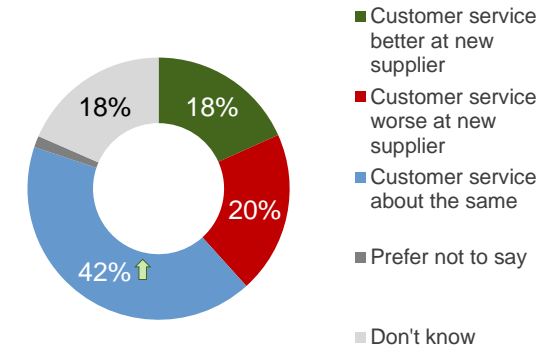
Satisfaction with transfer to new supplier Q4'21



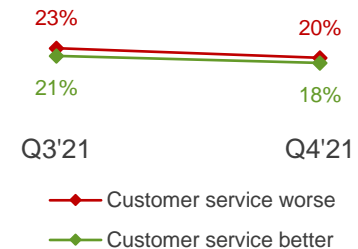
Over time



Customer service perceptions Q4'21



Over time



Base sizes: Satisfaction Q4'21=496 / Customer service Q4'21=510

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?

Indicates a significant
↑ Increase / Decrease ↓
At 95% confidence WoW

SUPPLIER OF LAST RESORT PROCESS – SUBSEQUENT SWITCHING

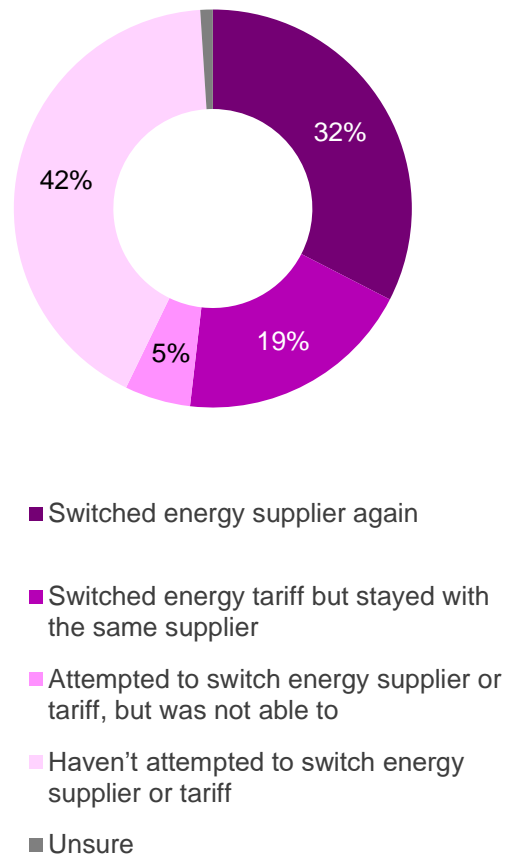
A third of consumers who experienced the SoLR process have since switched – the primary reasons for this are to get a fixed term deal or better tariff. However, SoLR customers are also more likely to switch for reputation / customer service reasons, which could be an area to improve.

38% of SoLR consumers either switched supplier or attempted to switch supplier

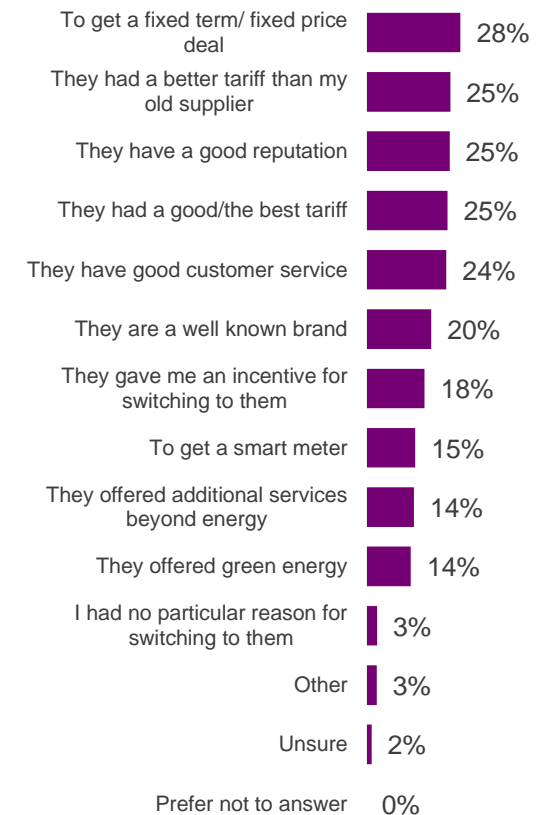
SoLR consumers that **switched** are more likely to be:

- Younger consumers (aged under 50, 46%, this increases further if aged under 35, 50%)
- Paying via prepayment (53%)
- Smart meter owners (40%)
- Consumers with a long-term illness, physical or mental health problem or disability* (41%)

Switching status of SoLR consumers



Reason for switching





Headlines

- Consumers remain generally **satisfied** with their energy supplier overall (70%), although this is starting to show decline compared to Q3'21 (-2%).
- Satisfaction with key experiences that consumers have with their suppliers have also declined this quarter – **customer service**, **contact ease**, **billing**, **complaints handling**, and **switching**. It is very likely that the current uncertainty in the sector is causing this.
- There has been a significant increase in the proportion of consumers with **affordability concerns** this quarter (41%, +8% vs Q3'21). This is unsurprising given the current gas crisis. The proportion of consumers that have gone into debt is stable, and most consumers who have received support from their supplier are satisfied (58%), although this is showing decline (-8% vs Q3'21).
- Around a fifth of consumers have experienced either the **Supplier of Last Resort** or Special Administration process (22%). Most consumers are satisfied with the SoLR process (58%), although one in five (20%) are dissatisfied. Reasons given for dissatisfaction are similar to last quarter.

Key areas to monitor / recommendations

In the context of the gas crisis, it will be important to continue to closely monitor key experiences that consumers have with suppliers, and affordability concerns / debt in future waves of the research.

There are also a few things that suppliers / independent bodies could be doing to improve things for consumers:

- Consumers might appreciate more proactive, regular guidance or communications (particularly support options, like where to get independent advice, or what to do if they need help).
- There are some consumer groups who are more likely to have affordability concerns (e.g. women, those with lower household incomes, etc). It may be worth ensuring guidance and financial support is tailored to meet the needs of these consumers.
- Suppliers could also offer greater support to consumers who have fallen behind on their bills, or run out of credit on their prepayment meter – this could be by reaching out proactively, and also by offering a greater variety of support options.

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Because customers create the value in brands

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
- **SA** – The Special Administration 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.

