

**Thinks**  
— Insight & Strategy —



# Ofgem: Consumer Standards Research

Report drafted for Ofgem by Thinks Insight and Strategy  
July 2023

# Foreword

Ofgem is Great Britain's independent energy regulator. We work to protect current and future energy consumers by ensuring they are treated fairly.

With many consumers struggling with their energy bills, it is more critical than ever that suppliers provide them with good service. There are many examples of good supplier customer service. However, our market monitoring, consumer research and stakeholder feedback show us that supplier customer service, on the whole, is not meeting many consumers' needs.

As the energy regulator, our primary objective is to protect the interests of consumers. In order to do that we need to fully understand consumer needs, expectations and concerns, ensuring the voices and perspectives of energy consumers are embedded in our everyday thinking and decision-making.

This research took place in May 2023 and, along with stakeholder feedback and other data sources, has helped to shape our thinking on what policy changes to make to (1) make it easier for consumers to contact their energy supplier, (2) improve the advice and support consumers receive from their supplier when struggling to pay their bills, and (3) improve visibility of customer service ratings.

This summer we plan to consult and seek views on the specific policy changes we are looking to make, with our current plan to make a decision by early October so that the changes are in place for this winter onwards. We note that we are seeking feedback on our proposed implementation timescales.

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# 01 Background and objectives

# Background

Ofgem has identified that supplier customer service is not meeting many customer's needs.

As part of preparations ahead of the next winter, Ofgem has begun developing potential **policy solutions** which impact the ease of contacting energy suppliers, along with identifying and supporting consumers struggling to pay their energy bills. Ofgem commissioned Thinks Insight & Strategy to:

- Understand experiences and expectations of contacting energy suppliers
- Identify customer needs when contacting suppliers for support with energy bills
- Test and help inform the development of new policy ideas and Ofgem's decision about how to address these needs for consumers.

The core objective of this research is to **build on existing knowledge of these issues** and understand consumer perspectives on **Ofgem's proposed solutions**.



# Objectives

The key audiences of interest are **domestic consumers** who have **needed to contact** their energy supplier for help, including with paying their bills, and those who are **likely to struggle to pay their bills in the near future**. This research aimed to:



Understand **experiences and expectations** of contacting energy suppliers to seek support or advice, including barriers and enablers



Identify **core needs** in the context of contacting energy suppliers and for those struggling to pay their bills.



**Test and inform Ofgem's policy ideas** to improve contact ease, support customers struggling with bills and incentivise better customer service.

# 02 Methodology and sample

# Overview of our approach

We used a **two-stage approach** to explore this topic with a total of **33 participants**. This mainly focused on domestic energy consumers who have struggled to pay their energy bills or say they are likely to struggle imminently. A citizens' perspective was also incorporated to understand broader attitudes towards offering support in this context.

## Consumers struggling to pay energy bills

**Pre-task:** to capture participants' experiences of contacting their energy supplier to seek advice, or the expectations of this amongst those who are yet to do so. This information was used by moderators as a starting point for the interview.

**60 minute depth interviews with 24 participants who have either struggled to pay their energy bills or are likely to struggle imminently,** to explore their experiences in detail, and test Ofgem's policy ideas for improving ease of contact. Conducted remotely, either via Zoom or telephone, based on participant preference.

## General public focus groups

**3 x 90 minute mini-focus groups, each with 2-4 members of the general public** (who pay energy bills but have not experienced challenges with this themselves) to explore citizens' perspective on this issue and responses to the proposed solutions. Conducted remotely via Zoom.

The general public focus groups were used to understand the expectations of the contacting journey and responses to the initial policy ideas amongst those who **have not needed support with paying their energy bills.**



# Why we took this approach

Qualitative research provides an in-depth understanding of consumers' views and the reasons for those views. The qualitative sample was designed to incorporate and represent a range of consumer views and lived experiences relating to the research topic. However, this is not intended to be fully nationally representative of all consumer views.

## Depth interviews

- A depth interview is a detailed, individual discussion designed to elicit depth on a topic of interest.
- Depths were used to understand the individualised nature of consumer experiences (e.g., to understand their experience in the context of their personal circumstances).
- This approach also suits topics which are potentially sensitive in nature.
- 21 interviews were conducted online and 3 via telephone to include those who are not digitally enabled or confident.

## Citizens groups

- Mini groups were run to get a sense of expectations from people who were unlikely to need support with their bills.
- Groups were chosen as this topic was unlikely to be sensitive for this group who are not struggling with their bills.

All fieldwork took place between 24<sup>th</sup> May and 8<sup>th</sup> June 2023

# Sample

	24x in-depth interviews	3x Citizens mini-groups
<b>Contact with supplier</b>	12x with contact experience and 12x without	6x with contact experience* and 3x no contact experience
<b>Gender</b>	13x female and 11x male	4x female, 5x male
<b>Age</b>	6x 18-29, 9x 30-49, 9x 50-79	3x 30-49, 6x 50-79
<b>Socio-economic group</b>	1x B, 7x C1, 13 x C2, 2 x D, 1 x E	1x B, 3x C1, 1x C2 4xD
<b>Ethnicity</b>	6x ethnic minority background*	2x ethnic minority background*
<b>Personal circumstances</b>	9 self-identifying as having a long-term illness, health problem, disability or impairment	5 self-identifying as having a long-term illness, health problem, disability or impairment
<b>Financial circumstances</b>	2x falling behind with energy bills, 7x keeping with up energy bills but constantly struggling, 15x keeping with up energy bills but struggling from time to time	Those keeping up with their household bills without any problems
<b>Locations</b>	19x England, 3x Scotland, 2x Wales	Locations: 2x East of England, 1x West Midlands, 5x South of England, 1x North West of England
<b>Energy bill payment methods</b>	15x monthly/quarterly direct debit, 3x pay by cheque, cash or card on receipt of bill, 6x prepayment meter	8x monthly/quarterly direct debit and 1x pay by cheque, cash or card on receipt of bill

\*Please note that this is any contact with customer service, not only regarding struggling to pay bills.

\*Ethnic minority backgrounds included: 2x Caribbean, 1x Indian, 1x Pakistani, 1x African, 2x Any other Mixed or Multiple ethnic background, and 1x Any other Asian background.

# 03 Executive summary

# Key findings: The consumer context and core needs

01

**As a result of rising energy prices, many participants in our sample found themselves struggling to pay their energy bills for the first time.** Participants in our sample did not self-identify as vulnerable, and struggle with the idea that they are in a difficult position financially. This means that most felt embarrassed and ashamed to ask for help.

02

**Participants raised significant psychological and emotional barriers to contacting energy suppliers for support.** Most participants put off asking for help because they felt they would be talked down to, and many left the conversation feeling even worse about their situation and without the additional support they needed.

03

**Those who did get in contact with their energy suppliers had low expectations of the customer service they'd be offered.** These expectations were shaped by a wider context of poor previous interactions with customer service helplines more generally, as well as with their own energy supplier. In particular, participants highlighted long waiting times on the phone, and a lack of knowledge and empathy from staff.

04

**Furthermore, there is a knowledge gap regarding the type of support that is available to people in their situation.** Given that many participants in our sample are unfamiliar with experiencing debt or struggling to pay their bills, they felt that energy suppliers can't or won't help them.

05

**In light of these key emotional and functional barriers, participants are looking for energy suppliers to demonstrate empathy and understanding.** This is essential for feeling that their interaction was positive, even if the outcome did not completely resolve the participant's situation (i.e. provide them with an immediate solution to paying for their bills).

# Key findings: Ofgem's proposed solutions

Proposal	Key finding
<b>Identifying vulnerable customers</b>	<p><b>Better identifying vulnerable customers was seen to be vital in helping find solutions for those struggling.</b> Proactive communication from the supplier to offer support was seen as particularly important and can help address feelings of embarrassment about asking for help. Most participants felt ending minimum repayment rates was a useful solution and an opportunity to create a compromise that works for both sides. They also agreed with the proposed timings for getting in contact and felt this allows for flexibility and 'one-off' missed payments.</p>
<b>Identifying vulnerable customers</b>	<p><b>To take this solution further, participants felt there should be a focus on the tone used by suppliers in their messaging, when contacting customers.</b> They felt suppliers should approach the communication with empathy and highlight the support that is available, rather than emphasising that a payment has been missed.</p>
<b>Improving contact ease</b>	<p><b>All participants welcomed proposed ideas to increase contact hours and methods of contact, that are free to use.</b> These were seen as positive steps to improve the contacting process and some felt the longer opening hours may decrease wait times, which participants identified as a barrier to contact. However, this solution should also focus on the quality of customer service that is received, alongside the practical improvements.</p>
<b>Reputational incentives</b>	<p><b>Whilst positively received, reputational incentives were only seen as a way to prevent or discourage poor customer service in the long term,</b> rather than a solution to the problems they are experiencing now. Participants felt this solution does not directly address the barriers to contact that they identified and is therefore not seen to help struggling customers at the time of need.</p>

# Areas for further consideration

**01**

**Consider that customers may be in this financially difficult position for first time.** This has implications across the support journey (e.g., the amount of information they need regarding eligibility, the support available, and the tone of communication).

**02**

**Further to this, consider the quality of the service provided** (e.g., making it clear customers are being listened to and keeping wait times short). The biggest customer service issues identified by participants in this research are related to the quality of service, rather than the practicalities of the support that is offered.

**03**

**Consider advertising the support available in multiple places.** Many participants speak of heading to the supplier's website in the first instance, but consider placing this information in other sources too (e.g., on the bill, on social media) to reach a greater number of people.

# 04 The customer context

# With the rising cost of living, many participants found themselves struggling to pay their bills for the first time

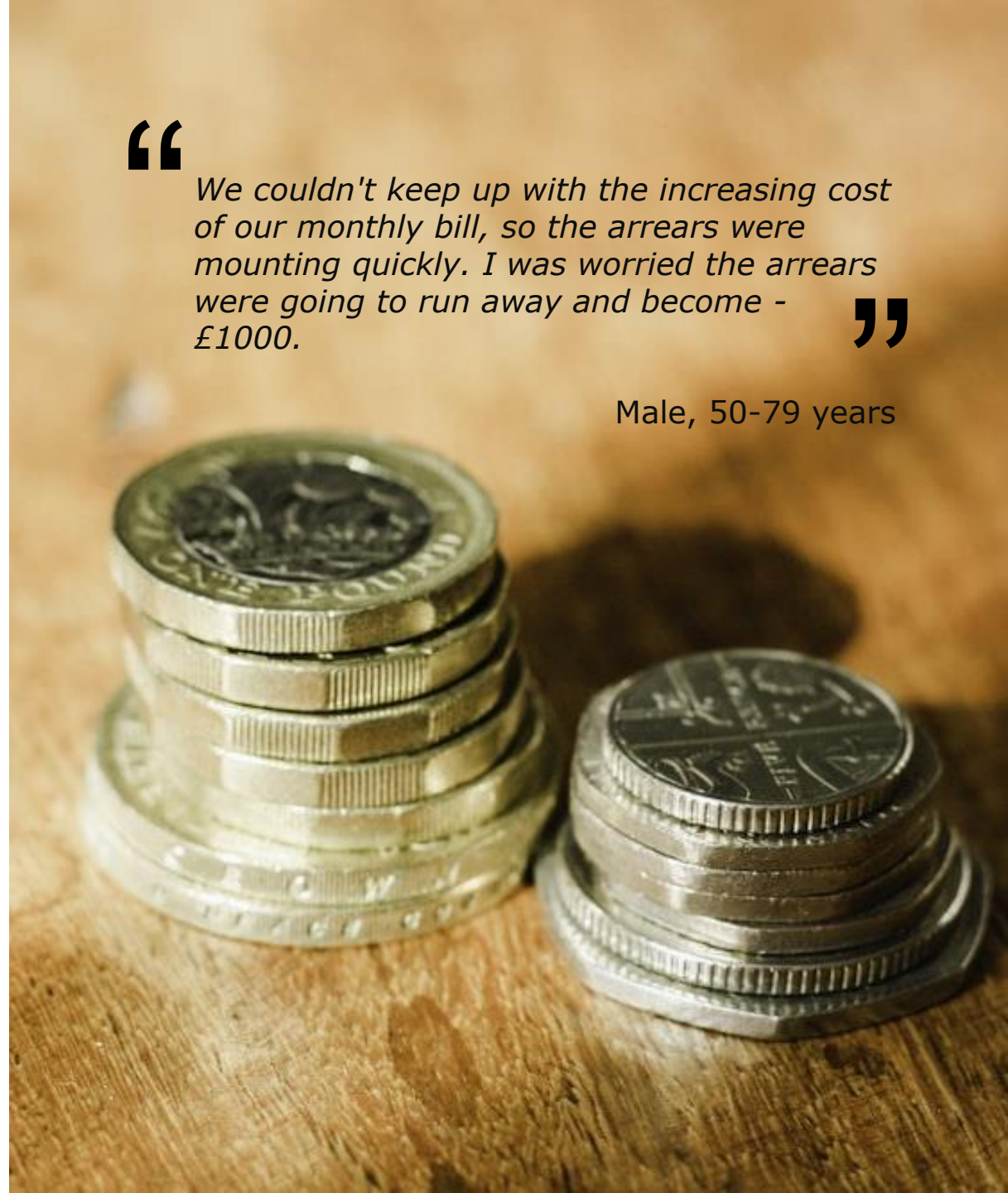
- The majority of participants were struggling to pay their bills due to recent energy price increases, along with other cost of living increases.
- A few had fallen into financial difficulty due to unexpected life events, such as illness or bereavement.
- This means that many we spoke to had **not previously found themselves in a situation where they cannot pay their bills**, which they find upsetting.
- As a result, participants in this sample typically **did not view themselves as 'vulnerable customers'**.

“

*We couldn't keep up with the increasing cost of our monthly bill, so the arrears were mounting quickly. I was worried the arrears were going to run away and become - £1000.*

”

Male, 50-79 years





# Contextual factors at the time of fieldwork also mean that participants were continuing to 'put off' seeking support

Fieldwork was conducted between 24<sup>th</sup> May and 8<sup>th</sup> June 2023.

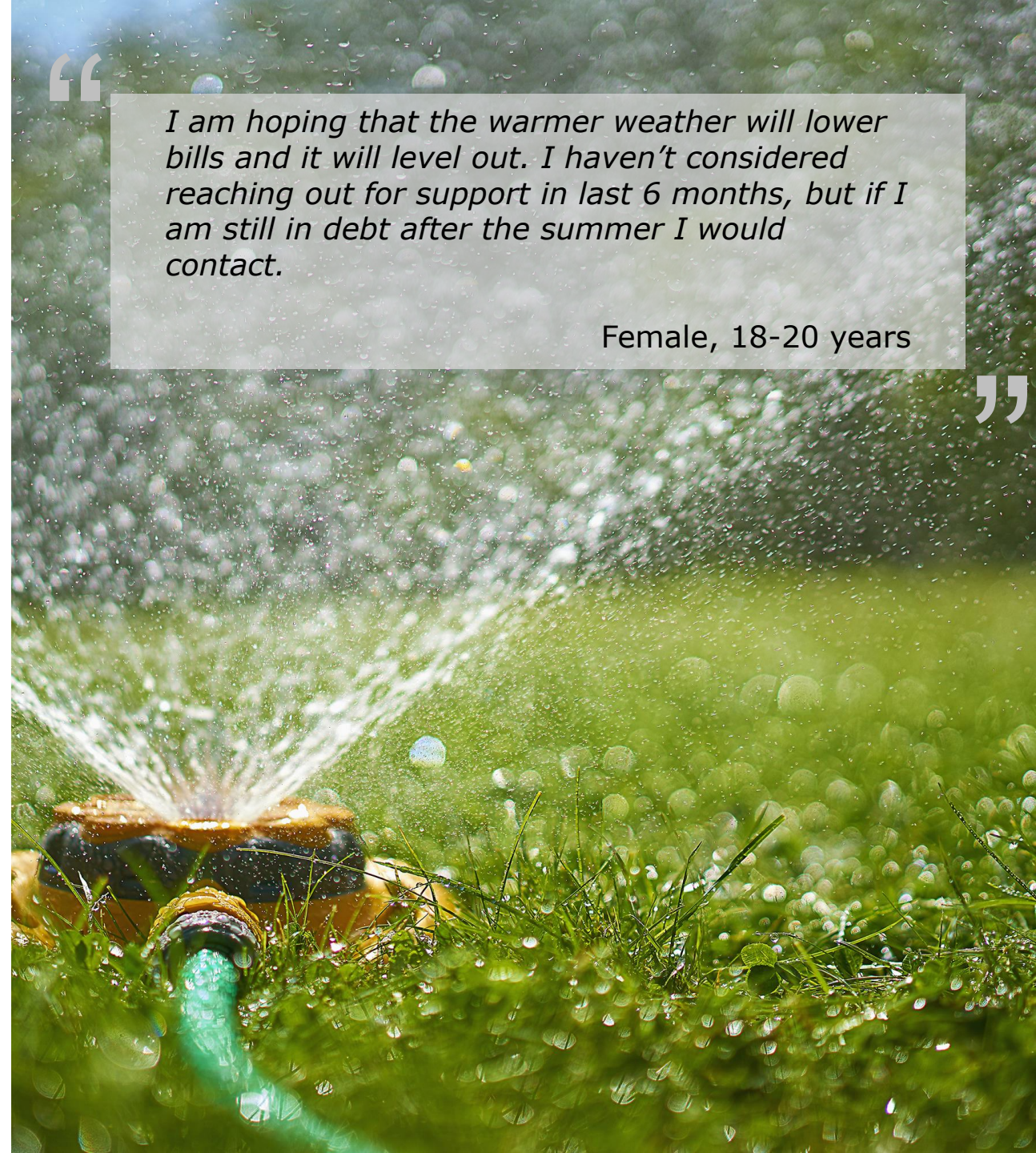
- Due to **seasonal variation in energy bills**, many participants 'put off' getting in touch for support over the winter, as they were hopeful their bills would decrease over the summer and become more manageable.
- Only a few participants were spontaneously aware of the energy price cap decreases announced in May.

“

*I am hoping that the warmer weather will lower bills and it will level out. I haven't considered reaching out for support in last 6 months, but if I am still in debt after the summer I would contact.*

Female, 18-20 years

”



# Case Studies

## Customers experiencing debt for the first time



“

*I have never owed anyone money in my life.*

”

### Francis\*

Francis is retired and volunteers regularly in care homes. He pays for his energy bills via monthly direct debit and had built up £1000 credit over 12 months. However, Francis's wife was taken ill in October and now he is using more energy to support his wife (e.g., carers in 4 times a day, additional meals, medical equipment). Francis is now £200 to £300 in debt on his account.

Francis's direct debit payments do not cover the increased use of energy, but he cannot afford to increase the monthly payments.

Francis contacted his supplier for help and was offered a short term (3 month) reduction in his bills. However, he is worried what will happen after this.

Francis is hoping to use less energy over the summer months to help reduce the debt.



“

*They offered to increase our monthly payment, but we were unable to afford it given the increase in other bills and food.*

”

### Nick\*

Nick lives with his wife and youngest daughter. His family moved to a new house in late 2021.

Nick's bills began to increase over the winter months from £170 to £600. He was paying £375 via monthly direct debit but couldn't keep up with the increasing cost of monthly bills. Nick was worried about the speed in which the arrears were mounting.

Nick spoke to his friends to hear how they were managing, but they were also struggling.

Nick had not been in this position before and put off contacting his supplier for 3 to 4 months. He contacted his supplier to avoid receiving 'red letters'.

# **05 Barriers to contacting energy suppliers**

# Participants identify 3 key barriers to contacting their energy suppliers for support

**Emotional  
barriers**

**Low expectations  
of service quality**

**Support  
knowledge gap**

These barriers affect the extent to which customers **want** to contact their energy supplier (i.e., do they believe this effort will be worthwhile).

This barrier affects the extent to which customers are aware of **how** to get in contact with their supplier, and what support would be available if they did.

# Participants say they feel embarrassed and uncomfortable asking for support, creating a significant emotional barrier to contacting energy suppliers

## Emotional barriers

- Feelings of **embarrassment and shame** were the **key reasons** most participants 'put off' getting in touch with their supplier.
- Many **did not want** to ask for support out of pride or felt that it is **embarrassing to admit they need help or cannot keep up with bills.**
- Others mentioned **not wanting to alert suppliers to their debt**, because they were worrying about the possible consequences of doing so.

“

*It's kind of embarrassing being in that situation, I have worked all my life, I didn't think we'd be in this situation.*

Male, 50-79 years

*I thought it would be a bit like a teacher and school kid scenario. They would tell me off...'if you can't afford it, you shouldn't use it'.*

Male, 50-79 years

”

# Previous experiences of customer services shaped participants' expectations of their energy suppliers

## Low expectations of service quality

- Expectations of low-quality service were shaped by **previous interactions with customer service helplines** more generally, but also with their own energy supplier.
- Participants specifically highlighted the **long wait times on hold**, and being passed between departments, which led them to feel like they were wasting their time.
  - Many participants referenced **not having the free time** to potentially wait on hold on the phone.
- Furthermore, once they did speak to someone, many felt there was a **lack of empathy from the supplier** and an unwillingness to really understand the situation.
  - **This caused frustration and upset for participants**, who were often keen to justify the reasons behind why they were struggling to pay.

“

*I was worried they were going to be dismissive and offer the bare minimum.*

Male, 30-49 years

*I felt intimidated by it. What I was saying was honest and genuine, but they just simply didn't have anything to say about it. [...] I felt very down, very depressed. I was scared to use the heating - I thought I should just stay in bed with blankets over me. It psychologically traumatised me.*

Male, 70+ years

# Unfamiliarity with experiencing debt means that most participants were unaware of the support that could be available to them

## Support knowledge gap

- Most participants were **unfamiliar with being in debt** and were therefore **unfamiliar with the scope of support available** in this situation.
- The few who had more experience of falling behind on bills were aware that certain services could offer guidance, in addition to energy suppliers (e.g. Citizens Advice).
- Additionally, given most participants did not view themselves as 'vulnerable', they **did not believe that support would be offered to 'someone like them'**.
- These perceptions were **further reinforced by a lack of clearly communicated support from suppliers.**
  - As a result, some participants decided to research what support might be available to them, rather than being proactively offered it by suppliers, who were not perceived as being upfront about what support was available.
  - Some participants do not feel their supplier would offer any support. Even though they are struggling, they feel that if they've used the energy, they will need to pay for that in full.

“

*I work for the Council, I know that most help is for really low-income families, or people on benefits. There just isn't support available for people working full time.*

Female, 30-49 years

*I thought they'd say 'Why are you phoning us? We are providing the electricity – you use it and pay it'.*

Male, 50-70 years



# Case Study | Melanie\*

*Lacking awareness of support available, and hesitant about alerting the supplier to debt*

“

*They are my energy supplier; they are not going to pay the bill for me.*

”

## Barriers to contact

### Support knowledge gap

She is unaware of what support her supplier offers and feels there is not much they can do as “how can they help so many people?”

### Emotional barrier

Melanie would only make contact if she received a warning letter that they were cutting off the energy supply because she doesn't want to highlight the debt to her supplier.

## Context

Melanie is a single mother and is currently not in paid work. She is finding it very difficult to keep up with her energy bills.

## Objective

If Melanie was to contact her supplier, she would hope her supplier would understand her personal situation, and for a payment plan to be put in place.

## Experience of contact

Melanie has stopped opening letters from her supplier because she feels anxious about how much the bills are and the increasing debt.

## Outcome

Melanie will try to continue to pay off the debt as and when she can.





# Case Study | James\*

*Low expectations of service quality and the time required to make contact*

“

*I need quicker wait times, and to not be passed around from department to department.*

”

## Context

James left his job to become a carer for a relative. James is currently managing to keep up with his energy bills and has had a solar panel installed to help with increasing costs.

James was hoping to receive the 'Warm Home Discount' but did not.

## Barriers to contact

### Time

James is a father and carer so has limited time. He did not contact his supplier as he expected to be on hold for at least 90 minutes and is not confident contacting online.

### Low expectations of service quality

The customer service that James has received in the past has been 'bad'. He feels everything with his current supplier is 'hard' (e.g., he has not got the money back he is owed (in credit); and the supplier hasn't sorted out his in-home display, so he is unable to see how much energy he is using).

## Objective

James wishes his supplier could offer financial support, but he is not aware of what they offer for customers on pre-payments.

## Outcome

James doesn't expect his supplier to be able to help him.



# Case Study | Tom\*

*Embarrassment about experiencing debt for the first time and lacking awareness of support available*

“

*It's kind of embarrassing being in that situation. I worked all my life; I didn't think we'd be in this situation.*

”

## Context

Tom is a property developer. In the last few years, work has slowed so his finances have 'dried up'.

Tom's electricity bill increased 'astronomically', and he could not afford to pay it.

He first went to his sister to borrow money, but as the bills kept rising he did not want to continue doing that.

## Barriers to contact

### Emotional barriers

Tom was reluctant to contact his energy supplier as he felt embarrassed to find himself in a situation where he was unable to pay. Tom was also worried the supplier might cut him off if he called.

### Support knowledge gap

Tom thought his energy supplier would not be able to help as they are providing a service that must be paid for.

## Objective

Tom had intended to talk to Citizens Advice but there was a long wait.

Tom was hoping his energy supplier would be able to offer a solution.

## Experience of contact

After being encouraged by friends, Tom phoned his energy supplier and was made to feel at ease by the operator. The operator asked Tom how much he could afford to pay each month and they adjusted his monthly payments.

The operator gave Tom an email address and phone number in case anything changed.

## Outcome

Tom felt positive after coming off the phone and was glad he had spoken to them.

# 06 What 'good' looks like

# Participants identified several factors relating to service and information that would improve both the contacting experience and the support received

Participants explain that 'good' service looks like...

## A seamless experience



### Proactive communication

Taking the contact responsibility off the customer can alleviate worries about getting in touch and reach struggling customers sooner.

This proactive communication should be to understand and offer support, rather than to emphasise that they have missed a payment.



### Short wait times

If the customer gets in touch, wait times should be kept to a minimum. Participants speak of frustration at being on hold for long periods of time, which further discourages them from asking for help.

## Information and outcomes



### Suppliers giving clear expectations of outcomes

The majority of participants don't have detailed expectations of the support they might be offered. Most aren't expecting significant financial help.

Therefore, energy companies should clearly display support options on their website, to help set customer expectations.



### Personalised advice

Whenever possible, support and advice should be tailored to the customer's specific situation. This is because customers want to explain their circumstances and be offered solutions that feel personal to that. This will help customers feel listened to and understood.



### An empathetic voice

Any communication from the supplier should be empathetic and understanding. This is because it is difficult to make the decision to get in contact, so to make this experience less daunting, suppliers should demonstrate empathy.

# In light of the barriers experienced by participants, it is essential that suppliers demonstrate empathy and understanding

## Emotional barriers

- Participants felt **embarrassed** about their situation, and felt it was a 'hit to their pride' if they found themselves needing to reach out for support with their bills.

## Support knowledge gap

- They also **did not fully understand what support is available to them.**

Therefore, to overcome these barriers, it is essential that the supplier provides an **empathetic and understanding response.**

# Treating customers with empathy helps to overcome their negative feelings about asking for help

## Emotional barriers

- All participants emphasised the importance of being treated with **empathy** and felt it's essential that the supplier genuinely tried to understand their unique personal situation.
- Many preferred to resolve the situation themselves (e.g., trying to cut back elsewhere), and saw **asking for support as a last resort**.

“

*It's really, really important that the supplier shows you some sympathy. They need to listen and actually understand our circumstances.*

Female, 50-70 years

*People may feel really embarrassed or be too proud to ask for help. The supplier asking if you are okay and how you're feeling is a nice relationship to have.*

Female, 18-29 years

”

# Due to the knowledge gap of support available, suppliers should explain options to customers and work together to find a solution

## Support knowledge gap

- Participants were largely **unaware of the support available to them** and often assumed support would not be offered to people in their situation.
- Many spoke about **looking for possible solutions themselves**, rather than it being proactively offered by the supplier.
- When suppliers do present options to customers, they need to be **specific to their situation** and suppliers should work with customers to find a solution, to reinforce the idea that they have been listened to.

“

*Suppliers only seem to offer financial help if you don't have any savings. So, we just had to rally round and manage.*

Female, 30-49 years

*When I contacted my supplier, I was offered no solution and talked down too. I had to go to Citizen's Advice to find out what options were available to me. They managed to get me emergency credit.*

Female, 18-29 years

”

# Therefore, the way participants feel about their interaction with their supplier has a strong impact on their overall impressions

- The way participants feel about the interaction they have with their supplier can be just as (if not more) important for **leaving a positive overall impression**, than the actual solution that is offered.
- Participants are more likely to be **accepting of an outcome** (even if that outcome didn't meet their expectations), if the conversation has been empathetic and understanding and their options have been clearly explained to them.

A close-up photograph of a woman's hands holding a black smartphone. She is looking at the screen, and her face is partially visible on the right side of the frame. The background is blurred, showing what appears to be a laptop and some greenery.

“

*I didn't expect to get a refund on what I owed, but they [the supplier] said to me 'We are really sorry to hear about what you've been going through', and I was really surprised, but really happy about that.*

Female, 30-49 years, general public focus group

”





# Case Study | Liam\*

*Lack of empathy and responsiveness from the supplier*

“

*I hoped they would look at my merit, look at me in a sympathetic way, write off the debt maybe. But I was not treated sensitively at all.*”

## Context

Liam\* was out of work and was severely unwell, meaning he needed the heating on.

He had a very limited income and was borrowing money from a friend. It became difficult to pay his direct debit and ended up £1000 in debt.

Liam really wants to be independent.

## Barriers to contact

Time

Emotional barriers

Finding himself in debt made Liam want to get in contact.

He first used his supplier's app, which he found impersonal and difficult to navigate. When he spoke to someone, there was a considerable wait time and once he explained his situation, he felt he had not been shown any empathy from the call handler.

## Objective

He hoped his supplier would be sympathetic to his situation and write off the debt.

## Experience of contact

He explained his situation and was told 'I don't think you'll get any help from us.' He was offered no support or sympathy from his supplier.

## Outcome

He felt intimidated by the conversation and felt upset that he had been honest about his situation, yet it felt pointless. He felt 'very down and depressed' and 'scared to use the heating'. He is not willing to try and contact his supplier again.



# Case Study | Kamal\*

*Difficulty finding contact details and information on support available*

“

*At first I thought it was going to be stressful and long, they don't give out anything for free, but they did everything according to what I needed.*

”

## Context

Kamal was struggling financially over the winter months. His meter was running low, and it was cold.

## Barriers to contact

Time

Support knowledge gap

Kamal found it difficult to locate a freephone number for his supplier and does not like waiting on hold.

## Objective

Kamal contacted his supplier in the hope for emergency credit and advice on the cheapest tariff available.

## Experience of contact

Kamal contacted his supplier via Facebook Messenger, as an alternative to using the phone. The supplier messaged him back within an hour and gave him a direct number to phone.

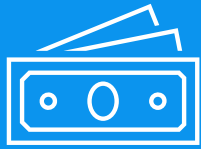
They issued £20 credit immediately and explained how this would be paid back (e.g., gradually deduct £5 as he topped up). Kamal also received advice from his supplier on the cheapest option available (pay as you go smart meter).

## Outcome

Kamal was glad he could get in contact online rather than on the phone, as this made him feel more comfortable about getting in touch. He was satisfied with how quickly his supplier got back to him and resolved his issue.

# **07 Responses to Ofgem's proposed solutions**

# We showed participants 3 proposed solutions\* to improve the contact experience for vulnerable customers



## Identifying customers struggling with their bills

- Suppliers should contact customers and offer suitable debt repayment plans at the earliest opportunity
- No minimum repayment rates



## Ease of contact

- Free contact (phone and alternative methods) for customers struggling with their bills
- Monitored for extended hours (or continuously)



## Reputational incentives

- Introducing a rule that requires suppliers to display customer service data from a third party organisation on their website

All fieldwork took place between 24<sup>th</sup> May and 8<sup>th</sup> June.

# High level overview of responses



## Identifying vulnerable customers



## Ease of contact



## Reputational incentives

<p><b>What customers liked</b></p> <ul style="list-style-type: none"> <li>✓ Energy supplier being proactive and understanding</li> <li>✓ Helps to overcome contact barriers</li> <li>✓ Eases worry around debt/paying bills</li> <li>✓ Coming to a compromise around what can be paid</li> </ul>	<ul style="list-style-type: none"> <li>✓ Extended hours (e.g., 7am-10pm) and 7 days a week</li> <li>✓ Alternative methods of contact</li> <li>✓ Possible reduced wait times</li> <li>✓ Free phone</li> </ul>	<ul style="list-style-type: none"> <li>✓ Hold energy suppliers accountable to provide better customer service</li> <li>✓ Useful when choosing/switching supplier</li> <li>✓ Increase confidence to contact supplier</li> </ul>
<p><b>Customer concerns</b></p> <ul style="list-style-type: none"> <li>• Further clarity on how the minimum repayment rates would work (e.g., credit rating, structure of payments)</li> <li>• Method of contact from supplier (e.g., would they receive lots of letters/phone calls?)</li> </ul>	<ul style="list-style-type: none"> <li>• 24 hours use of a general enquiry line would not be great enough to justify additional costs to consumer/supplier</li> <li>• Quality of customer service (e.g., empathy and understanding, staff training).</li> <li>• For some who had smoother experiences of contacting their supplier, this solution did not feel over and above what they feel their suppliers currently offer.</li> </ul>	<ul style="list-style-type: none"> <li>• Will not directly impact customers financially struggling</li> <li>• Customers primarily choose their supplier based on price</li> </ul>
<p><b>Taking the solution further</b></p> <ul style="list-style-type: none"> <li>• Tone of messaging from suppliers when they make contact (e.g., offering support rather than collecting debt)</li> <li>• Personalised/tailored financial advice or plan</li> </ul>	<ul style="list-style-type: none"> <li>• Specific email address or phone number for financial difficulties</li> <li>• Advice/tips on energy usage on supplier website</li> <li>• A measure of the quality of contact received</li> </ul>	<ul style="list-style-type: none"> <li>• Display data on customer rewards (e.g., what additional benefits customers may receive beyond the price of the service, such as free gifts).</li> </ul>

# Despite welcoming the proposed ideas, participants said they are not willing to pay more for this improved service

## Business as usual

- Most participants felt that companies providing a service to the public are **obligated to provide a good standard of customer service as part of that package**. This was not felt to be specific to energy companies, but services more widely.
- The improved standards of service being proposed should be 'business as usual', rather than new, higher standards of service.
- Therefore, they feel that this level of improved customer service **should be included as part of the price they already pay for energy**.



## Unwillingness to pay

- As a result, **participants are not willing to pay more for this standard of service**.
- A few mention that the inclusion of free contact options are not truly free if customers are simply paying for this through increased monthly or quarterly bills.

# We showed participants Ofgem's initial proposal to improve the identification and support of customers struggling with their bills

As part of Ofgem's initial proposal, there are a number of interventions suggested to help identify struggling customers:

1. Suppliers should contact customers and offer **suitable debt repayment plans** at the **earliest opportunity**
  - After **2 missed payments for customers paying monthly**
  - After **1 missed payment for customers paying quarterly**
  - Or **immediately after a customer has contacted the supplier to say they are struggling to pay**
2. **No minimum repayment rates** for customers on debt repayment plans

# This solution addresses all the key barriers faced by participants

Barrier experienced	Addressing the barrier
<ul style="list-style-type: none"><li>• <b>Emotional:</b> Feeling upset or embarrassed to admit that they cannot keep up with bills.</li><li>• <b>Low expectations of customer service:</b> Widespread perceptions that the customer service experience will be poor (based on previous experience). This centres around worries that they will be treated with a lack of empathy.</li></ul>	<ul style="list-style-type: none"><li>• <b>Emotional:</b> Proactively reaching out to the customer <b>removes need for customer to get in contact</b> and puts responsibility on supplier.</li><li>• <b>Low expectations of customer service:</b> If contact is made in a supportive, non-judgmental way, this shows empathy and concern for customers who might be in a difficult situation. <b>This helps address the expectations barrier.</b></li></ul>
<ul style="list-style-type: none"><li>• <b>Support knowledge gap:</b> Most participants were experiencing financial struggles for the first time, and were therefore unfamiliar with the scope of support available to them.</li></ul>	<ul style="list-style-type: none"><li>• <b>Support knowledge gap:</b> If the support available is clearly communicated by the supplier, customers <b>do not need to know</b> what support is available, because this information is proactively offered up.</li></ul>



# Participants believed that identifying vulnerable customers would have a tangible impact for those struggling to pay their bills

## Benefits

- ✓ **Proactive communication:** All participants thought actively reaching out to customers to offer support or advice would help to prevent them from getting into serious or unmanageable debt.
- ✓ **Removing emotional barriers:** Most felt this would also help to overcome nervousness resulting from embarrassment or concern about alerting suppliers to their debt.
- ✓ **Flexibility and compromise:** Overall, the majority felt scrapping minimum repayment rates was a useful solution and an opportunity to create a compromise that works for both sides, as sometimes even minimum rates are too high for those in debt.
- ✓ **Allowing for 'one offs':** Contact after 2 missed monthly payments was felt to be appropriate as missing 1 payment is not always reflective of a customer's situation (e.g., a particularly 'bad' month), and gives times for the customer to potentially resolve the situation themselves.

“ Hopefully this is designed to give people a bit of confidence and reassurance, and a fall back. If worse came to worse, you can go on a payment plan and you don't have to worry as much.

Female, 30-49 years, citizens group ”

# However, a few had questions about how this would work in practice and feel it should be expanded to include personalised advice

## Concerns

- **Contact method:** Participants questioned how suppliers would contact customers after missed payments. Some participants felt alarmed at the prospect of receiving lots of letters or calls from their supplier, which might cause them to ignore the communication.
  - The **tone** of supplier communication is vital. Customers need to feel supported by their supplier rather than feeling chased for the payment.
- **Misuse of support:** A few participants were concerned about no minimum repayment rates being misused and taken advantage of. Participants needed further clarification on how this would work in practice.

## Additions

- Many participants felt that each person's situation would be different, and require a different response (e.g., the right repayment plan will differ between people).
- Participants also felt that generic advice on how to save money is already available, and therefore **personalised/tailored financial advice** would be really helpful.

# Detailed feedback on identifying customers proposals

Element of proposal	Participant response
<b>Offer repayment plans at earliest opportunity</b>	<ul style="list-style-type: none"><li>✓ Most participants felt that the proposed timescales for getting in contact (after 2 missed monthly payments or 1 missed quarterly payment) are appropriate.</li><li>✓ This was felt to give time for customers who may have had a 'bad month' to resolve the problem themselves, which many participants said they would try to do before getting in touch.</li><li>✓ A few felt contact should be made as soon as a payment is missed, but this does not reflect the majority opinion.</li></ul>
<b>End minimum repayment rates if unaffordable for customer</b>	<ul style="list-style-type: none"><li>✓ Most felt that ending minimum repayment rates could be an effective way to reduce stress for those struggling the most.</li><li>✓ Some mentioned that even if you are paying the minimum, when doing that across all required bills, it can add up to more than they can afford, so this proposal would be very welcome.</li><li>✓ It was also perceived as a way to create compromise between both sides, setting rates that feel manageable, contributing to a sense of care and empathy for the customer.</li><li>• A few were worried how this would work in practice (i.e., would some people take advantage of this offer who don't really need it), and so needed further clarification on how this would work in practice (e.g., credit checks, structure of the payment plan).</li></ul>

# We showed participants 2 options for improving contact ease

### Free phone number

- Landline and mobile
- **Easy to locate** (e.g. on a main website/app/prominent on bill)
- Open **extended hours** (e.g. 7am-10pm Monday to Sunday **OR** 24-hour service)
- Able to **distinguish customers that identify as being vulnerable** and require help/support as they could be at the risk of issues such as:
  - Going off supply / running out of credit
  - Meter fault causing no supply
  - Requiring urgent debt advice

### Alternative methods of contact

- Offer **free alternative methods of contact** (e.g. a dedicated email address or webchat) which are monitored for the same extended hours (7am-10pm **OR** 24/7)

### Accessibility

- All requirements above provided in line with **accessibility needs of customers**

Option 1 proposed these improvements to be available for **extended hours (7am-10pm Monday-Sunday)**.

Option 2 proposed these improvements to be available **24 hours a day**.

# These solutions potentially addresses the time required to get in contact

## Barrier experienced

- **Long wait times:** Participants spoke about experiencing long wait times whilst on hold waiting to speak to their supplier. They also spoke about being passed between several departments during the process.
- Whilst these factors were not the primary reasons why participants would not get in touch with their supplier, when layered on top of the key barriers, **they contributed to difficulties with getting support.**



## Addressing the barrier

- **Long wait times:** Improving how easy it is for customers to get in contact with their supplier was perceived to **help reduce the time they would need** to set aside to complete this task.

# Improving contact ease has clear benefits to participants who feel confident enough to get in touch

## Benefits

- ✓ **Easier to reach:** Extended hours (e.g., 7am-10pm, Monday-Sunday) were positively received by all participants.
  - ✓ Participants with contact experience felt this would have eased their anxiety about contact (e.g., choosing a convenient time).
  - ✓ They expected that extended hours could reduce wait times as the distribution of calls would be spread out (e.g., fewer calls during peak times).
- ✓ **Catering to all:** Participants felt alternative contact methods offer a suitable option for everyone (e.g., if not comfortable speaking on the phone).
- ✓ **Removing cost barriers:** Participants felt a free phone is logical and necessary, given the growing number of customers struggling financially amidst the current cost of living crisis.
- ✓ **Easy to find:** Participants thought their supplier's phone number being more prominent is useful, particularly when in a crisis or panic.

“  
*Extended hours are great, important for people who are working or vulnerable people to be able to call at different times.*

Female, 18-29 years



# However, there needs to be a clearer focus on the quality of service received and include detail about the advice shared

## Concerns

- **Making trade-offs:** Most participants felt that 24-hour general enquiry customer service was not necessary. Whilst it would be reassuring to have the option, participants felt the uptake in calls would not justify the increased numbers of staff or cost implications (that may be passed on to consumers).
- **Focus on quality:** Whilst participants felt this solution would have an overall positive impact on ease of contact, the quality of customer service was also felt to be equally – if not more – important.
  - Empathy and understanding from energy suppliers was a core need for all, and therefore, staff training on how to handle such calls was felt to be missing.
- **'Business as usual':** For some who had smoother experiences of contacting their supplier, this solution did not feel different, or additional, to what they feel their suppliers currently offer.

## Additions

- Whilst there has been general energy saving tips over the winter months, participants felt it would be beneficial if suppliers proactively communicated specific advice/tips (e.g., texting customers about cheaper usage times).

# Detailed feedback on contact ease proposals

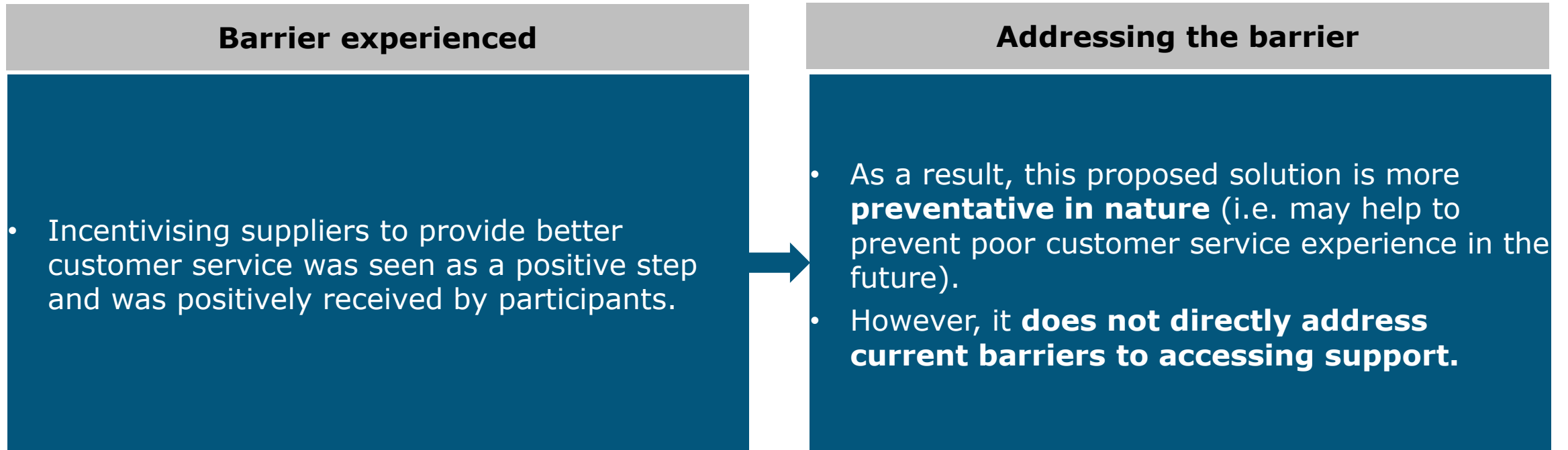
Element of proposal	Participant response
<b>Free to access</b>	<ul style="list-style-type: none"> <li>✓ Being free to access was positively received by all participants.</li> <li>✓ They felt it is really important not to add costs onto someone who is already struggling financially, especially considering the long length of time you may be on the phone for.</li> <li>✓ Most felt a free phone removes one worry (i.e., the cost implication) that customers may have about calling their supplier.</li> </ul>
<b>Available via alternative contact methods, in line with accessibility needs</b>	<ul style="list-style-type: none"> <li>✓ The majority of participants welcomed being able to contact their supplier in multiple ways.</li> <li>✓ Many disliked speaking on the phone and preferred to email/webchat (e.g., so that they have a written record of the conversation, or because their schedule doesn't allow them to wait on the phone).</li> <li>✓ Even those who said they would opt to use the phone appreciated that there are others who would benefit from alternative methods.</li> </ul>
<b>Prioritises customers in vulnerable situations</b>	<ul style="list-style-type: none"> <li>✓ Most felt it is important to be able to identify vulnerable customers and allow them to skip the queue and speak to someone sooner.</li> <li>• However, most participants questioned how this would work in practice (i.e., would there be an automated message to ask you to indicate if you're really worried about bills that puts you through to a different line).</li> <li>• So, whilst this was viewed positively in theory, people struggled to see how this would be achieved.</li> </ul>
<b>Open 24/7</b>	<ul style="list-style-type: none"> <li>• Most felt 24/7 contact was not necessary. A few mentioned that it could be useful in specific situations (e.g., those working shifts, or people worrying during the night), but they did not feel this benefit justified the additional cost.</li> <li>• A couple of participants felt that even if a customer spoke to their supplier out of hours, that nothing would actually be implemented until the typical working day began.</li> </ul>
<b>Extended hours (e.g., 7am to 10pm)</b>	<ul style="list-style-type: none"> <li>✓ All participants felt the extended hours was helpful and allowed customers to get in touch at a time suitable for them.</li> <li>✓ Many who had previously contacted feel that this would have made the process easier as they could have better fit it in around their work schedule.</li> <li>✓ A few commented that these hours are a vast improvement on what is currently offered to them.</li> </ul>



# We showed participants an outline of the proposal to incentivise providing better customer service

- Ofgem's initial proposal is to introduce a rule that requires suppliers to **clearly display customer service data from a third-party organisation** (e.g., Citizen's Advice) on their website
  - Including a customer satisfaction score for each supplier
- Ofgem are proposing to show data from the external survey on their website
- These are a starting point to encourage a positive shift in supplier culture and delivering quality customer service
- There are plans to introduce more developed incentives in the future

# This solution does not directly address the barriers identified by participants, and is therefore seen as more preventative in nature



# Reputational incentives were perceived as useful for helping customers initially choose a supplier

## Benefits

- ✓ **Holding to account:** Participants felt incentives, and displaying customer service quality, could reintroduce competition between suppliers and motivate them to be accountable for their service, as they won't want to lose customers to suppliers with a better service.
- ✓ **Informed decisions:** For a few participants, customer service was an important factor when choosing a supplier. They felt this will help make better informed decisions while choosing.
- ✓ **Inspiring confidence:** Some participants felt seeing a high customer service score may help them feel more confident in contacting their supplier as they would feel reassured their supplier can help/offer a solution.

“

*It would make crystal clear for the company, show them how people feel that they are working, and how helpful they are in terms of asking for help.*

Male, 50-79 years

# However, reputational incentives felt less likely to have a direct impact for struggling customers at the time of need

## Concerns

- **Less directly helpful:** Most felt they wouldn't seek out customer service reviews at the point of struggling to pay bills, but rather when choosing a supplier in the first instance. Therefore, they felt this is less directly helpful for those vulnerable.
- **Not top-of-mind:** Most felt displaying customer service data was less of an immediate priority. Most struggled to link this solution back to helping vulnerable customers find a solution to their bills.
- **Data source:** There was some concern over who would provide the data, and participants expressed the third party provider would need to be a well known and trusted organisation.
- **Shouldn't be necessary:** A few felt strongly that energy suppliers should not require incentives to provide 'good' customer service and there was a perception their profits should be used to improve the quality of their service.

*“Not necessarily important right now but in the future, it is definitely something I would like to see. It's about the here and now, and struggling to pay bills, and this wouldn't help that.”*

Female, 50-79 years

# Overall, three key considerations should be taken into account when developing these solutions further

Consideration	Insight	Action
<b>Customers may be in this position for the first time</b>	<ul style="list-style-type: none"> <li>Many of the participants who are currently struggling to pay their bills have not previously been in a financially difficult position.</li> <li>They therefore struggle psychologically to identify themselves as a 'struggling customer'.</li> </ul>	<ul style="list-style-type: none"> <li>Consider this at all stages of the support journey (e.g., the amount of information customers need regarding eligibility, the support available, and the tone of communication).</li> </ul>
<b>Focus on the quality of service provided</b>	<ul style="list-style-type: none"> <li>The biggest customer service issues identified by participants relate to the quality of service, rather than the practical detail of the support that is eventually offered.</li> <li>The way participants feel about the interaction they have is vital for leaving a positive impression. Participants are more likely to feel accepting of an outcome if the conversation has been empathetic and understanding, and the supplier has taken the time to clearly talk through the options.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that the quality of service is made a priority at all times.</li> <li>For example, make it clear customers are being listened to and keep wait times short.</li> </ul>
<b>Make support options available in multiple places</b>	<ul style="list-style-type: none"> <li>As many of those interviewed are unaware of the support available to them, they speak about searching for possible solutions themselves, rather than support being proactively offered by the supplier.</li> <li>Many speak of searching for support on their supplier's website.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that support is readily available on supplier websites, but also at other touchpoints that customers are likely to interact with (e.g., on the bill or on wider social media/ advertising).</li> <li>This will help reach a greater number of people.</li> </ul>

# 09 Appendix

# Pre-task activity: Participants with contact experience

<b>1. Before contacting your supplier</b>	<ul style="list-style-type: none"><li>• What were the circumstances that led you to feel that you needed to contact your energy supplier for advice or help with paying your bills?</li><li>• Did you try to get help from anywhere else before this? (e.g. friends, family, asking for a loan)</li><li>• What was the final 'trigger' that caused you to make contact?</li></ul>
<b>2. Contacting your supplier</b>	<ul style="list-style-type: none"><li>• How did you contact your energy supplier?</li><li>• What support or advice were you hoping to receive from your energy supplier?</li></ul>
<b>3. Speaking with someone at the energy company</b>	<ul style="list-style-type: none"><li>• What help or support, if any, were you offered?</li><li>• What, if anything, was good about the experience? Please list the top 3 good things if you are able to.</li><li>• What, if anything, could have been different or improved? Please list the top 3 things that could have been improved.</li></ul>
<b>4. After speaking with someone</b>	<ul style="list-style-type: none"><li>• Did the outcome of contact help your situation? Why or why not?</li><li>• Were you happy with the response you received and why?</li></ul>

# Pre-task activity: Participants without contact experience

<b>1. Before contacting your supplier</b>	<ul style="list-style-type: none"><li>• What are the circumstances that would lead you to feel that you need to contact your energy supplier for advice or help with paying your bills? Have you thought about doing this?</li><li>• Is anything in particular stopping you from making contact with your supplier? (e.g. worries about the outcome, hoping to resolve the problem yourself)</li><li>• What do you think would be the push that means you have to make contact? (If you resolved the problem yourself, what did you do instead?? Why this rather than contact the supplier?)</li><li>• If you <b>needed</b> advice or support from your supplier, what would this be? (If you resolved the problem yourself, what support or advice from your energy supplier do you think you might have needed?)</li></ul>
<b>2. Speaking with someone at the energy company</b>	<ul style="list-style-type: none"><li>• What help or support would you expect to be <b>offered</b> by your energy supplier if you contacted them?</li></ul>
<b>3. After speaking with someone</b>	<ul style="list-style-type: none"><li>• If you were to be offered advice or support from your supplier in the future, do you think it would help your situation?</li></ul>





# Thank you

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