



Ofgem Consumer First Panel

Research findings from first event

January 2009



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1. Executive summary

The following summary is based on the findings from the first round of Ofgem's Consumer First Panel events which were held in October 2008. A total of five deliberative workshops, each lasting 3 hours, were held around Britain and were structured to cover two main areas:

- A general update on consumers' views and experiences in the home energy sector:
 - Understanding of and attitudes to home energy use
 - Understanding of recent events in the energy market
 - Attitudes to suppliers and experience of switching
- Consumers' information needs in detail
 - To compare prices and suppliers, and assist in decisions about switching

General update on consumers' views

It is clear that the issue of domestic energy has risen considerably in the public consciousness over the past couple of years, having historically been a topic of low engagement for consumers. This is largely driven by the price rises in recent times and the accompanying media coverage that this has received. The expectation is that energy is going to stay at the forefront of consumers' minds for some time, given trends in energy prices coupled with additional affordability issues as a result of the current economic climate.

Nearly all members of the Consumer First Panel claim to have made at least some changes to their behaviour with regard to home energy use over the past year. While the climate change agenda does have a public resonance, the main driver of energy behaviour change has been cost. Changes tend to be smaller behavioural modifications such as turning off appliances/lights etc when not in use and changing light bulbs for energy saving ones. Only a minority at this stage are making larger structural changes such as installing more efficient boilers and insulating their homes.

However, consumers are uncertain about the extent to which different changes will make a difference to bills, and as bills appear to continue to rise regardless, consumers find it hard to see a return for their efforts. One of the main sources of confusion arises from consumers not currently knowing how much energy different appliances use. Consumers would value more information and guidance from suppliers in this area.

In addition, there is great uncertainty as to what constitutes high and low energy usage, with a range of different ways of evaluating this and currently no consensus on this point. This is therefore a related area where consumers would benefit from more clarity so that they can make informed judgments about their usage and the most appropriate tariffs.

Overall knowledge of the energy market is mixed, but appears to be on the increase. While many are aware of recent events in the energy market and important topics (e.g. the increased reliance on energy imports), there is generally a low awareness of both the industry value chain and the regulatory and consumer bodies that operate in the industry.

The level of service provided by energy suppliers is not perceived to be high. Historically, expectations appear to have been low, especially in terms of customer service, with energy taken for granted as a commodity with low saliency for most customers - even though they expect reliability in terms of supply. However, attitudes appear to be changing as a result of increased costs, with consumers likely to demand more from suppliers in future. Those on the Ofgem Panel related a variety of personal experiences, however they tended to be more negative than positive with a number of outstanding problems reported (particularly with respect to billing and communication).

Consumers' real life experience of switching suppliers is mixed, with some reporting a seamless process and others having had problems with double charging. Negative stories about the switching process have been exchanged between consumers and this has made some people reluctant to consider switching. The current perceived complexity of tariffs leads to an expectation that savings from switching will not be significant and this also discourages consumers from contemplating switching.

Consumers' key information needs

The information sources used to investigate switching are primarily online comparison sites. However, there are issues with the amount of personal information required to make comparisons and the consistency of recommendations by these sites and their perceived lack of independence. The online aspect also raises access issues for those not online or less IT literate. There appears to be a gap currently for an independent and trusted comparator site that also allows other channels of communication (especially telephone). Whilst many of the web based services also offer a telephone service few Panel members were aware of this.

When Panel members were asked to consider in more detail what would make switching easier and what their key information needs would be, comparisons were made spontaneously with other markets such as mobile telephony, credit cards and broadband, highlighting a lack of clear measures with which to compare offers.

Recommendations

After further deliberation, a number of clear recommendations were given:

- Simplification and reduction in the number of energy tariffs available from each supplier.
- The development of a standardised unit or method of pricing that is simple enough to be understood and allows effective comparison.
- The more effective translation of costs into usage such that consumers can better understand the energy volumes they are using.

- The provision of simple information that allows consumers to better understand and modify their behaviour (e.g. graphical representation of energy use, energy and cost saving advice on best use of central heating; average costs of using household appliances etc.).

There were also suggestions of greater proactivity from current suppliers:

- To advise customers of the best tariff for them.
- To reward loyalty.

A clear appetite has emerged for suppliers to make improvements in the ways in which they provide pricing, billing and energy saving information. Such improvements need to provide greater clarity and simplicity, while at the same time offer consumers a greater level of insight into the energy that they use and its cost. This may take on a number of forms (e.g. simpler bills, smarter meters), but the key point is to reduce the level of complexity facing consumers and equip them to make informed decisions.

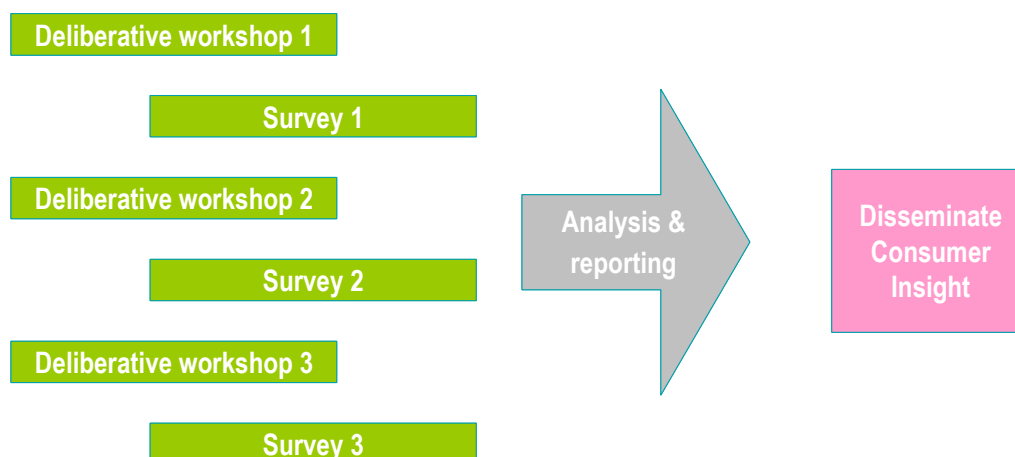
2. Background and objectives

The Office of Gas and Electricity Markets (Ofgem) is the economic regulator for the electricity and downstream natural gas markets in Great Britain. It has the key objective of protecting the interests of consumers. In recent years a number of issues surrounding the supply of energy to Britain's customers have introduced considerable challenges, for example dwindling natural resources, climate change, increasing energy prices and an uncertain economic outlook. In order to carry out its role as effectively as possible in the face of these challenges Ofgem recognises the importance of gaining clear understanding of the needs and expectations of energy customers.

Ofgem launched the 'Consumer First' initiative, a programme that includes a range of primary market and social research to help the organisation to ensure that policy development is consumer focused and that consultations are aligned with the abilities of consumers to respond effectively. As part of this programme, Ofgem has set up the 'Consumer First Panel', a diverse group of 100 domestic energy consumers recruited to take part in a series of research events and surveys and be 'the voice of the consumer' and a unique resource for Ofgem.

The Panel was designed to enable members to become 'expert' consumers – meaning that they are able to discuss the issues from a consumer perspective with a rounded view of how the industry works and knowledge of the business models involved. Participants will be called upon regularly to feed back on key energy topics and regulatory issues.

The overall programme is structured as follows:

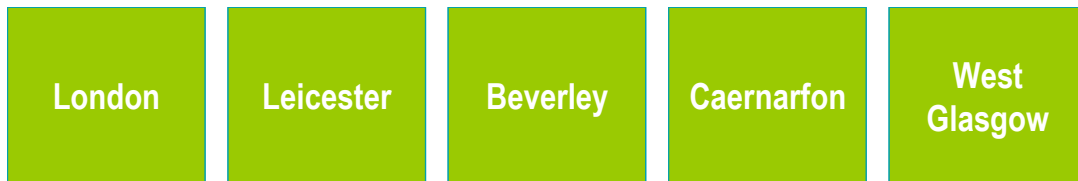


Research events can be used to explore topics in depth, and intermediate surveys are able to quickly and cost effectively get feedback on specific issues or, for example, communications material.

3. Sample and methodology

Sample

In order to ensure a representative sample of consumers in Great Britain, and also to avoid many of the frequently researched population centres, participants were drawn from five locations.



Participants were recruited purposively – i.e. using a door-to-door approach. They were all given information about the purposes of the Panel and of the commitment required at this stage.

The sample was constructed according to a number of key demographics:

- Gender
- Age
- Ethnicity
- SEG
- Tenure
- Rural/Urban
- Fuel poverty
- Payment method

Minimum quotas were placed on being an electricity-only customer and also on the energy suppliers to whom participants are signed up to, including the following:

- British Gas
- npower
- Scottish Power
- EDF
- Eon/Powergen
- Scottish and Southern Energy

While the Panel sought demographically to be as nationally representative as possible, in each location certain demographics were raised or lowered according to the surrounding region (e.g. a greater number of rural participants in Beverley).

The Panel of 100 was upweighted by 10% to mitigate against any dropout at the events. The overall sample was populated as follows (showing both those recruited and those that took part in the first event):

Gender	Recruited	Attended
Male	55	49
Female	55	50
Total	110	99
Age		
16-24	15	12
25-44	40	34
45-64	33	31
65+	22	22
Total	110	99
Ethnicity		
White British	96	88
White Other	3	2
Black or Minority Ethnic	11	9
Total	110	99
SEG		
AB	25	24
C1	35	31
C2	25	22
DE	25	22
Total	110	99
Tenure		
Owner occupied	75	70
Social rented	21	17
Private rented	14	12
Total	110	99
Rural vs urban		
Urban	77	70
Rural	33	29
Total	110	99
Fuel poverty		
Yes	20	18
No	90	81
Total	110	99

All participants received a letter welcoming them to the Panel, as well as a 'participant contract', a non-legally enforceable contract that outlines:

- What the aims of the Panel are.
- Who their contacts should be if they have any queries between events.
- What they can expect from the Panel.
- What the Panel expects of them.
- How they would be recompensed for their time.

All Panel member details are held on a database by Opinion Leader, where all details on attendance and demographics are recorded.

Methodology and topics for discussion

The first event was set up as a three hour deliberative evening workshop.

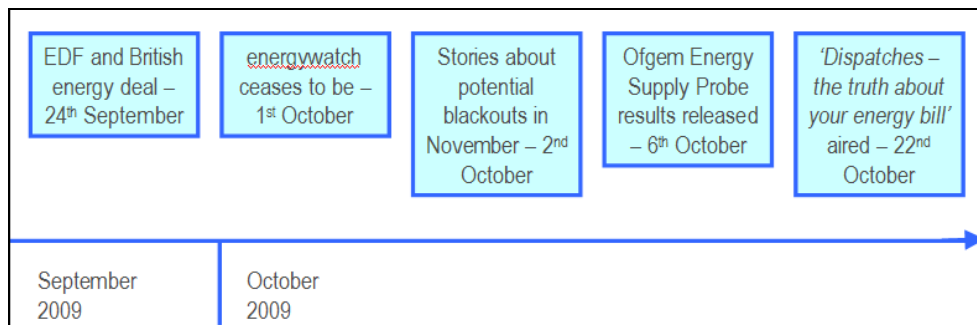
It was decided that the first event would be used to impart information around the energy market and the key organisations within it, as well as to gain insight into participants' attitudes and experiences of energy use and suppliers. Of particular interest were participant experiences of and information needs around switching energy suppliers. The event was structured to cover the following topics:

- Basic understanding of and attitudes to energy use in the home.
- Understanding of recent events in the energy market.
- Attitudes to suppliers.
- Experience of switching suppliers or tariffs.
- Motivations and barriers around switching.
- Information needs around switching (via 'Lay Strategist' exercise).

Prior to the events, Panel members were asked to investigate the possibility of switching supplier. This was to ensure that they could discuss the various channels and available information at the workshops.

The events included a presentation and quiz to impart information, plenary work, group discussions on tables and collaborative group exercises. The full agenda and all content used at the workshops can be found in the appendices.

This report details the findings from the first series of research events with the Consumer First Panel across all locations, which took place between 14th and 23rd October 2008. Relevant industry news stories during this time include:



4. Main findings

4.1. Understanding and perceptions of home energy

Consciousness of energy is relatively high amongst Panel members who are increasingly aware of the amount of energy they are using and are making efforts to reduce their consumption. Cost is the key factor driving these efforts as participants have seen their energy bills rise a great deal over recent months. However, there is some uncertainty about what actions will make the most difference to energy consumption levels.

The main barriers to further reductions in energy consumption are a mixture of practical difficulties, lack of knowledge and confidence, and for some, an unwillingness to change behaviour any more. Panel members have different ways of deciding whether they are high, medium or low users of energy and refer to various factors (e.g. household size, use of electrical appliances) to place themselves in any one category. This suggests that many may inadvertently position themselves in a higher/lower category of energy usage as they lack the knowledge to calculate their overall energy usage accurately.

Attitude towards home energy consumption

Historically domestic energy has been a low engagement issue for consumers. However, these workshops show a rise in public consciousness around energy. This rise is driven by both escalating costs of energy, and the media coverage relating to it. Panel members claim to be more aware of the amount of energy they are using and the amount they are spending.

The majority of participants say that they have made changes to their energy consumption over the past year. Most of these changes have been small behavioural adjustments (for example, making more effort to turn off lights, turning appliances off standby or filling the dishwasher before running it). A few are being more frugal in their energy use, making behaviour changes that would have slightly more impact on their lives than the examples mentioned above (for instance, putting on more layers of clothing rather than turning on the heating). Panel members are less likely to have made large structural domestic changes, such as putting in new boilers or insulation, although a few were more actively considering doing so in the future. None of the participants claim to have cut out any specific activities in order to reduce energy consumption.

“I’m being really careful about turning lights off... because the electric bills have been so high. Payments have increased a lot over the last year.”

“I used to put the washing machine on with small loads but now I wait for full loads.”

The table below shows the most and least common ways in which Panel members are trying to reduce their energy consumption.

Most common (convenient behaviour changes)	Least common (installation / expense involved)
<ul style="list-style-type: none"> • Unplugging appliances at the socket (particularly mobile phone chargers) • Not leaving PCs on standby • Switching lights off • Fitting energy saving lightbulbs (<i>NB these are not always well liked</i>) • Turning the heating down or off altogether (putting on extra clothes instead) • Washing more economically and at night if on economy tariffs • Not using tumble dryers • Only filling the kettle with as much water as is needed 	<ul style="list-style-type: none"> • Installing new (combination) boilers • Installing home insulation (roofs, curtains etc.)

Cost is the key factor driving reductions in energy use, with most people changing behaviour in order to contain or lower their gas and electricity bills. Panel members discussed the fact that the rising cost of energy has been widely reported in the media and that they have seen their bills go up over the past few months. They are therefore making changes to their lifestyles to avoid them rising even more.

While cost is the primary motivator, the environment is a secondary factor. Some Panel members claim that they are cutting their energy consumption to keep costs down but also to reduce their carbon emissions, for example, a small number of Panel members have changed to green tariffs for environmental reasons.

“Cost is the main thing, but the environmental stuff comes a very close second.”

A small number of Panel members mentioned safety factors as a reason for reducing their energy use. This is primarily related to turning off appliances at the wall overnight or when leaving the house, largely because of the potential fire risks.

Although most claim to be changing their energy related behaviour, there is a lack of understanding about which behaviours have the most impact, either in terms of cost or environmental impact. The majority of participants have little idea of the price of running particular appliances. For example, many assume that leaving appliances on standby uses more energy than it actually does, and there is also an

assumption that newer appliances will be more energy efficient than older ones (they are therefore surprised to discover that an LCD TV uses as much energy as it does, as revealed in the quiz).

Generally Panel members assume that smaller devices (such as irons, hairdryers, radios etc.) use less energy than larger devices and systems (such as heating, hot water, tumble dryers and washing machines), and that devices that are used for a long time use more energy than those used only briefly. The one exception to this rule is kettles; many participants are aware of the high amount of energy these use. Participants are aware of the impact that large changes such as insulation or new boilers can make, but most are uncertain about the exact savings involved.

A small number of Panel members have been actively investigating which devices use the most energy or experimenting with ways to reduce their energy consumption. For example, one participant in Beverley is experimenting with turning off the hot water and another in Caernarfon has been turning appliances on and off to see what impact this has on the meter. While this has demonstrated, to a certain degree, the difference certain actions can make, it does not provide clear feedback on the financial impact.

Overall, it would seem that much of Panel members' knowledge of the impact of different appliances is based on hearsay and experimentation rather than fact.

Another barrier preventing participants from understanding the impact of the behavioural or structural changes they have made is that bills have risen regardless. For some, they feel reassured that they have still kept them as low as they could be, but others feel that their efforts must have been pointless if they have not saved them any money.

"I bought energy saving light bulbs but can't tell how much saving it's made because prices are going up so much."

Barriers to change

There are three key barriers preventing participants from becoming more energy efficient:

- Practical difficulties
- Knowledge and confidence
- Unwillingness to change

Practical difficulties

Panel members identify a number of practical barriers to energy efficiency. When considering larger behaviour changes, for example installing insulation or new boilers, the type of dwelling or tenure can prove a barrier. For example, some participants are unable to install cavity wall insulation and those in rented accommodation cannot make any large changes to their homes. The expense of such measures is also a key practical barrier – although people may wish to install insulation or alternative energy sources, such as solar panels, financially they are unable to do so. A small minority do mention the availability of grants to help with home insulation and have received information on this, but believe that some people may not qualify for such assistance.

With regards to smaller behaviour changes, participants find fault with products that make it difficult for them to cut their energy usage. For example, participants criticise TVs that don't allow you to turn them off standby. Many are also loath to turn devices off at the wall as it means they will have to reset them, for example microwave or DVD clocks, or because they won't get updated overnight, for example Freeview updates.

Some Panel members with children feel that they could not do much more to reduce energy in their homes. This is either because their children are unaware of or indifferent to the cost of wasting energy (and yet high users), or simply because it is necessary to use large amounts of energy trying to feed, heat and entertain a family.

“With having a family and two boys a lot of energy use is the washing machine, and the boys are always leaving the lights on.”

Knowledge and confidence

In addition to not knowing which devices and systems use more or less energy, consumers are confused about other aspects of energy use. For example, there is uncertainty about whether it is better to leave things on standby rather than turn them on and off, or whether it is better to keep heating on low constantly or on a timer.

“Is it better to leave a light on than turn it on and off?”

“I'm not sure [whether] it's better to do a small load or a full load [of washing] due to water use.”

As discussed above, consumers lose confidence that their actions can make a difference to their bills when they don't see any positive evidence of these behaviour changes in their bills. Because there is no clear or immediate feedback mechanism, it is difficult to tell what kinds of savings are being made by implementing certain changes. And if their costs go up regardless of the efforts they make, they see less of a reason to bother trying to reduce energy in the first place.

“My gas and electricity have more than doubled in the last year even though I’ve been doing all these things to try and save myself money, so at the end of the day, I don’t think it really makes that much difference.”

“I could turn radiators off in individual rooms – I keep saying I’m going to do that but I don’t and I wonder if it’s cheaper to leave them all on low all the time anyway.”

As a result of this lack of knowledge, there is a call from participants for more and better information from suppliers about the effect different appliances have on their bills.

Unwillingness to change

Many are unwilling to make any further changes to their lifestyles with regards to their energy consumption. Some are simply not prepared to cut down on their heating or hot water – they place high priority on these home comforts and intend to continue to use them accordingly as long as they can afford to.

“I leave the TV on all night – I can’t sleep without it on.”

Others admit that they are put off by the hassle factor of having to make changes (for example, turning things off at the wall rather than using the remote control, or drying clothes naturally rather than using a tumble dryer). However, these people are more likely to expect their behaviour to change if bills were to rise much more.

Perceptions of own energy use

Panel members were asked whether they considered themselves to be high, medium or low users of energy, and how they came to this conclusion. It is clear that there is no consensus on how to determine what type of user someone is. Consumers assess their level of usage in:

- Overall spend.
- Overall spend relative to income or what is considered expensive.
- Type of behaviour – or whether or not they see themselves as efficient or wasteful.
- Type of house / household.

Overall spend

Some Panel members base their conclusion on the size of their bill; however, there is no agreement as to what is a high or low bill. Indeed, some participants, who had previously considered themselves high or low users, upon comparing bills with other Panel members, discovered that they were actually the opposite of what they had thought. Likewise, those with similar levels of expenditure sometimes classify themselves in different categories.

“I’m on a [prepayment] meter so it’s really expensive – it can be £20 a week on gas even when being careful.”

Overall spend relative to income

Leading on from this, some participants look at the size of their energy bill in relation to their income or in relation to what is expensive to them.

“When they keep sending you letters saying your direct debit is going up again it makes you think you must be using more.”

Type of behaviour

Others base their assumptions on the way they use energy in the home. For example, those who are making more efforts not to waste energy are more likely to assume that they are low users of energy, and those using lots of appliances or retirees who are at home all day often expect to be high users. They also compare their own behaviour to others.

“I wear more clothes in my home so I know I’m not as bad as my Mum.”

Type of house / household

Still others base their assessment on the type of house they live in or the number of people in their household.

“I’m a high user. I’m at home all day so using energy 24 hours a day. People whose houses are empty all day are saving a lot of energy.”

“I wouldn’t have known what an average user is – I think of myself as high because of being part of a family.”

A few individuals are much clearer about their energy usage. They tend to fall into extreme categories of very low or very high energy users, and they base their assumptions on both their bills and their daily activities at home. For example, one Panel member in Beverley who is a student living in Halls has electricity bills of £6 per month because his energy consumption consists of just lighting and using his lap top (which he uses for music, charging his mobile phone and watching DVDs).

Overall, consumers with similar annual expenditures vary considerably in how they classify themselves, a number placing themselves in the wrong category. Thus, high / low usage doesn’t currently work as an industry standard. This means consumers do not have a simple way of assessing whether their usage or spend is what it should be.

4.2 Knowledge of the energy market and key organisations

There are mixed levels of knowledge around the energy industry. Panel members tend to have less awareness of specific organisations other than the energy suppliers and more knowledge of current developments in the energy market. Consumers see rising energy prices as a result of a number of factors including privatisation, wholesale costs, the UK's reliance on foreign imports, political conflicts and foreign ownership of energy companies. There is a general expectation that in the future there will be more investment in alternative sources of energy as a result of some of these issues.

Knowledge of energy consumption

During the workshops a quiz was conducted as a way of imparting information to Panel members about energy consumption and changes in the way consumers are using energy. (The full quiz can be found in appendix B this report.) Much of this information was new to participants but the elements that resonated most were around the following:

- The large increase in energy consumption levels for lighting and appliance since the 1970s
- The fact that modern appliances are not always that energy efficient
- The fact that energy saving light bulbs last ten times as long as ordinary bulbs

"I assumed that because [LCD TVs] are a new thing, they'd be more energy efficient."

"It's surprising that we didn't know more about the most energy intensive appliances."

Generally the quiz helped to show participants the impact domestic energy consumption can have (previously, many had assumed that Government and industry were primarily responsible for such high usage).

"It does make you realise how much more we use now than 30 years ago."

Many are surprised, and indeed sceptical, at the Government's targets for reducing CO₂ emissions. They feel that these targets are too high and therefore unachievable.

Knowledge of the energy industry

As well as information about domestic energy consumption, participants also received information about the structure of the energy market and the organisations working within it through a presentation (a full version is in appendix C of this report).

Amongst Panel members, there are mixed levels of knowledge around energy supply more generally. Some are very well informed about the UK's reliance on energy imports and are concerned about the security implications of this fact. There is also discussion around the fact that the price of gas is linked to the price of oil, with many sceptical that savings are not passed back to the consumers. Generally,

participants gain their knowledge of current issues relating to energy from media coverage; they are less informed or aware of policy or regulatory issues.

Most participants are aware of the need for new or alternative sources of energy. There is some enthusiasm for renewable sources such as wind or solar power, and resigned support from some quarters for nuclear energy as a 'necessary evil'.

“Nuclear energy is going to become a more viable proposition – despite the environmental impacts.”

There is generally low awareness about the number of organisations involved in the supply of energy. Panel members are surprised at the number of 'players' in the energy market and the number of stages in the supply chain, and many see these additional layers as a further explanation for higher energy costs. There is an assumption that as each organisation in the chain is aiming to make a profit, higher prices are being passed onto consumers.

“Are each of the different stages in the energy process profit making? No wonder they're costing so much.”

“I'm surprised at number of layers in the industry - everybody at the bottom pays for everybody at the top.”

Consumer issues and the cost of energy

However, participants are less concerned about the organisations involved in the distribution, and more interested in the consumer issues facing organisations. Panel members are more focussed on the end suppliers and question the fact that there are only six main players. Many express doubts around the level of competition provided by suppliers, and there is an assumption amongst several participants that there is a cartel at work, setting high prices.

“They're a cartel – they all put their prices up at the same time.”

The cost of energy is the issue of most concern to Panel members. They see rising prices as a consequence of the following factors:

- Privatisation
- Wholesale costs
- Reliance on foreign imports
- Political conflicts
- Foreign ownership

Privatisation

Most assume that the reason for rises in energy prices is suppliers' focus on profits, with many feeling that shareholders' dividends and executive pay is of more importance to suppliers than their customers. Some see this as a direct response to privatisation and feel that nationalised companies would put their customers first. Participants feel that not only are they being charged ever increasing rates, but they are not seeing profits reinvested in the infrastructure. There is some consumer suspicion that suppliers are working as a cartel (despite the Ofgem Energy Supply Probe finding otherwise).

"How much of every pound we pay goes into production of what they're actually using – and how much is being invested in new pipelines – and how much is going to pay shareholders?"

"All the companies have been getting very rich at our expense"

Wholesale costs

A number are aware of the increase in wholesale energy prices and this is seen as an additional explanation for the hike in prices. However, this leads to a question about why recently falling oil prices have not resulted in lower energy bills.

"The wholesale prices have increased so energy companies are passing those costs to the consumers."

"Oil prices have dropped but the energy prices are still the same."

Reliance on foreign imports

Participants are uneasy that the UK's own energy reserves are running out. They feel that this increased reliance on imports from abroad has meant that the UK has become vulnerable to other countries' discretion over both price and supply.

"We're too dependent on Russia. We've lost coal and North Sea gas. I wouldn't trust the Russians."

Political conflicts

Some Panel members are concerned about which countries the UK is reliant on. While the UK needs to buy energy from areas such as the Middle East and Russia, they expect prices to continue to rise.

"The amount of money that it's costing to get the oil out of Iraq and the gas pipes going through Afghanistan. It's costing 3 times as much to get the oil out of Iraq as it cost to get out of the ground."

Foreign ownership

There is a concern amongst some Panel members that, because some of the suppliers are foreign owned, there will be less compulsion for them to act in British consumers' interests, particularly when it comes to fair pricing and reinvestment. They feel that they are saddled with high energy costs while their European counterparts are enjoying lower bills.

Knowledge of Ofgem and other intermediary organisations

Unsurprisingly, there is little prior knowledge of Ofgem and its remit amongst Panel members. Once Ofgem and its role is explained, some questioned its degree of influence over suppliers. Many are also surprised to discover that Ofgem does not deal directly with customer complaints (particularly as some are aware of Ofcom doing so) and this makes them question how well Ofgem can represent consumers' interests.

"[The presentation] is saying that [Ofgem] are meant to be regulating and moderating and it says that they don't deal direct with complaints so they don't deal with customers directly."

Likewise there is little awareness of other intermediary organisations in the regulatory sphere such as DECC, Consumer Focus or Consumer Direct. Nor do Panel members know about previous organisations such as energywatch, and there are no mentions of the Consumer Focus accreditation on energy comparison sites. This is often the case, where people are unaware of organisations representing their interests until they have to contact them.

Looking ahead

Panel members perceive that current trends will continue in the future. They expect energy prices to continue to rise (despite oil prices going down), and assume that people will need to economise further to reduce the amount of energy they use.

"I think prices will continue to rise and we will have to become more conscious of how much we use."

In response to dwindling energy supplies and the threat of climate change, participants expect to see a greater use of, and investment in, renewable energy sources (for example, wind power, solar panels, hydroelectric and biofuels). In addition, they expect new homes to be built with energy efficient power in mind. As well as renewables, some also expect to see Britain rely more on nuclear power, while some have reservations about the environmental consequences, many see no alternative to this route.

"We're going to have to be like Sweden and have lots of solar stuff in houses."

4.3 Experience of suppliers

Overview

Participants were asked about their attitudes towards and experiences of energy suppliers, highlighting what they believe to be the positive and negative aspects of the service they receive.

Overall, expectations of suppliers are low. They are viewed differently from other service industries, largely as an unavoidable necessity rather than as a customer-orientated provider. The energy market is not perceived as providing a high level of customer care and, in a context of rising energy bills, suspected to be driven primarily by profit.

Unlike other service providers, energy suppliers are not perceived to be proactive when it comes to their existing customers (for example, not following up over-charging) and are seen to be lagging behind other industries, such as telecommunications. Active retention does not appear to be a key feature of their customer care strategies, although suppliers *are* viewed as being especially active when it comes to seeking out new business. Many participants have had direct experience of doorstep ‘canvassing’ by sales representatives in the past year.

“[Suppliers] spend a lot of time getting customers but not so much keeping them.

Historically, expectations of energy suppliers have not been high. Energy suppliers have in the past had low saliency and been viewed as largely invisible; a basic absence of problems equating to customer satisfaction. This may be changing with energy now higher up in people’s consciousness, with rising costs increasing hopes for a better quality of service delivery. Participants show a desire to see changes in the market, providing it does not add further complications or difficulties. The types of improvements that consumers would welcome include greater simplicity of billing, advice on suitable tariffs and help on reducing consumption and wastage levels.

Direct experiences of energy suppliers

Direct experiences of suppliers are highly variable and indicate some issues with service consistency. Although some participants report good experiences when dealing with their suppliers these are in the minority since many have incurred problems around billing and communication issues, some of which have been difficult to resolve or left unresolved.

Positive attributes of suppliers

The positives mentioned by participants depend very much on individual situations and are by no means universally acknowledged. They also tend to be smaller, individual benefits or aspects related to the whole industry rather than individual suppliers, such as:

- Being sent free gadgets such as energy efficient light bulbs
- Incentives for new customers (for example, M&S vouchers for joining a green tariff)
- Reliable energy supply
- Paperless billing
- Bundling of gas and electricity
- Online usage graphs and readings

“... online meter readings are good.”

“You don’t get power cuts.”

There are also some isolated mentions amongst those that have switched supplier of receiving helpful customer service and cost benefits from some suppliers.

“When I changed... the changeover was simple and easy and straightforward.”

However, the majority of comments are around complaints, centring on issues with communication and information, particularly billing.

Negative attributes of suppliers

Participants report experiences of supplier failings under the following categories:

- Access issues
- Low visibility
- Lack of clear information and feedback
- Billing clarity
- Billing reliability

Access issues

Energy suppliers more than other industries, (such as mobile providers), appear to have low visibility for customers. Channels of communication and complaints procedures are unclear and the industry as a whole is viewed as not being transparent.

The length of time it takes customers to contact suppliers and the time it takes for suppliers to resolve problems is a major cause of dissatisfaction. Many participants recount personal experiences in this

area such as when sorting out billing errors. These (generally negative) touch points drive feelings about suppliers.

Waiting on the telephone for long periods of time is a common complaint, especially when a problem is complicated and takes multiple phone calls to sort out. Participants describe phoning suppliers repeatedly to set right their difficulties, in some cases resulting in high phone charges as well as frustration. It is also mentioned that it can be difficult for customers to prove that they have contacted suppliers when chasing problems and they rarely are able to speak to the same person.

“The amount of time spent on the phone trying to contact them is pretty bad.”

“There’s a long wait and having to press 1, 3 etc. drives me up the wall.”

“The biggest problem is that you need to go and speak to someone. [I] made two phone calls – one person was from Manchester and one was from Liverpool. 20 minute and 30 min waits... Faxed them previous bills to show proof of payment and they couldn’t find records and then emailed and got reference number saying I would be contacted in 5 days. It’s now 4 weeks later.”

“You usually have to make a dozen phone-calls before you speak to the right person”

These direct experiences contribute to widespread feelings of distrust and cynicism about suppliers - especially frustrating as it is felt that purchasing gas and electricity should be a relatively straightforward transaction - giving rise to the feeling that suppliers “do the bare minimum when it comes to customer service”.

Low visibility

Participants generally have a minimal level of contact with suppliers with the exception of receiving bills and feel that suppliers provide little by way of useful feedback. The most common touch points where customers do make contact with suppliers appears to be when being encouraged to switch by a different supplier or when chasing up problems or issues with their current provider.

Added to this is a general feeling that suppliers are ‘invisible’ – “[You] feel like you don’t really see the companies”, as they lack a physical presence in the form of stores for customers to visit when they are experiencing problems. This may contribute to a perception that dealing with suppliers involves effort as well as broader feelings of distrust.

Lack of clear information and feedback

Suppliers are not viewed as taking the initiative to keep customers well-informed. Many participants would like to see suppliers taking a more proactive approach to communicating with them; for example,

by including useful information on billing statements such as advice on ways to minimise energy wastage, or advice about suitable tariffs. Some participants believe that customers would benefit from monthly bills to help them monitor their energy expenditure – similar to the monthly itemised billing used in the mobile phone industry.

It was commented that direct payments can increase automatically without prior consultation – an example of poor communication. Moreover when prices have increased, and people have sought an explanation as to why, they have not found a satisfactory answer when contacting their supplier as the person on the end of telephone may not have the knowledge to help them. Some participants therefore feel misled by suppliers.

“[Suppliers] should be honest from the start – shouldn’t pretend monthly prices are going to be a certain amount and then you owe them more later. Should work out averages for the year.”

“[A] Letter saying that prices coming up came several weeks too late.”

“Suppliers give you incentives to go with them but once you’ve changed you get back to how it was.”

Billing clarity

Many participants say that they do not find their current bills particularly user-friendly or easy to understand, and there is some variation in terms of when people receive their bills (i.e. annually, once payments have been made), with a minority complaining that bills can take too long to arrive. Estimated bills in particular are viewed as being misleading or exaggerated.

“Pricing is never really clear – you never seem to know what you are paying – [it’s] really hard to understand.”

“They take their time sending your bills.”

Many participants report that it is difficult to tell what kind of savings are being made by implementing certain behavioural changes as there is no clear or immediate feedback mechanism provided by suppliers to monitor this (although there was some mention of smart meters, the majority of participants did not seem to have these or know about them) and energy payments continue to rise. This gap in information adds to scepticism about what difference consumers can make to their bills since they continue to increase despite their efforts to lower costs. Participants would therefore like information about how to assess home energy use and related costs accurately; in particular, the effect that different appliances have on bills.

Billing reliability

Apart from communication and telephoning difficulties, discussions around supplier failings are dominated by billing reliability.

“I seem to get more estimated bills – always estimated their way.”

Bills are perceived as being unnecessarily complicated and lacking in useful information on pricing (for suggested improvements to billing, see section on lay strategist exercise). However, the biggest point of concern is inaccuracy, with participants referring to the following types of personal experiences around incorrect meter readings, and direct debit payments in particular:

- Being charged twice (i.e. money being taken from an account when a bill has already been paid)
- Being charged by companies that did not supply them
- Being charged for properties they no longer inhabited
- Being charged for previous tenants
- Receiving incorrect meter estimates (that then take effort to remedy)

There are occasional references to the negative experiences of others (i.e. family or friends); for example, where one participant’s mother was charged for gas when her flat only used electricity. This suggests that such stories about problems with suppliers can spread far and wide.

There are also examples of breakdowns in communication around switching where participants report not being listened to.

“[I was] asked if I was interested in changing and I said no and out of the blue I got a letter addressed to my address saying thank you for joining us.”

Such experiences contribute to a general sense that resolving issues with suppliers is troublesome. There is a feeling that suppliers do not themselves make the effort with their customers to get things right (such as estimates) and that when things do go wrong, it is usually customers who have to take action to remedy the problem.

“[They] won’t come and read the meter in the porch or behind the gate.”

“If they make a mistake the chances of getting the money back is next to impossible.”

“Surely in this day and age they must be able to be more accurate?”

Complaining about suppliers

Participants complain about price rises but feel that there is little they can do about these other than making changes to their energy consumption levels. Those that are aware of the fall in the price of oil in recent months do not see that savings are being passed on to customers and question why this is the case. Many see high prices as evidence that profits come before customers:

“They’re keeping their profit margins they’re not fighting to lower the wholesale prices on our behalf”

With regards to formal complaints, many participants have not complained either because they have not incurred specific problems to complain about or because they feel that their issues are not worth pursuing. Critically, some participants report that they have let their issues go unresolved as that they believe it to be too much effort to sort out – for example, making phone calls and speaking to different people each time. A few participants mention that they have been satisfied with complaining to their suppliers in individual cases, such as when telephone charges have been refunded (for their calls to complain), or they have received a written apology from a supplier.

Overall there is low awareness of the formal complaint system and the majority do not appear to go any further than directly contacting their suppliers using a customer services number if they have an issue in the first instance. Although many experience problems, very few actually take their complaints higher than this as they feel that the process will be protracted and difficult or because they lack knowledge of the Ombudsman process. Generally, participants do not demonstrate confidence in suppliers to deal with their complaints: difficulty in gaining access to suppliers appears to discourage complaints further.

To provide an example, one participant described how, when they moved house they were sent a bill by a supplier despite the fact that they were supplied by a different one. When attempting to resolve the issue by telephone they felt “pushed from pillar to post”. As previously mentioned, telephone waiting times are a major cause of frustration and may actively put participants off pursuing their complaints in full:

“[There’s] not any point as you can’t speak to anybody.”

“It’s not worth it and you’re usually sorting out their mistakes... You always feel like they’re doing it under duress.”

“[You] shouldn’t have to ask for your own money back when you’re in credit with them.”

“[I] challenged gas reading a couple of years ago – the company agreed it wasn’t right and they corrected [it] but didn’t refund money – too busy.”

A minority also raise complaints about meters and prepayment being more expensive.

"[I] would like to complain about token meters and the fact that you have to pay £100 to have it taken out. But who should I complain to? It's not fair because we're paying more and we're paying in advance so it's better for them and it's not in their interest to take it out."

Low awareness of tariffs

Despite professing high consciousness of energy use and related costs, the vast majority are unaware of the details or the name of their specific energy tariff. Knowledge is largely limited to the type of payment method (direct debit, capped etc) or broader package type, such as dual fuel. Participants perceive that there are a multitude of tariffs on offer which can be confusing. Some question why so many tariffs are necessary and why customers are not automatically put on the best tariff option by their supplier.

"The energy market is marketed in a way that no other market is – other markets are upfront about how much something is going to cost you but not energy markets. It's price fixing and they're trying to stop you from seeing how much each of the other companies are charging. It's all hidden. It should be very simple but it's very complicated – all these tariffs!"

There is therefore a high level of uncertainty about tariffs amongst participants in addition to a lack of basic knowledge about the costs of running individual household appliances. This gives rise to a consumer knowledge gap and low confidence about accessing the best energy deals on the market. Some participants even question whether the complexity of tariffs is intentionally designed to make price comparisons across suppliers more difficult for consumers.

4.4 Switching Supplier

Overview

Many participants have observed that a high level of activity across different energy suppliers in trying to attract new customers. A few participants have switched in the past year and report mixed outcomes. However, many have not considered switching and assume that the advantages will not be particularly significant, largely as they are unaware of any considerable points of distinction between suppliers in terms of cost or customer service.

Perceptions of switching

Participants have had experience of energy 'canvassing' by suppliers over the telephone or face to face. In some cases, this has led people to switch their supplier, although many express an inherent distrust of 'cold callers'.

"We got information from a doorstepper who came round on Friday."

For those that have switched, this is primarily driven by price. Switching has sometimes been in response to sales activities, although a few mention word-of-mouth recommendations from family/friends/colleagues as leading them to investigate alternative supplier options. However, many are not yet engaged with the idea of switching. For a small number of Panel members, customer service or environmental benefits are secondary considerations, although for a very small number, it is the key driver.

Those that have not been interested in switching refer to a number of barriers that make the idea a less attractive prospect:

- Perception that all suppliers really are more or less the same.
- Lack of perceived significant price savings, especially over the long term.
- Some professed loyalty (particularly among the elderly) to their incumbent suppliers.
- Assumed hassle factor or problems (including the challenge of comparing tariffs, double charging), drawing from both direct experience and stories heard second hand

There are also those participants that say that they are happy to stay with their current supplier as they have not experienced any particular problems to date, or those that consider themselves to be low users of energy who believe that there will not be any great wins if they do change. A minority profess a particular loyalty to an incumbent supplier, although others have no loyalty to any provider and are prepared to switch if they can make real cost savings.

“Been with [supplier] for years – always okay service and also didn’t see the point in shopping around.”

“[I] have the supplier the previous owner had and have just stuck with it.”

“I’m quite happy – my bills aren’t that high and I don’t know if I could get it any cheaper.”

Apart from the advantage of cost savings, views and experiences of switching are fairly mixed. A few report changing their supplier in the past year, sometimes as a direct result of canvassing or due to hearing positive accounts from other people about different suppliers. However, there are also those participants that anticipate that the process of switching will be difficult and give rise to complications.

For the latter, there is little evidence of the real benefits of switching; they may also feel that the effort or potential risk involved in moving to a new supplier – for example, changing direct debit payments, double charging – do not outweigh the potential savings, especially if the returns over a year are relatively small.

“I’ve never thought about switching because I couldn’t be bothered with the hassle.”

For those that have not changed supplier, the actual process of switching appears to be relatively straightforward, the main barriers being either that they do not feel that they have the knowledge to make the right choice, feel confused about which supplier or tariff is best for them or are simply not sure who to trust. A minority are not even aware that they *can* switch supplier.

“[It’s] easy to make the switch but difficult to know what is the right choice.”

“I don’t think twice about changing my mortgage every year for a fixed rate – could I do the same for energy?”

“They make it easier because they want the customers!”

For participants who have not made the effort to switch, some comment that the benefits on offer are not great enough to outweigh the assumed inconvenience or effort involved in making the change in supplier.

“[I] had a guy come round and it was only £35 cheaper a year so not worth the hassle of changing.”

Amongst those that have not switched, they feel that they need more information and a better understanding of the key benefits to be motivated to change.

Real life experiences of switching

Actual experiences of switching vary widely. A small number of participants in each group have had direct experiences of switching in the past 18 months and reported different outcomes. Some say that have been satisfied with the process as suppliers often do most of the work and they have noticed cost savings.

“It’s been really straightforward – the sales rep came round and so far, it’s been quite easy.”

However, others have experienced problems and disruption resulting from poor communication between suppliers and billing errors. For these participants the process of switching has not been smooth and resulted in phone calls, not receiving a bill for a long period of time, being charged twice or being put onto another supplier without their consent. Word of mouth feedback about these sorts of problems appears to have even reached those who have not experienced switching problems directly, with the potential to deter some people from switching.

“Mum told me to change and I did and received two bills – was really complicated to change. Tried to say I was leaving but they told me they were still supplying my energy as did [the supplier] who I had swapped to.”

“The changeover wasn’t smooth – had two direct debits going out the same month for the same thing. Paying the extra at the beginning was the difficulty. Not as smooth as I thought.”

4.5 Information needs

Overview

Participants observe that it can be difficult to compare suppliers due to a lack of standardised information, particularly around energy usage levels. Many do not feel confident in assessing their average household energy needs and observe that there are no 'average' benchmarks to aid comparison when searching across tariffs. When looking for information, the majority consult internet comparison sites although those that are not confident with computers (particularly some older participants) express a preference for speaking to someone via telephone. Given that there are some misgivings about energy canvassing, and personal recommendations tend to be the most trusted source of information, there would appear to be a gap in the energy market for an impartial comparison site - with a freephone telephone number available - that is able to provide the most up-to-date information on supplier offers and price increases.

Information on switching

All participants were asked to undertake a short pre-task exercise before attending the workshops. This involved investigating how they might go about comparing energy suppliers and tariffs if they were to switch. They were instructed that they could go about this in any way they chose, for example looking at their gas or electricity supplier or both, depending on the type of set up in their home.

Participants were asked to consider and record the following:

- How they went about it
- Where they went for information
- Information sources that they found useful / not useful
- Areas that were easy / difficult to investigate. Why?

Findings of switching exercise

The internet is the top of mind source of information for most participants to aid comparison. Price comparison sites are particularly popular, for example:

- moneysupermarket.com
- moneysavinexpert.com
- confused.com
- uswitch.com
- lloydstsbcompare
- Which?
- Energywise / helpline
- thisismoney.co.uk

It is worth noting that many of these sites are found through search engines such as Google:

"[I] Googled "dual power suppliers" found energy helpline.com, found lloydstsb compare.com."

Few went to suppliers' websites in the first instance; the tendency was to visit these *after* consulting prices comparator sites when more detail was required about *how* to switch or to check if the suggested cost savings were in fact true. However, those that consulted price comparison websites had some reservations and criticisms about them, particularly around their impartiality (questions around supplier sponsorship etc) and the fact that many request personal information early on which would seem to over-commit enquirers.

"I used the Internet... and looked at the option for energy costs. I had to input my address and bills/usage for previous 12 months."

"I read a couple of years ago that one the sites was funded by a supplier so you have to be cautious – especially now."

Although those that investigated switching online found the process easy and accessing the information straightforward, some participants said that they felt confused by working out what deal would be best for them; for example, because they were not aware of their consumption levels and did not have their energy bills to hand.

"I accessed several sites on the Internet, with help, and printed out some information.... I personally find it quite difficult to work out which is the best for us."

"It is easy to compare online if you know your energy consumption... [But] this can sometimes be difficult to estimate if you do not have your previous bills."

"If I was to look into the KW & KHz for example I would find all this very confusing and can imagine that the elderly or people without access to the internet wouldn't find it quite so straightforward."

"Some of them you do your first 10,000 units and then another company will be 15,000 units, so how do you compare? Which figure do you put in?"

Due to a lack of trust in any one particular price comparison site, some participants prefer to look at several comparison sites, then go to supplier websites to check the price savings for accuracy. The implication is that comparing suppliers can be a time consuming and fairly complicated activity involving multiple sources of information. Another issue with comparison sites was the sheer number of tariff

options that a search can yield, one person reported as many as 20 for just two suppliers leaving participants confused about what might be the better option and what tariffs equate to in practice. Another complaint is that different sites can give different recommendations.

“One of the companies had 18 different tariffs. And you’re not educated on what these tariffs mean.”

There is therefore a difference between those participants who on the one hand trust comparator and supplier websites ‘blind’ and those who remain suspicious of the information and offers that they suggest. Those people who remain cautious of sites can feel nervous about committing to the wrong tariff or being misled and placed on a higher tariff. Many feel that it would be preferable if they could speak with someone once they had consulted a comparator or supplier site.

“You can’t compare the different suppliers by looking at their own sites. Most of it is pure marketing guff. It’s packaged and dressed up to look attractive. You’d have to have a lot more information.”

“Price comparison website very easy - but I’m not sure how much I trust my sources.”

“[They] said they would save me £100 – didn’t believe them.”

Another problematic issue for comparator sites is a lack of standardisation in the units used to work out the price savings and assumptions about average usage. Participants struggled to make comparisons when they did not have their energy bills to hand and noted that there was not a single unit across all sites that allowed for consistent calculations. This raises issues about the accuracy of the sites and how up to date they are – i.e. do they factor in price increases?:

“None of them actually told you what the unit cost was – just tell you how much you will save.”

“Price comparison sites can’t tell you who’s going to increase their prices though.”

Additional sources used

Other popular sources that were used for the pre-task included:

- Friends/family/colleagues (‘word of mouth’)
- National press and newspaper adverts
- Leaflets
- Energy helplines
- Suppliers themselves
- Yellow Pages and Thompson Local (a minority used these)

The majority of participants say they trust personal recommendations from people they know more than other sources, with some remaining suspicious about advertising and/or energy canvassing. However, there were a number that had switched suppliers previously as a result of face to face sales activity, either at their home – so called ‘door stop persuasion’ - or on the street, or knew people that had experienced this.

Many also express that it is useful to talk to somebody directly (a supplier or independent company) rather than simply rely on an advert or internet site which may only function as the first port of call. Older participants, especially if not accustomed to the internet, feel that this is especially important. However, difficulties in getting hold of suppliers or expensive calls may put some people off phoning and making further enquiries.

“I would trust word of mouth – talking to other people you get a feel for what a company is like.”

“[I] prefer to talk to people – explain my situation”

“[I] would trust parents and friends. They know what they’re talking about. [You] need to compare yourself with someone with a similar house/lifestyle to you though.”

Implications

The preponderance of online resources means that those consumers without access to the internet, or lacking in confidence in using it, could be at a disadvantage. A few participants complained that there was a lack of alternatives to the internet such as freephone numbers provided by suppliers. The implication is that older customers without internet access may not be in an equal position to compare information on different suppliers without the help of an impartial adviser.

These observations therefore suggest that there is a gap in the energy market for an independent and reliable comparator site (with a freephone alternative advertised beyond the web) to serve as a trusted customer reference point. For example, some participants discussed Which? as a trusted source, but there was no overall consensus on whether comparator sites are truly independent and dependable. As no participants are aware of Consumer Focus accreditation, this may require further promotion in order to help customers evaluate online resources.

4.6 Lay Strategist Exercise – improving information

Overview

Participants feel that the energy market does not compare favourably with other service providers in terms of providing information to allow easy comparison of tariffs and offers. The need to standardise and simplify information in the energy market, including bills, is highlighted as many feel confused by the number of tariffs on offer and the best ways to go about comparing them. Many participants comment that the energy market offers little in terms of rewards for customer loyalty, unlike other markets, and could do more to educate customers about energy use and savings.

Comparisons with other markets

Participants spontaneously make comparisons between the energy market and other markets regarding information provision. The sectors commonly referred to were:

- Insurance (home, car)
- Mobile phones
- Broadband
- Mortgages

Many cite the mobile phone and broadband markets as areas where providers are proactive in offering customers competitive offers to retain their custom, and the insurance market where comparison is felt to be more straightforward with simple pricing structures.

“Broadband - the main point are the cost, length of contact - download amount and speed. Credit cards - the interest rate is advertised and it’s easy to compare like for like figures.”

“Telephones - mobile & landline - because you know exactly what you are using. Credit cards you can see the exact tariffs.”

It is also felt that in other markets customers may have a degree of latitude to enquire about better deals and can threaten to leave if they find a more suitable provider. The energy market, however, is not perceived to operate in this way and few feel they have the confidence or knowledge to negotiate better deals with their suppliers”.

“It’s a fog with electricity. Could be easier.”

Lay Strategist Exercise – improving information

After general discussion about comparison in the energy market, participants were asked to undertake an exercise where they considered other sectors and worked in small groups - of four to five persons each - to come up with ideas about what would improve the process of comparing energy tariffs and suppliers. Participants recorded their suggestions on paper and a representative from each group fed back the findings to the room. The specific questions they were to consider were the following:

- In which markets are the tariffs easiest to compare and why?
- In which markets are the tariffs more difficult to compare and why?
- What could the energy sector learn from these other markets in terms of information on tariffs?
- What are the three main pieces of information that would make it easier for people to make an informed decision about whether or not to switch tariff or switch supplier?

Suggestions for improvement

It is felt that the energy market could learn from other sectors particularly in terms of:

- Standardisation of units.
- Better and simpler information.
- A greater focus on retention and rewarding loyalty.

Participants noted down the markets in which tariffs / products were most easy to compare. In addition to mobile phones, broadband, home and car insurance and credit cards, some also discussed comparison of house prices, petrol prices and banking as in these markets it is said to be easy to compare price information side by side - for example, via charts comparing key figures/measures and product features.

The main points of usefulness in other markets are:

- Having a set price.
- Defined contract lengths.
- Standardised formats so that like for like figures can be compared against one other.

Insurance, for example, is cited as one market where there are simple categories coupled with annual costs make it less complicated to find a deal that is right for you. From the mobile market, participants like the fact that they know what their monthly costs are and receive itemised billing. Text and minutes also provide a familiar unit of comparison across different providers.

“Mobile phone contracts - not very variable. Very easy to compare. Familiar units.”

These features make other markets appear more transparent - useful information is provided upfront and is readily available.

However, some participants feel that there can be too many variables in other markets and highlight areas of difficulty: for example, having “too many” options in the mobile phone market, credit card companies offering too many rates (APR) and hidden charges or “add-ons” (e.g. airlines, insurance).

Simplicity and transparency are understood as being a particular priority for the energy market given its commodity nature.

“Energy markets - no transparency. Not so well laid out. Sources of information are not so readily available. Somewhat confusing.”

“[It] would be handy if Ofgem could set up a website where you put in your consumption and that would be an independent reflection of what you could save. No hidden agendas – would be transparent.”

When thinking about the energy market in comparison with other markets, participants comment that information is generally not well laid out and complicated. Different standing charges and multiple tariffs make it harder to evaluate price differences, especially given that most participants do not know the tariff they are on currently. This has the result of confusing customers rather than educating and informing them.

“Simplifying it is key. There are lots of different tariffs within suppliers which is confusing. And within that there are primary rates, secondary rates, some with standing charges some without.”

Again, some participants refer to the fact that suppliers lack high street stores where customers can go for assistance. The disappearance of energy stores has in turn removed the educative aspect of powering homes and means that there is no obvious point of call for face to face advice on comparing tariffs.

“O2 has hundred of shops where you can speak to someone face to face. The energy suppliers have taken that away apart from when they are selling.”

“In a mobile phone shop you’ve got it all on a chart on a wall and you can talk about it face-to-face. In the 70s they had energy showrooms where you could talk to people – should have something like that still.”

Participants feel that energy suppliers also fail to 'give something back' to customers, in particular those that remained loyal. Many mention the need for bonuses or rewards. Suggestions included loft insulation in recognition of customer loyalty or bonuses for being environmentally friendly. The mobile market in particular is cited as providing customers good incentives.

Unlike in the mobile phone market where customers have a sense of what their usage is (due to itemised billing and per minute/text rates), most participants are not aware of their energy consumption which may act as a barrier to effective and accurate comparison between suppliers. In the absence of fixed unit prices and knowledge of exactly how much energy a particular appliance uses and how it impacts on overall costs, participants are reticent about being able to compare between suppliers and find a tariff that best meets their needs.

“The mobile phone companies tell you how you use your phone – but we don’t know how we use energy”

Key information needs

Participants refer to three key needs that underpin overall requirements in the energy market to improve information and make it easier to switch and compare suppliers. These are:

- 1) **Standardisation** – i.e. units of measurement
- 2) **Simplification of information** – especially tariffs
- 3) **Feedback** through home energy bills and other means – so that bills are more useful and informative

Above all, participants want access to information that is simple and easy to understand, but also informative. Specific ideas to aid this were having fewer tariffs and a standardised unit cost.

Unit costs

A clear price structure is seen to be essential, with a national, fixed unit price used across all suppliers for ease of comparison. It was also suggested that cost per 100 units+ would be useful, with a guide as to what 100 units would mean in terms of usage (i.e. a load of washing etc). An alternative might be to show how 50 units translate into actual costs such as £50, or to have the price in pounds per Kilowatt. Above all, any unit of measurement needs to be expressed in a language that is simple to understand and be accompanied by an explanation of the usage it equates to since, in practice, there is uncertainty about the meaning of Kilowatts and how different levels of energy consumption (high/medium/low) crosses over into billing.

“You study your phone bill though because you can see whether or not you’re being charged for what you used.”

“[You] don’t look at the meter because it’s too much hassle to look at. With the mobile phone market you can see exactly what you use and what you waste – which you don’t get on a meter.”

Being able to compare monthly unit costs and usage throughout the year is also thought to be useful, so that summer and winter bills can be compared. Participants felt that a standardised unit would help them to work out their average usage on a like for like basis to aid comparison of tariffs, providing there was a national standard used across all suppliers. An average benchmark would aid customers in managing their consumption providing they have access to knowledge about how much various home appliances use. Unit standardisation could also allow customers to have a better idea about price stability or rises in the energy market over the long term. In this way, understanding the basics of unit measurement is a key requirement for customers to be better informed and able to choose between supplier offers.

Tariffs

Many participants are overwhelmed by the number of tariffs on offer and suggest that reducing the number of tariffs available would be an improvement as “*you can get lost*”. They would also like advice on the different tariffs to know which one is best for them. In addition, having multiple tariffs within the same supplier can be confusing and raises questions about why customers are not automatically put on the most suitable tariffs by their provider. However, a very small minority expressed reservations about reducing the number of tariffs lest this reduced competition.

Participants feel that there should be more transparency around standing charges and fixed costs so that potential customers know exactly what they will pay in advance and there are no ‘hidden’ costs. They also think that the presentation of tariffs could be improved and cite good examples in the mobile phone and telecommunication industries.

Billing

Participants call for bills to be clearer and more informative, allowing them to look at their usage on a frequency that suits them best. They would like more information around consumption levels – perhaps against benchmarks such as property types or number of occupants or for different times of day. Coupled with a standardised unit cost, those participants that would like to reduce their consumption levels would be better placed to work out methods to do so if they have usage advice, such as knowing how much a typical wash cycle or tumble dryer load will cost them. Critically, this would also give them much greater clarity around their usage in order to be able to make comparisons between different suppliers.

“I wouldn’t know annually what I consume but it would be really nice if they told me at the end of the year that I had used X.”

“With energy you don’t know if they are charging you when you are away on holiday or not.”

“In this day and age it would be very simple to have a bill you understand”. Why should you have to work them out?

Other points

In the lay strategist exercise, participants referred to more generalised points about improvements and innovations that could be developed to aid customers in the energy market:

- freephone helplines,
- face to face customer service,
- quality customer care and efficiency
- an ‘energy broker’ i.e. a third party mediating between the energy supplier and the customer, like with a mortgage broker
- single trusted source for pricing and advice on choosing a supplier
- ‘ready reckoners’ on how much a typical single/couple/family would be expected to use or spend

At present, participants perceive that the onus to change tariff or find the best deal rests on them. The overall tone of the discussions indicated that consumers feel suppliers are not doing enough to help them make the right choices about their energy use and suppliers, and there are clear calls for suppliers to provide advice that allows customer to make choices on tariffs that are right for them, as well as the feedback necessary on their consumption that allows them better manage their usage.

Appendix A - Agenda



Ofgem Consumer Panel – Session 1 Agenda

PRE TASK – Participants asked to investigate switching their energy supplier in any way they want.

Ask them to record

- How they went about it (i.e. what information sources they used – ask to bring examples in where possible)
- How easy or difficult did they find it
- What specifically did they find easy or difficult about it?

Timing	Item
17.30-18.00	Arrival and Registration General introductions
18.00-18.10	IN PLENARY: Welcome and housekeeping (Opinion Leader lead facilitator) <ul style="list-style-type: none">• Welcome and thanks for attending• Briefly explain what the consumer panel is all about and how it will work going forward (emphasise we wish to talk about usage in the household only)• Explain the role of OL & facilitators and their independence• Details of refreshments• Toilets, health and safety regulations• Mobiles off• Introduction of Ofgem staff• Any questions about the panel? (keep brief)

Timing	Item
18.10-18.35	<p>BREAKOUT GROUPS: Basic understanding of and attitudes to energy use in the home</p> <ul style="list-style-type: none"> • What are the main uses of energy in your home? <ul style="list-style-type: none"> – For what do you think you use a large amount of energy? <ul style="list-style-type: none"> ◦ Probe on devices, activities, lifestyle – For what do you use smaller amounts of energy? <ul style="list-style-type: none"> ◦ Probe on devices, activities, lifestyle • Have your energy use habits changed in any way in the last twelve months? <ul style="list-style-type: none"> – In what way? – Why is this? • What can people do to use less energy in the home? <ul style="list-style-type: none"> – Are there areas where you think you could use less energy where you're not at the moment? What are they? Why haven't you started saving in these areas? • What are the most important issues to you when you think about energy use in your home? Spontaneous then prompt on: <ul style="list-style-type: none"> ◦ Cost ◦ Efficiency ◦ Environment/sustainability ◦ Any other factors? ◦ Nothing (I don't really think about my energy use in the home) • Do you see yourself as a high or low user of energy overall? Why? <ul style="list-style-type: none"> – How do you determine whether you are a high or low user? PROBE FULLY
18.35-18.50	<p>IN PLENARY: Quick quiz on domestic energy use and environmental issues (to impart information on topics already discussed)</p> <p>Question topics</p> <ul style="list-style-type: none"> • Energy use (i.e. what are the heaviest and lightest uses of energy in the home, comparison of normal to energy saving lightbulbs etc) • Environmental questions around carbon • Structure of energy market

Timing	Item
18.50-19.05	<p>BREAKOUT GROUPS: Understanding of current events in the energy market</p> <ul style="list-style-type: none"> • What are your reactions to what you have just learnt from the quiz? <ul style="list-style-type: none"> – Is there anything new or surprising that you didn't know? – What have you learnt? • Thinking about the energy market very broadly, what do you think has been happening over the past year? <ul style="list-style-type: none"> – <i>Moderator to encourage participants to think about all aspects of the energy supply process from raw materials/extraction/generation through to domestic supply</i> • And what do you think will be happening going forwards? • What do you see as the main reasons for the recent increases in energy prices? <ul style="list-style-type: none"> – <i>Moderator to encourage participants to think about wider market conditions – not to simply accept responses solely on energy company profit motives</i> • What are your main information needs are when they think about the energy market overall? <ul style="list-style-type: none"> – What are the important things you feel energy users need to know?
19.05-19.20	<p>IN PLENARY: Presentation on UK energy market and the roles of the key organisations (e.g. Ofgem, National Grid etc)</p> <ul style="list-style-type: none"> • Key organisations
19.20-19.30	<p>COMFORT BREAK</p>
19.30-19.55	<p>BREAKOUT GROUPS: Attitudes to suppliers</p> <ul style="list-style-type: none"> • What are your reactions to what you have just learnt from the presentation? <ul style="list-style-type: none"> – Is there anything new or surprising that you didn't know? – What have you learnt? • How do you pay for your energy? <ul style="list-style-type: none"> – Probe on tariffs. prepayment, direct debit, on line, fixed or capped price. • What are your priorities in choosing an energy supplier? – why did you choose your supplier? • What are the good things about your energy supplier(s)? Spontaneous then prompt on (NB moderator to keep discussion on good and bad things short as Ofgem already has this kind of information): <ul style="list-style-type: none"> – Price – Customer service – Information provision (e.g. leaflets on how to make your home more energy efficient) – Additional services (e.g. boiler maintenance contracts, energy saving

Timing	Item
	<p>products, telephone, broadband etc)</p> <ul style="list-style-type: none"> • What are the bad things about your energy supplier(s)? Spontaneous then prompt on: <ul style="list-style-type: none"> – Price – Customer service – Information provision (e.g. leaflets on how to make your home more energy efficient) – Additional services (e.g. boiler maintenance contracts, energy saving products, telephone, broadband etc) • Have you ever made a complaint to an energy supplier? <ul style="list-style-type: none"> – How did you go about this? Who did you complain to? – Where did you get your information from about how to complain? – Was the complaint resolved to your satisfaction? Why/why not? – Did you take any further action? What was it? – If no, why not? PROBE: not had reason to complain, didn't know how to complain, didn't think complaining would make any difference etc. DRAW OUT FULLY
19.55-20.15	<p>BREAKOUT GROUPS: Experiences of switching (from pre-task)</p> <ul style="list-style-type: none"> • What sources of information did you use to investigate switching your energy supplier (show examples where possible) <ul style="list-style-type: none"> – What sources were the most useful? – What sources were less useful? – Probe on trust – what sources are most likely to be trusted? – Do you have a clear idea of which supplier may be the best option for you? <ul style="list-style-type: none"> ◦ How do you decide whether it is worth changing your supplier? ◦ When you have changed supplier for other services e.g. mobile phone, Internet provider, cable provider, insurance, credit cards etc. how did you decide whether it was worth changing then? • How easy or difficult did you find the process of changing energy supplier overall? • What were the key things that made the process easy? • What were the key things that made the process difficult? <ul style="list-style-type: none"> – What are the barriers in 'real life'? (i.e. when you haven't been asked to look at switching as a pre-task) • Does anybody have real life experience of switching energy suppliers? (NB probe for positive and negative experiences) <ul style="list-style-type: none"> – How did you go about it? Why did you decide to go about it in this way?

Timing	Item
	<ul style="list-style-type: none"> - How easy or difficult was it? If difficult, what made it so? - Are there benefits for customers from switching suppliers?
20.15-20.45	<p>BREAKOUT GROUPS: ‘Lay strategists’ exercise</p> <ul style="list-style-type: none"> • (15mins) Introduce spontaneous idea generation exercise to consider what would make the process of comparing tariffs and suppliers better <ul style="list-style-type: none"> - Participants asked to specifically consider information needs to help them compare tariffs across suppliers • What learnings could the energy industry take from other sectors in terms of information provision and the process of switching overall? (spontaneous) <ul style="list-style-type: none"> - PROMPT around ALL other sectors • Introduce and talk through handout on other sectors and Ofgem’s ideas • (15 mins) Split participants into four groups of five, using handouts as stimulus <ul style="list-style-type: none"> - working together to discuss the following and fill in self completion form. Each group to prepare a short summary of this prompted session • Each smaller group to consider other sectors against energy market (mobile phones (minutes), broadband, insurance, credit cards (APR)) <ul style="list-style-type: none"> - How do they compare against the energy market – what makes it easy or difficult to switch supplier in each market? - What are the three main pieces of information that would make it easier to decide a) whether you should switch and b) who you should switch to?
20.45-20.55	<p>IN PLENARY: Feedback on lay strategist task</p>
20.55-21.00	<p>IN PLENARY: Sum up, thanks and close</p> <ul style="list-style-type: none"> • Opportunity for Ofgem observer to comment on the issues discussed • Brief outline of next contact and event

Appendix B - Quiz

Question 1

In 1970, 5.6m UK homes were centrally heated. How many homes were centrally heated by 2000?

- A. 19.7m
- B. 21.7m
- C. 23.7m
- D. 25.7m

10

Question 2

In 1990, 20% of households owned a personal computer. What percentage of households owned a personal computer in 2004?

- A. 40%
- B. 50%
- C. 60%
- D. 70% ✓

13

Question 3

There are 24.7m households in the UK. How many households live in fuel poverty (i.e. spend more than 10% of their income on gas and electricity)?

- A. 1.5m
- B. 3.5m ✓**
- C. 5.5m
- D. 7.5m

15

Question 4

By what percentage has overall energy consumption per person risen since 1970?

- A. 5%
- B. 7% ✓**
- C. 9%
- D. 11%

17

Question 5

By what percentage has energy consumption for lighting and appliances per person risen since 1970?

- A. 22%
- B. 52%
- C. 102%
- D. 152% ✓

19

Question 6

Which of the following activities uses the most energy?

- A. A return flight from London to Sydney
- B. Driving 20,000 miles in a Ford Focus
- C. Heating a 3 bed Edwardian 1910 house for a year ✓

21

Question 7

Which of the following activities uses the most energy?

- A. **Watching a LCD TV 2 hours a day for a year** ✓
- B. Using A rated tumble dryer once a week for a year
- C. Leaving a TV on standby overnight every night for a year

23

Question 8

How much money does the average household waste per year by leaving appliances on standby?

- A. £15
- B. £23
- C. **£37** ✓
- D. £56

25

Question 9

How much longer does an energy saving light bulb last than a normal light bulb?

- A. Twice as long
- B. Three times as long
- C. Five times as long
- D. **Ten times as long** ✓

27

Question 10

What percentage of the UK's total carbon emissions is made up of households' use of electricity and heating?

- A. 7%
- B. 17%
- C. **27%** ✓
- D. 37%

29

Question 11

By what percentage is the Government committed to reducing the UK's carbon dioxide emissions by 2050?

- A. 20%
- B. 40%
- C. 60%
- D. 80% ✓

31

Question 12

In 2000, annual North Sea gas production was approximately 109 billion cubic metres. How much is it predicted to be in 2020?

- A. 23 billion cubic metres ✓
- B. 59 billion cubic metres
- C. 115 billion cubic metres
- D. 162 billion cubic metres

33

Question 13

In total, how long is Great Britain's electricity network?

- A. 190,000 miles
- B. 290,000 miles
- C. 390,000 miles
- D. 490,000 miles ✓

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Appendix C – Industry presentation

Plenary: The GB energy markets and key organisations

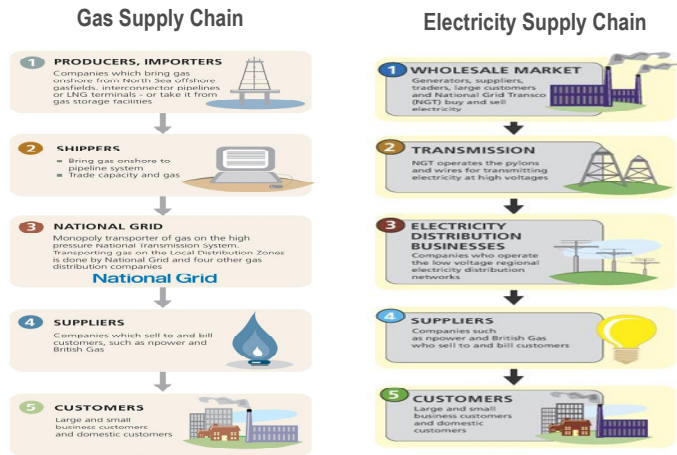
38

Structure of the gas and electricity markets

- Privatisation and restructuring of the energy industry began in the late 1980s
- By the late 1990s, all consumers could choose their gas and electricity supplier
- OFGAS regulated the gas industry
- OFFER regulated the electricity industry
- The Utilities Act 2000 created Ofgem, a regulator for *both* the gas and electricity industry

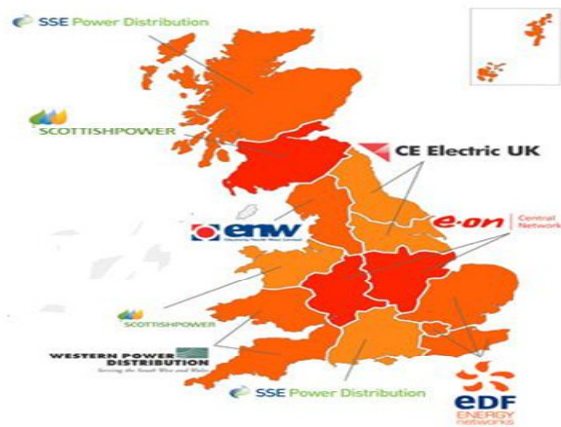
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How does energy arrive at your home?



40

Key organisations – Electricity Distribution Networks



41

Key organisations – Gas Distribution Networks



42

Key organisations - suppliers

These are the six main suppliers in the GB energy market:

- Npower 
- EDF 
- British Gas (Nwy Prydain, Scottish Gas)   
- Scottish Power 
gas and electricity
- Scottish and Southern Energy (SSE) (Swalec, Scottish Hydro) 
- E.on 

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Key organisations - suppliers

- There are a number of other active domestic suppliers:

ecotricity

Good Energy
RANKED GREENEST ELECTRICITY SUPPLIER
BY THE NATIONAL CONSUMER COUNCIL

first:utility

utilita
do you **get it**

44

Consumer representation

- energywatch was replaced by a new package of consumer protection which began on 1st October
- Consumer Direct is responsible for providing advice to consumers
- Consumer Focus is the new consumer advocate and deals with vulnerable customers
- There are new strict Complaint Handling Standards set by Ofgem for all suppliers and Network Operators
- The Energy Ombudsman can investigate complaints that cannot be resolved by the companies themselves



45

Key Organisations – DECC

- DECC is the Department for Energy and Climate Change
- It is responsible for overall energy policy
- Combines the roles of Department for Environment, Food and Rural Affairs and Department for Business and Regulatory Reform
- Greater focus on the challenges of energy and climate change

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Key Organisations - Ofgem

- The **Office of Gas and Electricity Markets** exists to....
 - ✓ Promote competition (and monitors anti-competitive behaviour)
 - ✓ Protect the interests of gas and electricity customers
 - ✓ License and monitor gas and electricity companies
 - ✓ Ensure sufficient investment in the energy networks
 - ✓ Help companies make environmental improvements
 - ✓ Ensure companies take into account the needs of vulnerable customers
 - ✓ It does not deal with individual consumer complaints

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Appendix D – Pre-task

HOW DO YOU SWITCH ENERGY SUPPLIERS?

We would like you to imagine that you want to investigate switching your energy supplier, in any way you want. For example, this could be a different gas or electricity supplier or perhaps both, depending on the type of energy you use in your home. We would like you to make a note of the following things as you do this:

How you went about it. For example, where did you go for information, what information sources did you use, what information did you find useful? (Please feel free to bring any examples along with you to the workshop).

How easy or difficult was it to investigate the option of switching supplier?

What in particular was easy or difficult about it?

Enter your notes below....

PLEASE NOTE: this is intended as an exercise to help prepare you for the workshops. We are not asking you or suggesting that you change supplier in any way, just to look at the process of doing so.

Appendix E – ‘Lay Strategist’ Exercise



Switching tariffs

When considering whether or not to switch to a different tariff with your current supplier OR to switch to a different supplier altogether, there are a number of different ways of informing your decision. Here are some examples from other sectors:

Sector	Mobile phones	Insurance	Broadband	Credit cards
Some of the factors for comparison	Overall cost	Overall cost	Overall cost	Annual Percentage Rate (APR)
	Number of minutes / texts used per month	Frequency of payment i.e. monthly / annually	Length of contract	Loyalty schemes
	Length of contract	Add-ons (e.g. car repair cover)		Ethical option
	Cost per minute / cost per text			



Comparing tariffs

Here are some of the ways you might compare different tariffs:

- Having an average 'benchmark' tariff that you could compare your tariff against
- Limiting the number of tariffs offered by individual suppliers
- Providing information about usage levels and having different tariffs in terms of low, medium and high usage
- Receiving an annual statement from your supplier telling you a) what your current tariff is, b) what other tariffs are available from that supplier, and c) what other payment methods are available
- The ability to compare unit rates on a like-for-like basis across suppliers (like an APR in financial services)
- Giving prices per 100 units (like in supermarkets where you are given prices per 100g)

Comparing tariffs

As a group, please discuss these questions and fill in this worksheet.

In which markets are the tariffs easiest to compare and why?
In which markets are the tariffs more difficult to compare and why?
What could the energy sector learn from these other markets in terms of information on tariffs?
What are the three main pieces of information that would make it easier for people to make an informed decision about whether or not to switch tariff or switch supplier? 1) 2) 3)

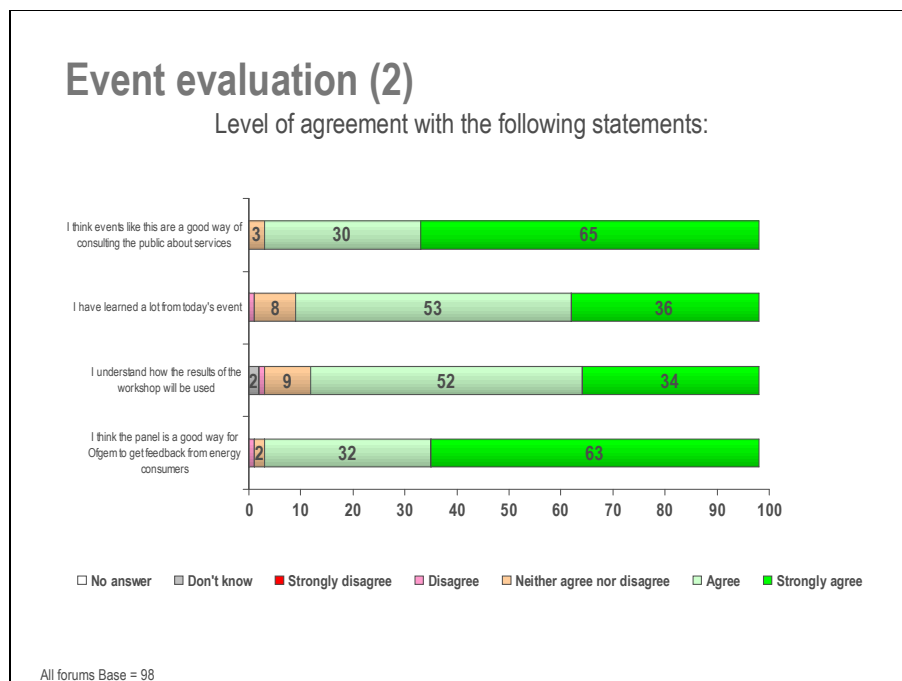
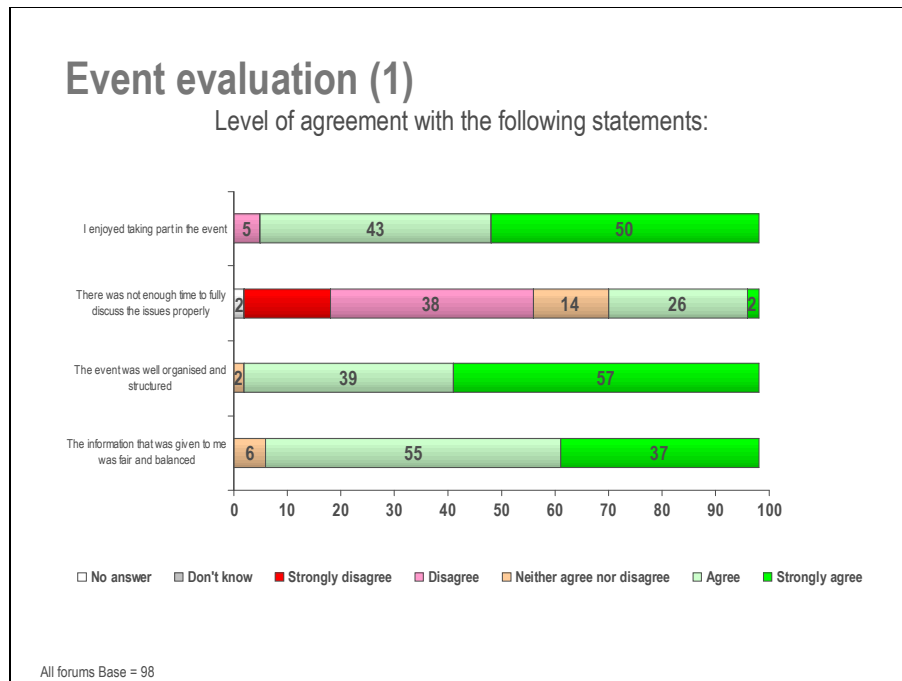
Please choose a representative from the group to feed back the final two points to the rest of the room.

Appendix F – Lay Strategist Completed Worksheets

Location	In which markets are the tariffs easiest to compare and why?	In which markets are the tariffs more difficult to compare and why?	What could the energy sector learn from these other markets in terms of information of tariffs?	What are the three main pieces of information that would make it easier to decide whether you should switch energy tariff and who you should switch to?
Leicester	Broadband - the main point are the cost, length of contact - download amount and speed. Credit cards - the interest rate is advertised and its easy to compare like for like figures.	Mobile phones - too many options and checklists to take into consideration, the same as insurances.	Making things clear - like pricing - limiting the information and choices available i.e tariffs.	1) Price per unit being published. 2) Stricter controls and guidelines - small print clearer and if the choices are controlled more we can be more 'trusting' of whats on offer. 3) Rate period - like credit cards and mortgages etc.
Leicester	Mobile phones, credit cards, home car insurance ... Well laid out and easy to understand format. Prices transparent. Sources of information readily available.	Energy markets - no transparency. Not so well laid out. Sources of information are not so readily available. Somewhat confusing.	Think about retention of consumers. Look at loyalty bonuses. Remember, we pay your wages.	1) Price per unit (any multiple) 2) Availability of offers/add ons understanding how to compare against rest of market. 3) Freephone helpline please.
Leicester	Home insurance - because standard presentation easy to understand.		Simplify and standardise	1) price stability over longer term. 2) standardisation and simplify 3) each energy supplier to list charges for comparison. Loyalty scheme/customer service attitude.
Leicester	Insurance - straightforward. Ticks and crosses. Simple categories	Broadband - terminology. Mobile phones - no cost only savings.	Simplify. Straightforward. Set price. Appliance key - stating energy wage.	Fixed unit price. Contact number.
Glasgow	Insurance - Annual cost - easy to compare. Detailed description of what paying for & choice. Mobiles/broadband - choice to suit needs. Set price - easy to compare.	Energy - too complex. Not specific enough. Credit cards - too many different rates ie. When and where you use card. Telephone companies (landline)	To simplify information. Be more helpful on telephone. (free helplines and no automated!)	1) Simplified cost breakdown eg. 50 units = £50. 2) No gimmicks or short term intros. Just straight explanation. 3) All payment methods - one charge.
Glasgow	Mobile phones - straightforward information re. minutes & texts. Credit cards - clear information. Insurance - Plenty of information.	Energy market - language is difficult to read.	More forthcoming with information, simplify - user friendly, more accessible.	1) Price. 2) Comparison of information. 3) Face to face customer service.
Beverley	Telephones - mobile & landline - because you know exactly what you are using. Credit cards you can see the exact tariffs.	Energy - different tariffs and standing charges you never know how it compares to others. Insurance - easy to compare price but not what you are covered for.	Simplify and standardise information - ie. Price per 100 units.	1) price per 100 unit. 2) Simplify bill. 3) Is new supplier going to deal with cancelling old supplier - don't want to have the hassle yourself.
Beverley	Mobile & home telephones - itemised billing insurance - price/cover eg. Monthly payments. Credit cards - APR, cash back, loyalty etc.	Gas and electric, how much is unit/KWH, what products use what energy!	Simplicity - what are you getting for your money? Provide itemised breakdown eg. Monthly.	1) Price. 2) Environmentally friendly. 3) customer care.
London	Mobile phones, Insurance, Financial eg. Bank Loans.	Broadband. Landlines are difficult. Super markets.	Needs to be more standard, what else is available. Standard package.	1) Price, get it or don't get it. 2) Cost per unit, cost per year. 3) Loyalty to what energy suppliers say. Loyalty and nationality.
London	Broadband on time and price and usage. Credit cards APR.	Mobile phones - multiple tariffs/options/hidden charges. Health insurance get outs	Transparency/customer service/usage information.	1) Benchmark average for property/No of occupants. 2) Consumption information personal household. 3) time of day/night/week/weekends.
Glasgow	Petrol - cost - brands easy to define. Food - cost easy. Car insurance - tariffs easy to define. Price makes it easy. Experts who need to give you best advice. Mobile phones - similar & easy to identify needs.	Energy - too many undefined. Airlines - Hidden charges. Phones - lots of tariffs.	More simplicity. Transparency. Clearly defined tariffs. Less tariffs. Buy bundles.	1) Clearly defined prices/tariffs. 2) Tariff advice. 3) Usage advice - high, medium, low - what do these mean, what is a kilo watt?
Glasgow	Broadband and insurance. Simple clear terms. Less variation within product.	Phones and cards. More choice and variation in product. Hidden charges.	Simplify - clarify - an idea of the impact.	1) the cost per unit. 2) Stability of price.
Beverley	Mobiles, contracts, insurances.	Energy suppliers, credit cards (interest to pay)	Simpler and less tariffs.	1) Easier price comparison. 2) More direct info on telephone. 3) Energy broker.
Beverley	Car insurance and motor insurance.	Gas and electrics.	Easy access to competitive price. Easier to understand.	1) Like for like price eg. Price per 100 units for each. Supplier and tariff. 2) More information on the different tariffs available. 3) One source of competition pricing, information where you could chose supplier.
Wales	Clear information supermarket/petrol stations? Individually priced - like with like - products competing placed side by side. Housing - areas/compare prices. Banking - comparison chart.	Energy/research (no shop) Information - varied - on hold. Blind you with science.	Clearer information, shop Frontage, advertise.	1) Price/clearer information/structure.. Comparison/shop public. 2) Eco issues/reliability trust company. Seen to be ethical. 3) Service provide/efficiency - customer care.
Wales	Petrol and diesel - clearly stated in the pumps.	Electricity and gas - because you cannot compare like with like easily.	Meters showing how much it costs per day / "clocking" the cost.	1) Price like with like. 2) Independent advice, advice you can trust. 3) History of reliability customer reviews.
Wales	Mobile phones, simplicity	Insurance - overall cost and add ons - to tailor your particular needs. Annual cost - instalments can be bumped up - if you decide to change they want the full amount to cover 10 months.	Make it as simple as mobile phone tariffs.	1) Exact cost per unit. 2) How many units used per month - for comparisons of summer and winter (hassle free) 3) Simple method of switching from one supplier to another.
London	Mobile phone contracts - not very variable. Very easy to compare. Familiar units.	Car insurance. They want loads of information.	Make nice and easy to understand the units you are being billed by. Make off peak rates. Reward system for loyalty.	1) A better understanding of units and tariffs. 2) Knowing what the average should be for your type of household and if your meeting those targets. Comparing units like for like.
London	Mobile phone/broadband easy to compare like with like.	Credit cards & insurance. Products have too many variables.	Too many tariffs. Fragmented. Billing needs to be straight forward.	1) Price (easy comparison) 2) contract time locked in period. 3) helpfulness of staff/assure easy billing customer service quality.

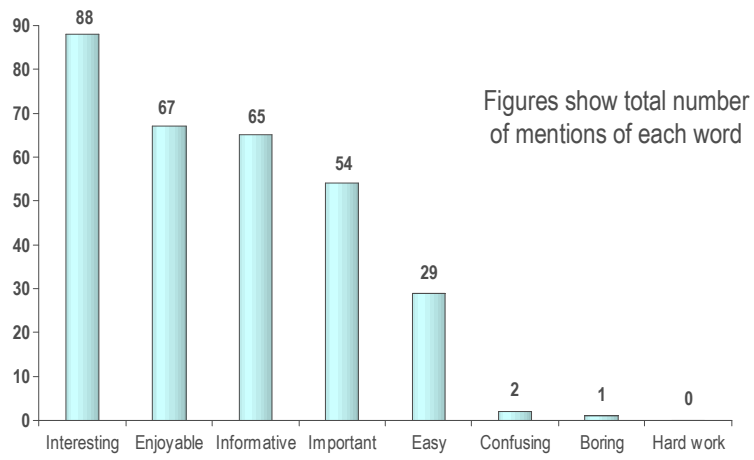
Appendix G – Evaluation Data

The following charts aggregate participant responses to an evaluation questionnaire distributed at the end of the event.



Event evaluation (3)

How would you describe the event you have just taken part in?



All forums Base = 98