

Consumer views on Tariff Comparison Rates

Findings from the Ofgem Consumer First Panel Year 4 and new participants: Fourth workshops (held in August 2012)

17 October

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Executive summary

Executive summary

Background and methodology

The focus of this round of research was to understand consumer responses to Ofgem's proposals for the Tariff Comparison Rate (TCR), being developed as part of its Retail Market Review. In July 2012, Ofgem outlined its overall proposal for a Tariff Comparison Rate (TCR), informally defined as:

A single figure that can be used to compare the cost of the tariff a consumer is on against alternative tariffs from either an existing or new potential supplier. It takes account of any standing charge and the unit rate(s) that make up the tariff. TCRs can be presented in a range of locations including: the communications consumers receive from their supplier, billboards on the street, newspaper advertisements, and 'best-buy' tables showing TCRs for a range of different tariffs, among others.

The research tested the *overall TCR concept* and *four distinct scenarios* which illustrated different options for how the TCR might work in practice. Participants were asked to comment on each scenario separately and to identify individual elements from each they felt were particularly helpful or unhelpful. The research also aimed to explore what participants saw as the potential impact of the TCR on their switching behaviour and overall engagement in GB energy market.

Workshops with 109 participants were conducted in six locations across Great Britain between the 13th and 23rd August 2012. Approximately half of the participants in this research took part in previous workshops as part of the 2011-2012 Ofgem Consumer First Panel. The remaining participants were recruited afresh to ensure the research included less informed consumer perspectives as well as those of existing Panellists. Alongside these workshops, triad depth interviews were conducted with 16 electricity consumers currently on Economy 7 style tariffs.

Overall responses to TCR concept

A key finding from the research was the extent to which existing levels of engagement in the energy market can shape responses to the TCR. The distinction was more pronounced than differences in response between existing Panellists and non-Panellists, as participation in previous Panel workshops did not always mean Panellists had become more engaged with their tariff options. The figure below shows a ***spectrum of engagement*** which is useful to keep in mind for thinking about how different consumer types interact with the energy market.

Responses to individual scenarios

The table below summarises the four TCR scenarios presented to participants during the research. Mock versions of supplier communications (e.g. annual statements, energy bills), public adverts and ‘best-buy tables’ were used to help participants envisage how the TCR scenarios would look different to the status quo and what the introduction of TCRs might mean for them personally. (See appendix for mock versions of supplier communications used as stimulus).

Ofgem proposed two types of TCR – a General Tariff Comparison Rate (GTCR) and a Personal Tariff Comparison Rate (PTCR).

- A GTCR is based on an average consumer – either a Medium User who uses an average amount of energy, or a typical Low, Medium or High User. It is not tailored to the exact amount of energy that a consumer uses and may not allow totally accurate comparisons to be made. However, it may give consumers a rough guide showing that savings can be made and can help indicate which supplier or tariff may be cheaper. As well as being on bills and annual statements, a General TCR could be found in publicly available adverts or marketing materials.
- A PTCR is a figure that applies directly to individual consumers because it is based on the exact amount of energy they use and the price they pay through their current tariff. Consumers could get a Personal TCR for an alternative tariff (to make a direct comparison) by giving their energy usage details to their own supplier, another supplier or a switching service. They would not be able to see a PTCR rate in publicly available adverts or marketing, but they could see it on their bill or annual statement.

Scenario 1	
General TCR in all communications	TCRs and best-buy tables relate to an average consumer only
All TCRs presented in £ per month	Advertisements present TCR in £ per month
Scenario 3	
Personal TCR on supplier communications (bills and annual statements) GTCR elsewhere	GTCRs and best-buy tables relate to low, medium and high consumers (presented in three separate columns for low, medium and high users)
PTCR and GTCR presented in £ per year	Advertisements present GTCR in £ per year

Scenario 2	
General TCR in all communications Supplier communications (bills and annual statements) present current tariff and best 3 alternative tariffs for current supplier only	TCRs and best-buy tables relate to low, medium and high consumers (presented in three separate tables for low, medium and high users)
All TCRs presented in pence per kWh	Advertisements present TCR in pence per kWh
Scenario 4	
Personal and general TCR on supplier communications (bills and annual statements) GTCR elsewhere Single best alternative tariff for current supplier only	GTCRs and best-buy tables relate to an average consumer only
PTCR presented in £ per year GTCR presented in pence per kWh	Advertisements present GTCR in pence per kWh

Spontaneously, most participants responded best to scenarios which offered them a personal element in the form of a PTCR (as used in scenarios 3 and 4) because these immediately appeared more personalised to their own situation. This was true of both engaged and less engaged participants, although to the very disengaged, the simplicity of scenario 1 held initial appeal.

After reflection, however, many participants began to question the value of the PTCR, often because they had become confused by it and could no longer see how it would be useful to them. Some participants who were more engaged questioned scenarios which included PTCRs because they did not see them as much of an improvement on what they use now: price comparison services that they have to input their own consumption data into (much like they would have to do in scenario 3 or 4).

Scenario 1:

- The majority of participants believed that this scenario would not greatly enhance the system currently in place, as it is too “general” and would not prompt many to explore their options further.
- However, the poster advert with a single figure in £ per month was thought of as attention-grabbing, which might act as a trigger to some higher users to consider comparing their options.
- This scenario was received slightly more favourably when shown first but usually deemed as providing insufficient information when shown after scenario 2, 3 or 4.

Scenario 2:

- Opinion was divided on whether or not this scenario, without a personal element, would suffice as a useful tariff comparison tool. However most agreed that it was still a significant improvement to what is currently in place.
- A few thought that this scenario would help to build trust in their own energy providers, as the three alternative tariffs on their bill gave them the impression that their provider was helping them to find the cheapest possible tariff.

Scenario 3:

- The introduction of a PTCR had an immediate appeal that made many say this scenario was better than what they currently have. Some likened it to comparing car insurance rates whereupon the comparison rates are always personal.
- To get maximum use out of this scenario, participants said they would need to be well-informed as to what the PTCR/GTCR are and how they work. Many participants who were less engaged and less energy literate said they would otherwise be unlikely to attempt working the concept out for themselves.

Scenario 4:

- Most liked the single alternative tariff recommendation shown on their bill and believed it was an improvement on what exists now.
- Some believed that this scenario would still make a difference to the current situation, however this was very dependent on how well participants were educated about the new system and in particular how the PTCRs and GTCRs could be used together.

By the end of discussions on TCRs, GTCRs and PTCRs and the evaluation of all four scenarios, most participants came to appreciate that there was mileage in the TCR concept overall. More importantly, if it was explained clearly, participants felt that it held the potential to make tariff comparisons easier. Opinion remained fairly divided over whether GTCRs

needed to be accompanied by PTCRs or whether GTCRs for low/medium/high users was sufficiently useful. It was generally agreed that single figure GTCRs (scenarios 1 and 4) would neither allow more engaged participants to make accurate tariff comparisons, nor appear relevant enough to prompt less engaged participants to start considering their tariff options. For some, providing TCRs for low, medium and high users would therefore be more appropriate and effective. For others, no GTCR would ever be personal enough to engage them in future tariff comparisons; these participants felt that only the PTCR could provide the personal element they needed to do this.

Responses to individual TCR elements

While many participants may have struggled to settle on one favoured scenario, most saw the merits of individual elements and believed that their presence in the energy market would be a marked improvement on the current situation. When participants discussed the potential impact of the TCR concept on their future engagement with energy tariff options, it was usually the effect of *individual elements* that they emphasised, rather than the effect that one scenario would be likely to have over another. In the report we provide further detail on how each of the different elements of the TCRs were received by participants, which held most appeal and which caused participants most problems.

Participants' ideal TCR

Towards the end of the Panel workshops and triads, participants were asked to consider their *ideal TCR* and to either pick one of the four that were tested or suggest how the concept could be modified. While there were some elements of the scenarios which divided opinion (for example the inclusion of PTCRs, Low/Medium/High TCRs and the relevance of pence per kWh), some clear majority views also emerged.

The following suggestion for the 'ideal TCR scenario' is based on consumer ideas which surfaced most strongly during discussions and inspired consensus. It does not reflect the views of any single group or individual but is intended to show where participants' priorities currently lie and where they saw potential for optimisation of the TCR concept.

'The ideal TCR scenario should include...'

- *Low/Medium/High GTCRs*
- *TCRs in £ per year (or £ per month)*
- *Recommendations for three alternative tariffs on supplier communications*
- *Three separate best buy tables (for Low/Medium/High users)*
- *'How do you compare?' information boxes on supplier communications*
- *Visual icons to represent consumers' levels of energy consumption*
- *Clearer explanations of PTCRs, GTCRs and how to use the two on supplier communications*
- *A new term and acronym for the TCR*
- *Eye-catching adverts with Low/Medium/High user TCRs*

2. The less engaged:

This group of participants (with slightly more understanding and/or interest in tariff options who were a bit more likely to be looking at their supplier communications) called for more personalisation of the TCR concept than they thought the single figure GTCR (scenario 1) offered. Mostly they were content to see a more personalised aspect in the GTCRs for low/medium/high users without the complexity of adding a PTCR figure (scenario 2).

For those on the right side of the spectrum:

3. The more engaged:

More engaged participants who were open to looking at their options but not completely comfortable using their existing consumption data to compare tariffs, generally liked to see the addition of the PTCR figure as it reassured them that the TCR would be a more accurate reflection of their personal usage. This group were also more likely to be consulting their supplier communications (or open to doing so more regularly) and could therefore envisage using the provision of a PTCR (and perhaps a GTCR) figure on their bill or annual statement to compare their tariff options (scenarios 3 and 4).

4. The most engaged:

Although arguably already engaged participants are not the target audience for the TCR concept, it is worth noting that some of them had quite strong preferences for a TCR scenario that did *not* feature PTCRs. Their view tended to be that as engaged users, they were happy with their existing approach of inputting their personal consumption data into a price comparison service in order to make accurate tariff comparisons. Therefore the GTCRs for low/medium/high users (scenario 2) gave them enough guidance to decide which alternative tariffs might be worth looking into. When some engaged participants considered others who may be less engaged in tariff comparisons, they were often concerned that the inclusion of PTCRs would make the whole concept overly complicated and risk either misleading or disengaging many participants.

Predicted impact and usage of TCRs

One of the clearest predicted impacts of the TCR concept was simply that it would be likely to raise awareness levels about the option of changing supplier and might increase consumer awareness that there might be real financial savings involved.

For participants with particularly low awareness of the range of tariff options and the switching process (usually non-Panellists) the TCR concept seemed likely to act as an **alert**, highlighting the fact that they have the option to switch tariff or supplier. While for participants with some awareness of their options but little inclination to engage in the market (often due to concerns about the time and effort involved and lack of understanding of current tariff information) the TCR acted as a **reassurance** that comparisons would be more manageable and likely to lead to savings. It is among this group of participants that the TCR is probably most likely to act as a **prompt to engagement** in the market. For participants with an existing interest in and understanding of the market (often those who have switched in the past), the TCR seemed to work as a **complement** to their existing system of comparisons. While not wholly necessary for this group, it was expected that it might speed comparisons up and possibly allow for greater accuracy.

For many participants, predicted interest in TCRs seemed to rise on the introduction of PTCRs as they provided reassurance that the TCRs had personal relevance. However, this element of the concept alone would not be strong enough to prompt engagement in tariff comparisons for most participants who are not already engaged, since PTCRs would never feature on anything in the public domain (best buy tables, adverts) which were viewed as potentially the strongest calls to action.

Strong consumer interest in personalised alternative tariff lists on supplier communications suggests that the TCR concept is likely to promote interest in switching tariffs within existing suppliers as much (if not more) than to a different one. Although the best buy tables appealed in theory because they allowed participants to compare tariff options *across* suppliers, disengaged participants admitted that in reality they were probably still quite a long way off actually using something like this.

The role of good communications

Many participants raised this issue spontaneously as they pointed out that their interest in and usage of TCRs would likely be very dependent on clear and sustained communications campaigns, both from suppliers and from an independent body like Ofgem.

For participants who were more engaged, the most important place for seeing clear communications was on supplier documentation, since this group were more likely to be consulting their bills and annual statements. Whereas for participants who were less engaged, public advertising campaigns were more important, given their low awareness of the current system for tariff comparisons and limited reference to supplier documentation.

Final thoughts

As we know from previous Panel findings, many participants are quite a long way from feeling able to, or wanting to, engage in making tariff comparisons. When many of these Panellists considered the *ideal* TCR concept, they saw it as a good **first step** encouraging them to think more about their alternative options. Those who were already more engaged with their tariff options, tended to see the TCR concept as giving them the tools to make **more informed comparisons..**

There was concern among some consumers, however, that TCRs would not 'solve' the problem that a company's tariff prices could be the best one week but cease to be the best soon after. These consumers were sceptical of the idea that they could ever make substantial savings and questioned the value that a TCR type figure could have.

Section 1: Introduction

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In August 2012, Ipsos MORI on behalf of Ofgem ran a follow-up piece of research as part of Ofgem's Consumer First Panel. Now in its fourth year, the Consumer First Panel is a deliberative forum comprising of approximately 100 participants from around Great Britain who are chosen to be broadly representative of energy customers. The Panel meets regularly to discuss key issues affecting consumers in the energy market, and Panel membership changes once a year. For this follow-up research, approximately half of the Panel were reconvened to take part in workshops while new participants¹ were recruited to make up the remaining numbers (the reasons for this are presented below). Alongside these workshops, triad depth interviews were conducted with electricity consumers currently on Economy 7 style tariffs.

The focus of this round of research was to understand consumer responses to Ofgem's proposals for the Tariff Comparison Rate (TCR). In July 2012, Ofgem outlined its overall proposal for a TCR, informally defined as:

A single figure that can be used to compare the cost of the tariff a consumer is on against alternative tariffs from either an existing or new potential supplier. It takes account of any standing charge and the unit rate(s) that make up the tariff. TCRs can be presented in a range of locations including: the communications consumers receive from their supplier, billboards on the street, newspaper advertisements, and 'best-buy' tables showing TCRs for a range of different tariffs, among others.

Ofgem envisaged four distinct proposals for how the TCR might work in practice. This research was used to test the overall concept and each of the four scenarios. The research also aimed to explore what participants saw as the potential impact of the TCR on their switching behaviour and overall engagement in the energy market in Great Britain.

The rationale for involving new, non-Panellists in this research was that existing Panellists had already taken part in detailed discussions around the GB energy market and switching options which was likely to shape their response to stimulus materials. As a control measure, it was therefore important to include non-Panellists and gather their more uninformed reaction to materials.

1.1 Background and context

The Gas and Electricity Markets Authority (GEMA) is the regulator of Britain's gas and electricity markets, and Ofgem carries out the day to day functions of GEMA. The principal objective of GEMA and Ofgem is to protect the interests of current and future consumers. In accordance with this objective, in November 2010, Ofgem launched a review into the state of the retail energy market of Great Britain (GB). In March 2011 Ofgem put forward a series of proposals as part of this Retail Market Review (RMR) including proposed measures to improve the quality and accessibility of information about energy consumption and tariffs to consumers. Ofgem believe this will help consumers engage with the market, enable them to 'get a better deal' and ultimately ensure these markets work more effectively in the interests of consumers.

This research builds directly on findings from previous rounds of Panel research (October 2011 – August 2012), and the relevant insights from the first two rounds are described below.

¹ Throughout this report, 'new participants' are referred to as 'non-Panellists'.

The first round of Panel workshops, held in late October and early November 2011, explored how key information could be improved in order to encourage participants to review their energy options and to engage with the energy markets. These workshops focused on information presented in key customer communications such as energy bills and price rise notifications letters. In short, Panellists reported that:

- they would like to see simpler tariffs and clearer and easier to understand information from energy suppliers;
- they also want suppliers to use standardised and easily understood language; and
- they would like suppliers to improve the design and layout of their communications.

The findings form part of a wider evidence base that underpins Ofgem's on-going work to transform the GB energy market to better serve the interests of consumers by making it simpler, clearer and more competitive.

The second round of Panel workshops, held in March 2012, focused on understanding what additional information, support and reassurances might encourage participants to engage with the energy market, and to gauge perceptions of Ofgem's role. The findings from this round of research identified the following key barriers to consumer engagement in energy tariff options:

- The perception that navigating the marketplace will be a 'hassle' and require time and effort that may not pay-off
- Limited understanding and interest in energy-related information (e.g. supplier communications, usage information, comparison services)
- Lack of confidence in price comparison services
- Concerns surrounding the switching process (e.g. double-billing, unsustainable savings, concerns it will be a time-intensive process, etc)
- Lack of ability and confidence in choosing the most suitable tariff

The fact that existing Panellists were starting from a more informed standpoint after having had these discussions shaped some of their responses to the stimulus materials. In this report we separate out the views of Panellists and the newly recruited non-Panellists where they were different.

1.2 Objectives

The overall aims of this research were:

- To bring to life the TCR concept and understand how it might work for consumers in practice
- To test individual proposals for TCRs and explore perceived impact on switching behaviour and overall engagement in GB energy market, and
- To understand what specific elements of the TCR scenarios hold appeal and might prompt future consumer engagement, and which are likely to be problematic and/or have unintended consequences.

Discussions with participants were also designed to identify wider insights into what impacts on engagement in the energy market and where participants sit in terms of their current and potential engagement.

1.3 Methodology

A **deliberative method** was considered most appropriate for allowing participants to explore and evaluate the TCR concepts and discuss the surrounding issues. Deliberative research is particularly useful when testing and exploring different propositions and the likely impact on behaviour, such as the role of information in encouraging and supporting market engagement. A deliberative approach also allows participants time to engage with complex ideas as well as the freedom to express the issues that are most important to them, since they are not restricted in their thoughts by a structured questionnaire.

Six workshops of 3 hours were conducted to allow participants enough time to deliberate and express their views.

In addition, six three-person ('triad') depth interviews, lasting two hours, were conducted with consumers on Economy 7 tariffs (and White Meter style tariffs in Scotland), to ensure their views were captured within the research. The triad interviews were 2 hours in length due to their comparatively small group size (in qualitative work it is rare to interview participants in small groups for longer than a couple of hours at a time).

All stimulus used to communicate the TCR proposals to participants as well as other research materials (e.g. discussion guides) are provided in the appendices. Certain pieces of stimulus were developed by an independent design agency commissioned by Ofgem (Boag McCann).

Other pieces were developed by Ipsos MORI and these are marked with the Ipsos MORI and Ofgem logo. The materials for the triads were adapted to be relevant only to Economy 7 tariffs. In particular, different TCR figures were used and an explanation was added which highlighted that the TCR would be calculated on the assumption that 55% of electricity was used at night.

In the final two workshops and triads, the approach was changed to see how participants would respond if presented with the stimulus without an explanation of TCRs beforehand. The explanatory materials were then used later in the session to explain the concepts where participants had difficulty.

1.4 Sample and recruitment

The fourth round of workshops and triad interviews involved 125 participants from different backgrounds across seven locations in Great Britain: Abergavenny, Ayr, Glasgow, Cambridge, Liverpool, London, and Taunton. Panellists were recruited to comprise a broad range of energy consumers, taking into account a number of key criteria that are likely to influence views of the most salient issues.

The criteria for both original Panellists and non-Panellists included the following recruitment variables:

- Gender
- Age
- Supplier
- Electricity only vs. gas and electricity

- Ethnicity
- Socio-Economic Group (SEG)
- Tenure
- Fuel poverty
- Long-term condition/disability
- Tariff type (Economy 7)
- Payment type
- Employment status
- Family status
- Urban/rural
- Experience of switching

In order to ensure workshop participants (Panellist and non-Panellists) reflected energy consumers in Great Britain, the sampling frame that was used corresponded to national demographic figures derived from the Census. In certain locations, however, it was necessary to up-weight quotas to ensure the following groups were represented:

- **Ethnicity** – black and ethnic minorities (BME) were up-weighted to ensure that the Panel adequately represents these groups.
- **Rural/Urban** – we recruited those living in rural areas, including those living off the gas networks to ensure we could capture their views, as they can often have different experience to those living in urban environments.
- **Tenure** – we also over-represented those living in social and private rented accommodation.

To recruit participants for triad interviews, pen portraits were used to identify participants on Economy 7 tariffs, while taking into account the fact that not all participants on these tariffs are aware that this is what they are on. Some triad participants were recruited using a snow-balling technique, where recruiters asked Panellists to recommend consumers in the local area who they believed to be on Economy 7 tariffs. If these consumers satisfied the rest of the screening criteria they were recruited to take part in interviews.

All fieldwork was conducted between 13th and 23rd August 2012.

1.5 Re-contacting and incentivising

For this Panel session, half of the original Panellist sample was re-contacted by Ipsos MORI. Re-contact happened by letter a few weeks prior to the event and a follow-up call by Ipsos MORI was made to confirm attendance.

Workshop participants received £60 as a ‘thank you’ for their participation. Triad interview participants received £40.

A summary of the sample breakdown is included in the appendix.

1.6 A note on interpretation of qualitative data

Qualitative research approaches (including deliberative methods and triad interviewing) are used to shed light on *why* people hold particular views, rather than *how many* people hold those views. The results are intended to be *illustrative* rather than statistically reliable and, as such, do not permit statements to be made about the extent to which something is happening. Given the qualitative nature of Ofgem’s current study, this report aims to provide

detailed and exploratory findings that give *insight* into the perceptions, feelings and predicted behaviours of people rather than statistical evidence from a quantifiably valid sample.

It is not always possible in qualitative research to provide a precise or useful indication of the prevalence of a certain view, due to the relatively small number of participants generally involved (as compared with the larger respondent bases involved with quantitative studies). We therefore state the *strength* of feeling about a particular point rather than the number of people who have expressed that thought. We favour phrases such as "a few" or "a limited number" to reflect views which were mentioned infrequently and "many" or "most" when views are more common. And where views apply only to a subset of participants, e.g. less engaged participants or more energy literate participants, we have highlighted this in the relevant text. Any proportions used in our reporting (e.g. a 'couple' or 'handful' of participants), should always be considered indicative, rather than exact.

Verbatim comments have been included in this report to illustrate and highlight key points, i.e. those views either shared by a large number of participants or reflecting the strong views of a smaller subset. Where verbatim quotes are used, they have not been attributed to any specific type of consumer or research location, as is consistent with previous Panel research.

Another consideration in the interpretation of qualitative data is the role of *perceptions*. Different outlooks on an issue make up a considerable proportion of the evidence presented in this study. It is therefore important to bear in mind that although these perceptions may not always be factually accurate, they represent the truth for those who hold these views.

In the case of this particular Panel study, we intended to develop an in-depth understanding of consumer responses to the TCR concept and scenarios and to explore their interest in individual elements of the concept and what impact these might have on their engagement with tariff options.

As outlined in the previous Panel report², Panellists can be grouped into four typologies in line with their attitude towards, and behaviour within, the GB energy market, these are: Engaged, Reactive, Passive and Disengaged (see summary box overleaf).

²<http://www.ofgem.gov.uk/Sustainability/Cp/CF/Documents1/Ofgem%20Consumer%20First%20Panel%20Year%204.pdf>

Engaged: These consumers have relatively high levels of energy literacy. They know what a tariff is, are familiar with different types of tariffs and, comparatively speaking, are confident in their ability to choose the best tariff for them (although some find their choice is not always the correct one). However, like other types of consumers, they often lack a detailed understanding of technical terms such as kWh.

Reactive: These consumers tend to switch tariffs in response to an encounter with a supplier sales agent or another trigger such as a high bill or increased direct debit payments. These consumers are typified by relatively low energy literacy, and are often vulnerable or from households on low incomes. However, they are interested in financial savings from lower prices or taking advantage of discounts or rewards.

Passive: These consumers, despite often having high levels of energy literacy, do not engage very often (if at all) with the energy market. These consumers are aware of their right to switch, but for various reasons, both positive (satisfaction with supplier, brand loyalty), negative (fear of higher prices) and situational (inability to switch due to rental agreements) do not to do so.

Disengaged: These consumers perceive little price differentiation in the market, and since this is the most important factor for them in choosing a tariff, see little incentive to review their tariff options. Another barrier for this group is the perception that tariff comparisons are difficult, and this, combined with the belief that prices vary little, results in the view that the effort of switching outweighs the potential benefits. It should be noted, however, that some consumers are 'disengaged' for positive reasons, such as being satisfied with the customer service provided by their current supplier.

For this round of Panel research, we have grouped participants slightly differently as we believe it is more useful to analyse participants' responses simply in terms of where they sit on a **spectrum of engagement** when estimating the potential impact of the TCR concept and scenarios. This spectrum is illustrated in Section 2 of the report and ranges from the least to the most engaged.

1.7 Report outline

The rest of this report is structured as follows:

Section 2: Views of energy market and tariff comparisons

Section 3: Overview of responses to TCR scenarios

Section 4: Responses to TCR concept

Section 5: Responses to TCR elements

Section 6: Ideal TCR scenario and conclusions on its likely impact

Section 2: Views on energy market and tariff comparisons

Section 2: Views on energy market and tariff comparisons

This section explores participants' views of the energy market, and their attitudes towards the process of comparing tariffs and suppliers.

As a warm-up, participants were asked to consider their general attitudes towards switching tariffs within the energy market and the different sources and types of information they would be likely to use. These topics were covered in less detail with Panellists as their views had been captured during previous workshops and we wanted to avoid repetition of topics. The points covered in this section reflect the views of both non-Panellists and Panellists.

2.1 Views on switching tariff and/or supplier

- Many participants expressed a general reluctance to switch energy tariffs or engage in tariff comparisons. Often due to their perception that switching supplier would be difficult and a hassle.
- A common complaint was that there was a lack of clear information and guidance surrounding the process of switching and how to compare tariff options.
- Some participants were disengaged from the market for what they considered to be positive reasons. For example, they wanted to remain loyal to their existing provider. Those who tended to engage more in the process of switching were often persuaded that they could make significant financial savings.
- For many participants, receiving a high bill remained the main motivating factor prompting them to engage in the market and search for a better deal.

2.2 Sources of information

- Many participants said that they would first use the internet to search for information about energy tariffs. Some suggested they would start by using an internet search engine. More engaged participants spontaneously mentioned several internet based switching sites by name, showing some awareness and usage of price comparison services.
- The small minority of participants who were *not* online said that magazines and newspapers were their preferred method of finding out more about their energy options.
- Word of mouth (asking friends/family) was also a source of information many would consider using – whether on or offline.
- Some participants mentioned door-to-door salesmen as a trigger to switching when they were not actively looking to switch. These groups were likely to be “reactive” participants, not very engaged but not actively dismissing the idea of switching.
- Others wanted their current suppliers to be the main source of information on alternative tariff options. They liked the idea of being able to pick up the phone to get clear advice from someone who was familiar with their personal energy usage and tariff.

Awareness of switching

- While Panellists were explicitly made aware of their options for comparing tariffs in earlier workshops, some still remained confused with regards to the whole subject. Many non-Panellists were similarly confused.
- Awareness of how to switch and compare alternative tariff options was higher among more engaged participants who had switched at least once in the past year.

2.3 Information needed to consider switching

- The majority of participants wanted to know which tariff would be the cheapest for them.
- The more engaged participants were able to identify specific pieces of information which would help them obtain quotes from energy suppliers, such as the number of people/rooms in their household and/or personal electricity consumption.
- Many found it useful to know additional information about tariffs, for example, whether or not it would be a fixed term contract, loyalty/dual fuel discounts, potential hidden costs, and so on.
- Some also wanted more explanation around the metrics and jargon used in supplier communications.
- As we saw in the second wave of Panel workshops as well as the separate 2012 research into a Tariff Price Comparison Guide, lack of understanding around participants' own energy usage can be a major barrier to engagement.³ This issue was spontaneously raised again in both the workshops and triads by Panellists and non-Panellists.

Individual participants were rarely able to give a comprehensive list of all sources of information available to them for comparing tariffs indicating their limited awareness and engagement in the market. However, the following sources were mentioned:

- Personal bills/annual statements
- Comparison websites, search engines
- Word of mouth
- Door-to-door sales
- Newspapers/magazines, and
- Billboard advertising.

2.4 Consumer typologies and spectrum of engagement

As with previous Panels, it is important to remind ourselves that there are several different types of consumer in the energy market. By identifying some broad consumer typologies we can better understand what stage individuals are at in terms of their overall engagement with the energy market.

The diagram below shows a **spectrum of engagement** from the very disengaged consumers to the engaged. It details some of the consumer characteristics that are most relevant for understanding how Participants responded differently to each of the TCR scenarios, depending on where they sit on this spectrum.

³ (See Ofgem website for all publications of Consumer First Panel research conducted by Ipsos MORI)

Section 3: Overview of responses to Tariff Comparison Rate scenarios

Section 3: Overview of response to TCR scenarios

In July 2012, Ofgem outlined its proposal for a Tariff Comparison Rate (TCR), defined as:

A single figure that can be used to compare the cost of the tariff a consumer is on against alternative tariffs from either an existing or potential supplier. It takes account of any standing charge and the unit rate(s) that make up the tariff. TCRs can be presented in a range of locations including: the communications consumers receive from their supplier, billboards on the street and 'best-buy' tables showing TCRs for a range of different tariffs.

Ofgem envisaged four different proposals for the TCR as described in the table below:

Scenario 1		Scenario 2	
General TCR in all communications	TCRs and best-buy tables relate to an average consumer only	General TCR in all communications	TCRs and best-buy tables relate to low, medium and high consumers (presented in three separate tables for low, medium and high users)
All TCRs presented in £ per month	Advertisements present TCR in £ per month	Supplier communications (bills and annual statements) present current tariff and best 3 alternative tariffs for current supplier only	All TCRs presented in pence per kWh
Scenario 3		Scenario 4	
Personal TCR on supplier communications (bills and annual statements)	GTCRs and best-buy tables relate to low, medium and high consumers (presented in three separate columns for low, medium and high users)	Personal and general TCR on supplier communications (bills and annual statements)	GTCRs and best-buy tables relate to an average consumer only
GTCR elsewhere		GTCR elsewhere	
PTCR and GTCR presented in £ per year	Advertisements present GTCR in £ per year	Single best alternative tariff for current supplier only	
		PTCR presented in £ per year	Advertisements present GTCR in pence per kWh
		GTCR presented in pence per kWh	

As the table above shows, Ofgem's proposals included two different types of TCR – a **General Tariff Comparison Rate (GTCR)** and a **Personal Tariff Comparison Rate (PTCR)**. Below are definitions of the GTCR and PTCR as put forward by Ofgem and presented to Participants during the research:

- A GTCR is based on an average consumer – either a Medium User who uses an average amount of energy, or a typical Low, Medium or High User. It is not tailored to the exact amount of energy that a consumer uses and may not allow totally accurate

comparisons to be made. However, it may give consumers a rough guide showing that savings can be made and can help indicate which supplier or tariff may be cheaper. As well as being on bills and annual statements, a General TCR could be found in publicly available adverts or marketing materials.

- A PTCR is a figure that applies directly to individual consumers because it is based on the exact amount of energy they use and the price they pay through their current tariff. Consumers could get a Personal TCR for an alternative tariff (to make a direct comparison) by giving their energy usage details to their own supplier, another supplier or a switching service. They would not be able to see a Personal Tariff Comparison rate in publicly available adverts or marketing, but they could see it on their bill or annual statement.

One of the key differentiators between the four scenarios is the way in which GTCRs and PTCRs featured. Throughout this report we describe how participants received the two types of TCR and how this affected their responses to the scenarios that were tested.

To help participants discuss the different types of TCR from a real life perspective, each scenario consisted of a set of four mock-up stimulus materials, namely:

- An annual statement
- An electricity bill
- A best buy comparison table, and
- A piece of energy supplier advertising.

The full set of stimulus that was shown to participants is included in the appendices. The rest of this section gives an overview of reactions to each of the TCR scenarios⁴. We also focus on the varying perspectives by the different groups of consumer we identified in Section 2 ('disengaged', 'less engaged', 'more engaged' and 'most engaged').

Participants were given all four documents relating to the scenario they were considering at the same time. They were given time to read through the materials, before discussing in pairs (or as a group during triad interviews). They then shared their thoughts with the wider group.

The following overview of each scenario is based on conclusions that participants drew throughout the discussion and not just their spontaneous responses. As participants worked through each scenario, they became more familiar with the materials and overall TCR concept.

⁴ The scenarios were tested in different orders in each location, as a way of controlling "order effect"

3.1 Views on scenario 1

Scenario 1	
General TCR in all communications	TCRs and best-buy tables relate to an average consumer only
All TCRs presented in £ per month	Advertisements present TCR in £ per month

Spontaneous views on this scenario:

- A common spontaneous reaction to scenario 1 centred on the fact the figure given relates to an average user. Most were confused as to what an “average user” would mean in reality. Many felt that it had little relevance to them as they did not know how they compare to ‘average’.
- Many participants liked the £ per month format of the TCR, stating it was easy to understand and therefore spot potential savings.
- However some felt that an indicative monthly cost was misleading as it did not explain clearly that this is not what an individual consumer would pay since it depends on their own personal consumption.
- The advert was liked for its simplicity and the eye-catching nature of having a single TCR figure to look at.

Variations between different types of consumer:

- Some participants spontaneously requested a more personalised approach to the TCR. When this scenario was shown after scenarios including a PTCR, participants felt that it had more relevance than a GTCR.
- Those who had seen messaging on cheapest alternative tariffs presented on annual statements and bills in other scenarios noted this was missing in scenario 1, and called for them to be included.
- Low users of energy especially might be inclined to ignore the average rate as they are already paying less.
- Generally scenario 1 held most appeal to the disengaged participants, looking for a quick way to see differences between tariffs. But often the appeal was based on a misunderstanding: they assumed that the TCR figure would be an accurate gauge of what they would ultimately pay themselves.

How this compares to the status quo:

- The majority of participants believed that this scenario would not greatly enhance the system currently in place, as it is too “general” and would not prompt many to explore their options further.
- However, the poster advert showing £ per month was thought of as attention-grabbing, which might act as a trigger to some higher users of energy to consider comparing their options.
- This scenario was received slightly more favourably when shown first but usually deemed as providing insufficient information when shown after scenarios 2/3/4.

3.2 Views on scenario 2

Scenario 2	
General TCR in all communications	TCRs and best-buy tables relate to low, medium and high consumers
Supplier communications (bills and annual statements) present current tariff and best 3 alternative tariffs for current supplier only	(presented in three separate tables for low, medium and high users)
All TCRs presented in pence per kWh	Advertisements present TCR in pence per kWh

Spontaneous views of this scenario:

- Most liked the indication of low/medium/high user as the price advertised became more relevant to the individual consumer.
- The best buy table was also well liked, as separate tables were presented for Low/Medium/High (L/M/H) users. Many felt that this made the information more relevant and easy to digest.
- The advert was believed to contain too much information and wouldn't necessarily attract the attention of participants.
- Many liked the three cheaper alternative tariffs messaging on their bill. They felt it was "doing the work for the consumer" by offering them options for switching.
- Most liked the "How do you compare?" chart on the annual statement and the element of visual presentation, although some considered the icons for number of people in household as an inappropriate and inaccurate way of presenting user types.
- Very few participants liked the use of kWh, for example in the best buy table, as it was not immediately clear what their savings would be.

Variations between different types of consumer:

- Some of the less engaged preferred this scenario to scenarios 3 and 4; they found it less confusing than having to grasp two different concepts (GTCR/PTCR).
- Although participants generally preferred the unit of £ per month/year over p per kWh, some more engaged active participants wanted the option of seeing both formats.
- The more engaged also suggested that kWh can be multiplied by consumption to reach a more accurate indication of energy prices, however not all recognised that the kWh figure was based on the average L/M/H user so would only provide an approximation even if their usage estimate was exact.
- Although most preferred this scenario to scenario 1, many wanted a more personalised tool.
- Those who had already seen scenarios 3 and 4 often complained about the lack of a PTCR.

How this compares to the status quo:

- Opinion was divided on whether or not this scenario, without a personal element, would suffice as a useful tariff comparison tool. However most agreed that it was still a significant improvement to what is currently in place.
- A few thought that this scenario would help to build trust in their own energy providers, as the three alternative tariffs on their bill gave them the impression that their provider was helping them to find the cheapest possible tariff.

3.3 Views on scenario 3

Scenario 3	
Personal TCR on suppliers communications (bills, and annual statements)	GTCRs and best-buy tables relate to low, medium and high consumers (presented in three separate columns for low, medium and high users)
General TCR elsewhere	
PTCR and GTCR presented in £ per year	Advertisements present GTCR in £ per year

Spontaneous views of this scenario:

- Most noticed the added dimension of the PTCR, but this generally only served to confuse the less engaged participants as they were not clear on what it could be used for.
- Those who were new to the idea of a PTCR liked that it was more personalised and not calculated based on an average user (which they felt could be inaccurate and misleading).
- Most liked the indication of user type on their bill, which they felt offered them the option to use best buy tables.
- Not many were clear on the relationship between the PTCR and the GTCR, and whether or not to compare the two. Even the more engaged were unclear about the extent to which the two could be usefully compared, and wanted the suppliers to do the calculations for them.
- Presenting all TCRs in £ per year was an appealing element of this scenario as many participants were familiar with this metric and thought it was helpful for identifying potential cost savings.

Variations between different types of consumer:

- Some found the single best buy table confusing because it contained too much information, not all of which was relevant to them. This was especially the case for those who had first seen the separate tables for L/M/H in scenario 2.
- Many of those who did eventually grasp the concept of this scenario indicated that they did so with the help of the rest of the group, therefore communications would need to be distributed to ensure consumers understand fully how to use the TCRs.
- Panellists tended to like explanations of jargon on supplier communications and felt that this would make more people engage (i.e. people who had not been involved in research like they had).
- After having been introduced to the PTCR, participants who were at the more engaged end of the spectrum dismissed the GTCR as inaccurate and questioned why they would need both as they perceived that it would mean doing two rounds of comparison. Some expressed a preference for an interactive best buy table (online and/or provided on request by an independent organisation) based on their PTCR.
- Those at the less engaged end of the spectrum, although they liked the *idea* of a personalised rate, were generally too confused by how it would work in practice and on seeing scenario 3 often reverted to the relative simplicity of scenario 2 GTCR.

How this compares to the status quo:

- The introduction of a PTCR had an immediate appeal that made many say this scenario was better than what we currently have. Some likened it to comparing car insurance rates whereupon the comparison rates are always personal.
- To get maximum use out of this scenario, participants said they would need to be well-informed of what the PTCR/GTCR are and how they work. Many who were less engaged and less energy literate would otherwise be unlikely to attempt working the concept out for themselves.

3.4 Views on scenario 4

Scenario 4	
Personal and general TCR on supplier communications (bills and annual statements)	GTCRs and best-buy tables relate to an average consumer only
General TCR elsewhere	
Single best alternative tariff for current supplier only	
Personal TCR presented in £ per year	Advertisements present GTCR in pence per kWh
General TCR presented in p per kWh	

Spontaneous views of scenario:

- Most were confused by the different metrics used for the PTCR (£ per year) and GTCR (p per kWh) and almost no participants could think of advantages to this approach. Those that suggested advantages typically had an incorrect understanding (for example, they assumed that both the PTCR and GTCR were just different options depending on whether you prefer to use £ per year or p per kWh to do your calculations).
- Very few liked the use of p per kWh, for example in the best buy table, as they found it difficult to see what savings could be made by switching.
- The advert, showing the price in kWh, had little impact on most participants as the unit of kWh had little or no meaning to them.
- Many liked the recommendation of an alternative tariff on the bill, as it was personalised and appeared to help them to actively engage in a switch.
- Few could see why the GTCR would appear on a bill if the energy company knew the customer’s current usage and could therefore provide a PTCR.

Variations between different types of consumer:

- The less engaged generally found there to be too much information to digest in this scenario and they were often left feeling confused and potentially less likely to engage in the future.
- Some participants who were more engaged who understood the concepts of PTCR and GTCR still failed to understand why they could not be compared as a rough guide and became frustrated that the two were presented in different metrics.

- Those who were more engaged did not see the need for a GTCR if there was a PTCR. They felt that they would only use the PTCR as it was a more accurate guide tailored to the individual.
- Those who had seen all the other scenarios first tended to like this scenario least as it did not separate out L/M/H users and did not provide information about user types on annual statements.

How this compares to the status quo:

- Some believed that this scenario would still make a difference to the current situation, however this was very dependent on how well participants were educated about the new system and in particular how the PTCRs and GTCRs could be used together.
- Most participants liked the single alternative tariff recommendation shown on their bill and believed it was an improvement on what exists now.

Section 4: Responses to TCR concept

Section 4: Responses to TCR concept

This section looks at participants' responses to the TCR concept overall, both in terms of their understanding and engagement. It presents participants' views of single figure GTCRs, GTCRs for low/medium/high users and PTCRs. It addresses how participants viewed the concept of having a world where both GTCRs and PTCRs exist and ultimately what this might mean for their engagement in tariff comparisons.

A note on participants' understanding

Participants tended to build up their understanding of the overall TCR concept as they became more and more familiar with scenario materials. While the TCR concept was usually presented upfront by way of introduction in most sessions⁵, many struggled initially to understand how it would look in practice and what it would mean for their future comparisons.

Throughout this section, and indeed this report, we have included both participants' initial views and the more considered responses that they developed after exposure to materials. In some cases, participants' initial reactions have included misunderstandings and misperceptions of the information being tested. These are deliberately included as they may be useful for future communications strategy and signalling where there is a potential risk of confusion.

4.1 Views of overall TCR concept

Many were interested in the very basic concept of having something that is standardised across all tariffs and all suppliers. Many Panellists responded particularly well to what they saw as a sign that Ofgem was doing something to regulate suppliers, increase standardisation in the market and generally work harder in the interests of consumers.

Across all participants, there was often an immediate assumption that a TCR would better enable them to compare like with like, a significant improvement from how many perceive the current market. The wording used by moderators during discussions ('a tool to compare tariffs') also sparked the interest of many participants who admitted to being vaguely interested in making tariff comparisons but deterred from doing so because of the perceived difficulty in making straightforward comparisons, hassle and lack of clarity around potential financial gains.

A very small number of participants understood the TCR concept almost immediately, with one likening it to an APR model⁶ in banking.

For participants who were already engaged enough to be switching and making tariff comparisons using switching sites, the need for TCRs seemed to be less pronounced. However, they appreciated that it could be valuable for others who might need more of a helping hand navigating their way around the market. The main improvement that some of these participants saw over the current situation was the fact that TCRs allowed for more straightforward comparisons. They would provide participants with one single figure that

⁵ In two workshops and two triad interviews, we introduced the scenarios 'cold' to participants in order to gauge levels of understanding without the upfront explanation of the TCR, GTCR and PTCR concepts.

⁶ Annual Percentage Rate (APR) is a way to compare the costs of a loan.

covered standing charges and unit rates. However, others felt price comparison sites would already provide this.

There was some initial scepticism, particularly from non-Panellists who were less familiar with Ofgem's work as to whether it could regulate suppliers to ensure that TCRs would be calculated accurately. In general, understanding of the mechanics of how suppliers would calculate TCRs was fairly limited. This was potentially the biggest area that concerned participants since to them the value of having a TCR was totally dependent on their belief that it would be a reliable, trustworthy figure.

4.2 Views on a General Tariff Comparison Rate (GTCR)

The poster below shows an example of a GTCR for a supplier's standard electricity tariff, using a £ per month metric.

Levels of consumer understanding and likelihood of being able to use a GTCR effectively were often closely linked to an individual's level of financial/energy literacy and ability to make their own tariff calculations.

Those who were already quite engaged with their tariff options and comfortable using personal consumption data to make tariff comparisons were often happy with the idea that GTCRs presented them with a 'rough guide' for comparing tariffs. Those who were less confident in their ability to choose tariffs were more likely to say that a GTCR which referred to an average user *only* did not feel relevant enough to their individual situation to be useful as a way of comparing other tariffs with what they were on.



Many called for more detailed and clearer explanations of what the GTCR was and how they could use the figure shown to them on their bill. When information was presented in best buy tables or public adverts it was generally clearer, but the GTCR figures provided on personal supplier communications seemed to need more explaining to participants.

It is worth noting from discussions that most participants would typically compare the current amount they pay with an advertised GTCR, rather than utilising the figure that appears on their bill. Most participants did not say this explicitly, but the general reaction to the adverts was that they would only work if they referred to information people were already familiar with.

[in response to an advert with pence per kWh metric]

"I don't carry my bill around with me, so how would I know how mine compares?"

Views on GTCRs for average users

The **simplicity** of having a single figure GTCR was immediately appealing to many participants and many liked the concept that they would just need to use one single figure to compare tariffs. It was not immediately obvious to all participants that the GTCR figure would only allow them a rough guide for comparison and that they would have to do work themselves to determine which would be the cheapest tariff for them. Some participants struggled with the basic concept and assumed that the GTCR figure shown on their supplier's communications must somehow be connected to their personal consumption

figure. There was a misperception among some that if information relating to cost was provided on a bill or annual statement it was likely to relate to their personal usage.

A limited number of participants could envisage using the GTCR figure on their bill to compare alternative tariff options. More saw the merits in having one GTCR figure presented in best buy tables as it seemed to allow them to make clearer comparisons across tariffs and suppliers than they can currently.

Those who found the average GTCR concept appealing tended to be participants who wanted to see more competition in the market. They thought that having a single figure that suppliers had to show for each tariff – whether on a piece of direct communication or in adverts and best-buy tables – would encourage this. To them, the GTCR was a **helpful quick gauge** of who *might* be the cheapest supplier and which tariff *might* work out cheaper for them.

One of the biggest concerns participants had surrounding the single figure GTCR was the principle that it was based on the average consumer.

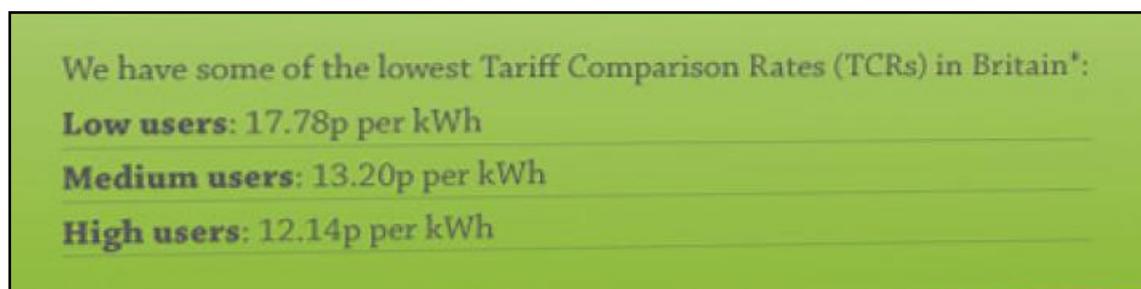
“How can you have an average of everybody?”

This raised questions about what an average energy consumer was and led many to assume that the figure would not be applicable to them, as they rarely considered themselves average. Consumer understanding of how average consumption data would have been calculated was also quite limited, which resulted in a level of scepticism towards the whole concept and a question mark over the level of accuracy participants could achieve in using the GTCR for tariff comparisons.

Few spontaneously understood that Ofgem would require all suppliers to use the same consumption assumption of an ‘average’ user in their TCR calculations. Instead, they assumed that each supplier would define ‘average’ differently to make them look better compared with others in the market. This was particularly true of non-Panellists who were less familiar with Ofgem’s work and remit.

Views on GTCRs for Low / Medium / High users

The image below shows a detail from a poster advertising GTCRs for low/medium/high users.



For many participants, GTCRs for low/medium/high users were seen as an improvement on having a single average GTCR. There was an immediate appeal in the introduction of three types of user as it made the rates more relevant to participants with different consumption levels. It was therefore perceived to be more accurate for gauging which tariff will be most suitable. This was particularly true for some less engaged Participants who struggled to see how one average GTCR could be helpful for them as individuals.

Even after seeing scenarios featuring PTCRs, some participants who were less engaged felt that GTCRs for low/medium/high users were preferable, since they allowed them enough accuracy to estimate which tariffs might be cheaper for them, without the apparent complexity of introducing a PTCR.

Some participants who were more engaged felt that GTCRs for low/medium/high users still lacked the personal aspect of PTCRs and was not accurate enough to compare tariffs.

“It’s quite thin ice in that you can make a buying decision on this (low/medium/high GTCR figure) but it’s not actually relating to you, that’s a potential miss sell.”

Others saw it as being adequate enough to allow for gauging cheaper tariffs. Some participants, who understood their energy consumption well, felt confident using the three-tiered GTCR approach and in some cases preferred this to using PTCRs which they felt added little to what they were currently doing.

Some concerns were raised around how information about rates for low/medium/high users would feature in advertising and whether this level of information was suitable for adverts which would be shown in public places. Some felt that supplying information about three separate rates would have less of an impact than advertising a single figure because it would be harder for a passer-by to absorb.

Perhaps the biggest concern with this GTCR option was the fact it relied on participants knowing what type of user they are. Although the mock bills and annual statements for scenarios 2 and 3 stated whether a consumer was a low/medium/high user, many participants did not initially notice this information.

Findings from previous Ofgem research have shown that awareness of personal energy usage is often low, particularly among participants who were less engaged and can be a barrier to any future engagement with their options. Findings from this round of research support this view.

“This is a bit confusing – how do you know if you are a low, medium or high user! I don’t know if I am!”

The fact the GTCR was still general and not personalised deterred some participants with less initial engagement in their tariff options. They felt that this kind of general TCR could only ever serve as a starting point on their journey towards more engagement, since having a GTCR without a PTCR would mean they needed to check both their GTCR and their actual consumption data before being in a position to make an accurate and informed tariff comparison. This led them to favour the PTCR as it was a personal figure that related directly to their own consumption.

Some participants called for a more personal figure even before they had been presented with either scenario 3 or 4 featuring the PTCR.

4.3 Views on a Personal Tariff Comparison Rate (PTCR)

The basic concept of a PTCR held initial appeal for many participants. It avoided the concerns about inaccuracy and irrelevance that participants raised in response to both types of GTCR and it was seen by many as providing a much more useful gauge of future savings.

However, many were confused about how they would use their PTCR figure in practice and found it hard to envisage using the information presented to them on supplier communications. This may partly have been due to the way PTCRs and GTCRs were presented and described in scenarios 3 and 4 as participants often complained that they did not understand the 'wordy' descriptions and use of similar acronyms, which made them 'switch-off'. But it is also linked to a widely held view that the PTCR is not actually as useful a figure as it first seems. Accurate comparison with a supplier's tariffs (other than their current supplier) would still require consumers to provide their actual consumption data, which they perceived as a hassle.

A common misperception amongst participants at the less engaged end of the spectrum who were potentially less likely to be very energy literate, was the belief that their PTCR offered them a handy, single figure to approach alternative suppliers with. They believed they could use their PTCR to compare other supplier rates, without providing additional information, such as their consumption data

There were some participants who were more accustomed to making tariff comparisons, consulting their bills and annual statements and plugging their actual consumption data into price comparison websites. This group thought that PTCRs would be of limited added value to them, given the way they currently navigate the energy market.

"Isn't that basically what we're doing anyway at the moment? When you go on comparison websites you put in how much you're using..."

For other participants accustomed to making tariff comparisons, it offered a neater way of comparing tariffs. They thought this would be particularly advantageous for participants who do not currently understand how to use consumption data in the way that they do.

4.4 Views on combined GTCR and PTCR option

Understanding of how the GTCR and PTCR concepts could work in conjunction with one another presented an initial challenge to many participants. This was often blamed on the amount of information that appeared on supplier communications (in scenarios 3 and 4), the use of acronyms and difficulty understanding the explanations provided. Part of this is likely to be a research effect, as different scenarios had different guidance on whether a GTCR and PTCR could be compared. However, regardless of the order the materials were introduced in, many found it difficult to see how to use PTCRs and GTCRs together.

When participants were asked to envisage clearer, more succinct descriptors and fewer acronyms, many still thought there was no need for two TCRs. This was because many participants could not see how to use the two separate figures to make comparisons and therefore overlooked the potential value of having both. This points to a risk in the overall TCR concept. If the overall presentation of a TCR is perceived to be too complex, irrespective of how useful it may be, participants may not engage with the information they receive.

Some participants did grasp how they would be able to use GTCRs and PTCRs separately. They felt that GTCRs shown on best buy tables would allow them to make quick

assumptions about which suppliers might offer cheaper tariffs. As one participant described, the GTCR allowed him to narrow down his options to a manageable number of tariffs, while the PTCR let would allow him to make a final decision about which tariff would actually work out cheaper. Some others described the GTCR as acting like a 'hook' that would grab their attention in adverts and best buy tables and prompt them to use their PTCR for accurate comparisons.

"This would be used as the hook, used to draw you in, (make you think) 'OK yes that looks interesting' now let me check what my PTCR is."

There were stronger preferences for the combination of PTCRs and GTCRs for low/medium/high users as featured in scenario 3, compared with simply PTCRs and single figure GTCR in scenario 4. This was based on the general view that a single GTCR was too rough a guide and that even with the addition of a PTCR, it would not be useful for comparing options. However, some participants who were more engaged thought the inclusion of GTCRs for low/medium/high users was unnecessary given that they now had a single, personalised figure that allowed them to make accurate comparisons, and they were happy with just the single GTCR figure to act as a very rough guide.

For some participants who were more engaged, the value of having a PTCR alongside the GTCR was questionable. They felt comfortable navigating the market using low/medium/high user GTCRs combined with their actual consumption data. They felt that this would offer them very accurate tariff comparisons and would be relatively simple.

The use of different metrics to present PTCRs and GTCRs

Most participants agreed that using different units to present GTRCs and PTCRs was an unnecessary complication that instantly confused them and in some cases prevented them from discussing the concept of the TCR itself. Some participants who were more engaged saw the logic in using different units to prevent others making inappropriate comparisons between PTCRs and GTCRs, which might lead to inaccurate cost-saving calculations.

Some participants mistakenly assumed in scenario 4 that because their annual statement quoted their GTCR and PTCR in different metrics, the two figures must just be different ways of presenting the same information. They thought this was useful, enabling the individual to decide which metric to use in their comparisons, rather than recognising that the two TCR figures referred to different things.

While this misconception surfaced in only one workshop, it points to a potentially unforeseen risk of presenting both GTCR and PTCR figures on supplier communications. It reflects a wider source of confusion surrounding GTCRs being presented on personal bills and annual statements. Some assumed if they receive it along with personalised data, the GTCR must also be personal.

It was generally agreed that clear advice and communication was needed about both types of TCR. Participants need to be educated how to use the two figures to compare tariff options. It should be noted that the explanatory notes provided in the Annual Statement was not sufficient to draw participants' attention to the differences between the TCRs.

"Two different things just made it confusing. It should be this is YOUR information in black and white [the PTCR], and THEN the extra information [the GTCR]."

In conclusion

By the end of discussions on TCRs, GTCRs and PTCRs and the evaluation of all four scenarios, most participants came to appreciate that there was mileage in the TCR concept overall. More importantly, if it was explained clearly, it held the potential to make tariff comparisons easier. Opinion remained fairly divided over whether GTCRs needed to be accompanied by PTCRs or whether GTCRs for high/medium/low users was sufficiently useful. It was generally agreed that single figure GTCRs (scenarios 1 and 4) would neither allow participants who were more engaged to make accurate tariff comparisons, nor appear relevant enough to prompt those who were less engaged to start considering their tariff options. For some audiences, providing TCRs for low, medium and high users would therefore be more appropriate and effective. For others, no GTCR would ever be personal enough to engage them in future tariff comparisons, only the PTCR could provide the personal element they needed for this.

Section 5: Responses to TCR elements

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This section examines the individual elements of the four TCR scenarios and discusses the advantages and disadvantages of each from the participants' perspective. During the research, participants were asked to evaluate each scenario both *as a whole* (imagining that this was the new reality) and as *a collection of elements* which they could keep in the scenario or replace with alternatives from other scenarios. It was a useful exercise for understanding what potential mileage the TCR concept holds and how it might be improved.⁷

A note on participants' understanding

Participants misunderstood how some of the individual elements would work and as a result perceived advantages and disadvantages which may not hold true. However, they are still important for considering the potential that TCR elements and scenarios may hold and the need for clear communication in the event that the TCR concept is introduced. In this section we signpost some of the most common misunderstandings and discuss the associated risks.

5.1 TCR terminology and presentation of information

As previous Panel research shows, participants often call for clearer and better presentation of information relating to energy, including details of their personal energy usage and energy tariff options. Panellists (in particular those who were most disengaged) stressed that one of the barriers preventing them from engaging in the energy market was the perceived lack of transparency and clarity of the information they came into contact with.⁸

The consumer 'pathway to engagement' outlined in the second report for the current Panel explains how information and accessibility of information sources can often be key to prompting engagement at many different stages.

Findings from the present research underline the importance of specific pieces of information (such as energy usage and tariff information) to encourage them to consider their options.

The term 'Tariff Comparison Rate' and 'TCR'

No participant actually referred to the term Tariff Comparison Rate, although a few used it in its abbreviated form. This may be because the term is too long to often repeat throughout a workshop and the less engaged may have thought it too 'obscure'. In the later workshops and triads⁹, only a few participants noticed the TCR was different from what they currently receive. Only a few who were particularly engaged were able to explain a TCR based on the information given in the scenarios.

⁷ Throughout this section we refer in detail to the mock materials that were used as stimulus during the workshops and interviews. Please see the appendix for relevant examples of each.

⁸ <http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=11&refer=Sustainability/SocAction/Publications> (See Ofgem website for all publications of Consumer First Panel research conducted by Ipsos MORI)

⁹ In the final two workshops and triads, the approach was changed to see how participants would respond if presented with the stimulus without an explanation of TCRs beforehand. The explanation slides were then used later in the session to explain the concepts where participants had difficulty.

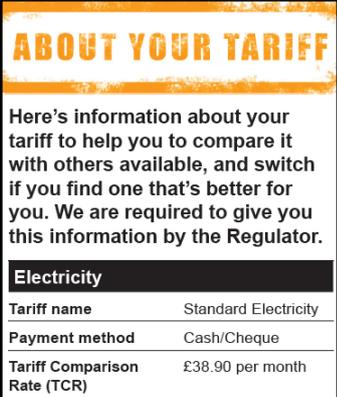
When prompted, a few participants thought the term Tariff Comparison Rate was good as it spelled out clearly that you could use the rate for comparing tariffs. Some participants who were more engaged reacted better to the term as they were familiar with making tariff comparisons already and therefore understood what the reference to a single tariff comparison rate figure might mean.

Most, however, did not instantly understand the term and did not feel that it was a good indicator of what the figure referred to. Those who were less engaged with the energy market overall were more likely to struggle with the term since they were not already in a mindset to make tariff comparisons and therefore found the reference to a comparison rate confusing.

A few participants suggested alternative names or spontaneously referred to the TCR during discussions with terms such as: 'my/your rate', 'my/your market guide' and 'my/your billing rate'.

The following table explains consumer responses to several key bits of information included in the stimulus materials that participants were presented with during workshops and interviews.

	Appeal	Concerns							
<p>‘Jargon explained’ glossary of key terms provided in annual statements</p> <p>see Appendices 1</p> <div data-bbox="167 427 555 629" style="border: 1px solid black; padding: 5px;"> <p>Jargon explained</p> <p>kWh (kilowatt hour) – one kilowatt of power being used for one hour. It’s the same as a 40-watt light bulb being left on for 25 hours. Also known as a ‘unit’ of energy.</p> </div>	<p>Majority were reassured by clear explanation of terms.</p> <p>Seen by many as important for understanding the rest of their statement, particularly so for users who were less engaged and may not currently look at their bills or annual statement.</p> <p>Perceived by some as a helpful and thoughtful gesture by the supplier.</p>	<p>Many were frustrated by the use of acronyms, they thought it was just another example of the market’s opaqueness and wanted shorter terms that could be written in full.</p> <p>Some were happy with one acronym e.g. TCR or GTCR but were overwhelmed by scenarios which included GTCR and PTCR.</p> <p>Some were sceptical as to whether suppliers would in reality do this (i.e. include a glossary in their annual statement) this was mostly true of non-Panellists with lower awareness of Ofgem’s remit and powers.</p> <p>In scenario 4, some felt the amount of information provided was too much to digest, especially for those who were less engaged and not used to studying annual statement.</p>							
<p>Current tariff information on annual statement</p> <p>see Appendices 1</p> <div data-bbox="167 1227 555 1507" style="border: 1px solid black; padding: 5px;"> <p>About your electricity tariff</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Tariff name</td></tr> <tr><td>Tariff type</td></tr> <tr><td>Payment method</td></tr> <tr><td>Unit rate</td></tr> <tr><td>Standing charge</td></tr> <tr><td>Tariff ends on</td></tr> <tr><td>Tariff length</td></tr> </table> </div>	Tariff name	Tariff type	Payment method	Unit rate	Standing charge	Tariff ends on	Tariff length	<p>Many saw this as a very useful summary of their current tariff and liked how their charges were laid out separately. Less engaged participants found the information particularly useful and liked how it told them clearly what tariff they were currently on. Some said they felt more in control once they had this information to hand and more confident engaging in the process of energy tariffs.</p> <p>Participants on ‘time of use’ tariffs particularly liked the clear breakdown of day and night rates. While this is no different to what is shown currently on their bills, it signals the lack of attention many pay to supplier communications and the low awareness of many less engaged participants.</p> <p>Tariff name and type were picked out by many as being useful for comparisons. Many less engaged participants did not know the name of their current tariff.</p>	<p>A few particularly disengaged participants struggled to see how they could use this information, as they had such low awareness of what a tariff was and how what they were on might be distinct from others.</p>
Tariff name									
Tariff type									
Payment method									
Unit rate									
Standing charge									
Tariff ends on									
Tariff length									

	Appeal	Concerns
<p>‘Could you save money on your electricity?’</p> <p>‘Remember – you always have the right to switch your tariff or your supplier.’</p> <p><i>(messaging included on annual statements)</i></p> <p>See Appendices 1</p>	<p>Many participants really liked being reminded that they have other tariff options and in particular that they might be able to save money.</p> <p>Less engaged participants, who were not already looking around the market place, particularly liked this wording on both pages of the annual statements as they felt it made them ‘sit up and think’ about their options which they might not have done unprompted.</p>	<p>Many had never seen an annual statement or simply did not bother to look at it in much detail – they wanted to see similar prompts on bills as it would be more likely to attract their attention.</p> <p>There was some concern on behalf of older participants that it may not be fair to draw attention to the fact there could be a cheaper tariff around when it was unlikely they would be able to make comparisons themselves (e.g. often because they were not online).</p>
<p>‘Any questions after reading your statement?’</p> <p><i>(messaging included on annual statements)</i></p> <p>See Appendices 1</p>	<p>Less engaged participants found this reassuring, particularly as with the introduction of the TCR they could envisage needing to get in contact with their supplier more than they do now.</p> <p>Some said it made them think better of their supplier as it was a sign that they were responsive and customer-focused.</p>	<p>Very disengaged participants said they would be unlikely to be reading communications from their suppliers so this was fairly irrelevant to them. This group needed supplier intervention earlier on in order to prompt them to read bills and annual statements.</p>
<p>Your electricity usage summary and bar chart</p> <p><i>(information presented on annual statement)</i></p> <p>See Appendices 1</p>	<p>Many were attracted to the visual explanation of their usage – it was an obvious and eye-catching way of informing them that they found helpful.</p>	<p>A few had difficulty reading the bar chart and were concerned that it might contain important information that they could not understand.</p>
<p>‘About your tariff’ information boxes provided on supplier bills <i>(messaging included on annual statements)</i></p> <p>See Appendices 2</p> 	<p>Many liked the idea of having a summary box with details of their tariff presented on each bill.</p> <p>Less engaged participants particularly liked to have a reminder of their tariff name and to see their actual usage over the last 12 months.</p>	<p>Many found the information provided in the ‘About your tariff’ boxes unclear and the explanations provided of TCRs vague compared to elsewhere on supplier communications.</p> <p>Many thought the ‘Are you on the best tariff for you?’ information was buried compared with the reminders on annual statements. Some also felt that the supplier recommendation should spell out that this would work out as a cheaper tariff for the user, rather than rely on the individual to use the figures to do calculations and make their own comparison.</p>

5.2 Metrics

Opinion was divided over which metric the TCR should be presented in. In part this corresponded to individual preferences for one type of metric over another (pence per kWh vs. £ per year or month). There are also some factors specific to the TCR concept that can affect which metric participants think works best. For example, if the aim is to estimate potential financial savings, many participants were immediately attracted by the £ per year or £ per month metric as it seemed to indicate more clearly what savings would be compared with a pence per unit of energy metric.

The following table summarises the appeal and consumer concerns associated with the three different metrics included in the TCR scenarios: pence per kWh, £ per month and £ per year. The far right column explains the potential impact on consumer engagement in tariff comparisons should TCRs be presented in one metric instead of the other.

The vast majority of participants felt that metrics should be consistent between PTCR and GTCR. Some felt it might be useful to have *both* £ per unit of time and pence per kWh displayed, although others felt this could be confusing.

	Appeal	Concerns						
<p>Pence per kWh</p> <table border="1" data-bbox="188 302 566 376"> <tr> <td>Payment method</td> <td>Cash/Cheque</td> </tr> <tr> <td>Unit rate</td> <td>10.51p per kWh</td> </tr> <tr> <td>Standing charge</td> <td>£10 per month</td> </tr> </table>	Payment method	Cash/Cheque	Unit rate	10.51p per kWh	Standing charge	£10 per month	<p>More engaged and energy/financially literate participants found it useful as they believed they could calculate what they were spending and make a more accurate estimation of potential savings.</p> <p>Some less energy literate participants liked it for the same reasons of greater accuracy, but misunderstood that even though it may be more accurate the final figure is still only a guide.</p> <p>Majority of participants were used to seeing this metric from their current bills so there was some initial appeal in its familiarity.</p> <p>Some liked the fact that by using this metric their calculations could take into account yearly variations in energy usage and spend.</p> <p>Some participants who were less engaged also liked the control that they felt it gave them to make their own calculations.</p>	<p>Many less engaged participants, despite some being familiar with the metric from their bills, did not find it useful as a gauge of their average spend.</p> <p>Some already quite disengaged participants disengaged further because they did not know what a kWh referred to.</p> <p>Compared with the £ per year metric, many thought it did not allow them to easily see the size of potential savings they could make by changing tariffs.</p> <p>As previous Panel research shows, awareness and understanding of kWhs can be very low among less engaged participants and mention of the term can turn them off from engaging in energy issues completely.</p> <p>Some noted that using pence per kWh meant that the TCR figures would be lower for higher users, which made them raise questions about the fairness of how the rates are calculated.</p>
Payment method	Cash/Cheque							
Unit rate	10.51p per kWh							
Standing charge	£10 per month							

	Appeal	Concerns						
<p>£ per month</p> <table border="1"> <tr> <td>Tariff name</td> <td>Standard Electricity</td> </tr> <tr> <td>Payment method</td> <td>Cash/Cheque</td> </tr> <tr> <td>Tariff Comparison Rate (TCR)</td> <td>£38.90 per month</td> </tr> </table> <p>The TCR can be used as a guide to compare the price of electricity tariffs: the lower the TCR the cheaper the tariff. It's based on an average user who uses 3,300 kWh per year. Find the cheapest tariff for you by contacting a supplier, visiting a switching site or calling an adviser.</p>	Tariff name	Standard Electricity	Payment method	Cash/Cheque	Tariff Comparison Rate (TCR)	£38.90 per month	<p>Many were attracted by the clear indication in £s of how much they spend and felt it would make it easier to estimate how much money they could save on another tariff.</p> <p>Some liked to think of their monthly outgoings as this suited how they approached personal budgeting.</p> <p>Participants who had recently moved tariffs or suppliers liked this metric because they perceived that they had not been on their current tariff for long enough to use £ per year.</p>	<p>Some felt it was unlikely that they would be able to see significant savings on a monthly basis, making the metric, though clear to understand, not very useful for comparing tariffs and estimating savings.</p> <p>More engaged and energy/financially literate participants felt it was a less accurate way of calculating energy spending and saving than pence per kWh.</p> <p>A few of the more engaged participants complained that £ per month would not allow them to take into account seasonal variations, making it less accurate as a way of estimating potential savings.</p> <p>Some less energy literate participants did not realise that the £ per month figure would not accurately reflect their monthly spend throughout the year.</p>
Tariff name	Standard Electricity							
Payment method	Cash/Cheque							
Tariff Comparison Rate (TCR)	£38.90 per month							
<p>£ per year</p> <table border="1"> <tr> <td>Personal Tariff Comparison Rate (PTCR)</td> <td>£529.89 per year</td> </tr> </table> <p>This PTCR is based on your actual consumption. You can compare it with the PTCRs for other tariffs, but not GTCRs.</p>	Personal Tariff Comparison Rate (PTCR)	£529.89 per year	<p>This was the preferred option for many participants as the £ per year figure was considered more likely to show a significant sum of money and therefore makes it easier to see the potential savings from switching tariffs (£30 a year was considered to be a more significant saving than £2.50 per month).</p> <p>Some felt that having TCRs presented in £ per year was more suited to the way they currently thought of their energy spending, i.e. as a yearly lump sum.</p>	<p>More engaged and energy/financially literate participants simply felt it was a less accurate way of calculating energy spending and saving than pence per kWh.</p> <p>New customers who had recently moved, or switched tariff or supplier were less enthusiastic about this metric as they couldn't see how it could be made relevant to them.</p> <p>Some felt that an indicative yearly cost was misleading as it did not explain clearly that this is not what an individual consumer would pay since it depends on their own personal consumption.</p>				
Personal Tariff Comparison Rate (PTCR)	£529.89 per year							

5.4 Best-buy tables

Best buy tables generated a good deal of consumer interest and all four examples were generally thought to make participants' lives easier when making tariff comparisons. They were thought to be an improvement on the tables that are currently offered by price comparison services. Participants felt that the inclusion of a single TCR figure for each tariff which takes into account standing charges and unit rates meant it would be simpler to see how other tariffs compare with what they are currently on. A very small group of participants thought that they might actually use these tables as the basis for making a final decision to switch to a new tariff.

Participants were told where they might expect to see best buy tables. Only a few spontaneously imagined that they would see them in the press, as they considered them to be similar to comparison websites. They therefore tended to imagine that they would see them online. There was interest in seeing them in other offline media too, such as newspapers. Less engaged participants admitted that they were not using online price comparison services, so they would react better to something in a newspaper or magazine. When probed, most participants thought that it would also be appropriate for the best buy tables to be sent to them via their supplier. Many suggested that this information should only be sent to those who requested it as most would be able to access more personalised information online. They did not want unnecessary post in case the cost of this would be passed on to the consumer.

The following table explains the appeal and concerns surrounding best buy tables.

	Appeal	Concerns												
<p>General concept of best buy tables</p> <p>See Appendices 3</p> <table border="1"> <thead> <tr> <th>Company</th> <th>TCR*</th> </tr> </thead> <tbody> <tr> <td></td> <td>£36.80 per month</td> </tr> <tr> <td></td> <td>£37.50 per month</td> </tr> <tr> <td></td> <td>£38.90 per month</td> </tr> <tr> <td></td> <td>£39.00 per month</td> </tr> <tr> <td></td> <td>£42.25 per month</td> </tr> </tbody> </table>	Company	TCR*		£36.80 per month		£37.50 per month		£38.90 per month		£39.00 per month		£42.25 per month	<p>To the more engaged participants, the best buy tables were often welcomed as a quick reference point for noting which suppliers might potentially offer them a better deal. These participants tended to understand that the information provided could only ever be a guide and they were happy to follow up their search with more detailed calculations using their own PTCR and personal consumption data.</p> <p>To less engaged participants who may not even be aware of alternative tariff options or price comparison services, the best-buy tables served as a useful notification that there are other tariff options available to them. They were seen as informative, clear and easy to understand. As such, they were good for raising awareness of tariff options and switching.</p> <p>To the <i>slightly</i> more engaged participants – those who understood the concept of tariff comparisons but had chosen to disengage - the best buy tables seemed to be an improvement on what exists now as a clear means of deciphering potential financial savings.</p>	<p>Many had some reservations about the ultimate effectiveness of using best buy tables for tariff comparisons since figures would have to be generic and therefore lacked the accuracy of comparing PTCRs.</p> <p>Many voiced concerns about how up to date the best buy tables would be. Their experiences of price comparison websites where the quoted prices appeared regularly to be out of date made them sceptical that best buy tables would be any different. Although this was often raised as a criticism of the current situation of ever-changing tariff prices more than a potential failing of best-buy tables.</p>
Company	TCR*													
	£36.80 per month													
	£37.50 per month													
	£38.90 per month													
	£39.00 per month													
	£42.25 per month													
<p>Single GTCR figures (scenarios 1 and 4)</p> <p>See Appendices 3.1, 3.4</p>	<p>Initially, many felt tables with single GTCR figures were more appealing as they were visually less cluttered and appeared easier to understand.</p>	<p>The majority of participants felt that the exclusion of GTCR figures for low/medium/high users made the best buy tables less accurate and less useful for individuals.</p>												

	Appeal	Concerns
<p>Low/Med/High TCR figures (scenarios 2 and 3)</p> <p>See Appendices 3.2, 3.3</p>	<p>Most preferred best buy tables that broke information out by user type. This was not driven by their presentational preference but rather by the view that they were considered more relevant to their situation and were likely to give them a better gauge on which tariffs might be cheaper for them.</p>	<p>A few participants simply found the concept of breaking GTCRs out by user type an unnecessary complication and preferred the simplicity of seeing one TCR figure to use as a very rough gauge.</p> <p>A single table with multiple columns or three separate tables with information for three types of user can appear overwhelming initially and put off some less engaged participants.</p>
<p>Separate tables for Low/Medium/High users (scenario 2)</p> <p>See Appendices 3.2</p>	<p>Many participants preferred this option, arguing that it was far clearer and reduced the chances that users would read off the wrong tariff.¹⁰ Many also liked that this enabled the cheapest tariff to appear at the top for all user types (and not just medium users).</p>	<p>To some, having three separate tables initially appeared overcomplicated (however, once they realised that they only needed to concentrate on one table they found the format more useful.)</p>
<p>Separate columns for Low/Medium/High users (scenario 3)</p> <p>See Appendices 3.3</p>	<p>Initially, some participants thought this format looked simpler than separate tables as it kept all the information in one place. However, when they realised that individuals would probably only need to read off the information from one column they questioned why they needed to see all this information. Some more engaged participants seemed confident enough that they could pick out the relevant information.</p>	<p>Ultimately, most participants found this format too busy and worried that they, or others who were less familiar with tariff comparisons, might be distracted from information that was relevant to them.</p> <p>A few more energy literate participants noted this format was unlikely to mean tariffs could always be shown in order of cheapness, as they would have to be ordered by supplier.</p>
<p>Other information column (details on tariff payment type, discounts, loyalty points) See Appendices 3</p>	<p>Most participants agreed that this was useful information to include in best buy tables and they could see that some people, if not they themselves, might use it to compare tariffs and even make a final decision. Particularly useful was any information relating to payment-type conditions and anything that had a bearing on the cost to the consumer.</p>	<p>Majority of participants felt this information was not sufficiently standardised and needed to be presented in a format that allowed them to make like for like comparisons. Some suggested a tick box or traffic lights system for each tariff showing a list of key additional pieces of information and a clear indication of whether each did/did not apply to the tariff.</p>

¹⁰ This is supported by previous research on Tariff Comparisons conducted by Ipsos MORI for Ofgem. However, recent advice from BOAG McCann (information design experts who have worked closely with Ofgem on the Retail Market Review (RMR)) suggested that providing consumers with one table containing all relevant information is best practice.

Discounts

There was no clear consumer view on how discounts should be included in the presentation of TCRs. Some participants felt that sustained discounts should be included in the TCR figure since they had lasting impact on tariff cost, whereas 'one-off' / fixed-term discounts should be shown separately. Some felt discounts of *all* types should be included in the TCR figure and equally some thought all should be presented separately.

Quite a few participants, had no strong preference either way, often due to the fact they were already confused by how the TCR was calculated and found the additional consideration of discounts complex. The appeal of TCRs was largely because they enable like-for-like comparisons so any other tariff information (such as a £50 loyalty discount as was shown in the Best Buy tables) made it difficult to make a direct comparison.

Number of tariffs included

Opinion was generally quite divided over the number of tariffs that were considered useful to show in the best buy tables. Some felt that ideally all available tariffs should be included on the principle that this afforded participants the greatest amount of choice. Others, generally those who had had a negative experience of sifting through multiple tariffs, felt that a limited selection of the cheapest tariffs should be included. Expense was the key factor driving their tariff decisions and they therefore wanted best buy tables that immediately drew their attention to the tariffs that would save them money.

Many concluded that so long as there was a function to sort all available tariffs and filter out those above a certain price or with certain features, this would be sufficient to make the comparisons feel manageable. This idea of filtering was generally borrowed from consumer perceptions of existing price comparison sites.

Moderators prompted on whether, if the overall number of tariffs was reduced, their views on TCRs would remain the same. Most concluded that as there are a range of suppliers in the market, and that each would still provide at least one tariff the TCR would still be necessary to help comparison.

5.5 Personalised alternative tariff options

For many participants, the inclusion of personalised lists of alternative tariffs with their own supplier on supplier communications was probably the **most appealing element** across all TCR scenarios. Some questioned whether there was any value in having an additional tariff comparison tool, if the other tariff information was included. This was generally true of the less engaged participants who liked to see suppliers taking control of their tariff options and 'holding their hands' through the switching process. More engaged participants tended to see that TCRs would still be useful for helping them compare tariffs across different suppliers and make more informed choices. From a citizen perspective however, the more engaged participants saw the benefits of those who are less engaged receiving more personalised tariff information.

The following table explains the appeal and concerns surrounding personalised alternative tariff lists, looking first at the general concept, then the *single alternative tariff* option (in scenario 4) and the *multiple alternative tariff* option (in scenario 2).

	Appeal	Concerns
<p>Single alternative tariff (scenario 4) See Appendices 1.4, 2.4</p>	<p>Some of the less engaged and less energy literate participants preferred being presented with a single alternative tariff as it made their lives easier, removing the hassle of decision-making.</p> <p>Many were more trusting of suppliers presenting them with one single best tariff for them, rather than giving three options. There was a belief that there could only really be one 'best' tariff for each person (playing to the wider point that participants struggle to understand the need for such a large number of tariffs).</p>	<p>Some were concerned that it would make switching from one type of tariff to another more difficult. For example it would not be useful for anyone who wanted to see options for tariffs with alternative payment types, since it would be 'based on (their) current tariff' and may overlook the fact they might be looking to change their existing setup, especially if it would save them money.</p> <p>Many participants were simply sceptical that their supplier would present them with the most relevant tariff for them. They tended to have more trust when they were shown several options.</p>
<p>Three alternative tariffs (scenario 2) See Appendices 1.2, 2.2</p> <div data-bbox="193 1171 639 1422" style="border: 1px solid black; padding: 5px;"> <p>Are you on the best tariff for you?</p> <p>Based on your current tariff and usage, there are three cheaper tariffs that we can offer you. The following tariffs all have lower TCR rates:</p> <ul style="list-style-type: none"> • Clear and Simple (17.72p per kWh) • Online Saver (17.20p per kWh) • Fixed Price (16.95p per kWh) </div>	<p>More engaged participants tended to prefer being presented with three alternative tariffs. They welcomed the choice and freedom it gave them to make more informed tariff decisions.</p> <p>Many felt 'safer' seeing three options rather than trusting their supplier to pick the single best one for them. They liked feeling that they had some control over the decision.</p> <p>Some thought that by presenting three tariff options suppliers were more likely to be able to offer them one that suited their needs, including different payment types. This was a particular advantage for anyone considering switching payment type.</p>	<p>A few participants thought that having three alternative options added unnecessary confusion and required them to engage in their energy choices more than they wanted to.</p> <p>Similarly, these participants were frustrated by seeing three options for a cheaper tariff, as they worried about making the right choice and felt that making the wrong one could lose them money, which defeated the point.</p> <p>A few less engaged participants with low awareness of the number of tariff options available, questioned how there could be three better options for them. They thought suppliers should do more work on behalf of participants and find them the single cheapest tariff for them.</p>

Including signposts to alternative tariff options on bills and annual statements

Some Panellists noted that this was a clear sign of Ofgem proposing to use its powers to ensure suppliers work harder for consumers. Many were also happy to see Ofgem listening to the suggestions of previous Panels by proposing that suppliers make their communications simpler to read. Other participants said they looked more favourably on their current supplier as a result of being presented with these options which they thought showed the supplier was being more transparent and providing them with better customer service.

Many participants, particularly the less engaged who were not accustomed to looking around for alternative tariffs, were happy enough to be made aware of alternatives offered by their own supplier (and thought it was unrealistic to expect that they would signpost a competitor tariff).

It is important to note that some of the less engaged participants had such low awareness and understanding of the energy market that they did not always recognise when supplier messaging was quoting tariff names. For example 'Clear and Simple (Economy 7)' was not always understood as the name of a tariff.

While the majority of responses to this element of the TCR were positive, there were also concerns among participants. Many questioned what 'best tariff for you' meant. The consumer assumption was that 'best' meant cheapest but they were concerned that suppliers might have a different definition. Some suggested that suppliers should be closely regulated to ensure that the tariff they recommended as 'best' really was the cheapest. Others were concerned that recommendations should take into account current preferences (e.g. if a consumer would never go online there would be no value in showing them online tariffs).

Several said they might lose faith in their supplier if they were informed too often about better tariff alternatives. They felt that there must come a point when after shopping around and switching tariffs they simply were on the best tariff with that supplier. Some more engaged participants recognised that the market was changing so rapidly that it was likely their 'best tariff' really would change quite constantly. Many were unhappy with this situation in the market and resented the fact they were made to hunt around for better deals on a regular basis.

In addition, while it was useful to see alternatives provided by their current supplier, some noted that this still did not answer the question of what other tariffs other suppliers may be able to offer them. More engaged participants accustomed to looking at other suppliers were less interested in the recommendations of their current supplier and felt it was only of limited interest and use.

Some particularly disengaged participants wanted their supplier to move them to the best tariff automatically and therefore did not see the value of being provided with this information.

Most felt that the way the information was presented in the stimulus (with just a tariff name and TCR) meant that they did not have enough information to know if it was worth pursuing further. They wanted the information to be more detailed, similar to what was provided in the best buy tables.

5.6 User-type information (Low/Medium/High)

The majority of participants were interested in identifying themselves with one of the three user types and therefore many responded well to the idea that suppliers would include

information about this in their communications. Many, however, were motivated more by a desire to be energy efficient than by the prospect of using this information to accurately compare their tariff options. That said, when asked to envisage using this information to make tariff comparisons, many participants (particularly those with lower energy literacy and lower initial awareness of what type of energy user they were), found that it was a useful first step on the way to understanding how to compare alternative tariffs.

The following table looks at which pieces of information relating to user type held appeal and what concerns participants had.

	Appeal	Concerns
<p>‘You are a low/medium/high user...’ information</p> <p>(annual statement and bills)</p> <p>Appendices 1.2, 1.3, 2.2, 2.3</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Based on your usage in the last 12 months, you are considered a Low User. This means you've used around the same amount of electricity as an average 1-person family in Britain.</p> </div>	<p>Majority of participants found this information useful, in particular the guidance on what this means for using Low/Medium/High GTCR figures during tariff comparisons.</p> <p>More engaged participants (already aware of their consumption levels and comfortable using consumption data to navigate the market) recognised that this was useful information for less engaged participants and should be included on supplier communications.</p> <p>Some thought that it was more important to supply this information on bills than on annual statements given that these come more regularly and therefore they assumed it was more likely to be accurate at any given moment.</p> <p>Many preferred the way user type was explained by their energy usage instead of by what type of household they were (as in the ‘How do you compare?’ box on annual statements).</p>	<p>Low/Medium/High user information lacked relevance for participants who preferred the simplicity of just having single figure GTCRs (scenarios 1 and 4).</p> <p>In reality, many participants did not consult their annual statements regularly therefore the relevance of this information might be limited (unless participants were directed to use their annual statements).</p> <p>Those who had recently switched to a tariff said it was important this information was not only available on annual statements as they expected they would have to wait a while before receiving one of these (although they were less likely to be in a position to look around in any case since they had recently been through the switching process).</p> <p>Many found that the information included in the ‘About your tariff’ section was generally not eye-catching enough (compared to the clarity of the information in the ‘About your electricity tariff’ boxes on annual statements.)</p> <p>Some also missed the people icons that appeared on annual statements which immediately attracted their attention and made the information easier to understand.</p> <p>Some participants admitted that they rarely consulted their bills so they might overlook this information and as a result would not be able to correctly use best buy tables or understand suppliers’ ads which quoted GTCRs by user type.</p>

	Appeal	Concerns
<p>‘How do you compare?’ information boxes</p> <p>(annual statement)</p> <p>Appendices 1.2, 1.3</p>	<p>These boxes attracted interest among almost all participants initially. The phrasing ‘How do you compare?’ and the people icons attracted immediate attention.</p> <p>Many simply liked the idea of being placed on a scale and being able to see where they sat compared with other energy users.</p> <p>As seen in previous Panels, many participants (particularly the less engaged) welcomed any additional information that suppliers could provide them with about their personal consumption. Even though some admitted they may not always consult their annual statement or bill, they tended to feel more in control and prepared for making energy decisions when they understood what user type they were.</p>	<p>Despite being initially appealing and eye-catching, many participants expressed discomfort at the idea of defining users by household type and family composition.</p> <p>Most of the concern was based on the principle that this was an unfair way to categorise users, rather than a genuine feeling that they would not fit into these categories.</p> <p>Many were concerned on behalf of others (e.g. older single person households, where the user might have higher energy needs).</p> <p>The mention of the word ‘average’ also caused frustration (see Section 4).</p>
<p>Low/Medium/High user GTCRs on adverts</p> <p>(scenarios 2 and 3)</p> <p>Appendices 4.2, 4.3</p>	<p>Those in favour of user type information often found it useful to see the three GTCRs quoted on adverts.</p> <p>The information was particularly useful in the case of online adverts as they thought they would be in a better mindset for digesting the information and more likely to be in the right frame of mind for using this information to investigate tariff options.</p> <p>In scenario 3, the presentation of the GTCRs in £ per year made the information even more relevant for many participants.</p>	<p>Some found that supplying three GTCRs for Low/Medium/High users on adverts was a step too far and risked making the adverts difficult to understand.</p> <p>In scenario 2, the user type information presented in the advert was generally thought to be less meaningful than in scenario 3 because the advert used a pence per kWh metric which was considered too complicated for most users to digest quickly, especially while out of their home and without access to their bill or annual statement.</p>

5.7 Specific concerns of Economy 7 participants

Participants on Economy 7 (E7) tariffs (and White Meter tariffs in Scotland) had broadly similar responses to the TCR concept and TCR scenarios as participants on other tariff types. Existing levels of engagement in the energy market still seemed to be the driving factor behind their interest in the TCR concept and the extent to which they could envisage it impacting their future engagement.

However there were some differences between the responses of E7 and non E7 customers. This is important to note when thinking about communications for this audience.

- On supplier communications, participants who were aware they were on a Time-of-Use tariff such as E7 tended to focus their attention on the display of their two tariff rates (e.g. separate rates for day and night usage). As such, they were more likely to not notice the new addition of the GTCR and/or PTCR information and when prompted found it hard to understand what the relevance was of these figures.
- Some Economy 7 participants had limited awareness of what this tariff meant, in that it operates differently to other tariffs in the marketplace. They did not always know the name of their current tariff and when studying best buy tables several did not notice that all the tariffs on offer were Economy 7. In a world where TCRs were presented on best buy tables and in public advertising campaigns, these participants might mistakenly be attracted to a non-Economy 7 tariff with a low GTCR that they would not be able to compare with their current tariff.
- Some were more aware of the features of their current tariff. They knew it was different to the majority of tariffs offering single rates and suggested that it would be helpful if information on best buy tables included figures for day and night rates alongside the TCR for each tariff. They wanted to see this information because they thought it would allow them to estimate potential savings more accurately based on their personal usage at different times of day. Some felt that the footnote reference to an average usage of 55% energy at night would not be accurate in their case.
- However, overall awareness of personal consumption and how it varies between day and night-time was quite low among these participants and as such many found it hard to judge whether the assumptions included in the TCR scenarios were fair and applicable to them.
- In terms of presentation of information on best buy tables, several participants did not notice the reference to what the TCR figure was based on, suggesting that this would need to be made clearer or perhaps included as part of an introduction to the table to ensure that people read it before trying to understand the TCR any further.

5.7 Response to TCR elements: overall conclusions

While many participants may have struggled to settle on one favoured scenario, most saw the merits of individual elements and believed that their presence on the energy market would be a marked improvement on the current situation. When participants discussed the potential impact of the TCR concept on their future engagement with energy tariff options, it was usually the effect of *individual elements* that they emphasised, rather than the effect that one scenario would be likely to have over another.

Section 6: Ideal TCR scenario

Section 6: The Ideal TCR and conclusions on its likely impact

This section summarises the most appealing elements of all the TCR scenarios. Towards the end of the Panel workshops, participants were asked to consider their *ideal TCR* and to either pick one of the four that were tested or suggest how the concept could be modified. While there were some elements of the scenarios which divided opinion (for example the inclusion of PTCRs, Low/Medium/High TCRs and the relevance of pence per kWh), some clear majority views also emerged.

The following suggestion for the 'ideal TCR scenario' is based on consumer ideas which surfaced most strongly during discussions and inspired consensus. It does not reflect the views of any single group or individual but is intended to show where participants' priorities currently lie and where they saw potential for optimisation of the TCR concept.

6.1 Suggested ideal TCR

'The ideal TCR scenario should include...'

Low/Medium/High GTCRs

This would remove the 'risk' that single figure GTCRs have of appearing too general and would make best buy tables more meaningful for the majority of participants.

TCRs in £ per year (or £ per month)

Presentation of TCRs in £s would make it easier to see the potential savings that participants could make. Using £ per year would mean the TCR figures would also appear to account for seasonal variations in energy usage, which many Participants think is important, although some are more familiar with how much they pay per month and therefore a £ per month metric would enable them to make comparisons more easily.

Consistency of metrics used for both PTCRs and GTCRs would make it easier to make comparisons between the two. However, this would only be useful if it was accompanied with clear advice from suppliers on why PTCRs and GTCRs should not be compared against one another for anything more than a very rough guide (i.e. if a consumer was looking for an accurate estimation of potential savings they should be clear that comparing the GTCR and PTCR figures might be misleading).

Three alternative tariff options on supplier communications

This would alert many consumers to the fact there are actually other tariffs available, raising awareness among the less engaged who often have very limited understanding of their options.

This would also prompt those who are aware of their options but lack the motivation to shop around, since the supplier has effectively done most of the shopping for them.

Including three rather than one alternative tariff would satisfy most participants as it would provide some element of choice (and the opportunity to possibly switch to a different type of tariff which might save them more money).

Presenting alternative tariff options on bills as well as annual statements would be more likely to catch the attention of less engaged participants since bills come more regularly than annual statements and participants claimed they would therefore be a bit more likely to act on the information. However, it will be important to strike a balance because if people who have changed tariff/supplier are immediately informed of ‘better’ tariffs now available this is likely to undermine their confidence in their ability to switch to a ‘good deal’ which remains ‘good’ for long enough to lead to savings which justify their efforts.

Three separate best buy tables (for Low/Medium/High users)

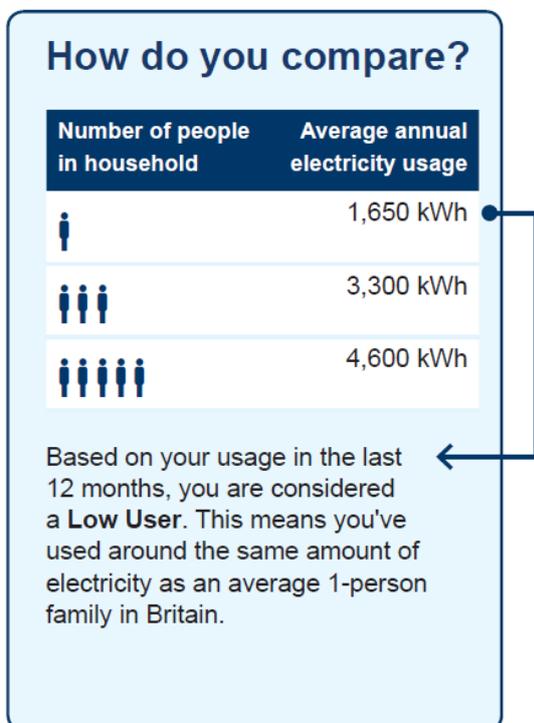
This would ensure that consumers focus on the tariff information relevant to them and it would make their comparisons simpler and less time-consuming.

Presenting tariff information in three separate tables would mean tariffs could all be presented in order of price, which many participants say they would find very useful for making comparisons more manageable.

This would also reduce the number of tariffs any one user would need to review, screening out those that are not relevant to them, and making the first impression of the best buy table less overwhelming.

This is consistent with previous research conducted for Ofgem on tariff comparisons and presentation of tariff information, where participants concluded that separate tables are easier to navigate than a single table that requires the consumer to filter relevant information for themselves.¹¹

‘How do you compare?’ boxes on supplier communications



¹¹ This finding contradicts advice from BOAG McCann (information design experts who have worked closely with Ofgem on the RMR). BOAG McCann has suggested that providing consumers with one table containing all relevant information is best practice for communication of this nature.

This would educate less engaged participants on their energy usage, raising awareness of their energy needs and helping to empower them to make better tariff decisions.

While participants may not immediately recognise this information as key for making tariff comparisons, being able to identify themselves as a Low/Medium/High user would be a good first step on the pathway to their engagement, as it is information that seems to spark interest.

If this information was also shown on energy bills it may prompt engagement from a greater number of people.

Visual icons to represent levels of energy consumption

Visual icons immediately attract the reader's attention on supplier communications.

On bills and annual statements, information is predominantly in text and figures, therefore participants would likely be drawn to anything which is presented to them a bit differently. However, some questioned whether the current graphics showing the number of people in a household were appropriate because they did not agree that this was an accurate way of estimating levels of usage.

Clearer explanations of PTCRs, GTCRs and how to use the two

Clearer explanations would ensure participants understand the TCR concepts and are able to use them in meaningful ways. In particular, clear explanation should be given around the fact all TCRs serve as *guides* only. Therefore, even the PTCR can only ever allow participants to *estimate* potential savings; neither the PTCR nor the GTCR could allow participants to arrive at actual savings as this depends upon actual use.

Simple and clear definitions of TCRs will be important as well as guidance on how to use the different types of TCR. For example, guidance could explain that GTCRs should generally be used to compare tariffs in best buy tables and PTCRs to compare tariffs by calling up an existing or alternative supplier to get a range of PTCRs for other tariffs.

Different terminology for TCRs

A simpler term for Tariff Comparison Rates would help to engage participants and reduce the risk of them disengaging from the start because of what they perceive as an over-complicated and quite long-winded name.

For example, some suggestions for alternative TCR terminology were 'my/your rate', 'my/your market guide' and 'my/your billing rate'. Participants did not recognise the confusion this could cause if trying to differentiate between their GTCR and PTCR.

Eye-catching adverts with Low/Medium/High user TCRs

Adverts showing TCRs for Low/Medium/High users would work well at reminding participants that they can use their TCRs to make tariff comparisons and by giving the information for different user types the adverts would also be more meaningful.

Information about the three TCR figures however should be made more eye-catching than they appear in scenarios 2 and 3. They would do well to take as their model the prominent presentation of the single figure TCR on the poster in scenario 1.

For the less engaged

This group of participants (with slightly more understanding and/or interest in tariff options and be slightly more likely to look at their supplier communications) called for more personalisation of the TCR concept than they thought the single figure TCR (scenario 1) offered. Mostly they were content to see a more personalised aspect in the GTCRs for high/medium/low usage without the complexity of adding a PTCR figure (scenario 2).

For the more engaged

More engaged participants, open to looking at their options but not completely comfortable using their existing consumption data to compare tariffs generally liked to see the addition of the PTCR figure as it reassured them that the TCR would be a more accurate reflection of their personal usage. This group were also more likely to be consulting their supplier communications (or open to doing so more regularly) and could therefore envisage using the provision of a PTCR (and perhaps GTCR) figure on their bill or annual statement to compare their tariff options (scenarios 3 and 4).

For the most engaged

Although, arguably, those participants already engaged are not the target audience for the TCR concept, it is worth noting that some of this audience had quite strong preferences for a TCR scenario that did *not* feature PTCRs. Their view tended to be that as engaged users they were happy with their existing approach of inputting their personal consumption data into a price comparison service in order to make accurate tariff comparisons, and therefore the GTCRs for high/medium/low users (scenario 2) gave them enough guidance to decide which alternative tariffs might be worth looking into.

When some engaged participants considered *others* who may be less engaged in making tariff comparisons; they were often concerned that the inclusion of PTCRs would make the whole concept overly complicated and risk either misleading or further disengaging many consumers of this type..

6.2 Predicted impact and usage of ideal TCR

After reviewing all the TCR scenarios and discussing the ideal, many participants concluded that *on balance* they found the TCR concept appealing and with the potential to make tariff comparisons easier. But when asked how exactly they could see themselves using the TCR (imagining that it was in their ideal format), most hesitated to say whether in reality they would actually use something like it to compare tariffs. This was largely due to the fact that their existing levels of engagement were too low for them to be able to envisage investing time and effort in tariff comparisons.

One of the clearest predicted impacts of the TCR concept was simply that it would be likely to raise awareness levels about the option of changing supplier and increase consumer confidence that there might be real financial savings involved.

For participants with particularly low awareness of the range of tariff options and the switching process (usually non-Panellists) the TCR concept seemed likely to act as an initial signpost, bringing to their attention the fact that they do have the option to switch tariff or supplier. .

For participants with some awareness of their options but little inclination to engage in the market (often due to concerns about the time and effort involved and lack of understanding of current tariff information), the TCR seemed to act as a **reassurance** that comparisons would be more manageable and likely to lead to savings. It is among this group of participants that the TCR is probably most likely to act as a **prompt to engagement** in the market.

For participants with an existing interest in and understanding of the market (often those who have switched in the past), the TCR seemed to work as a **complementary tool** to their existing system of comparisons. While not wholly necessary for this group, it was expected that it might speed comparisons up and possibly allow for greater accuracy.

Predicted interest in TCRs seemed to rise on the introduction of PTCRs as they provided reassurance that the TCRs had personal relevance. However, this element of the concept alone would not be strong enough to prompt engagement in tariff comparisons for the least engaged participants (i.e. those categorised as 'disengaged' and 'less engaged'), since PTCRs would never feature on anything in the public domain (best buy tables, adverts) which were viewed as potentially the strongest calls to action.

Interest in personalised alternative tariff lists suggests that the TCR concept is likely to promote interest in switching tariffs within a consumer's existing supplier as much (if not more) than moving to a different one. Although the best buy tables appealed in theory because they allowed participants to compare tariff options *across* suppliers, disengaged participants admitted that in reality they were probably still quite a long way off actually using something like this.

6.4 The role of good communications

The question of communication and wider marketing around the TCR concept was not discussed in great detail during workshops and interviews. However, it was an issue which many participants raised spontaneously as they pointed out that their interest in and usage of TCRs would likely be very dependent on clear and sustained communications campaigns, both from suppliers and from an independent body like Ofgem.

For more engaged participants, the most important place for seeing clear communications was on supplier documentation, since this group were more likely to be consulting their bills and annual statements. For less engaged participants, public advertising campaigns were more important, given their low awareness of the current system for tariff comparisons and limited reference to supplier documentation.

Some participants also suggested the need for a targeted educational campaign led by Ofgem. Such a campaign would need to spell out to participants that the TCR was a **new tool** in the market that participants could use for comparisons, otherwise less engaged participants might assume that it was already in circulation and would therefore be less likely to see it as an improvement on the current situation.

In conclusion

As we know from previous Panel findings, many participants are quite a long way from feeling able to, or wanting to, engage in making tariff comparisons. When many of these Panellists considered the *ideal* TCR concept, they saw it as a good **first step** encouraging them to think more about their alternative options. Those who were already more engaged with their tariff options, tended to see the TCR concept as giving them the tools to make **more informed comparisons**.

There remained some, however, whose disengagement was so ingrained that the TCR concept lacked relevance or appeal. For these participants, the ideal scenario was simply one where their supplier communications displayed cheaper tariff messaging, signposting them to better options.

There was also concern among some consumers that TCRs would still not 'solve' the problem that a company's tariff prices could be the best one week but cease to be the best soon after. These consumers were sceptical of the idea that they could ever make substantial savings and questioned the value that a TCR type figure could have.

Appendices

Appendices

These appendices include the following key documents for this research -

- **Fieldwork materials: Discussion guide**
- **Fieldwork materials: Stimulus**
- **Recruitment materials: Recruitment instructions**
- **Recruitment materials: Recruitment questionnaire**

Fieldwork materials: Discussion guide

Ofgem Consumer First Panel - Round 4

DISCUSSION GUIDE FINAL_140812 POST PILOT

Aims:

Overall,

- To bring to life the Tariff Comparison Rate (TCR) concept and understand how it might work for consumers in practice
- To test individual proposals for TCRs and explore perceived impact on switching behaviour and overall engagement in GB energy market

Specifically,

- To explore consumer reactions to individual scenarios and test consumer understanding of specific elements of each (advantages, disadvantages and potential risks)
- To gauge perceived impact of each scenario, i.e. the extent to which consumers find the new information engaging and its possible effect on consumer ability to compare tariffs, engage in the market and potentially consider switching
- To gather consumer feedback on the perceived pros and cons of each TCR format.

NOTE: throughout the key questions to ask are highlighted in bold

<p><u>Section 1: Current situation</u> AIM: to understand participants' current perceptions of comparing tariffs and the availability of information to aid decision-making (comparison websites, supplier communications, advertising). Aim to revisit these responses throughout discussion.</p> <p><u>Section 2: Introducing overall concept of Tariff Comparison Rates</u> AIM: to introduce over-arching concepts including basic aims and key advantages/disadvantages of general and personal TCRs</p> <p><u>Section 3: Scenario testing</u> AIM: to explore consumer reactions to individual scenarios and test consumer understanding of specific elements of each (advantages / disadvantages). Also, to gauge perceived impact of each scenario, the effect on consumer ability to compare tariffs, engage in the market and ultimately consider switching (NB break half-way through)</p> <p><u>Section 4: Evaluating the number of tariffs to be included in comparisons</u> AIM: to understand how many tariffs should be included in tables and whether or not changing the number of tariffs available could impact on views</p> <p><u>Section 5: Best ideas, suggestions for improvement and final review of scenarios</u> AIM: to understand what will help consumers make tariff comparisons and which elements from the scenarios they would retain / reject</p>

	Section 6: Wind-down and close AIM: to bring the workshop to a close
Timing	Exercises / activities
Total: 180 mins	Arrival and Registration Existing Panellists will be sat on one table, new participants sat on another. On name badges use coloured stickers to denote whether they have switched supplier/tariff using respondent record sheet (NB. This will include data on any existing Panellists who have switched since taking part in the Panel). Seat people so that all the people who have switched are on one side, those who haven't are on the other (and keep a note of this so can refer back in analysis)
5 mins	PLENARY Introduction <i>LEAD MODERATOR to welcome, introduce the team and clients (as applicable), housekeeping.</i> <i>Explain tonight's discussions will be done in groups as we are asking for your feedback on concepts and a range of materials.</i> <ul style="list-style-type: none"> • <i>Welcome back Panellists and introduce new participants to the group.</i> • <i>Moderator introduction – Ipsos MORI independent market research organisation , working on behalf of Ofgem, MRS Code of Conduct, Permission to record</i> • <i>Introduce any Ofgem observers</i> • <i>No rights or wrongs, feel free to ask me questions as we go, don't all talk at once</i> • <i>Timings (3 hours), break halfway</i> • <i>Toilets</i> <p>Read out: After a bit of warm-up discussion, we are going to be testing a set of proposals that Ofgem are developing (using the findings of previous workshops) to provide consumers with a tool for comparing tariffs. There is quite a bit of material to cover as there are four different examples of how you might see this tool which we want to get your views on. This means the moderator might sometimes have to move the conversation on more quickly than you would like. Therefore we encourage you to note down any additional thoughts on the materials we give you and we will look through all your comments in our analysis as well as considering what you've said in discussions At the end of the evening we will ask you to vote for your favourite.</p>
5 mins	IN TABLES <i>Go round the table with introductions.</i>
10 mins	Section 1: Current situation <i>AIM: to understand participants' current perceptions of comparing tariffs and the availability of information to aid decision-making (comparison websites, supplier communications, advertising etc). Please keep this section brief as Ofgem already have substantial</i>

	<p><i>evidence on the perceived lack of clarity / standardisation and ease of comparability in the GB energy market.</i></p> <p>Warm up exercise FLIPCHART: FOR NEW PEOPLE: Ask participants to shout out where would be the first place they would look for information if they were thinking of switching tariffs and what information they imagine they would need to hand.</p> <p>FOR PANELLISTS: In the second wave of the Panel we talked about what information you would look for if you were thinking of switching supplier or tariffs. This session is all about taking that further and looking at a particular idea to make it easier to compare tariffs. To get us started,, what do you think makes it easy/difficult to switch supplier or tariff? (NB we will refer back to this section during the evening, which is why we're doing a quick recap)?</p> <p>FOR ALL: How easy or difficult do you think it is to compare different tariffs and suppliers? Why do you think this? What would make it easier? How likely are you personally to make comparisons with a view to possibly switching? Why / why not?</p> <p>IF NEEDED, PROBE ON:</p> <ul style="list-style-type: none"> • Knowing how to switch / knowing you can • Having enough information about prices / about other tariff features • Clarity of information • Time-taken <p>Keep these in mind as we'll be returning to them during the rest of the discussion</p>
<p>15 mins</p>	<p>Section 2: Reactions to overall concept of Tariff Comparison Rate <i>AIM: to explore the overall concept of having a tool for tariff comparisons and the appeal of General and Personal TCRs</i></p> <p>HANDOUT CONCEPT PACKS – ONE BETWEEN TWO</p> <p>I'm now going to read out an idea for something which may or may not make your lives easier when it comes to considering your other tariff options. Its official name is a 'Tariff Comparison Rate'.</p> <p><i>ON TABLES: SHOW STIMULUS AND READ OUT: A Tariff Comparison Rate (TCR) is a single figure that can be used to compare the cost of the tariff you are on against alternative tariffs from your own or other suppliers. The TCR takes account of any standing charge and the unit rates(s) that make up the tariff. TCRs can be presented in a range of locations – from the communications you receive from your supplier, to billboards on the street and 'best-buy' tariff tables which show TCRs for a range of different tariffs.</i></p> <p>CHECK UNDERSTANDING OF DEFINITION</p> <p>What first comes to mind when you hear this idea? Everyone shout out. FLIPCHART. PROBE for explanations.</p>

What strikes you as good about it? Less good?

General and Personal TCRs:

SHOW STIMULUS AND READ OUT: As you will know, everyone uses different amounts of gas and electricity, but you may not know that the TCR is likely to change depending on how much you use. This is because the TCR takes into account all the costs within a tariff including both fixed costs (such as a standing charge) and variable costs that go up or down in line with how much energy you use. Therefore it's difficult to have just a single TCR figure for each tariff that can act as a helpful guide to everyone, regardless of how much energy they use.

You will probably be familiar with fixed and variable costs in other sectors, for example on your landline phone bill. The fixed cost is the line rental and the variable cost is the amount you pay for the minutes you use to make phone calls.

Now I'd like to introduce two different types of tool for comparisons, which you will see on some of the materials we're going to show you in a moment:

- 1) A General Tariff Comparison Rate***
- 2) A Personal Tariff Comparison Rate***

A General Tariff Comparison Rate is based on an average consumer – either a Medium User who uses an average amount of energy, or a typical Low, Medium or High User of energy. It is not tailored to the exact amount of energy that you use and may not allow totally accurate comparisons to be made. It can give a rough guide – i.e. that savings can be made, and which supplier/tariff may be cheaper - but it will be more accurate for some customers than others. As well as on your bill or annual statement, a General TCR could be found in newspapers, on bill boards, from suppliers other than your own – because it doesn't rely on information specific to you (i.e. the exact amount of energy you use).

A Personal Tariff Comparison Rate is a figure that applies directly to you, i.e. it is based on the exact amount of energy you use and the price you pay through your current tariff. You could get a Personal TCR for an alternative tariff – to make a direct comparison - by giving your energy usage details to your current supplier, another supplier or a switching service. You would not be able to see a Personal Tariff Comparison rate in things like newspapers or bill boards or in marketing from suppliers, but you could see this on your bill or annual statement.

Some of the scenarios we will look at in a moment will just have a General Tariff Comparison Rate and no Personal Tariff Comparison Rate and some will have both. When we discuss them it will be useful to see how you think you might go about using these different kinds of TCRs. The TCR will also be presented differently in some scenarios, e.g. in terms of costs presented as £ per year, £ per month or pence per kWh.

There are advantages and disadvantages to the different scenarios you will see. We want to know what you think about these different options. Ultimately we are testing these with you because Ofgem wants to make it simpler for consumers to compare tariffs easily and

	<p>accurately.</p> <p>You will have the chance to go through this again in detail in our groups, once you've had a chance to look at what you'd see in real life under four broad options (e.g. on bills and adverts). Does anyone have any questions about this before we do?</p>
<p>▪ 9 5mins + 15 min break after 2 scenarios</p>	<p><u>Section 3: Scenario testing</u> <i>AIM: to explore consumer reactions to individual scenarios and test consumer understanding of specific elements of each (advantages / disadvantages). Also, to gauge perceived impact of each scenario, the effect on consumer ability to compare tariffs, engage in the market and ultimately consider switching either tariff or supplier.</i></p> <p><i>We're now going to look at four different examples of this kind of comparison tool. I'd like to get your opinion on each one in turn and understand which bits of each you like / don't like.</i></p> <p><i>ORDER FOR PRESENTING SCENARIOS – NB THIS IS IDEAL. HOWEVER, AFTER THE FIRST SCENARIO USE YOUR JUDGEMENT TO DECIDE IF THEY WOULD PREFER A SIMILAR EXAMPLE OR SOMETHING DIFFERENT (E.G. IF ASK FOR SIMPLE GO TO 1 OR 2, IF ASK FOR PERSONALISED GO FOR 3 OR 4) – IT IS IMPORTANT YOU TRY TO COVER ALL IN THE TIME</i></p> <p><i>Cambridge 2,1,3,4 London 1,2,3,4 Liverpool 3,4,2,1 Ayr 1,2,3,4 Taunton 4,3,2,1 Abergavenny 1,2,3,4</i></p> <p><i>Allow 30 mins for scenario shown first, 25 for the second, and c.20 for the ones shown third and fourth. Break before showing third scenario.</i></p> <p><i>Moderator notes for scenario testing:</i></p> <ul style="list-style-type: none"> - <i>Throughout this section please look for <u>variety in responses between different types of energy user</u> – from the more engaged to the less engaged. In the analysis we will also tease out any differences we notice <u>between the newly recruited 'lay' consumers and the 'learned' Panellists</u>. These are important distinctions which we need to look at in later analysis and the final report.</i> - <i>Probe throughout on <u>preferences for how costs are presented</u> (e.g. £/month or p/kWh. Past research has shown no conclusive evidence for which presentation is best (the proportion able to select the best tariff for them is similar across different formats and there was no significant difference in how long they take or self-defined ease of use. Consumers expressed a clear preference for indicative cost formats i.e. £/period of time. Understanding of the two is similar, although people are more likely to get the answer 'nearly right' with indicative costs, while with cost per unit sometimes this can be more seriously misinterpreted). Try and find out if participants are happy being presented different sets of information in different metrics (e.g. GTCR in p/kWh and PTCR in £/month – i.e. scenario 4). If they are happy, please note whether you believe that participants really understand how the metrics would work together.</i> - <i>If participants ask about 'standing charges' and where this information will be displayed, you can clarify that the standing charge</i>

is taken into consideration when calculating the TCR (so if you take the £/month metric this really will reflect what the average user will pay per month all in)

- **Warning!** We are discussing communications, marketing and advertising materials which may make participants inclined to discuss their general sense of a 'communications overload' in the energy market. While this is useful, please steer discussions on to the specific elements of the scenarios themselves. If useful, explain that the overall aim of the proposed TCR is that it may ultimately reduce the information overload as other forms of tariff information should hopefully become less necessary for consumers. **For existing Panellists** explain that the Tariff Information Labels we looked at in the first round of workshops will be used in conjunction with the TCRs.

Scenario 1

1. Handout participant stimulus packs between two (includes all mocked-up materials: annual statements, best-buy tables, range of advertising formats, supplier bills) Moderator keep a copy of the stimulus pack for presenting to whole group.

Explain this is the kind of thing consumers could expect to see if this type of comparison tool was in place.

Explain that these materials are designed to bring to life what this would actually look like to them as consumers.

The materials are mock-ups so it might not look exactly like this in reality but we are interested in what works well /less well so that the final concepts meet consumers' needs

Moderator note: clearly point out which parts of the stimulus participants need to look at in detail. There will be a lot of extraneous information e.g. on the annual statements, which they shouldn't waste time on.

Given them 2 minutes to look through and ask

- Would you read information like this? Why/why not?
- What would you do with it?
- Would it be of interest and /or prompt you to start thinking about your energy options

PAIRED EXERCISE

Give participants 5 minutes to discuss all the materials in pairs and think about what they think the figures mean and how they could be used. Ask participants to circle good ideas/useful information in green, less good in red and think about what are the advantages and disadvantages of this approach – ask participants to write as much on the materials as possible.

2. Group discussion

Ask for a volunteer to explain what they think the figures mean and how they could be used.

- **Probe: What does everyone else think? Did anyone have a different view?**
- **What are all the possible pros and cons to this idea**

3. Present basic concept (SHOW STIMULUS)

Moderator note: probe throughout on how each scenario compares with what we have now

Do you see yourselves using this type of information? Why/why not?

Are any items more / less useful than the rest?

What are the best features of this proposal? FLIPCHART

What doesn't work for you? FLIPCHART

What do you think about the disadvantages or risks with this approach? How acceptable or unacceptable are they?

What impact would it have on how you look around for other tariffs? Why?

How is it different to what we have now? To how you look around for tariffs now? Better / worse / no different?

PROBE FULLY AROUND:

Simplicity of making comparisons

Trigger to engaging in the market and shopping around

Clarity of savings

Metrics used (£/month)

Use in advertisements

Role of best-buy tables

Generic figures only i.e. not personalised

Potential risks attached – how acceptable / unacceptable are they?

Does it make it easier/harder to compare tariffs or does it have no impact?

Probe fully around what participants see as the potential pros and cons of this scenario. Use moderator copy of the pros and cons to see if they have understood the concept (record level of understanding for later analysis purposes.)

Now ask participants to look at the handout (included in their pack) which lists the potential pros and cons for this scenario

Work through each in turn and FLIPCHART

Sum-up

If we were in a world where this type of comparison tool existed, what difference (if any) would it make to how you think about your energy tariff options? Why?

What impact (if any) might it have on your tariff choice? Why?

Scenario 2

**REPEAT STEPS 1,2,3 AS ABOVE:
HANDOUT VISUAL STIMULUS PACK – PAIRED EXERCISE
GROUP DISCUSSION
PRESENT BASIC CONCEPT**

Group discussion

How did your understanding compare with the one we've just presented?

Do you see yourselves using this type of information? Why/why not?

Are any items more / less useful than the rest? Which?

Let's list the best features of this proposal? FLIPCHART

What doesn't work for you? FLIPCHART

What do you think about the disadvantages or risks with this approach? How acceptable or unacceptable are they?

What impact would it have on how you look around for other tariffs? Why?

How is it different to what we have now? To how you look around for tariffs now? Better / worse / no different?

How useful, if at all, would it be to have a 'personalised' list of cheapest tariffs, (i.e. one that compares tariffs based on your own energy consumption provided with your bill or annual statement) which would only contain information on tariffs from your current supplier? Would this be better or worse than a 'generic' Best Buy table, based on average prices (for high/medium/low) consumption but which covered all suppliers? Why? If prefer generic – where would you expect to get this information? Who would you trust to produce it?

Moderator note: Use earlier flipcharts to compare and contrast advantages/disadvantages with the first scenario
Constantly probe on how this scenario compares with what we have now

PROBE FULLY AROUND:

Simplicity of making comparisons

Trigger to engaging in the market and shopping around

Clarity of savings

Is it helpful to have current tariff and best 3 alternative tariffs for current supplier? Why /why not?

Metrics used (p/kWh)

Use in advertisements

Role of best-buy tables for low, medium and high consumers – (NB let people know whether they are low/medium/high will appear on their bill)

Preferences for one single table showing TCRs for all (low, medium and high) or separate tables

General figures i.e. not personalised

Potential risks attached – how acceptable / unacceptable are they?

Does it make it easier/harder to compare tariffs or does it have no impact?

Supplier communications show the best three alternative tariffs for you

Probe fully around what participants see as the potential pros and cons of this scenario. Use moderator copy of the pros and cons to see if they have understood the concept (record level of understanding for later analysis purposes.)

***Now ask participants to look at the handout (included in their pack) which lists the potential pros and cons for this scenario
Work through each in turn and FLIPCHART***

Sum-up

If we were in a world where this type of comparison tool existed, what difference would it make to how you think about your energy tariff options?

What impact might it have on your tariff choice?

Is it better or worse than the first scenario? Why?

Moderator note: when testing scenarios 3 and 4 we need to understand if participants understand the distinction between the general and personal TCRs and how they would envisage using them. Please encourage participants to discuss these as fully as possible in general discussion then use the moderator factsheet to probe on specific differences.

- How are general and personal TCRs different?
- How would they use each of them?
- Why/to what extent do consumers think it is necessary to have both a personal and a general TCR?

Scenario 3

REPEAT STEPS 1,2,3 AS ABOVE

HANDOUT VISUAL STIMULUS PACK – PAIRED EXERCISE

GROUP DISCUSSION

PRESENT BASIC CONCEPT

Group discussion

How did your understanding compare with the one we've just presented?

Do you see yourselves using this type of information? Why/why not?

Are any items more / less useful than the rest? Which?

Let's list the best features of this proposal? FLIPCHART

What doesn't work for you? FLIPCHART

What do you think about the disadvantages or risks with this approach? How acceptable or unacceptable are they?

What impact would it have on how you look around for other tariffs? Why?

How is it different to what we have now? To how you look around for tariffs now? Better / worse / no different?

Moderator note: Use earlier flipcharts to compare and contrast advantages/disadvantages with the first and second scenario
Constantly probe on how this scenario compares with what we have now

ENSURE ALL THE FOLLOWING ARE DISCUSSED:

Simplicity of making comparisons

Trigger to engaging in the market and shopping around

Clarity of savings

Metrics used (£/year)

Use in advertisements

Role of best-buy tables for low, medium and high consumers – (NB let people know whether they are low/medium/high will appear on their bill)

Preferences for one single table showing TCRs for all (low, medium and high) or separate tables

Combination of General and Personal figures

Potential risks attached – how acceptable / unacceptable are they? Does it make it easier/harder to compare tariffs or does it have no impact?

Probe fully around what participants see as the potential pros and cons of this scenario. Use moderator copy of the pros and cons to see if they have understood the concept (record level of understanding for later analysis purposes.)

***Now ask participants to look at the handout (included in their pack) which lists the potential pros and cons for this scenario
Work through each in turn and FLIPCHART***

Probe specifically around the issue of general and personal TCRs and how participants envisage they would use these

Sum-up

If we were in a world where this type of comparison tool existed, what difference would it make to how you think about your energy tariff options?

What impact might it have on your tariff choice?

Is it better or worse than the first scenario? Why? What about the second? Why?

Scenario 4

REPEAT STEPS 1,2,3 AS ABOVE

**HANDOUT VISUAL STIMULUS PACK – PAIRED EXERCISE
GROUP DISCUSSION
PRESENT BASIC CONCEPT**

Group discussion

How did your understanding compare with the one we've just presented?

Do you see yourselves using this type of information? Why/why not?

Were any items more / less useful than the rest? Which?

Let's list the best features of this proposal? FLIPCHART

And what doesn't work for you? FLIPCHART

What do you think about the disadvantages or risks with this approach? How acceptable or unacceptable are they?

What impact would it have on how you look around for other tariffs? Why? How is it different to what we have now? To how you look around for tariffs now? Better / worse / no different?

Moderator note: Use earlier flipcharts to compare and contrast advantages/disadvantages with the first, second and third scenario
Constantly probe on how this scenario compares with what we have now

ENSURE ALL THE FOLLOWING ARE DISCUSSED:

Simplicity of making comparisons

Trigger to engaging in the market and shopping around

Clarity of savings

Is it useful to have the single best alternative tariff from the supplier also included in communications?

Metrics used (£/year AND p/kWh)

Use in advertisements

Role of best-buy tables using General TCRs only

Combination of General and Personal figures

Does it make it easier/harder to compare tariffs or does it have no impact?

Supplier communications show the single best alternative tariff for you with current supplier

Probe fully around what participants see as the potential pros and cons of this scenario. Use moderator copy of the pros and cons to see if they have understood the concept (record level of understanding for later analysis purposes.)

Now ask participants to look at the handout (included in their pack) which lists the potential pros and cons for this scenario

Work through each in turn and FLIPCHART

Probe specifically around the issue of general and personal TCRs and how participants envisage they would use these

	<p><u>Sum-up</u> If we were in a world where this type of comparison tool existed, what difference would it make to how you think about your energy tariff options? What impact might it have on your tariff choice? Is it better or worse than the first scenario? Why? What about the second? Why? And the third? Why?</p>
<p>2 mins</p>	<p><u>Section 4: Evaluating the number of tariffs to be included in comparisons</u> <i>AIM: to understand how many tariffs should be included in tables and whether or not changing the number of tariffs available could impact on views</i></p> <p>IF NOT ALREADY COVERED, MAKE SURE YOU PROBE ON THE FOLLOWING...</p> <p><u>Number of tariffs</u></p> <p>How many options would you like to see in the comparison tables? <i>PROBE: all, some, just the lowest cost, just ones with offers, one for each supplier etc Why?</i></p> <p>Would your views change if there were fewer tariffs to choose from in the market? Why/why not?</p> <p>Would the TCR be more / less helpful if there were fewer tariffs in the market? Why?</p>
<p>20 mins</p>	<p><u>Section 5: Best ideas, suggestions for improvement and final review of scenarios</u> <i>AIM: to understand what will help consumers make tariff comparisons and which elements from the scenarios they would retain / reject</i></p> <p>Ask everyone to write down - if you had to pick one scenario, which would you pick and why? - Ask them to read out what they wrote</p> <p>And having seen the different options, do you think that they would be useful to you for considering your options? Why/why not? How does this compare to how things are now – better, worse or about the same?</p> <p>We've talked about a lot of different ideas tonight. Looking back through the materials we gave you, what were the best ideas that you've seen? Why?</p> <ul style="list-style-type: none"> ○ Probe: General TCR and/or Personal, Advertised, Supplier communications, personalised lists, best buy tables, £/month, p/kWh, low/medium/high user information <p>Which ideas were less good? Why?</p> <p>What other ideas can you think of that might encourage customers to be more interested in their energy options and make comparisons more accurately?</p>

	<p>Thinking of everything we've looked at tonight, how has your view of what we've seen changed as we worked through each scenario? Why?</p> <p><i>Ask participants to describe their 'participant journey'.</i></p> <p>What have you learned? Which aspects have become more / less appealing?</p> <ul style="list-style-type: none"> • If you were to sum-up each scenario in two words what would they be? <i>Flipchart responses for scenarios 1-4. Ask participants to explain their choices.</i> • <i>If participants struggle, prompt with words like: simple, complicated, engaging, useful, irrelevant, informative, misleading</i> <p>Moderator note: <i>The aim here is to understand how consumers have arrived at their preferred option and ensure insofar as possible that their choice has not been an effect of the order of presentation.</i></p>
<p>5 mins</p>	<p><u>Section 6: Wind-down and close</u> <i>AIM: to bring the workshop to a close and allow participants to comment on what they have discussed and learned</i></p> <p><u>TABLES</u></p> <p><i>Bring discussion to close – final comments/points participants would like to make.</i></p> <p><u>PLENARY</u></p> <p><i>LEAD MODERATOR to thank everyone for taking part. Remind them of how important the research is (previous Ofgem research).</i></p>
	<p><i>Thank and hand out incentives / sign sheets</i></p>

Fieldwork materials: stimulus

Stimulus materials - mock versions of supplier communications, best-buy tables and public adverts - were designed by an independent design agency commissioned by Ofgem and tested during workshops and interviews.

Please use the table below as a key to references made in Section 5 of the report.

Stimulus type	Scenario 1	Scenario 2	Scenario 3	Scenario 4
1.0 Annual statement	1.1	1.2	1.3	1.4
2.0 Bill	2.1	2.2	2.3	2.4
3.0 Best Buy table	3.1	3.2	3.3	3.4
4.0 Adverts	4.1	4.2	4.3	4.4

For triad depth interviews, all stimulus materials were adjusted and made relevant for Economy 7 (time-of-use) tariff customers.

1. Mock annual statements

1.1 Annual statement, scenario 1

1

YourPower

ENERGY FOR YOU AND YOURS

✓

Read your statement to see how much electricity you've been using, and check you're getting the best deal on the cost of your supply.

Mr A Jones
1 Scenario Street
Sample Ville
SAMPLE

Your account number:
123 123 123 123

Statement date:
15 Jan 2012

Supply address:
1 Scenario Street
Sample Ville
SAM PLE

Mr Jones,

Your annual electricity statement

For 01 January 2011 to 01 January 2012

→

This is important information about your electricity usage and tariff – we hope you find it helpful. You can use this information to compare your current tariff with others that are available, either from us, or from other suppliers.

Remember – you always have the right to switch your tariff or your supplier. Turn over to see if you could save money by switching →

Your electricity usage summary

- Over the last 12 months you've used **3,100 kWh** (including estimated readings)
- Your total costs were **£445.81**
- The TCR for your tariff is **£38.90** per month

kWh

	Jan – Mar	Apr – Jun	Jul – Sep	Oct – Dec
2011:	£131.59	£98.32	£90.22	£125.68
2010:	£127.84	£96.37	£87.51	£121.91

Based on your current tariff and usage, we've forecast that the electricity you will use over the next 12 months will cost **£452***.

**Based on our current prices and includes all discounts and added charges, like VAT. If the price of your tariff changes or you change your tariff, or the amount you use, this forecast will change too.*

Any questions after reading your statement?

Visit yourpower.co.uk

Or call 0800 123 1234
(8am–8pm Mon–Fri, 8am–2pm Sat)

1 **Could you save money on your electricity?**

To check if we have a better tariff on offer for you, visit our website or call us. It's also a good idea to shop around to see what other suppliers are offering. You can use the information on this page to easily compare your tariff.

Why are we sending you this?

As your energy supplier, we are required to give you this information about your usage and your right to switch.

Need independent advice about switching your tariff or supplier?

You can get advice on switching suppliers from Consumer Direct:

 consumerdirect.gov.uk
 08454 04 05 06

Consumer Focus has a Confidence Code for online switching sites to ensure consumers receive accurate, detailed and unbiased price comparisons.

 consumerfocus.org.uk
 08454 12 34 56

About your electricity tariff

Tariff name	Standard Electricity
Tariff type	Standard
Payment method	Cash/Cheque
Unit rate	10.51p per kWh
Standing charge	£10 per month
Tariff ends on	No end date
Tariff length	Ongoing
Price guaranteed until	Does not apply
Exit fees (if you cancel this tariff before the end date)	Does not apply
Additional products or services	Loyalty points
Tariff Comparison Rate (TCR)	£38.90 per month

The TCR can be used as a guide to compare the price of electricity tariffs: the lower the TCR the cheaper the tariff. It's based on an average user who uses 3,300 kWh per year. Find the cheapest tariff for you by contacting a supplier, visiting a switching site or calling an adviser.

Key contractual terms

Cancellation fees and arrangements for ending the contract
 You may end your contract at any time without being charged a cancellation fee, but you must give us 28 days' notice, provide a final meter reading and settle any outstanding debt for electricity.

Other terms

Discounts
 Your tariff includes our [x] discount of [x]. This discount will continue to apply if you continue to meet the following conditions [x]. If we decide to withdraw this discount we will notify you in advance and inform you of your rights.

Moving house
 If you move house you must give us at least 2 days' advance notice or you will continue to be liable for the supply until the earlier of:

- the second working day after you have subsequently notified us of that you have moved house; or
- the date another person begins to own or occupy the premises and starts to consume electricity.

Additional charges
 We may charge you for any additional visits, tests or work carried out at your request. Details of these charges are provided in the enclosed leaflet.

Jargon explained

kWh (kilowatt hour) – one kilowatt of power being used for one hour. It's the same as a 40-watt light bulb being left on for 25 hours. Also known as a 'unit' of energy.

Standing charge – a fixed daily amount you pay your electricity supplier for maintenance and other costs, such as meter reading and maintaining connection to the power network.

Switch – to change from the current supplier to a different supplier, or to change from the current tariff to a different tariff with the same supplier.

Tariff – the package of charges and conditions that a supplier offers you for providing electricity.

Tariff Comparison Rate (TCR) – TCR is a figure that can be used to compare the cost of the tariff you are on against alternative tariffs from your own or other suppliers. The TCR is the estimated monthly bill for a customer who uses an average amount of electricity. The TCR takes account of any standing charge and the unit rates(s) that make up the tariff. The TCR is not based on the actual amount of electricity you use and should be used as a guide only.

Unit rate – the price per kilowatt hour of electricity used.

1.2 Annual statement, scenario 2

2

YourPower

ENERGY FOR YOU AND YOURS

Read your statement to see how much electricity you've been using, and check you're getting the best deal on the cost of your supply.

Mr A Jones
2 Scenario Street
Sample Ville
SAMPLE

Your account number:
123 123 123 123

Statement date:
15 Jan 2012

Supply address:
2 Scenario Street
Sample Ville
SAM PLE

Mr Jones,

Your annual electricity statement

For 01 January 2011 to 01 January 2012

→

This is important information about your electricity usage and tariff – we hope you find it helpful. You can use this information to compare your current tariff with others that are available, either from us, or from other suppliers.

Remember – you always have the right to switch your tariff or your supplier. Turn over to see if you could save money by switching →

Your electricity usage summary

- Over the last 12 months you've used **1,800 kWh** (including estimated readings)
- Your total costs were **£309.18**
- The TCR for your tariff is 17.78p per kWh

	Jan – Mar	Apr – Jun	Jul – Sep	Oct – Dec
2011:	£95.27	£88.92	£55.67	£89.32
2010:	£92.41	£86.85	£54.00	£86.64

Based on your current tariff and usage, we've forecast that the electricity you will use over the next 12 months will cost **£320.00***.

**Based on our current prices and includes all discounts and added charges, like VAT. If the price of your tariff changes or you change your tariff, or the amount you use, this forecast will change too.*

How do you compare?

Number of people in household	Average annual electricity usage
1 person icon	1,650 kWh
2 people icon	3,300 kWh
3 people icon	4,600 kWh

Based on your usage in the last 12 months, you are considered a **Low User**. This means you've used around the same amount of electricity as an average 1-person family in Britain.

Could you save money on your electricity?

You could save money by switching to one of these cheaper tariffs:

- Clear and Simple tariff – TCR of 17.72p per kWh
- Online Saver tariff – TCR of 17.20p per kWh
- Fixed Price tariff – TCR of 18.95p per kWh

To check if we have a better tariff on offer for you, visit our website or call us. It's also a good idea to shop around to see what other suppliers are offering. You can use the information on this page to easily compare your tariff.

Why are we sending you this?

As your energy supplier, we are required to give you this information about your usage and your right to switch.

Need independent advice about switching your tariff or supplier?

You can get advice on switching suppliers from **Consumer Direct**:

 consumerdirect.gov.uk
 08454 04 05 06

Consumer Focus has a Confidence Code for online switching sites to ensure consumers receive accurate, detailed and unbiased price comparisons.

 consumerfocus.org.uk
 08454 12 34 56

About your electricity tariff

Tariff name	Standard Electricity
Tariff type	Standard
Payment method	Cash/Cheque
Unit rate	10.51p per kWh
Standing charge	£10 per month
Tariff ends on	No end date
Tariff length	Ongoing
Price guaranteed until	Does not apply
Exit fees (if you cancel this tariff before the end date)	Does not apply
Additional products or services	Loyalty points
Tariff Comparison Rate (TCR)	17.78p per kWh

The TCR can be used to compare the price of electricity tariffs: the lower the TCR the cheaper the tariff. It's based on a low user who uses 1,650 kWh per year, and should be used as a guide only. You are a **Low User** – use the low user figures when comparing tariffs.

Key contractual terms

Cancellation fees and arrangements for ending the contract
 You may end your contract at any time without being charged a cancellation fee, but you must give us 28 days' notice, provide a final meter reading and settle any outstanding debt for electricity.

Other terms

Discounts
 Your tariff includes our [x] discount of [x]. This discount will continue to apply if you continue to meet the following conditions [x]. If we decide to withdraw this discount we will notify you in advance and inform you of your rights.

Moving house
 If you move house you must give us at least 2 days' advance notice or you will continue to be liable for the supply until the earlier of:

- the second working day after you have subsequently notified us of that you have moved house; or
- the date another person begins to own or occupy the premises and starts to consume electricity.

Additional charges
 We may charge you for any additional visits, tests or work carried out at your request. Details of these charges are provided in the enclosed leaflet.

Jargon explained

kWh (kilowatt hour) – one kilowatt of power being used for one hour. It's the same as a 40-watt light bulb being left on for 25 hours. Also known as a 'unit' of energy.

Standing charge – a fixed daily amount you pay your electricity supplier for maintenance and other costs, such as meter reading and maintaining connection to the power network.

Switch – to change from the current supplier to a different supplier, or to change from the current tariff to a different tariff with the same supplier.

Tariff – the package of charges and conditions that a supplier offers you for providing electricity.

Tariff Comparison Rate (TCR) – TCR is a figure that can be used to compare the cost of the tariff you are on against alternative tariffs from your own or other suppliers. The TCR is calculated as the estimated yearly bill, divided by the amount of energy used each year by a typical low, medium or high user of electricity. The TCR takes account of any standing charge and the unit rates(s) that make up the tariff. The TCR is not based on your personal consumption and should be used as a guide only.

Unit rate – the price per kilowatt hour of electricity used.

Scenario 2

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This work was carried out in accordance with the requirements of the international quality standard for Market Research, ISO 20252:2006.

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1.3 Annual statement, scenario 3

3

YourPower

ENERGY FOR YOU AND YOURS

Read your statement to see how much electricity you've been using, and check you're getting the best deal on the cost of your supply.

Mr A Jones
3 Scenario Street
Sample Ville
SAMPLE

Your account number:
123 123 123 123

Statement date:
15 Jan 2012

Supply address:
3 Scenario Street
Sample Ville
SAM FLE

Mr Jones,

Your annual electricity statement

For 01 January 2011 to 01 January 2012

→

This is important information about your electricity usage and tariff – we hope you find it helpful. You can use this information to compare your current tariff with others that are available, either from us, or from other suppliers.

Remember – you always have the right to switch your tariff or your supplier. Turn over to see if you could save money by switching →

Your electricity usage summary

- Over the last 12 months you've used **4,400 kWh** (including estimated readings)
- Your total costs were **£582.44**
- Your PTCR for this tariff is £582.44 per year

	Jan – Mar	Apr – Jun	Jul – Sep	Oct – Dec
2011:	£175.98	£125.60	£117.21	£163.65
2010:	£170.70	£121.83	£113.89	£158.74

Based on your current tariff and usage, we've forecast that the electricity you will use over the next 12 months will cost **£552***.

**Based on our current prices and includes all discounts and added charges, like VAT. If the price of your tariff changes or you change your tariff, or the amount you use, this forecast will change too.*

How do you compare?

Number of people in household	Average annual electricity usage
1 person icon	1,650 kWh
2 people icon	3,300 kWh
5 people icon	4,600 kWh

Based on your usage in the last 12 months, you are considered a **High User**. This means you've used around the same amount of electricity as an average 5-person family in Great Britain.

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This work was carried out in accordance with the requirements of the international quality standard for Market Research, ISO 20252:2006.

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Could you save money on your electricity?

To check if we have a better tariff on offer for you, visit our website or call us. It's also a good idea to shop around to see what other suppliers are offering. You can use the information on this page to easily compare your tariff.

Why are we sending you this?

As your energy supplier, we are required to give you this information about your usage and your right to switch.

Need independent advice about switching your tariff or supplier?

You can get advice on switching suppliers from **Consumer Direct**:

 consumerdirect.gov.uk

 08454 04 05 06

Consumer Focus has a Confidence Code for online switching sites to ensure consumers receive accurate, detailed and unbiased price comparisons.

 consumerfocus.org.uk

 08454 12 34 56

About your electricity tariff

Tariff name	Standard Electricity
Tariff type	Standard
Payment method	Cash/Cheque
Unit rate	10.51p per kWh
Standing charge	£10.00 per month
Tariff ends on	No end date
Tariff length	Ongoing
Price guaranteed until	Does not apply
Exit fees (if you cancel this tariff before the end date)	Does not apply
Additional products or services	Loyalty points
Personal Tariff Comparison Rate (PTCR)	£582.44 per year

This PTCR is based on your actual consumption. You are a High User. As a guide, you can compare your PTCR with the General Tariff Comparison Rate (GTCR) of other tariffs for a High User. The lower the GTCR, the cheaper the tariff. For an accurate comparison, you should obtain the PTCR for other tariffs and compare this with the PTCR above.

Key contractual terms

Cancellation fees and arrangements for ending the contract

You may end your contract at any time without being charged a cancellation fee, but you must give us 28 days' notice, provide a final meter reading and settle any outstanding debt for electricity.

Other terms

Discounts

Your tariff includes our [x] discount of [x]. This discount will continue to apply if you continue to meet the following conditions [x]. If we decide to withdraw this discount we will notify you in advance and inform you of your rights.

Moving house

If you move house you must give us at least 2 days' advance notice or you will continue to be liable for the supply until the earlier of:

- the second working day after you have subsequently notified us of that you have moved house; or
- the date another person begins to own or occupy the premises and starts to consume electricity.

Additional charges

We may charge you for any additional visits, tests or work carried out at your request. Details of these charges are provided in the enclosed leaflet.

Jargon explained

kWh (kilowatt hour) – one kilowatt of power being used for one hour. It's the same as a 40-watt light bulb being left on for 25 hours. Also known as a 'unit' of energy.

Standing charge – a fixed daily amount you pay your electricity supplier for maintenance and other costs, such as meter reading and maintaining connection to the power network.

Switch – to change from the current supplier to a different supplier, or to change from the current tariff to a different tariff with the same supplier.

Tariff – the package of charges and conditions that a supplier offers you for providing electricity.

Personal Tariff Comparison Rate (PTCR) – the PTCR is calculated as your estimated yearly bill. As a guide you can compare your PTCR with a General TCR for either a low, medium or high user (depending on which you are) but to ensure that you find the cheapest tariff for you, you should compare your PTCR with PTCRs for other tariffs. You can obtain PTCRs for other tariffs by contacting a supplier, visiting a switching site or calling an adviser.

Unit rate – the price per kilowatt hour of electricity used.

Scenario 3

1.4 Annual statement, scenario 4

4

YourPower

ENERGY FOR YOU AND YOURS

Read your statement to see how much electricity you've been using, and check you're getting the best deal on the cost of your supply.

Mr A Jones
4 Scenario Street
Sample Ville
SAMPLE

Your account number:
123 123 123

Statement date:
15 Jan 2012

Supply address:
4 Scenario Street
Sample Ville
SAM PLE

Mr Jones,

Your annual electricity statement

For 01 January 2011 to 01 January 2012

→

This is important information about your electricity usage and tariff – we hope you find it helpful. You can use this information to compare your current tariff with others that are available, either from us, or from other suppliers.

Remember – you always have the right to switch your tariff or your supplier. Turn over to see if you could save money by switching →

Your electricity usage summary

- Over the last 12 months you've used **3,900 kWh** (including estimated readings)
- Your total costs were **£529.89**
- The Personal Tariff Comparison Rate (PTCR) for your tariff is £529.89

kWh

	Jan – Mar	Apr – Jun	Jul – Sep	Oct – Dec
2011:	£154.39	£124.68	£105.09	£145.73
2010:	£149.76	£120.94	£101.94	£141.36

Based on your current tariff and usage, we've forecast that the electricity you will use over the next 12 months will cost **£552***.

**Based on our current prices and includes all discounts and added charges, like VAT. If the price of your tariff changes or you change your tariff, or the amount you use, this forecast will change too.*

Any questions after reading your statement?

Visit yourpower.co.uk

Or call **0800 123 1234**
(8am–8pm Mon–Fri, 8am–2pm Sat)

4

Could you save money on your electricity?

You are on a fixed-rate, fixed-term tariff paying by cash/cheque. Our Standard Electricity Direct Debit offers a lower PTCR of £520 per year. This will save you money as your PTCR is currently £529.89 per year.

To check if we have a better tariff on offer for you, visit our website or call us. It's also a good idea to shop around to see what other suppliers are offering. You can use the information on this page to easily compare your tariff.

Why are we sending you this?

As your energy supplier, we are required to give you this information about your usage and your right to switch.

Need independent advice about switching your tariff or supplier?

You can get advice on switching suppliers from **Consumer Direct**:

 consumerdirect.gov.uk

 08454 04 05 06

Consumer Focus has a Confidence Code for online switching sites to ensure consumers receive accurate, detailed and unbiased price comparisons.

 consumerfocus.org.uk

 08454 12 34 56

About your electricity tariff

Tariff name	Standard Electricity
Tariff type	Standard
Payment method	Cash/Cheque
Unit rate	10.51p per kWh
Standing charge	£10 per month
Tariff ends on	No end date
Tariff length	Ongoing
Price guaranteed until	Does not apply
Exit fees (if you cancel this tariff before the end date)	Does not apply
Additional products or services	Loyalty points
Personal Tariff Comparison Rate (PTCR)	£529.89 per year
This PTCR is based on your actual consumption.	
General Tariff Comparison Rate (GTCR)	14.20p per kWh
The GTCR can be used to compare the price of electricity tariffs: the lower the GTCR the cheaper the tariff.	

Key contractual terms

Cancellation fees and arrangements for ending the contract

You may end your contract at any time without being charged a cancellation fee, but you must give us 28 days' notice, provide a final meter reading and settle any outstanding debt for electricity.

Other terms

Discounts

Your tariff includes our [x] discount of [x]. This discount will continue to apply if you continue to meet the following conditions [x]. If we decide to withdraw this discount we will notify you in advance and inform you of your rights.

Moving house

If you move house you must give us at least 2 days' advance notice or you will continue to be liable for the supply until the earlier of:

- the second working day after you have subsequently notified us of that you have moved house; or
- the date another person begins to own or occupy the premises and starts to consume electricity.

Additional charges

We may charge you for any additional visits, tests or work carried out at your request. Details of these charges are provided in the enclosed leaflet.

Jargon explained

kWh (kilowatt hour) – one kilowatt of power being used for one hour. It's the same as a 40-watt light bulb being left on for 25 hours. Also known as a 'unit' of energy.

Standing charge – a fixed daily amount you pay your electricity supplier for maintenance and other costs, such as meter reading and maintaining connection to the power network.

Switch – to change from the current supplier to a different supplier, or to change from the current tariff to a different tariff with the same supplier.

Tariff – the package of charges and conditions that a supplier offers you for providing electricity.

General Tariff Comparison Rate (GTCR) – the GTCR is a figure that can be used to compare the cost of the tariff you are on against different tariffs from your own or other suppliers. The GTCR is the average cost per kWh for a customer who uses an average amount of electricity. The GTCR takes account of any standing charge and the unit rates(s) that make up the tariff. The GTCR is not based on the actual amount of electricity you use and should be used as a guide only.

Personal Tariff Comparison Rate (PTCR) – the PTCR is calculated as your estimated yearly bill. It cannot be compared with General TCRs. However, you could compare the PTCR for your current tariff with a PTCR given to you for an alternative tariff by your current supplier, an alternative supplier or a switching site.

Unit rate – the price per kilowatt hour of electricity used.

Scenario 4

2. Mock supplier bills

2.1 Supplier bill, scenario 1

1



Mr A Smith
1 Scenario Street
Sample Ville
SAMPLE

Your electricity bill

Your account number: 123 123 123 123
Bill date: 17 February 2012
Bill period: 21 Nov 11 – 12 Feb 12
Supply address: 1 Scenario Street, Sample Ville SAMPLE

Your account summary

Your previous bill	£58.33 in debit
What you paid	£58.33
<i>Balance after your last payment</i>	£0.00

This bill (See over for more information →)

Your electricity charges	£117.51
VAT at 5%	£5.88
Total to pay	£123.39

→ Please pay **£123.39** by **3 March 2012**

Questions?
☎ **0800 123 1234**
Lines open 8am–8pm Mon–Fri, 8am–2pm Sat

🌐 **www.yourpower.co.uk**

📍 Your Power, Head Office,
12 Sample street, Sample TownXX99 9XX

ABOUT YOUR TARIFF

Here's information about your tariff to help you to compare it with others available, and switch if you find one that's better for you. We are required to give you this information by the Regulator.

Electricity	
Tariff name	Standard Electricity
Payment method	Cash/Cheque
Tariff Comparison Rate (TCR)	£38.90 per month

The TCR can be used as a guide to compare the price of electricity tariffs: the lower the TCR the cheaper the tariff. It's based on an average user who uses 3,300 kWh per year. Find the cheapest tariff for you by contacting a supplier, visiting a switching site or calling an adviser.

Your actual usage in the last 12 months	3,100 kWh
---	-----------

For impartial advice on switching tariff or supplier visit www.consumerdirect.gov.uk or call 0800 891 0256

2.2 Supplier bill, scenario 2

2

YourPower
ENERGY FOR YOU AND YOURS

Mr A Smith
2 Scenario Street
Sample Ville
SAMPLE

Your electricity bill

Your account number: 123 123 123 123
 Bill date: 17 February 2012
 Bill period: 21 Nov 11 – 12 Feb 12
 Supply address: 2 Scenario Street, Sample Ville SAMPLE

Your account summary

Your previous bill	£58.33 in debit
What you paid	£58.33
Balance after your last payment	£0.00

This bill (See over for more information →)

Your electricity charges	£117.51
VAT at 5%	£5.88
Total to pay	£123.39

→ Please pay **£123.39** by **3 March 2012**

Questions?
 ☎ **0800 123 1234**
 Lines open 8am–8pm Mon–Fri, 8am–2pm Sat

🌐 **www.yourpower.co.uk**

📍 Your Power, Head Office,
 12 Sample street, Sample TownXX99 9XX

ABOUT YOUR TARIFF

Here's information about your tariff to help you to compare it with others available, and switch if you find one that's better for you. We are required to give you this information by the Regulator.

Electricity

Tariff name	Standard Electricity
Payment method	Cash/Cheque
Tariff Comparison Rate (TCR)	17.78p per kWh

The TCR can be used as a guide to compare the price of electricity tariffs: the lower the TCR the cheaper the tariff. It's based on a low user who uses 1,650 kWh per year. You are a **Low User** – use the low user figures when comparing tariffs.

Your actual usage in the last 12 months 1,800 kWh

Are you on the best tariff for you?

Based on your current tariff and usage, there are three cheaper tariffs that we can offer you. The following tariffs all have lower TCR rates:

- Clear and Simple (17.72p per kWh)
- Online Saver (17.20p per kWh)
- Fixed Price (16.95p per kWh)

Call us or visit our website for details.
 For impartial advice on switching tariff or supplier visit www.consumerdirect.gov.uk or call 0800 891 0256

Supplier bill, scenario 3

3 **YourPower**
ENERGY FOR YOU AND YOURS

Mr A Smith
3 Scenario Street
Sample Ville
SAMPLE

Your electricity bill

Your account number: 123 123 123 123
 Bill date: 17 February 2012
 Bill period: 21 Nov 11 – 12 Feb 12
 Supply address: 3 Scenario Street, Sample Ville SAMPLE

Your account summary

Your previous bill	£58.33 in debit
What you paid	£58.33
<i>Balance after your last payment</i>	<i>£0.00</i>

This bill (See over for more information →)

Your electricity charges	£117.51
VAT at 5%	£5.88
Total to pay	£123.39

→ Please pay **£123.39** by **3 March 2012**

Questions?
 ☎ **0800 123 1234**
 Lines open 8am–8pm Mon–Fri, 8am–2pm Sat

🌐 **www.yourpower.co.uk**

📍 Your Power, Head Office,
 12 Sample street, Sample TownXX99 9XX

ABOUT YOUR TARIFF

Here's information about your tariff to help you to compare it with others available, and switch if you find one that's better for you. We are required to give you this information by the Regulator.

Electricity	
Tariff name	Standard Electricity
Payment method	Cash/Cheque
Personal Tariff Comparison Rate (PTCR)	£582.44 per year

This PTCR is based on your actual consumption.

General Tariff Comparison Rates (GTCRs) can be used as a guide to compare the price of electricity tariffs: the lower the GTCR, the cheaper the tariff.

You are a **High User**. As a guide, use your PTCR to compare against GTCRs for a **High User** to find out if you're on the right tariff.

Your actual usage in the last 12 months	4,400 kWh
---	-----------

For impartial advice on switching tariff or supplier visit www.consumerdirect.gov.uk or call 0800 891 0256

2.4 Supplier bill, scenario 4

4

YourPower
ENERGY FOR YOU AND YOURS

Mr A Smith
4 Scenario Street
Sample Ville
SAMPLE

Your electricity bill

Your account number: 123 123 123 123
 Bill date: 17 February 2012
 Bill period: 21 Nov 11 – 12 Feb 12
 Supply address: 4 Scenario Street, Sample Ville SAMPLE

Your account summary

Your previous bill	£58.33 in debit
What you paid	£58.33
<i>Balance after your last payment</i>	<i>£0.00</i>

This bill (See over for more information →)

Your electricity charges	£117.51
VAT at 5%	£5.88
Total to pay	£123.39

→ Please pay £123.39 by 3 March 2012

Questions?
 ☎ **0800 123 1234**
Lines open 8am–8pm Mon–Fri, 8am–2pm Sat

🌐 **www.yourpower.co.uk**

📍 Your Power, Head Office,
 12 Sample street, Sample TownXX99 9XX

ABOUT YOUR TARIFF

Here's information about your tariff to help you to compare it with others available, and switch if you find one that's better for you. We are required to give you this information by the Regulator.

Electricity	
Tariff name	Standard Electricity
Payment method	Cash/Cheque
Your actual usage in the last 12 months	3900 kWh
Personal Tariff Comparison Rate (PTCR)	£529.89 per year
This PTCR is based on your actual consumption. You can compare it with the PTCRs for other tariffs, but not GTCRs.	
General Tariff Comparison Rate (GTCR)	14.20p per kWh
The GTCR is based on the consumption of an average user, who used 3,300 kWh per year. As a guide, use your GTCR to compare against other GTCRs for other tariffs: the lower the GTCR the cheaper the tariff.	

Are you on the best tariff for you?

Based on your current tariff and usage, there is a tariff with a lower PTCR that we can offer you:

- Clear and Simple (£502.32 per year)

Call us or visit our website for details.
 For impartial advice on switching tariff or supplier visit www.consumerdirect.gov.uk or call 0800 891 0256

3 Mock best buy tables

3.1 Best buy table, scenario 1

1

Could you save money by switching?

The table below compares electricity costs across different tariffs based on a customer with average consumption. Tariff Comparison Rates (TCRs) can be used to compare the price of energy tariffs. The TCR is a guide: the lower the TCR the cheaper the tariff for an average user of electricity. What you actually pay per month will depend on what you actually use.

Company	TCR*	Other information
 redenergy	£36.80 per month	<ul style="list-style-type: none"> • Tariff: Online variable Direct Debit • No exit fees • Earn reward points
 energise	£37.50 per month	<ul style="list-style-type: none"> • Tariff: New energy – electricity Cash/Cheque • Fixed prices until 31 December 2013 • Only available to new customers
 YourPower	£38.90 per month	<ul style="list-style-type: none"> • Tariff: Standard Electricity • £50.00 loyalty discount • Cash/Cheque
 ECO GAS	£39.00 per month	<ul style="list-style-type: none"> • Tariff: Fixed Best Rate Eco Cash/Cheque • Fixed prices until 31 August 2014 • Environmentally friendly energy
 POWER ON	£42.25 per month	<ul style="list-style-type: none"> • Tariff: Super Saver 2012 Fixed Direct Debit • Earn reward points • Online account management

* This figure is based on a customer with average consumption (around 3,300 kWh per year).

3.2 Best buy table, scenario 2

2

Scenario 2

Could you save money by switching?

The table below compares Tariff Comparison Rates (TCRs) on different tariffs, offered by different companies for customers who are low, medium and high users of electricity. TCRs can be used to compare the price of electricity tariffs. The TCR is a guide: the lower the TCR the cheaper the tariff. Please see your bill if you are unsure if you are a low, medium or high user of electricity.

Low user		
Company	TCR based on 1,650 kWh per year	Other information
	13.26p per kWh	<ul style="list-style-type: none"> • Tariff: Online variable Direct Debit • No exit fees • Earn reward points
	17.08p per kWh	<ul style="list-style-type: none"> • Tariff: New energy – electricity Cash/ Cheque • Fixed prices until 31 December 2013 • Only available to new customers
	17.78p per kWh	<ul style="list-style-type: none"> • Tariff: Standard Electricity • £50.00 loyalty discount • Cash/Cheque
	17.86p per kWh	<ul style="list-style-type: none"> • Tariff: Fixed Best Rate Eco Cash/ Cheque • Fixed prices until 31 August 2014 • Environmentally friendly energy
	18.20p per kWh	<ul style="list-style-type: none"> • Tariff: Super Saver 2012 Fixed Direct Debit • Earn reward points • Online account management

Medium user		
Company	TCR based on 3,300 kWh per year	Other information
	12.84p per kWh	<ul style="list-style-type: none"> • Tariff: Online variable Direct Debit • No exit fees • Earn reward points
	13.20p per kWh	<ul style="list-style-type: none"> • Tariff: Standard Electricity • £50.00 loyalty discount • Cash/Cheque
	13.95p per kWh	<ul style="list-style-type: none"> • Tariff: New energy – electricity Cash/ Cheque • Fixed prices until 31 December 2013 • Only available to new customers
	14.19p per kWh	<ul style="list-style-type: none"> • Tariff: Fixed Best Rate Eco Cash/ Cheque • Fixed prices until 31 August 2014 • Environmentally friendly energy
	14.62p per kWh	<ul style="list-style-type: none"> • Tariff: Super Saver 2012 Fixed Direct Debit • Earn reward points • Online account management

High user		
Company	TCR based on 4,600 kWh per year	Other information
	11.81p per kWh	<ul style="list-style-type: none"> • Tariff: New energy – electricity Cash/ Cheque • Fixed prices until 31 December 2013 • Only available to new customers
	12.14p per kWh	<ul style="list-style-type: none"> • Tariff: Standard Electricity • £50.00 loyalty discount • Cash/Cheque
	12.35p per kWh	<ul style="list-style-type: none"> • Tariff: Online variable Direct Debit • No exit fees • Earn reward points
	12.65p per kWh	<ul style="list-style-type: none"> • Tariff: Fixed Best Rate Eco Cash/ Cheque • Fixed prices until 31 August 2014 • Environmentally friendly energy
	13.52p per kWh	<ul style="list-style-type: none"> • Tariff: Super Saver 2012 Fixed Direct Debit • Earn reward points • Online account management

3.3 Best buy table, scenario 3

3

Could you save money by switching?

Scenario 3

The table below compares General Tariff Comparison Rates (GTCRs) on different tariffs, offered by different companies for customers who are low, medium and high users of electricity. GTCRs can be used to compare the price of electricity tariffs. GTCR is a guide, what you pay will depend on what you use. For your Personal Tariff Comparison Rate (PTCR) please contact your supplier, visit a switching website or call an adviser.

Company	LOW USER GTCR* (based on 1,650 kWh per year)	MEDIUM USER GTCR* (based on 3,300 kWh per year)	HIGH USER GTCR* (based on 4,600 kWh per year)	Other information
	£287.50 per year	£408.00 per year	£604.21 per year	<ul style="list-style-type: none"> Tariff: Fixed Best Rate Eco Cash/Cheque Fixed prices until 31 August 2014 Environmentally friendly energy
	£304.17 per year	£425.87 per year	£592.44 per year	<ul style="list-style-type: none"> Tariff: Standard Electricity £50.00 loyalty discount Cash/Cheque
	£302.87 per year	£441.60 per year	£598.20 per year	<ul style="list-style-type: none"> Tariff: Online variable Direct Debit No exit fees Earn reward points
	£295.62 per year	£450.00 per year	£594.25 per year	<ul style="list-style-type: none"> Tariff: New energy – electricity Cash/Cheque Fixed prices until 31 December 2013 Only available to new customers
	£306.38 per year	£507.00 per year	£610.39 per year	<ul style="list-style-type: none"> Tariff: Super Saver 2012 Fixed Direct Debit Earn reward points Online account management

* Please see your bill if you are unsure whether you are a low, medium or high user of electricity.

3.4 Best buy table, scenario 4

4

Could you save money by switching?

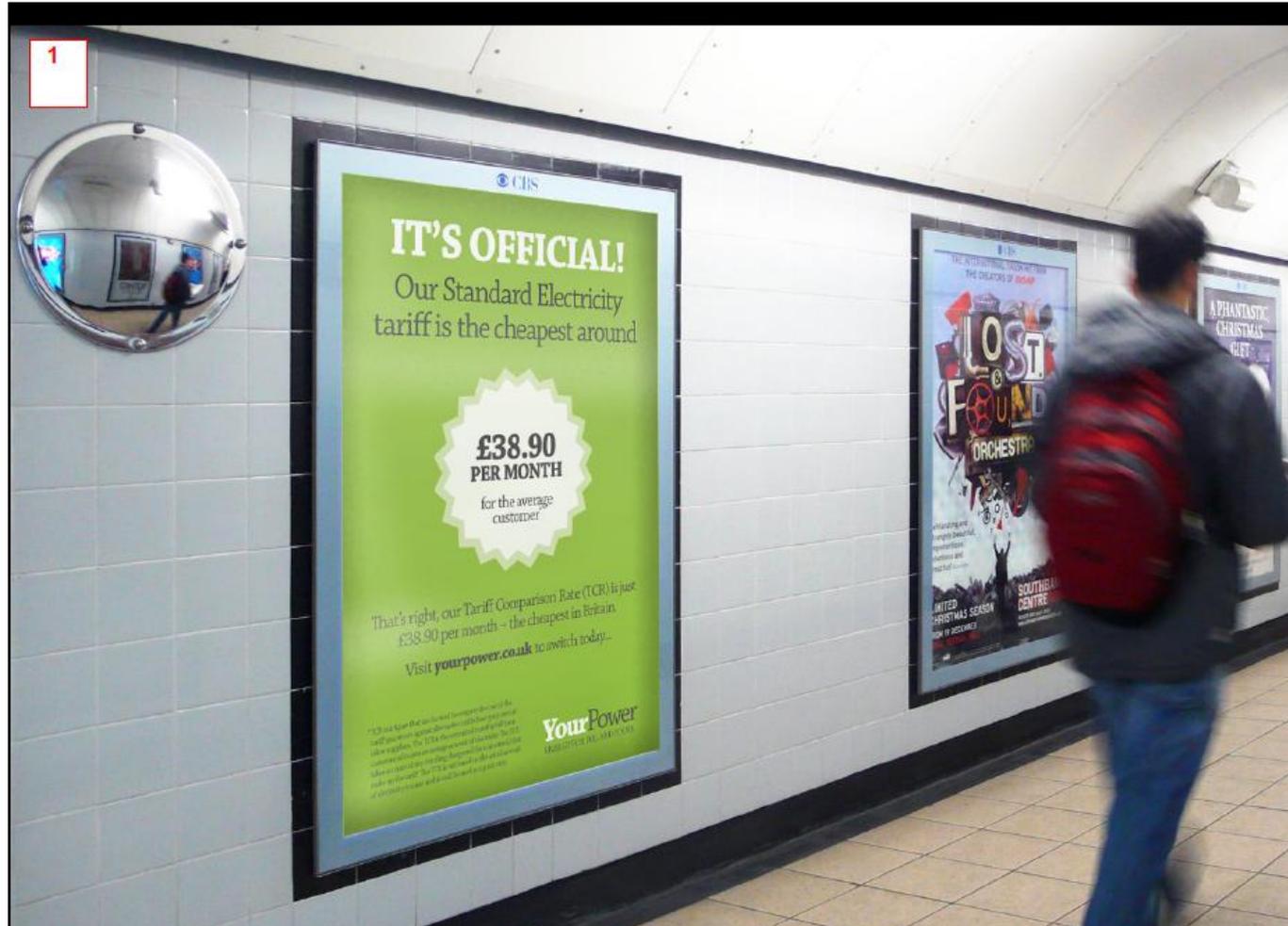
The table below compares General Tariff Comparison Rates (GTCRs) on different tariffs, offered by different companies. The GTCR is a guide: the lower the GTCR the cheaper the tariff for an average user of electricity. For your Personal Tariff Comparison Rate (PTCR) please contact your supplier, visit a switching website or call an adviser.

Company	General Tariff Comparison Rate (GTCR)*	Other information
	13.26p per kWh	<ul style="list-style-type: none"> Tariff: Online variable Direct Debit No exit fees Earn reward points
	13.95p per kWh	<ul style="list-style-type: none"> Tariff: New energy – electricity Cash/Cheque Fixed prices until 31 December 2013 Only available to new customers
	14.19p per kWh	<ul style="list-style-type: none"> Tariff: Fixed Best Rate Eco Cash/Cheque Fixed prices until 31 August 2014 Environmentally friendly energy
	14.19p per kWh	<ul style="list-style-type: none"> Tariff: Super Saver 2012 Fixed Direct Debit Earn reward points Online account management
	14.20p per kWh	<ul style="list-style-type: none"> Tariff: Standard Electricity £50.00 loyalty discount Cash/Cheque

* This figure is based on a customer with average consumption – 3,300 kWh per year. Your Personal TCR will depend on your exact usage.

4. Mock adverts

4.1 Tube advert, scenario 1



4.2 Bus advert, scenario 2



4.3 Web advert, scenario 3

Spain arrests three over 'terror plot'

Explosives found during arrests of men believed to have links with group blamed for Mumbai attack

CPS considers new Dodgeon charges



Former university lecturer faces possible manslaughter charge over drug death of 15-year-old girl at his home

GM profits slip amid European strife



Largest US car-maker made \$1.5bn in second quarter of 2012, but European division reports loss of \$361m

- Sony cuts earnings forecast
- Trinity Mirror reports 21% profit boost

Wanted Briton arrested in Portugal

Lee Dryden, wanted on cocaine smuggling charges, arrested by officers after raid netting 170kg of drugs

India reopens for Pakistani business

Last updated nine minutes ago

Government decision to lift ban on Pakistani businesses setting up shop in India hailed

Child grooming gang leader jailed

'Hypocritical bully' Shabir Ahmed, 59, sentenced in separate trial over abusing Asian girl for 10 years

RBS glitch to cost bank £100m



Bank expected to announce £100m+ compensation fund and may also increase PPI mis-selling provision

23 comments

- Future of RBS divides coalition

Atos wins £400m welfare contracts

Firm will handle disability benefit tests despite disquiet over handling of work capability assessment.

278 comments

The A-Z of Gore Vidal



He loved the Kennedys, hated Truman Capote and claimed the slept with 1,000

Valentino show 50 years to make



George Monbiot Stop this culture of paying politicians to deny climate change



Homeopathy Sweet offer



Soapbox On 'challenges'



IT'S OFFICIAL!

Our Standard Electricity tariff is one of the cheapest around

We have some of the lowest General Tariff Comparison Rates (GTCRs) in Britain*:

Low users: £304.17 per year
Medium users: £425.87 per year
High users: £592.44 per year

YourPower

ENERGY FOR YOU AND YOURS

*As a guide you can compare your Personal Tariff Comparison Rate (PTCR) with a General Tariff Comparison Rate (GTCR) for either a Low, Medium or High user (depending on which you are) but to ensure that you find the cheapest tariff for you, you should compare your PTCR with PTCRs for other tariffs. You can obtain PTCRs for other tariffs by contacting a supplier, visiting a switching site or calling an adviser.

Masterclass in screenwriting



22-23 September An intensive, practical weekend Masterclass led by experts with workshops on all the fundamentals of good screenwriting. Find out more and book a place

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Today's paper

The Guardian

G2 features

Comment and debate

Editorials, letters and corrections

Obituaries

Other lives

Sport

Subscribe

Open newslist

What should we cover?

Zeitgeist



Today's hot topics

Contact us

How to contact the Guardian and Observer

Guardian readers' editor

Observer readers' editor

4.4 Magazine advert, scenario 4

THIS WEEK

"We caught a Dragon by the tail..."

Paul Marks

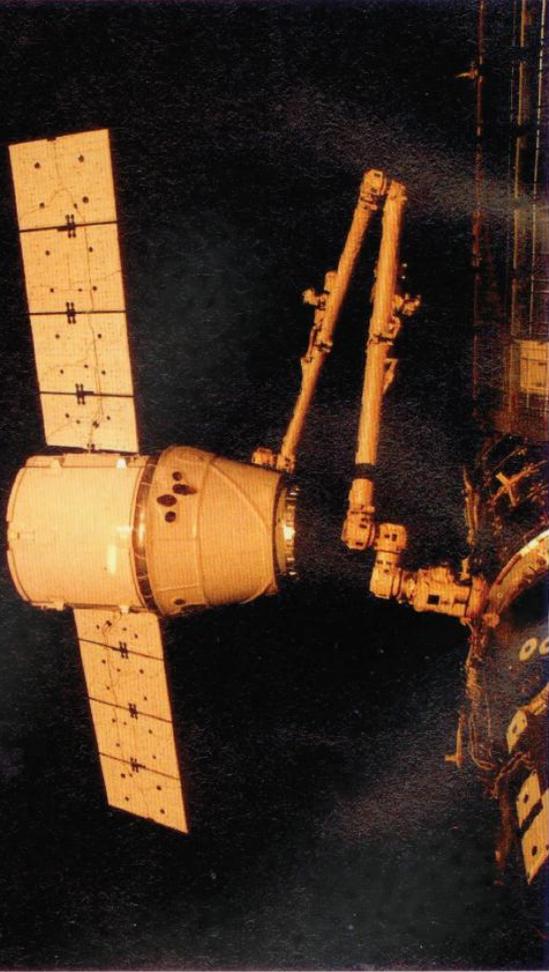
IT IS the moment spaceflight officially became a business. At 16.02 GMT on 25 May, the world's first commercially built space freighter docked with the International Space Station.

Plucked from space by ISS astronauts using the station's multi-jointed robot arm, the uncrewed Dragon cargo capsule, made by SpaceX of Hawthorne, California, had already passed its pre-docking manoeuvring tests to show it can safely approach the ISS. SpaceX founder Elon Musk described the faultless launch, orbital rendezvous and capture of the NASA-funded cargo mission as "just awesome". But it is the words of ISS astronaut

Don Pettit as the robot arm grabbed its quarry that are most likely to be remembered: "Looks like we caught a Dragon by the tail."

Although officially a test flight, Dragon is packed with supplies for the ISS crew, including food, a laptop and clothes. It is also carrying experiments that will study microbial growth and water purification in microgravity.

If Dragon successfully returns to Earth via a Pacific Ocean splashdown this week, SpaceX should be able to begin a series of 13 commercial cargo flights for NASA in September. A safe return trip will also buoy SpaceX's ongoing efforts to convert Dragon for use by a seven-person crew. "There's plenty of room in here for the envisioned crew," Pettit says ■



Dragon facts

 **Orbital altitude:** 407 kilometres

Orbital velocity: 27,744 km/h

Payload volume:
Capsule: 10 m³

 **Trunk:** 14 m³

Commercial cargo going to the ISS: 520 kilograms, including:

- Rations 117 regular meals,
- 45 low-salt meals
- Tech Laptop, batteries, power cables
- Space experiments
- Personal items for ISS crew

Commercial cargo returning to Earth: 660 kilograms

IT'S OFFICIAL!

Our Standard Electricity tariff is the cheapest around

At YourPower it's our priority to supply you and yours with low-cost energy. The General Tariff Comparison Rate (GTCR) for our Standard Electricity tariff is just 14.20p per kWh for an average customer* – that's the lowest rate in Britain. Find out more at yourpower.co.uk

* GTCR is a figure that can be used to compare the cost of the tariff you are on against different tariffs from your own or other suppliers. The GTCR is the average cost per kWh for a customer who uses an average amount of electricity. The GTCR takes account of any standing charge and the unit rates(s) that make up the tariff. The GTCR is not based on the actual amount of electricity you use and should be used as a guide only.



ENERGY FOR YOU AND YOURS

Recruitment materials: Recruitment instructions

Ofgem Consumer First Panel Research Round 4

July 2012

Recruitment instructions FINAL

1. RESEARCH BACKGROUND

Thank you for agreeing to work on the recruitment for the Ofgem Consumer Panel Round 4. Ofgem is the independent energy regulator which protects the interests of existing and future energy customers. For this latest round of the Panel, Ofgem have commissioned 6 workshops (in the same six locations as previous Panels) and 6 triad interviews (in each of the same locations).

What is Round 4 about?

Ofgem is proposing to offer consumers a system for comparing energy tariffs to make it easier to choose the tariff that suits them best. They've already undertaken some research to inform their proposals. This stage aims to test and develop specific proposals and find out how consumers would like information about tariff comparisons presented to them.

2. THE APPROACH

We are running **6 workshops** (with 10 existing panel members, 10 new recruits) in the same locations as previously (Taunton, London, Cambridge, Ayr, Liverpool, Abergavenny). Please recruit 21 for 18 (11 for 9 should be new recruits, 10 for 9 should be existing panel members).

We are also running **6 triads** interviews with people on an Economy 7 tariff. These will take place in the same locations as above. Please recruit 4 for 3.

Participants will receive a **cash incentive of £60 (3 hour workshops) and £40 (2 hour triads)** as a thank you for their time and to cover any expenses incurred.

Below is a summary of the agreed dates, venues and timings of the workshops and triads. All fieldwork will take place from 13th – 23rd August.

Group	Date / time	Location
1	13 th August 6.30-9.30pm	London (WS)
2	14 th August 6.30-8.30pm	London (E7)
3	15 th August 6.15-9.15pm	Cambridge (WS)
4	16 th August 6.15-8.15pm	Cambridge (E7)
5	20 th August 6.15-9.15pm	Liverpool (WS)
6	21 st August 6.30-8.30pm	Liverpool (E7)
7	21 st August 6.15-9.15pm	Taunton (WS)

8	21 st August 6.30-8.30pm	Ayr (E7)
9	22 nd August 6.15-9.15pm	Ayr (WS)
10	22 nd August 6.30-8.30pm	Taunton (E7)
11	22 nd August 6.30-8.30pm	Abergavenny (E7)
12	23 rd August 6.15-9.15pm	Abergavenny (WS)

FOR EACH LOCATION, PLEASE REFER TO:

- 1) **THE MASTER RESPONDENT RECORD SPREADSHEET WHEN RECRUITING EXISTING PANEL MEMBERS**
- 2) **THE MASTER RECRUITMENT SPECIFICATION SPREADSHEET WHEN RECRUITING NEW PARTICIPANTS**

Abergavenny workshop only: Although the recruitment questionnaire does not contain a question on participant nationality it is vital that the majority of Abergavenny participants are Welsh Born. We recommend you probe this information at the start of your conversation, you will also need confirmation that the participant would be willing to participate in English to enable wider discussions with non Welsh speaking participants.

Gender/ social grade/ employment status: All workshops will recruit Panellists based on census data

Age/ ethnicity / tenure: Where we are certain we can, we will over-recruit against these quotas to ensure good representation across the Panel.

Energy usage / fuel poverty / rural vs. urban: All workshops will adapt recruitment quotas to reflect the profile in each location.

Energy usage: Depending on location, workshops will recruit rural consumers who are not on the mains gas network (often called off-grid customers) and/or urban customers who do not have gas in their homes (for example ,social renters). This means they must use alternative methods to heat their home, such as electric storage heaters, oil burners, liquefied petroleum gas (LPG), or forms of renewable energy such as biomass boilers (which burn wood pellets) or ground source heat pumps.

Payment type: Given the potential for finding consumers with less common payment type we are willing to accept a degree of quota flexibility. That said, it is vital you check with Fiona Nolan at Ipsos MORI before doing so.

Please **do not** recruit people who work within the following areas or those who have immediate family or close friends in these areas, as they are likely to distort the research findings:

- Work for the media, in PR, advertising or market research
- People who **work or have worked in the energy industry** - especially for gas or electricity suppliers / providers, or Ofgem or the Department of Energy and Climate Change (DECC).

Please **do not** recruit people who have attended a discussion group / interview for any kind of Market Research within the last year (except panel members).

Please refer to the recruitment questionnaire for further information on the make-up of each of the workshops and triads.

Recruitment guidelines

This project involves a combination of recruitment approaches:

- Inviting back panellists from the last three workshops
- Face-to-face recruitment of new participants for workshops and triads
- Snowballing off existing and newly recruited workshop attendees for triads

Existing panellists for workshops

Please refer to the *master respondent record spreadsheet* to view full details of all existing panel members who we would like you to recruit from. Not all panel members' names appear on this list, for a variety of reasons. The spreadsheet also indicates those individuals who we would like you to recruit as a priority.

Enclosed is a copy of the letter that was already sent to existing panel members informing them of this new round of workshops.

Please do not use the recruitment questionnaire to recruit back existing panellists, but do ask Q25 – 27 about switching behaviour so that we can update our records.

Please use the respondent record spreadsheet to recruit a good spread of Panellists. This ensures that the workshops remain representative of the GB retail energy market.

New participants for workshops

We are also going to be inviting new participants to take part in the workshops so we can gain a fresh, uninformed perspective on the issues. The recruitment questionnaire you will need for this is very similar to the one originally used to recruit the Panel last year. Please familiarise yourself with it and note where there have been additions/amends to question numbers. Note that some variables (e.g 'switch behaviour' or 'fuel poverty') are derived from multiple questions.

Please refer to the *master recruitment specification spreadsheet* for exact quota details. These are the same as those set originally for Panel recruitment but numbers have been adjusted to reflect the fact you are recruiting 11 for 9.

Economy 7 triads

We are using the same recruitment screener to recruit participants for the Economy 7 triad interviews. Q6 in the recruitment screener will help identify people who are on Economy 7. Below is an additional pen portrait to help you select the right type of person.

Please note Economy 7 does not exist in Scotland but we would like you to recruit consumers on the following (very similar) tariffs: 'White meter 1', 'Comfort Plus' or 'Comfort Plus White Meter'. There is an additional question in the screener for Scotland. Since the tariffs are similar to Economy 7, the pen portraits below will apply and can be used to aid recruitment.

We realise you may also need to snowball off the existing and newly recruited workshop members. When doing this, please ask (as a follow-up to the initial recruitment conversation) whether they know of any friends or family members who are on an Economy 7 tariff. However, we request you attempt to free-find Economy 7 consumers while recruiting for the main workshop.

Description of an Economy 7 consumer / Pen portrait to use for recruitment

People on Economy 7 tariffs have two different rates for their electricity consumption: a day time and a night time rate. This means that:

- *Their electricity meter will show two numbers, one marked 'low' and one marked 'normal'*
- *Their electricity bill will display two rates, one for night and one for day*
 - o *NB – this **should not be confused with tariffs that include 2 rates, one higher rate for the 'first x units used' and a lower rate for the rest***
- *Some people on Economy 7 might have a set of numbers on their meter marked 'day rate' and a red button, which they press to get their night time reading*

When recruiting for the triads with Economy 7 consumers please ensure a mix of age/gender/energy suppliers/social grade/urban/rural. We are not setting hard quotas on demographics for these interviews, since the most important thing is that we have a good mix of people and that they are all on an Economy 7 tariff. From previous research we know that there can often be people on Economy 7 who may not know this is what they are on. For this reason, we are not asking people the question directly.

Please note: Economy 7 consumers can attend the main workshops if they are unavailable on the date of the triads. But we would urge you to try and persuade them to attend the triads as they will be harder to find than other workshop attendees.

3. INFORMATION TO GIVE TO PARTICIPANTS

Please tell participants that it is an Ipsos MORI workshop / interview and that the subject will be issues around the GB's energy market and some new ideas Ofgem has for tariff comparisons and presenting tariff information to consumers. Please reassure existing Panellists that we will be covering fresh research topics. Please reassure new recruits that there is no prior knowledge required to take part in the research, we're keen to speak to all types of energy consumer.

Please explain the research is being conducted on behalf of Ofgem, the independent regulator of Britain's gas and electricity industries.

Please make a note of anyone with **special requirements** such as dietary or health requirements, and ensure this is fed back to Ipsos-MORI in plenty of time so they can be accommodated. Participants will receive **£60 cash (workshops) and £40 cash (triads)** as incentive for taking part. Please explain that this acts a thank you for participating for the duration of the Panel (i.e. all three waves) and also to cover any expenses incurred through attending the group, such as travel or childcare. (If there are any exceptional circumstances, such as someone not being able to access public transport because they are too physically disabled, please make sure to make a note of this and let us know well ahead of time.)

Please provide **details of the venue and how to get there (map)** to any new participants on recruitment.

Please inform participants we will be providing sandwiches and refreshments.

4. WHAT TO DO NEXT

When you have recruited participants for these workshops, please email/phone/fax the names and addresses and all the quota details **back to Fiona Nolan at Ipsos MORI, including** any additional information such as special requirements. If you are having any problems getting enough participants or fulfilling any quotas, please alert Ipsos MORI as soon as possible.

Please call participants back a couple of days prior to the research event to confirm attendance. Participants who cannot attend anymore sometimes ask if their spouse/friend can attend on their behalf. Before agreeing with the suggested replacement you will need to go through the recruitment questionnaire with this new person to ensure that s/he meets the quota, and inform us immediately of this change. Please note, we cannot accept replacements for the panellists themselves but if panellists suggest new people to come in their place these people could form part of the 'fresh' sample provided they pass the recruitment questionnaire.

Thank you again for assisting Ipsos MORI and Ofgem with this research, and good luck with your recruitment!

If you have any questions please contact Naomi Boal (on naomi.boal@ipsos.com or 020 7 347 3958) or Graham Bukowski (on graham.bukowski@ipsos.com or 020 7 347 3456)

Recruitment materials: Recruitment questionnaire

Ofgem Consumer First Panel Research

**Round 4 (workshops and triads)
Recruitment Questionnaire FINAL
July 2012**

RESPONDENT RECRUITED FOR: 12-052730-01
RESPONDENT NO:

Good morning/afternoon/evening, my name is from Ipsos MORI, the opinion research company.

We are currently asking a number of people from different backgrounds across England, Scotland and Wales to take part in research to think about and discuss the energy they use. The research is being conducted on behalf of Ofgem, the Office of Gas and Electricity Markets, which is the independent regulator in Great Britain for the energy sector with a key aim of protecting consumers. The research will help Ofgem to better understand the views of energy consumers and by taking part you will gain a better understanding of how the energy market works. **Would you be willing to take part?** NB: Please check recruitment instructions for dates, times and venues of workshops and triad interviews. **To say thank you for your time and cover any expenses incurred we would like to offer you £60 / £40 (workshops/triads) for taking part**

We are looking for particular groups of people; therefore I would like to ask you some questions about yourself. All information collected will be anonymised.

ASK ALL
Q1

Would you be interested in taking part in this research?

Yes	1	CONTINUE
No	2	CLOSE

ASK ALL
Q2

Can I ask if you are available on the date and time of the workshop/interview? (INSERT DATES/TIMES AS APPROPRIATE TO LOCATION)?

Yes (both)	1	CONTINUE
Yes (one)	2	RECORD AND CONTINUE
No	3	CLOSE

ASK ALL

Q3 **SHOWCARD A Do you or any members of your immediate family or close friends work in any of the following areas, either in a paid or unpaid capacity?**
READ OUT AND SINGLE CODE ONLY

Journalism/the media	A	THANK AND CLOSE
Market Research	B	
Advertising	C	
Public Relations	D	

12-052730-01

Department of Energy and Climate Change (DECC)	E	
Ofgem	F	
A gas or electricity supplier	G	
A gas or electricity network provider	H	
No, none of these	I	
Don't know	J	CONTINUE

ASK ALL

Q4 Have you participated in a group discussion or interview for an opinion or market research company in the last 12 months, or are you on any kind of consumer panel concerned with home energy?

Yes	1	THANK AND CLOSE
No	2	CONTINUE

ASK ALL

Q5 Are you mainly or jointly responsible for making decisions about the energy bills for your household? For example the method by which you pay, which supplier you use

Yes	1	CONTINUE
No	2	THANK AND CLOSE

QUESTION 6 HELPS IDENTIFY ECONOMY 7 CUSTOMERS WITHOUT REQUIRING THEM TO SELF-IDENTIFY AS BEING ON AN ECONOMY 7 TARIFF. WE KNOW FROM PREVIOUS RESEARCH THAT ASKING PEOPLE DIRECTLY 'ARE YOU ON AN ECONOMY 7 TARIFF' DOES NOT ALWAYS WORK.

PLEASE REFER TO PEN PORTRAIT OF ECONOMY 7 CONSUMERS IN RECRUITMENT INSTRUCTIONS

FOR ENGLAND AND WALES ASK 6a(i)

Q6.a. Do you know if you are on an Economy 7 tariff?

i)

Yes	1	RECRUIT TO QUOTA FOR ECONOMY 7 TRIADS
No	2	CONTINUE TO 6B

FOR SCOTLAND ASK 6a(ii)

Q6.a. Do you know if you are on a 'White Meter 1', a 'Comfort Plus' or a 'Comfort Plus White meter' tariff?

ii)

Yes	1	RECORD AND RECRUIT TO QUOTA FOR 'ECONOMY 7-LIKE' TRIADS IN SCOTLAND
No	2	CONTINUE TO 6B

Q6b Can you tell me if your electricity meter shows two sets of numbers - one marked 'low' and one marked 'normal' / 'day rate'?

Yes	1	RECRUIT TO QUOTA FOR ECONOMY 7 (OR E7-LIKE) TRIADS
No	2	CONTINUE TO 6C

12-052730-01

Q6c Can you tell me if you have two different rates, one for night and one for day, on your electricity bill?

- Yes 1 RECRUIT TO QUOTA FOR ECONOMY 7 (OR E7-LIKE) TRIADS
- No 2 ASSUME NOT E7 (OR E7-LIKE) AND CONTINUE FOR WORKSHOP RECRUITMENT

Q7 Who is your current energy supplier?
 READ OUT AND WRITE-IN ✓

	1. Both	2. Gas	3. Electricity
British Gas			
Scottish Power			
EDF			
Eon / Powergen			
NPower			
Scottish and Southern Energy (includes Electric and Gas, Southern Electric and SWALEC)			
Other (PLEASE SPECIFY)			

RECRUIT TO QUOTA AND CONTINUE

ASK ALL

Q8 Do you live in an urban (e.g. in the centre of a city or large town), or rural area (e.g. in a village, hamlet or in the countryside)?

- Urban 1
- Rural 2 RECRUIT TO QUOTA

ASK ALL

Q9 Do you have and use mains gas (i.e. you're connected to the gas network)?

- Yes 1
- No 2 RECRUIT TO QUOTA

ASK ALL EXCLUDING ELECTRICTY ONLY (I.E.OFF GAS NETWORK) CUSTOMERS

Q10 How do you currently pay your gas bill?
 SHOWCARD B SINGLE CODE ONLY

12-052730-01

- Direct Debit A
- Pre payment meter (PPM, or card or key meter) B
- Quarterly payment on receipt of bill (payment on demand) C RECRUIT TO QUOTA
- Other D

ASK ALL

Q11 How do you currently pay your electricity bill?
SHOWCARD B SINGLE CODE ONLY

- Direct Debit 1
- Pre payment meter (PPM, or card or key meter) 2
- Quarterly payment on receipt of bill (payment on demand) 3 RECRUIT TO QUOTA
- Other 4

ASK ALL

Q12 Do you manage your energy account online?

- Yes 1
- No 2 RECORD BUT NOT TO QUOTA

ASK ALL

Q13 Do you have internet access at home?

- Yes 1
- No 2 RECORD BUT NOT TO QUOTA

ASK ALL

Q14 What is your average cost of your yearly energy bill? (NB IF UNKNOWN PLEASE TAKE DETAILS FOR WEEKLY/ MONTHLY /QUARTERLY BILLS AND MULTIPLY TO CALCULATE APPROXIMATE ANNUAL AMOUNT, SEE OVERLEAF FOR GUIDANCE AND USE THIS WHEN CALCULATING FUEL POVERTY IN Q.14

WEEKLY AMOUNT £ _____ X 52 = YEARLY AMOUNT £ _____
 MONTHLY AMOUNT £ _____ X 12 = YEARLY AMOUNT £ _____
 QUARTERLY AMOUNT £ _____ X 4 = YEARLY AMOUNT £ _____

ASK ALL

Q15. Which of the following bands does your household income fall into?
SHOWCARD C SINGLE CODE ONLY

Less than £10,000 per annum	A	RECRUIT TO QUOTA
£10,000 - £14,999 per annum	B	
£15,000 - £19,999 per annum	C	

12-052730-01

£20,000 - £34,999 per annum	D	
£35,000 - £60,000	E	
More than £60,000	F	
Refused	G	GO TO Q.15

ASK IF CODES A TO F AT Q.15

CODE FUEL POVERTY FROM ABOVE (DO NOT ASK)

(NB IF 10% OR MORE OF ANNUAL HOUSEHOLD INCOME IS SPENT ON ENERGY COSTS THEN MARK AS FUEL POVERTY)

Fuel poverty

Yes	1	RECRUIT TO QUOTA
No	2	

ASK IF CODE G AT Q.15

Q16. Thinking about your annual household income, would you spend more or less than 10 per cent of your household income on energy costs?

More than 10%	1	RECRUIT TO QUOTA AND CONTINUE TO Q. 17
Less than 10%	2	

ASK

ALL

Q16

Which of the following best describes your household?

SHOWCARD D SINGLE CODE ONLY

Married /cohabiting with dependent children	A	RECRUIT TO QUOTA
Married cohabiting with no dependent children or no children	B	
Lone parent with dependent children	C	
Living alone	D	
Unrelated adults	E	
Not stated	F	CLOSE

Q17 Which of these best describes your current situation?

READ OUT. SINGLE CODE ONLY

Employed	1	RECRUIT TO QUOTA
Unemployed	2	
Retired	5	
Student	6	
Other	7	

Q18a Which of these best describes your current living situation? (NB: TENURE)

READ OUT. SINGLE CODE ONLY

12-052730-01

- I live in and own my own home** (with or without a mortgage)
(Owner occupied) 1
 - I rent from council/ housing authority/ other** (Social rented) 2
 - I rent from private landlord/ estate agency** (Private rented) 3
 - Other (e.g. living with parents)** 4
- RECRUIT TO QUOTA

ASK ALL

Q18b Occupation of Chief Income Earner in your household

Position/rank/grade

Industry/type of company

Quals/degree/apprenticeship

Number of staff responsible for

PROBE FULLY CODE FROM ABOVE

Social grade

- AB 1
- C1 2
- C2 3
- D 4
- E 5

RECRUIT TO QUOTA

CODE FOR ALL

Q19 Code sex (do not ask)

Male	1	RECRUIT TO QUOTA
Female	2	

ASK ALL

Q20 Write In & Code Exact Age

Exact Age

	18-24	1	RECRUIT TO QUOTA
	25-44	2	
	45-64	3	
	Above 65	4	

ASK ALL

Q.21

Do you have an illness (long term condition) or disability? By disability I mean a physical or sensory (e.g. partially sighted or hard of hearing) or some other impairment.

- Yes (PLEASE WRITE IN) 1
 - No 2
- RECRUIT TO QUOTA

12-052730-01

Q.22 ASK ALL. SHOWCARD F SINGLE CODE ONLY To which one of the groups I read out do you consider you belong? INTERVIEWER: PLEASE BE SURE TO WRITE IN ANY 'OTHER' INFORMATION FULLY AND CLEARLY. SINGLE CODE ONLY.

WHITE	A	BRITISH	1	CHECK QUOTAS, CONTINUE
	B	IRISH	2	
	C	ANY OTHER WHITE BACKGROUND: WRITE IN:	3	
MIXED	D	WHITE AND BLACK CARIBBEAN	4	
	E	WHITE AND BLACK AFRICAN	5	
	F	WHITE AND ASIAN	6	
	G	ANY OTHER MIXED BACKGROUND: WRITE IN:	7	
ASIAN OR ASIAN BRITAIN	H	INDIAN	8	
	I	PAKISTANI	9	
	J	BANGLADESHI	10	
	K	ANY OTHER ASIAN BACKGROUND: WRITE IN:	11	
BLACK OR BLACK BRITISH	L	CARIBBEAN	12	
	M	AFRICAN	13	
	N	ANY OTHER BLACK BACKGROUND: WRITE IN:	14	
CHINESE OR OTHER ETHNIC GROUP	O	CHINESE	15	
	P	ANY OTHER BACKGROUND: WRITE IN:	16	
		REFUSED	17	

I'd now like to ask you a few questions about your attitudes towards energy and environmental related issues.

ASK ALL

Q23 How interested are you in issues around energy, energy resources, and energy use in the home
READ OUT AND SINGLE CODE ONLY

Very interested	1	RECRUIT A RANGE OF ATTITUDES AND CONTINUE
Quite interested	2	
Neither interested or disinterested	3	
Not very interested	4	
Not interested at all	5	

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I'd now like to ask you a couple of questions about your experience of the GB energy market.

ASK ALL

Q24

Which of the following best describes whether you have ever changed your ELECTRICITY OR GAS SUPPLIER, either at your current home or a previous address?

READ OUT AND SINGLE CODE ONLY

I have never changed my supplier	1	GO TO Q28 MIN. FOUR PER GROUP
I have only <u>ever</u> changed supplier when I have moved home	2	
I have only <u>ever</u> changed supplier as an immediate response to a salesman approaching me in person or on the phone	3	RECORD AND CONTINUE TO Q.27 MIN. FOUR PER GROUP
I have changed supplier after doing research into what the best deal is for me	4	

ASK IF CODES 3 AND 4 AT 24

Q25

Thinking about the last three years, on how many occasions would you say you have switched supplier?

READ OUT AND SINGLE CODE ONLY

One	1	RECORD AND CONTINUE
Two	2	
Three	3	
More than three	4	

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ASK IF CODES 1 AND 2 AT Q25

Q26

Which of the following best describes whether you have ever changed THE TARIFF you are on either for your electricity or gas WITH YOUR CURRENT SUPPLIER? PLEASE EXPLAIN IF NECESSARY... A tariff is a pricing plan for the electricity or gas you use. It is a 'contract' between you and your electricity or gas supplier.

A number of ways in which you could have changed tariff include:

- **Accepting or requesting a standard (e.g. ongoing) or fixed tariff.**
- **Changing the means by which you pay your bill, for example by setting up a direct debit.**
- **Accepting or requesting a dual fuel discount for taking your electricity and gas with the same supplier.**
- **Accepting or requesting paperless billing or providing meter readings online**
- **Accepting or requesting a social tariff to take into account changing personal circumstances**
- **Accepting or requesting loyalty points such as nectar or Tesco Club Card**
- **Requesting a greener or more environmentally friendly tariff**

I have never changed my tariff	1	
I have only <u>ever</u> changed tariff when I have moved home	2	SINGLE CODE
I have only <u>ever</u> changed tariff as a result of receiving information from my supplier	3	RECORD AND CONTINUE
I have changed tariff after doing research into what the best deal is for me	4	

PROBE FULLY FROM ABOVE AND WRITE IN HOW TARIFF CHANGED (NB IF CODE 3 FIND OUT WHAT INFORMATION WAS RECEIVED).

Write In _____

PLEASE NOTE WE ARE INTERESTED IN PARTICIPANTS SWITCHING BEHAVIOUR

- SWITCHERS = CODES 3 OR 4 AT Q24 OR Q26
 - ACTIVE SWITCHER = CODE 4 AT Q24 OR Q26
- STICKERS = CODES 1 OR 2 @ Q26

12-052730-01

WHILE THE INCENTIVE OFFERED REPRESENTS THE TOTAL COMPENSATION FOR RESPONDENTS TIME, TRAVEL EXPENSES AND CHILDCARD COSTS, IN EXCEPTIONAL CIRCUMSTANCES ADDITIONAL PAYMENTS CAN BE MADE.

PLEASE NOTE THAT EXCEPTIONAL PAYMENTS WILL ONLY BE MADE IF THEY HAVE BEEN AGREED BY THE PROJECT MANAGEMENT TEAM BEFOREHAND.

QA. Do they need travel costs?

Yes	1
No	2

IF YES WRITE IN AMOUNT £.....

QB. Do they need childcare costs?

Yes	1
No	2

IF YES WRITE IN AMOUNT £.....

Interviewer number:

Interviewer name (CAPS):

I confirm that I have conducted this interview **face to face** with the above person and that I asked all the relevant questions and recorded the answers in conformance with the survey specifications and with the MRS Code of Conduct and the Data Protection Act 1998.

Interviewer Signature:

Date:.....

THIS MUST BE THE LAST PAGE OF THE QUESTIONNAIRE AND MUST BE SINGLE SIDED

Ofgem Consumer Panel Round 4 (workshops and triads)

Ipsos MORI/

12-052730-01

Recruitment Questionnaire

RESPONDENT RECRUITED FOR:

Workshops and triads

RESPONDENT NO:

PERSONAL IDENTIFIERS

Details

Location:

Date:

Time:

Name/Initial/Title: Mr/Mrs/Ms/Miss

Address:

Full Postcode

<input type="text"/>							
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QTEL1 **Do you have a fixed line telephone at home/ work which you use for incoming and outgoing voice calls?**

Yes	1	
WRITE IN Full tel. No		
No	2	
Refused	3	GO TO QTEL2
Ex-directory	4	

QTEL2 **ASK IF NO FIXED LINE/REFUSED/EX-DIRECTORY (CODES 2-4). OTHERS CLOSE**
Can I just check, do you have a mobile phone? IF YES ASK: Can I take the number please?

Yes	1	
WRITE IN Full tel. No		
No	2	
Refused	3	

e-mail address (WRITE IN) | 1

Is respondent willing to take part and available?

Yes	1
No	2

Respondent attended?

Yes	1
No	2