Quantitative Research into Non Domestic Customer Engagement and Experience of the Energy Market

Report

November 2012

Prepared by:

Accent Scotland
4 Hanover Street
Edinburgh
EH2 2EN

Prepared for:

Ofgem
9 Millbank
London
SW1P 3GE

Contact: Seán Brennan
E-mail: sean.brennan@accent-mr.com
Tel: 0131 220 2550
Fax: 0131 315 3207

Contact: Adam Knight

CONTENTS

Appendix A: Basis for Weightings
Appendix B: Questionnaire
Appendix C: Energy Costs and Energy Suppliers

Executive Summary

Objectives: The overall objective of the research was to provide insight to how business consumers are currently engaging in the energy markets and their experiences in doing so.

Methodology: The research adopted a quantitative approach and considered experiences of the gas and electricity markets separately. It achieved a sample of 827 electricity and 383 gas non-domestic customer interviews to reflect usage across energy types. SMEs were interviewed by Computer Aided Telephone Interviewing (CATI) and large businesses through an online panel. Robust samples of different size bands of businesses were obtained to allow comparison of findings between them. These were micro, small, medium and large businesses.[1] The findings were weighted to make them representative of private sector businesses in Great Britain in terms of size and sectoral spread. Differences in the experiences of different kinds of respondents are reported where these differences are statistically significant.[2] In some instances there were statistically significant differences between two or more of the size bands of businesses. In others the significant differences were only between large businesses and the SME sector as a whole (ie the aggregate of micro, small and medium sized businesses).

Switching Experiences: Just under a third of all respondents had never considered switching at any time. This was mainly because they considered their current supplier's costs to be reasonable or that switching was disruptive or time consuming.

Just under half of respondents did change suppliers at some point in the past, largely because of the lower prices available. About one in six had considered switching but decided to remain with their existing supplier, largely because they had made comparisons and felt their own supplier was still offering the best deal. Just under 10% considered switching but were prevented from doing so, mainly because they found they were still under contract.

Large businesses are more likely to have considered switching than smaller businesses. A much greater proportion of micro and small businesses have *never* considered switching their gas or their electricity supplier as compared with large businesses. Comparatively fewer SMEs than large businesses had considered switching but had decided to remain with their existing supplier. When it came to actually making a switch, SMEs are less likely to have changed their electricity supplier than larger businesses, although the opposite is true for gas.

Among the businesses that had considered switching, just under three quarters had switched at least once in the last 5 years. A quarter (25%) had switched electricity supplier more than once and just under a third (30%) had switched gas supplier more than once. Among those businesses that actually switched their electricity supplier, about half did so within the last year. Similarly, just over half of SME gas switchers had switched within the last year[3].

---

[1] Micro Businesses (1 to 9 employees), Small Businesses (10 to 49 employees), Medium Businesses (50 to 249 employees), Large Businesses (250 or more employees).

[2] A result is called "statistically significant" if it is unlikely to have occurred by chance.

[3] The base for Large Businesses is too low to provide comparative data.

Smaller businesses appeared to be less able to make well informed decisions about switching, in comparison to larger business. For example, of those who considered switching, significantly more micro businesses than large businesses considered only one alternative electricity supplier. Again of those who considered changing their electricity supplier, a larger proportion of SMEs than large businesses did not compare prices (between their current and prospective supplier), and comparatively more SMEs did not look at their electricity bills. However, this pattern is not evident across different sizes of business that considered switching gas supplier.

Overall satisfaction with switching among businesses which had switched or considered switching was around 3.5 out of 5 (with 5 being ‘very satisfied’[4]), which is just above being neutral. The research found that SMEs who considered or completed a switch were more likely to be dissatisfied with their overall electricity switching experience, in comparison to larger businesses. Reasons for dissatisfaction[5] related more to the switching process itself than the actual cost of energy achieved. The key problems that respondents identified were that switching was perceived to be a time consuming process, and that that information received from brokers or potential suppliers (as part of investigating or making a switch) were considered unclear or inaccurate. Overall 16% of SME respondents and 7% of large business respondents who had switched or considered switching electricity suppliers were dissatisfied with the switching experience compared with 12% of SME respondents and 3% of large business respondents for gas.

Those businesses that considered switching in response to an approach by a supplier or energy broker (‘reactive businesses’) were less satisfied with the experience than businesses that had actively sought out a new supplier themselves (‘proactive businesses’). SMEs were more as likely to switch in response to a direct approach from a new supplier or broker, in terms of their electricity supply.

Use of Energy Brokers: Respondents who used energy brokers when considering a switch or actually switching to a new supplier were fairly positive about brokers (the overall satisfaction rating was 3.95 out of 5 for electricity and 3.83 out of 5 for gas). Where there was dissatisfaction, this was mainly due to perceived pressure to go through with a switch and the perceived unprofessional behaviour displayed by the broker. Businesses in the SME sector gave a significantly higher satisfaction rating to brokers when switching or considering switching electricity supplier than large businesses.

Those who used brokers were not any more satisfied overall with their supplier than those who went directly to an alternative supplier.

Just under a third (32%) of SMEs who considered switching or switched electricity supplier used brokers as the only means of considering this decision; and over two fifths (41%) only used brokers when considering or switching to a new gas supplier. Within the SME sector, more small and medium businesses used brokers than those in the

[4] Respondents were asked to rate satisfaction on a scale of 1 to 5 with 1 being very dissatisfied and 5 very satisfied. Where satisfaction ratings are used in the report, these are mean satisfaction ratings. These are calculated by adding all rating scores together and dividing by the number of respondents that gave them.

[5] Causes of dissatisfaction with the switching process cited are for gas and electricity respondents combined as the base size is too small to give electricity data separately.

micro sector. Large businesses were more likely to rely on contacting the supplier directly, or to combine their approach (i.e. both using brokers and contacting suppliers directly).

General satisfaction with energy suppliers: Overall, businesses were reasonably satisfied with their suppliers, with respondents scoring 3.71 out of 5 for their electricity suppliers and 3.82 out of 5 for their gas suppliers. However, there were differences in satisfaction ratings when respondents were invited to consider various aspects of the service they receive. Respondents were least satisfied with query resolution and/or value for money, but were most satisfied with the overall quality of service provided.

The research did not find significant differences in overall satisfaction with supplier according to business size.

Paying for energy: The research showed some differences in how energy is paid for and the types of tariffs used by businesses of different size.

The research has identified some dissatisfaction with billing processes, with between 6 and 21 per cent expressing dissatisfaction, depending on the fuel and aspect of billing being considered.

A quarter (25%) of businesses believed they had experienced billing errors with their electricity supplier, and about a fifth (20%) said they had experienced gas billing errors. Errors were perceived to occur because there were too many estimated bills, particularly for electricity customers. Perceived errors in meter reading were higher amongst gas respondents than electricity respondents. Respondents also perceived there to be billing errors, although meter readings were correct.

There was also some dissatisfaction with the clarity of information in bills and statements and the usefulness of the information they contain. Of these, dissatisfaction was highest for bill clarity, (16% were dissatisfied with the clarity of electricity bills and 21% for gas bills) – the main cause of dissatisfaction here was the lack of transparency as to how the bill had been calculated, and secondly that the language used was too complicated.

SMEs as a whole were more satisfied than large businesses with both gas and electricity billing accuracy and with the usefulness of information in electricity bills. There was, however, much evidence of these businesses being less aware of energy costs and arrangements than large firms. This may affect their capacity to judge billing accuracy in particular. For example, in comparison to large businesses proportionately fewer SMEs: knew the share of energy in their total costs; fewer were aware of their electricity tariff; fewer checked energy consumption by comparing bills and fewer used energy monitors to check electricity consumption.

Energy contracts: Just over four fifths (83%) of businesses perceived they had a contract with an energy supplier and of these, most believed that they were on fixed term contracts (86% electricity and 79% gas). Proportionately more large businesses than SMEs were on electricity contracts that they believed they could cancel and change when they wished to (20% of large businesses with a contract vs 8% of equivalent SMEs). Most contracts were for one or two years, with SMEs generally being on one year contracts for both gas and electricity. Around 4% of electricity respondents with a contract and 9% of gas respondents with a contract were unsure what kind of contract they were on. About one in ten of those with a contract were unsure how long their contract duration was.

The analysis suggests that the incidence of contracts being rolled over (i.e. the supplier continuing to provide energy without a renewed contract) without the business customer being aware is likely to have been at least 4%.

The potential for roll over contracts occurring is not inconsiderable. Among those businesses with a contract that considered switching when their contract was coming up for renewal, about 20% did not recall that their supplier had notified them that the contract was coming up for renewal. This equates to 8% of all electricity respondents and 12% of gas respondents.

A significant minority of businesses who said they had a contract were dissatisfied with its clarity. This was higher for SMEs than for large businesses:

1. 13% of SMEs were dissatisfied with the clarity of their electricity contract compared with 9% of large businesses.

2. 12% of SMEs were dissatisfied with the clarity of their gas contract compared with 5% of large businesses.

Electricity respondents stated that their contracts contained too little information. For gas, the language used was considered to be unclear and the contracts were considered too long to be able to read through.

1. INTRODUCTION

1.1 Background

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 principle objective of GEMA and Ofgem is to protect the interests of current and future consumers. Business consumers are included under Ofgem's remit.

In March 2011, Ofgem's Retail Market Review (RMR)[6] identified the need for greater protection of business consumers as one of its key areas. Ofgem also published qualitative research[7] in June 2011 to help further inform Ofgem's policy development. Key findings from this research showed that, although SMEs are cost conscious, there is a relatively low engagement in the energy market. This is partly driven by the low cost of energy compared to other overheads but also due to individuals within the business having multiple roles and responsibilities. Understanding of more complex areas – such as demand side management – was low as was general trust in suppliers. In November 2011 Ofgem put forward their preferred model for addressing concerns raised by business consumers with a core belief that business customers should be able to get the best energy deal without unnecessary difficulties. Ofgem's proposals seek to:

- Help more business customers be aware of their contract terms
- Improve the supplier switching experience for business customers
- Increase confidence when using third party intermediaries
- Improve customer trust in suppliers.

As Ofgem progresses through its RMR development, quantitative research is required to help it further understand the challenges faced by the business sector and how these challenges may vary between different elements of the business community.

1.2 Objectives

The overarching objective for this research was to:

"Provide insight into how business consumers are currently engaging in the energy markets and their experiences in doing so"

Specifically the research aimed to provide insight into:

- Switching:
  - Switching behaviour and experience
  - Reasons for switching or not switching
  - Switching process and channels
  - Proactive or reactive switching

---

[6] http:www.ofgem.gov.uk/Markets/RetMkts/rmr/Documents1/RMR_FINAL.pdf

[7] http://www.ofgem.gov.uk/Sustainability/Cp/CF/Documents1/SME%20Attitudes%20%20Behaviours%20Report.pdf

- Drivers of satisfaction / dissatisfaction with actual or attempted switching experiences.

- Understanding of the role of energy brokers and their fees

- Current energy usage/consumption:
  - Predominant fuel
  - Percentage of fuel consumption of overall outgoings
  - Energy monitoring - how energy is monitored (if at all).

- General perception of suppliers (customer service, understanding business needs, etc)

- Bills and tariffs:
  - Bill payment method
  - Understanding of and engagement with bills
  - Experience of back billing
  - Type of tariff and contracts

- Understanding contracts and contract renewal:
  - How clear are contracts
  - Suppliers' contract renewal behaviours
  - Experience of contract rollovers and renewals

2. METHODOLOGY

2.1 Introduction

The research consisted of 1,210 interviews with a sample of businesses across England, Scotland and Wales.

Businesses were defined as having at least one employee in addition to the business principal. They did not operate from the owner's home and they paid their energy bills separately from their domestic energy.

The target for the interviews was the person in the business who decided which supplier to use for their electricity and gas.

Quotas were set on the size of business to obtain robust sample of each size category. These were as follows:

- 400 x micro businesses (ie businesses with 1 to 9 employees)
- 400 x small businesses (ie businesses with 10 to 49 employees)
- 200 x medium sized businesses (ie businesses with 50 to 249 employees)
- 200 x large businesses (ie businesses with 250 or more employees)

The sectoral spread of respondents fell out naturally from random sampling within these quotas. The findings were weighted to be representative of the size and sectoral spread of private sector businesses in Great Britain at the section level[8]. The weightings varied depending on the segments of the business community being compared. Three sets of weightings were used:

- Weighting of the total responses were based on the proportionate spread of GB businesses across all size bands and sectors of business activity

- Weighting for comparisons between the four size bands of businesses were based on the proportionate sectoral spread of GB businesses within each of the four size bands

- Weighting for comparisons between the SME sector as a whole (ie micro, small and medium businesses combined) and large businesses, took account of the proportionate spread of GB businesses across business sectors for SMEs and for the large businesses.

The percentage shares of the segments used to compile these weights are set out in Appendix One.

Initially in the fieldwork, respondents were asked questions about either mains gas or electricity depending on whichever made the largest contribution to overall business

[8] The sections were: agriculture, forestry and fishing, mining and quarrying, utilities, manufacturing, construction, wholesale, retail, repair, transport and storage, accommodation and food services, information and communication, finance and insurance, real estate, professional, scientific and technical activities, administrative and support services, education, health, arts, entertainment and recreation and other services.

costs. If both fuels contributed the same to overall costs or if the respondent did not know what their contribution was, one of the fuels was selected at random. As fieldwork progressed, it became apparent that selecting the fuels on this basis would yield a relatively small sample of mains gas users. Towards the end of fieldwork, therefore, after 600 interviews were achieved, any respondent who used both gas and electricity was questioned about gas. A robust sample was achieved in this way with 827 electricity respondents and 383 for gas. Where gas and electricity findings are combined in the analysis, the data has been weighted to reflect the proportion of gas and electricity responses achieved before the revised approach to sampling was implemented.

Differences between the different target audiences in the research are described when they are supported by statistically significant differences in the data. Some of the data shows statistically significant differences between two or more of the four business size bands, in other instances the only significant differences are between the SMEs sector as a whole (i.e. micro, small and medium sized businesses) and large businesses.

The interviews with SMEs were conducted by telephone using Computer Aided Telephone Interviewing (CATI). Interviews with large businesses were conducted online using a business panel. This allowed for a more cost effective way of engaging with ‘harder to reach’ executives in large businesses. The CATI and online questionnaires were identical in content.

A pilot of 30 CATI interviews was carried out on 30th January 2012 and the main fieldwork took place between 2nd and 16th February 2012.

The survey questionnaire is included in Appendix B.

This research has been undertaken in line with the guidelines set out by the market research quality standard ISO 20252:2006.

3. SWITCHING BEHAVIOUR

3.1 Introduction

This chapter considers switching behaviour among businesses from a number of standpoints:

- Extent of switching and not switching
- Reasons for switching and not switching
- Frequency of switching
- Contracting aspects of switching
- Sophistication of switching behaviour
- Use of energy brokers
- Overall satisfaction with the switching experience
- Proactive and reactive switching.

3.2 Overview

There were distinct differences in the experience of switching among respondents. Just under a half had ever switched supplier. This does not mean that the rest of the market has been inactive. 18% of gas respondents and 15% of electricity respondents had considered switching but decided not to. The proportion was much higher for large businesses than for SMEs. A further 7% of electricity respondents and 11% of gas respondents wanted to change suppliers but were prevented from doing so. This left about 30% who have not actively considered changing their supplier. Significantly more SMEs than large businesses fell into this category.

Among those who switched or considered switching, many more were attracted to the prices offered by a new or prospective supplier than were dissatisfied with their original supplier. Among those who considered switching but decided not to, most decided their existing supplier offered the best deal. A much larger proportion of SMEs cited this reason for not switching than large businesses. A greater proportion of large businesses than SMEs cited negative reasons for not switching including, a requirement for larger deposits, difficulty in comparing prices and the feeling that the savings did not justify the effort involved in switching. For those firms that were prevented from switching, the key reason was that they were still under contract.

Among those who considered switching, just under three quarters switched at least once in the last five years. Switching opportunities were considered more often than the actual switching data suggests. Excluding those who had never even considered switching, of the remaining businesses 62% of electricity respondents and 69% of gas respondents had experienced at least one instance of considering a switch, but not going through with it in the last five years.

Among those businesses that actually did switch suppliers, about half did so within the last year. Proportionately more SMEs than large businesses last switched their electricity supplier in the last 3 months. More SMEs than large businesses had also last switched their electricity supplier two or more years ago.

Of businesses who perceived they had a contract and were considering a change of supplier when their contract was coming up for renewal, about a fifth did not recall their supplier notifying them that their contract was coming up for renewal.

Several indicators show that a number of businesses, particularly SMEs did not make use of all of the information available to them to inform decisions about switching their electricity supplier. This included considering fewer alternative suppliers, not comparing prices, not reviewing their energy bills. For those who did look at bills, SMEs looked at less of the information contained in them than did large businesses. There is a risk therefore that less than optimal switching decisions are being made, particularly among SMEs.

More SMEs than large businesses considered switching in response to a sales approach from brokers and/or suppliers (ie reactive switchers). Businesses that reacted to these approaches were less thorough in considering some aspects of the potential or actual switch than businesses that proactively sought potential new suppliers or brokers (ie proactive businesses). Reactive businesses were also less satisfied with the experience of the switching process overall. Reactive businesses were less satisfied than proactive businesses with energy brokers where they were used. However overall, satisfaction with energy suppliers was no different for the two groups.

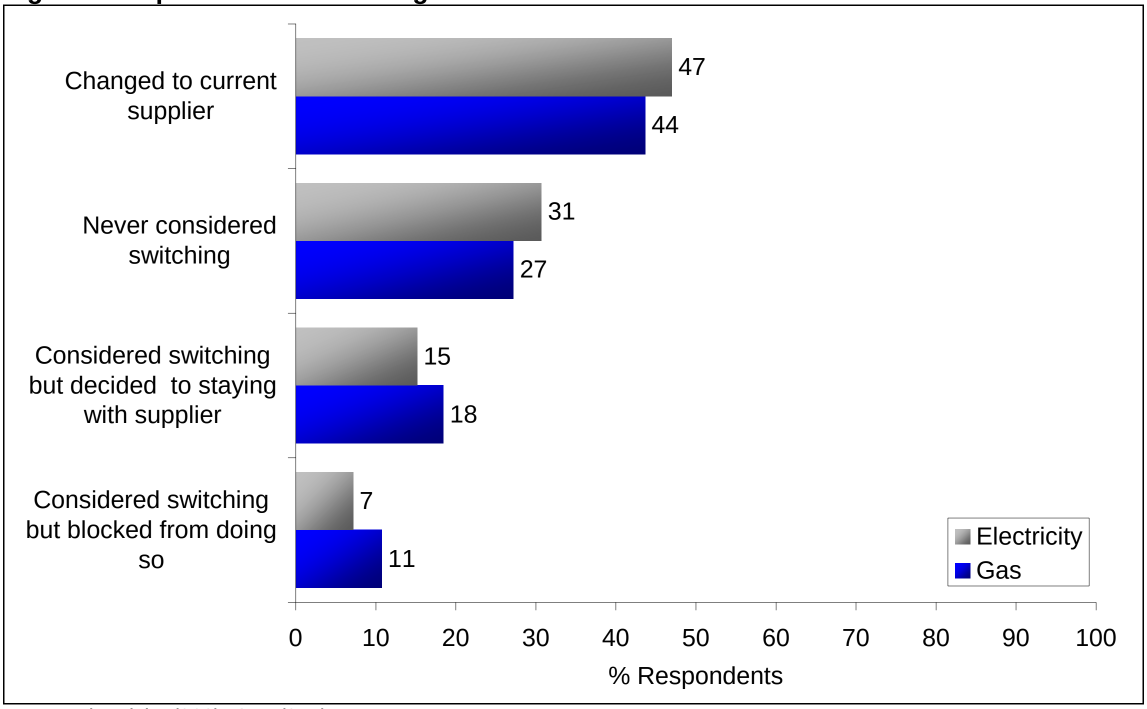
A sizeable minority of businesses who switched or considered switching, particularly SMEs, were dissatisfied with the switching experience overall. The key reasons related more to the processes involved than to the outcome. The two key problem areas were the time and difficulty involved and the clarity and accuracy of information received.

3.3 Experience of Switching

Patterns of Switching

Just under half of businesses have ever switched. 31% of electricity respondents and 27% of gas respondents had never considered switching in that time. A further 15% of electricity respondents and 18% of gas respondents had considered switching but had decided to stay with their current supplier. 7% of electricity respondents and 11% of gas respondents were prevented from switching by their current supplier. This last difference is statistically significant (see Figure 1).

Figure 1: Experience of switching



Bases: Electricity (863), Gas (347).

There were statistically significant variations in the switching experience by business size. A much greater proportion of micro and small businesses than large businesses have never considered switching their gas or their electricity supplier. More large businesses than SMEs switched electricity provider, but more in the SME sector than large businesses switched gas supplier. A much greater proportion of large businesses than smaller businesses considered switching but decided to stay with their existing supplier. There were no statistically significant differences in the proportions of SMEs and large businesses that were prevented from switching by their supplier.

The figures are as follows:

- Never considered switching:
  - Electricity: micro businesses 31%, small businesses 31%, large businesses 15%
  - Gas: SMEs 27%, large businesses 14%

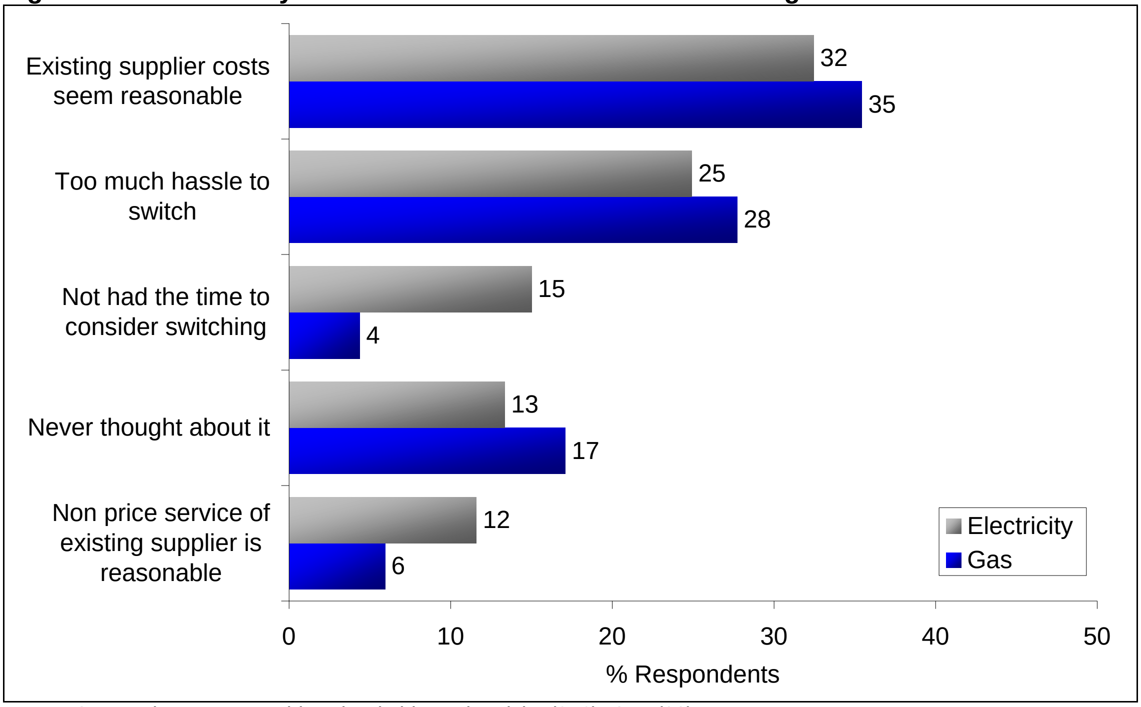
- Considered switching but decided to stay with existing supplier:
  - Electricity: SMEs 15%, large businesses 24%
  - Gas: micro businesses 18%, small businesses 17%, large businesses 42%

- Switched supplier:
  - Electricity: SMEs 46%, large businesses 58%
  - Gas: SMEs 44%, large businesses 33%.

Reasons Given For Switching Decisions

Reasons for never considering a switch: The reasons for not considering a switch to a new supplier were similar for both large businesses and SMEs, but the base of large businesses is too small to allow robust comparisons (24 for electricity and 9 for gas). For the SME sector, the main reason was because they perceived their existing supplier's costs or service to be reasonable (cost: 32% for electricity and 35% for gas; service: 12% for electricity and 6% for gas). Another key reason was the perceived hassle involved in switching (25% for electricity and 28% for gas). For electricity respondents, a lack of time was important (15%). A further 13% of electricity respondents and 17% of gas respondents had never thought about switching (see Figure 2).

Figure 2: Reasons why SMEs have never considered switching



Bases: SMEs who never considered switching: Electricity (216), Gas (88).

Reasons for considering switching: The reasons for considering a change of energy supplier are shown in Table 1. These figures are comprised of those who had considered but decided not to switch, those who had switched and those who considered switching but were prevented from doing so. It can be seen that the price of energy and the opportunity to make a financial saving is a key driver of switching decisions.

Most of those who switched or considered switching were attracted to the new supplier rather than being dissatisfied with their experiences with their original supplier. In other words, more businesses are pulled towards a new supplier rather than being pushed away by their original one. The reasons for considering a switch of supplier were similar for gas and electricity respondents. The key pull factor, cited by just over 60% of those respondents who had switched or considered switching, was the price offered by the new supplier. The key 'push' factor, cited by about 20% of these particular respondents was a rise in the prices charged by their original supplier. These factors were similar for both the SME sector and large businesses. There were, however, some significant differences between the SME sector and large businesses when considering a switch of electricity supplier, i.e. lower prices (SMEs 63%, large businesses 48%); special deals offered (SMEs 2%, large businesses 11%); poor customer service of own supplier (SMEs 2%, large businesses 6%).

Table 1: Reasons for considering switching among all who switched or considered switching

Driver of desire to switch	Reason given for considering switching	Electricity (%)	Gas (%)
New Supplier Pull	**Lower prices offered by another supplier**	**61**	**62**
	Special deal / promotion offered by another supplier	3	3
	Bundles of services or products offered by another supplier	1	0
	Persuaded by sales agent	1	0
Existing Supplier Push	**Own supplier increased prices**	**18**	**23**
	Own supplier customer service poor	3	2
	Billing problems with own supplier	2	2
	Meter reading problems with on supplier	1	0
Independent Factors	Moved business premises	2	1
	Made a price comparison	2	1

Bases: all who considered switching: Electricity (598), Gas (253). This includes those who had considered but decided not to switch, those who had switched and those who wanted to switch but were prevented from doing so.

Reasons for considering a switch but deciding to stay with existing supplier: By far the most common reason for both gas and electricity respondents staying with their incumbent supplier was that after comparison, they believed that their existing supplier offered the best deal (see Table 2).

Table 2 : Reasons for considering a switch but deciding to stay with existing supplier

Reason given for considering switching	Electricity (%)	Gas (%)
After making comparisons, own supplier offered best deal	65	79
Switching would require too great an effort	10	0
Content with current supplier	6	11
Potential savings did not warrant the effort required to switch	2	5
Difficulty in comparing options	1	2
Alternative suppliers asked for a bigger security deposit than own supplier	1	0
Own supplier matched the price offered by the alternative supplier	1	0
Unsure	1	1

Bases: all who considered switching but stayed with current supplier: Electricity (131), Gas (64).

There was one key difference between the SME sector and large businesses. A significantly larger proportion of SMEs decided not to switch because they believed their current supplier offered the best deal:

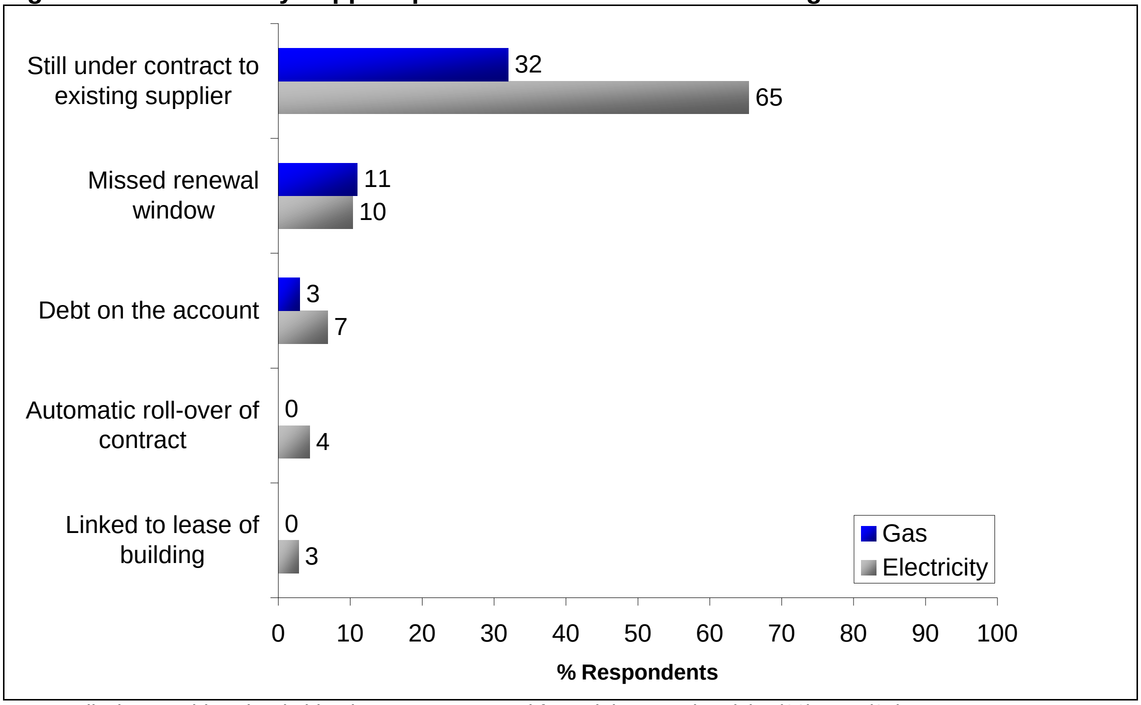
- Electricity: SMEs 73%, large businesses 46%
- Gas: SMEs 81%, large businesses 58%

A significantly greater proportion of large businesses than SME sector businesses decided not to switch electricity supplier because the alternative supplier required a larger security deposit than their existing supplier. They also found it harder to compare prices between suppliers and more found that the potential savings did not justify the switch:

- Required larger security deposit: SMEs 1%, large businesses 11%
- Difficulty comparing prices: SMEs 1%, large businesses 16%
- Savings did not justify the move: SMEs 4%, large businesses 18%

Reasons for not switching among those whose supplier prevented a switch: The main barrier to switching for those who considered switching but were prevented from doing so was that businesses were still under contract to their existing supplier (see Figure 3). The differences between gas and electricity respondents were not statistically significant and neither were differences between SMEs and large businesses.

Figure 3: Reasons why supplier prevented businesses switching



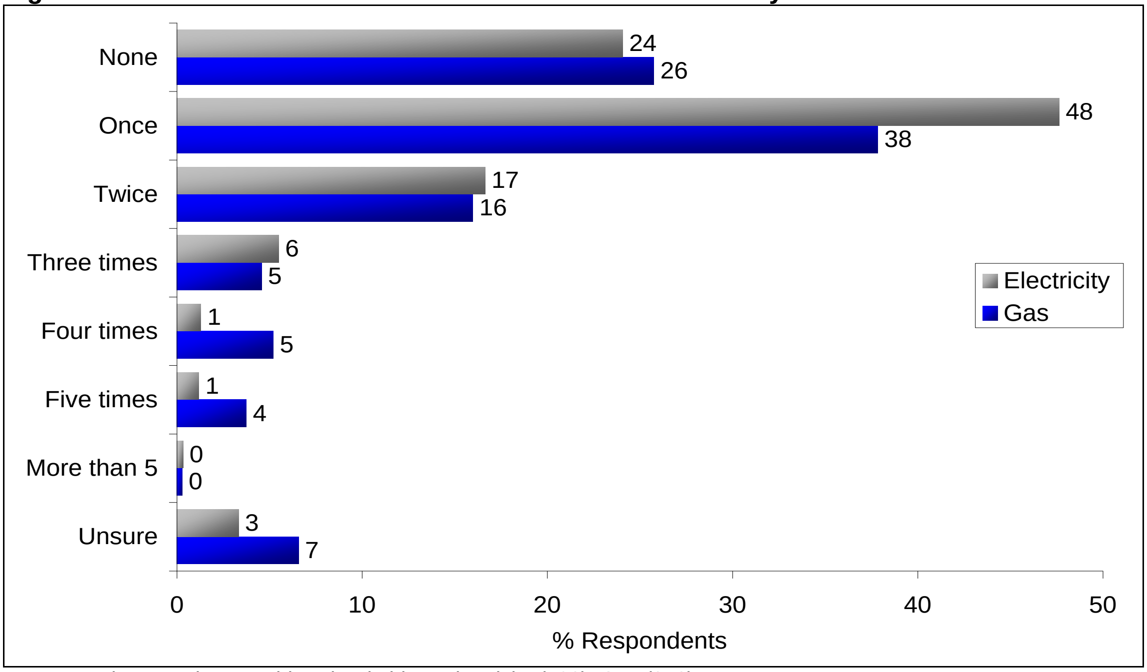
Bases: all who considered switching but were prevented from doing so: electricity (62), gas (37).

3.4 Frequency of Switching

Switching in the past five years: Among respondents who considered switching, three quarters had switched their energy supplier in the past five years (see Figure 4). Most did so once (48% for electricity respondents and 38% for gas respondents, a statistically significant difference).

Proportionately more large businesses than micro businesses went through with a switch to a different gas or electricity supplier twice in the past five years (electricity: micro businesses 16%, large businesses 30%; gas: micro businesses 15%, large businesses 31%). Proportionately more medium sized businesses than micro businesses switched electricity supplier three times in the past five years (micro businesses 5%, medium sized businesses 15%).

Figure 4: Number of times businesses switched in the last 5 years



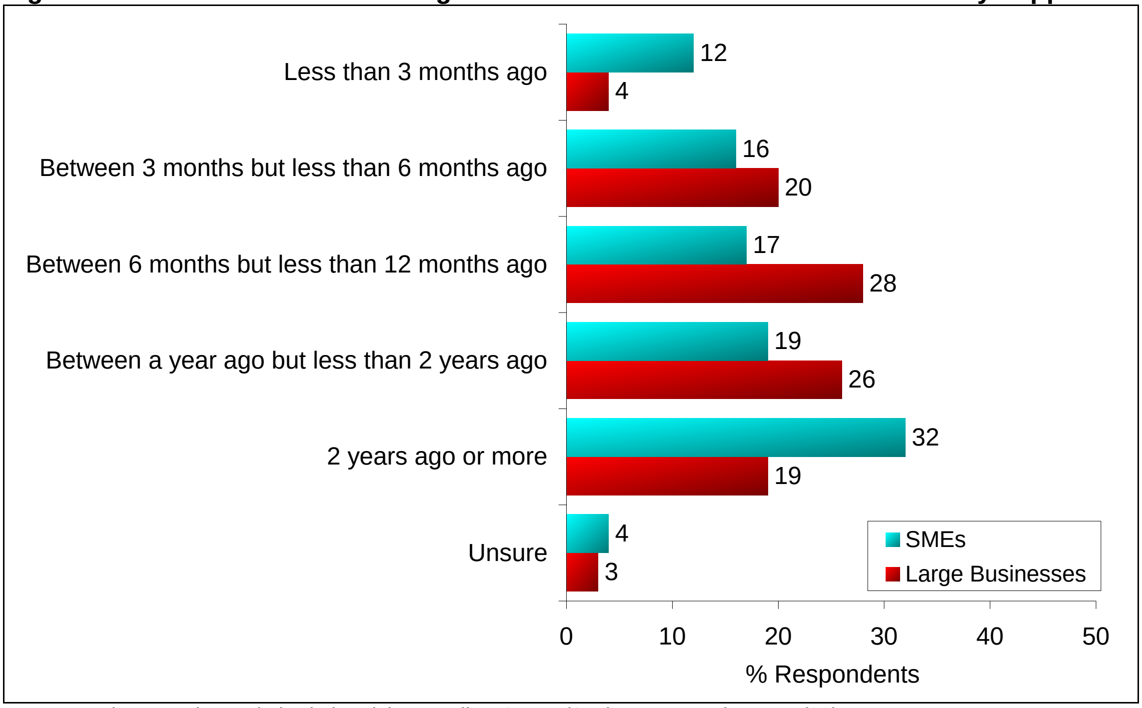
Bases: Businesses that considered switching: Electricity (598), Gas (253).

Most recent switch: About half of businesses that actually switched their energy supplier did so within the last year.

Significantly fewer SMEs than large businesses had made their last switch to a new electricity supplier over the past two years (SMEs 64%, large businesses 78%). In the past three months, however, SMEs have been relatively more active (see Figure 5). This shows that:

- Significantly more in the SME sector than large businesses reported that they had last switched electricity supplier in the previous three months (SMEs 12%, large businesses 4%).
- Significantly more in the SME sector than large businesses also stated that they had last switched two or more years ago (SMEs 32%, large businesses 19%).
- Significantly more large businesses than SMEs switched between six months and one year ago (SMEs 17%, large businesses 28%).

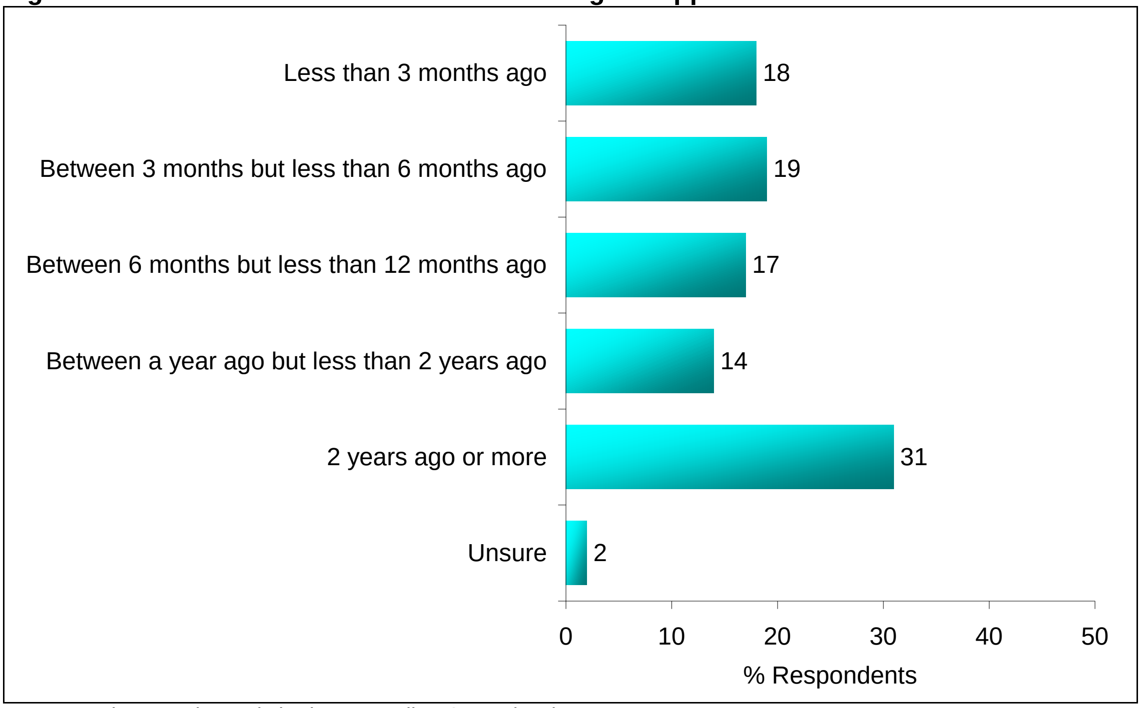
Figure 5: Time since SMEs and large businesses last switched their electricity supplier



Bases: Businesses that switched electricity supplier: SMEs (311), Large Businesses (80).

The base for large businesses that switched their gas supplier is too low to give a robust comparison with SMEs (18 respondents). The data for SMEs is in Figure 6 and shows a broadly similar pattern to electricity switching, particularly the proportion who last switched supplier two or more years ago (31% gas, 32% electricity).

Figure 6: Time since SMEs last switched their gas supplier



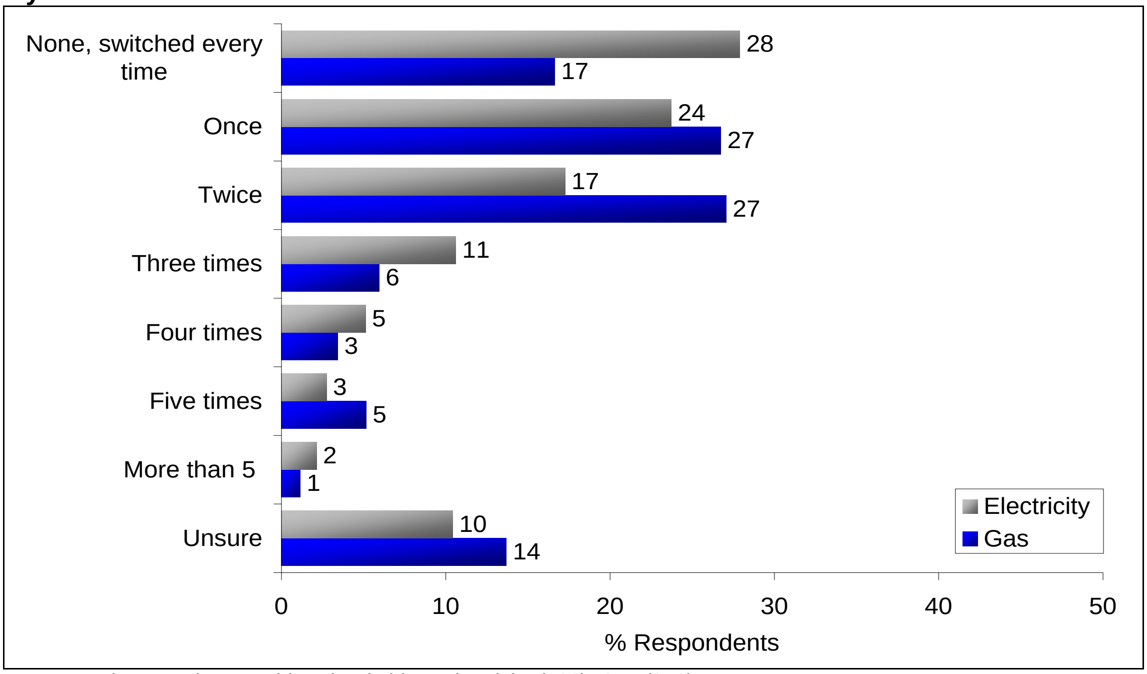
Bases: Businesses that switched gas supplier: SMEs (145).

Considered switching but decided not to: In addition to changing energy suppliers, a large proportion of businesses actively considered switching in the last 5 years but did not go through with it. Among all electricity respondents that had ever considered or made a switch, 62% reported they had considered switching their electricity supplier but did not switch at least once (in the last five years). The rate for gas was 69%. The difference between the two fuels was statistically significant. There were no significant differences between sizes of businesses.

41% of the electricity respondents considered switching but did not do so once or twice in the past five years. The rate for equivalent gas respondents was significantly higher at 54% (see Figure 7).

Proportionately more large businesses than micro or small businesses considered switching their electricity supplier twice but did not do so in the last five years: for micro businesses it was 17% and for small businesses 15%; for large businesses, however, it was 32%. Among gas respondents, more large businesses than small businesses considered switching twice but did not do so (small businesses 14%, large businesses 37%).

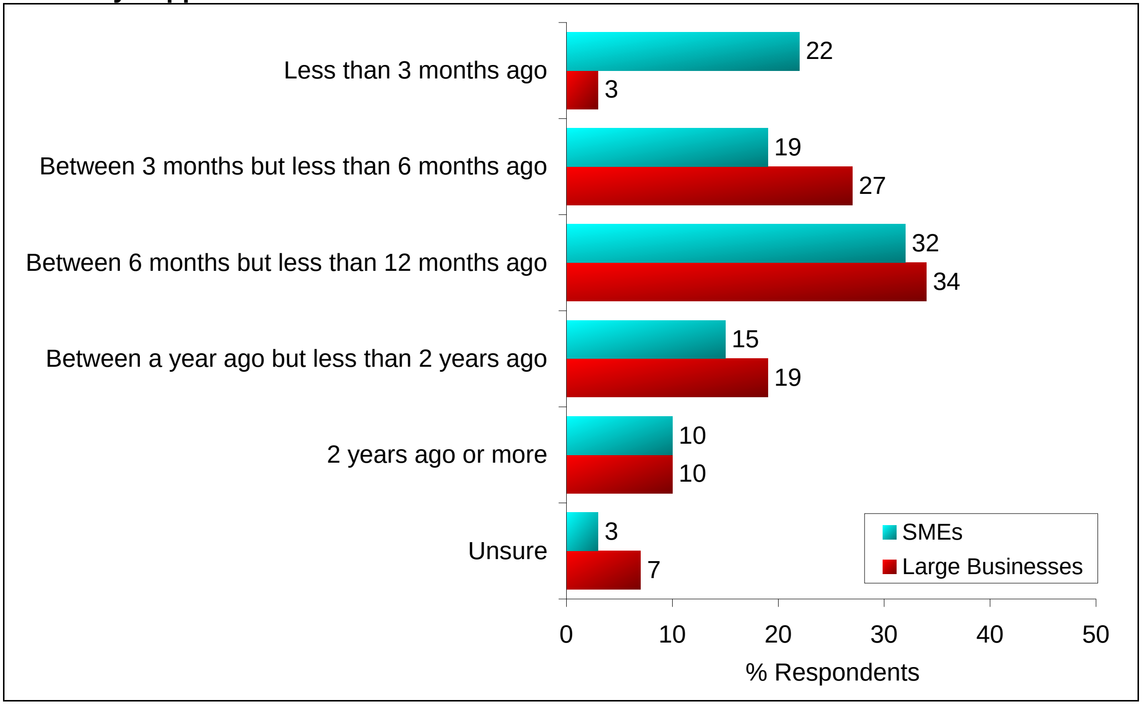
Figure 7: Number of times businesses considered switching but did not switch in the last 5 years



Bases: Businesses that considered switching: Electricity (598), Gas (253).

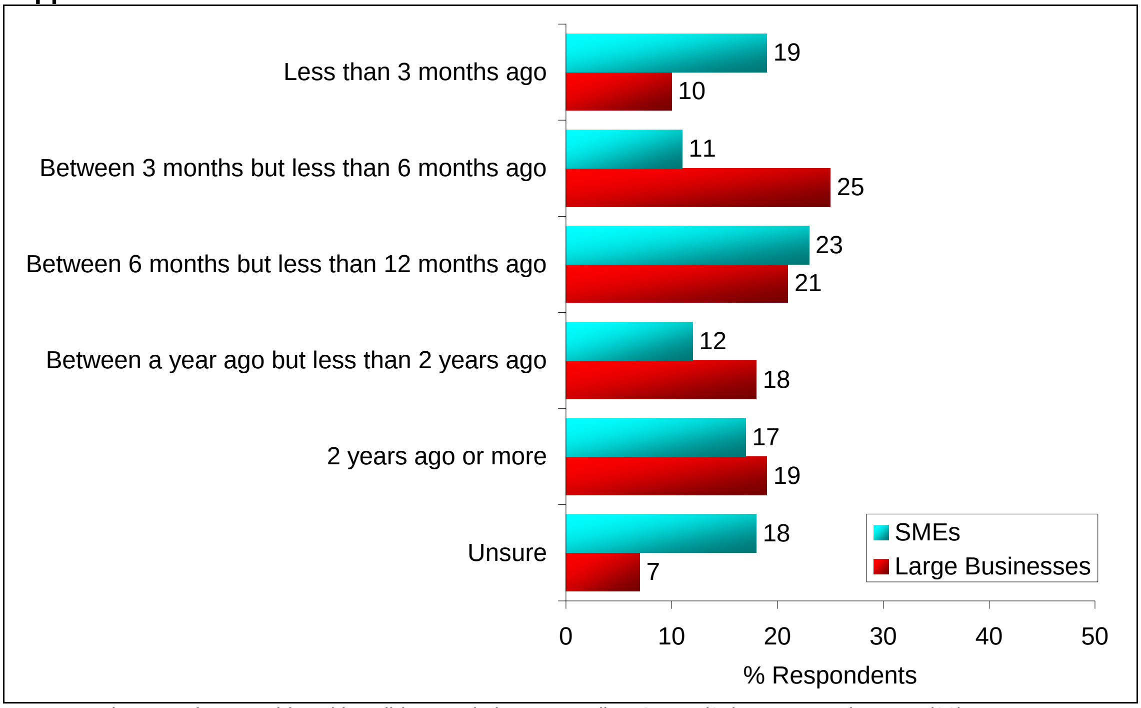
Significantly more in the SME sector than among large businesses considered a switch of electricity supplier but decided not to change in the past three months (SMEs 22%, large businesses 3% - see Figure 8). This is similar to the experiences of SMEs and large businesses who actually switched. Among gas respondents, the differences between the SME sector and large businesses are not statistically significant (see Figure 9). In addition, the differences between gas respondents and electricity respondents are not statistically significant.

Figure 8: Time since SMEs and large businesses considered but did not switch their electricity supplier



Bases: Businesses that considered but did not switch electricity supplier: SMEs (155), Large Businesses (39).

Figure 9: Time since SMEs and large businesses considered but did not switch their gas supplier



Bases: Businesses that considered but did not switch gas supplier: SMEs (95), Large Businesses (32).

3.5 Switching and Contracts

Contract renewal and timing of switching considerations: Among those gas and electricity respondents who knew they had a contract, 20% considered switching or switched even though their contract was not coming up for renewal. 6% of electricity respondents and 5% of gas respondents were not sure if this was the case. There were no significant differences between sizes of businesses.

Notification of contract being due for renewal: Among those businesses who knew they had a contract and considered switching when their contract was coming up for renewal, 18% of electricity respondents and 26% of gas respondents perceived that their energy supplier had not informed them that their contract was coming up for renewal. The differences between gas and electricity are statistically significant (see Table 3). There are no significant differences between SMEs and large businesses.

Table 3: Whether supplier notified businesses that their contract was due for renewal (i.e. businesses who knew they had a contract and were considering switching when their contract was coming up for renewal)

	Electricity	Gas
	%	%
Supplier notified the business that their contract was due to be renewed	71	65
Supplier did not notify the business that their contract was due for renewal	18	26
Unsure if the supplier notified the business that their contract was coming up for renewal	10	9

Bases: Businesses that considered switching and who knew they had a contract and who perceived that their contract was coming up for renewal: Electricity: (390); Gas: SMEs (161).

3.6 Extent to which Switching Decisions are Informed

The ability of businesses to achieve an optimal outcome when considering switching will be governed in part by how well informed decisions are.

There is evidence that a sizeable minority of businesses, particularly SMEs, have been reviewing key information sources less rigorously.

Number of suppliers considered: Significantly more micro businesses than large businesses considered only one alternative electricity supplier (micro businesses 25%, large businesses 8% - see Table 4). For gas none of the differences between business size bands were statistically significant.

Table 4: Businesses that considered only one alternative supplier

	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	%	%	%	%
Electricity	25	16	6	8
Gas	17	17	4	15

Bases: Businesses who considered switching their supplier: Electricity: micro businesses (203), small businesses (187), medium sized businesses (81), large businesses (118). Gas: micro businesses (81), small businesses (94), medium sized businesses (77), large businesses (53).

Comparing prices between current and alternative suppliers: Significantly more micro, small and medium sized businesses than large businesses did not compare electricity prices of their current supplier with the prospective supplier (see Table 5). For gas respondents, none of the differences between individual business size bands were statistically significant.

Table 5: Businesses who did not compare prices of current supplier and prospective supplier when considering a switch

	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	%	%	%	%
Electricity	18	18	17	3
Gas	22	14	8	8

Bases: Businesses who considered switching their electricity supplier: Electricity: micro businesses (203), small businesses (187), medium sized businesses (81), large businesses (118). Gas: micro businesses (81), small businesses (94), medium sized businesses (77), large businesses (53).

Reviewing energy bills: Significantly fewer micro and medium sized businesses than large businesses looked at their electricity bills when considering a switch. The differences for gas were not statistically significant (see Table 6).

Table 6: Proportion of businesses who did not look at their energy bills when considering a switch

	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	%	%	%	%
Electricity	25	22	35	10
Gas	21	25	20	25

Bases: Businesses who considered switching their electricity supplier: Electricity: micro businesses (167), small businesses (154), medium sized businesses (74), large businesses (76). Gas: micro businesses (73), small businesses (79), medium sized businesses (66), large businesses (43).

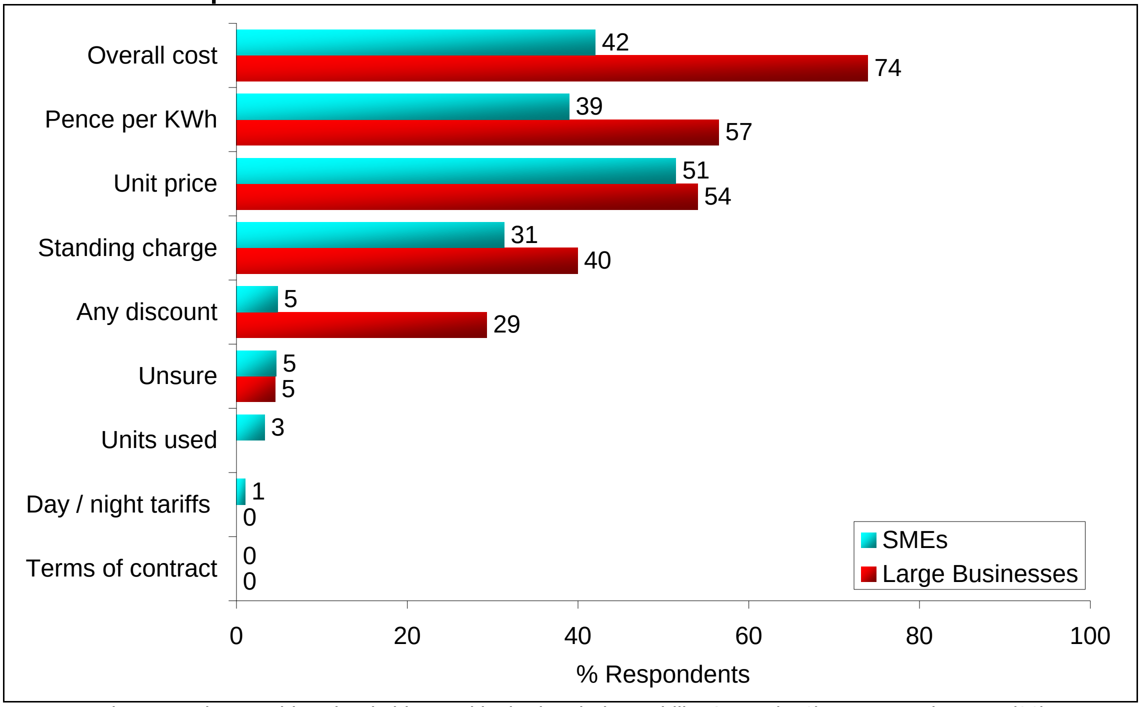
Parts of energy bills reviewed when considering a switch: Among those businesses that did look at their energy bills while considering a switch of suppliers, the evidence suggests that SMEs used less of the available information than did large businesses. The data is as follows:

- When considering a change of gas supplier, significantly more large businesses than the SME sector[9] looked at overall cost, price per kWh and any discounts (see figure 10).

- When changing electricity supplier, significantly more large businesses than the SME sector looked at overall cost, unit price, price per KWh, standing charge and any discounts (see figure 11). The difference between large businesses and micro, small and medium sized businesses were also statistically significant (see table 7).

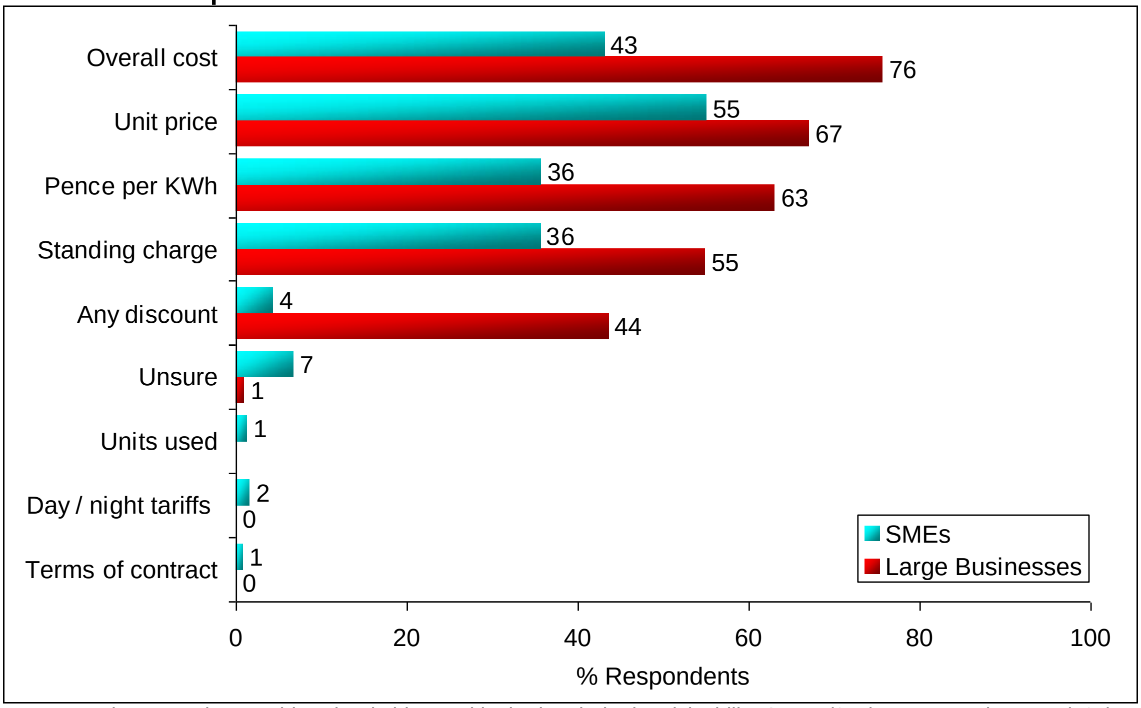
[9] There were no significant differences between the three individual SME business size bands.

Figure 10: Parts of gas bill reviewed when considering a switch: SMEs and large businesses compared



Bases: Businesses who considered switching and looked at their gas bills: SMEs (179), Large Businesses (36)

Figure 11: Parts of electricity bill reviewed when considering a switch: SMEs and large businesses compared



Bases: Businesses who considered switching and looked at their electricity bills: SMEs (354), Large Businesses (107)

Table 7: Parts of electricity bill reviewed when considering a switch: micro, small, medium and large businesses compared

	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	%	%	%	%
Overall cost	49	41	37	76
Price per KWh	35	39	38	63
Unit price	57	54	60	67
Standing charge	35	40	31	55
Any discount	5	4	8	43

Bases: Businesses who considered switching and looked at their electricity bills: micro businesses (167), small businesses (154), medium sized businesses (74), large businesses (76).

3.7 Proactive and Reactive Switching Considerations

Some businesses considered switching in response to an approach from a supplier or energy broker and others actively sought out a new supplier as part of their considerations about switching without prompting. These 'reactive' and 'proactive' businesses display some important differences in the way they consider switching.

Extent of reactive and proactive searching for alternative suppliers: Significantly more in the SME sector considered switching after an approach from a broker or another energy supplier. The role of brokers will be discussed in the next chapter. A quarter of large businesses reacted to an approach from a new electricity supplier or broker, compared with 42% in the SME sector. 21% of large businesses considered switching after they were approached by a new gas supplier or broker, compared with 36% for SMEs as a whole (see Table 8). The differences between large businesses and individual SME size bands were not statistically significant.

Table 8: Reactive and Proactive Switching Considerations

	Electricity		Gas	
	SMEs	Large Businesses	SMEs	Large Businesses
	%	%	%	%
Made a proactive approach to other suppliers or brokers	51	77	67	74
Considered switching as a result of an approach from suppliers or brokers	42	25	36	21

Bases: Businesses who considered switching: Electricity: SMEs (442), Large Businesses (113); Gas: SMEs (227), Large Businesses (47).

Prompting effect from being approached about switching: A large minority in the SME sector had not been thinking about switching when they were approached by energy brokers or energy supplier (electricity 39%, gas 43%). The difference between large businesses and the SME sector for electricity was statistically significant (see Table 9). The differences between large businesses and individual SME size bands were not statistically significant.

Table 9: Whether businesses had been thinking of switching when they were approached by brokers, other intermediaries or suppliers

	Electricity		Gas	
	SMEs	Large Businesses	SMEs	Large Businesses
	%	%	%	%
Had not been thinking of switching	39	6	43	Base too low

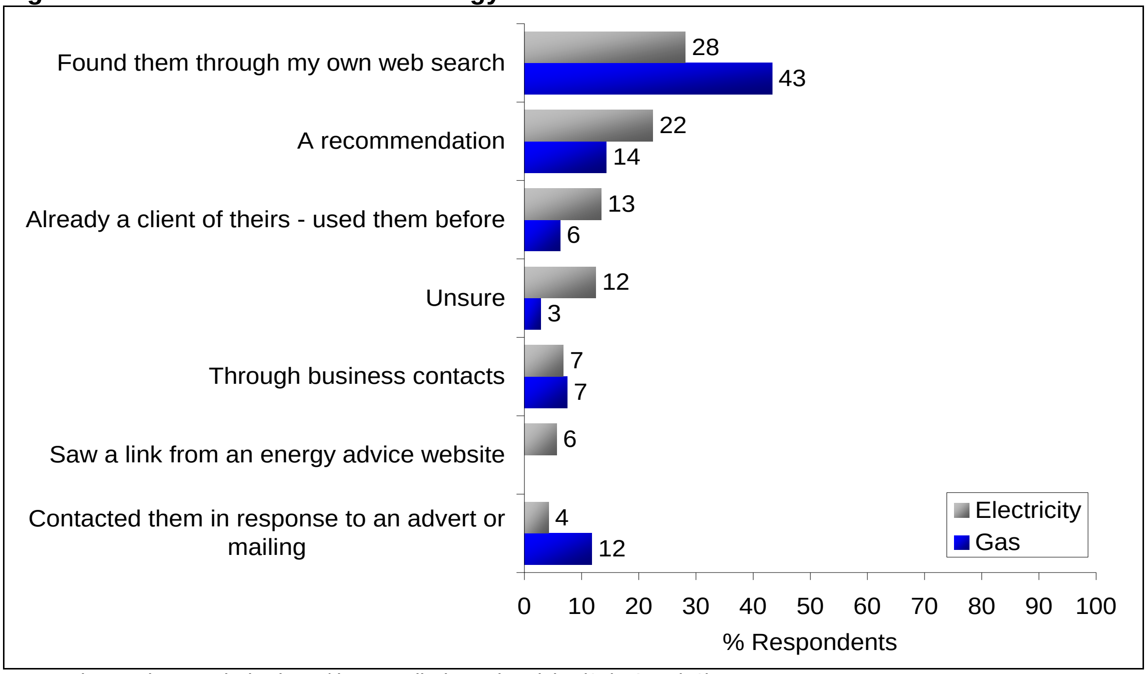
Bases: Businesses who considered switching and approached by energy broker / intermediary or energy supplier: Electricity: SMEs (190), Large Businesses (103); Gas: SMEs (82), Large Businesses (11).

Proactive businesses: methods used to find suppliers: Among those who had been proactive in searching for a supplier or broker, a number of methods were used. The most important were as follows:

- For both brokers and suppliers, the most popular method was through businesses' own online searches.
- For brokers, recommendations and previous use were the next most frequently cited ways of finding them.
- For suppliers, finding the new supplier through a web search, responding to adverts and having been a customer of the supplier in the past were the next most frequently cited methods of approach.

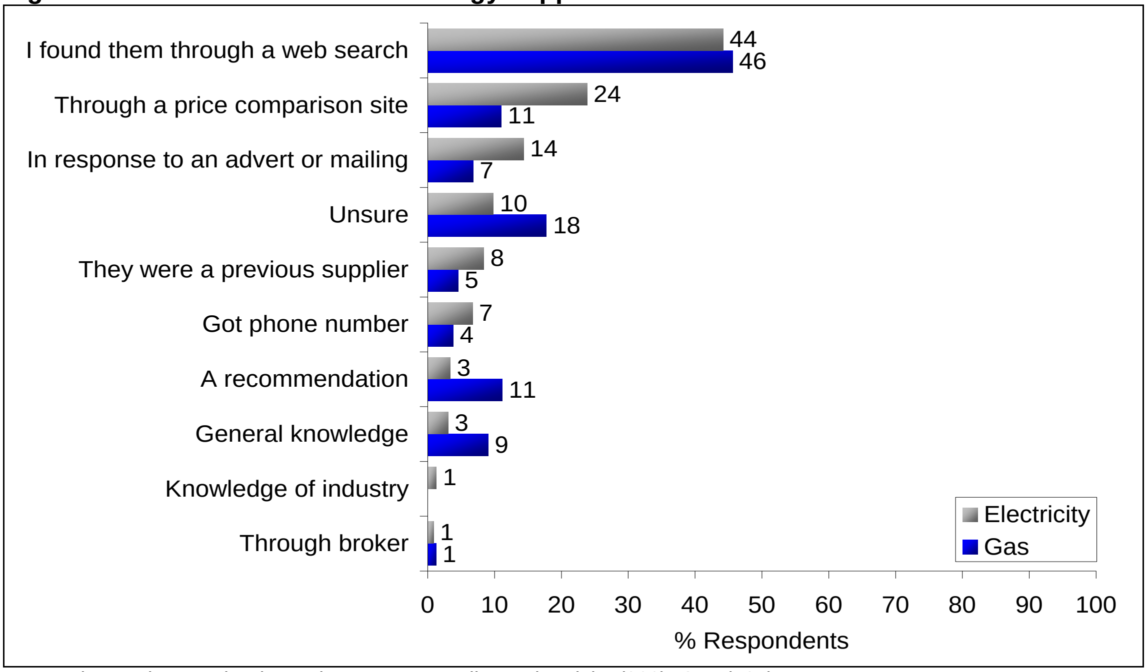
Details of all methods used are set out in Figure 12 and Figure 13. The differences between large businesses and SMEs were not statistically significant.

Figure 12: Methods used to find energy brokers or other intermediaries



Bases: those who sought brokers / intermediaries: Electricity (84), Gas (42).

Figure 13: Methods used to find energy suppliers



Bases: those who sought alternative energy suppliers: Electricity (300), Gas (124).

Differences in behaviour and perceptions of proactive and reactive businesses: There were significant differences between the two groups in the process of deciding whether or not to change suppliers, but not between SMEs and large businesses:

- A greater proportion of reactive than proactive businesses considered only one alternative supplier:
  - Electricity:
    - Proactive businesses 18%
    - Reactive businesses 33%
  - Gas:
    - Proactive businesses 12%
    - Reactive businesses 27%
- Comparatively more reactive than proactive businesses did not compare electricity prices between suppliers when considering a switch. There was not, however, any significant difference when it came to gas:
  - Electricity:
    - Proactive businesses 11%
    - Reactive businesses 23%

- Gas:
  - Proactive businesses 23%
  - Reactive businesses 20%

- Reactive businesses who used brokers were significantly less satisfied[10] with them overall than were proactive businesses:

  - Electricity:
    - Proactive businesses 4.45
    - Reactive businesses 3.39
  - Gas:
    - Proactive businesses 4.40
    - Reactive businesses 3.39

  Robust analysis of the causes of dissatisfaction with brokers is not possible because only 18 ‘reactive’ businesses fell into this category. However, the main reason given was pressure to go through with the switch (11 out of 18 respondents).

- Reactive businesses were less satisfied overall with the switching experience than proactive businesses:

  - Electricity:
    - Proactive businesses 3.71
    - Reactive businesses 3.20
  - Gas:
    - Proactive businesses 3.72
    - Reactive businesses 3.35

  The main reasons for being dissatisfied with the overall switching experience varied between the two groups of businesses. Dissatisfied proactive businesses were mainly dissatisfied with the electricity switching process because it was time consuming (34%). Among reactive businesses that were dissatisfied with switching, there were two key drivers: hidden charges (26%) and pressure to switch (21%). The base of dissatisfied gas respondents is too small to provide reliable data. However, for both reactive and proactive businesses, they were mainly dissatisfied with the clarity and accuracy of information received (7 out of 11 proactive businesses and 6 out of 15 reactive businesses).

---

[10] Respondents were asked to gauge satisfaction on a scale of 1 (very dissatisfied) to 5 (very satisfied).

- There does not appear to be any significant differences between the two groups in the effect of their experiences on their perception of the energy suppliers' value for money or overall satisfaction with their provider (see Table 10).

Table 10: Satisfaction indicators for businesses who proactively sought new suppliers and those that reacted to approaches from new suppliers or brokers

	Electricity		Gas	
	Proactive Businesses	Reactive Businesses	Proactive Businesses	Reactive Businesses
	Satisfaction rating (on a scale of 1 to 5)			
Value for money of supplier	3.19	3.30	3.20	3.12
Overall satisfaction with supplier	3.53	3.63	3.87	3.63

Bases: Businesses that considered switching or switched. Electricity: Value for Money: Proactive Businesses (269), Reactive Businesses (209); Overall satisfaction: Proactive Businesses (290), Reactive Businesses (217); Gas: Value for Money: Proactive Businesses (113), Reactive Businesses (96); Overall satisfaction: Proactive Businesses (116), Reactive Businesses (96).

3.8 Overall Satisfaction with Switching Experience

Overall satisfaction with the experience of switching among businesses which had switched or considered switching was 3.52 for electricity respondents and 3.57 for gas respondents[11][12]. The scores tend towards being satisfied although they fall below the score of 4 (quite satisfied) but are above 3 (neither satisfied nor dissatisfied).

A sizeable minority of businesses who switched or considered switching suppliers were dissatisfied with the experience, particularly the SME sector:

- Electricity: SMEs 16% , large businesses 7%
- Gas: SMEs 12%, large businesses 3%

The differences in satisfaction with electricity switching is statistically significant, but not for gas.

The main reasons for dissatisfaction are driven much more by the processes involved rather than costs of the new supplier. The two main reasons were:

- Switching was a difficult and time consuming process

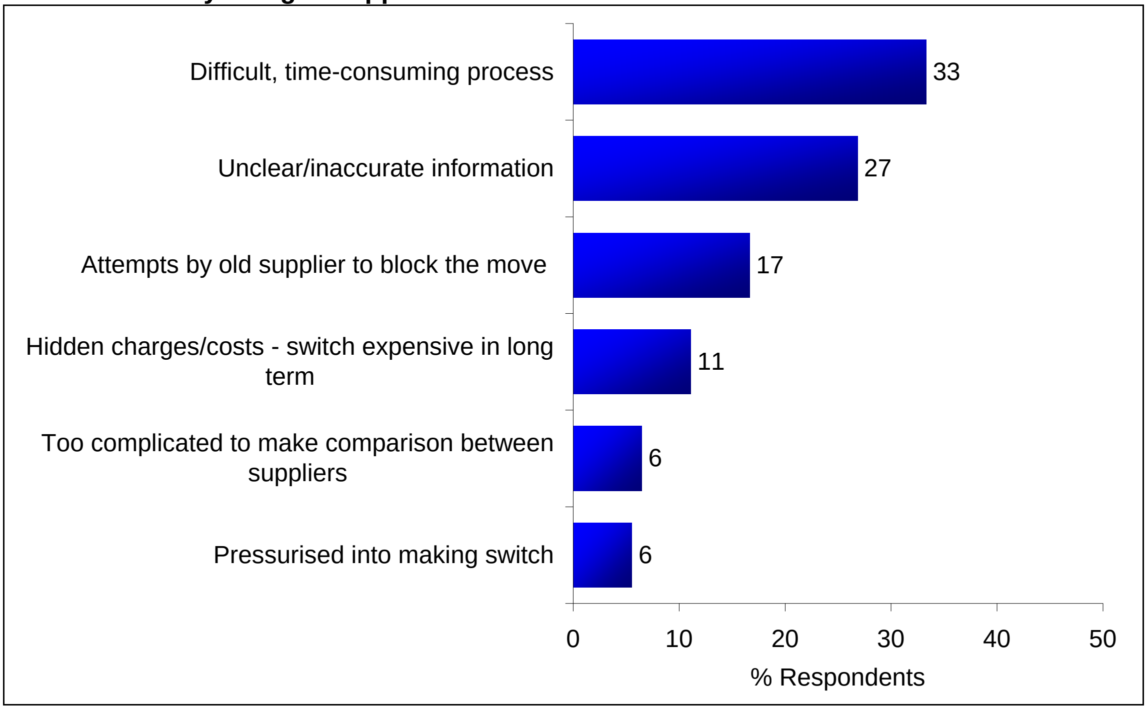
- Information received from brokers or potential suppliers was considered to be unclear or inaccurate. This included information about charges, specific business energy related costs, cancellation fees, meter readings, closing accounts and details of contracts.

[11] Respondents were asked to gauge satisfaction on a scale of 1 (very dissatisfied) to 5 (very satisfied).

[12] In the case of electricity, the score is 3.63 for those that actually switched. This is significantly higher than the 3.15 given by those that were prevented from doing so, but it is not significantly higher than the score given by those that considered switching but decided to stay (3.34). For gas, the scores are 3.75 for those who switched, 3.35 for those who stayed and 3.17 for those that were prevented from leaving. Actual gas switchers are significantly more satisfied than the other two groups.

See Figure 14 for details.[13]

Figure 14: Reasons for dissatisfaction with the experience of switching or seeking to switch electricity and gas suppliers



Base: Electricity and Gas businesses dissatisfied with the switching process (118).

[13] Data for gas and electricity have been combined in this table as the base size of gas are too small to give robust findings.

4. ROLE OF ENERGY BROKERS

4.1 Introduction

This chapter describes experiences of using energy brokers when businesses considered[14] switching to a new energy supplier. It covers:

- Use of energy brokers
- Fees charged by brokers
- Overall satisfaction with brokers
- Impact of using energy brokers.

4.2 Overview

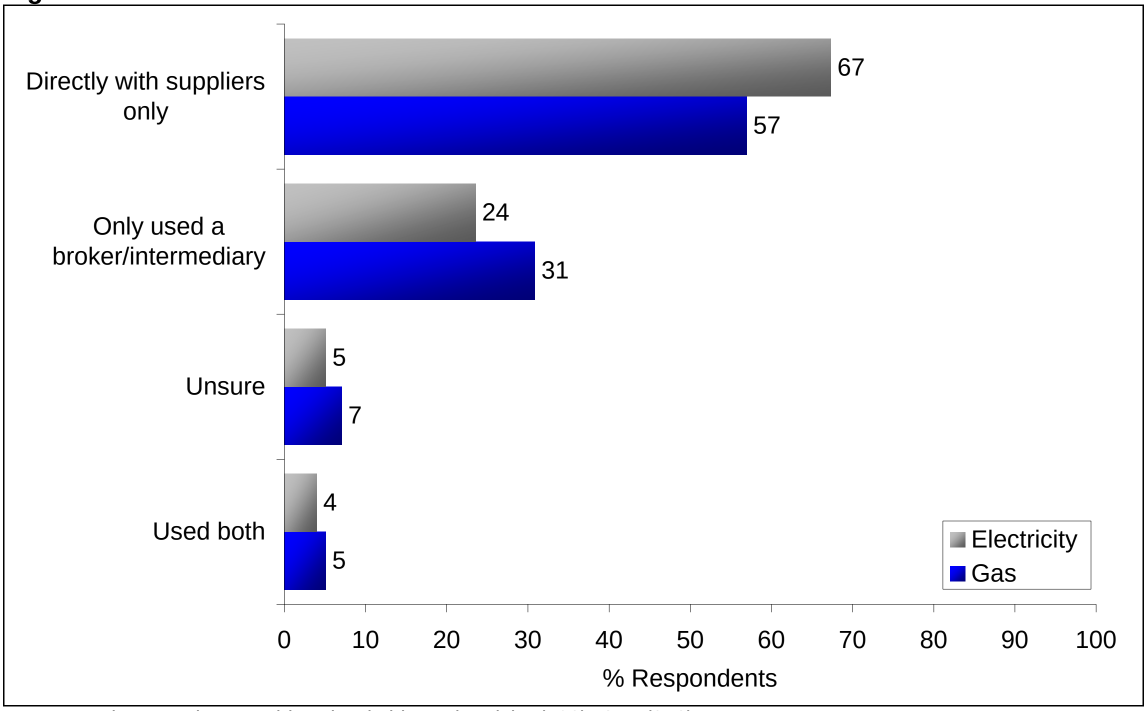
Brokers were by and large seen as being positive, although 14% of businesses who used a broker when considering a switch of electricity supplier and 17% who used a broker when considering a new gas supplier were dissatisfied with them. This was mainly due to perceived pressure and unprofessional behaviour. More in the SME sector than large businesses used brokers as the only means of considering a switch. Within the SME sector, small and medium sized businesses used them more than micro businesses.

4.3 Use of Energy Brokers

Over a quarter (28%) of electricity respondents who had considered switching had used an energy broker or similar intermediary. The rate among the equivalent gas respondents was higher with over a third (36%) having used them. The difference is statistically significant (see Figure 15).

[14] By this we mean all businesses except those who had never considered switching, i.e. this includes those who actually switched, considered switching but decided to stay with same supplier, and considered switching but were prevented from doing so.

Figure 15: Use of brokers



Bases: Businesses that considered switching: Electricity (598), Gas (253).

Variations in Use of Energy Brokers by Business Size

There was a difference in the use of brokers between the SME sector and large businesses that considered switching or switched supplier. A greater proportion in the SME sector only used a broker for both gas and electricity switching, as compared with large businesses. Comparatively more large businesses used both a broker and dealt directly with suppliers when considering a switch of electricity suppliers. For gas, comparatively more large businesses dealt directly with the supplier when considering a switch:

- Electricity
  - Used only a broker: SMEs 32%, large businesses 19%
  - Used brokers and also dealt directly with suppliers: SMEs 5%, large businesses 20%

- Gas
  - Used only a broker: SMEs 41%, large businesses 12%
  - Dealt directly with the gas supplier only: SMEs 48%, large businesses 67%.

Within the SME sector, more small and medium businesses used brokers than those in the micro sector:

- Electricity
  - Used only a broker:
    - micro businesses 21%
    - small businesses 36%
    - medium sized businesses 44%

- Gas
  - Used only a broker:
    - micro businesses 27%
    - small businesses 46%
    - medium sized businesses 48%

4.4 Fees Charged by Brokers

The survey asked businesses that had considered switching[15] and which had used a broker, whether they had been charged a fee for their services. Of these, 9% of SMEs who were electricity respondents knew they were charged a fee by their broker. This was much lower than the 45% of equivalent large businesses who recognised this. A similar percentage of relevant SMEs who were gas respondents (10%) also knew that they were charged a fee by their broker, compared to seven of the twelve large businesses.

The most commonly reported way of charging was through a regular fee added to the energy bill (63% of all businesses that used a broker). A one off fee was charged to 31% of all businesses that used a broker.

4.5 Overall Satisfaction with Brokers

Brokers achieved a relatively high overall satisfaction rating among those who reported using them: 3.95 out of 5 for electricity and 3.83 for gas. Businesses in the SME sector gave a significantly higher rating to brokers when they switched or considered switching electricity supplier than large businesses (SMEs 4.09, large businesses 3.65). SMEs rated brokers at 4.04 when they switched or considered switching gas supplier. The base for large businesses is too small to allow for a robust comparison with SMEs for gas.

14% of businesses who used a broker when switching or considering switching electricity supplier and 16% who used one to switch or consider switching gas supplier were dissatisfied with them. It is not possible to give separate reasons for dissatisfaction for gas and electricity respondents due to the low bases of those who were dissatisfied. Taking both fuels together, the most common reason for dissatisfaction with brokers was that they pressured businesses into deals. This was cited by 16 of the 37 respondents who were dissatisfied. A further 10 dissatisfied respondents described their brokers as being unprofessional.

4.6 Impact of Using Energy Brokers

An indication of the impact of brokers on businesses can be measured by comparing satisfaction ratings with energy suppliers between businesses that did and did not use brokers. The indicators chosen are overall satisfaction with the switching experience, value for money and overall satisfaction with energy suppliers (see Table 11). The data

[15] By this we mean all businesses except those who had never considered switching, i.e. this includes those who actually switched, considered switching but decided to stay with same supplier, and considered switching but were prevented from doing so.

did not show any significant difference between those who employed brokers and those who did not. It cannot be said, therefore, that energy brokers improved or worsened the experience of businesses in their dealings with energy suppliers.

Table 11: Indicators of the impact of energy brokers on businesses

	Electricity		Gas	
	Used brokers	Did not use brokers	Used brokers	Did not use brokers
	Satisfaction rating (on a scale of 1 to 5)			
Switching experience	3.77	3.66	3.69	3.64
Value for money of supplier	3.17	3.35	3.23	3.33
Overall satisfaction with supplier	3.67	3.64	3.80	3.70

Bases: Considered switching or switched energy supplier: Electricity: Used broker (141), did not use broker (457); Gas: Used broker (78), did not use broker (144).

5. OVERVIEW OF ENERGY IN BUSINESSES

5.1 Introduction

This chapter sets out key profiling information gathered about business energy consumption and businesses' satisfaction with energy suppliers. It covers the following topics:

- Proportion of businesses with mains gas and mains electricity supplies
- Annual costs of energy
- Share of energy in total costs
- Predominant fuel used
- General satisfaction with energy suppliers.

5.2 Overview

Among those who were aware of their energy costs, total costs were generally related to the size of businesses. The proportion of total costs that were due to electricity was higher for large businesses than for SMEs as a whole.

While businesses were reasonably satisfied with their energy suppliers overall, there were differences in satisfaction with different aspects of service provided. Businesses were most satisfied with the overall quality of service provided. They were least satisfied with value for money and query resolution. Electricity users were less satisfied than gas users with resolving queries and the overall quality of service. SMEs as a whole were less satisfied than large businesses with query resolution.

5.3 Business Energy Consumption and Share of Energy in Total Costs

Gas and Electricity Usage

All businesses interviewed used mains electricity. Fewer businesses used mains gas overall and the proportion of businesses that used mains gas increased with the size of business:

- Micro businesses: 44%
- Small businesses: 57%
- Medium sized businesses: 72%
- Large businesses: 83%

Annual Energy Costs

The cost and contribution of energy in total business costs is more difficult to calculate. A high proportion of all respondents were uncertain of what these were:

- 32% were unsure of their electricity costs
- 37% were unsure of their gas costs
- 63% were unsure of the share of electricity costs in total costs
- 67% were unsure of the share of gas costs in total costs.

Among those who were aware of their energy costs, total costs were generally related to the size of businesses:

- Electricity
  - **Micro Businesses**: 82% paid up to £5,000 per year
  - **Small Businesses**: 53% paid up to £5,000 per year. There was a further peak where some larger bill payers were concentrated: 21% paid in the range of £5,001 to £10,000 per year
  - **Medium Sized Businesses**: 18% paid up to £5,000 per year. There were two further peaks where some larger bill payers were concentrated: 16% paid in the range of £5,001 to £10,000 per year and 21% paid in the range £25,001 to £50,000 per year
  - **Large Businesses**: 23% paid up to £5,000 per year. There was a peak among larger bill payers: 11% paid over £1 million pounds per year. A further 14% paid in the range of £250,000 to £1 million per year.
- Gas
  - **Micro Businesses**: 89% paid up to £5,000 per year
  - **Small Businesses**: 68% paid up to £5,000 per year. There was a further peak where some larger bill payers were concentrated: 17% paid in the range of £5,001 to £10,000 per year
  - **Medium Sized Businesses**: 32% paid up to £5,000 per year. There were two further peaks where some larger bill payers were concentrated: 19% paid in the range of £5,001 to £10,000 per year and 13% paid in the range £25,001 to £50,000 per year
  - **Large Businesses**: 24% paid up to £5,000 per year. There were three further peaks where some larger bill payers were concentrated: 12% paid in the range of £5,001 to £10,000 per year, 14% paid in the range £25,001 to £50,000 per year and 10% paid between £100,001 and £250,000 per year. 8% paid more than £1million.

The range energy costs reported by businesses are shown in Appendix C (see Figure 32 to Figure 39).

Cost of Energy in Total Business Costs

The key findings are as follows:

- Electricity and gas each account for less than 5% of total costs for a large majority of businesses in all size bands (see Table 12).

Table 12: Proportion of businesses where energy accounts for less than 5% of total costs

	Electricity	Gas
Micro businesses	69%	75%
Small businesses	74%	67%
Medium sized businesses	72%	78%
Large businesses	59%	66%

Bases for Electricity: respondents aware of the proportion of electricity costs in total costs: micro businesses (150), small businesses (155), medium sized businesses (75), large businesses (154).
Bases for Gas: respondents with a mains gas supply and aware of the proportion of gas costs in total costs: micro businesses (55), small businesses (74), medium sized businesses (47), large businesses (126).

- Table 12 also shows that the proportion of electricity in total business costs was fairly consistent across the SME size bands of businesses, but it made up a significantly higher proportion of total cost for large businesses.

The detailed share of energy costs in total business costs for each business size band can be found in Appendix C Figure 40 to Figure 47.

5.4 Predominant Fuel

Among all those who used both mains gas and electricity, gas accounted for a greater share of total costs than did electricity:

- 35% electricity had a greater share of total cost than gas
- 44% gas had a greater share of total costs than electricity
- 18% gas and electricity had the same share of total costs
- 3% unsure.

The differences are statistically significant. This pattern of usage was not consistent across the different sizes of businesses. Significantly more micro, small and medium sized businesses stated that their gas accounted for a greater share of total business costs than was the case among large businesses (i.e. about half of SMEs as opposed to 22% of large businesses see Table 13).

Table 13: Proportion of total business costs accounted for by gas and electricity

	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	%	%	%	%
Electricity costs greater	26	33	31	53
Gas costs greater	51	48	57	22
Electricity and gas costs make equal contribution	20	17	12	21
Unsure	3	3	1	5

Bases: Businesses with both a mains gas and electricity supply: micro businesses (186), small businesses (229), medium sized businesses (146), large businesses (171).

5.5 General Perceptions of Energy Suppliers

Figure 16 and Figure 17 show the satisfaction ratings given to electricity and gas suppliers for different service touchpoints. Satisfaction was measured on a scale of 1 to 5, with 1 being very dissatisfied and 5 being very satisfied.

All scores for both gas and electricity fall between the range of 3 (neither satisfied nor dissatisfied) and 4 (quite satisfied).

Overall, businesses are reasonably satisfied with their supplier, with electricity scoring 3.71 and gas 3.82. The difference between the two scores is not statistically significant.

For individual service touchpoints, overall quality of service provided had the highest score for both fuels. Value for money and resolving queries are in the bottom two positions for both fuels.

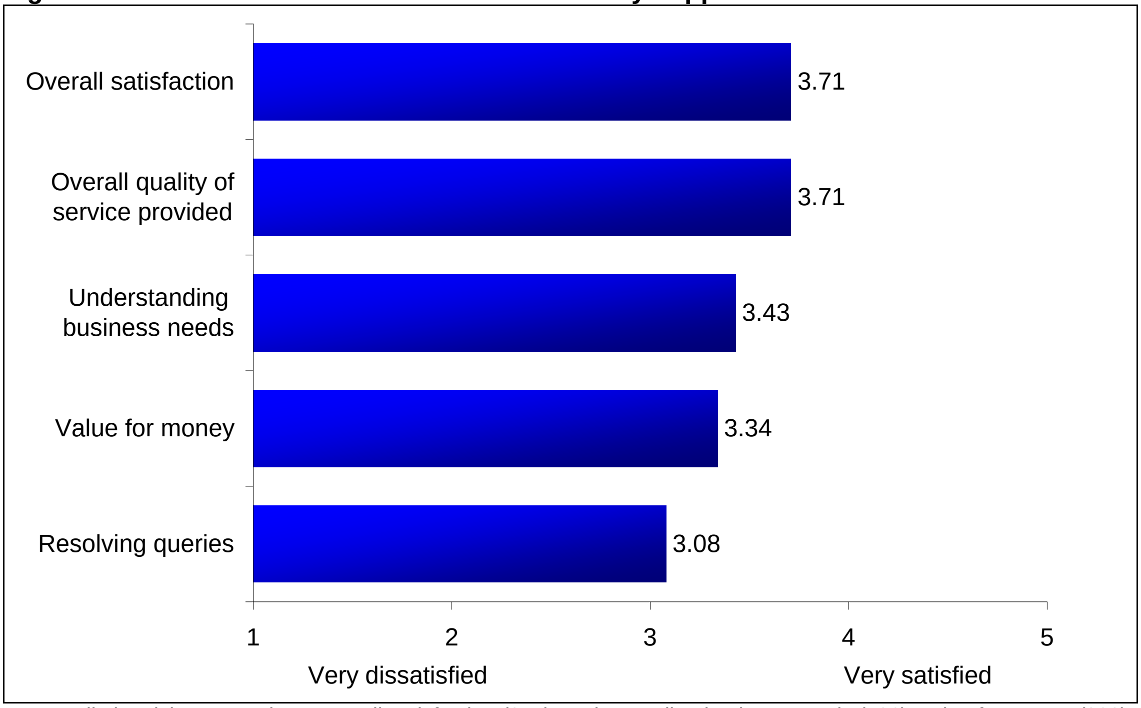
There were statistically significant differences in satisfaction between different service touchpoints:

- Electricity:
  - Satisfaction with resolving electricity queries was lower than all other touchpoints
  - Satisfaction with value for money and understanding of business needs was lower than the overall quality of service provided.
- Gas
  - Satisfaction with value for money was lower than all other touchpoints (except for resolving queries where the difference is not statistically significant)
  - Satisfaction with resolving queries and understanding business needs was lower than the overall quality of service.

There were some statistically significant differences in satisfaction between gas and electricity respondents, with gas customers being more satisfied:

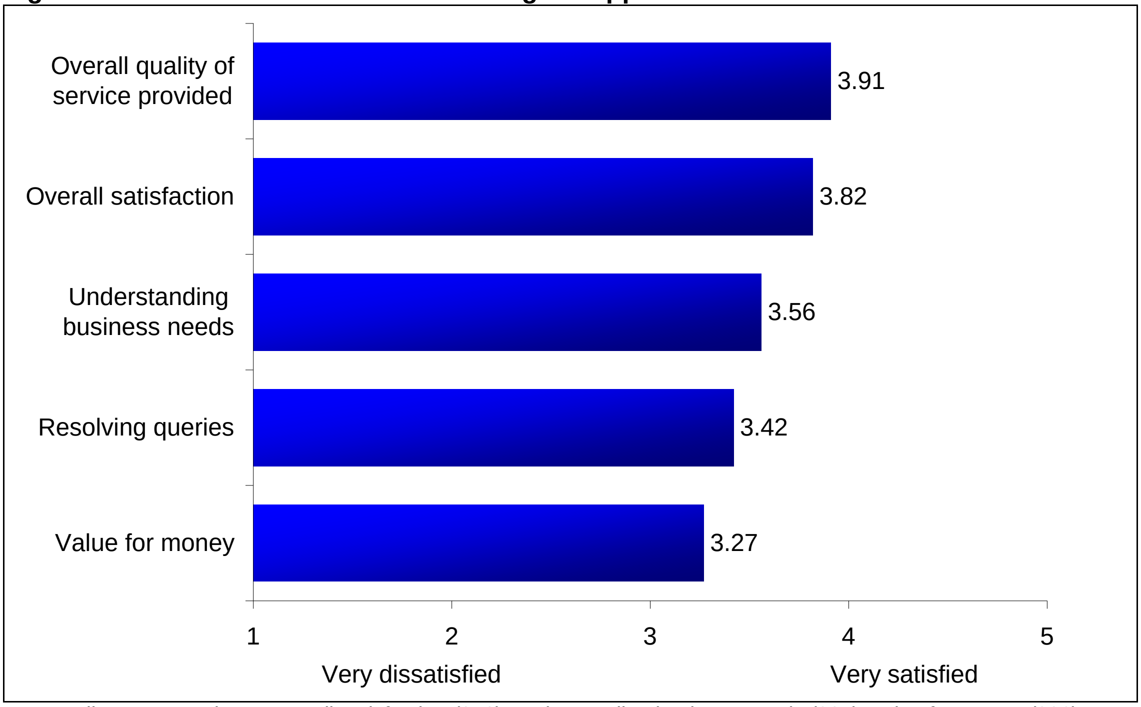
- Resolving queries: gas 3.42, electricity 3.08
- Overall quality of service: gas 3.91, electricity 3.71

Figure 16: Indicators of satisfaction with electricity suppliers



Bases: all electricity respondents overall satisfaction (851), understanding business needs (786), value for money (803), overall quality of service provided (842), resolving queries (base: those who contacted supplier about a query - 303).

Figure 17: Indicators of satisfaction with gas suppliers



Bases: all gas respondents: overall satisfaction (342), understanding business needs (321), value for money (336), overall quality of service provided (340), resolving queries (base those who contacted supplier about a query - 83).

There were no statistically significant differences in satisfaction with gas and electricity suppliers between the different size bands of businesses. The scores are shown in Table 14 and Table 15 for information only.

Table 14: Satisfaction with electricity suppliers

Satisfaction indicator	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	Mean satisfaction (on a scale of 1 to 5)			
Understanding business needs	3.43	3.40	3.50	3.54
Resolving queries	3.03	3.25	3.54	3.63
Value for money	3.34	3.29	3.33	3.49
Overall quality of service provided	3.70	3.72	3.88	3.66
Overall satisfaction	3.71	3.70	3.83	3.61

Bases: Electricity respondents who gave a satisfaction rating:
Understanding business needs
micro businesses (270), small businesses (236), medium sized businesses (100), large businesses (135).
Resolving queries:
micro businesses (102), small businesses (101), medium sized businesses (43), large businesses (70.)
Value for money:
micro businesses (273), small businesses (254), medium sized businesses (101), large businesses (135).
Overall quality of service provided:
micro businesses (287), small businesses (263), medium sized businesses (108), large businesses (135).
Overall satisfaction:
micro businesses (290), small businesses (268), medium sized businesses (108), large businesses (136).

Table 15: Satisfaction with gas suppliers

Satisfaction indicator	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	Mean satisfaction (on a scale of 1 to 5)			
Understanding business needs	3.61	3.29	3.63	3.47
Resolving queries	Base too low	3.16	Base too low	3.41
Value for money	3.25	3.24	3.63	3.48
Overall quality of service provided	3.96	3.64	4.01	3.69
Overall satisfaction	3.85	3.66	3.94	3.64

Bases: Gas respondents who gave a satisfaction rating:
Understanding business needs
micro businesses (104), small businesses (119), medium sized businesses (86), large businesses (60).
Resolving queries:
micro businesses (24 low base), small businesses (44), medium sized businesses (28 low base), large businesses (32).
Value for money:
micro businesses (108), small businesses (126), medium sized businesses (90), large businesses (61).
Overall quality of service provided:
micro businesses (109), small businesses (128), medium sized businesses (91), large businesses (61).
Reliability of supply:
micro businesses (110), small businesses (129), medium sized businesses (92), large businesses (61).
Overall satisfaction:
micro businesses (112), small businesses (131), medium sized businesses (94), large businesses (61).

At a higher level of aggregation, businesses in the SME sector as a whole were less satisfied than large businesses with the resolution of queries relating to electricity (SMEs 3.16, large businesses 3.63).

6. PAYING FOR ENERGY

6.1 Introduction

This chapter describes experiences of paying for energy. It covers:

- Methods used to pay for energy
- Tariffs businesses are on
- Satisfaction with billing
- Evidence of lower awareness of energy costs. This includes:
  - Awareness of energy use
  - Awareness of energy costs.

6.2 Overview

There was some dissatisfaction with the billing process, be it accuracy, clarity of bills or usefulness of information contained in bills. Between 6% and 21% were dissatisfied, depending on the fuel used and aspect of billing considered. About a quarter of electricity business customers experienced billing errors with their current supplier, with about a fifth of gas business customers experiencing this. This appeared to occur more frequently for large businesses with their electricity bills.

Perceived inaccuracies appeared to occur when meter readings were both correct and incorrect, the latter being more common among gas customers. They were also perceived to result from too many estimated bills, particularly for electricity.

Businesses which were dissatisfied with the clarity and the usefulness of information in bills mainly cited problems in understanding how bills were calculated and how to understand the information in general contained in bills.

Businesses in the SME sector were more satisfied with billing accuracy than large businesses. They were also more satisfied than large businesses with the usefulness of information in bills or statements. There is a risk, however, that SMEs may be less able to identify billing errors or judge whether information in bills and statements are useful. This is due to the fact that some were less aware of their energy costs, the proportion of energy costs in their total business costs and because some paid less attention to bills. For some of these indicators, each of the SME size bands, micro, small and medium sized businesses showed less awareness than large businesses. In several instances, the smaller businesses were significantly less aware of energy than large businesses. For example, proportionately:

- More micro and small businesses never checked their electricity consumption

- More micro and small businesses were unsure of their gas consumption

- Fewer micro and small businesses checked gas bill details carefully

- More micro and small businesses did not usually look at their electricity or gas bills.

Similarly, proportionately:

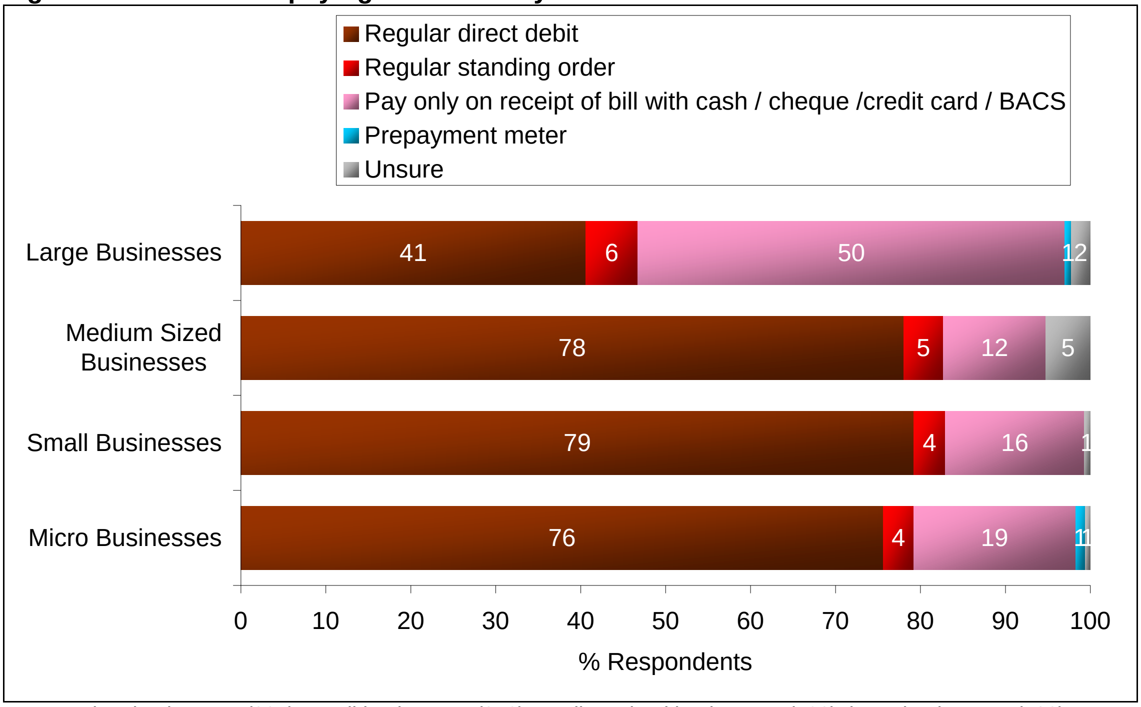
- Fewer micro businesses than large businesses carefully checked their electricity bills
- Fore small businesses than large firms were aware of the gas tariff they were on
- More small businesses than large firms didn't usually look at their gas bills.

Among those who checked their energy consumption, fewer micro businesses than medium and large businesses frequently checked their gas and electricity consumption or carefully checked their gas bills.

6.3 Methods of Paying for Energy

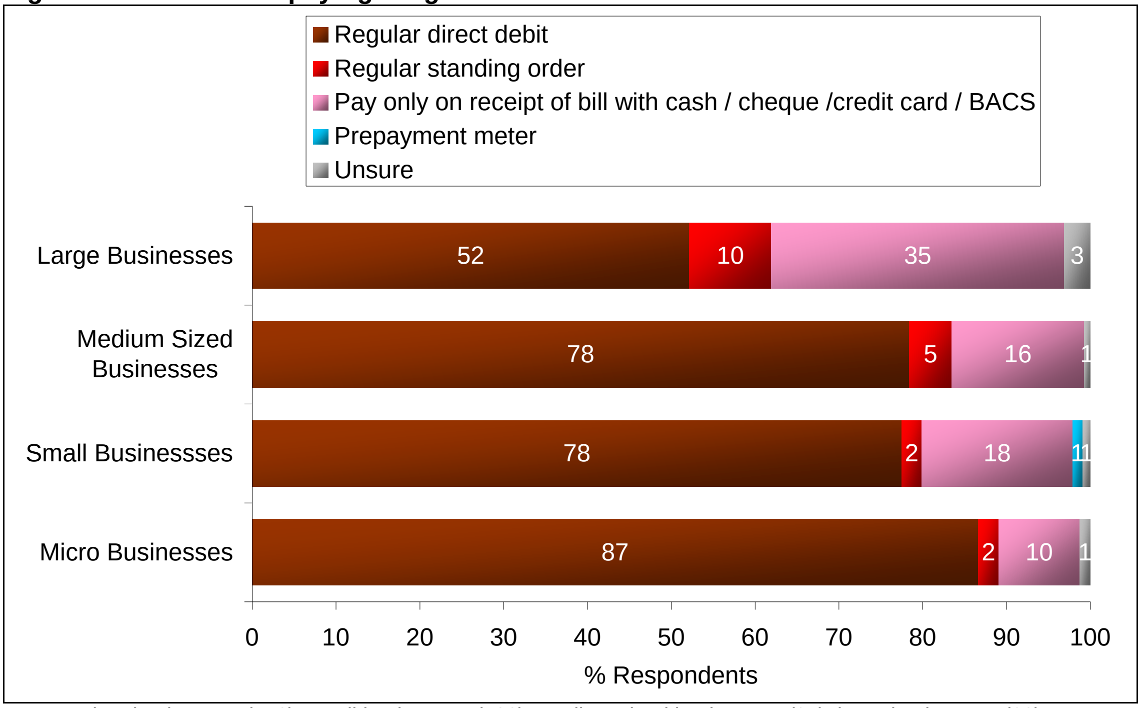
A large majority of businesses pay for their energy through direct debit (76% for electricity and 85% for gas). A significantly higher proportion of large businesses than any of the three SME size bands paid for the two fuels on receipt of bill (see Figure 18 and Figure 19).

Figure 18: Methods of paying for electricity



Bases: micro businesses (294), small businesses (270), medium sized businesses (108), large businesses (138).

Figure 19: Methods of paying for gas

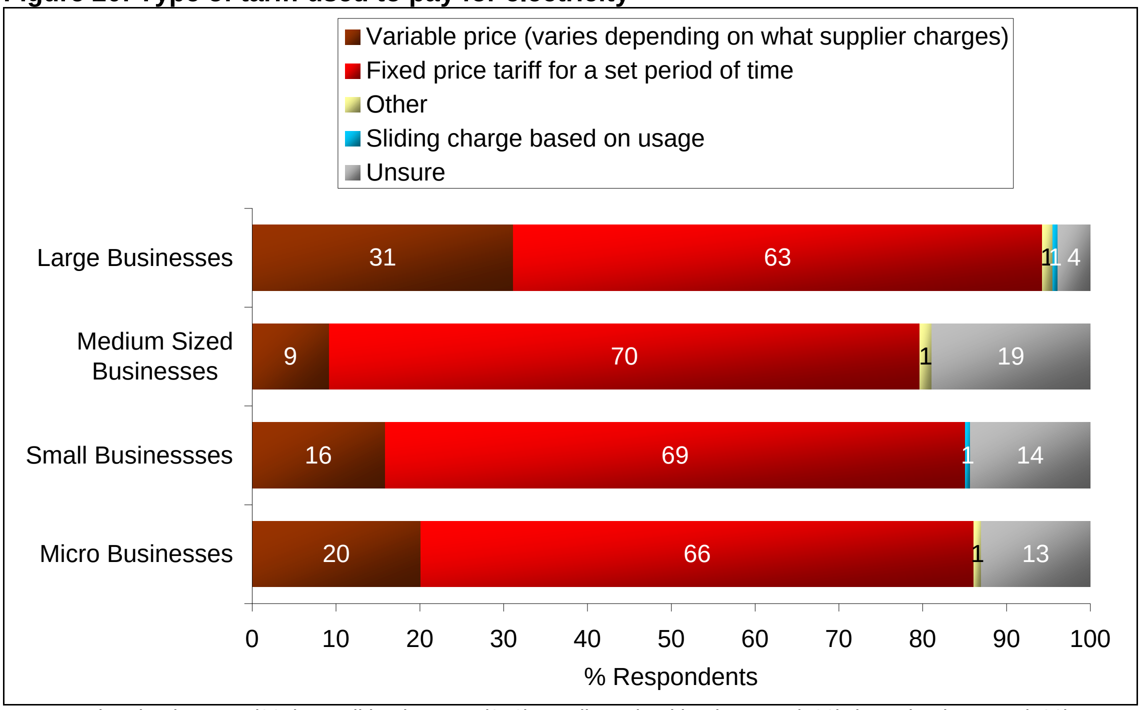


Bases: micro businesses (112), small businesses (132), medium sized businesses (94), large businesses (62).

6.4 Energy Tariffs

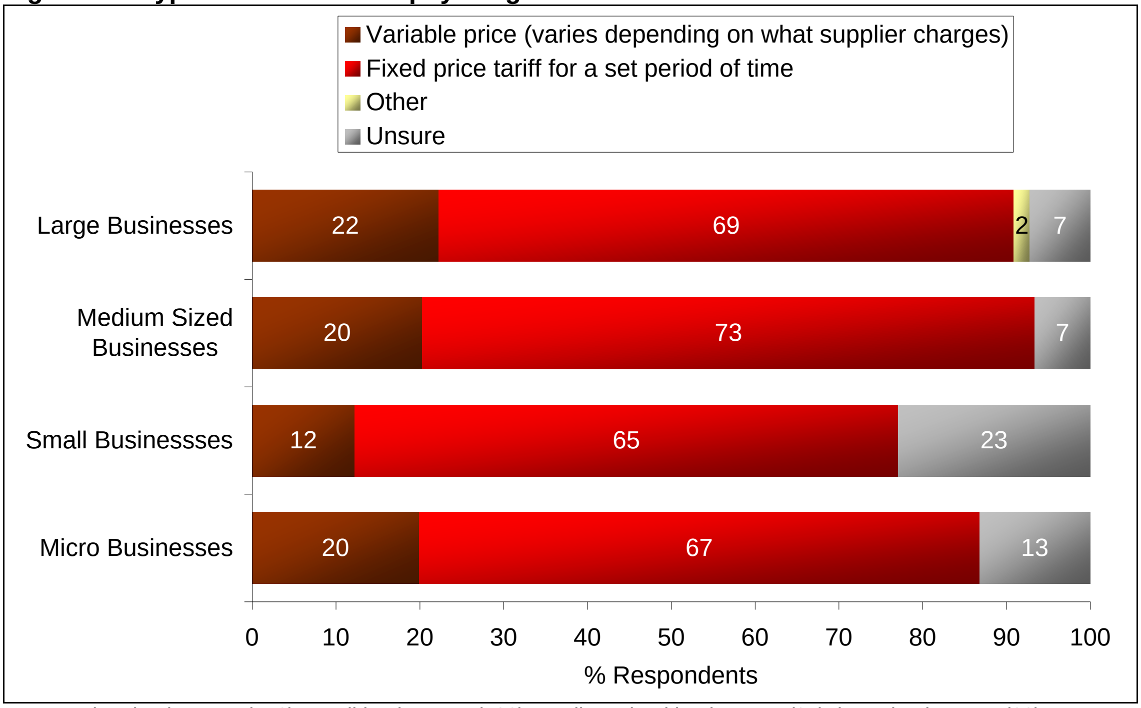
Businesses were asked whether they paid a fixed price energy tariff for a set period of time or whether the price they paid varied depending on what their supplier charged at any particular time. More large businesses than any of the three SME size bands paid a variable rate for their electricity (the difference between large businesses and small and medium sized businesses is statistically significant). There were no significant differences between business sizes for gas (see Figure 20 and Figure 21).

Figure 20: Type of tariff used to pay for electricity



Bases: micro businesses (294), small businesses (270), medium sized businesses (108), large businesses (138).

Figure 21: Type of tariff used to pay for gas



Bases: micro businesses (112), small businesses (132), medium sized businesses (94), large businesses (62).

6.5 Satisfaction with Billing

This section describes satisfaction with billing, the key causes and the extent of billing problems experienced by businesses. It describes:

- Satisfaction with the accuracy of billing
- Satisfaction with the clarity of bills
- Satisfaction with the usefulness of information in bills
- Experience of billing errors.

Accuracy of Billing

Businesses were reasonably satisfied with the accuracy of their gas and electricity bills. For electricity, the satisfaction rating was 3.81 out of 5 and it was 3.89 out of 5 for gas. The differences between the two fuels are not statistically significant. Consequently, businesses gave a similar rating to their satisfaction with the accuracy of gas and electricity billing. Table 16 shows the differences in satisfaction by business size. The lower score for large businesses compared with smaller businesses is not statistically significant.

Table 16: Satisfaction with the accuracy of billing

	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	Mean satisfaction with billing accuracy (on a scale of 1 to 5)			
Electricity	3.82	3.81	3.73	3.54
Gas	3.90	3.83	3.99	3.53

Bases: Electricity micro businesses (303), small businesses (273), medium sized businesses (109), large businesses (142). Gas: micro businesses (103), small businesses (129), medium sized businesses (93), large businesses (58).

At a higher level of aggregation, however, SMEs as a whole were significantly more satisfied with both gas and electricity billing accuracy than large businesses:

- Electricity: SMEs 3.81 large businesses 3.54
- Gas: SMEs 3.85, large businesses 3.53.

Dissatisfaction with billing accuracy: 9% of businesses were dissatisfied with the accuracy of electricity billing and 6% were dissatisfied with gas billing accuracy. Consequently, the bases are too small to identify differences in the reasons for dissatisfaction between different sized businesses. A more robust comparison between gas and electricity is possible, however, as shown in Figure 22.

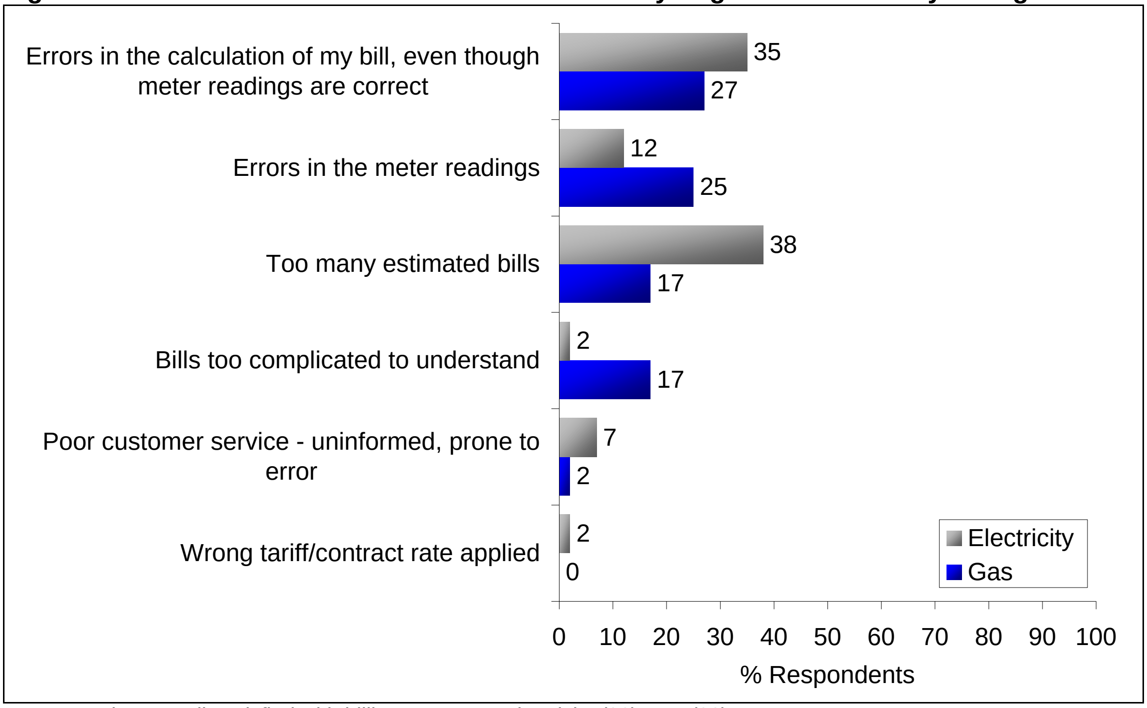
The key causes of dissatisfaction were:

- Errors in the bill despite meter readings being correct
- Too many estimated bills
- Errors in meter readings.

Errors in meter reading were a significantly higher cause of dissatisfaction with billing accuracy for dissatisfied gas customers than for dissatisfied electricity customers (25% gas vs. 12% electricity).

Receiving too many estimates bills was a significantly more frequently mentioned driver of dissatisfaction among dissatisfied electricity customers than for dissatisfied gas customers (17% gas vs. 38% electricity). The other differences were not statistically significant.

Figure 22: Reasons for dissatisfaction with accuracy of gas and electricity billing



Bases: Businesses dissatisfied with billing accuracy: Electricity (80), gas (32).

Perceived billing errors identified by businesses: A quarter (25%) of businesses found what they perceived to be errors in the bills received from their electricity suppliers and a fifth (20%) found gas billing errors.

Table 17 shows the proportion of businesses who found what they perceived to be billing errors by business size. For SMEs, the difference in the proportion who found electricity and gas billing errors are not statistically significant. The experience of large businesses, however, is different. Significantly more experienced electricity billing errors than gas billing errors. Large businesses also experienced significantly more electricity billing errors than micro, small and medium sized businesses. Medium sized businesses perceived that they experienced significantly more gas billing errors in comparison to micro and small businesses.

Table 17: Proportion of businesses finding an error in the amount billed by current supplier

	Electricity	Gas
Micro businesses	24%	19%
Small businesses	27%	20%
Medium sized businesses	29%	38%
Large businesses	48%	28%

Bases: Electricity micro businesses (294), small businesses (270), medium sized businesses (108), large businesses (138). Gas: micro businesses (112), small businesses (131), medium sized businesses (94), large businesses (62).

Billing errors identified by energy suppliers: 9% of businesses stated that their electricity supplier had found a billing error. The proportion for gas was 10%. Table 18 shows the breakdown for different sizes of businesses. The differences between gas and electricity errors are not statistically significant. However, significantly more large businesses than micro, small and medium sized businesses reported that their supplier had identified electricity billing errors.

Table 18: Proportion of businesses whose current energy suppliers found an error in the amount billed

	Electricity	Gas
Micro businesses	9%	9%
Small businesses	10%	11%
Medium sized businesses	8%	14%
Large businesses	20%	13%

Bases: Electricity micro businesses (294), small businesses (270), medium sized businesses (108), large businesses (138). Gas: micro businesses (112), small businesses (131), medium sized businesses (94), large businesses (62).

The vast majority (83%) of the errors found by electricity suppliers related to them charging too much; 16% were for charging too little. Similarly, 81% of the errors spotted by gas suppliers related to them charging too much and 6% for charging too little. Only 1% of all respondents reported that they had experienced back billing.

Clarity of Information in Bills

The clarity of information in bills was given a lower satisfaction rating than billing accuracy. Overall it was 3.62 for electricity and 3.51 for gas. The range of scores for the size bands of businesses was 3.48 to 3.74 out of 5. These scores indicate a tendency towards satisfaction (i.e. above being neither satisfied nor dissatisfied [3] but below quite satisfied [4]). The differences between gas and electricity are not statistically significant nor are the differences in satisfaction between businesses of different sizes (see Table 19).

Table 19: Satisfaction with the clarity of information in bills /statements

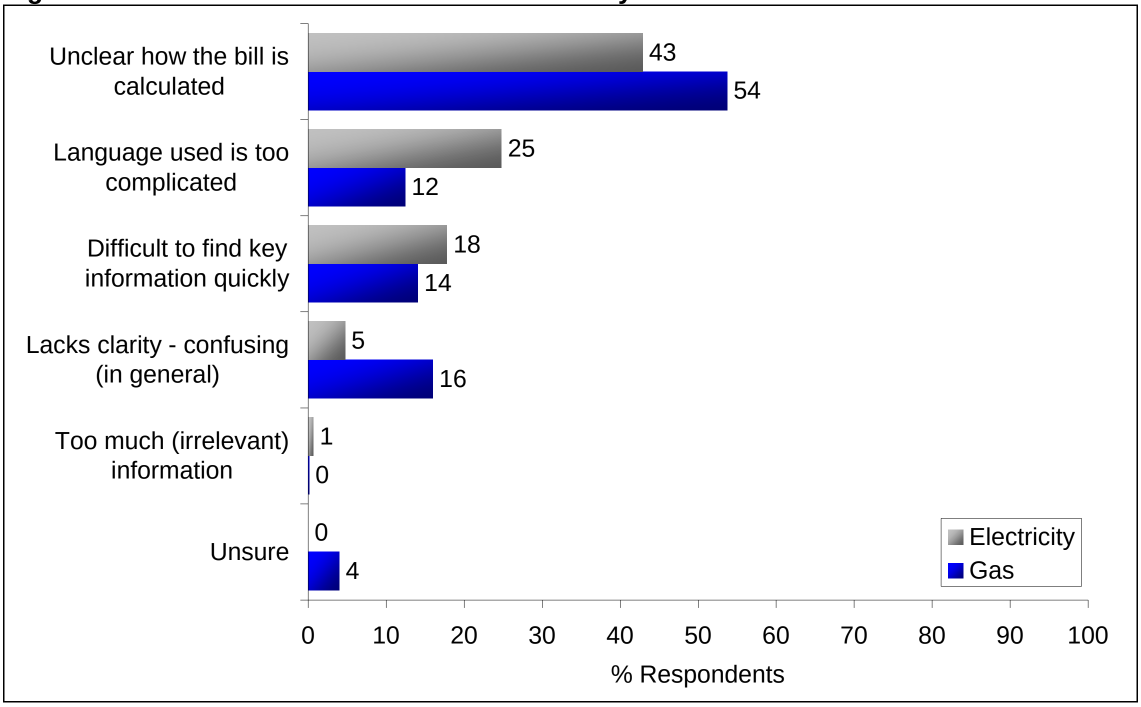
	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	Mean satisfaction with billing accuracy (on a scale of 1 to 5)			
Electricity	3.60	3.69	3.74	3.52
Gas	3.48	3.66	3.63	3.68

Bases: Electricity micro businesses (278), small businesses (260), medium sized businesses (101), large businesses (136). Gas: micro businesses (109), small businesses (122), medium sized businesses (91), large businesses (62).

Dissatisfaction with billing clarity: Overall a sixth (16%) of electricity respondents and just over a fifth (21%) of gas respondents were dissatisfied with the clarity of information in their bills. The bases are too small to identify differences in the reasons for dissatisfaction between different sized businesses. A more robust comparison between gas and electricity overall is possible and this is shown in Figure 23.

The biggest cause of dissatisfaction by far was that the method for calculating bills was unclear. This was followed by the language used being too complicated and difficulty in finding key information quickly. The difference between gas and electricity respondents who perceived that the language used was too complicated (25% electricity vs. 12% gas) was statistically significant, as were the proportions perceiving that the bill lacks clarity in general (16% gas vs. 5% electricity).

Figure 23: Reasons for dissatisfaction with clarity of information in bills



Bases: Businesses dissatisfied with clarity of information in bills: Electricity (142), Gas (76).

Usefulness of Information in Bills

Satisfaction with the usefulness of the information given in bills was 3.56 out of 5 for electricity and 3.60 out of 5 for gas overall. The range of scores for the size bands of businesses is 3.55 to 3.81 out of 5. These scores indicate a tendency towards satisfaction, which is above being neither satisfied nor dissatisfied (3) but below quite satisfied (4) (see Table 20).

Table 20: Satisfaction with the usefulness of the information in the bill

	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	Mean satisfaction with billing accuracy (on a scale of 1 to 5)			
Electricity	3.55	3.61	3.58	3.38
Gas	3.58	3.64	3.81	3.59

Bases:
Electricity: micro businesses (278), small businesses (260), medium sized businesses (100), large businesses (136)
Gas: micro businesses (109), small businesses (121), medium sized businesses (88), large businesses (62).

The differences in satisfaction between gas and electricity and between individual size bands of businesses are not statistically significant. At a higher level of aggregation, however, SMEs as a whole were more satisfied with the usefulness of information in electricity bill than were large businesses (SMEs 3.58, large businesses 3.38).

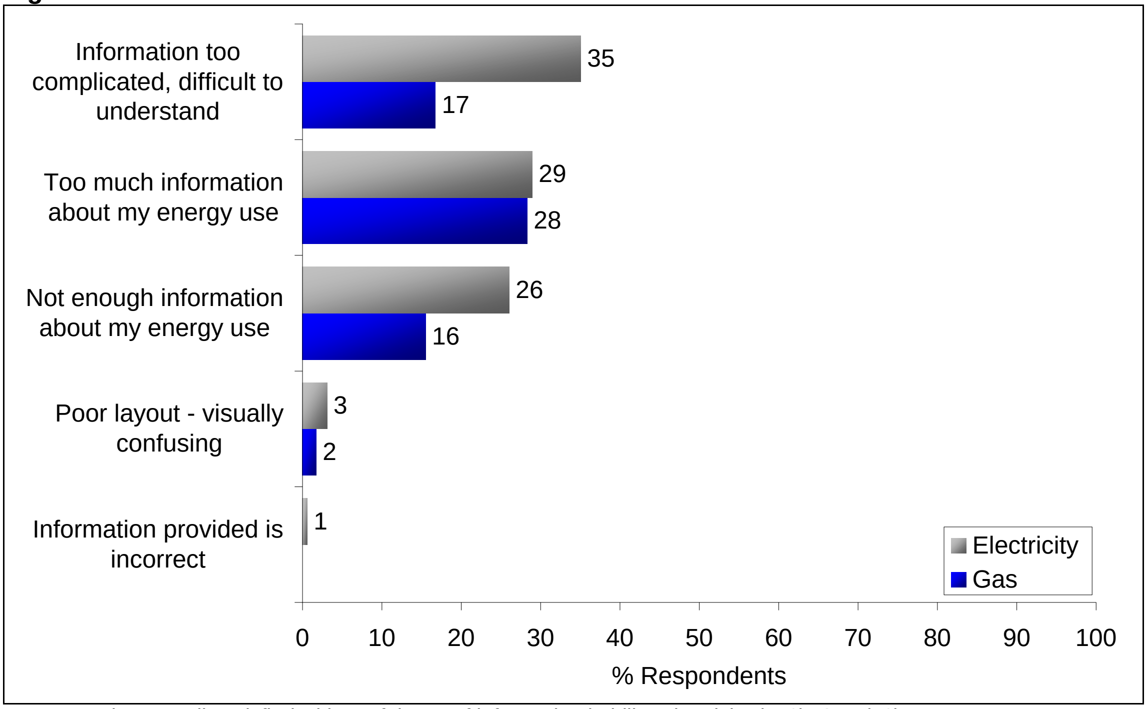
Dissatisfaction with the usefulness of information in bills: 14% of electricity respondents were dissatisfied with the usefulness of the information as were 12% of gas respondents. The bases are too small to identify differences in the reasons for dissatisfaction between different sized businesses. A more robust comparison between all gas and electricity respondents is possible and this is shown in Figure 24.

The key reasons for being dissatisfied were:

- Information too complicated or difficult to understand
- Too much information about energy use
- Too little information about energy use.

Significantly more electricity than gas customers perceived the information in bills and statements to be too complicated or difficult to understand (35% vs. 17%).

Figure 24: Reasons for dissatisfaction with the usefulness of information in the bill



Bases: Businesses dissatisfied with usefulness of information in bills: Electricity (118), Gas (40).

6.6 Awareness of Energy Costs

A number of indicators in the research suggest that a large minority of businesses of all sizes are not particularly aware of their energy costs and this may affect their ability to obtain best value in the market. There is also evidence that this affects smaller businesses more than large businesses.

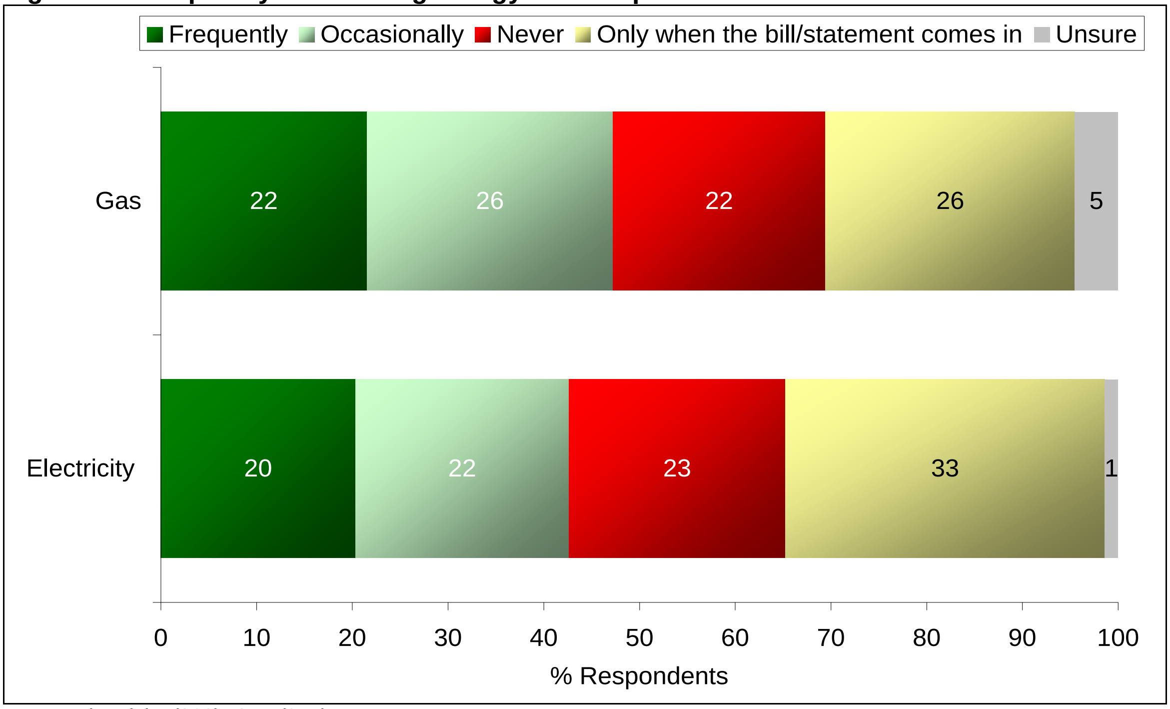
Several indicators were used to establish the extent of energy cost awareness:

- Frequency of checking energy consumption
- Methods used to check energy consumption
- Level of bill scrutiny
- Awareness of energy costs
- Awareness of the contribution of energy to total costs
- Awareness of current energy tariff(s).

The findings were as follows:

Frequency of checking energy consumption: Businesses that checked their energy consumption frequently were very much in the minority (about 1 in 5 businesses). A similar proportion never checked how much energy they used or checked it occasionally. Just over a quarter checked their gas consumption only when the bill came in and a third checked their electricity in this same way (see Figure 25).

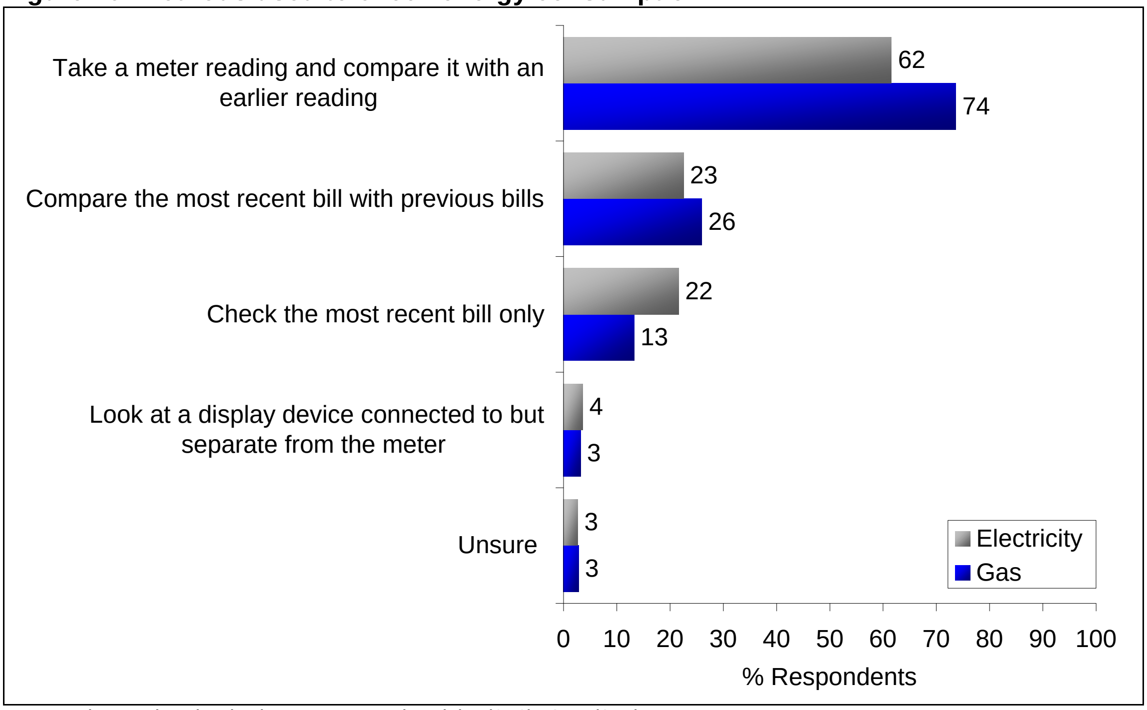
Figure 25: Frequency of checking energy consumption



Bases: Electricity (863), Gas (347).

Methods used to check energy consumption: Among those who did check their energy consumption, a sizeable minority only checked their most recent bills, as opposed to looking at changes in consumption over time from a meter or by looking at previous bills: 22% did this for electricity consumption; and 13% for gas consumption (see Figure 26).

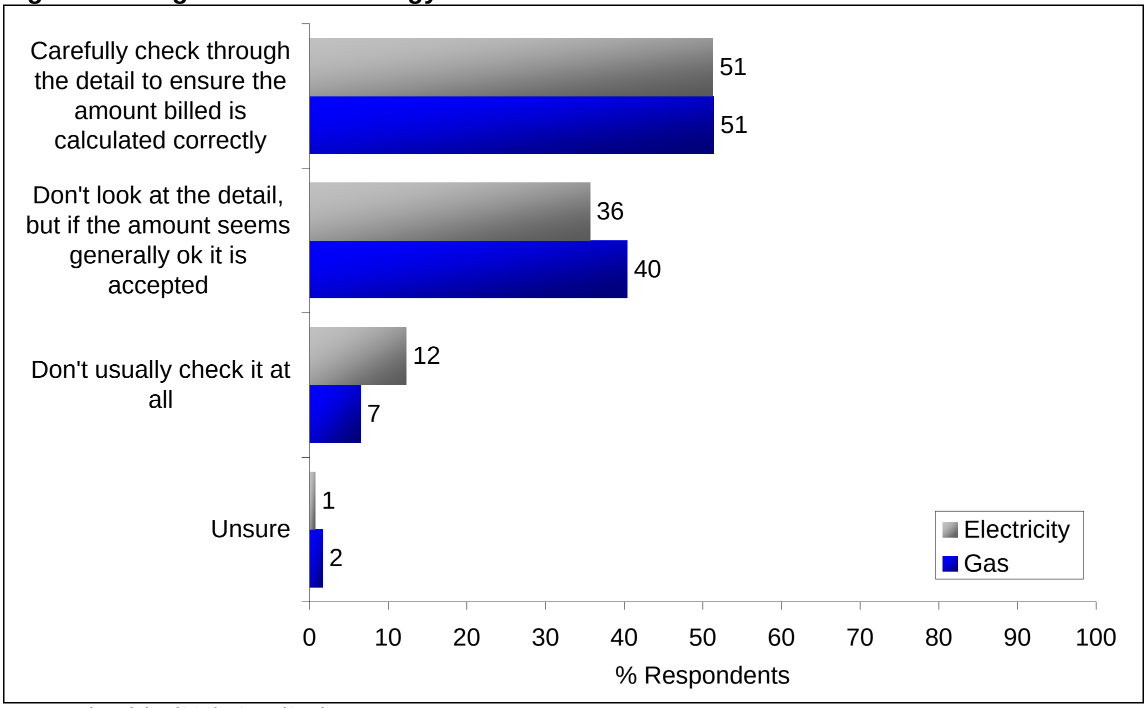
Figure 26: Methods used to check energy consumption



Bases: Those who checked energy use: Electricity (656), Gas (254).

Level of bill scrutiny: Just over half of businesses closely checked bills or statements to ensure they were correct. Over a third accepted the amount billed if the amount seemed generally acceptable. 12% of electricity respondents and 7% of gas respondents did not usually check bills at all. This latter difference between gas and electricity was statistically significant (see Figure 27).

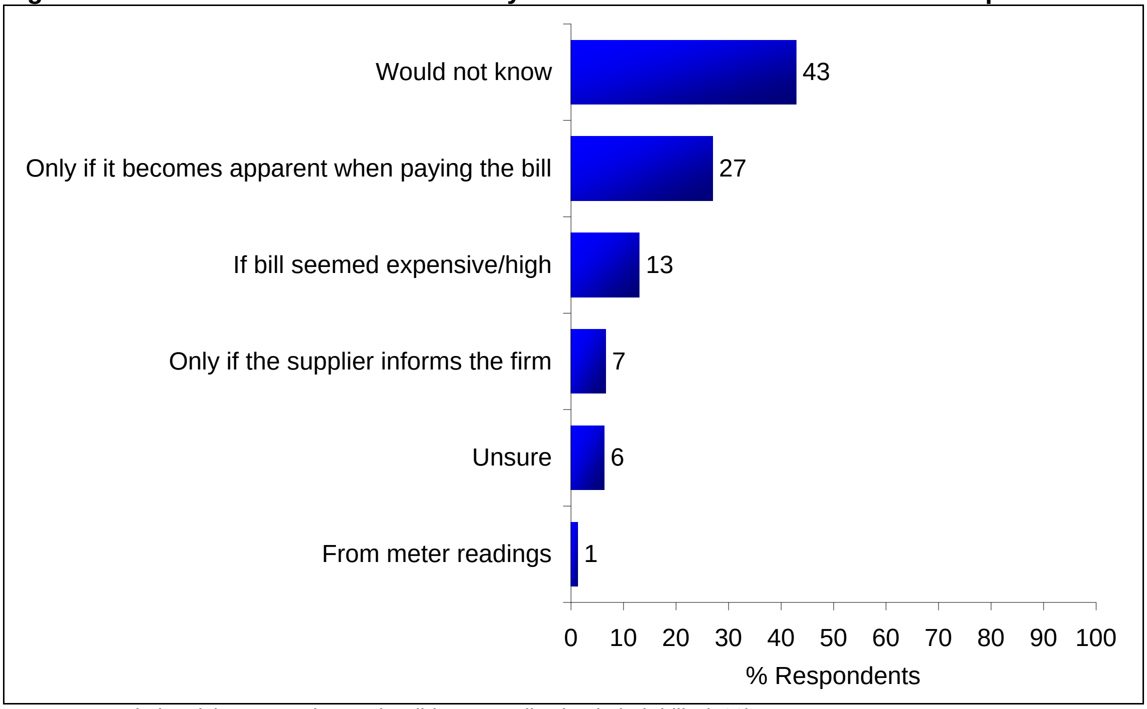
Figure 27: Degree to which energy bills are scrutinised



Bases: Electricity (863), Gas (347).

Among those who never usually checked their bills, most would rely on other prompts to realise if there was an error: 27% would realise this when they came to pay their bill, 13% if the bill seemed high. 43% however stated that they would never know if there had been an error (see Figure 28).

Figure 28: How those who do not usually check their bills/statements would spot an error



Base: gas and electricity respondents who did not usually check their bills (129).

Awareness of energy costs: About a third of businesses were unsure how much they had spent on energy in the past year and almost two thirds did not know the share of energy in total business costs. The proportions were as follows:

- 32% were unsure of their electricity costs
- 37% were unsure of their gas costs
- 63% were unsure of the share of electricity costs in total costs
- 67% were unsure of the share of gas costs in total costs

Awareness of energy tariff the business is on: 13% of businesses were unsure of the electricity tariff their business was on and 15% were unsure what type of gas tariff they had.

Awareness of energy supplier: Overall, 5% of businesses were not aware of the name of their electricity supplier and there were no significant differences between size bands. However, 9% of micro and small businesses were unaware of their gas supplier. This was significantly higher than among medium sized businesses (6%) and large businesses (3%).

Variations in Awareness of Energy Costs by Size of Business

The levels of awareness of energy costs vary with the size of business, with some or all of the SMEs segments being less aware than large businesses. There were a number of statistically significant differences in the experiences of different sized businesses. Theses were as follows:

- **Checks on energy consumption:**

  - Frequently checked consumption:

    - Proportionately more medium sized and large businesses than micro businesses frequently checked both electricity and gas consumption; and more large businesses than small businesses frequently checked both electricity and gas consumption (see Table 21)

Table 21: Proportion of businesses that made frequent checks on energy consumption

	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	%	%	%	%
Electricity	19	27	35	51
Gas	20	23	38	57

Bases:
Electricity: micro businesses (294), small businesses (270), medium sized businesses (108), large businesses (138).
Gas: micro businesses (112), small businesses (132), medium sized businesses (94), large businesses (62).

  - Never checked energy consumption:

    - More micro and small businesses than large businesses never checked electricity consumption (see Table 22)

    - More micro, small and medium sized businesses never checked gas consumption than large businesses (see Table 22)

Table 22: Proportion of businesses that never checked energy consumption

	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	%	%	%	%
Electricity	24	16	12	7
Gas	23	21	19	10

Bases:
Electricity: micro businesses (294), small businesses (270), medium sized businesses (108), large businesses (138).
Gas: micro businesses (112), small businesses (132), medium sized businesses (94), large businesses (62).

- **Methods used to check energy consumption:**

  - Compared most recent bills against earlier bills:

    - Large businesses used this method for both gas and electricity more often than micro, small and medium sized businesses (see Table 23)

Table 23: Proportion of businesses that checked energy consumption by comparing most recent bills against earlier bills

	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	%	%	%	%
Electricity	22	22	26	51
Gas	25	28	23	56

Bases: Those who checked energy consumption
Electricity: micro businesses (221), small businesses (216), medium sized businesses (92), large businesses (127). Gas: micro businesses (81), small businesses (101) medium sized businesses (75), large businesses (53).

- Used a monitor separate from the meter:

  - Proportionately more large businesses used this method to check electricity use than micro, small and medium sized businesses (see Table 24)

Table 24: Proportion of business that used an energy monitor to check energy consumption

	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	%	%	%	%
Electricity	4	2	6	19
Gas	12	23	7	7

Bases: Those who checked energy consumption
Electricity: micro businesses (221), small businesses (216), medium sized businesses (92), large businesses (127).
Gas: micro businesses (81), small businesses (101), medium sized businesses (75), large businesses (53).

- **Awareness of energy costs:**

  - Comparatively more micro and small businesses than large businesses were unsure of their gas costs in the last year (see Table 25)

Table 25: proportion of businesses that were unsure of their energy costs in the last year

	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	%	%	%	%
Electricity	32	32	30	23
Gas	37	37	32	20

Bases:
Electricity: micro businesses (406), small businesses (402), medium sized businesses (202), large businesses (200).
Gas: micro businesses (180), small businesses (227), medium sized businesses (145), large businesses (166).

- **Awareness of the contribution of energy to total costs:**

  - Proportionately fewer large businesses than micro, small and medium sized businesses were unsure of the contribution of gas and electricity to total business costs (see Table 26)

Table 26: Proportion of businesses that were unsure of the proportion of energy costs in total business costs

	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	%	%	%	%
Electricity	63	61	63	23
Gas	70	67	67	24

Bases:
Electricity: micro businesses (406), small businesses (402), medium sized businesses (202), large businesses (200).
Gas: micro businesses (180), small businesses (227), medium sized businesses (145), large businesses (166).

- **Awareness of energy tariff the business was on:**
  - Comparatively fewer large businesses than micro, small and medium sized businesses were unsure of their electricity tariff (see Table 27); and fewer medium sized and large businesses were unsure of their gas tariff than small businesses (see Table 27)

Table 27: Proportion of businesses that were unsure of the type of energy tariff paid

	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	%	%	%	%
Electricity	13	14	19	4
Gas	13	23	7	7

Bases:
Electricity: micro businesses (294), small businesses (270), medium sized businesses (108), large businesses (138).
Gas: micro businesses (112), small businesses (132), medium sized businesses (94), large businesses (62).

- **Level of bill scrutiny:**
  - Proportionately more large businesses than micro businesses checked their electricity bill details carefully to ensure the amount billed was calculated properly (see Table 28)
  - More medium sized and large businesses than micro and small businesses checked gas bill details carefully for the same purpose (see Table 28)

Table 28: Proportion of businesses that carefully checked bills to ensure the amount billed was calculated properly

	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	%	%	%	%
Electricity	50	56	60	67
Gas	50	51	78	74

Bases:
Electricity: micro businesses (294), small businesses (270), medium sized businesses (108), large businesses (138). Gas: micro businesses (112), small businesses (132), medium sized businesses (94), large businesses (62).

  - More micro and small businesses than large businesses did not usually look at their electricity bills (see Table 29)

Table 29: Proportion of businesses that did not usually check energy bills

	Micro Businesses	Small Businesses	Medium Sized Businesses	Large Businesses
	%	%	%	%
Electricity	13	8	3	2
Gas	5	13	1	4

Bases:
Electricity: micro businesses (294), small businesses (270), medium sized businesses (108), large businesses (138). Gas: micro businesses (112), small businesses (132), medium sized businesses (94) large businesses, (62).

7. CONTRACTS

7.1 Introduction

This chapter covers the following aspects of contracting:

- Prevalence of contracts
- Flexibility of contracts
- Contract duration
- Prevalence of roll over contracts
- Clarity of contracts
- Experience of contract renewals
- Evidence of lower awareness of aspects of energy contracting

7.2 Overview

More than four fifths (83%) of gas and electricity respondents were aware that they had a contract with an energy company. Of those who are aware they have a contract, 86% of electricity respondents and 79% of gas respondents perceived their contract was for a fixed term. Three quarters of gas and electricity contracts were for one or two years. Among those who perceived that they had a contract, over half were aware that they had formally renewed their energy contract with their current supplier. Most of the remainder were on their first contract with their supplier. There is evidence of roll over contracts without the business being aware affecting about 4% of the entire sample.

A significant minority of businesses are dissatisfied with the clarity of their contracts. This was higher in the SME sector than for large businesses (Electricity: SMEs 13%, large businesses 9%; Gas: SMEs 12%, large businesses 5%). The key reasons for dissatisfaction were different for gas and electricity respondents. For electricity contracts it was mainly because they contained too little information (36% of those dissatisfied). For gas contracts it was because the language used in them was perceived to be unclear (47% of those dissatisfied) and that they were too long to read through (39% of those dissatisfied). Clarity of contracting information was also a major theme of the reasons for being dissatisfied when renewing the contract. This means there is a risk of businesses being inadequately informed about the terms of their contract. Insufficient time to renew contracts was cited by very few respondents.

About one in 10 respondents who said they had a contract were uncertain over its duration. Among those who knew they had a contract, 4% of electricity respondents and 10% of gas respondents were unsure if it was a fixed contract or one that they could cancel and change when they wished to. Lack of knowledge of can reduce the opportunities to search for and understand any better deals that may be available.

7.3 Extent and Nature of Contracts

Prevalence of energy contracts: 14% of electricity respondents and 12% of gas respondents stated that they did not have a contract with their energy supplier (see Table 30). None of the differences between gas and electricity in the table were statistically significant.

There was little variation by business size, except that 22% of large businesses perceived that they did not have a gas contract. This was significantly higher than the 10% of businesses in the SME sector that did not have one.

Table 30: Prevalence of energy supply contracts in businesses

	Electricity	Gas
	%	%
Has a contract	83	83
Does not have a contract	14	12
Unsure	3	5

Bases: Electricity (863), Gas (347).

Flexibility of contracts: Respondents who perceived that they had a contract were asked whether it was for a set period of time or whether they were able to cancel and change supplier when they wished. 10% of electricity and 12% of gas respondents said they were able to cancel and change their contracts when they wished (see Table 31). None of the differences between gas and electricity were statistically significant.

Table 31: Type of contract held with energy supplier

	Electricity	Gas
	%	%
Fixed term	86	79
Cancel and change immediately	10	12
Unsure	4	9

Bases: Those with an energy supply contract: Electricity (719), Gas (288).

Significantly more large businesses than in the SME sector perceived that they were on an electricity contract that they could cancel and change when they wished (20% for large businesses, 8% for SMEs).

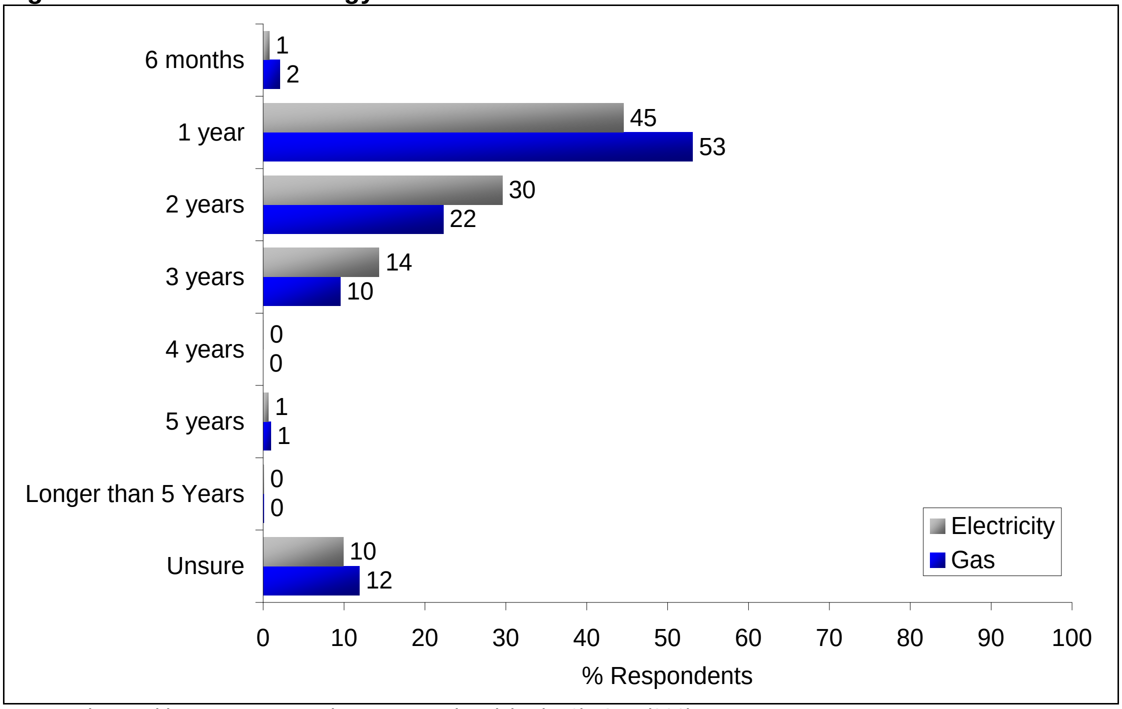
Duration of contracts: Most contracts (about half), were for 1 year. Significantly more gas contracts than electricity contracts were for one year (gas 53%, electricity 45%) and significantly fewer gas contracts than electricity contracts were for two years (gas 22%, electricity 30%). Overall about three quarters of contracts were for either one year or two years (see Figure 29).

There was only one statistically significant difference in duration of contracts between the four different size bands of businesses. Proportionately more large businesses were on a six month contract for electricity than small or micro businesses (micro 1%, small 1%, large businesses 9%).

At a higher level of aggregation, however, more SMEs as a whole than large businesses were on one year contracts:

- Electricity: SMEs 44%, large businesses 32%
- Gas: SMEs 42%, large businesses 24%.

Figure 29: Duration of energy contracts held



Bases: Those with an energy supply contract: Electricity (719), Gas (288).

Prevalence of contract renewals: among those who perceived that they had a contract, 55% of electricity respondents and 59% of gas respondents were aware that they had been through a formal contract renewal process with their existing supplier. This is distinct from those who had obtained a new contract as a result of changing suppliers or obtaining a contract for the first time (33% for electricity and 30% for gas). Significantly more large businesses perceived that they had been through the renewal process than the SME sector as a whole:

- Electricity: SMEs 52%, large businesses 64%
- Gas: SMEs 55%, large businesses 76%.

Prevalence of roll over contracts: Among those who perceived that they had a contract, 5% of electricity respondents and 6% of gas respondents stated that their supplier continued to provide energy without a renewed contract. Of these, 25% of electricity respondents and 13% of gas respondents stated that their supplier had not informed them that this was going to happen[16]. This equates to 2.5% of all electricity respondents and 2% of gas respondents perceiving that their energy supplier continued to supply them after their contract had expired without renewing it and without telling them. There were no significant variations by size of business. The incidence of rollover contracts may be higher, however, as in addition, 0.3% of electricity respondents were unsure if their supplier continued to supply after the contract ended. No gas respondents were unsure.

Additionally, there are respondents who are not part of the above group who were dissatisfied with the contract renewal process and who stated that the reason was they had not been informed about the contract being renewed. This accounts for a further 2% of all gas and electricity respondents. Consequently, the incidence of contracts being rolled over is likely to have been at least 4%.

[16] Please note low base size.

The potential for roll over contracts occurring is not inconsiderable. As stated on page 15, among those who perceived that they had a contract and who had considered switching suppliers when it was coming up for renewal, about a fifth stated that their supplier had not informed them that their contract was coming up for renewal.

Overall, businesses in this position represented a not inconsiderable proportion of the total sample:

- Electricity: 8%
- Gas: 12%

Satisfaction with Contracts

Satisfaction with clarity of contract: This was given a rating of 3.62 out of 5 for electricity and 3.59 out of 5 for gas overall. Respondents therefore tend toward being satisfied but were below the 'quite satisfied' rating of 4. There were no significant differences in satisfaction by the size of business.

A sizeable minority of businesses who said they had a contract were dissatisfied with its clarity. This was an area where significantly more of the SME sector as a whole was dissatisfied than large businesses:

- Electricity: SMEs 13%, large businesses 9%
- Gas: SMEs 12%, large businesses 5%.

The data on the reasons for dissatisfaction are too small to breakdown by business size. For electricity and gas overall the main reasons varied:

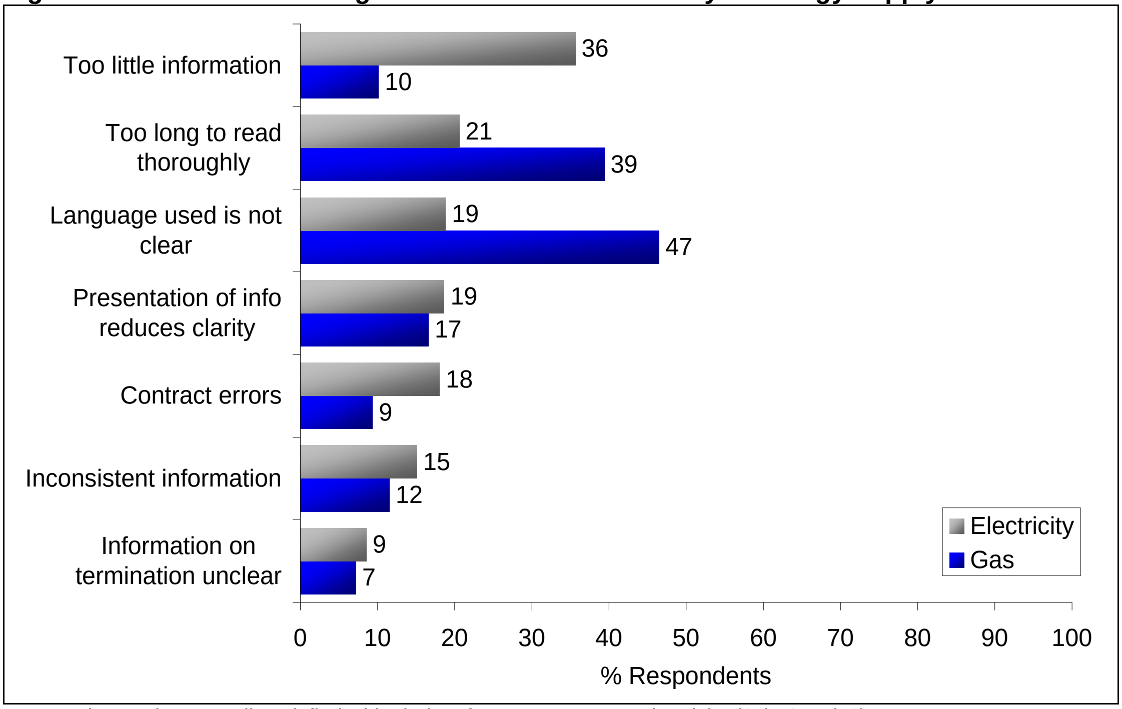
- Electricity:
  - Too little information
- Gas:
  - Unclear language
  - Too long to read thoroughly.

Almost half of dissatisfied gas respondents cited a lack of clarity in the language used as a cause (47%). This was significantly higher than the 19% of electricity respondents who cited the same reason.

Over a third (36%) of those who were dissatisfied with electricity contract clarity perceived that this was due to the contract not having enough information. This was significantly higher than the 10% of gas respondents who were dissatisfied for the same reason.

Significantly more gas respondents cited the contract being too long to read thoroughly than electricity respondents (gas 39%, electricity 21%). The details are shown in Figure 30.

Figure 30: Reasons for being dissatisfied with the clarity of energy supply contracts



Bases: Those who were dissatisfied with clarity of energy contract: Electricity (94), Gas (43).

Satisfaction with the contract renewal process: This was given a rating of 3.68 out of 5 for electricity and 3.60 out of 5 for gas overall. Respondents therefore tended towards being satisfied but were below the 'quite satisfied' rating of 4.

A similar proportion of gas and electricity respondents were dissatisfied with the contract renewal process overall (15% and 14% of those with contracts respectively). There were, however, significant differences in satisfaction between large businesses and the SME sector as a whole, with more SMEs simultaneously being more satisfied and more dissatisfied with the process:

- Electricity:
  - Very satisfied with renewal experience: SMEs 24%, large businesses 15%
  - Very dissatisfied with renewal experience: SMEs 8%, large businesses 2%

- Gas:
  - Very satisfied with renewal experience: SMEs 25%, large businesses 15%
  - Very dissatisfied with renewal experience: SMEs 6%, large businesses 0%

Figure 31 shows the reasons why respondents were dissatisfied when renewing their contracts. The small bases sizes means that none of the differences between gas and electricity respondents or between sizes of businesses were statistically significant.

The key drivers of dissatisfaction were:

- Electricity:
  - Cost
  - Contract renewed without business knowing
  - Notice period too short

- Gas:
  - Incorrect information
  - Not being offered the best or a better deal
  - Contract renewed without the business's knowledge.

In addition, there were a wide variety of reasons cited for dissatisfaction which relate to the clarity and ease of understanding contract documents. These included:

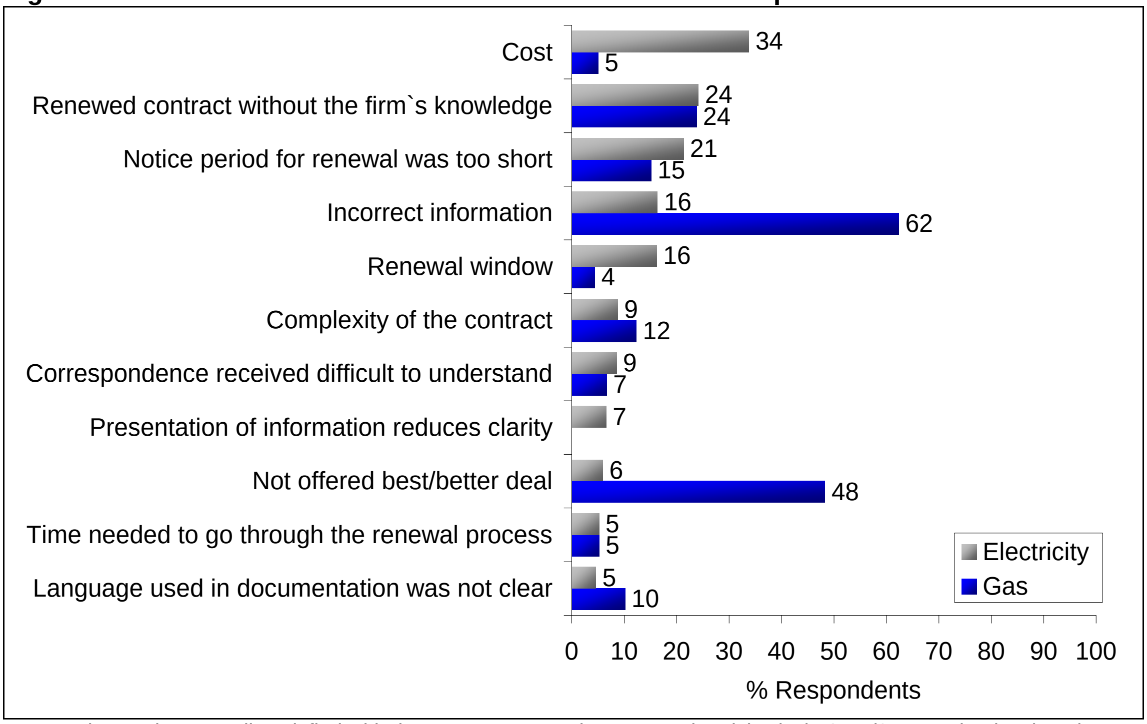
- Incorrect information
- Complexity of the contract
- Difficulty in understanding correspondence
- Presentation of the information in contracts
- Unclear language in documentation.

A less prevalent theme of dissatisfaction was related to time:

- Renewal notice period being too short
- Short renewal window
- Time taken to go through the renewal process.

These reasons were cited by the equivalent of 1% to 2% of the entire sample, so the incidence is quite low.

Figure 31: Reasons for dissatisfaction with contract renewal process



Bases: Those who were dissatisfied with the contract renewal process: Electricity (55), Gas (27- warning low base).

7.4 Uncertainty over Contracts

As was the case with energy costs, some businesses were unsure of the status of their contracts. There were no significant differences in the data between gas and electricity respondents or between the various size bands of businesses.

The key findings were:

- 3% of electricity respondents and 5% of gas respondents were unsure if they had a contract
- Among those who were aware that they had a contract, 4% of electricity respondents and 10% of gas respondents were uncertain over what type of contract they held
- Those who initially stated that they knew what type of contract they held, then indicated they were not entirely certain that this was the case (17% electricity, 16% gas)
- About one in ten did not know how long their contract was for.

Table 32 shows the details.

Table 32: Indicators of uncertainty over aspects of energy contracts

	Electricity	Gas
	%	%
Unsure if they have a contract	3	5
If they have a contract, unsure what type of contract they hold	4	10
Those initially stating they knew what type of contract they held, but then indicated they were not entirely certain	17	16
Unsure of duration of contract	10	12

Bases:
All respondents: Unsure if they have a contract: Electricity (863), Gas (347).
If they have a contract, unsure what type of contract: Electricity (719), Gas (288).
If they know their type of contract, those not entirely sure: Electricity (688), Gas (260).
If they have a contract, unsure of duration of contract: Electricity (719), Gas (288).

APPENDIX A

Basis for Weightings

Percentage Shares of Private Sector Businesses in Different Sectors of Activity[17]

Table 33 Percentage shares used to weight comparison of micro businesses (1 to 9 employees), small businesses (10 to 49 employees), medium sized businesses (50 to 249 employees) and large businesses (250 or more employees)

Sector (SIC)	Micro Businesses	%	Small Businesses	%	Medium Sized Businesses	%	Large Businesses	%
Agriculture, Forestry and Fishing	50,310	5.08	3,070	1.80	255	0.97	0	0.00
Mining and Quarrying; Utilities	3,400	0.34	1,245	0.73	255	0.97	105	1.78
Manufacturing	62,695	6.33	22,725	13.34	6,100	23.11	1,275	21.56
Construction	140,565	14.20	17,175	10.08	2,125	8.05	300	5.07
Wholesale and Retail Trade; Repair	197,230	19.93	31,965	18.76	4,500	17.05	1,015	17.16
Hotels and Restaurants	93,935	9.49	17,870	10.49	2,250	8.53	400	6.76
Transportation, Storage and Communications	78110	7.89	13420	7.88	2525	9.57	655	11.07
Financial and Insurance Activities	17,080	1.73	3,130	1.84	780	2.96	320	5.41
Real Estate Activities	29,635	2.99	3,380	1.98	435	1.65	155	2.62
Education	12,690	1.28	2,750	1.61	470	1.78	100	1.69
Health and Social Work Activities	31,905	3.22	18,170	10.66	2,450	9.28	300	5.07
Other Community, Social and Professional Services	84690	8.56	12395	7.28	1180	4.47	715	12.09
Other Service Activities	57,840	5.84	5,070	2.98	320	1.21	50	0.85
Professional, Scientific and Technical Activities	129,760	13.11	18,010	10.57	2,745	10.40	525	8.88
Total	989,845	100.0	170,375	100.0	26,390	100.0	5,915	100.0

[17] Source: Department for Business Innovation and Skills: Business Population Estimates for the UK and Regions 2010 (Published May 2010)

Table 34 Percentage shares used to weight comparison of SME sector (businesses with 1 to 249 employees) and large businesses (250 or more employees)

Sector (SIC)	Micro Businesses	%	Small Businesses	%	Medium Sized Businesses	%	Large Businesses	%
Agriculture, Forestry and Fishing	50,310	4.24	3,070	0.26	255	0.02	0	0.00
Mining and Quarrying; Utilities	3,400	0.29	1,245	0.10	255	0.02	105	1.78
Manufacturing	62,695	5.28	22,725	1.92	6,100	0.51	1,275	21.56
Construction	140,565	11.85	17,175	1.45	2,125	0.18	300	5.07
Wholesale and Retail Trade; Repair	197,230	16.62	31,965	2.69	4,500	0.38	1,015	17.16
Hotels and Restaurants	93,935	7.92	17,870	1.51	2,250	0.19	400	6.76
Transportation, Storage and Communications	78110	6.58	13420	1.13	2525	0.21	655	11.07
Financial and Insurance Activities	17,080	1.44	3,130	0.26	780	0.07	320	5.41
Real Estate Activities	29,635	2.50	3,380	0.28	435	0.04	155	2.62
Education	12,690	1.07	2,750	0.23	470	0.04	100	1.69
Human Health and Social Work Activities	31,905	2.69	18,170	1.53	2,450	0.21	300	5.07
Other Community, Social and Professional Services	84690	7.14	12395	1.04	1180	0.10	715	12.09
Other Service Activities	57,840	4.87	5,070	0.43	320	0.03	50	0.85
Professional, Scientific and Technical Activities	129,760	10.94	18,010	1.52	2,745	0.23	525	8.88
Total	989,845	83.4	170,375	14.4	26,390	2.2	5,915	100.0

Table 35 Percentage shares used to weight total responses

Sector (SIC)	Micro Businesses	%	Small Businesses	%	Medium Sized Businesses	%	Large Businesses	%
Agriculture, Forestry and Fishing	50,310	4.22	3,070	0.26	255	0.02	0	0.00
Mining and Quarrying; Utilities	3,400	0.29	1,245	0.10	255	0.02	105	0.01
Manufacturing	62,695	5.26	22,725	1.91	6,100	0.51	1,275	0.11
Construction	140,565	11.79	17,175	1.44	2,125	0.18	300	0.03
Wholesale and Retail Trade; Repair	197,230	16.54	31,965	2.68	4,500	0.38	1,015	0.09
Hotels and Restaurants	93,935	7.88	17,870	1.50	2,250	0.19	400	0.03
Transportation, Storage and Communications	78110	6.55	13420	1.13	2525	0.21	655	0.05
Financial and Insurance Activities	17,080	1.43	3,130	0.26	780	0.07	320	0.03
Real Estate Activities	29,635	2.49	3,380	0.28	435	0.04	155	0.01
Education	12,690	1.06	2,750	0.23	470	0.04	100	0.01
Human Health and Social Work Activities	31,905	2.68	18,170	1.52	2,450	0.21	300	0.03
Other Community, Social and Professional Services	84690	7.10	12395	1.04	1180	0.10	715	0.06
Other Service Activities	57,840	4.85	5,070	0.43	320	0.03	50	0.00
Professional, Scientific and Technical Activities	129,760	10.88	18,010	1.51	2,745	0.23	525	0.04
Total	989,845	83.0	170,375	14.3	26,390	2.2	5,915	0.5

APPENDIX B

Questionnaire

Accent

2389
Ofgem: Non Domestic Engagement in the Energy Market

Interviewer no: | | | | | **Interviewer name:**

Date: | | / | | **Time interview started:**

Quotas

Number of people working in firm	Interviews	Survey Method
1	0	Not in scope
2 to 9	400	Telephone
10 to 49	400	Telephone
50 to 249	200	Telephone
More than 250	200	Online
Total	1,200	

Recruitment

Good morning/afternoon/evening. My name is .... from Accent and I am carrying out research for Ofgem, the gas and electricity industry regulator. The subject is businesses experience of the energy market. Any answer you give will be treated in confidence in accordance with the Code of Conduct of the Market Research Society.

First of all, I would like to ask some questions to check that you are in scope for the survey

---

Q1. Is this business run from the owner's home or another residential premises?

1. yes **THANK AND CLOSE**
2. no **GO TO Q2**
3. not stated **THANK AND CLOSE**

Q2. And what is the main activity of this business? **DO NOT READ OUT INTERVIEWER CHECK GUIDELINE QUOTAS AND CONTINUE SINGLE CODE**

1. Agriculture, Hunting and Forestry; Fishing
2. Mining and Quarrying
3. Manufacturing
4. Construction
5. Wholesale and Retail Trade; Repairs
6. Hotels and Restaurants
7. Transport, Storage and Communication
8. Financial Intermediation
9. Real Estate, Renting and Business Activities
10. Education
11. Health and Social Work
12. Other Community, Social and Personal Service Activities
13. Other **PLEASE FILL OUT LARGE BOX BELOW AND READ INSTRUCTIONS**

INTERVIEWER: PLEASE NOTE ALL ACTIVITIES WILL FIT INTO ONE OF THE ABOVE CODES. IF YOU ARE UNSURE, FILL OUT THE DETAILS BELOW CONTINUE WITH THE INTERVIEW AND ASK YOUR SUPERVISOR FOR HELP IN MATCHING THE DETAIL YOU RECORDED TO ONE OF THE CODES IMMEDIATELY AFTER THE INTERVIEW IS COMPLETED

....

14. Professional, scientific and technical services

Q2a Is this an independent business or is it part of a larger company?

1. independent
2. part of a larger company
3. unsure

Q3. How many people work in this business? **ADD IF Q2A = 2** Please include those who work where you are speaking from now and those who work in the larger company that you are a part of (**INTERVIEWER: PEOPLE WHO WORK FOR THE COMPANY MUST ONLY INCLUDE THOSE WORKING ON A PERMANENT BASIS. THIS CAN INCLUDE PART TIME INDIVIDUALS AS LONG AS THEY'RE EMPLOYED ON A PERMANENT BASIS – REMEMBER 2 PART TIMERS EQUALS 1 FULL TIME EMPLOYEE. PLEASE PROBE THIS QUESTION AND ENSURE THE FIGURE EXCLUDES TEMPORARY STAFF. ALSO, THE DEFINITION OF "1 PERSON ONLY" BELOW IS A FIRM WHERE ONLY ONE PERSON WORKS THERE ON A PERMANENT BASIS IN WHATEVER CAPACITY EG OWNER MANAGER. THEY ARE NOT IN SCOPE. A FIRM WITH AN OWNER WHO WORKS THERE AND WITH ONE PERMANENT FULL TIME EMPLOYEE WHO WORKS THERE COUNTS AS 2 PEOPLE WORKING FOR THE FIRM). SINGLE CODE**

READ OUT

1. 1 only (i.e. sole trader) **THANK AND CLOSE**
2. 2 -9
3. 10-49
4. 50 to 249
5. 250 or more **THANK AND CLOSE**

CHECK GUIDELINE QUOTAS AND CONTINUE

Q3a How long has the business been in existence? **ADD IF Q2A = 2** I'm interested in the age of this business not the company it is part of

1. less than a year
2. a year or more **PLEASE SPECIFY**

....

3. unsure

Q4. Are you the person within your company who decides which supplier to use for the company's gas or electricity?

1. yes – I am solely responsible **GO TO Q6**
2. yes – I am mainly or jointly responsible **GO TO Q6**
3. no **GO TO Q5**

Q5. Could you give me details of the person in the company who takes that decision?

Name. ....

Job title ....

Telephone number ....

INTERVIEWER PLEASE CONTINUE THE INTERVIEW WITH THE PERSON WHO TAKES DECISIONS ON WHICH SUPPLIER TO USE FOR THE GAS OR ELECTRICITY SUPPLY

Q6. Do you pay for the gas and electricity the business uses as part of your domestic bill or are you billed separately?

1. separately **GO TO INTRODUCTION IN NEXT SECTION**
2. part of domestic bill **THANK AND CLOSE**
3. unsure/not stated **THANK AND CLOSE**

Supplier

Thank you, you are in scope for this research. The questionnaire will take about 10 minutes. You do not have to answer questions you do not wish to and you can terminate the interview at any point.

Q7. Who currently supplies the electricity used by your business? **DO NOT READ OUT SINGLE CODE**

1. Atlantic Electric & Gas **(CODE AS SSE)**
2. BES Commercial
3. British Gas **(CODE AS BRITISH GAS)**
4. Cherwell Energy
5. Dual Energy
6. E.On Energy **(CODE AS EON)**
7. Ecotricity
8. EDF Energy **(CODE AS EDF ENERGY)**
9. First Utility
10. Gazprom
11. GDF Suez
12. Good Energy
13. Haven Power
14. IPM Energy
15. MA Energy
16. Norweb **(CODE AS EON)**
17. npower **(CODE AS RWE NPOWER)**
18. Opus Energy
19. RWE npower **(CODE AS RWE NPOWER)**
20. SSE **(CODE AS SSE)**
21. Scottish and Southern **(CODE AS SSE)**
22. Scottish Gas **(CODE AS BRITISH GAS)**
23. Scottish Hydro Electric **(CODE AS SSE)**
24. ScottishPower **(CODE AS SCOTTISHPOWER)**
25. ScottishPower Manweb **(CODE AS SCOTTISHPOWER)**
26. SEEBOARD Energy **(CODE AS EDF ENERGY)**
27. SmartestEnergy
28. Southern Electric **(CODE AS SSE)**
29. SWEB Energy **(CODE AS EDF ENERGY)**
30. SWALEC **(CODE AS SSE)**
31. Total Gas and Power
32. Utilita
33. other **PLEASE SPECIFY**

....

34. unsure
35. Nwy Pridain **(CODE AS BRITISH GAS)**

Q8. Does your business use mains gas?

1. yes
2. no
3. unsure

Q9. **ASK IF Q8 = 1 (YES) ELSE GO TO Q10** Who currently supplies the gas used by your business? **DO NOT READ OUT SINGLE CODE**

1. Atlantic Electric & Gas	**(CODE AS SSE)**
2. BES Commercial	
3. British Gas	**(CODE AS BRITISH GAS)**
4. Contract Natural Gas	
5. Corona Energy	
6. Countrywide	
7. Crown Energy	
8. E.On Energy	**(CODE AS EON)**
9. EDF Energy	**(CODE AS EDF ENERGY)**
10. Eni UK	
11. Economy Gas	
12. First Utility	
13. Gazprom	
14. GDF Suez	
15. Good Energy	
16. Norweb	**(CODE AS EON)**
17. npower	**(CODE AS RWE NPOWER)**
18. Opus Energy	
19. RWE npower	**(CODE AS RWE NPOWER)**
20. Regent Gas	
21. SSE	**(CODE AS SSE)**
22. Scottish and Southern	**(CODE AS SSE)**
23. Scottish Gas	**(CODE AS BRITISH GAS)**
24. Scottish Hydro Electric	**(CODE AS SSE)**
25. ScottishPower	**(CODE AS SCOTTISHPOWER)**
26. ScottishPower Manweb	**(CODE AS SCOTTISHPOWER)**
27. SEEBOARD Energy	**(CODE AS EDF ENERGY)**
28. Shell Gas	
29. SmartestEnergy	
30. Southern Electric	**(CODE AS SSE)**
31. Statoil UK	
32. SWEB Energy	**(CODE AS EDF ENERGY)**
33. SWALEC	**(CODE AS SSE)**
34. Total Gas and Power	
35. Utilita	
36. Wingas UK	
37. other	**PLEASE SPECIFY**

....

38. unsure	
39. Nwy Pridain	**(CODE AS BRITISH GAS)**

Main Fuel

Q10. How much have you spent on electricity for the business in the past year, roughly?

1. **PLEASE ENTER THE AMOUNT HERE**

£..

2. unsure

Q11. **ASK IF Q8 = 1 ELSE GO TO Q12** How much have you spent on gas for the business in the past year, roughly?

1. **PLEASE ENTER THE AMOUNT HERE**

£..

2. unsure

Q12. What percentage of your total business costs is due to electricity, roughly?

1. **PLEASE ENTER THE PERCENTAGE HERE**

% ....

2. unsure

Q13. **ASK IF Q8 = 1 ELSE GO TO Q14** What percentage of your total business costs are due to gas, roughly?

1. **PLEASE ENTER THE PERCENTAGE HERE**

% ....

2. unsure

Q14. **ASK IF Q12 OR Q13 = UNSURE ELSE GO TO Q15**. Which contributes most to your overall business costs, gas or electricity, or do they contribute about the same?
DO NOT READ OUT SINGLE CODE

1. gas
2. electricity
3. same contribution
4. unsure

Q15. **DUMMY QUESTION DO NOT SHOW SINGLE CODE**

(1) IF Q8 NE 1 (IE NO GAS) GO TO Q20

(2) IF Q12 > Q13 OR IF Q14 = 2 (IE IF ELECTRICITY > GAS) GO TO Q16

(3) IF Q12 < Q13 OR IF Q14 = 1 (IE IF ELECTRICITY < GAS) GO TO Q17

(4) IF Q12 = Q13 OR Q14 = 3 (IE IF ELECTRCITY = GAS) RANDOMLY SELECT GAS QUESTIONS OR ELECTRICITY QUESTIONS AND GO TO Q18

(5) IF Q14 = 4 (UNSURE) RANDOMLY SELECT GAS QUESTIONS OR ELECTRICITY QUESTIONS AND GO TO Q19

Q16. **ASK IF Q15 = 2 ELSE GO TO Q17** Thank you. You said that electricity accounts for a bigger proportion of your total business costs than gas. The remainder of the questions will therefore be about your electricity supplier.

Q17. **ASK IF Q15 = 3 ELSE GO TO Q18.** Thank you. You said that gas accounts for a bigger proportion of your total business costs than electricity. The remainder of the questions will therefore be about your gas supplier.

Q18. **ASK IF Q15 = 4 ELSE GO TO Q19.** Thank you. You said that gas and electricity account for the same proportion your total business costs. My computer programme has randomly selected **INSERT** ‘gas’ **OR** ‘electricity’ **DEPENDING ON RANDOM SELECTION IN Q15** as the theme of this interview. The remainder of my questions will therefore be about your **INSERT** ‘gas’ **OR** ‘electricity’ **DEPENDING ON RANDOM SELECTION IN Q15** supplier.

Q19. **ASK IF Q15 = 4 ELSE GO TO Q20.** Thank you. You said that you are unsure which fuel accounts for the greater proportion of your total business costs. My computer programme has randomly selected **INSERT** ‘gas’ **OR** ‘electricity’ **DEPENDING ON RANDOM SELECTION IN Q15** as the theme of this interview. The remainder of my questions will therefore be about your **INSERT** ‘gas’ **OR** ‘electricity’ **DEPENDING ON RANDOM SELECTION IN Q15** supplier.

Electricity Billing

Q20. **ASK IF Q15 = 1 OR 2 OR IF 4 OR 5 RANDOMLY SELECT ELECTRICITY ELSE GO TO Q76** How does your firm pay for electricity? **PROMPT IF NECESSARY SINGLE CODE**

1. regular direct debit
2. regular standing order
3. pay only on receipt of bill with cash/cheque/credit card/BACS
4. prepayment meter
5. unsure

Q20a What type of electricity tariff is your business on? **PROBE SINGLE CODE**

1. variable price (ie prices vary depending on what the supplier charges)
2. fixed price tariff for a set period of time
3. other **PLEASE SPECIFY**

   ....
4. unsure

Q21. What does your firm usually do when it receives a bill or statement from your electricity supplier? **READ OUT SINGLE CODE**

1. we carefully check through the detail to ensure the amount billed is calculated correctly
2. we don't look at the detail, but if the amount seems generally ok we accept it
3. we don't usually check it at all
4. unsure

Q22. **ASK IF Q21 = 3 ELSE GO TO Q23** How would you spot whether there had been an error in your electricity bill? **DO NOT READ OUT MULTICODE CODE**

1. only if it becomes apparent when paying the bill
2. only if the supplier informs us
3. we would not know
4. other (**PLEASE SPECIFY)**

   ....
5. unsure **EXCLUSIVE**

Q23. Have you ever found an error in the amount your current supplier has billed you?

1. yes
2. no
3. unsure

Q24. Has your current electricity supplier ever discovered that they made an error in the amount they had billed you?

1. yes
2. no
3. unsure

Q25. **ASK IF Q24 = YES ELSE GO TO Q28** Did they find an overpayment or underpayment? **SINGLE CODE**

1. overpayment
2. underpayment
3. unsure

Q26. **ASK IF Q25 = UNDERPAYMENT ELSE GO TO Q28** Did they back bill you for the amount outstanding?

1. yes
2. no

Q27. deleted

Q28. How would you rate your satisfaction with the accuracy of your electricity bills/statements?

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure (**DO NOT READ OUT)**

Q29. **ASK IF Q28 = 1 OR 2 (DISSATISFIED) ELSE GO TO Q30.** What is the main reason you are dissatisfied? **DO NOT READ OUT SINGLE CODE**

1. too many estimated bills
2. errors in the meter readings
3. errors in the calculation of my bill, even though the meter readings are correct
4. wrong tariff/contract rate applied
5. other **PLEASE SPECIFY**

....

6. unsure

Q30. How would you rate your satisfaction with the clarity of information in your bills/statements?

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure (**DO NOT READ OUT)**

Q31. **ASK IF Q30 = 1 OR 2 (DISSATISFIED) ELSE GO TO Q32.** What is the main reason you are dissatisfied? **DO NOT READ OUT SINGLE CODE**

1. language used is too complicated
2. difficult to find key information quickly
3. unclear how the bill is calculated
4. font too small
5. other **PLEASE SPECIFY**

....

6. unsure

Q32. How would you rate your satisfaction with the usefulness of the information in your bills/statements?

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure (**DO NOT READ OUT)**

Q33. **ASK IF Q32 = 1 OR 2 (DISSATISFIED) ELSE GO TO Q34.** What is the main reason you are dissatisfied? **DO NOT READ OUT SINGLE CODE**

1. not enough information about my energy use
2. too much information about my energy use
3. other **PLEASE SPECIFY**

....

4. unsure

Electricity Contracts

Q34. Do you have a contract with your electricity supplier to supply you with electricity?

1. yes
2. no
3. unsure

Q35. **ASK IF Q34 = YES ELSE GO TO Q44** Do you have a fixed term contract for your electricity supply, by that I mean, the contract is for a set period of time or can you cancel and change supplier immediately? **SINGLE CODE**

1. fixed contract
2. cancel & change immediately
3. unsure

Q36. **ASK IF Q35 = 1 OR 2 ELSE GO TO Q37** Do you know that this is the type of contract that applies to your business or is this your best estimate?

1. I know it is the type of contract
2. It is my best estimate

Q37. How long is your contract for? **DO NOT READ OUT (INTERVIEWER THIS IS THE TOTAL PERIOD OF THE CONTRACT , NOT THE TIME LEFT TO RUN ON THE CURRENT CONTRACT) SINGLE CODE**

1. 6 months
2. 1 year
3. 2 years
4. 3 years
5. 4 years
6. 5 years
7. longer than 5 Years
8. unsure

Q38. How would you rate your satisfaction with the clarity of your contract?

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure (**DO NOT READ OUT)**

Q39. **ASK IF Q38 = 1 OR 2 (DISSATISFIED) ELSE GO TO Q40** Why are you dissatisfied? **DO NOT READ OUT MULTICODE**

1. too long to read thoroughly
2. too little information
3. language used is not clear
4. difficulty in taking in information in documentation due to layout, font size etc (ie presentation of information reduces clarity)
5. other **PLEASE SPECIFY**

....

6. unsure **EXCLUSIVE**

Q40. Which of the following statements best describes your current contract with your electricity supplier? **READ OUT SINGLE CODE**

1. this is the first contract we have had with our supplier
2. the present contract was formally renewed
3. the contract with our current supplier ended but they continue to supply us without a renewed contract
4. unsure
5. other **PLEASE SPECIFY**

....

Q41. **ASK IF Q40 = 3 (CONTRACT ENDED BUT SUPPLY CONTINUED) ELSE GO TO Q42.** Did your supplier tell you they were going to continue to supply your electricity?

1. yes
2. no
3. unsure

Q42. **ASK IF Q40 = 2 (RENEWED) ELSE GO TO Q44**. How satisfied or dissatisfied were you with the experience of renewing the contract with your electricity supplier?

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure **(DO NOT READ OUT)**

Q43. **ASK IF Q42 = 1 OR 2 (DISSATISFIED) ELSE GO Q44** Why were you dissatisfied? **DO NOT READ OUT MULTICODE**

1. supplier renewed the contract without the firm's knowledge
2. cost
3. length of the contract document
4. complexity of the actual contract
5. time needed to go through the renewal process
6. correspondence received about the renewal was difficult to understand
7. duration of contract
8. notice period for renewal was too long
9. notice period for renewal was too short
10. time given to renew the contract was too short (ie renewal window)
11. documentation took too long to read thoroughly
12. documentation had too little information
13. language used in documentation was not clear
14. difficulty in taking in information in the documentation due to layout, font size etc (ie presentation of information reduces clarity
15. other **PLEASE SPECIFY**

....

16. unsure **EXCLUSIVE**

Electricity Switching/Staying

Q44. Which of the following statements best describes your business's experience of switching electricity suppliers? **READ OUT ROTATE SINGLE CODE**

1. we have always taken our electricity from the same supplier and have never considered switching
2. we changed to our current electricity supplier
3. we considered switching to a new supplier, but decided we were better off staying with our current supplier
4. we wanted to move away from our current electricity supplier but there were problems that prevented us from doing so

Q45. **ASK IF Q44 = 1 ELSE GO TO Q46** Why have you never considered taking your business electricity from another supplier? **DO NOT READ OUT MULTICODE**

1. my supplier's costs seem reasonable
2. too much hassle to switch
3. never thought about it
4. not had the time to consider switching
5. found it difficult to compare other suppliers' offers
6. satisfied with non price aspects of the service provided by supplier
7. other **PLEASE SPECIFY**

....

8. unsure **EXCLUSIVE**

Q46. **ASK IF Q44 NE 1 (IE CONSIDERED SWITCHING OR SWITCHED) ELSE GO TO Q70.** What was the main reason you **ASK IF Q44 = 3** 'considered switching?' **ASK IF Q44 = 2** 'switched?' **ASK IF Q44 = 4** 'wanted to switch? **DO NOT READ OUT SINGLE CODE**

1. supplier increased prices
2. lower prices of other supplier
3. special deal/promotion offered by other supplier
4. billing problems
5. quality of supply problems
6. meter reading problems
7. reputation of other supplier
8. customer service was poor
9. bundling of other valued services or products
10. environmental concerns / wanted "green power"
11. just wanted to try someone new
12. persuaded by sales agent
13. convenience of having gas and electricity with one supplier
14. convenience of having energy and telecoms with one supplier
15. saw an advertisement for another company
16. recommended by friend/ relative, etc.
17. recommended by web site, etc.
18. moving business premises
19. other **PLEASE SPECIFY**

....

20. unsure

Q47. **ASK IF Q44 = 3 (IE CONSIDERED SWITCHING BUT DESIDED TO STAY) ELSE GO TO Q48.** What was the main reason you decided not to switch away from your supplier? **DO NOT READ OUT SINGLE CODE**

1. after comparing other suppliers our existing supplier offered the best deal
2. other suppliers asked for a security deposit which our current supplier does not require
3. other suppliers asked for a bigger security deposit than our current supplier requires
4. the savings we would make did not justify the effort involved
5. found it difficult to compare prices/offers between suppliers
6. other **PLEASE SPECIFY**

....

7. unsure

Q48. **ASK IF Q44 = 4 (IE WANTED TO SWITCH BUT DIDN'T) (ELSE GO TO Q49**. What prevented you from switching to another electricity supplier? **DO NOT READ OUT SINGLE CODE**

1. we found we were still under contract
2. the supplied prevent us from leaving due to debt on the account
3. other **(PLEASE SPECIFY)**

....

4. unsure

Q49. Was your electricity contract coming up for renewal when you began to consider other suppliers?

1. yes
2. no
3. unsure

Q49a Did your supplier notify you that your contract was coming up for renewal?

1. yes
2. no
3. unsure

Q50. In the last 5 years, how many times in total has this business **considered** switching electricity supplier but in the end did not switch? **DO NOT READ OUT SINGLE CODE**

1. once
2. twice
3. three times
4. four times
5. more than 4 **(PLEASE SPECIFY)**

....

6. unsure
7. none, switched every time

Q50a In the last 5 years, how many times in total has this business **actually** switched electricity suppliers? **DO NOT READ OUT SINGLE CODE**

1. once
2. twice
3. three times
4. four times
5. more than 4 (**PLEASE SPECIFY)**

....

6. unsure
7. none

Q51. When did you **IF Q44 = 2 SAY** 'switch to your current supplier?' **IF Q44 = 3 SAY** 'last consider taking electricity from another electricity supplier?' **IF Q44 = 4 SAY** 'last try to switch away from your current electricity supplier?' **DO NOT READ OUT SINGLE CODE**

1. less than 3 months ago
2. between 3 months but less than 6 months ago
3. between 6 months but less than 12 months ago
4. between a year ago but less than 2 years ago
5. 2 years ago or more
6. unsure

Q52. Still thinking about that last occasion, did you use an energy broker/intermediary to help you in your decisions about switching or did you deal directly with energy suppliers without any intermediaries?

1. only used a broker/intermediary
2. directly with suppliers only
3. used both
4. unsure

Q53. How many electricity suppliers did you consider in addition to **IF Q44 = 3 OR 4 SAY** 'your present supplier' **IF Q44 = 2** 'your old supplier?

1. one supplier
2. more than one supplier
3. unsure

Q54. Who initiated the first contact with **IF Q52 = 1 INSERT** 'the broker/intermediary' **IF Q52 = 2 AND Q44 = 2 INSERT** 'your present supplier' **IF Q52 = 2 AND Q44 = 3 OR 4 INSERT** 'the alternative suppliers you considered' **IF Q52 = 3 AND Q44 = 2 INSERT '**broker/intermediary and your present supplier'. **IF Q52 = 3 AND Q44 = 3 OR 4 INSERT '**broker/intermediary and the alternative suppliers you considered'. **SHOW ALL** Did you make first contact without any prompting by them or did they contact you in the first instance? **DO NOT READ OUT**

SHOW IF Q52 = 3 (IE USED BOTH BROKER/INTERMEDIARY AND SUPPLIERS)

1. I contacted both the broker /intermediary and suppliers
2 both the broker/intermediary and suppliers contacted me
3. I contacted the broker/intermediary but the supplier contacted me
4. I contacted the supplier but the broker/intermediary contacted me
5. unsure

SHOW IF Q52 = 1 (IE USED BROKER/INTERMEDIARY ONLY)

6. I contacted the broker/intermediary
7. the broker/intermediary contacted me
8. unsure

SHOW IF Q52 = 2 (IE USED SUPPLIERS ONLY)

9. I contacted the suppliers
10. the suppliers contacted me
11. unsure

Q55. **ASK IF Q54 = 1 OR 3 OR 5 OR 6 OR 8ELSE GO TO Q55A** How did you find out about the broker/intermediary? **DO NOT READ OUT MULTICODE**

1. contacted them in response to an advert or mailing
2. found them through my own web search
3. saw a link from an energy advice website
4. a recommendation
5. other **(PLEASE SPECIFY)**

....

6. unsure **EXCLUSIVE**

Q55a **ASK IF Q54 = 2 OR 4 OR 7 ELSE GO TO Q56.** Had you been thinking about switching before the broker/intermediary approached you?

1. yes
2. no
3. unsure

Q56. **ASK IF Q54 = 1 OR 2 OR 3 OR 4 OR 5 OR 6 OR 7 OR 8 ELSE GO TO Q61** Did the broker/intermediary charge you a fee for their services?

1. yes
2. no
3. unsure

Q56a **ASK IF Q56 = YES ELSE GO TO Q59.** How did they charge you for their services?

1. one off payment
2. a regular fee added to my energy bill
3. other **PLEASE SPECIFY**

....

4. unsure

Q57. How would you rate the fees charged by the broker/intermediary?

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure (**DO NOT READ OUT)**

Q58. **ASK IF Q57 = 1 OR 2 (DISSATISFIED) ELSE GO TO Q59**. Why were you dissatisfied?

....

Q59. How would you rate the overall service provided by the energy broker/intermediary?

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure **(DO NOT READ OUT)**

Q60. **ASK IF Q59 = 1 OR 2 (DISSATISFIED) ELSE GO TO Q61**. What is the main reason you were dissatisfied? **DO NOT READ OUT SINGLE CODE**

1. they did not get me a better deal
2. they took a long time to get me a better deal
3. rude
4. unprofessional
5. expensive
6. complicated process
7. I had to do too much work
8. other **PLEASE SPECIFY**

....

unsure

Q61. **ASK IF Q52 = 4 (UNSURE) OR IF Q54 = 1 OR 4 OR 5 OR 9 OR 11 ELSE GO TO Q62** How did you find out about the alternative suppliers? **DO NOT READ OUT MULTICODE**

1. I contacted them in response to an advert or mailing
2. I found them through a web search
3. through a price comparison site
4. they were a previous supplier
5. a recommendation
6. I had no choice as the supplier was taken over by another company
7. other **(PLEASE SPECIFY)**

....

8. unsure **EXCLUSIVE**

Q62. deleted

Q63. **ASK IF Q54 = 2 OR 3 OR 10 ELSE GO TO Q64** Had you been thinking about switching before the electricity supplier approached you?

1. yes
2. no
3. unsure

Q64. Did you compare the price you would pay for your electricity between the different suppliers?

1. yes
2. no
3. unsure

Q65. **ASK IF Q64 = 1 ELSE GO TO Q66** What did you use to compare prices? **MULTICODE. DO NOT PROMPT INTERVIEWER BE CAREFUL USING 'OTHER'. IF OTHER SOUNDS LIKE IT SHOULD BE RECORDED AS A CODE 5 PLEASE DO SO. ROUTING DEPENDS ON THIS ANSWER.**

1. price comparison website
2. just the information given by the supplier
3. information in direct mail/a letter I received
4. what we saw on an advert
5. compared cost in my bill with the costs of a another supplier
6. information provided by the broker/intermediary
7. just looked at my bill and asked the new supplier about their costs and used this as the comparison
8. other **PLEASE SPECIFY**

....

9. unsure **EXCLUSIVE**

Q66. **ASK IF Q65 NOT EQ5 ELSE GO TO Q67** Did you look at your bill at all when comparing prices?

1. yes
2. no
3. unsure

Q67. **ASK IFQ65 = 5 OR IF Q66 = YES ELSE GO TO Q68:** What parts of your bill did you look at/use? **MULTICODE DO NOT PROMPT**

1. overall cost
2. unit price
3. pence per KWh
4. standing charge
5. any discount
6. other **PLEASE SPECIFY**

....

7. unsure **EXCLUSIVE**

Q68. On a scale of 1 to 5 where 1 = very dissatisfied and 5 = very satisfied, how satisfied were you with your experience of **INSERT IF Q44 = 2** 'switching electricity supplier? **INSERT IF Q44 = 3 OR 4** 'considering alternative electricity suppliers' **READ OUT**

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure (**DO NOT READ OUT)**

Q69. **ASK IF Q68 =1 OR 2 (DISSATISFIED) ELSE GO TO Q70:** Why were you dissatisfied with your experience?

....

Monitoring Use of Electricity

Q70. Is your electricity meter reading taken and sent to your supplier automatically?

1. yes
2. no
3. unsure

Q71. Does your firm check how much electricity it uses? If so how often? **READ OUT SINGLE CODE**

1. frequently **GO TO Q72**
2. occasionally **GO TO Q72**
3. never **GO Q73**
4. only when the bill/statement comes in **GO TOQ72**
5. unsure **GO TO Q73**

Q72. How does your firm actually check how much electricity it uses? **DO NOT READ OUT. INTERVIEWER BE CAREFUL TO DISTINGUISH BETWEEN THOSE WHO SAY "I CHECK THE MOST RECENT BILL" AND "I COMPARE THE MOST RECENT BILL WITH PREVIOUS BILLS". IF THEY SIMPLY SAY "I CHECK THE BILL" PROBE. MULTICODE**

1. check the most recent bill only
2. compare the most recent bill with previous bills
3. take a meter reading and compare it with an earlier reading
4. look at a display device connected to but separate from the meter which shows how much energy being used
5. other **PLEASE SPECIFY**

....

6. unsure **(DO NOT READ OUT - EXCLUSIVE)**

Overview of Electricity Supplier

Q73. Have you ever had to contact your electricity supplier with a query?

1. yes
2. no
3. unsure

Q74. How satisfied or dissatisfied are you with your current electricity supplier on the following? **ROTATE**

	very dissatisfied	quite dissatisfied	neither /nor	quite satisfied	very satisfied	unsure
1. understanding your business needs	1	2	3	4	5	6
2. **SHOW IF Q73 =1 (YES)** resolving your queries	1	2	3	4	5	6
3. their value for money	1	2	3	4	5	6
4. the overall quality of the service they provide	1	2	3	4	5	6
5. reliability of electricity supply	1	2	3	4	5	6

Q75. Finally, my last question, overall how satisfied or dissatisfied are you with your current electricity supplier?

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure

Gas Billing

Q76. **ASK IF Q15 = 3 OR IF 4 OR 5 RANDOMLY SELECT GAS ELSE END THE INTERVIEW.** How does your firm pay for gas? **PROMPT IF NECESSARY SINGLE CODE**

1. regular direct debit
2. regular standing order
3. pay only on receipt of bill with cash/cheque/credit card/BACS
4. prepayment meter
5. unsure

Q76a What type of gas tariff is your business on? **PROBE SINGLE CODE**

1. variable price (ie prices vary depending on what the supplier charges)
2. fixed price tariff for a set period of time
3. other **PLEASE SPECIFY**

....

4. unsure

Q77. What does your firm usually do when it receives a bill or statement from your gas supplier? **READ OUT SINGLE CODE**

1. we carefully check through the detail to ensure the amount billed is calculated correctly
2. we don't look at the detail, but if the amount seems generally ok we accept it
3. we don't usually check it at all
4. unsure

Q78. **ASK IF Q77 = 3 ELSE GO TO Q79** How would you spot whether there had been an error in your gas bill? **DO NOT READ OUT MULTICODE CODE**

1. only if it becomes apparent when paying the bill
2. only if the supplier informs us
3. we would not know
4. other (**PLEASE SPECIFY)**

....

5. unsure

Q79. Have you ever found an error in the amount your current supplier has billed you?

1. yes
2. no
3. unsure

Q80. Has your current gas supplier ever discovered that they made an error in the amount they had billed you?

1. yes
2. no
3. unsure

Q81. **ASK IF Q80= YES ELSE GO TO Q84** Did they find an overpayment or underpayment? **SINGLE CODE**

1. overpayment
2. underpayment
3. unsure

Q82. **ASK IF Q81 = UNDERPAYMENT ELSE GO TO Q83** Did they back bill you for the amount outstanding?

1. yes
2. no

Q83. deleted

Q84. How would you rate your satisfaction with the accuracy of your gas bills/statements?

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure (**DO NOT READ OUT)**

Q85. **ASK IF Q84 = 1 OR 2 (DISSATISFIED) ELSE GO TO Q86.** What is the main reason you are dissatisfied? **DO NOT READ OUT SINGLE CODE**

1. too many estimated bills
2. errors in the meter readings
3. errors in the calculation of my bill, even though the meter readings are correct
4. wrong tariff/contract rate applied
5. other **PLEASE SPECIFY**

....

6. unsure

Q86. How would you rate your satisfaction with the clarity of information in your bills/statements?

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure (**DO NOT READ OUT)**

Q87. **ASK IF Q86 = 1 OR 2 (DISSATISFIED) ELSE GO TO Q88.** What is the main reason you are dissatisfied? **DO NOT READ OUT SINGLE CODE**

1. language used is too complicated
2. difficult to find key information quickly
3. unclear how the bill is calculated
4. font too small
5. other **PLEASE SPECIFY**

....

6. unsure

Q88. How would you rate your satisfaction with the usefulness of the information in your bills/statements?

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure (**DO NOT READ OUT)**

Q89. **ASK IF Q88 = 1 OR 2 (DISSATISFIED) ELSE GO TO Q90.** What is the main reason you are dissatisfied? **DO NOT READ OUT SINGLE**

1. not enough information about my energy use
2 too much information about my energy use
3. other **PLEASE SPECIFY**

....

4. unsure

Gas Contracts

Q90. Do you have a contract with your gas supplier to supply you with gas?

1. yes
2. no
3. unsure

Q91. **ASK IF Q90 = YES ELSE GO TO Q100** Do you have a fixed term contract for your gas supply, by that I mean, the contract is for a set period of time or can you cancel and change supplier immediately? **SINGLE CODE**

1. fixed contract
2. cancel & change immediately
3. unsure

Q92. **ASK IF Q91= 1 OR 2 ELSE GO TO Q93** Do you know that this is the type of contract that applies to your business or is this your best estimate?

1. I know it is the type of contract
2. It is my best estimate

Q93. How long is your contract for? **DO NOT READ OUT (INTERVIEWER THIS IS THE TOTAL PERIOD OF THE CONTRACT , NOT THE TIME LEFT TO RUN ON THE CURRENT CONTRACT) SINGLE CODE**

1. 6 months
2. 1 year
3. 2 years
4. 3 years
5. 4 years
6. 5 years
7. longer than 5 Years
8. unsure

Q94. How would you rate your satisfaction with the clarity of your contract?

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure (**DO NOT READ OUT)**

Q95. **ASK IF Q94 = 1 OR 2 (DISSATISFIED) ELSE GO TO Q96** Why are you dissatisfied? **DO NOT READ OUT MULTICODE**

1. too long to read thoroughly
2. too little information
3. language used is not clear
4. difficulty in taking in information in documentation due to layout, font size etc (ie presentation of information reduces clarity)
5. other **PLEASE SPECIFY**

....

6. unsure **EXCLUSIVE**

Q96. Which of the following statements best describes your current contract with your gas supplier? **READ OUT SINGLE CODE**

1. this is the first contract we have had with our supplier
2. the present contract was formally renewed
3. the contract with our current supplier ended but they continue to supply us without a renewed contract
4. unsure
5. other **PLEASE SPECIFY**

....

Q97. **ASK IF Q96 = 3 (CONTRACT ENDED BUT SUPPLY CONTINUED) ELSE GO TO Q98.** Did your supplier tell you they were going to continue to supply your gas?

1. yes
2. no
3. unsure

Q98. **ASK IF Q96 = 2 (RENEWED) ELSE GO TO Q100**. How satisfied or dissatisfied were you with the experience of renewing the contract with your gas supplier?

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure (**DO NOT READ OUT)**

Q99. **ASK IF Q98 = 1 OR 2 (DISSATISFIED) ELSE GO TO Q100** Why were you dissatisfied? **DO NOT READ OUT MULTICODE**

1. supplier renewed the contract without the firm's knowledge
2. cost
3. length of the contract document
4. complexity of the actual contract
5. time needed to go through the renewal process
6. correspondence received about the renewal was difficult to understand
7. duration of contract
8. notice period for renewal was too long
9. notice period for renewal was too short
10. time given to renew the contract was too short (ie renewal window)
11. documentation took too long to read thoroughly
12. documentation had too little information
13. language used in documentation was not clear
14. difficulty in taking in information in the documentation due to layout, font size etc (ie presentation of information reduces clarity
15. other **PLEASE SPECIFY**

....

16. unsure

Gas Switching/Staying

Q100. Which of the following statements best describes your business's experience of switching gas suppliers? **READ OUT ROTATE SINGLE CODE**

1. we have always taken our gas from the same supplier and have never considered switching
2. we changed to our current gas supplier
3. we considered switching to a new supplier, but decided we were better off staying with our current supplier
4. we wanted to move away from our current gas supplier but there were problems that prevented us from doing so

Q101. **ASK IF Q100 = 1 ELSE GO TO Q102.** Why have you never considered taking your business gas from another supplier? **DO NOT READ OUT MULTICODE**

1. my supplier's costs seem reasonable
2. too much hassle to switch
3. never thought about it
4. not had the time to consider switching
5. found it difficult to compare other suppliers' offers
6. satisfied with non price aspects of the service provided by supplier
7. other **PLEASE SPECIFY**

....

8. unsure **EXCLUSIVE**

Q102. **ASK IF Q100 NE 1 (IE CONSIDERED SWITCHING) ELSE GO TO Q126.** What was the main reason you **ASK IF Q100 = 3** 'considered switching?' **ASK IF Q100 = 2** 'switched?' **ASK IF Q100 = 4** 'wanted to switch? **DO NOT READ OUT SINGLE CODE**

1. supplier increased prices
2. lower prices of other supplier
3. special deal/promotion offered by other supplier
4. billing problems
5. quality of supply problems
6. meter reading problems
7. reputation of other supplier
8. customer service was poor
9. bundling of other valued services or products
10. environmental concerns / wanted "green power"
11. just wanted to try someone new
12. persuaded by sales agent
13. convenience of having gas and gas with one supplier
14. convenience of having energy and telecoms with one supplier
15. saw an advertisement for another company
16. recommended by friend/ relative, etc.
17. recommended by web site, etc.
18. moving business premises
19. other **PLEASE SPECIFY**

....

20. unsure

Q103. **ASK IF Q100 = 3 (IE CONSIDERED SWITCHING BUT DESIDED TO STAY) ELSE GO TO Q104.** What was the main reason you decided not to switch away from your supplier? **DO NOT READ OUT SINGLE CODE**

1. after comparing other suppliers our existing supplier offered the best deal
2. other suppliers asked for a security deposit which our current supplier does not require
3. other suppliers asked for a bigger security deposit than our current supplier requires
4. the savings we would make did not justify the effort involved
5. found it difficult to compare prices/offers between suppliers
6. other **PLEASE SPECIFY**

....

7. unsure

Q104. **ASK IF Q100 = 4 (IE WANTED TO SWITCH BUT DIDN'T) ELSE GO TO Q105**. What prevented you from switching to another gas supplier? **DO NOT READ OUT SINGLE CODE**

1. we found we were still under contract
2. the supplied prevent us from leaving due to debt on the account
3. other **(PLEASE SPECIFY)**

....

4. unsure

Q105. Was your gas contract coming up for renewal when you began to consider other suppliers?

1. yes
2. no
3. unsure

Q105a Did your supplier notify you that your contract was coming up for renewal?

1. yes
2. no
3. unsure

Q106. In the last 5 years, how many times in total has this business **considered** switching gas supplier, but in the end did not switch? **DO NOT READ OUT SINGLE CODE**

1. once
2. twice
3. three times
4. four times
5. more than 4 (**PLEASE SPECIFY)**

....

6. unsure
7. none, switched every time

Q106a In the last 5 years, how many times in total has this business **actually** switched gas suppliers? **DO NOT READ OUT SINGLE CODE**

1. once
2. twice
3. three times
4. four times
5. more than 4 (**PLEASE SPECIFY)**

....

6. unsure
7. none

Q107. When did you **IF Q100 = 2 SAY** 'switch to your current supplier?' **IF Q100 = 3 SAY** 'last consider taking gas from another gas supplier?' **IF Q100 = 4 SAY** 'last try to switch away from your current gas supplier?' **DO NOT READ OUT SINGLE CODE**

1. less than 3 months ago
2. between 3 months ago but less than 6 months ago
3. between 6 months ago but less than 12 months ago
4. between a year ago but less than 2 years ago
5. 2 years ago or more
6. unsure

Q108. Still thinking about that last occasion, did you use an energy broker/intermediary to help you in your decisions about switching or did you deal directly with energy suppliers without any intermediaries?

1. only used a broker/intermediary
2. directly with suppliers only
3. used both
4. unsure

Q109. How many gas suppliers did you consider in addition to **IF Q100 = 3 OR 4 SAY** 'your present supplier' **IF Q100 = 2** 'your old supplier?

1. one supplier
2. more than one supplier
3. unsure

Q110. Who initiated the first contact with **IF Q108 = 1 INSERT** 'the broker/intermediary' **IF Q108 = 2 AND Q100 = 2 INSERT** 'your present supplier' **IF Q108 = 2 AND Q100 = 3 OR 4 INSERT** 'the alternative suppliers you considered' **IF Q108 = 3 AND Q100 = 2 INSERT** 'broker/intermediary and your present supplier'. **IF Q108 = 3 AND Q100 = 3 OR 4 INSERT** 'broker/intermediary and the alternative suppliers you considered'. **SHOW ALL** Did you make first contact without any prompting by them or did they contact you in the first instance? **DO NOT READ OUT**

SHOW IF Q108 = 3 (IE USED BOTH BROKER/INTERMEDIARY AND SUPPLIERS)

1. I contacted both the broker/intermediary and suppliers
2 both the broker/intermediary and suppliers contacted me
3. I contacted the broker/intermediary but the supplier contacted me
4. I contacted the supplier but the broker/intermediary contacted me
5. unsure

SHOW IF Q108 = 1 (IE USED BROKER/INTERMEDIARY ONLY)

6. I contacted the broker/intermediary
7. the broker/intermediary contacted me
8. unsure

SHOW IF Q108 = 2 (IE USED SUPPLIERS ONLY)

9. I contacted the suppliers
10. the suppliers contacted me
11. unsure

Q111. **ASK IF Q110 = 1 OR 3 OR 5 OR 6 OR 8 ELSE GO TO Q111A** How did you find out about the broker/intermediary? **DO NOT READ OUT MULTICODE**

1. contacted them in response to an advert or mailing
2. found them through my own web search
3. saw a link from an energy advice website
4. a recommendation
5. other **(PLEASE SPECIFY)**

....

6. unsure **EXCLUSIVE**

Q111a **ASK IF Q110 = 2 OR 4 OR 7 ELSE GO TO Q112.** Had you been thinking about switching before the broker/intermediary approached you?

1. yes
2. no
3. unsure

Q112. **ASK IF Q110 = 1 OR 2 OR 3 OR 4 OR 5 OR 6 OR 7 OR 8 ELSE GO TO Q117** Did the broker/intermediary charge you a fee for their services?

1. yes
2. no
3. unsure

Q112a **ASK IF Q112 = YES ELSE GO TO Q115.** How did they charge you for their services?

1. one off payment
2. a regular fee added to my energy bill
3. other **PLEASE SPECIFY**

....

4. unsure

Q113. How would you rate the fees charged by the broker/intermediary?

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure **(DO NOT READ OUT)**

Q114. **ASK IF Q113 = 1 OR 2 (DISSATISFIED) ELSE GO TO Q115**. Why were you dissatisfied?

....

Q115. How would you rate the overall service provided by the energy broker/intermediary?

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure (**DO NOT READ OUT)**

Q116. **ASK IF Q115 = 1 OR 2 (DISSATISFIED) ELSE GO TO Q117**. What is the main reason you were dissatisfied? **DO NOT READ OUT SINGLE CODE**

1. they did not get me a better deal
2. they took a long time to get me a better deal
3. rude
4. unprofessional
5. expensive
6. complicated process
7. I had to do too much work
8. other **PLEASE SPECIFY**

....

9. unsure

Q117. **ASK IF Q108 = 4 UNSURE OR IF Q110 = 1 OR 4 OR 5 OR 9 OR 11 ELSE GO TO Q118** How did you find out about the alternative suppliers? **DO NOT READ OUT MULTICODE**

1. I contacted them in response to an advert or mailing
2. I found them through a web search
3. through a price comparison site
4. they were a previous supplier
5. a recommendation
6. I had no choice as the supplier was taken over by another company
7. other **(PLEASE SPECIFY)**

....

8. unsure **EXCLUSIVE**

Q118. Deleted

Q119. **ASK IF Q110 = 2 OR 3 OR 10 ELSE GO TO Q120** Had you been thinking about switching before the gas supplier approached you?

1. yes
2. no
3. unsure

Q120. Did you compare the price you would pay for your gas between the different suppliers?

1. yes
2. no
3. unsure

Q121. **ASK IF Q120 = 1 ELSE GO TO Q122** What did you use to compare prices? **DO NOT READ OUT MULTICODE DO NOT PROMPT INTERVIEWER BE CAREFUL USING 'OTHER'. IF OTHER SOUNDS LIKE IT SHOULD BE RECORDED AS A CODE 5 PLEASE DO SO. ROUTING DEPENDS ON THIS ANSWER.**

1. price comparison website
2. just the information given by the supplier
3. information in direct mail/a letter I received
4. what we saw on an advert
5. compared prices on my bill with the prices of a another supplier
6. information provided by the broker/intermediary
7. just looked at my bill and asked the new supplier about their costs and used this as the comparison
8. other **PLEASE SPECIFY**

....

9. unsure **EXCLUSIVE**

Q122. **ASK IF Q121 NE 5 (COMPARED PRICE IN BILL WITH PRICES OF OTHER SUPPLIER) ELSE GO TO Q123.** Did you look at your bill at all when comparing prices?

1. yes
2. no
3. unsure

Q123. **ASK IF Q121 = 5 (COMPARED PRICE IN BILL WITH PRICES OF OTHER SUPPLIER) OR IF Q122 = YES ELSE GO TO Q124:** What parts of your bill did you look at/use? **DO NOT READ OUT MULTICODE DO NOT PROMPT**

1. overall cost
2. unit price
3. pence per KWh
4. standing charge
5. any discount
6. other **PLEASE SPECIFY**

....

7. unsure **EXCLUSIVE**

Q124. On a scale of 1 to 5 where 1 = very dissatisfied and 5 = very satisfied, how satisfied were you with your experience of **INSERT IF Q100 = 2** 'switching gas supplier? **INSERT IF Q100 = 3 OR 4** 'considering alternative gas suppliers' **READ OUT**

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure **(DO NOT READ OUT)**

Q125. **ASK IF Q124 =1 OR 2 (DISSATISFIED) ELSE GO TO Q126:** Why were you dissatisfied with your experience?

....

Monitoring Use of Gas

Q126. Is your gas meter reading taken and sent automatically to your supplier?

1. yes
2. no
3. unsure

Q127. Does your firm check how much gas it uses? If so how often? **READ OUT**

1. frequently **GO TO Q128**
2. occasionally **GO TO Q128**
3. never **GO Q129**
4. only when the bill/statement comes in **GO TO Q128**
5. unsure **GO TO Q129**

Q128. How does your firm actually check how much gas it uses? **DO NOT READ OUT. INTERVIEWER BE CAREFUL TO DISTINGUISH BETWEEN THOSE WHO SAY "I CHECK THE MOST RECENT BILL" AND "I COMPARE THE MOST RECENT BILL WITH PREVIOUS BILLS". IF THEY SIMPLY SAY "I CHECK THE BILL" PROBE. MULTICODE**

1. check the most recent bill only
2. compare the most recent bill with previous bills
3. take a meter reading and compare it with an earlier reading
4. look at a display device connected to but separate from the meter which shows how much energy being used
5. other **PLEASE SPECIFY**

....

6. unsure **(DO NOT READ OUT - EXCLUSIVE)**

Overview of Gas Supplier

Q129. Have you ever had to contact your gas supplier with a query?

1. yes
2. no
3. unsure

Q130. How satisfied or dissatisfied are you with your current gas supplier on the following? **ROTATE**

	very dissatisfied	quite dissatisfied	neither /nor	quite satisfied	very satisfied	unsure
1. understanding your business needs	1	2	3	4	5	6
2. **SHOW IF Q129 =1 (YES)** resolving your queries	1	2	3	4	5	6
3. their value for money	1	2	3	4	5	6
4. the overall quality of the service they provide	1	2	3	4	5	6
5. reliability of gas supply	1	2	3	4	5	6

Q131. Finally, my last question, overall, how satisfied or dissatisfied are you with your current gas supplier?

1. very dissatisfied
2. quite dissatisfied
3. neither satisfied nor dissatisfied
4. quite satisfied
5. very satisfied
6. unsure

Thank you for your help in this research

This research was conducted under the terms of the MRS code of conduct and is completely confidential. If you would like to confirm my credentials or those of Accent please call the MRS free on 0500 396999.

Please can I take a note of your name and where we can contact you for quality control purposes?

Respondent name: ....

Thank you

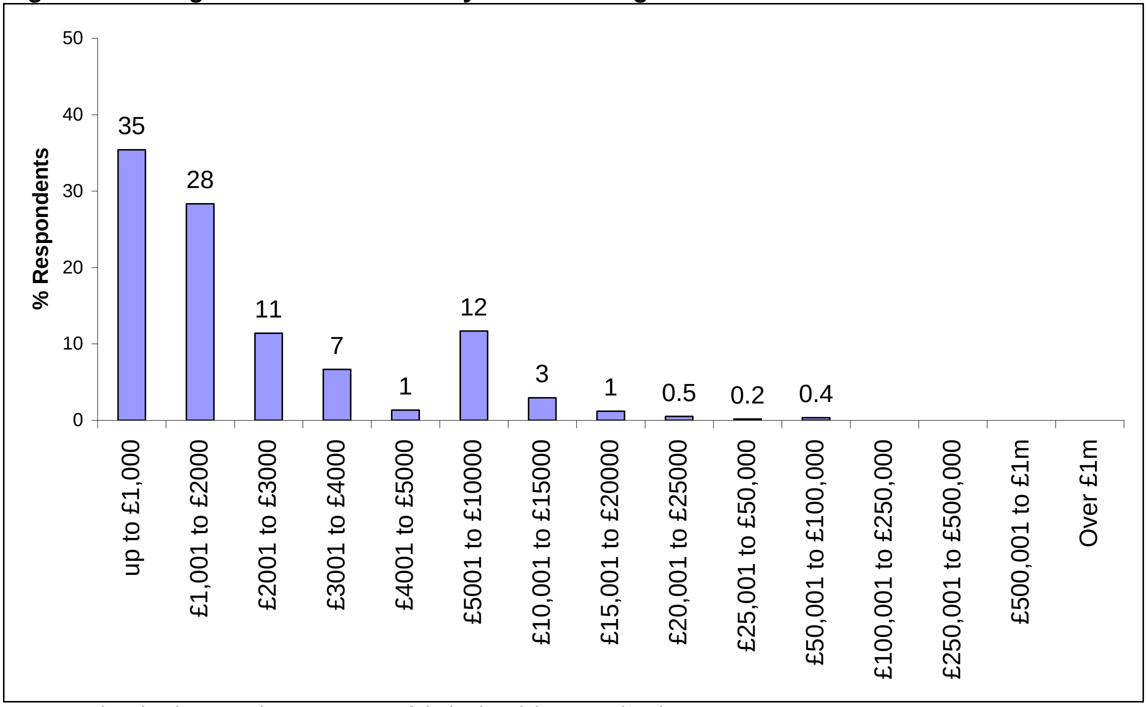
I confirm that this interview was conducted under the terms of the MRS code of conduct and is completely confidential

APPENDIX C

Energy Costs
Energy Suppliers

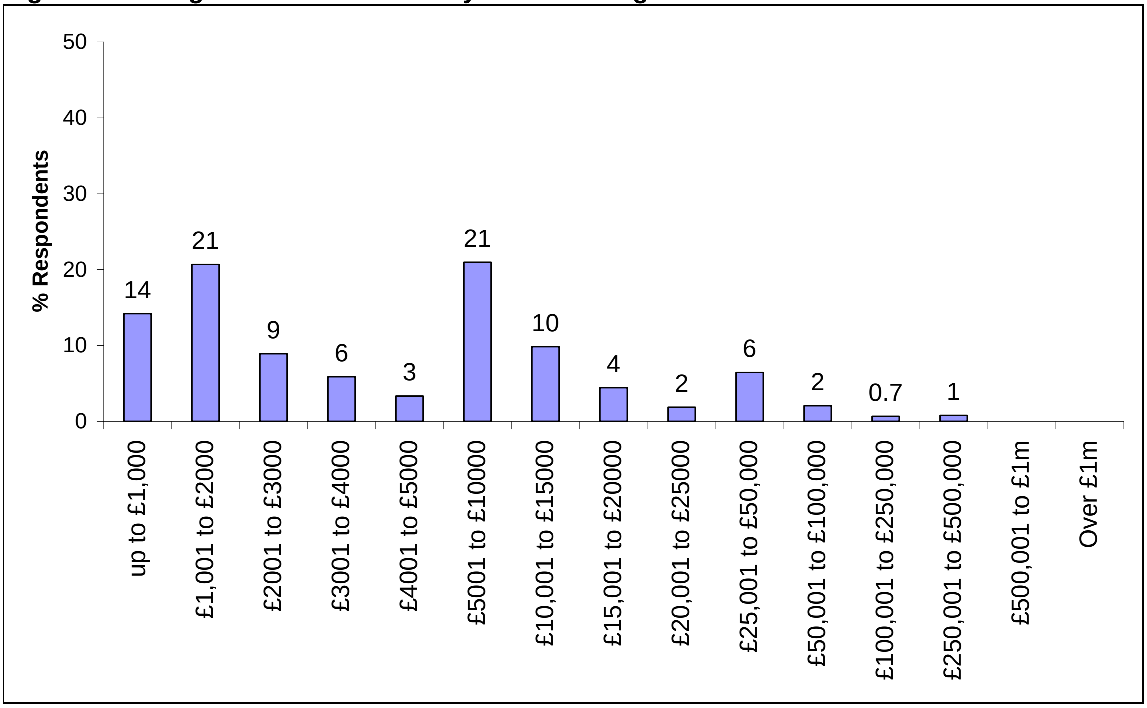
Cost of Energy to Businesses

Figure 32: Range of annual electricity costs among micro businesses



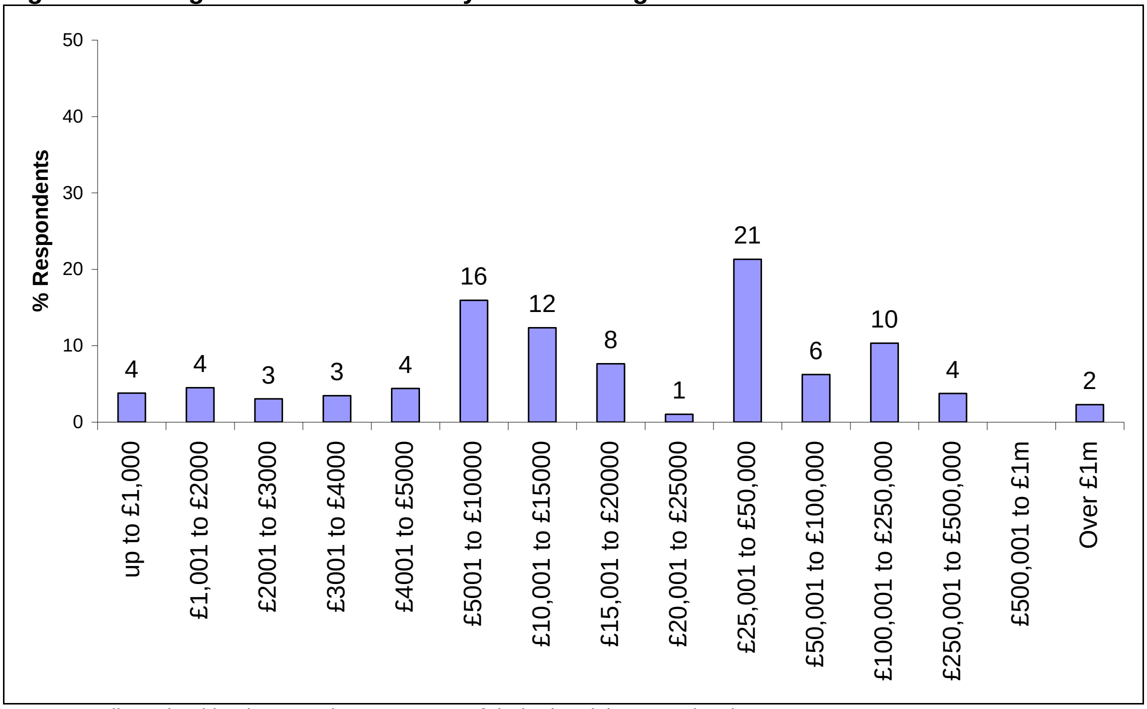
Bases: micro businesses that are aware of their electricity costs (277).

Figure 33: Range of annual electricity costs among small businesses



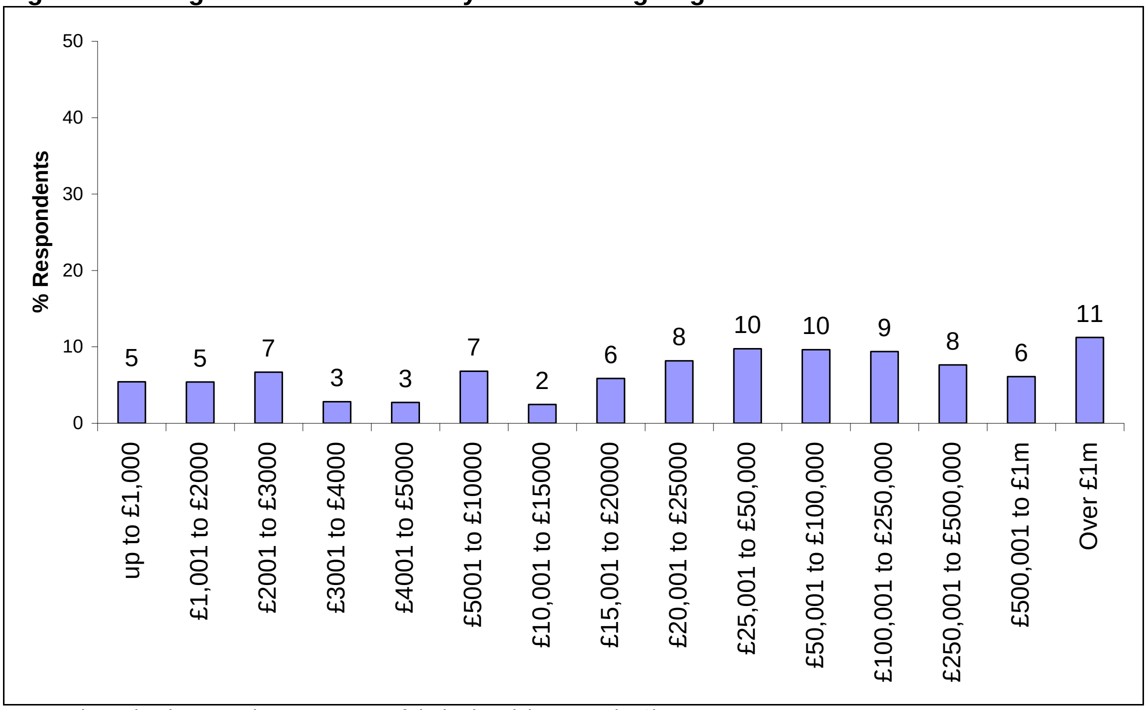
Bases: small businesses that are aware of their electricity costs (273).

Figure 34: Range of annual electricity costs among medium sized businesses



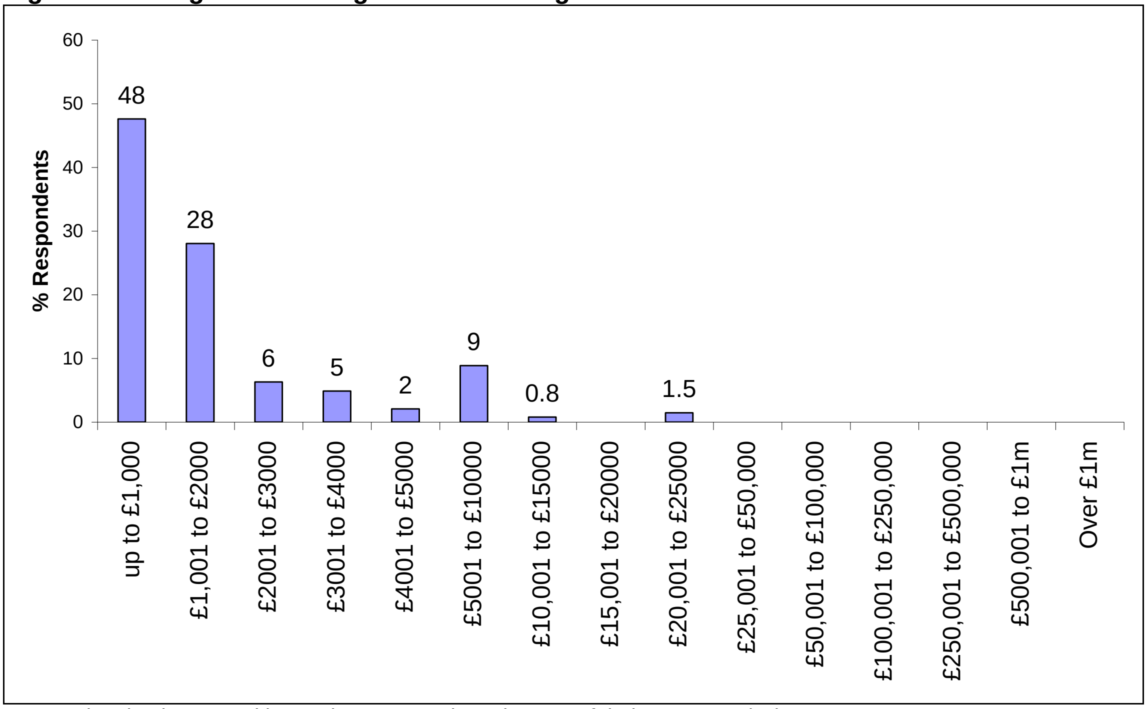
Bases: medium sized businesses that are aware of their electricity costs (141).

Figure 35: Range of annual electricity costs among large businesses



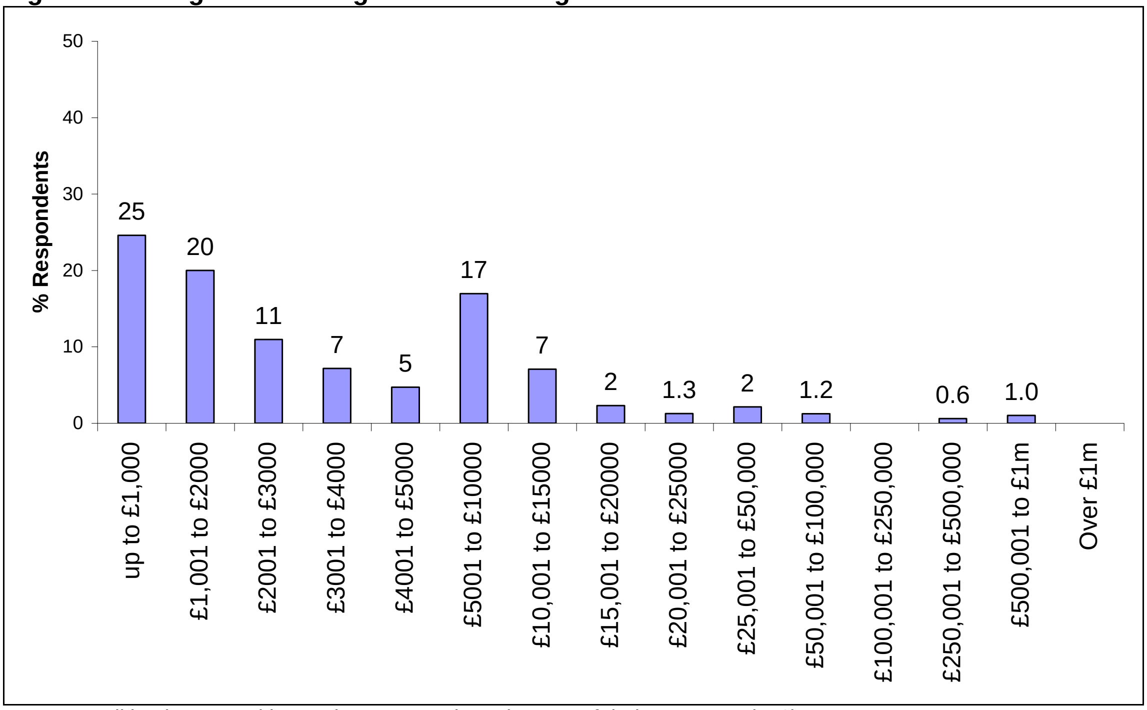
Bases: large businesses that are aware of their electricity costs (153).

Figure 36: Range of annual gas costs among micro businesses



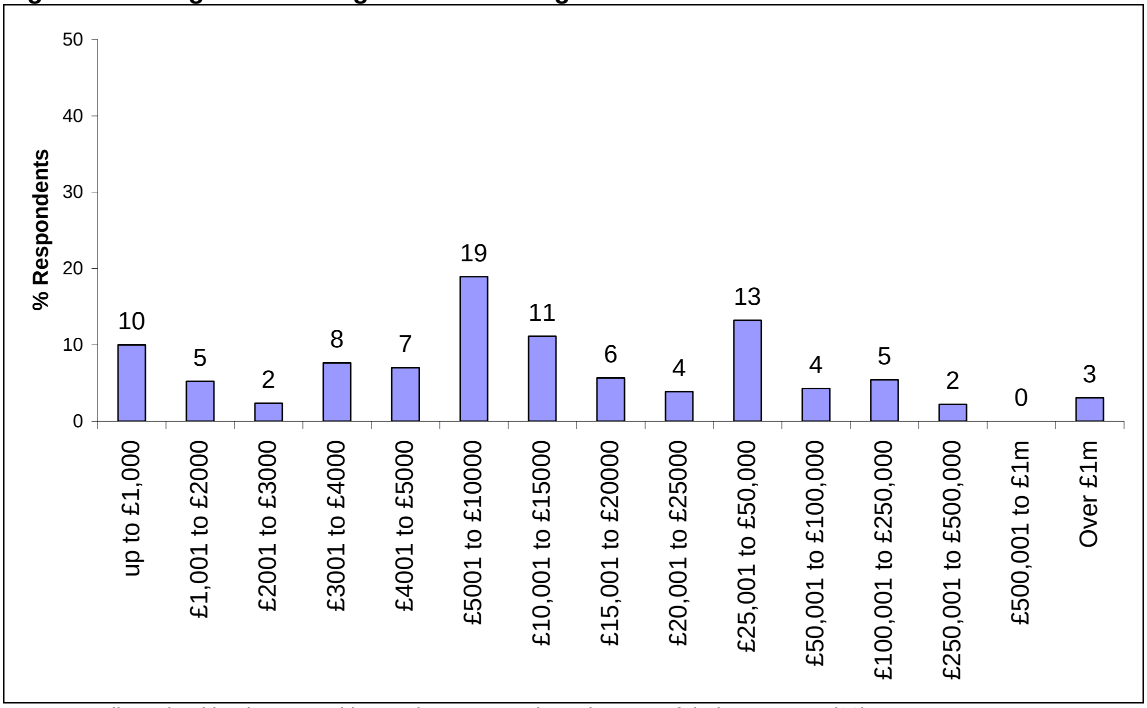
Bases micro businesses with a mains gas supply and aware of their gas costs (45).

Figure 37: Range of annual gas costs among small businesses



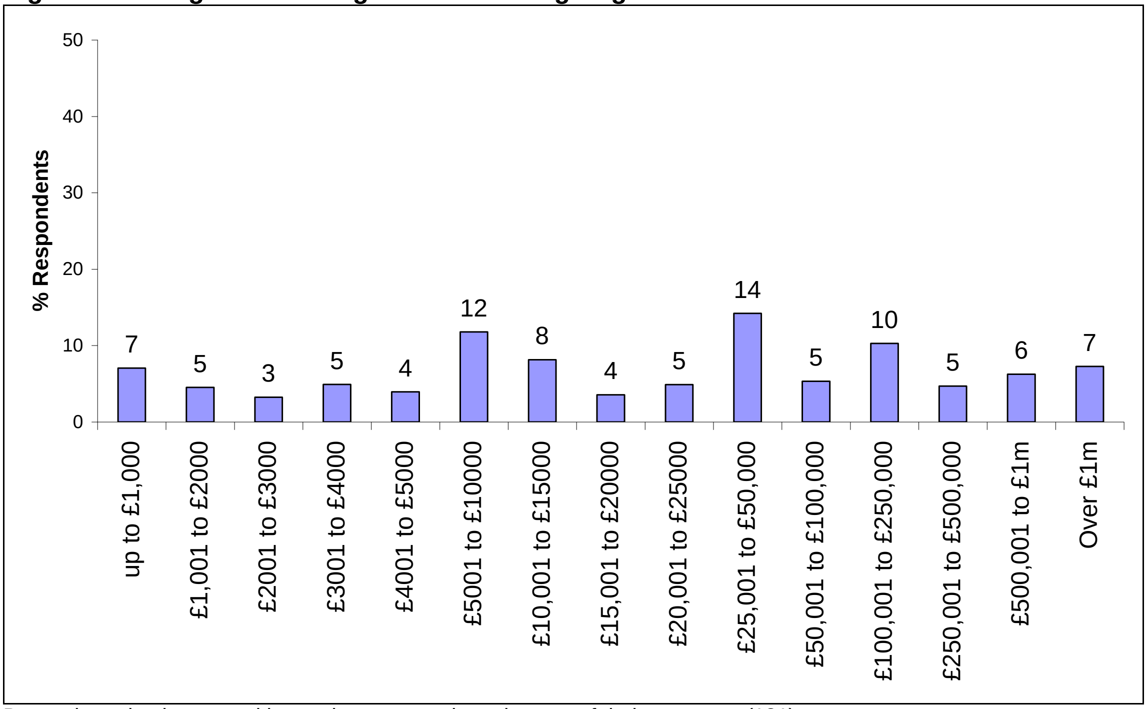
Bases: small businesses with a mains gas supply and aware of their gas costs (143).

Figure 38: Range of annual gas costs among medium sized businesses



Bases: medium sized businesses with a mains gas supply and aware of their gas costs (98).

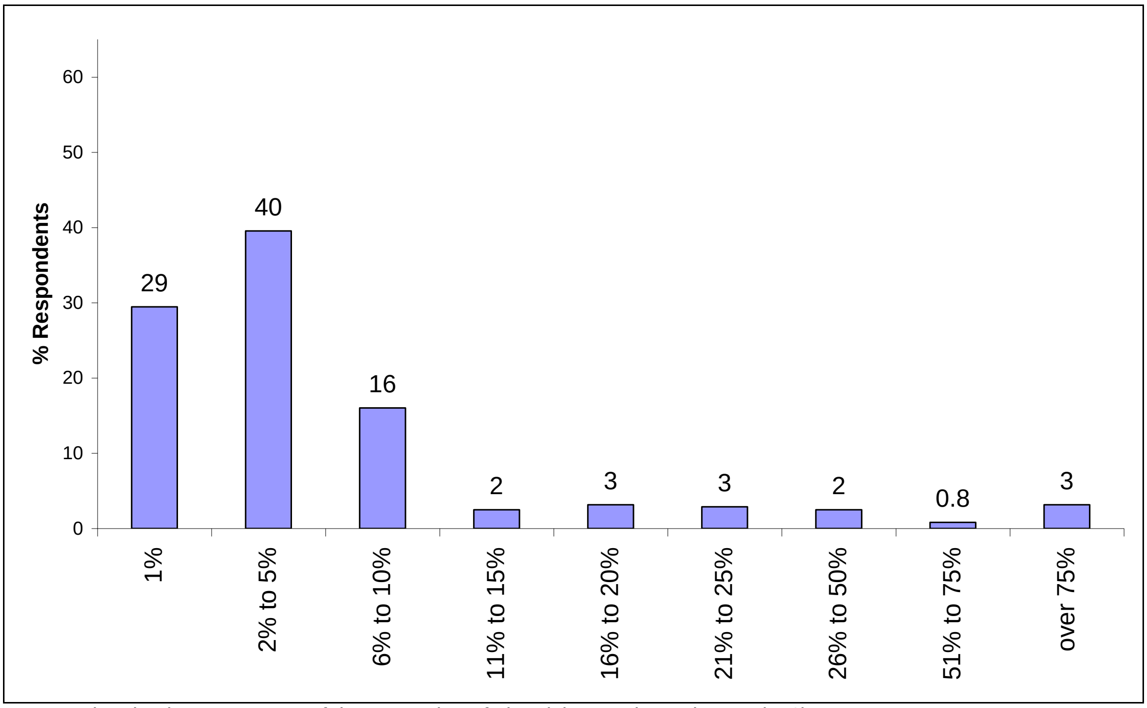
Figure 39: Range of annual gas costs among large businesses



Bases: large businesses with a mains gas supply and aware of their gas costs (131).

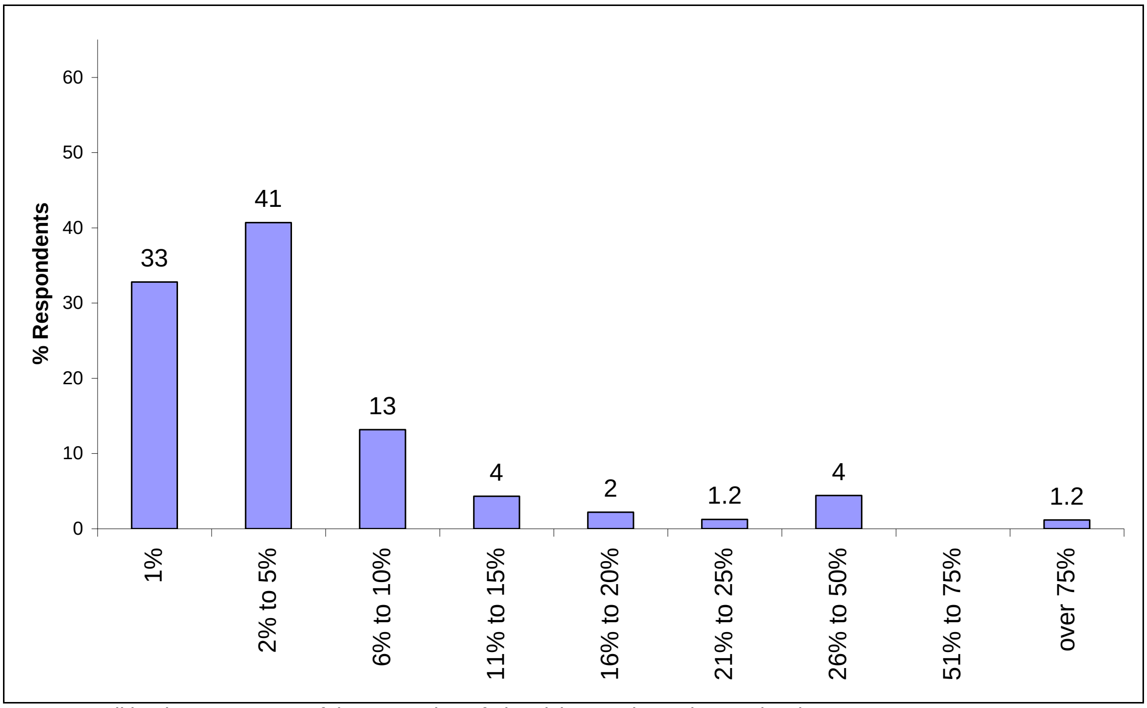
Proportion of Energy Costs in Total Business Costs

Figure 40: Range of annual electricity costs as a proportion of total costs among micro businesses



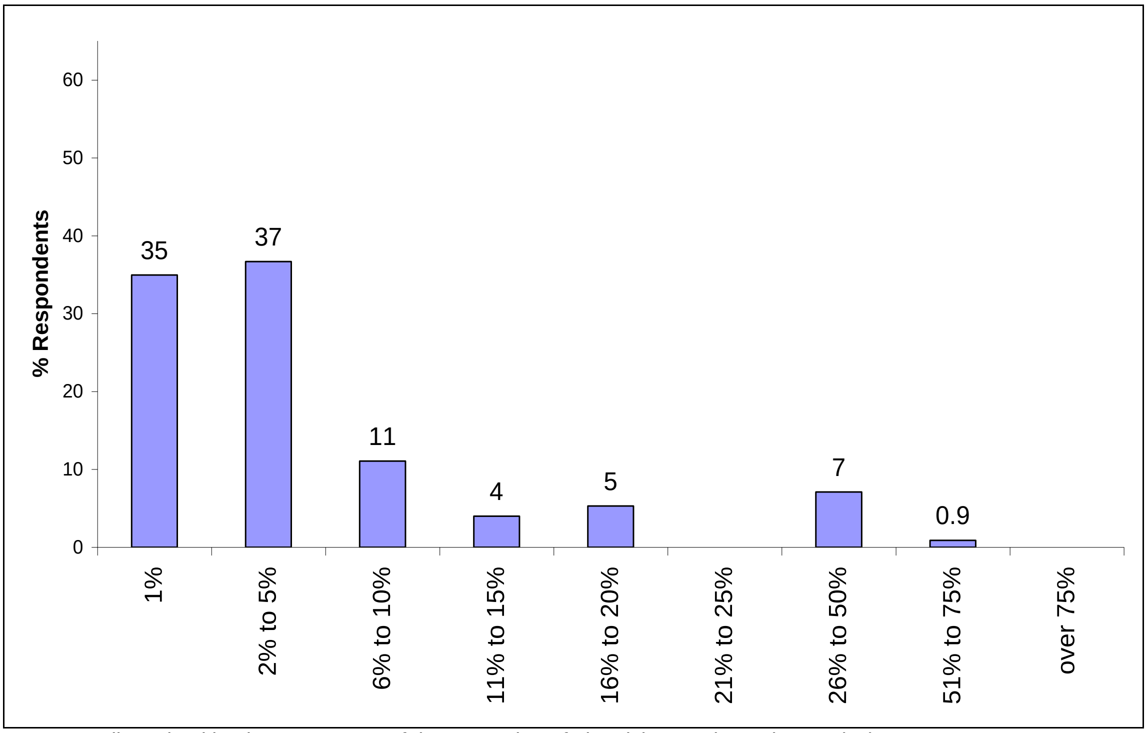
Bases: micro businesses aware of the proportion of electricity cost in total costs (150).

Figure 41: Range of annual electricity costs as a proportion of total costs among small businesses



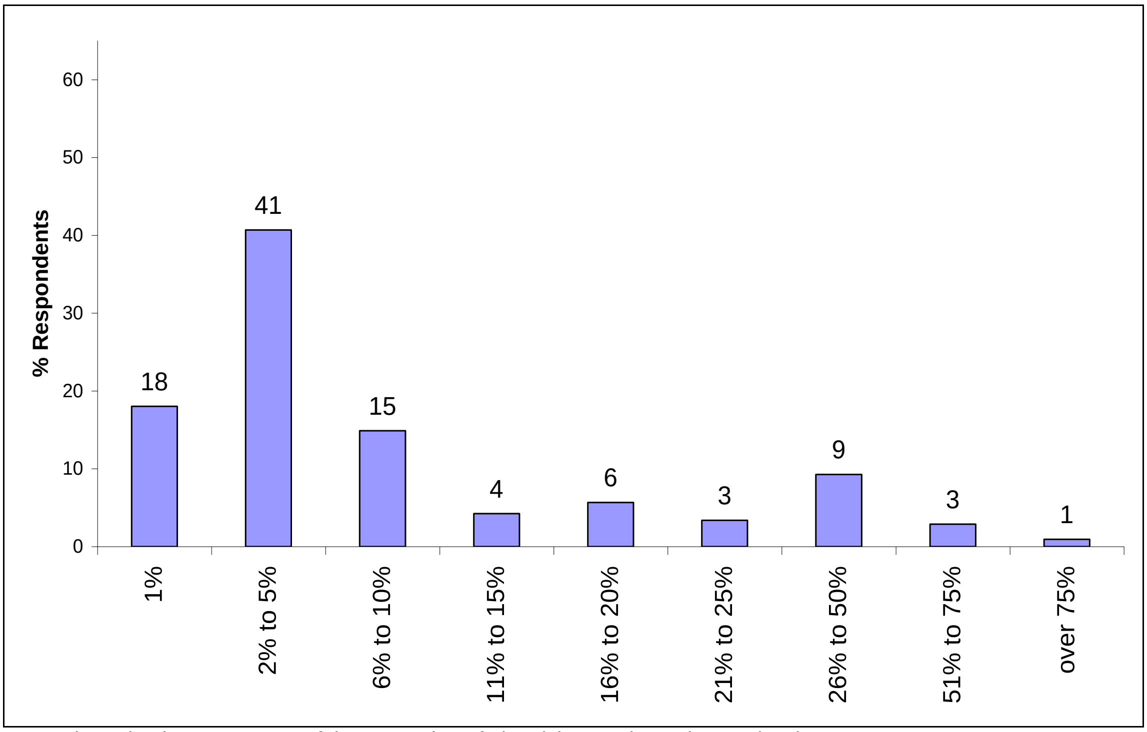
Bases: small businesses aware of the proportion of electricity cost in total costs (155).

Figure 42: Range of annual electricity costs as a proportion of total costs among medium sized businesses



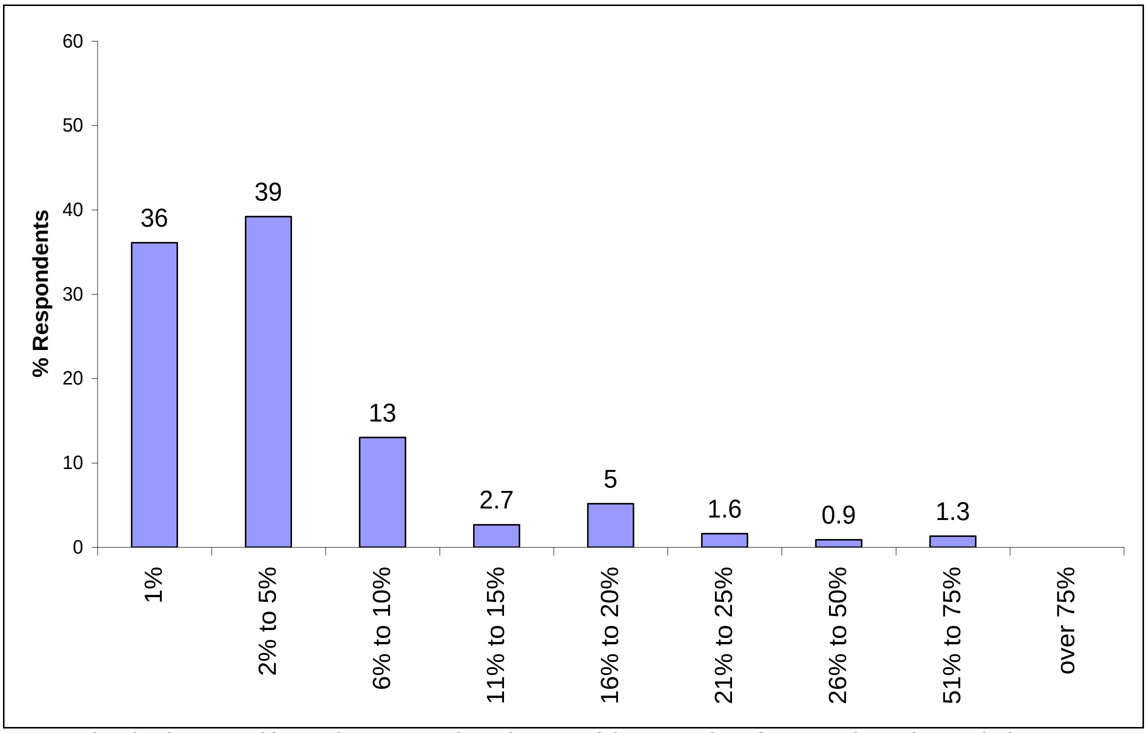
Bases: medium sized businesses aware of the proportion of electricity cost in total costs (75).

Figure 43: Range of annual electricity costs as a proportion of total costs among large businesses



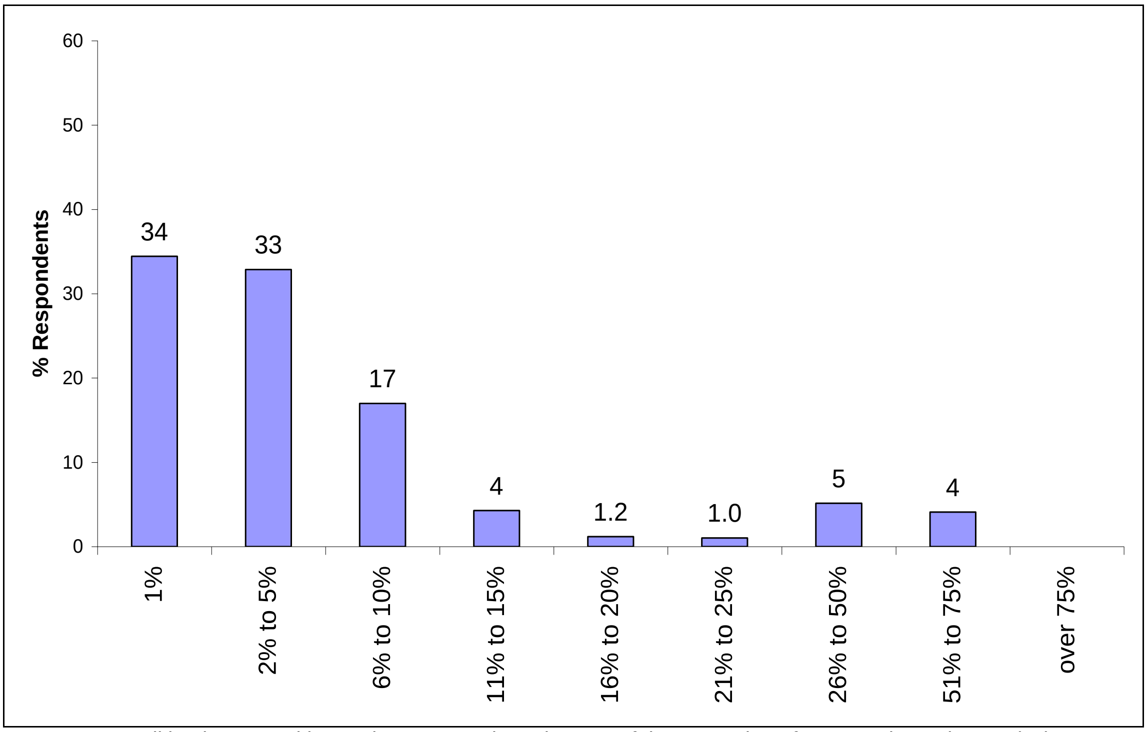
Bases: large businesses aware of the proportion of electricity cost in total costs (154).

Figure 44: Range of annual gas costs as a proportion of total costs among micro businesses



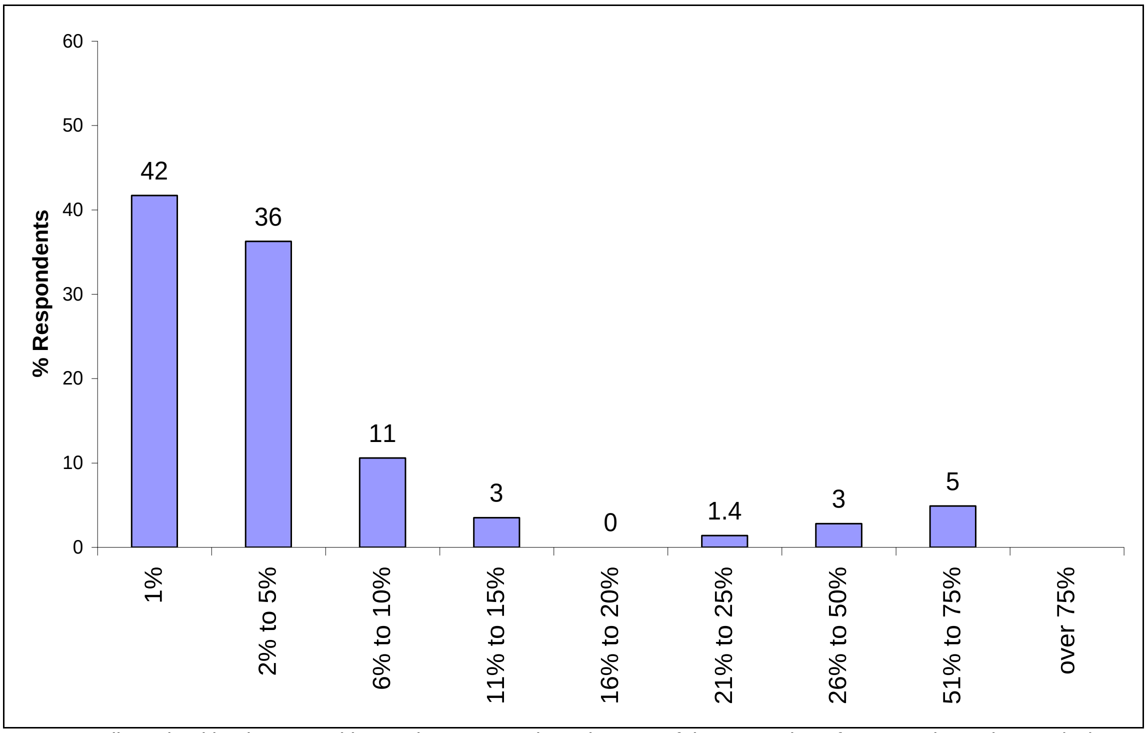
Bases: micro businesses with a mains gas supply and aware of the proportion of gas cost in total costs (55).

Figure 45: Range of annual gas costs as a proportion of total costs among small businesses



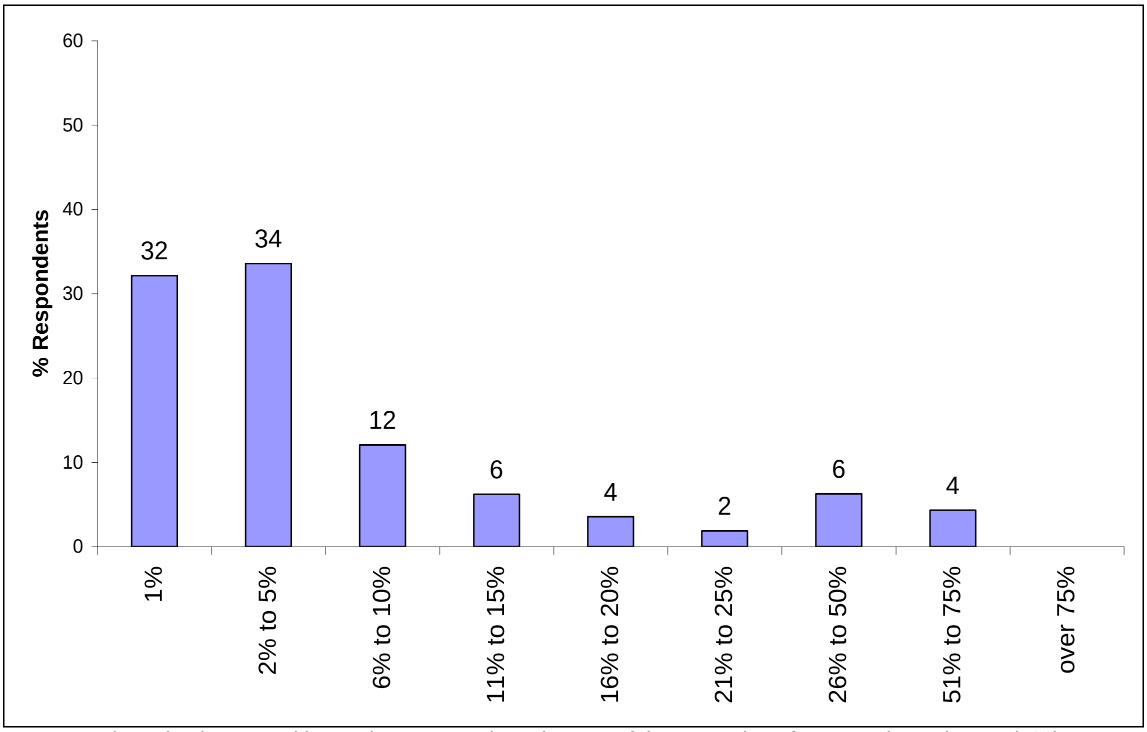
Bases: small businesses with a mains gas supply and aware of the proportion of gas cost in total costs (74).

Figure 46: Range of annual gas costs as a proportion of total costs among medium sized businesses



Bases: medium sized businesses with a mains gas supply and aware of the proportion of gas cost in total costs (47).

Figure 47: Range of annual gas costs as a proportion of total costs among large businesses

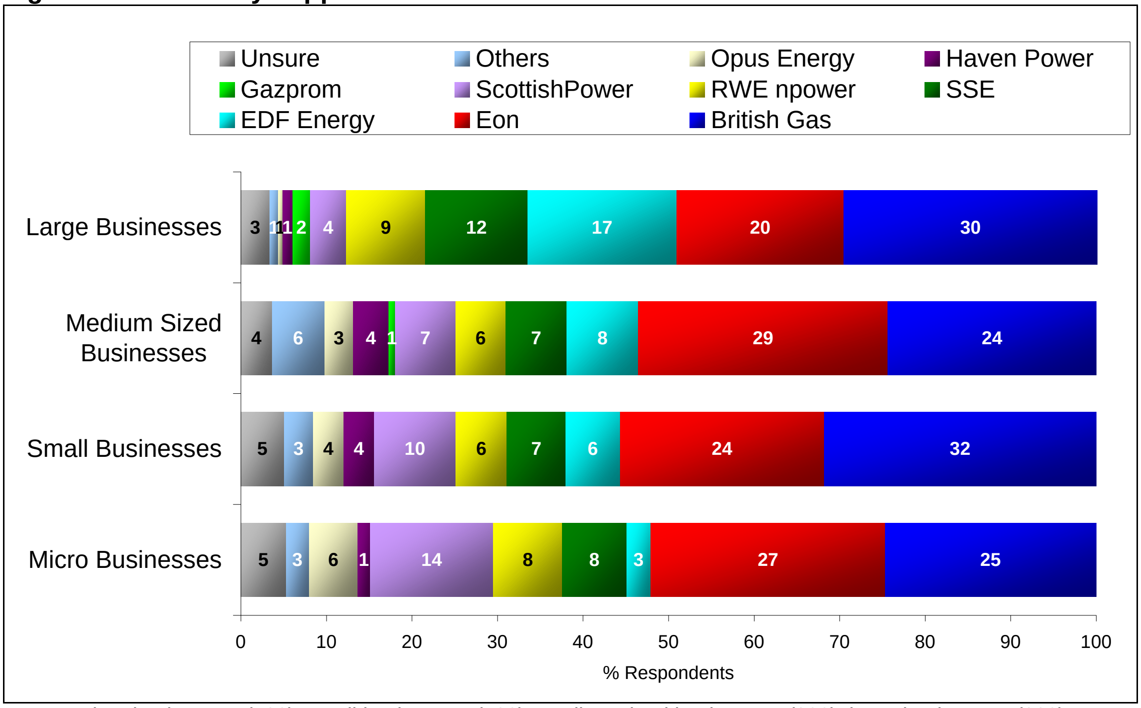


Bases: large businesses with a mains gas supply and aware of the proportion of gas cost in total costs (126).

Energy Suppliers

British Gas and Eon are the largest suppliers of electricity in each of the business size bands surveyed. Electricity suppliers outside the 'Big 6' account for a bigger share of the market among SMEs than among large businesses (see Figure 48).

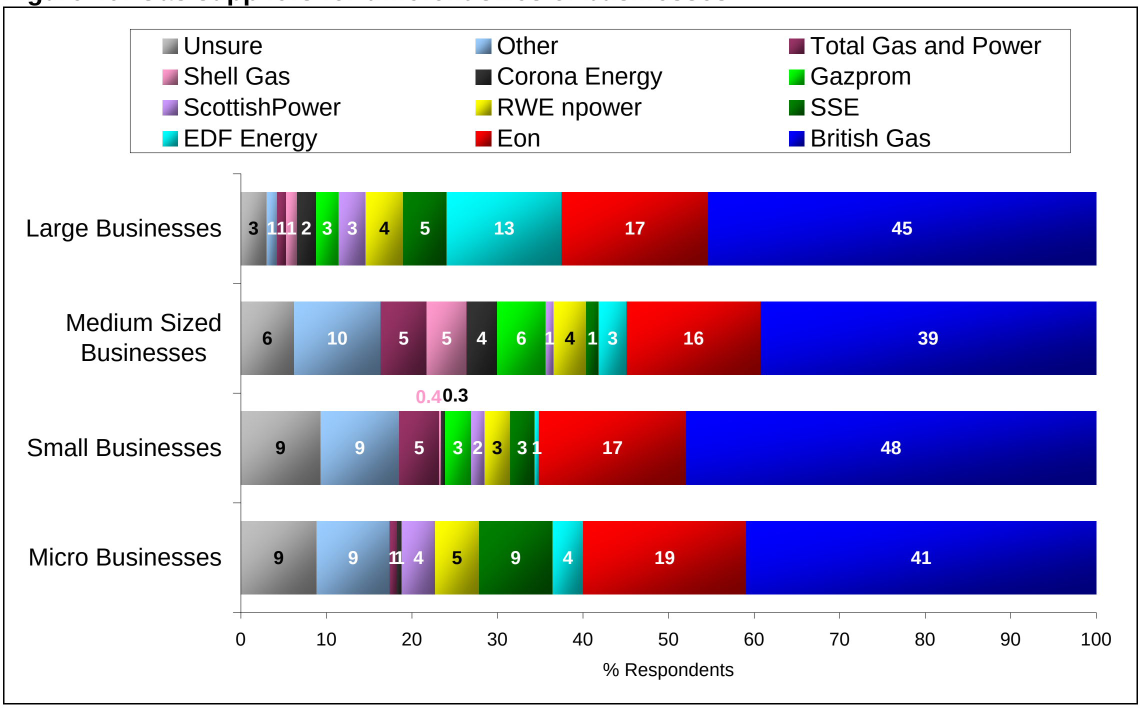
Figure 48: Electricity suppliers for different sizes of businesses



Bases: micro businesses (400), small businesses (400), medium sized businesses (200), large businesses (200).

British Gas is by far the largest supplier of gas in each of the business size bands. Eon is in second place. As in the case of electricity, suppliers outside the 'Big 6' accounted for a larger share of the SME market than in the large business market (see Figure 49).

Figure 49: Gas suppliers for different sizes of businesses



Bases: micro businesses (180), small businesses (227), medium sized businesses (145), large businesses (166).