

Domestic consumer expectations and preferences for switching energy supplier and the cooling off period

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1. Executive summary

Ofgem, the independent regulator for Great Britain's energy market, is working to make switching energy supplier faster and more reliable for consumers. The objective of Ofgem's Switching Programme is to design and implement a new switching process that is both quicker and more reliable, to improve consumers' experience of switching, leading to greater engagement in the retail energy market. In turn this will build consumer confidence and facilitate competition, delivering better outcomes for consumers.

There are several policy and legislative requirements that need to be reflected in the design of the new switching arrangements. One of these is domestic consumers' statutory right to 'cool off', giving a consumer the right to cancel an energy contract within 14 days of signing up without incurring a financial penalty. Currently, switching energy supplier can take up to six weeks, so when a consumer chooses to 'cool off' within the 14 day window; generally the switch is not yet complete. This means it can be cancelled and the consumer can remain with their current supplier. However going forward, Ofgem's aim is to deliver faster, potentially next-day, switching for consumers. This means the switch will happen much quicker, and the consumer may already be with their new supplier if and when they choose to cool off. Ofgem wants to ensure that, within the new switching arrangements, the process for consumers to cool off is as smooth as possible.

This research explores domestic consumers' views of what a good switching process looks like and their preferences around how cooling off will work for consumers in a faster switching environment. Specifically, the research explores preferences between three potential options for the cooling off arrangements:

- the consumer moves back to the old supplier,
- the consumer stays with the new supplier until they switch again, or
- the consumer can choose between these two options.

TNS BMRB conducted 25 qualitative interviews with domestic consumers with a range of experiences of the retail energy market. The sample was designed to have a particular focus on those who had recent experience of switching, so respondents could consider the cooling off options in the context of their actual switching journey. Non-switchers were included to ensure there was a range of views and to understand how other consumer types may respond. The sample included:

- Seventeen **switchers** (those who had switched in the last 12 months),
- Four consumers who had **considered switching**, and
- Four consumers who had **not considered switching**.

Fieldwork was a mixture of 11 face to face and 14 telephone interviews, taking place between May and June 2016. Participants were recruited from a sample taken from the 2016 Ofgem consumer engagement survey, who had agreed to be re-contacted for further research. Each participant was screened and recruited on the basis of their switching behaviour, geographic location, socio-economic background, and whether or not they used a pre-payment meter (PPM).

1.1. The Consumer Context

We asked participants to tell us their spontaneous attitudes and experiences of switching energy suppliers. Consumers that had switched were generally positive about their switching journey, finding it to be simple and quick overall. Respondents were particularly positive about their journey where other organisations (such as price comparison sites or suppliers) had completed all or part of the

comparing/switching process for them. They felt that this had made the journey easier, minimising the need for consumer contact with the old supplier, and reduced the overall perceived hassle of switching. Reflecting on the experience, respondents were pleased they had switched, as it had either saved them money or allowed them to benefit from other important factors, such as better customer service or green energy.

For many, costs remain the main reason for switching, commonly triggered by rising bills, reaching the end of a fixed term contract, or in response to receiving recommendations from friends or family or direct marketing emails from suppliers. Some respondents were motivated to switch if they had received poor customer service, or wanted a 'green' energy supplier. In some cases, these motivations proved to be greater drivers to switch than cost. Whilst most respondents generally used price comparison websites to look for deals, those that had switched following advice from friends/family said that they hadn't made any further comparisons.

Respondents reported a number of perceived and experienced barriers to switching. There was a broad expectation amongst both switchers and non-switchers that switching was a hassle, a view sometimes based on previous switching experiences in either energy or other services. Among switchers, most concerns centred on a reluctance to liaise with their old supplier during or after the switch. Receiving too much complex information (particularly about tariffs or terms and conditions) or the switch taking too long impacted on participants' willingness to switch again. Respondents who had not switched (including those who had considered it) tended to have been put off by the perception that cost savings may not be realised or would not be significant enough to warrant the effort. For some of these participants, the status quo was preferable to taking a leap in to the unknown.

We asked respondents to outline what they would want and expect in terms of communications during the switching process. They wanted just the key information provided, with signposts to further information if needed. Respondents ideally wanted:

- a simple confirmation that the switch was taking place and timeframe for completion,
- a clear summary of their tariff details and what they would be paying each month,
- final bills provided quickly with a clear explanation of the final amount, and
- some respondents wanted opening bills to be more accurate more quickly, rather than being based on estimates and then adjusted later in the year.

Beyond this, further communications were considered unnecessary and potentially burdensome, as respondents felt the information they currently receive about energy from suppliers is complex and overwhelming.

1.2. Faster switching

Ofgem's switching programme refers to changes to "next-day" rather than "24-hour" switching. However during the interviews, for clarity, respondents were asked for their views on the change to "24-hour" switching. We therefore refer to '24-hour' switching in this report. On the whole, respondents (particularly younger respondents and those who had switched) felt that the switch should take less than 4 weeks and viewed 24 hour switching as a positive development. This was seen to be more convenient and would help consumers to receive the benefits they wanted more quickly (e.g. cost savings or improved customer service). However, some older respondents expressed some concern about significantly shortening the time taken to switch. They perceived 24 hours to be 'too quick' and were concerned about potentially losing time to make their decision to switch and change their mind. Concern was driven by a number of factors, including: (a) wariness about taking the decision to switch lightly; (b) the idea that something might go wrong in a faster switching process; and (c) confusion and misapprehension that the time to make a decision, or change your mind, was being reduced. This was

linked to limited understanding of how arrangements and consumer rights currently work in relation to switching.

1.3. Expectations and preferences around cooling off periods

There was relatively high awareness of cooling off periods in general, but a lack of understanding about how this operates in the energy market. Awareness tended to be lower amongst those in lower socio-economic groups, or those for whom English was not their first language. Whilst respondents were generally positive about the concept of the cooling off period, they did not think it would make them more likely to consider switching energy supplier. This was partly because they felt they were unlikely to change their mind having made an informed decision. There was also a view that 14 days would not be sufficient to know whether they were satisfied with their new supplier's services.

Respondents weighed up the positives and negatives of the three options for cooling off arrangements in a world with faster switching. Some (particularly older people) preferred the idea of **moving back to the old supplier**. Some viewed this option as appropriate for consumers who may not have conducted any research before switching, so they could return to a familiar company. However, there were some concerns about this option, with respondents worried that they may be punished by the old supplier, receiving poorer service or being put on a more expensive tariff.

The option to **stay with the new supplier until switching again** made sense to many. Participants assumed that after making the decision to switch, many would not want to return to their old supplier. They felt this option offered more choice and flexibility, as consumers could choose from the full range of suppliers, including their previous one if they wanted. However, this option was perceived to be riskier than moving back to the old supplier. Respondents were concerned that it could potentially be more complicated as it involves more suppliers. They were primarily concerned about potential billing errors, such as the perception that they might be billed by up to three suppliers at the same time. There was also a fear from older consumers that the resulting confusion could ultimately lead to their energy supply being cut off.

After being presented with the different options for cooling off arrangements, a strong preference emerged for **consumers to be given a choice between staying with their new supplier until they switched again or returning to their previous one**. There were three key drivers of this preference:

- the importance of the principle of consumer choice,
- recognition that different routes may be more appropriate in different circumstances, and
- the flexibility to be able to select the least complex or most advantageous route.

As respondents valued simplicity in the switching process and the cooling off options, the way they work and implications of choice would need to be communicated as clearly as possible to consumers. Respondents wanted to hear this information from trusted sources, such as Martin Lewis or price comparison websites. They also felt that consumers would be most likely to engage with messages outlining the details of how cooling off works during a switching process, though wanted to hear about their cooling off rights beforehand if possible (e.g. through e-mails from their current supplier).

2. Research Design

2.1. Background

Ofgem's Switching Programme is currently attempting to redesign the switching arrangements for consumers to make the process of changing energy supplier faster and more reliable. Switching energy supplier currently takes around 3 weeks for the average domestic consumer, but it can take longer, and problems can occur that prevent a switch from proceeding smoothly. Ofgem is working with industry to design new switching systems and processes in order to deliver a better experience for consumers, helping to encourage engagement and competition.

There are several policy and legislative requirements that need to be reflected in the design of the new switching arrangements. One of these is domestic consumers' statutory right to 'cool off', giving a consumer the right to cancel an energy contract within 14 days of signing up, without incurring a financial penalty. Under the current switching arrangements, switches are generally not completed until after the cooling off period has finished. However, under the new, faster arrangements, consumers may complete their switch whilst still having the right to cancel the contract with their new supplier. As such, Ofgem is seeking to design the process for how a consumer may exercise this right to cool off from their new supplier after the switch has taken place.

Ofgem commissioned TNS BMRB to conduct qualitative research into consumer preferences and expectations of what should happen following a decision to cool off from a supplier switch in the domestic energy market. The research also supports Ofgem's understanding of what an effective switching process looks like from the consumer perspective.

The overall aim of this research was to explore consumers' preferences between three options in which the cooling off period could operate:

- **Option 1: Consumer is moved back to the previous supplier**



- **Option 2: Consumer stays with the new supplier until they switch again**



- **Option 3: Consumer can choose from either of the options**



2.2. Research Objectives

The research aimed to:

- Explore spontaneous consumer awareness, expectations, and priorities around energy supplier cooling off periods
- Understand whether the existence of a cooling off period increases consumers' willingness to consider switching
- Understand specific views against the three potential journey options outlined above
- Explore more considered views on potential journey and communications options during the switching process more generally (in terms of receiving bills and other communications from old and new suppliers)
- Explore consumer views on the importance of switching speed
- Identify the kinds of messages or communications consumers want and expect during the switching process.

2.3. Methodology

For this study, 25 depth interviews were conducted with consumers, 11 face to face and 14 telephone depths. The interviews lasted approximately 1 hour. The interviews combined elements of:

- Exploratory questioning around preferences and priorities during the switching process
- Customer journey mapping and exploration of barriers to switching
- Exploring consumer expectations around cooling off and testing preferences for the three potential pathways, and perceived benefits and concerns around each via scenario testing
- Exploring consumer communications.

The full topic guide is provided in Appendix 7.2. Respondents were recruited by TNS BMRB's specialist in-house recruitment team from re-contact sample taken from the Ofgem consumer engagement in the energy market survey, conducted in spring 2016¹. Qualitative interviews took place between 23rd May and 6th June 2016. Respondents received a £35 incentive for a tele-depth and £40 for completing a face to face interview.

2.4. Sampling

A full breakdown of the achieved sample is in Appendix 7.1. It included three groups of interest, based on their switching behaviour in the past 12 months: (a) 17 x switchers; (b) 4 x who had considered switching, but who had not switched and (c) 4 x who had not considered switching. The research focused on the recent switcher audience in order to explore consumer experiences of the switching process and how consumers think this can be improved. This audience could also consider the cooling off period options in the context of their recent switching experience. The 'considered' and 'did not consider' audiences were included in order to provide a check and balance, and to explore barriers and challenges to switching.

The sample covered a range of secondary variables in order to include a range of experiences and explore particular sub-groups of interest. Four respondents with pre-payment meters (PPM) were included to ensure the particular experiences of these consumers were considered. Eleven respondents from social grade C2DE were included. Respondents were also screened for their confidence in financial matters to include those who feel less comfortable negotiating financial contracts and understanding options around consumer pathways. The sample included a gender mix and included one interview in

¹ Consumer engagement in the energy market since the Retail Market Review: 2016 survey findings - available here <https://www.ofgem.gov.uk/publications-and-updates/consumer-engagement-energy-market-retail-market-review-2016-survey-findings>

each of Wales and Scotland with the rest spread across England. The sample included a range of age groups and a maximum of eight respondents was set for any age category.

3. Setting the context: consumer experiences of switching energy supplier

In the interviews, respondents were asked about their experiences of switching, or considering switching, energy suppliers. They were first asked about their current energy supply arrangements to help them think about their experiences in the energy market. Participants tended to think about the various elements of the switching process as a single process, conflating comparison, switching and the final outcome.

Ultimately, respondents sought simplicity, speed and cost savings when switching energy supplier. Those who had switched were generally positive about their experience of the process. However, there were some concerns about switching, mainly related to the relationship with the old supplier. These tended to be around the perceived time and effort required to communicate with the old supplier about closing the old account.

In terms of communications during the switching journey, respondents again valued simplicity, and wanted to receive confirmation that the switch was taking place, clear information about their new tariff and what they would be paying each month, with signposts to any further information. Beyond these, respondents tended to view additional communications as unnecessary and a potential burden rather than useful and were unlikely to engage with them.

This chapter explores consumer knowledge and awareness of suppliers and tariffs, switching motivations and barriers, what an effective switching journey looks like, and communication needs during switching.

3.1. Consumer knowledge and awareness

Respondents tended to know who their current supplier was and knew roughly how long they had been with them. However, they were often unable to recall further information about the name or conditions of their tariff, beyond whether they were on a dual fuel deal, how frequently they paid and their payment method.

3.2. Motivations for comparing and switching suppliers

Respondents commonly reported that they had been triggered to compare tariffs, either through the perception of increasing prices or the arrival of an unexpectedly high bill. Respondents who were more engaged in the energy market tended to be motivated to compare/switch by price increases at the end of a fixed term contract, or reported that the end of a contract was a 'natural' time to compare. This was the case even if tariff prices had not increased. Some of these respondents reported that cost was the only factor that mattered to them.

"It is always price ... we always spend a bit of time looking around." (Switched)

Other consumers sought better customer service, access to green energy or had a preference about the type of supplier (for example, a small supplier as opposed to a large one). Sometimes, these reasons were more important triggers to switch than cost alone, particularly where the current customer service level was considered to be poor.

"People should look around, and certainly look around to the smaller suppliers who were giving a better deal to customers." (Switched)

Some decisions to compare and switch were triggered by emails from the Money Saving Expert's 'Cheap Energy Club', which was highly trusted. Older consumers and those with less confidence when making

choices about energy said they relied either on direct contact from energy suppliers, or recommendations from friends or family. Other respondents cited press coverage advising consumers to switch or stories about large suppliers over-charging as reasons to compare.

3.3. Comparing suppliers

Switchers and those who had considered switching (but not switched) had generally compared suppliers through price comparison websites. Some older people relied on their children to compare online for them. Respondents also mentioned consumer advice sites, particularly Which? and Money Saving Expert. These sources were well-known and trusted, particularly among younger people.

"I relied almost entirely on the information that 'Which?' gave, which I regard as a reasonably neutral organisation." (Switched)

Switchers tended to be satisfied with comparison websites and on the whole found them easy to use. Users of the Money Saving Expert e-mail alert found this particularly useful, as they could see the level of potential savings and did not need to make active comparisons themselves. Respondents tended to be positive when all or part of the switching process was done for them. Some switchers and non-switchers had concerns around their ability to make comparisons themselves, based on the difficulty in calculating the actual cost offered by each supplier. This was because they were unaware of their own actual usage. Confusion around energy units meant that some respondents found comparing energy more complicated than comparing financial products, for example. As a result, switchers responded positively to suppliers who provided them with clear information about the likely cost per month and avoided technical language.

3.4. Switching journeys

3.4.1. Positive switching journeys

Some respondents reported positive switching experiences overall and of particular elements of the journey. Overall, respondents were positive about their journey when it was simple, quick and saved them money or allowed them to achieve other priorities (particularly good customer service, green energy, and easier topping up for those on PPMs).

Simplicity of switching was highly valued, and often meant being able to pass on responsibility for all or part of the switching process, necessitating as little contact with the old supplier as possible. This particularly referred to the new supplier taking responsibility for dealing with the old supplier.

"It was [straightforward], because [the new supplier] sorted it all. They contacted [old supplier], they did the paperwork and I just signed on the dotted line." (Switched)

Switchers were also positive about having a dedicated, personal point of contact during the switch, rather than having to explain themselves multiple times with each contact (for example when a respondent made multiple calls to the old supplier to close the old account and spoke to a different person each time).

"My wife spent several phone calls up to an hour long, dealing with these people, and she had to initiate the conversation each time that she spoke to them. It was as if she was talking to someone completely new about our situation." (Switched)

For younger or more engaged consumers, simplicity sometimes meant being able to complete the entire process online. For older consumers or those less confident in making a comparison, simplicity sometimes meant having a direct point of contact to telephone to speak to. Simplicity was also described as, not having to do too much of the 'leg work', for example older respondents were more likely to say that they

relied on family or friends to complete the process for them. Switchers were also positive about the journey when they found they were on a better tariff and could begin to quickly see tangible cost savings, or other valued factors (such as better customer service).

3.4.2. The Speed of the Switch

There were mixed spontaneous views amongst both switchers and non-switchers about how quickly the switch should take place. Some wanted the process to be faster in order to start saving money quicker (younger and more engaged consumers), whereas others mentioned they would prefer the process was slower so that the switching process is followed correctly, avoiding mistakes. The former group questioned why switching needs to take longer than 48 hours, making comparisons to switching in other industries (e.g. banking). The latter group tended to be older respondents or those less confident about switching. On the whole, however, respondents tended to be satisfied when switching took 4 weeks or less as this is generally what they expected. Those that had experienced switches of less than 2 weeks were often surprised at how quickly it had happened. Processes taking longer than 4 weeks were perceived to be frustrating. Some respondents could not understand why a switch would need to take longer than this.

"The whole thing took about two weeks. It was really quick!" (Switched)

"I would rather things be done a little bit more slowly and wait and then you know they've been done thoroughly and procedures followed." (Considered switching)

3.4.3. Barriers to switching

Two key barriers to switching were common across all experiences of the market. The first barrier revolved around the old supplier's ability to close the account. Many respondents perceived that difficulties would arise during this process. They were concerned about double/incorrect billing, or receiving high final bills. Respondents did not want to chase the old supplier to close the account, particularly if this meant long phone calls and excessive effort on their part. Some on direct debits were anxious about not being able to reclaim credit or that doing so would take a long time. Some had experienced these problems in the past, whereas others had a general perception that these barriers would exist.

The second barrier related to a 'fear of the unknown' when switching to a new supplier. Some respondents were suspicious of new suppliers in the market, worrying they might be less reliable, or that newer companies might not be as financially viable as the more established ones. Respondents were generally concerned that customer service may be worse with a new supplier, cost savings may not be realised, or that they would eventually face price rises. The decision not to switch for some was in spite of the fact that they were dissatisfied with their current supplier.

"What actually put me offthe companies weren't really large and well established. So very reluctantly, I chose, "Better the devil you know" ... I'm able to do everything online with this company, with a smaller company they may not have had the same very robust facilities." (Considered switching)

Other barriers emerged that were particular to individuals' experiences of the market. Some who had considered switching chose to remain with their supplier after comparing either because the current provider was the cheapest or they valued other benefits despite not being the cheapest tariff. Others found they could make a cost saving but that it was not significant enough to drive them to act.

3.5. Ways to encourage switching

There were no spontaneous mentions of reducing the time it takes to switch as a way to encourage switching. Instead, respondents focused more on prompts to engage, assistance during the switch, or

knowing that the switch would be 'problem free'. Respondents referred to specific reassurances they would like to receive that perceived problems such as double billing, problems filling in lengthy forms, and concerns that their supply might stop during a switch would be avoided.

Switchers and those who had considered switching suggested they would be encouraged by:

- being notified of a better deal;
- being prompted to switch at renewal time;
- receiving monthly bills to track spending;
- knowing that switching would be a smooth and simple process;
- improved communication from suppliers during the switching process;
- being assisted with the switching process (particularly older people);
- recommendations and advice from family members (particularly older people);
- removing pre-payment meters for free;
- the ability to complete the whole process online.

Those who had **not considered switching and not engaged** suggested they could be encouraged if:

- their children could help them with the process (for older people);
- they were reassured about the reliability of new suppliers on the market;
- they were reassured they would receive good customer service;
- they could provide accurate usage figures to the new supplier or price comparison service, to get more tailored quotes in return.

3.6. Communication needs during switching

All respondents provided consistent feedback about their communication needs during a switch. At a high level, they felt that they would only need key information about their tariff and what they would be paying each month and when the switch would be complete. They wanted this information provided in a timely manner, through a channel of their preference, with sign posts to further information if needed.

Respondents wanted the following communications during the switch:

- a simple, reassuring confirmation that the switch was happening and when it would be completed by
- (if on a PPM) reassurance that the balance on the old payment card could be used up, and the arrangements for starting and recharging their new card
- a greeting pack, confirming the amount they would be paying each month and the price of their tariff,
- an opening bill, based on an actual read,
- a closing bill from the old supplier, sent promptly, with an explanation of how the final amount had been calculated.

Respondents wanted this key information presented clearly in plain language. They felt strongly that all tariff information should be presented as clearly and simply as possible, ideally as a cost per month.

Beyond this, respondents tended to see any further communications as unnecessary and potentially burdensome. They only wanted to receive further communications if something went wrong with the switch which would explain what had happened and the new timeframe.

"I was quite happy to receive a minimum of information, so the only information I received was essential information like you are now with us or we are in the business of switching you, you will be billed on such and such a date ... I don't want anything superfluous." (Switched)

4. Consumer expectations and preferences around cooling off periods

This chapter explores consumer awareness of, and attitudes towards, cooling off periods in the energy market. Domestic consumers have a statutory right to 'cool off' from a new energy supply contract within 14 days of sign-up, which means that the consumer may cancel this new contract within that period without incurring any penalties. Currently, a switch to a new supplier is unlikely to be completed until the cooling off period has ended. However, under the new arrangements, an energy switch will be faster and so will complete whilst the consumer still has the right to cool off.

This chapter explores respondents' preferences for these new arrangements, and the perceived benefits and disadvantages of potential options when a consumer exercises their right to cool off. It also explores how views about each option changed according to different switching scenarios presented during the interviews (for example, whether preferences shifted in the context of 'playing the market' vs. finding a better deal elsewhere).² Finally, it outlines how respondents thought the new arrangements should be communicated to consumers.

Overall, a preference emerged for consumers to be provided with a choice during the cooling off period. This was driven by either: (a) belief in the principle of consumer choice; or (b) recognition that different routes may be more appropriate in different circumstances, with choice allowing consumers to select the most advantageous route for themselves.

4.1. Spontaneous awareness of the cooling off period

There was relatively high awareness of cooling off periods in general, but a mix of views and lack of clarity about how this operates in the energy market.

Respondents tended to understand cooling off as the right to 'change your mind' after purchasing goods or services, and to return a product or end a contract. Cooling off periods in general were broadly known to be 14 days, although some respondents suggested time periods ranging from 3 to 30 days.

Some respondents had used cooling off periods in other markets (e.g. mobile phones and credit cards), with some recalling the experience as extremely complicated.

"When you take out any contract, there is a 14 day, 30 day cooling off period, whereby if you're not happy you can always call them up and tell them you are not happy with the new contract and you want to cancel it ..." (Considered switching)

"You're allowed to make a commitment or sign for something on the day that you purchase or the day that you made the agreement, but then you're given a cooling off period of up to 14 days in which you're able to change your mind and subsequently withdraw from the contract." (Switched)

Only one respondent reported previously using the cooling off period in the energy market. This had been as a result of receiving poor customer service from the new supplier.

In general, respondents were less sure about how cooling off works in the energy market. Some assumed cooling off would work in similar ways to other industries but were unsure of specific details. They tended to assume they would need to contact the new supplier to initiate the process but were unclear about further steps. Some also assumed that it would mean being moved back to their previous supplier but

² See appendix 7.2 for information about how the scenarios were used in the interviews.

some expressed spontaneous concerns about this, namely questioning whether they would be able to go back to their previous tariff. Some on PPM raised specific questions about receiving new keys.

"I can only assume that I could have moved back to [supplier A] when I switched to [supplier B] ... " (Switched)

"I suppose what it means is you would revert to the supplier you were with, what I wouldn't want to do of course is to go on to the old supplier's rates." (Considered switching)

A few respondents spontaneously raised questions around how cooling off would work in the energy market, in relation to the time it takes to switch and the length of the cooling off period. Respondents also raised concerns about how long it would take to assess a supplier's customer service levels in relation to the length of the current cooling off period, assuming it would take longer than this.

4.2. Testing options for cooling off

Respondents were introduced to the idea of 24 hour switching and asked to consider how they would like the cooling off period to operate in this context. Respondents were asked to consider three options:

- **Option 1: Consumer is moved back to the previous supplier**



- **Option 2: Consumer stays with the new supplier until they switch again**



- **Option 3: Consumer can choose from either of the options**



4.2.1. Initial responses

The cooling off period was thought to provide reassurance during the switching process, representing a 'safety net' should they wish to change their minds. However, some respondents expressed scepticism that they would ever need to use it. Some assumed that once the decision had been made to switch, they were unlikely to change their mind. They initially perceived that cooling off was necessary for older or more vulnerable people, who may have made decisions without much research or after having been persuaded to switch by someone else (e.g. a supplier at the door).

"If you then step back and thought actually I'd prefer to stay where I am or I've learnt about another provider who I would prefer...you could do that. But on the whole, that's less likely to happen if you've done your research." (Switched)

Before being introduced to the testing scenarios, there was already some spontaneous preference for Option 3, based on the need for consumer choice. Some saw it as 'common sense' to have a choice to decide whether you should be returned to your previous supplier or stay with your new one until you switched again, so therefore appreciated this flexible approach to cooling off.

"The choice should always be with the customer and not be forced upon them." (Switched)

"If your last supplier was really bad, you're not going to want to go back there. For the second point ... I think that's a good one, but the new one might be bad as well. It's better to give the choice." (Did not consider)

Those who initially chose Option 2 spontaneously tended to do so because they felt it would give them more time to look for something new. Some assumed you would not want to stay with your old supplier after leaving them, or were concerned they may be moved to a worse tariff with their old supplier under Option 1. Only one person initially felt that Option 1 was the best option before the scenario testing, believing it was better to return to something familiar.

4.2.2. Considered responses

After initial responses to the three options were discussed, the respondents were asked how they would like the cooling off period to operate in five different hypothetical scenarios. These scenarios were used to provide context and to demonstrate different types of circumstances in which energy consumers may find themselves during the cooling off period (including those which respondents may not have previously considered). The aim was to understand whether and how consumer responses to cooling off depended on the circumstances. The scenarios were designed to present three different possible types of situations which may occur during switching.

In scenarios 1 and 2, the consumer has decided to exercise their cooling off rights because they have found or been offered a better deal:

- Scenario 1: After switching to a new supplier, you looked at a price comparison website and discovered that there is now a cheaper tariff on the market from a different supplier.
- Scenario 2: After switching to a new supplier, you have been actively contacted by your old supplier and told that you can have a better deal if you stay with them.

In scenarios 3 and 4, the consumer has decided to exercise their cooling off rights because they have been unimpressed with their new supplier:

- Scenario 3: After switching to a new supplier, you read the full T&Cs for your new tariff and discovered a clause that you did not realise you were agreeing to; you had not realised that there was a £50 termination fee once outside of the cooling-off window.
- Scenario 4: After switching to a new supplier, you contacted them and considered them to be unprofessional.

In scenario 5, the consumer has used the cooling off period to play the market:

- Scenario 5: After switching to a new supplier, you use the cooling off period to negotiate a better deal with your current provider and achieve a significant financial saving.

Throughout the scenario testing, the following drivers for choosing each of the options and following concerns were raised by respondents.

Option 1: Consumer is moved back to the previous supplier



Respondents perceived a number of benefits of moving back to the old supplier:

- It was thought to be lower risk to return to a familiar supplier rather than move to another unknown (a view more prevalent amongst older consumers)
- This option was perceived to be suitable for consumers who had lower market awareness and who may find it difficult to compare and find a new supplier. Respondents particularly cited those consumers who had switched in response to direct marketing, and may be unaware of how to find the best deal for them.
- There was a preference for this option if consumers were able to gain a better deal from their old supplier by returning.

Respondents also highlighted a number of concerns about this option:

- Some more engaged respondents perceived this route as counter-intuitive, questioning why consumers would want to move back to their old supplier when presumably they had made a decision to leave them for a reason (e.g. poor service or rising prices).
- Some respondents feared that they may receive poor service as a result of switching from the old supplier as a result of leaving them.
- It was expected that consumers would not be able to move back to their old tariff and conditions, and some were concerned they would be automatically moved to a worse tariff. For example, they thought that this might be more expensive or have increased cancellation or hidden fees.

Option 2: Consumer stays with the new supplier until they switch again



Respondents perceived a number of benefits to remaining with the new supplier until they moved on, based on:

- An assumption that the consumer would have chosen to switch from their old supplier for a reason, so it would not make sense to move back
- An assumption that consumers would have researched suppliers before choosing to switch and would therefore now be able to easily switch to their second choice supplier.
- A sense that this could allow the consumer to bargain with other suppliers to get a better deal.
- An assumption by some that within this option, the consumer could also choose to move back to their old supplier if they wanted to, making it very flexible.

There were also concerns with this approach:

- There was a perception, particularly among older respondents, that this was riskier than Option 1. Some respondents thought that, with more suppliers involved, it increased the likelihood of

things going wrong. For example, they felt this could result in errors such as multiple and incorrect bills. Older respondents raised concerns that complexity may result in loss of supply.

- Some respondents questioned how long they would have to choose a new supplier after exercising their cooling off right, and whether this would need to be done immediately. There was a concern that consumers may need longer to choose their new supplier (particularly those who had not already conducted comparison).
- Some respondents did not trust the new supplier to complete the switch back to the old supplier.
- There was some concern among older respondents about how the new supplier would react to them leaving.
- Those less engaged in the market were put off by the fact that this option would require them to make another active decision about who to switch to, requiring further effort on their part.

Option 3: Consumer can choose from either of the other options



Respondents could only think of the benefits this option offered. This view was consistent across all switching types:

- Consumer choice was the overriding principle here, based on the assumption that consumers would want to have the greatest level of choice available. Having this option was perceived as the 'common sense' approach.
- An appreciation for the greater flexibility this option offers, benefitting both those who would find it easy to switch again and those who may find it more difficult and so would prefer to revert back to their old supplier.

"The more options, the better." (Did not consider – option 3)

"They should always give you a choice [even though] I would like to automatically move back." (Did not consider – option 3)

4.2.3. Responses to the scenario testing

Consumer preferences for each of the potential options were somewhat influenced by the scenarios. Whilst some preferences remained consistent throughout (especially amongst those who preferred option 3), others changed their preference accordingly for each scenario.

Scenario 1: After switching to a new supplier, you looked at a price comparison website and discovered that there is now a cheaper tariff on the market from a different supplier.

Those choosing Option 3 often preferred this option because it gave them choice and offered more flexibility. It also allowed them to choose an option that they perceived to be the least complicated. Some respondents believed that for this particular scenario, there was no need to 'cool off', as they would have done their research in advance. They therefore could not relate to this particular scenario.

For those that chose Option 2, it was mainly because they felt that it avoided contact with the previous supplier or allowed the new supplier to make a better offer. However, some participants raised concerns about how the new supplier may react at their decision to leave, after they had just switched to it.

Scenario 2: After switching to a new supplier, you have been actively contacted by your old supplier and told that you can have a better deal if you stay with them.

Respondents expressed a strong preference for switching back to their old supplier in this scenario (Option 1), driven by the gains made by a lower tariff. However, they noted that the price would have to match or be lower than the new supplier's offer. Some expressed irritation that this could happen; it meant that new customers could get better deals than existing ones. Some would be tempted by the offer but may not take this up if they had previously experienced poor customer service.

However, there were still some respondents that preferred options 2 or 3. It is worth noting that options 2 and 3 still allow consumers to take up the new offer with their old supplier. Those choosing Option 2 did so because they wanted longer to make a comparison. They were worried that the old supplier's price would increase in the near future or did not trust them to provide the promised deal. For those with a preference for Option 3, it seemed to be driven by a desire for choice and an appreciation for the greater flexibility this option offers.

Scenario 3: After switching to a new supplier, you read the full T&Cs for your new tariff and discovered a clause that you did not realise you were agreeing to; you had not realised that there was a £50 termination fee once outside of the cooling-off window.

There was a slight preference to return to the old supplier under this scenario. Those choosing Option 1 did so for two main reasons. Firstly, they felt that pricing and charges should be transparent so they would not want to stay with the new supplier that had 'hidden' their costs. Secondly, they expressed a preference for something familiar, heightened by the fact they had found a new supplier to be unsatisfactory. However respondents were concerned that the old supplier may move them on to a less favourable, potentially more expensive tariff, in comparison to their previous one.

Scenario 4: After switching to a new supplier, you contacted them and considered them to be unprofessional.

Respondents expressed a range of preferences in this scenario, but some overall preference for Option 3 emerged. Some of those choosing this option did so because of the range of choice that it offered. Others chose Option 3 because they wanted greater flexibility overall whilst they made a decision. Some respondents added that they would not necessarily exercise their cooling off right in this scenario but might instead want to let the supplier know they were unhappy with the customer service. This was the case if they believed that they were getting a cheap tariff, so would rather complain about the service, but stay with the new supplier. For these respondents, the cheaper price outweighed poor customer service.

Those who chose Option 1 tended to be older and/or saw real value in good customer. They preferred to go back to something they knew and were familiar with, especially as they felt they would lose faith in the new supplier under this scenario. Only one respondent chose Option 2 because there was a lack of trust that the new supplier would facilitate the switch back.

"If found out something was unprofessional, I'd want to go back to my old supplier, who I already know." (Switched – option1)

Scenario 5: After switching to a new supplier, you use the cooling off period to negotiate a better deal with your current provider and achieve a significant financial saving

Respondents again expressed a range of preferences, but Option 1 narrowly emerged as the favourite. Those who chose Option 1 were often driven to do so by the ability to make a saving and wanting a cheaper deal. Those choosing Option 2 were more likely to see this behaviour as a negative practice. A number of respondents believed that it was not fair for consumers to behave in this way. Some reported they would not feel comfortable doing this and believed it was 'disreputable' and 'unfair' because the company needs to make a profit and pay its staff and that then other consumers are paying for these customers' discounts. They believed the company should be able to choose whether to take the consumer back. Those choosing Option 3 did so for reasons previously outlined (the principle of consumer choice and appreciation for greater flexibility). There was also a view that the supplier should have offered the new price in the first place.

"If you're just doing it to get the company to lower their costs then I think they should be saying you should have to pick another one ... "If they're going to give them a cheaper deal, they should've offered it in the first place." (Switched – option 2)

4.2.4. Overall preferences

A strong preference emerged overall for Option 3, with consumers having a choice between the options. The three key drivers of this preference were:

- (a) belief in the principles of consumer choice;
- (b) greater recognition after the scenario testing that different routes may be more appropriate in different circumstances; and
- (c) that this option provided the best chance for consumers to get the most suitable deal for themselves.

"The choice has to remain with the customer. It's the customer that is paying." (Switched – option 3)

"It is about trying to get a good and competitive deal for the consumer." (Switched – option 3)

A small number of respondents expressed a final preference for Option 2. They tended to have retained this preference throughout the testing, driven by wariness and lack of trust in their previous supplier.

One older respondent retained a preference for Option 1, which was driven by familiarity with their old supplier and a lack of confidence to engage with the market.

4.3. Communicating the arrangements for the cooling off period

Respondents raised a number of questions and concerns about the cooling off period, as they considered the different options. Some of these concerns related to clarity about billing arrangements, as they were concerned about overlapping billing during the switch, and the perceived higher risk of billing errors with two or more suppliers. The second related to clarity about the length of time they would be given to choose a new supplier if they stayed with their new supplier until they moved on (under Option 2), and whether any penalties would be incurred for switching.

Some respondents wanted to be made more aware of the cooling off period in the energy market. The key information respondents wanted to know was:

- Outline the cooling off process in simple terms – how to exercise their right and who to contact.

- Explain what the options are and how they work – notably the length of time consumers have to choose a new supplier under Option 2.
- The length of the cooling off period, and details of any exceptional circumstances for extensions.
- Whether there are any penalties for exercising the cooling off right.

There was a sense that the cooling off period should be a 'safety net' if things go wrong for consumers. This was particularly true for those who did not think the cooling off period would be relevant for them (as they would have done their research and be certain that they had made the right decision). These consumers could see that it might be useful for those that were less confident in navigating the market.

"It's a safety net, should you get it wrong. But initially do your research, speak to people who've changed, and get recommendations from them. You shouldn't have to use the safety net, but if you do, it's there." (Switched)

Respondents reported that they wanted to hear about the cooling off period through what they regarded as highly trusted sources about the market. They also said there were key stages where consumers would be more likely to engage with these messages (e.g. during and at the start of their switching process). Respondents wanted to hear about the cooling off period:

- Via Money Saving Expert – a trusted source of information about the energy market.
- Via other price comparison websites – because this is when you would be more likely to need this information.
- At relevant moments in the switching process, such as the point of sale, or the welcome pack from the new supplier.
- On their energy bills.
- Via email from your current supplier (not necessarily during a switch).
- Via leaflets in the post.
- Via relevant news and TV programmes providing information on this topic to the public (although these are commonly seen as more general sources of information in a research setting).

5. Reactions to 24 hour switching

The reduction of the switching period to 24 hours was generally perceived to be a positive and common sense move³. However, some older respondents expressed concern about this prospect. This was both a spontaneous reaction to the idea, as well as something discussed in relation to cooling off. For these respondents, 24 hours was perceived to be 'too fast' for switching. These respondents tended to find a longer switching period reassuring. This was driven by: (a) wariness about taking the decision to switch lightly; (b) the idea that something might go wrong in a fast switching process; as well as (c) a misunderstanding that the time for them to make an important decision, and change their mind was being reduced. The implication of this is that these new arrangements may need to be carefully framed as a new opportunity to change your mind and, crucially, that the arrangements will not reduce the time in which consumers have to change their mind without negative consequences.

5.1. Responses to 24 hour switching

Younger respondents and those more engaged in the energy market welcomed the idea of a 24-hour switching.⁴ It was perceived to be more convenient as it meant that savings could be realised more quickly as a cheaper contract would begin sooner, or consumers could move on more quickly from a supplier they were unhappy with. These respondents tended to be more confident in their ability to navigate the market, compare prices and make an active decision to switch.

"For me, I quite like the idea of the switch straight away... That's good news for me. But I think some people like my parents would take a little bit more time to warm up to the idea that there was no going back." (Switched)

I'm pleased to hear that the government is pushing for that because I don't see why it shouldn't happen in one day. (Considered Switching)

However, some older respondents spontaneously raised concerns about the concept of 24 hour switching. This included both switchers and non-switchers. They thought it could potentially complicate the switching process, rather than making it simpler. Concern tended to be around the speed of the switch, with some viewing 24 hours as 'too fast' for them.

These views were driven by a number of factors. Firstly, older respondents were accustomed to switching taking a long time, perceiving this to result from the complexity of the process. They worried that something could go wrong if this was done very quickly. As discussed, previously, respondents on the whole did not expect switching to be very fast, seeing 2-4 weeks as a reasonable period. As such, the speed of the process was seen as less important than 'getting the process right'.

"I would rather things be done a little bit more slowly and wait and then you know they've been done thoroughly and procedures followed." (Considered Switching)

"I'm just trying to get my head around this 24 hour switch, it's just because I'm used to the old way of things." (Switched)

Secondly, some respondents misunderstood the impact of shortening the switching period, conflating it with the time they had to make the decision to switch. As a result they believed they would have *less time to make up their mind and feel comfortable about their new supplier*. Despite clarification in

³ Ofgem's switching programme refers to changes to "next-day" rather than "24-hour" switching. However during the interviews, for clarity, respondents were asked for their views on the change to "24-hour" switching. We therefore refer to '24-hour' switching in this report.

⁴ See Appendix 7.3 for the topic guide and more detail about the way in which this information and concept were introduced to respondents.

interviews that the 24-hour switch would only take effect once they had made their decision, some respondents continued to feel that the changes put pressure on the decision.

Some respondents took a citizens' perspective, thinking that those that have made rash decisions to switch or switched 'irresponsibly' (e.g. by not reading terms and conditions or switching on the doorstep), would need more time to change their minds. There was some concern about vulnerable consumers and this being a risk for them.

These views emerged spontaneously, before any discussion of the cooling off period. However, once the cooling off period was introduced and discussed in detail, negative views about 24-hour switching tended to become stronger. Again, this was due to a tendency to conflate the time taken to switch with a chance to change their mind. It was also driven by a lack of understanding about consumer rights under the current system. Respondents knew little about the switching process other than the fact it takes 4-6 weeks to complete and were unclear about their current cooling off rights in the energy market. Respondents tended to assume they could change their mind at any point during the switching process and therefore saw 24 hour switching as meaning they lost this time. Consequently, they saw the amount of time they had to make a decision and feel comfortable with that decision.

"How is that going to work? That's going to tie people right up in knots. 'Who am I with now? I don't know. Have you cancelled? Well I think I have. I don't know, it all happened so fast.' I don't think it's a good idea." (Considered Switching)

These consumers were more likely to have a general wariness towards switching in the first place, perceiving it as an important decision and a complex process. A long switching period was therefore seen as a 'comfort blanket' for some respondents, who assume they had longer to change their mind, even if they had not really considered this explicitly before discussing switching.

"...My feeling is that we tend to be wanting things instantly all the time and sometimes having the space to stand back from them is a good thing...It doesn't necessarily have to be 14 days but I do think the next day the next two days may be a little soon." (Switched)

5.2. Impact of cooling off on decisions to switch

Knowledge of the cooling off period through discussions did not tend to make participants more likely to consider switching. For those that had switched, it was because they felt they would be confident in their decision to switch and would have done their research. As discussed, other respondents found it difficult to imagine situations where they might wish to exercise their cooling off rights, before they were introduced to the scenarios. After discussing scenarios, respondents sometimes remained sceptical that the existence of cooling off would encourage them to switch, as the cooling off period would be shorter than the time taken to assess the performance of the new supplier.

"I think if I wanted to switch, I'd switch. I don't think it would make a difference." (Considered switching)

"If I wasn't that sure, I wouldn't change in the first place... I don't think you should just keep changing your mind." (Switched)

Some respondents expressed concern that exercising their cooling off rights would be complicated and a hassle. For those who reported they may be more likely to consider switching or switch, it was mainly because they thought the cooling off would give them more time to get a better deal.

"That would make me feel a bit better actually... if you get into a deal, and you then find it's the wrong deal, at least you can get out of it again. So I think it's a good thing." (Switched)

6. Conclusions

This section explores conclusions for the research and implications for how consumers can be encouraged to switch, and what could improve their experience. It also explores preferences for cooling off, in terms of options, communications, and requirements from suppliers.

6.1. Switching experiences

Consumers are ultimately seeking **cost savings, simplicity and speed** when they switch.

6.1.1. Cost savings

Cost was one of the main things respondents looked for when comparing tariffs and suppliers. Understanding costs and potential savings were commonly facilitated by comparison sites and e-mail alert services. However comparing costs was complicated by the fact that tariffs were poorly understood by respondents and personal usage rates were usually not known. Respondents wanted to know how much they would be paying each month with the new supplier as soon as possible – and ideally within the cooling off period.

6.1.2. Simplicity

Consumers want the switching process to be as simple as possible. They referred to both simplicity of the **process**, and **simple, clear communications**.

Respondents tended to assume that the switching process would be complicated, and some were surprised that their experience was simpler than expected, with the new supplier or comparison service taking on much of the process for them. Respondents were particularly attracted to the idea of not contacting the old supplier, given their experience or expectation of the level of effort involved in paying final bills and reconciling credit with the old supplier. Respondents suggested that the introduction of rules around the length of time the old supplier has to provide a closing bill, and repay outstanding credit and close the account may reassure consumers about switching.

Respondents wanted basic information to be provided during the switch. This referred to basic tariff information and reassurances that the process was on track. However they did not want to be overwhelmed with information they did not understand or had little inclination to read because they did not perceive it to be useful.

6.1.3. Speed

There were mixed expectations about speed of switching. Some respondents wanted the process to be quicker so they could benefit sooner, either through savings or better customer service. Some questioned why a switch could not be completed in 48 hours. Other, particularly older respondents were satisfied with a slower pace if this meant mistakes were avoided. However, respondents were generally satisfied when switching took four weeks or less and were surprised when it took less than two weeks.

Though a 24-hour switch may exceed consumers' expectations about making this a faster process, it was generally welcomed and considered sensible by younger and more confident consumers. This fits with their general expectations of the increasing modernisation of the energy market, and their preferences for e-mail and digital communications with suppliers. However, the negative interpretation by older respondents and those less comfortable with switching generally (that 24 hours is too fast) means it will need to be carefully introduced to these audiences. For example, the new arrangements may need to be carefully framed to make clear that consumers' decision to switch will not be 'rushed' as a result of the changes, and they will have the ability to change their mind once they have made a decision.

6.2. Expectations and preferences around cooling off

Whilst simplicity was valued during switching, choice was paramount during cooling off. Respondents were partly guided by the principle of consumer choice and appreciated the flexibility to choose the least complicated route or most advantageous option for themselves.

Given the value placed on simplicity, the implications of giving consumers a relatively complex choice may appear slightly counter-intuitive. The choice would need to be communicated clearly, and positioned as a 'safety net' or new opportunity for switchers to change their mind (given the interpretation by some respondents that 24-hour switching was reducing the time they had to change their minds). Critically, communications would need to reassure consumers about the billing arrangements during the move, as well as the time they have to make a choice about their new supplier.

Respondent feedback suggests that the new arrangements for a choice could be framed as promoting consumer choice in the marketplace and as providing flexibility for consumers to choose the easiest option for them. This route can provide reassurance to those who want to return to the familiarity of their old supplier, and simultaneously the option to avoid the old supplier for those who have had negative experiences. Respondents also thought that cooling off represented clear value for more vulnerable respondents who may have switched in response to direct marketing. However, they acknowledged this would require consumers to be aware of their rights, and for this to be explained at the point of the switch.

Simply telling consumers about the cooling off period may not encourage switching. Universally, respondents reported that they did not think it would influence their decisions. However, this could be explained in part by the fact that they did not immediately see cooling off as relevant to them. Without providing examples, respondents struggled to imagine the circumstances in which they might wish to exercise this right. Communications about cooling off may benefit from examples about why consumers might switch, to help consumers see it as more pertinent to them.

7. Appendices

7.1. Achieved sample

Achieved sample		Achieved sample	
GROUP		REGION	
'Switchers'	17	London	9
'Considered switching'	4	Scotland	1
'Didn't consider'	4	Wales	1
		England – other	14
MODE		PAYMENT METHOD	
F2F	11	Prepayment meter (PPM)	4
Tel	14	Monthly direct debit	19
		Quarterly direct debit	1
GENDER		Payment card	1
Male	15		
Female	10		
		FINANCIAL LITERACY	
AGE		Very confident	12
18-24	3	Somewhat confident	8
25-34	3	A little confident	3
35-44	2	Not very confident	2
45-54	1	Not at all confident	0
55-64	8		
65+	8		
		SOCIAL GRADE	
AB	4		
C1	9		
C2	4		
DE	7		

7.2. Topic guide

Ofgem – Cooling off research Tele depths and F2F interviews: Topic Guide (60 mins)

Overall objectives

- To understand consumer expectations and preferences around cooling off periods in relation to energy switching - in order to understand which if any potential options meet expectations, and to enable effective communications with consumers. This includes helping ensure consumers are aware of their consumer rights in this area.
- More widely, to support the continual growth of Ofgem's understanding of what an effective switching process looks like from the consumer perspective.

Specific objectives:

- Explore spontaneous consumer awareness, expectations, and priorities around energy supplier cooling off periods
- Understand whether the existence of a cooling off period, increases consumers' willingness to consider switching
- Understand specific views against 3 potential journey options:
 - Customer is moved back to previous supplier
 - Customer stays with the new supplier until they switch on again
 - Customer is given the choice
- Explore more considered views on potential journey/communications/supplier engagement options during the switching process more generally (in terms of receiving bills and other communications from old and new suppliers)
- Identify the kinds of messages or communications consumers want / expect during the switching process.

8. Introduction

- Introduce yourself and TNS-BMRB – an independent social research agency
- We are conducting this research on behalf of Ofgem (the independent regulator for Great Britain's gas and electricity markets.)
- The research is exploring your expectations and preferences around cooling off periods when you switch your energy supplier. Ofgem wants to understand more about consumers' preferences and priorities and how to communicate with consumers during the switching process
- In Spring 2016, you took part in a TNS survey which asked you questions about your gas and electricity suppliers. You agreed to be re-contacted at the end of the survey.
- No right or wrong answers – interested in your views
- Length – 60 minutes
- This research is voluntary - participation will not affect your current or future relationship with Ofgem or your energy supplier
- The research is confidential and anonymous – will not share names or details with Ofgem or energy suppliers. If we use quotes from your interview in the report then they will be anonymised.
- The information you provide will be used for research purposes only.
- Gain permission for audio recording.

9. Background – 5 mins

- Introduce themselves
 - Name, job / family / hobbies / interests, where they live
- Very brief overview of their current home energy arrangements

- Who their gas and electricity suppliers are (researcher note: they may only have electricity)
- How long they have been with current supplier/s
- How they pay for their energy
- Whether they are aware what tariffs they are on
 - If so, which tariffs they are on
 - What do they know about their tariff

10. Understanding customer experiences of switching energy providers – 10 mins

GROUP 1: SWITCHERS

Remind them of their participation in the TNS survey. From their responses, we understand that they have switched their energy supplier in the last 12 months and that we would like to learn more about their experience of this process\.

Ask the respondent to talk you through the steps they went through the last time they switched their home energy supplier(s).

Very briefly explore:

- Check approximately when they switched
- What motivated / triggered them to switch supplier – SPONTANEOUS
- Whether they looked for information about other suppliers and tariffs
 - Sources of information
 - How easy or difficult it was to find and understand tariff information
- Why they chose their new supplier

Then explore in detail: [researcher focus time here]

- Ask them to outline in detail
- (1) the steps they took when switching supplier, and
- (2) the communications they received during this process :
 - SPONTANEOUS AND THEN PROMPT (*Research note: there may be further stages and communications*)
 - Contacting new supplier / using a price comparison website or other intermediary
 - Arranging account with new supplier
 - Receiving greeting pack from new supplier
 - Closing bill from old supplier
 - Any other contact from previous supplier
 - Opening bill from new supplier

Use flexibly -

- Explore how they felt overall during the process.
- What went well/not so well?
 - Explore how easy or difficult they found the process – and why
 - Explore any barriers and challenges they faced
 - Whether there was anything they were worried about in relation to the switch
 - Explore whether they felt they had enough information
 - Explore how satisfied they were with the process – and why
- Whether they would consider switching again in the next 12 months – why / why not
 - What factors would most encourage them to consider switching again

GROUP 2: CONSIDERED SWITCHING

Remind them of their participation in the TNS survey. From their responses we understand that they have considered switching their energy supplier in the last 12 months and that we would like to learn more about their experience of this process and how they felt.

Researcher note: focus on considering switching supplier rather than comparing tariffs with their own supplier, and the switching process rather than the process of comparing tariffs.

Briefly explore:

- What motivated / triggered them to consider switching supplier
- What action they took, if any – SPONTANEOUS, then:
 - Whether they looked for information about other suppliers and tariffs
 - Sources of information

Explore in detail:

- Why they chose to remain with their current supplier(s) and did not continue with the switching process
 - Whether they contacted potential/current supplier and what was discussed with them
 - Whether they faced any barriers or challenges to switching supplier
 - Ways they tried to address any barriers or challenges
 - Whether they had any concerns about the switching process
 - [Researcher note: DO NOT PROMPT - E.g. the switch going wrong, double billing, not receiving any credit balance from previous supplier etc.]
- Explore any previous experiences of switching energy supplier
 - How easy or difficult they found this
 - How satisfied they were with the process
- What, if anything, might prompt them to consider switching

GROUP 3: HAVE NOT CONSIDERED SWITCHING

Remind them of their participation in the TNS survey. From their responses we understand that they have not considered switching their energy supplier in the last 12 months and that we would like to learn more about their experience with their energy provider and engaging with the home energy market.

Researcher note: focus on considering switching supplier rather than comparing tariffs with their own supplier, and the switching process rather than the process of comparing tariffs.

- Explore how satisfied they are with their current energy provider(s) – why / why not
 - Satisfaction with the price of their current tariff
 - Satisfaction with other terms, conditions and benefits of their tariff and provider(s)
 - Satisfaction with the customer service offered by their current provider
- Explore their perceptions of the switching process
- Explore their understanding of the switching process
- Explore why they have not considered switching provider in the last 12 months
 - Whether they have any concerns about the switching process
 - Whether anything puts them off the switching process
 - [Researcher note: DO NOT PROMPT - E.g. the switch going wrong, double billing, not receiving any credit balance from previous supplier etc.]
- Explore any previous experiences of switching energy supplier
 - How easy or difficult they found this
 - How satisfied they were with the process
- What, if anything, might prompt them to consider switching

11. What an effective switching process looks like – 10 mins

Explain that we would like to know more about what a 'good' switching process for energy suppliers would look like. Explain that you would like to know what they want, expect and need during a switching process.

Researcher note: listen out for spontaneous mentions of cooling off

- Explore how they would expect the switching process to work (*spontaneous views*) [*for switchers – compare with their experience*]
- Ideally, how they would like the switching process to work – and whether this is different to what they would expect (*spontaneous views*) [*for switchers – compare with their experience if any*]
- Explore the following steps in terms of:
 - (1) how they would ideally want them to work, and
 - (2) any information or communications they would require from their old and new supplier: [*for switchers – compare with their experience*]
 - from hitting 'switch' on a comparison site or supplier website / saying yes on the phone
 - Receiving greeting pack from new supplier
 - Closing bill from new supplier
 - Opening bill from new supplier
 - receiving updates or reassurance messaging

Explore any other communications that they would find useful

- Explore priorities and preferences for types of information and communication they would like to receive during the switching process – and why

Prompt if the following are now mentioned:

- A "sorry you're leaving us" from old supplier.
- A "confirmation of your request to switch" from new supplier, possibly accompanied by a request for the consumer to submit a meter reading.
- A "Your switch is progressing well, we expect it to be completed in x days" from new supplier.
- A "Your switch is complete – you are being supplied energy by us from today".
- A final bill from the old supplier.
- An opening bill from new supplier (a month after switch completion).
- Do you think these are important? Which do you think are the most important? Why do you say that? Which are least important? Why?
- Explore priorities and preferences which would encourage them to consider switching / switching more often
 - Which priority is **most** likely to make them consider switching
- Explore what they see as potential barriers and challenges and how they would like these to be addressed
 - *For switchers – explore any barriers and challenges faced and impact of these*

If not raised spontaneously:

- Explore views on the importance of the speed of the switching process
 - (*If switcher*) *How long it took them to switch, whether they considered this 'fast' or 'slow' compared to expectations*
 - Explore what constitutes a 'fast' switching process to them
 - How important is it that this happens quickly/why do they say that?

12. Expectations and preferences about cooling off period – 5 mins

- Explore what they understand by the term 'cooling off period'
- Explore awareness of 'cooling off periods' in general – in relation to consumer purchases
 - How long they think this is
 - How the process works
 - Whether they have exercised this before and what the outcome was - for what/brief recount of positive or negative experience [focus on the cooling off process experience rather than the outcome]
- Explore how they think 'cooling off periods' work in relation to energy
 - Initial views on what they think this would mean / how it would work
 - Any issues they perceive
 - *Whether switchers were aware of this right and whether they considered using it*

Researcher to explain that at the moment when switching energy supplier, consumers are entitled to use their right to a 14 day cooling off period and cancel the contract they signed up to without incurring any penalty. Switching energy supplier currently takes over 14 days, so consumers remain with their existing supplier through the whole of the cooling-off period and then switch to the new supplier.,

- Briefly explore general reactions to this. Does knowledge of this now increase or decrease their willingness to consider switching – and why?

*In the future, switching energy supplier may only take a day to complete. This means that you would be with your new supplier **during** the 2 week cooling off period. Ofgem is considering different approaches to these new arrangements.*

We're now going to talk about what you'd expect to see in a world where you can switch suppliers in one day.

13. Testing pathways – 25 mins

Researcher to explain to respondent: you may change your mind about the new supplier you have chosen when you switch. For example, you might find another tariff with a different supplier that better meets your needs during the 14 day cooling off period which means you no longer want to go through with your switch. There are three ways in which the 14 day cooling off period could potentially work in this situation (in a world where you had switched to the new supplier after 24 hours):

1. You are moved back to your previous supplier (*researcher note: this may not be to the old tariff if it no longer exists – capture spontaneous responses and comments regarding this*)
2. You stay with the new supplier until you switch again
3. You can choose from either of the above options.

We would like to know which of these options you would prefer in some different scenarios.

- Check whether they have any initial up front preferences between the three options – and why

Researcher to explain that we are now going to look at some examples of scenarios which could happen to consumers during a switch.

Researcher to read out each of the scenarios below in turn and then:

- (1) Briefly explore initial reactions to the scenarios
- (2) What concerns they would have in each scenario
- (3) Explore which of the three cooling off options they would prefer - and why
- (4) What concerns they would have about each of the options

SCENARIOS 1

Researcher to explain that the first scenarios are: situations in which the consumer has decided to exercise their cooling off rights because they've found something better in the period since they decided to switch

1. After switching to a new supplier, you looked at a price comparison website and discovered that there is now a cheaper tariff on the market from a different supplier.
2. After switching to a new supplier, you have been actively contacted by your old supplier and told that you can have a better deal if you stay with them.

'SCENARIOS 2

Researcher to explain that the second scenarios are: situations in which the consumer has decided to exercise their cooling off rights because they've been unimpressed by the service or price from the new supplier.

1. After switching to a new supplier, you read the full T&Cs for your new tariff and discovered a clause that you did not realise you were agreeing to; you had not realised that there was a £50 termination fee once outside of the cooling-off window.
2. After switching to a new supplier, you contacted them and considered them to be unprofessional.

SCENARIOS 3

Researcher to explain that the third scenarios are: situations in which the consumer has used the cooling off period to play the market and take a 'try before you buy' approach.

1. After switching to a new supplier, you use the cooling off period to negotiate a better deal with your current provider and achieve a significant financial saving

After reading out **all** of the scenarios to the respondents, then explore:

- Explore which of the following ways they would want the cooling off period to operate once they had decided to exercise this right – and why
 - Customer is moved back to previous supplier
 - Customer stays with the new supplier until they switch on again
 - Customer is given the choice of these two options
- How important is having a choice between these different options depending on the circumstances/scenario
- What information and communications would they like and expect to receive during the cooling off period
 - Why?
 - When would they like to receive them?
 - Through what mode would they like to receive this communication (letter, phone, email, text)

- Do you foresee any challenges or barriers to you exercising your right to a 14 day cooling off period in any of these scenarios
 - How would you address these

14. Wrap up – 5 mins

Briefly explore:

- Explore how consumers would like to hear about the new arrangements for how a new cooling off period would operate
 - What information they would need and like
- What would they want to tell someone about the cooling off period
 - What they think is the most important information for people to know
 - What information is most likely to encourage them to look for information about new suppliers and tariffs
 - What information is most likely to encourage them to consider switching

15. Close

- Any final comments
 - Thank and close
 - Explain how incentive cards work - £35 for tele depths, £40 for F2F interview