

Understanding attitudes to and behaviours under a potential Price Cap

Consumer First Panel | Year 10, Wave1 Report
August 2018

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As a flagship insight tool, Ofgem have invested in a 10th year of the Consumer First Panel

The Consumer First Panel is a key insight tool for Ofgem, who are keen to keep in touch with consumers and understand their views on a wide range of topics to inform policy and positive change in the energy market.

The Panel is now come to its 10th year, and for this new edition it is made up 80-100 new Panellists from across four new locations across Great Britain:

- Chelmsford
- Llanelli
- Manchester
- Aberdeen

There will be a range of research events over the course of the 10th year of the Panel with topics varying to Ofgem's insight needs.



The overarching objectives of the Consumer First Panel

The Consumer First Panel is a key insight tool for Ofgem which allows the energy market regulator to:

- Consider and consult with the consumer voice when developing new policies or exploring change
- Understand consumer views on key energy market issues
- Analyse and compare consumer attitudes and behaviour to design policy conclusions that can benefit consumers



This year's first Wave explored Panellists' views on the design of a new Price Cap aimed at Standard Variable Tariff (SVT) customers

The government has recently introduced legislation for a temporary Price Cap (i.e. a maximum amount suppliers are allowed to charge consumers) on all default and SVTs.

The provision of a temporary Price Cap already exists for consumers on Pre-Payment Meters (PPM, topping up their gas and electricity card and charging their meter ahead of use) and those receiving the Warm Home Discount. The new proposed cap would be more extensive and is expected to cover around 60% of the market.¹

As a result, Ofgem is interested in consulting domestic consumers on their opinions on the Price Cap and the considerations that should be used to determine its level. This insight from consumers will be useful for Ofgem to develop the Price Cap and its design.

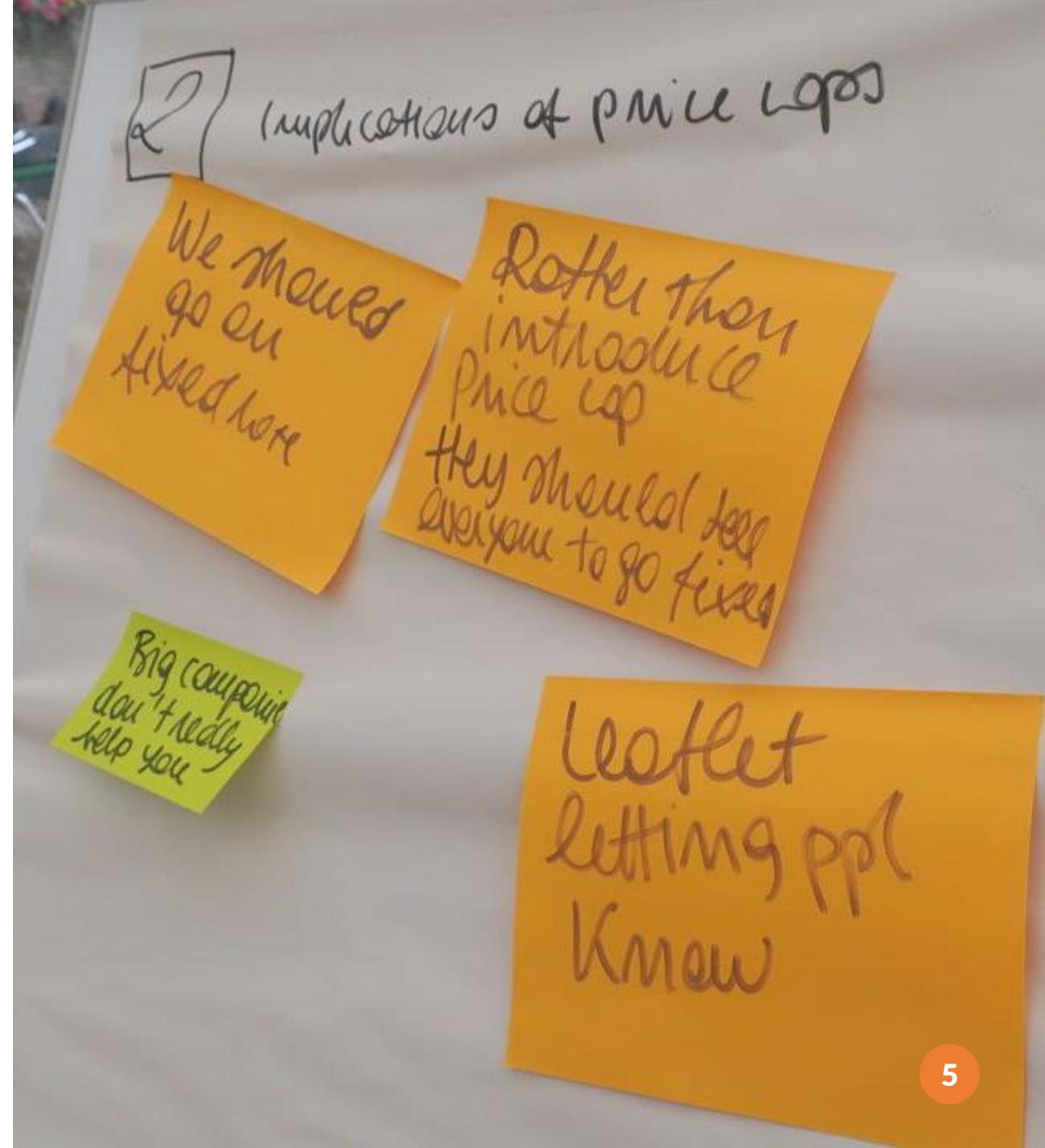
¹Ofgem (2018) Default Tariff Cap: Policy Consultation Overview Document



The overarching objective of this Wave is to gauge consumers' views around the new Price Cap and the level it should be set at

Specific objectives included:

- To understand perceptions of choice / differentiation in the energy market compared to other markets and how this could be affected by a Price Cap.
- To investigate the Panellists' views of the Price Cap and their opinions on the trade-offs and issues when considering in the design of a Price Cap for SVT customers.
- Exploring Panellists views on the allocation of costs in the energy market and how this could be effected by a Price Cap.



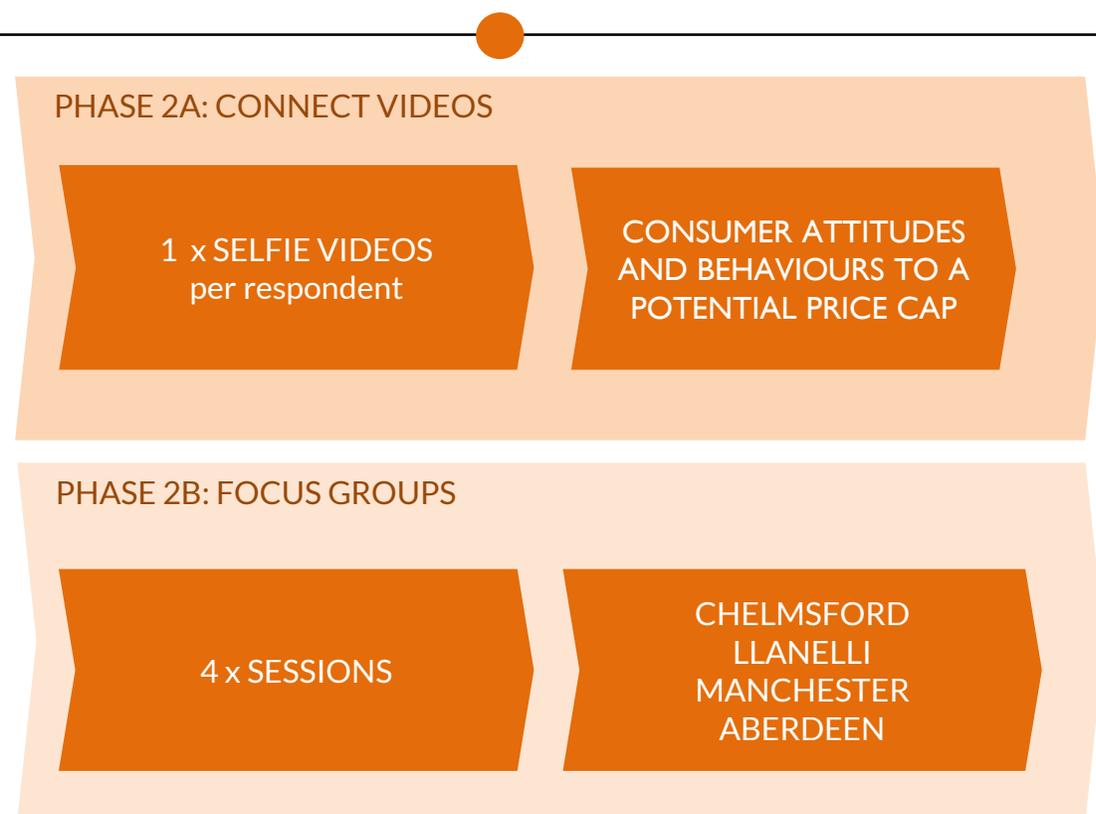
RESEARCH APPROACH

A methodology agreed with the Ofgem team ensured the smooth running of Wave 1

PHASE 1:
SET-UP & RESEARCH DESIGN



PHASE 2:
QUALITATIVE RESEARCH



PHASE 3:
ANALYSIS & DELIVERY



The sample for the Consumer First Panel aims to represent a broad range of energy customers and locations

100 Panellists were invited to take part in this year's Panel:

- A range of tariff types
- A range of suppliers (both large and small)
- How often Panellists switch supplier/tariff
- Household income
- Age ranges and genders
- Urban and rural locations
- Different payment methods

To ensure we covered more rural and urban locations across the three nations, sessions were held in:

- Chelmsford, England (21 Panellists attending)
- Llanelli, Wales (23 Panellists attending)
- Manchester, England (21 Panellists attending)
- Aberdeen, Scotland (24 Panellists attending)

The Panel will meet again to discuss other topics throughout the year, with the next session happening in August 2018.



Due to the complex and technical nature of price controls we undertook a deliberative approach for this research

This enabled Panellists to ask questions, hear different viewpoints and explore their understanding of the topic together.

A portion of the session was dedicated to explaining what a Price Cap is and how it operates. This explanation was necessary as Panellists were often unfamiliar with how Price Caps currently operate.

A deliberative session allowed us to explore layers of involvement openly with respondents as well as ascertain how difficult groups of consumers find it to understand and engage with discussions around price caps.



At the sessions, Panellists were divided into three groups, based on their perceived level of engagement in the energy market

Before the events Panellists recorded a short introductory video and shared their thoughts on the energy market.

Once at the event Panellists assembled themselves into three working tables according to their perceived level of engagement in the market:

- **Most engaged** – actively thinking about their contract, comparing or switching supplier/tariff at least once a year
- **Middle engaged** – less concerned about their energy contract, sometimes thinking about comparing prices or switching
- **Least engaged** – not involved with suppliers and often not entirely sure about their tariff

Participants were split into working groups in this way to create coherent groups where discussion was facilitated around common experiences views which held ensure that they felt free to express their views without being judged.



The sessions included moderator explanations and discussion to explore Panellists' attitudes to and potential behaviours under the new Price Cap

The sessions lasted three hours, and comprised open discussions with some private response questions. Stimulus and moderator explanations were pivotal to ensure consumers were able to understand, discuss and deliberate topics between themselves and with moderators.

After an initial introduction, we explored Panellists' habits and current understanding of the energy market. We explained and discussed the Price Cap, how it could work and the implications different designs would have on prices and choices in the energy markets, through scenarios and stimuli. The final topic discussed was the fairness of allocating some of the costs relating to different payment methods under the new Price Cap.

Breakdown of the session's structure

6pm

Introduction and welcome

Consumer habits and understanding the energy market

Understanding and perceptions of a Price Cap

Break

What are the implications of a Price Cap?

Fairness and sharing of costs

9pm

Reflections and close

There were some challenges and research effects that should be considered when exploring the findings in this report

Scepticism of the energy market

Panellists were very sceptical of suppliers and the energy market in general. This cynicism played out in their discussions about Price Caps and limited some respondents' ability to think about the topic more in depth.

Unintended focus on fixed term tariffs

Information about the low cost of fixed tariffs led some to initially believe that a Price Cap would be irrelevant as they felt they would now look around for the cheapest fixed deals. Moderators steered the discussion away from this point and focused discussion on the opportunity of a higher or lower cap when this happened.

Knowledge transfer

A lot of explanation was required from moderators to ensure Panellists had a base of knowledge for the session, which arguably elevated their level of understanding above average consumers.

Group effect

In focus groups there is often a potential for the individuals in the group to move towards a consensus, or towards an exaggerated response that they think is acceptable for other members. This could have been the case in a few instances (e.g. it could have been more socially acceptable to say that vulnerable customers should receive preferential rates for energy). Moderators reiterated that there were no wrong answers throughout the session to discourage this as well as actively raising different viewpoints for the Panellists to consider.



CONSUMER RELATIONSHIP WITH THE ENERGY MARKET

Panellists generally perceived the energy market to be too complex for them, and the notion of choice within it to be misleading

It became clear through initial conversations that many Panellists had little experience in the energy market, and tended to talk about engagement in hypothetical terms, rather than referring to a personal experience.

Although most Panellists were unaware of the full extent of suppliers operating in the market, across both engaged and disengaged groups, respondents generally felt there was 'too much choice', which they did not know how to navigate.

Some Panellists also felt that the language used around tariffs was purposefully confusing, and that there were too many different tariff options available to them.

This was also linked to the fact many found the functioning of the energy market and its products of low interest, so did not invest time in understanding it.

Mostly, Panellists felt that there wasn't enough differentiation between the offers and different providers, which made choice illusory for them.

"It's just too daunting, there's too many suppliers to get my head around, let alone all the tariffs they offer"

Middle engaged, Manchester

"I use price comparisons to do it for me, there's no way I can be bothered to search through every supplier"

Middle engaged, Aberdeen

"There must be over 100 suppliers in the energy market (based on the names of suppliers heard around the table)"

Most engaged, Llanelli

"I'd like it to be less jargony in general"

Least engaged, Manchester

Price was generally perceived as the most prevalent factor to look for when comparing tariffs or suppliers

While feeling that there was ‘too much choice’ in the market, Panellists perceived no tangible differentiation between the products offered by suppliers.

This meant Panellists felt the only real thing to shop around for, and to determine their choice was the price. Price was viewed as measurable, tangible, and an easily recognisable point of difference between suppliers – as opposed to other qualities promoted.

Some engaged Panellists did consider the level of customer service, based on previous challenging experiences – prioritising to some extent being treated well by staff. However, this was typically felt to be second to price in their decision making.

“All people want is the cheapest deal!”

Most engaged, Llanelli

“Energy is not a tangible product so how do you choose if it’s not on price?”

Most engaged, Manchester

“I know there is choice, but I don’t really bother looking.”

Least engaged, Llanelli

“There’s no such thing as fancy energy.”

Least engaged, Manchester

“I actually went with my supplier because they were nicest to me on the phone”

Least knowledgeable, Chelmsford

Panellists across all four locations exhibited a general sense of mistrust of smaller suppliers

Some Panellists questioned how distinct smaller suppliers were from larger ones. Some believed that they were smaller companies owned by a more well-known supplier. This prevented some from thinking about switching to smaller suppliers.

Others were concerned that smaller suppliers would provide an inferior level of customer service compared to big ones, and that they were less reliable in terms of energy supply. They thought it might lead to their energy being cut off if the smaller supplier entered financial difficulties.

Furthermore, some Panellists did not believe that smaller suppliers were always cheaper than larger ones, and questioned the financial benefit of choosing them over a larger supplier.

“Most smaller companies are run by bigger companies.”

Most engaged, Llanelli

“I don’t know about all those small suppliers. What would happen if they went bust? I can’t go without any electricity if that happens”

Least knowledgeable, Chelmsford

“Deals are important but they take time to search for and find - shopping around is hard.”

Most engaged, Llanelli



REFLECTIONS ON THE PRICE CAP

Panellists were broadly unaware that current Price Caps existed for energy, although they were familiar with the general concept

Before any explanation and stimulus was shown, Panellists were asked about their:

- Understanding of the term price cap
- If they had heard anything about a price cap before and where from
- What they thought a price cap was
- How they thought it worked
- Who they thought would be responsible for setting it

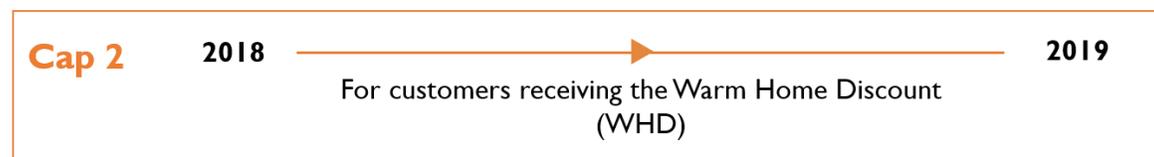
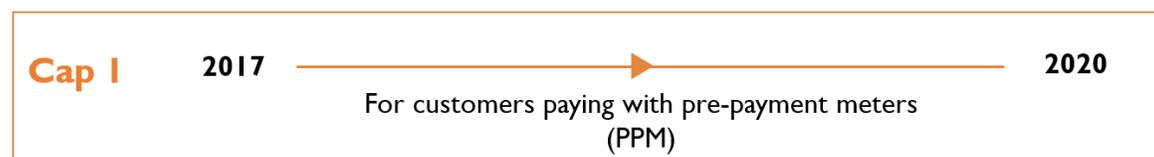
Panellists were generally familiar with the idea of a Price Cap, which some had encountered for mortgages. However, many had not heard about it in energy context. Even those currently on a PPM did not seem to be aware they were currently paying tariffs subject to a Price Cap.

Some Panellists remembered hearing about politicians discussing a Price Cap for the energy sector in the news, however they had not looked for or come across additional information on the topic.

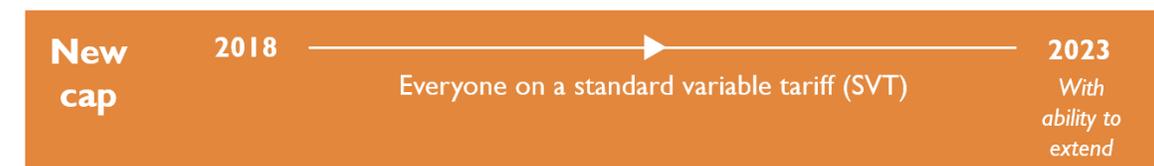
A price cap is the maximum amount a supplier can charge customers per unit of energy. The price cap is reviewed every 6 months.

What price caps exist?

There are currently 2 price caps in place

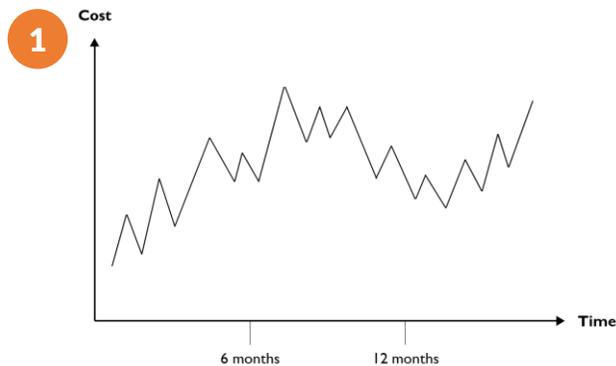


WHD: A one off payment of £140 towards the electricity bills – e.g. customers who have pension credits

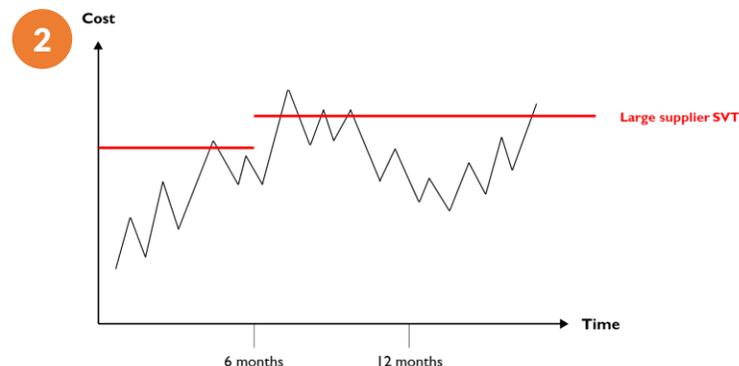


Stimulus used to explain current and future Price Controls to the Panel

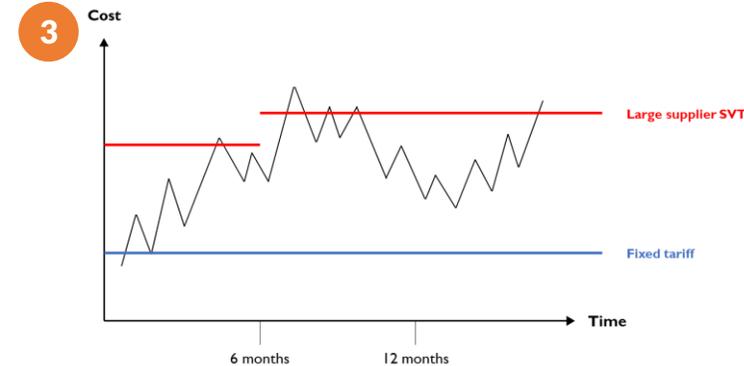
After gauging the Panellists' initial impressions of what a Price Cap is, how it would work in the energy market was explained using the following stimulus



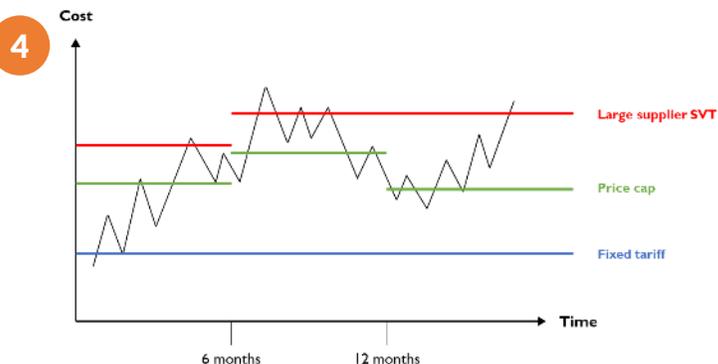
The wholesale cost of energy fluctuates regularly



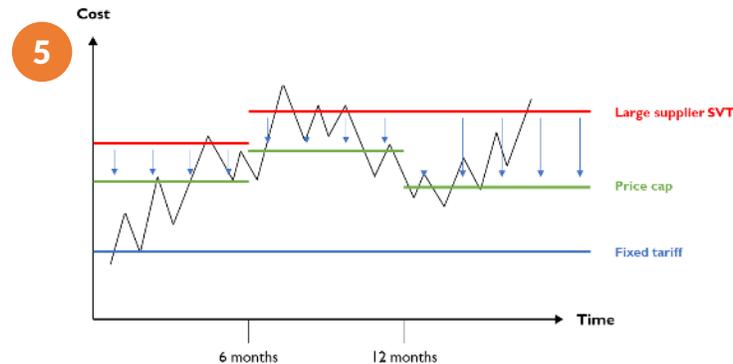
Supplier's SVTs roughly reflect the fluctuations in the market



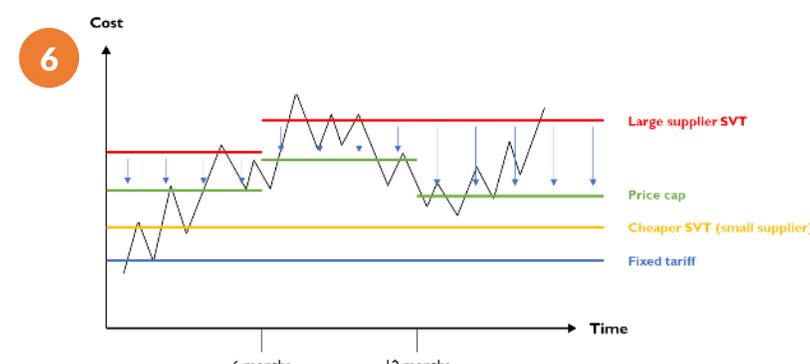
Suppliers also offer fixed tariffs (i.e. the price per unit is set for the length of the contract), which are considerable cheaper than the SVT option



The Price Cap would introduce limit to the amount suppliers can charge for their SVTs



The overall price of suppliers' SVTs would therefore decrease to reach such level



Some suppliers can still offer a lower price SVTs, as that's below the Price Cap

Overall, Panellists felt that the introduction of a Price Cap applied to all SVT customers was a good idea

Following the moderator's explanations, Panellists developed an understanding of the Price Cap and discussed it in groups.

Across participant tables and locations, there was no opposition to the idea of a Cap. This was despite some initial scepticism from some who questioned its efficacy in protecting consumers. The general sense of mistrust towards suppliers resulted in some expressing concern that any change would be advantageous for suppliers only.

However, Panellists typically felt that it was a good idea to try to protect consumers from excessive energy prices. Once Panellists understood the concept of a Price Cap they reacted positively towards it.

"Big companies don't really help you, I think it's good to have a cap. It will stop the price from escalating."

Least engaged, Llanelli

"It sounds like a good idea, I think it would make people feel less worried about getting ripped off"

Middle engaged, Aberdeen

"I don't think having it could be a bad thing. Makes sure people don't have to pay way more than they should be"

Middle engaged, Manchester



REFLECTIONS ON PRICE CAP DESIGN

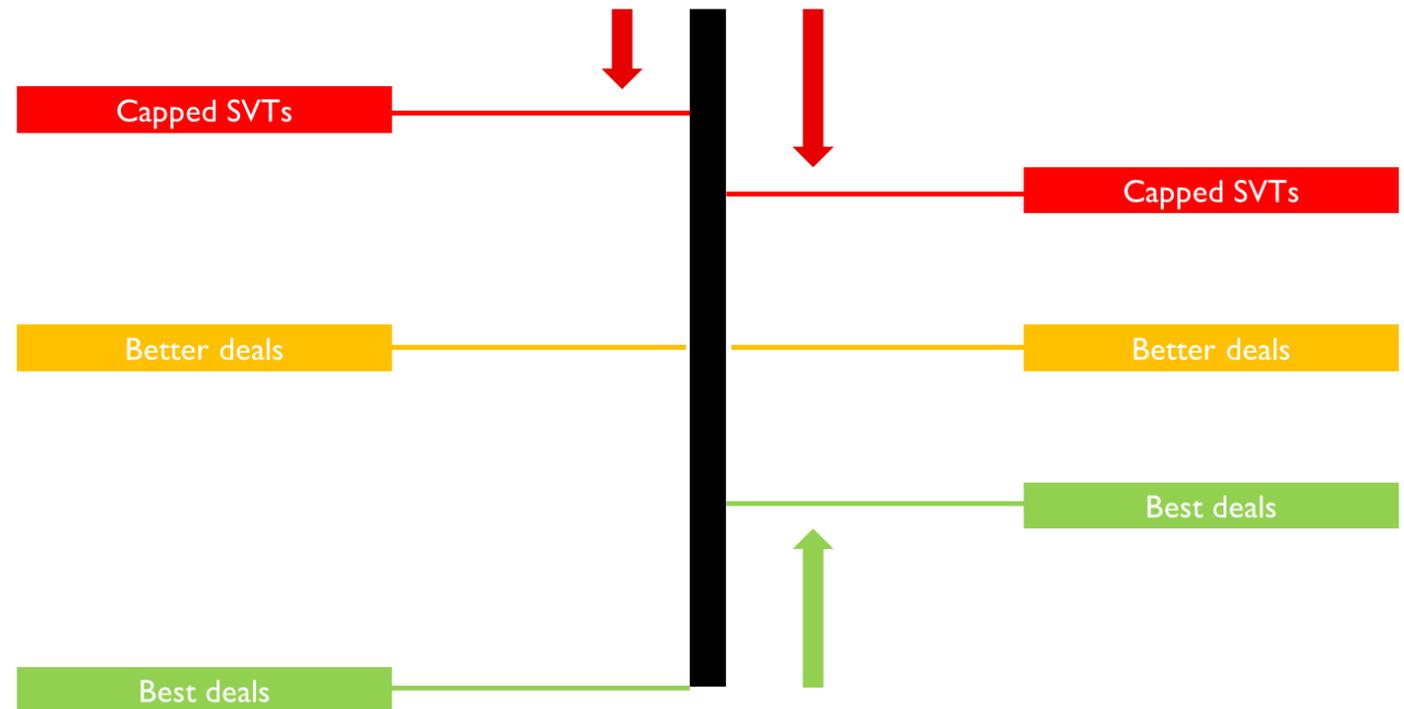
Following the discussion on price caps, respondents explored the options of a higher or lower cap design and the implications this would have on tariff prices and choice in the market

Under a looser cap – described to the groups as a ‘high cap’ – the price of SVTs would not be significantly lower than before, despite having decreased. However, some suppliers may still offer low fixed tariffs as their best deal.

Under a tighter cap – described to the groups as a ‘low cap’ – the price of the capped SVTs would be materially lower than current ones. However, this could mean the cheapest best deals are no longer offered, and that the difference between the best deals and the SVT price becomes narrower.

High cap SVT

Low cap SVT



Stimulus used to explain how a higher or lower cap would affect tariff prices

Panellists articulated benefits and drawbacks for both types of Cap:

High Cap

In this scenario Panellists believed that:

- Suppliers would still be competitive and offer multiple tariffs;
- The choice and ability to shop around the energy market would still be complex and confusing; and,
- Some Panellists raised-concerns that all tariffs offered by suppliers in a high capped market would rise to the tariff cap.

Low Cap

In this scenario Panellists believed that:

- A lower cap would be of greater benefit to those on SVT tariffs;
- That fixed rate customers could have to pay slightly more;
- The number of suppliers and the range of tariffs offered to consumers could decrease to ensure suppliers could stay competitive;
- It could reduce the number of tariffs and therefore reduce complexity;
- That choice and shopping around the market could potentially be easier, but would not necessarily engage those who were disengaged; and,
- As with the high cap, the worry about tariffs rising to the cap existed.

“High cap is only in the interests of the SVT customer to get a better deal. It doesn’t effect anyone else.”

Most engaged, Aberdeen

“The high cap is better, because the fixed [tariff price] is lower.”

Least engaged, Llanelli

“What’s to stop them all just charging to the cap anyway?”

Middle engaged, Manchester

“A low cap would mean less choice for those who are engaged.”

Most engaged, Aberdeen

Panellists generally seemed to be driven by self-interest, preferring a Price Cap that would benefit them

A higher cap was preferred by:

- Engaged consumers (usually on a fixed tariff) who wanted to prevent their fixed tariff price rising.
- Consumers (generally those who were less engaged) who thought they would become more engaged after becoming informed about fixed rate tariffs.

A lower cap was preferred by:

- Those who thought they would not become more engaged. It was felt that the cap would protect them from being charged excessive rate by suppliers.

Societal interest

- At a societal level, a lower level of cap was favoured as Panellists supported the notion of offering protection to those who were more vulnerable. This, however, led to a discussion around what made someone 'vulnerable'.

“The high cap is better, because the fixed tariff is lower. I don’t want my fixed tariff going up!”

Least engaged, Llanelli

“From everyone’s perspective it’s better if it’s low, but personally high it’s probably better so I can get the best deal.”

Least engaged, Manchester

“I don’t want to have to pay more just because other people can’t be bothered to look a few things up”

Middle engaged, Manchester

When it came to price certainty, Panellists seemed again to react based on their financial situation and behaviour, rather than thinking about consumers as a whole

Price certainty refers to the frequency of changes to the Price Cap level.

Respondents were asked to consider whether they preferred smaller happening roughly every six months, or larger less frequent changes, happening once every two years.

Most Panellists could see the benefits and drawbacks of both the presented options.

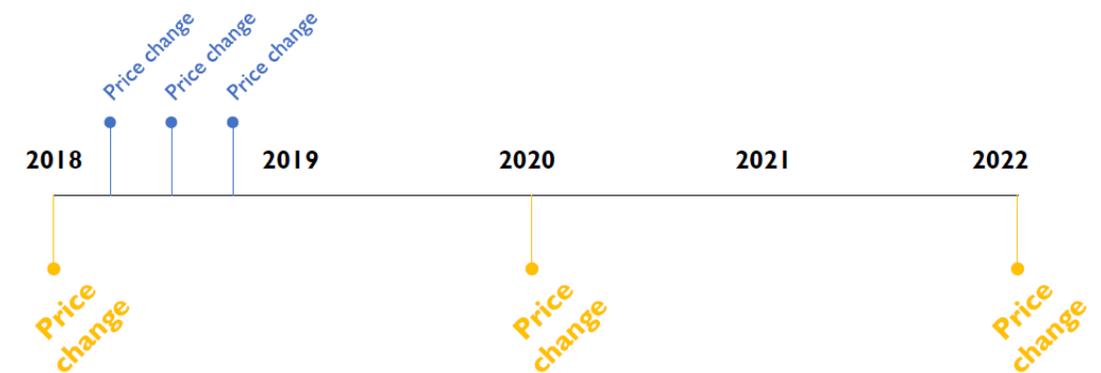
Some preferred smaller, more frequent price changes because they would make less of an impact to their outgoings. Others preferred larger and less frequent changes because they felt it would be easier to keep track of changes and to budget for them in advance.

*"At least with smaller, more frequent changes you're never going to be massively surprised with the increase"-
Least engaged, Manchester*

*"I'd be worried with smaller changes that I wouldn't really realise the price creeping up"
Middle engaged, Llanelli*

*"If I knew a big change was coming every few months I would be able to prepare for it"
Most engaged, Aberdeen*

Smaller more frequent price changes



Larger less frequent price changes

Stimulus: options for price changes (timeline is illustrative and not representative of when prices might change)



PERCEPTIONS OF CHOICE UNDER THE PRICE CAP

While Panellists valued choice in other consumer markets, this was less evident in the energy market

Panellists were asked to think about their shopping behaviours and choice, both in and out of the energy market, and in particular discussed:

- The level of choice offered in other markets they regularly shop in
- Any benefits and drawbacks of this choice
- What choice they think they have in the energy market
- How they think this could be affected by a price cap

Panellists typically valued choice in relation to many of the products and services they purchased. There were a number of aspects that they particularly valued including: price, quality and variety. They enjoyed choosing exciting features, (e.g. shopping for smartphones) or more comfort (as in the case of travelling first class) or a personalised deal (e.g. mobile contract).

While some appreciated choice when it came to gas and electricity suppliers and tariffs, many felt that with the exception of price the factors that they valued in other markets were lacking in the energy market. Panellists also tended to express low interest in the energy market which resulted in them engaging less in the marketplace.

However, some Panellists expressed the need for choice in the energy market, which they currently felt lacking or hard to navigate.

“Without choice you wouldn't have any power, it keeps the companies on their toes.”

Most knowledgeable, Chelmsford

“There's too much choice these days, just deciding what detergent to buy is difficult”

Middle engaged, Manchester

“It doesn't change my perspective. I don't think I would start shopping around – even under a cap.”

Least engaged, Manchester

Some Panellists felt that effective communications would be key to inform consumers about the introduction of the Price Cap

Some Panellists wanted to know more about how the Price Cap would be communicated and therefore, how widely consumers would know about its existence. Many were not confident that consumers would realise that a Price Cap was in place.

It was felt to be important to inform customers that a Price Cap existed to reassure those who were less engaged in the market that they were being protected from excessive charges. There were also fears that without widespread knowledge of the Price Cap, suppliers would simply raise all tariffs, including fixed term tariffs, to the level of the Cap.

“I have a pre-payment meter and I had no idea there’s a Price Cap on that. So how would we know about this?”

Least knowledgeable, Chelmsford

“I’m not sure I’d even know it’s there to be honest.”

Middle engaged, Manchester

“It sounds like a great idea but I wonder if I would even know it was there.”

Middle engaged, Aberdeen

“It could disengage. The channel the Price Cap is presented to people e.g. email, TV phone etc. will have a huge influence on this”

Middle knowledge, Chelmsford

Less engaged Panellists felt the low cap would reduce complexity in the market

As described on page 23, potentially removing the amount of choice of different suppliers and tariffs from the market under the lower cap was frequently seen as a positive, mostly by those who were confused and overwhelmed by the amount of choice in the energy market.

The benefit was perceived as a means of making choosing a supplier easier – and potentially forcing suppliers to compete more in terms of price. This did not mean that it would encourage consumers to be more engaged in the energy market, but they felt that it would make the market less complicated.

The most engaged Panellists were more confident in their abilities to navigate choice and finding a better deal for themselves, wanted to ensure that competition remained healthy and there were still options for finding a better deal in the energy market. For these participants, having a low cap was perceived more negatively.

“Less choice would be a good thing, I might be more likely to engage if I wasn’t so daunted by the amount of suppliers.”

Middle engaged, Manchester

“I’d probably feel more inclined to shop around if it was easier and there were fewer options”

Least engaged, Manchester

“Not only would there be less competition, they might all talk to each other and enter some kind of agreement.”

Middle engaged, Aberdeen

“If there’s no competition, how are things ever going to move on?”

Middle engaged, Aberdeen

None of the other benefits of a higher cap were as tangible for consumers as price, and therefore these were felt to be less important

Panellists were asked to think about other aspects of energy provision that suppliers might decide to not provide if revenues from their SVTs decreased as a result of the Price Cap.

The potential benefits to trade off with lower prices included elements such as: investment in innovation, customer service improvements, efficiency of service, reliability of service and attention to social obligations.

Following on from their initial responses to a lower cap (slide 23), Panellists assumed that a basic level of customer service, efficiency and reliability would continue to exist under a low cap as they felt that a company would not be able to operate without these. They were also unable to imagine what they might gain from a higher cap in terms of innovation, range of suppliers / tariffs or social obligations. In order for these elements to impact on their views about tariffs consumers would need to have more tangible examples of the value of these elements.

There was some support for the development of green electricity generation under a higher cap, with Panellists showing more support for this trade-off than other potential benefits of a high cap.

“Trade-offs are tough to talk around and vary depending on what you are buying. With energy they are not as important as other things.”

Most engaged, Manchester

“Green energy is just used as a marketing tool.”

Most engaged, Manchester

“I think it’s hard for people to understand what customer service really is until something goes wrong.”

Middle engaged, Aberdeen

“I don’t understand what innovation would count as in the energy market.”

Middle engaged, Manchester



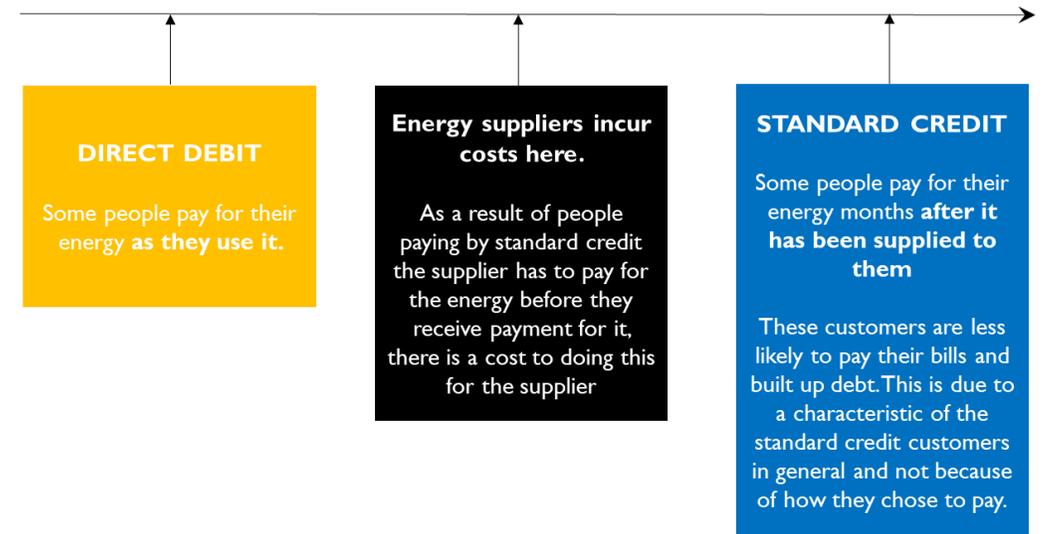
ALLOCATION OF COSTS UNDER THE PRICE CAP

After an explanation about the proposed allocation of costs for Standard Credit customers under the Price Cap, Panellists deliberated on who should cover the related costs currently incurred by suppliers

Moderators explained that Direct Debit (DD) customers are charged for their energy as they use it, whereas Standard Credit (SC) customers pay on receipt of their bill, sometimes a few months after consuming energy.

Such charges are currently covered by the supplier who “credits” the amount to customers until they settle their bill.

Ofgem is exploring how to allocate the costs of debt and administration across customers.



Direct debit customers pay for their energy as they use it and generally pay all their bills and don't build up any debt.

Standard credit pay for their energy months after it has been supplied to them and are generally charged more for energy than direct debit customers. This happens because standard credit customers are more likely to delay / miss payment and build up debt so are more costly for the supplier. However, this reflects on the group “standard credit customers” and not necessarily on the person buying energy specifically.

How should these additional costs be covered?



Stimulus used to explain how a higher or lower cap would affect tariff prices

Panellists generally felt it was unfair for consumers to cover costs incurred by others, but had mixed views about who should incur these

Most Panellists paying with DD initially felt it was unfair for them to pay higher bills to cover for other consumers costs whether it was costs accrued by servicing people paying by standard credit, or delayed payment from paying in arrears.

Some Panellists felt they would be subsidising an inefficient payment type, and questioned why this was an option for customers.

Whilst there was some resistance to sharing the costs of customers paying by standard credit there were mixed views about subsidising vulnerable customers. Some were happy for some of their bill to be used to subsidise these customers whereas others felt that the benefits system was a better way of supporting vulnerable groups.

“Customers should not have to pay for other customers.”
Most engaged, Llanelli

“How do we know the people on standard credit can’t actually pay?”
Most engaged, Manchester

“If they can’t cover the debt of standard credit, then they shouldn’t offer it to people. Just get everyone to pay by direct debit.”
Middle engaged, Manchester

“Unless there’s a real reason why they can’t, if you incur the costs then you need to pay it.”
Middle engagement, Manchester

Particularly engaged customers felt someone else should cover the costs accrued by other customers. Other actors considered were:

SUPPLIER

Many Panellists thought should suppliers cover the costs for three main reasons:

- Many consumers deemed the decision to provide energy to customers as 'risky', and thought they were liable for it
- Also they thought as suppliers had given customers the option to pay by standard credit they should bear the costs
- There was an assumption that suppliers had plenty of surplus profit they could use to cover these costs

"The supplier has taken the risk with standard credit customers so they should cover the costs."
Most engaged, Manchester

SC CUSTOMERS

Most Panellists first instinct was that SC customers should pay for their own debt, even if they more likely to be in debt or vulnerable and therefore in some kind of difficulty.

This related to Panellists' perception of fairness, according to which those who incur a debt should be paying for it, or try to change their behaviour to prevent it from happening.

"Standard credit should pay - they would then realise and should change their behaviour and pay on time or use DD (the fair way)."
Most engaged, Aberdeen

DD + SC CUSTOMERS

Some Panellists gradually opened up to the idea of sharing some of the costs with 'vulnerable people', but on two conditions:

- That their financial, physical or mental difficulties were proven (e.g. via means testing)
- Particularly in the case of financial vulnerability, they were actively trying to help themselves

However, some Panellists felt that suppliers still had a role to contribute in part to support these customers, as that was still seen as part of their responsibility.

"I would be willing to pay a bit more [in case of proven vulnerability], but the supplier should contribute as well"
Least engaged, Manchester

While most felt that vulnerable consumers should be supported, they struggled to agree on what ‘vulnerability’ looks like in practice

Some Panellists talked about the idea of socialising costs to people who were genuinely struggling, in financial or health terms, whom they defined as vulnerable.

However, there seemed to be some confusion about what the term ‘vulnerable’ actually encompassed. Panellists struggled to agree on strict criteria that defined vulnerability - whether related to demographic, physical, or financial characteristics - and often questioned whether the discussed groups were actually in need of support.

Some definitions of what ‘vulnerable’ might mean included:

- Physically disabled
- Mentally disabled/ cognitively challenged
- Students
- The elderly / pensioners
- Minimum wage earners
- Low income households
- Zero hour contract workers

“Vulnerable people already receive benefits, why do we have to help them twice?”

Least engaged, Manchester

“Who decides who is vulnerable and who is not?”

Most engaged, Llanelli

“Happy to pay more but the vulnerable have to be means tested. It can not be for those who cheat the system.”

Most engaged, Aberdeen

“I just don’t think all old people are vulnerable. Or all people in a wheelchair. Some older people and disabled people are perfectly capable of finding themselves a better energy deal”

Least knowledgeable, Chelmsford

CONCLUSIONS



The topics explored by Wave 1 were complex and responses nuanced, but the overarching conclusions were:

- 1** Panellists were generally in favour of the new Price Cap as it was felt it would protect consumers from suppliers excessively raising tariff prices. However, they expressed concerns about consumers not being informed about the changes.
- 2** Panellists did not agree on what would be preferable between a lower or higher Price Cap design. They generally seem to base their preference on which option they would be financially better off under, and did not feel that a different cap design would ultimately get them to change their behaviour (i.e. engaged consumers would keep comparing prices on the market to find convenient offers and disengaged ones would not start to make comparisons because of the Cap).
- 3** Panellists recognised the complexity of allocating costs for consumers on Standard Credit. Many felt positively about helping vulnerable consumers, however, Panellists generally felt that suppliers should bear the majority of these costs.
- 4** It should be noted a consensus was not reached on what constitutes vulnerability, and therefore on the categories of people that they thought should be supported.



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