



# SUSTAINED ENGAGEMENT IN THE ENERGY MARKET

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**REVEALING** REALITY

ofgem

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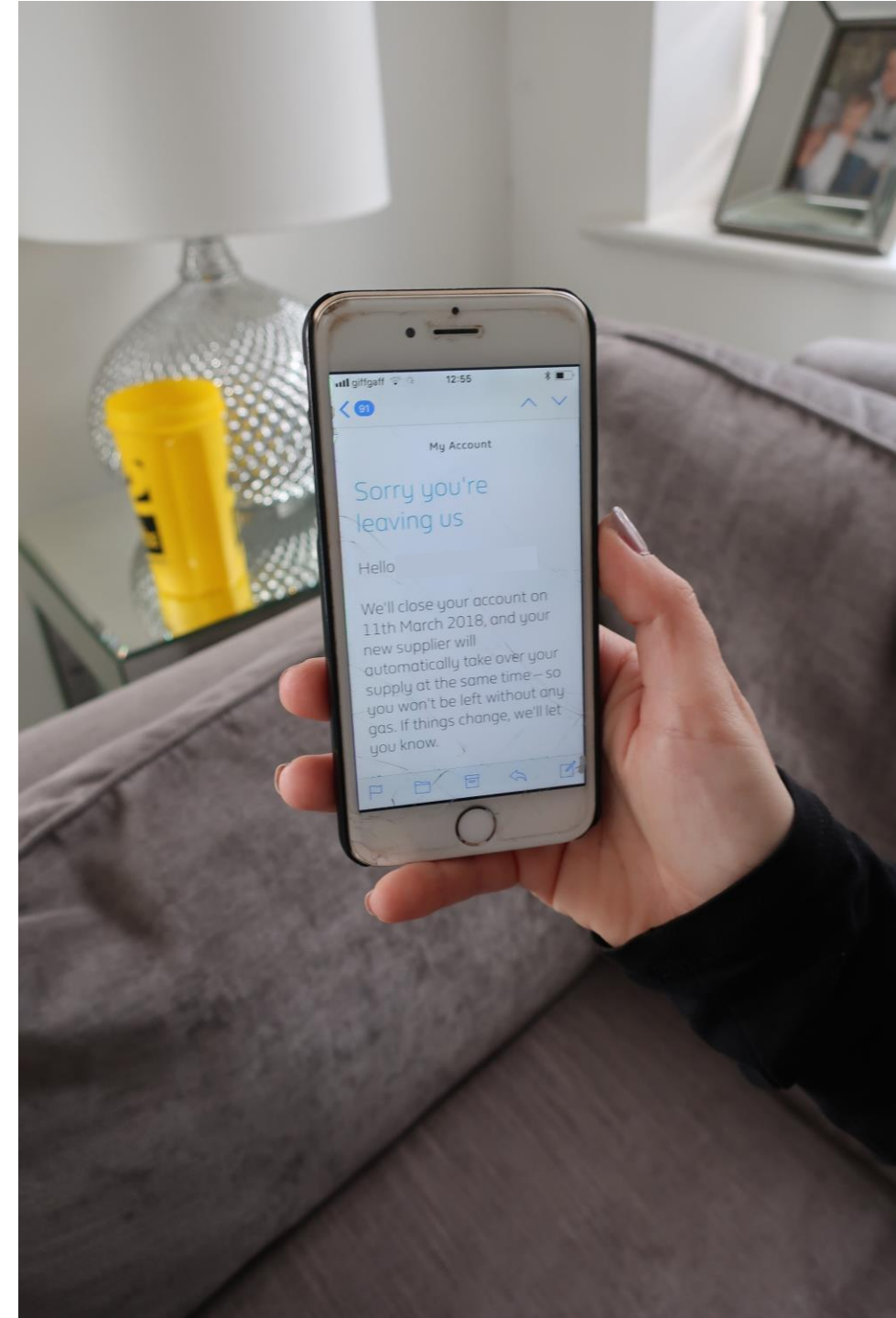
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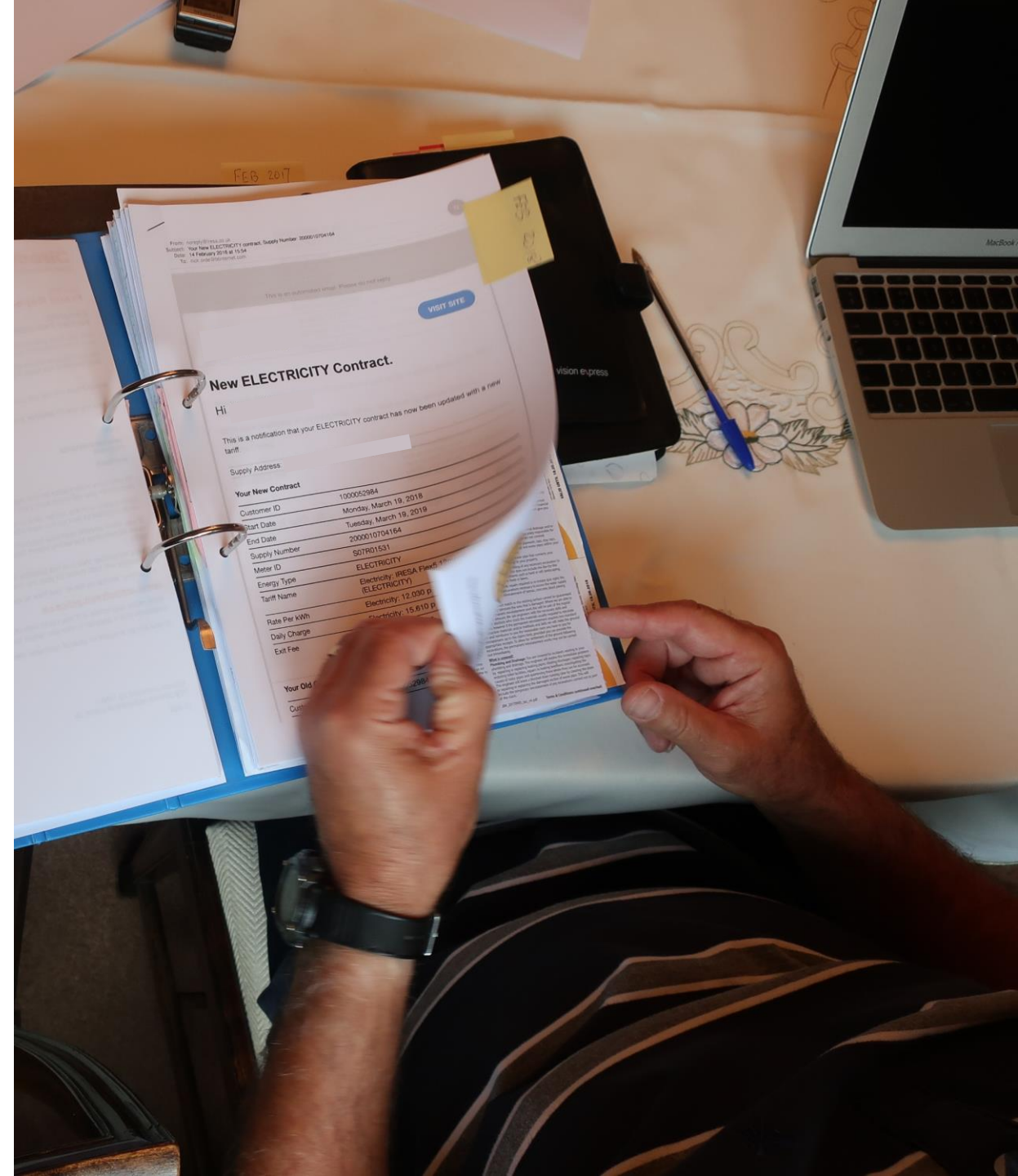


Ofgem and GEMA are working to prompt more 'inert' customers to engage in the energy market and develop innovative interventions to tackle behavioural barriers to doing so.

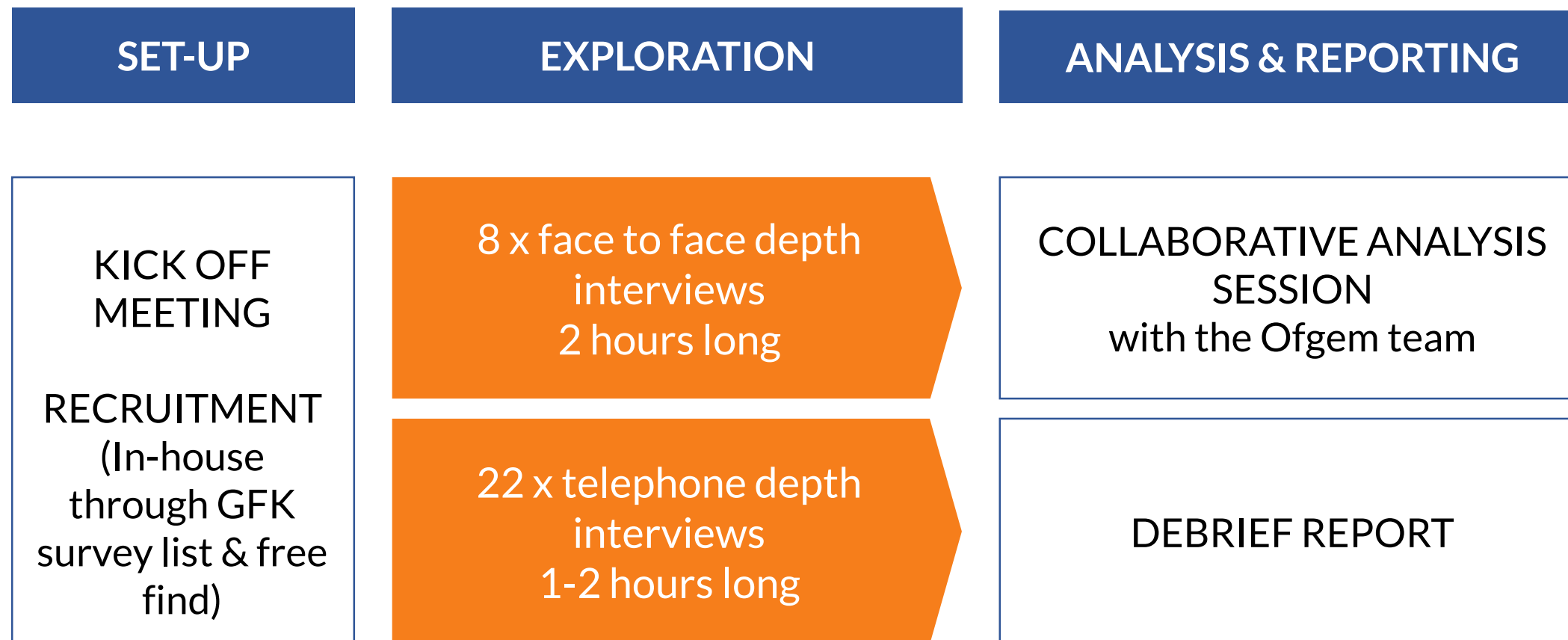
To focus efforts in the development of new prompts, Ofgem and GEMA needed insight into what happens to domestic consumers **after they have engaged in the market** at least once.

Research objectives were therefore to:

- Understand how people behave after a recent switch in tariff / supplier
- Develop a more complete behavioural model for barriers to market engagement (for individuals who have previously engaged)
- Test hypotheses around barriers to sustained engagement with the energy market
- Explore opportunities and levers that can be used to shape engagement behaviour



# Our research approach



# The benefits of our qualitative approach...



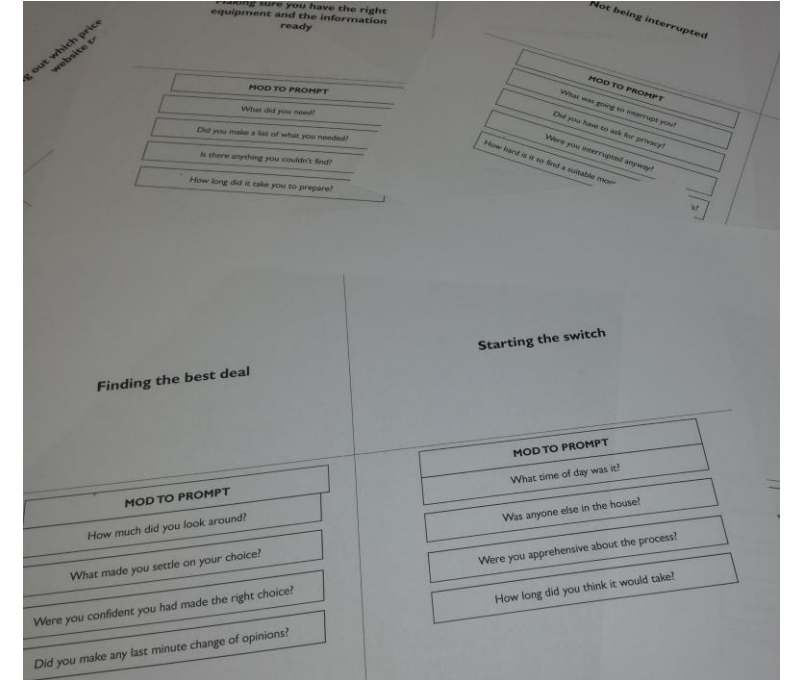
## GREATER UNDERSTANDING OF PARTICIPANTS' BACKGROUND AND EXPERIENCES

Helpful to link their attitudes towards other contracts/money managing to energy



## COLLECTING VISUAL EVIDENCE, GOING BEYOND WHAT THEY SAID

These included bills, communications, the experience they went thorough on price comparison websites



## CHALLENGING RECURRING ANSWERS AND TESTING BARRIERS

We tried to challenge initial answers to get respondents to reflect on their behaviour and motives



# Our sample

- **30** respondents
- A range of switching experiences with both **tariffs & suppliers** (within the past 12 months and up to 5 years ago)
- A range of geographical locations across **England, Wales and Scotland**
- **Vulnerable** respondents (i.e. low income and disabilities)
- A range of **housing tenures** (i.e. owning, renting privately or renting from local authority/housing association)
- A range of **suppliers** (i.e. Big 6, mid-tier and low-tier) and **payment methods** (i.e. DD, SC and PPM)
- A range of **market segmentations**



There are a wide range of experiences of switching, from the very engaged, to those with much less engaged strategies.\*

Ongoing switchers feel more confident about their predicted return on invested effort taken to switch.

Lapsed switchers lack this confidence, and report a number of (seemingly obvious) barriers to remaining engaged.

These reported barriers are actually driven by a number of underlying factors – previous experience with the market, assumptions & myths about the market, and the tendency to post-rationalise excuses for disengaged behaviour.

By tackling underlying barriers, there are opportunities for encouraging sustained engagement that are rooted in increasing motivation and reducing perceived effort of ongoing switching .

*\*There was no visible effect of segmentation on levels of engagement.*



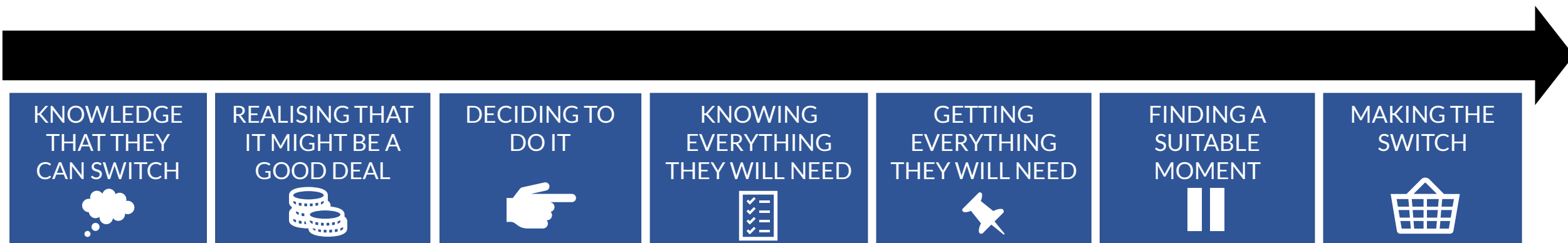


# WHAT ARE PEOPLE'S EXPERIENCE OF SWITCHING

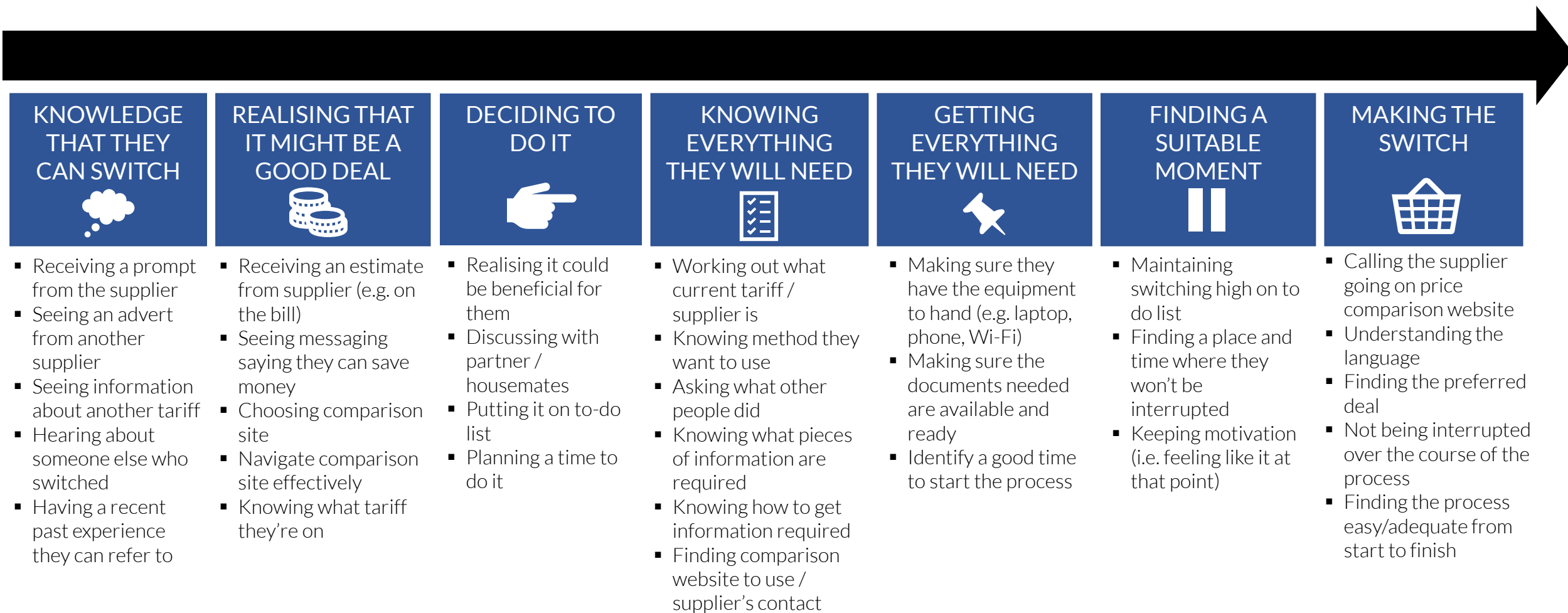




## We explored multiple steps on the journey to switching



## Each of these steps could involve...





## Different participants had diverse switching experiences

All the people we talked to had past experiences with switching their energy supplier or tariff. While some components and attitudes were similar across respondents, many aspects varied.

Most differences seemed to cluster at the beginning of the switching journey – particularly **knowing they could make a relevant saving** and **knowing what they would need**.



# Participants were divided up into different categories depending on their engagement with suppliers/tariffs



## ONGOING SWITCHERS

Switch or compare tariffs or suppliers regularly, and have done so in the past 12 months



## FIRST TIME SWITCHERS

Switched supplier, or tariff with their current supplier, for the first time in a long time in the past 12 months



## LAPSED SWITCHERS

Last switched supplier, or tariff with their current supplier, between 12 months and 3 years ago and not again



## LONG-TERM LAPSED SWITCHERS

Last switched supplier, or tariff with their current supplier, more than 3 years ago and not again



# There are different attitudes and behaviours when it comes to engaging with energy – which we've examined by sample group\*



## ONGOING SWITCHERS

- Have built switching into their routines
- Are organised and keep track/record all communications
- Know when it's time to switch
- Take pride in the possibility of making a saving
- Are confident online and in their abilities to find a better deal



## FIRST TIME SWITCHERS

- Were often prompted by personal contact with suppliers or by an unusually high bill
- Not necessarily confident they'll switch again in the future
- Some were encouraged to switch by a bad experience
- In one instance not aware switching tariff was possible at all



## LAPSED SWITCHERS

- Often not fully aware of their current tariff
- Confused by the language around bills
- Found effort and time to find the best deal not worth the saving
- Sometimes sceptical about the market
- Some were vulnerable and more preoccupied with other life events



## LT LAPSED SWITCHERS

- Similar characteristics to lapsed switchers
- Seemed to be growing more indifferent to the energy market as time went by

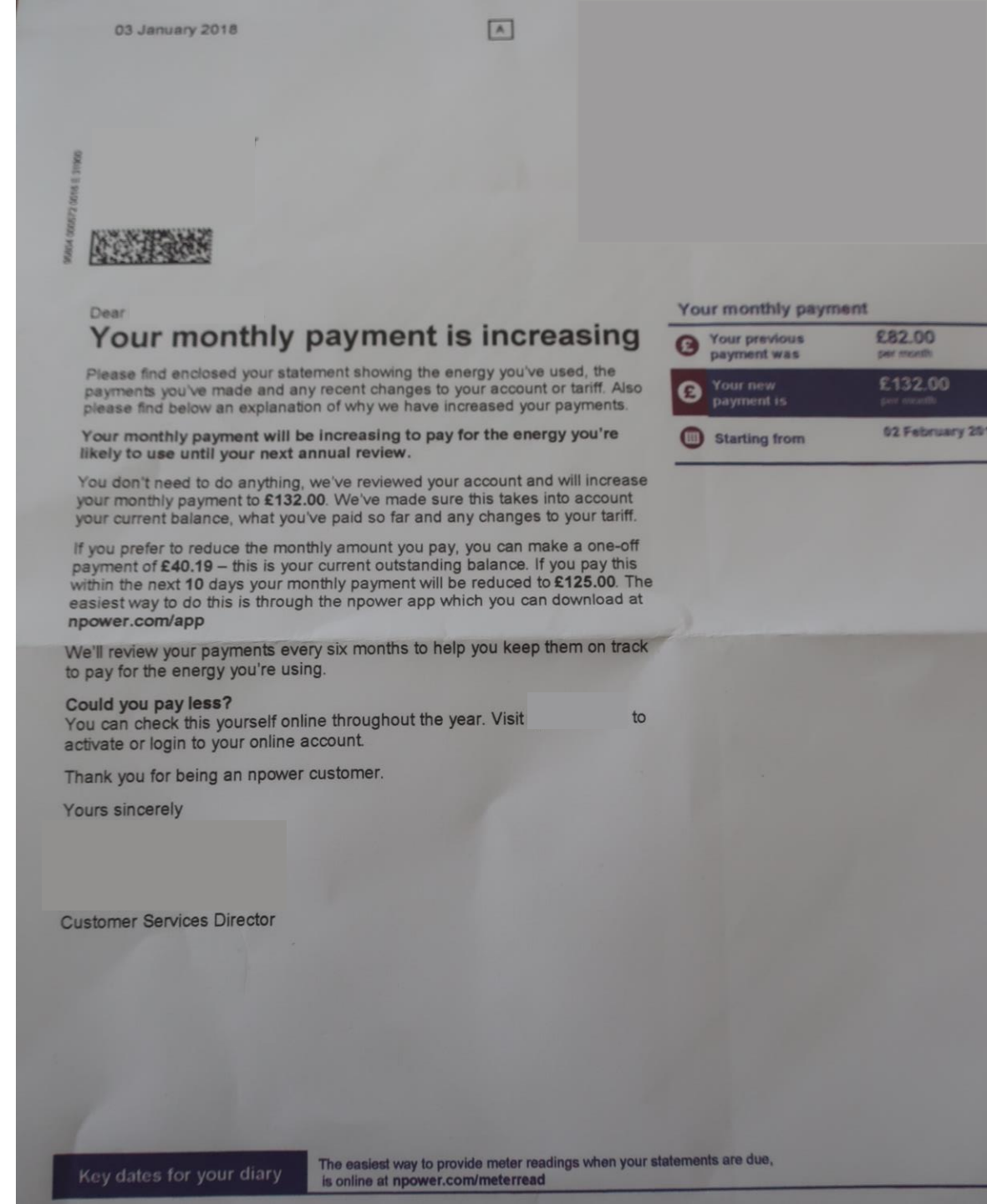
# The current communications

Very few people mentioned engaging or receiving any prompt to engage in the energy market.

Communications that a few respondents mentioned were the end of their tariff notifications from their supplier. When that happened on the phone, it was usually accompanied by the option to switch.

*“On the basis that you could save money, it’s something you should want to look at but it’s onerous with all the minutiae with regards to unit cost. Also suppliers should just give you hard facts and not rely on non-specific advertising that tells you, you could save **up to** a certain amount”*

**Calvin, 48, Long term lapsed switcher, Anxious avoider**





# Attitudes towards contracts in other markets

Respondents displayed different attitudes towards household or personal contracts in other markets



Some **similarities** included:

- People perceive that providers in general are more interested in getting new customers than keeping them – they mentioned this to be the case for broadband, insurance and TV contracts
- Ongoing switchers viewed updating their tariff/reviewing their supplier as keeping up with one of their contracts

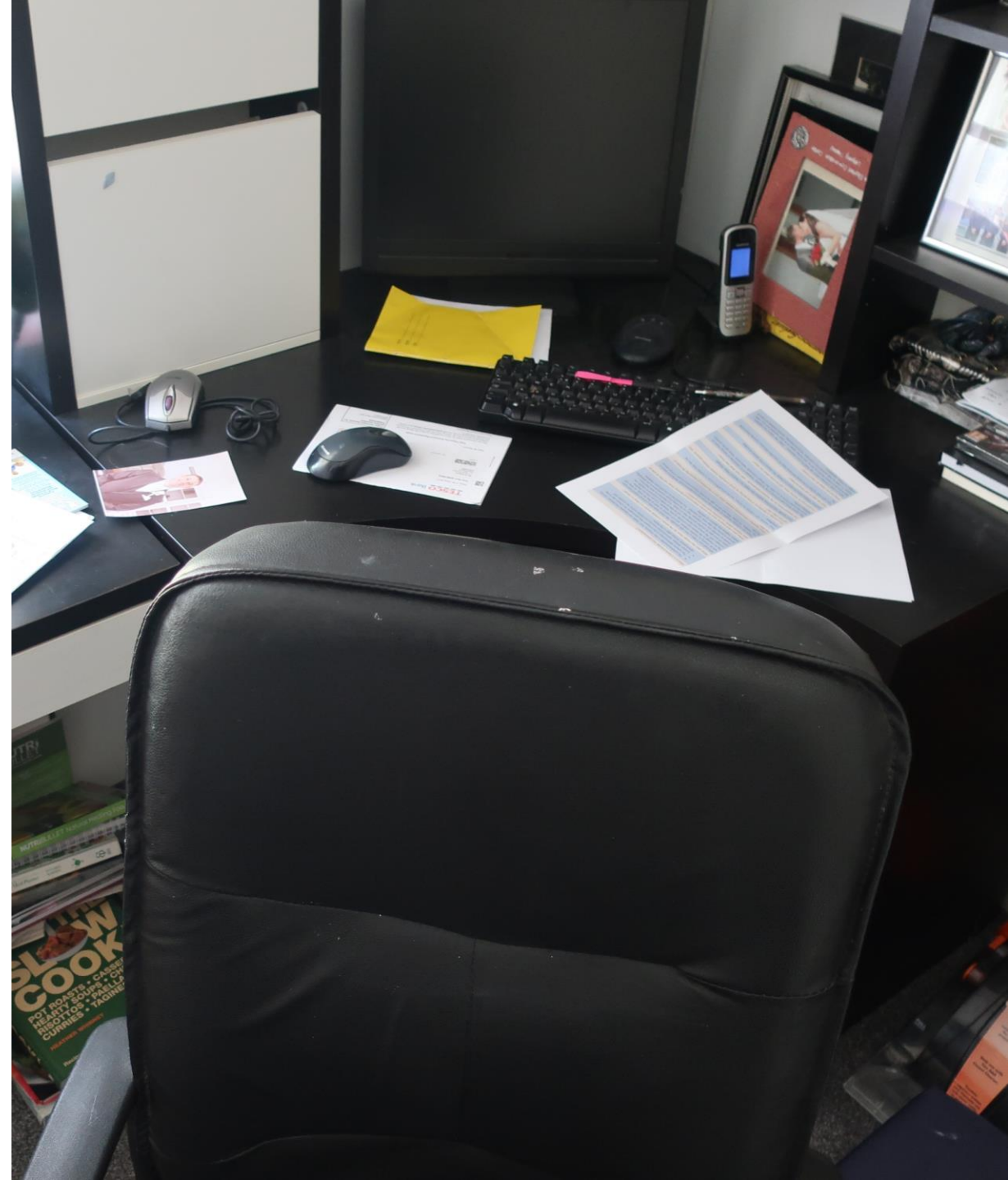


However people perceived significant **differences** between switching in energy and other markets:

- The meaning of 'standard' tariff is different in different markets (e.g. mortgages)
- There seems to be no reliable voice in the energy market. This led some to feeling they were being scammed by those offering great deals
- Many seemed to perceive energy as a need, a service they could neither control nor do without regardless of its conditions, rather than a commodity they could choose the terms of – which was how they saw other services or products (e.g. broadband, phone contracts)
- A few respondents believed that by being loyal to other contracts they received special offers, whereas they didn't observe prices going down for energy by virtue of a long standing relationship
- People appreciated rolling contracts with other household services (e.g. TV contracts), rather than having to renew every year

## When lapsed and long term lapsed switchers were asked why they hadn't engaged in a while, they tended to give some obvious answers

This research sought to understand the *actual* underlying reasons for disengagement, to establish how *sustained* engagement can be encouraged.



# WHAT KEEPS ONGOING SWITCHERS ENGAGED



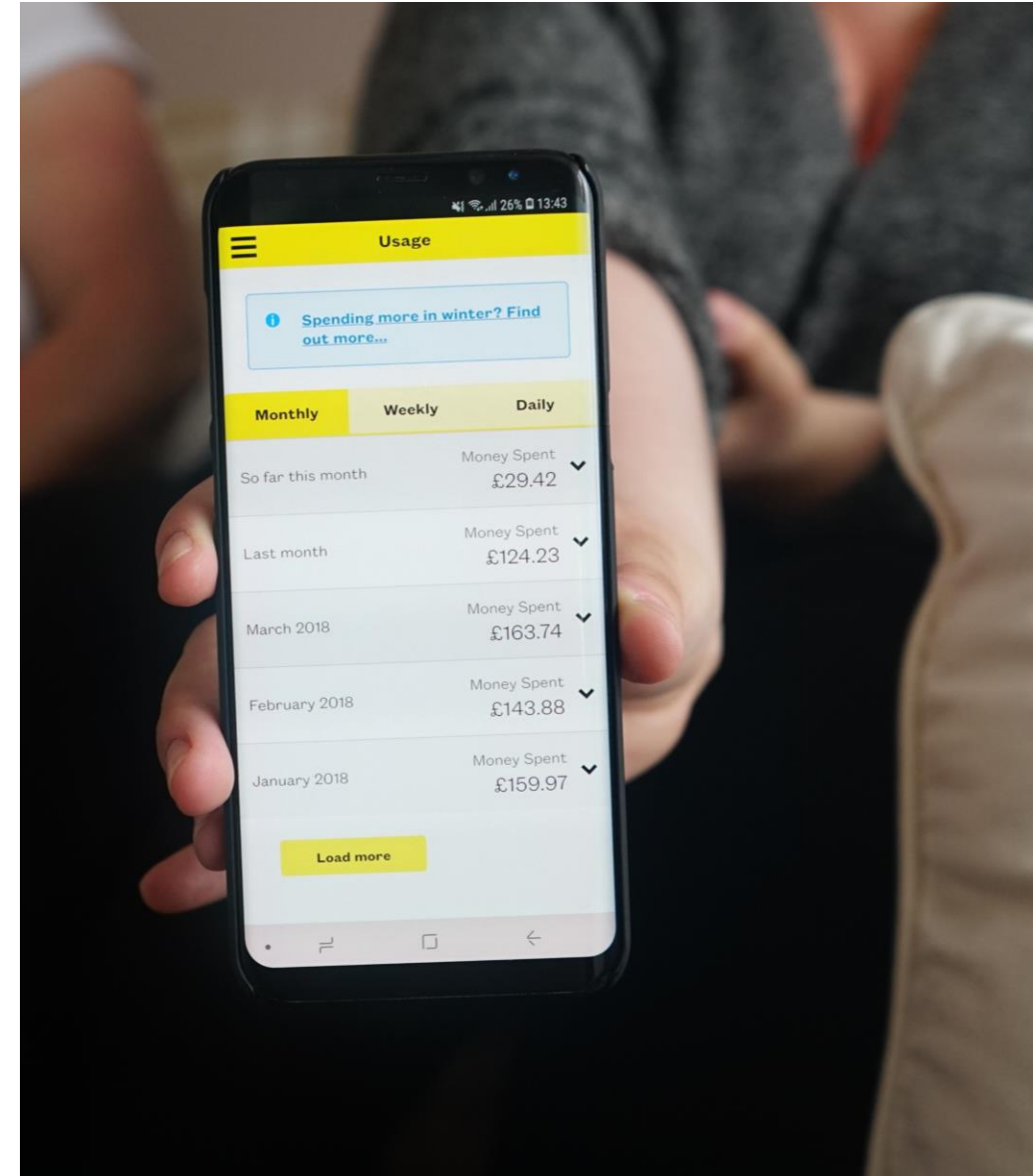


# Ongoing switchers were confident in their abilities and knowledge when it came to energy

They knew / were able to predict:

- **How much** they would save (e.g. felt confident using price comparison websites, kept updated on energy news)
- **How long** switching will take (e.g. relied on experience and expertise)
- **What** they will need - tended to be quite organised (e.g. everything is filed/recorded, have notifications set for when they need to renew tariff)
- How to **narrow down** their choice – developed personal shortcuts (e.g. getting in touch with suppliers in case of tariff switching, navigate suppliers' website/PCWs, notifications from mailings lists)
- How to **prompt themselves** to switch regularly (e.g. calendar reminders, treating switching as another one of their contracts)

This means they had a clear sense of the **return on their invested time and effort** in switching



## Filing and organisation

Ongoing switchers kept a record of bills and communications with their suppliers and were used to keeping an updated filing system.

This was also often the case for the other household contracts they managed.

*"I usually save stuff either to Dropbox or print it and file it to make sure I always have a record."*

**Jerry, 36, Ongoing switcher, Happy shopper**





## Making time vs. having time

They generally regarded switching as one of the other regular household admin activities, and as such, they made time for it.

This is as opposed to some first time switchers, who found the time only after a life event for which they had to spend time at home (e.g. having a baby).

*"I know that every February my contract will end so I will make sure I have half a day to look at deals online."*

**Nigel, 70, Ongoing switcher,  
Market Sceptic**





# Thorough understanding of the language

Ongoing switchers understood the language used in bills by suppliers and had a thorough understanding of different tariffs.

Because of this they knew what they *were* on and what they *could be* on.

*"They try to make it as confusing as possible, but I know to work it all out myself"*

**Nigel, 70, Ongoing switcher,  
Market sceptic**


 Your electricity account number:  
**99123 45678**




 Mon-Fri 8am-8pm Sat 8am-2pm  
**0800 980 9651**

## Here's your estimated electricity bill

For the period: 23 November 2012 to 22 February 2013

Dated: 24 February 2013

## Your previous bill

You owed us £93.76

Your payments, thank you £50.00 credit

**Balance after your payments £43.76**

## This bill

Electricity charges £111.18

**Charges this bill £111.18**

We've explained your bill in detail over the page...

**Please pay now £154.94**

## Your estimated reading

0 0 3 4 3 3

You can give us a reading anytime at

or by calling our Meterline on  
**0800 389 55 33**

## Good News!

You could save £46 a year with  
 Direct Debit and paperless billing.

## Prompt payment offer

Get £5.00 off your next bill by making  
 sure your full payment reaches us  
 before 5 March 2013.

138  
208  
32

Reference

Credit Account Number

Amount due

257 1757

£ 154.94


Cashier's stamp and initials

Signature

Date



6552 4390 8904 4612 1947


**NatWest**  
 Scottish & Southern Energy  
 Collection Account

Cash

Cheque

£

£

Please do not write or mark below this line and do not fold this payment slip

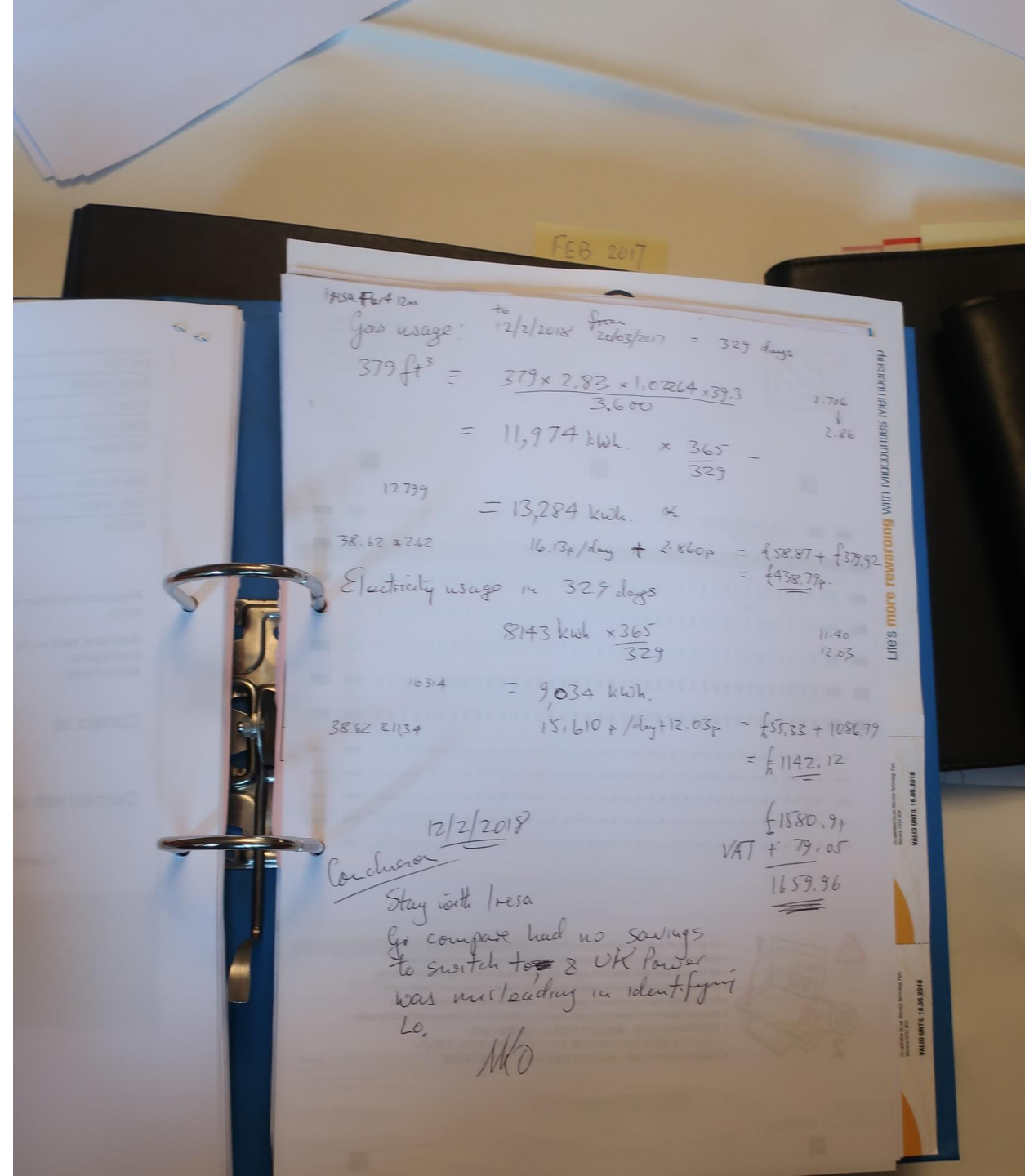
# Awareness of how much an SVT costs

They generally knew how much money they could save by being on a fixed tariff, sometimes because of past experiences on an SVT.

For this reason they didn't want to repeat the mistake of wasting money by being inactive.

*"Previously I was on a standard rate contract roll over and had just been letting it run, not realising that I could be getting a better rate on a fixed rate tariff. That won't happen again."*

**Olive, 36, Ongoing switcher, Savvy searcher**



## Sense of pride in making a saving

Ongoing switchers often felt rewarded by saving money switching to a better deal.

They seemed to be internally motivated to switch, rather than needing an external incentive as lapsed and long term lapsed switchers.

*"I don't think it's hard at all, it's just something you do. It takes longer to try and get my husband involved, so he's aware of how much we're saving"*

**Rosie, 46, Ongoing switcher, Savvy Searcher**





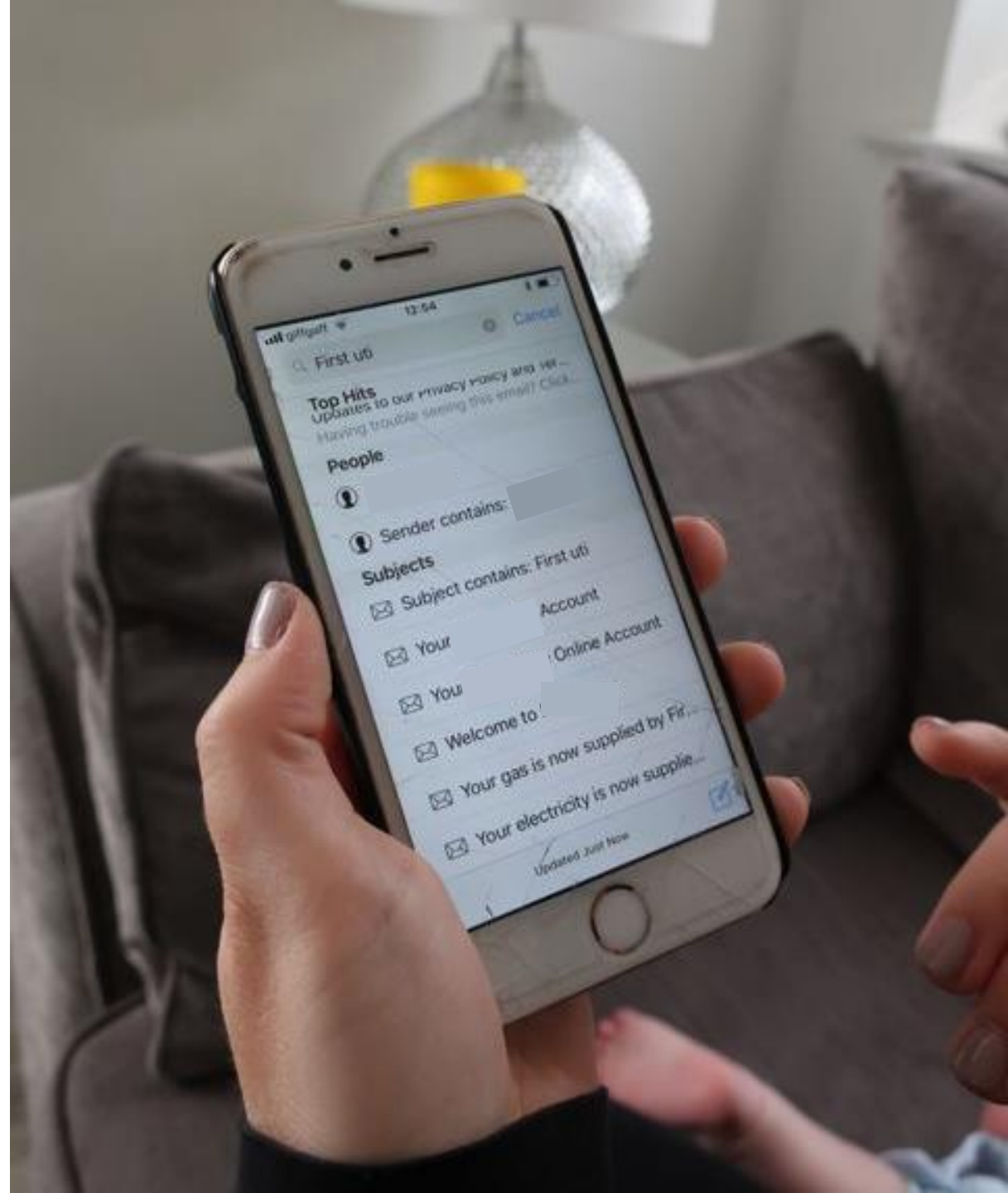
## Strategies to narrow down choice

They developed strategies to find a good deal, narrowing down the choice of available suppliers and tariff.

This could be, for instance, in the way they used price comparison websites or by subscribing to dedicated newsletter.

*"I get information from [money saving guide] on the best deals. I usually use this to choose my new tariff or supplier "*

**Beth, 38, Ongoing switcher,  
Happy Shopper**



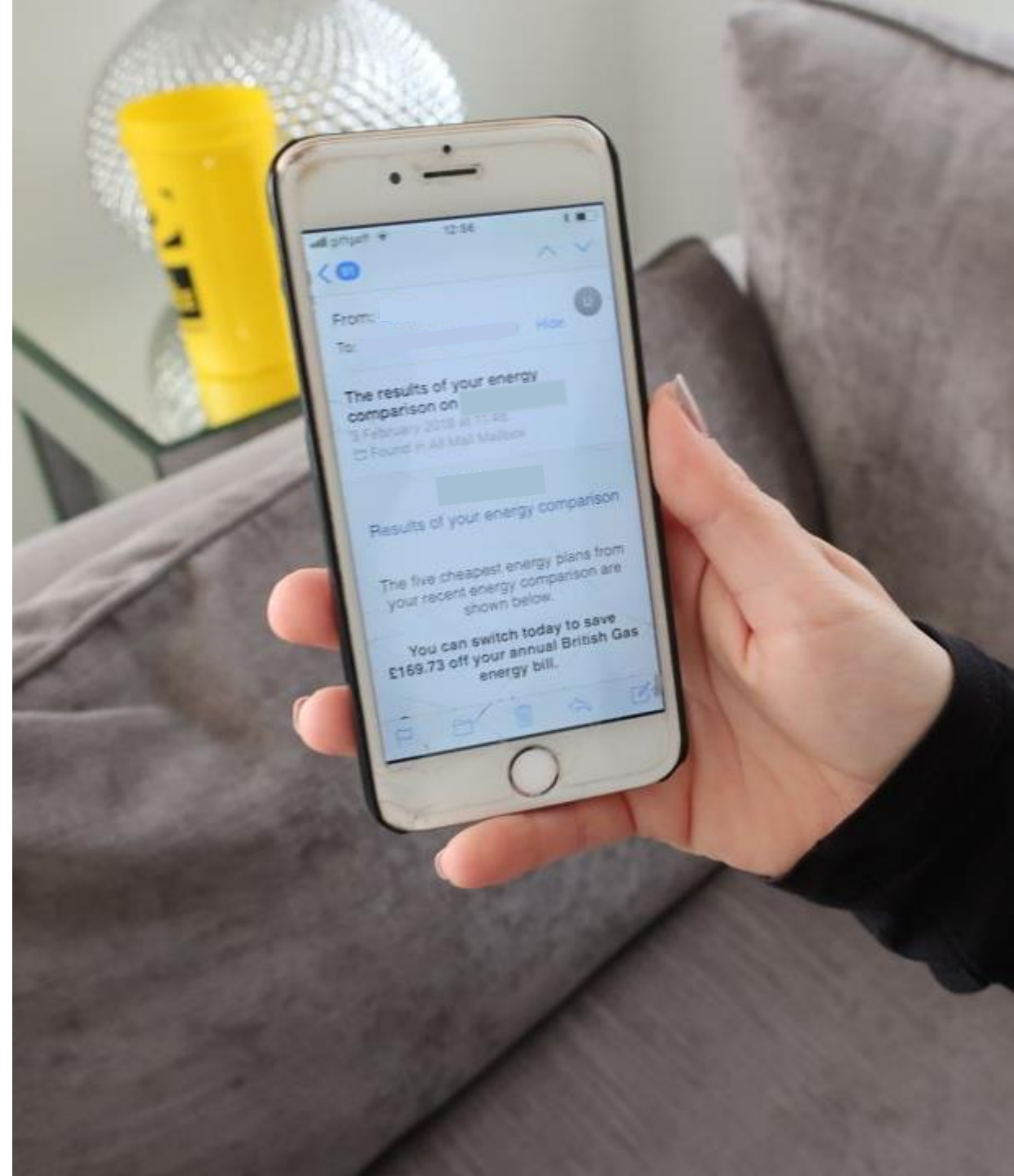
## Settling for a *better* deal

Ongoing switchers are willing to compromise on finding the **best** deal - which would involve a lot of invested time and effort – in favour of settling for a **better** deal, with minimal effort.

This is as opposed to lapsed switchers who often sacrificed getting a **better** deal, scared of wasting too much time looking for the **best** one.

*“[Supplier] will send me a list of a few tariffs and then I will choose which one looks the best out of those”*

**Rory, 37, Ongoing switcher,  
Hassle hater**



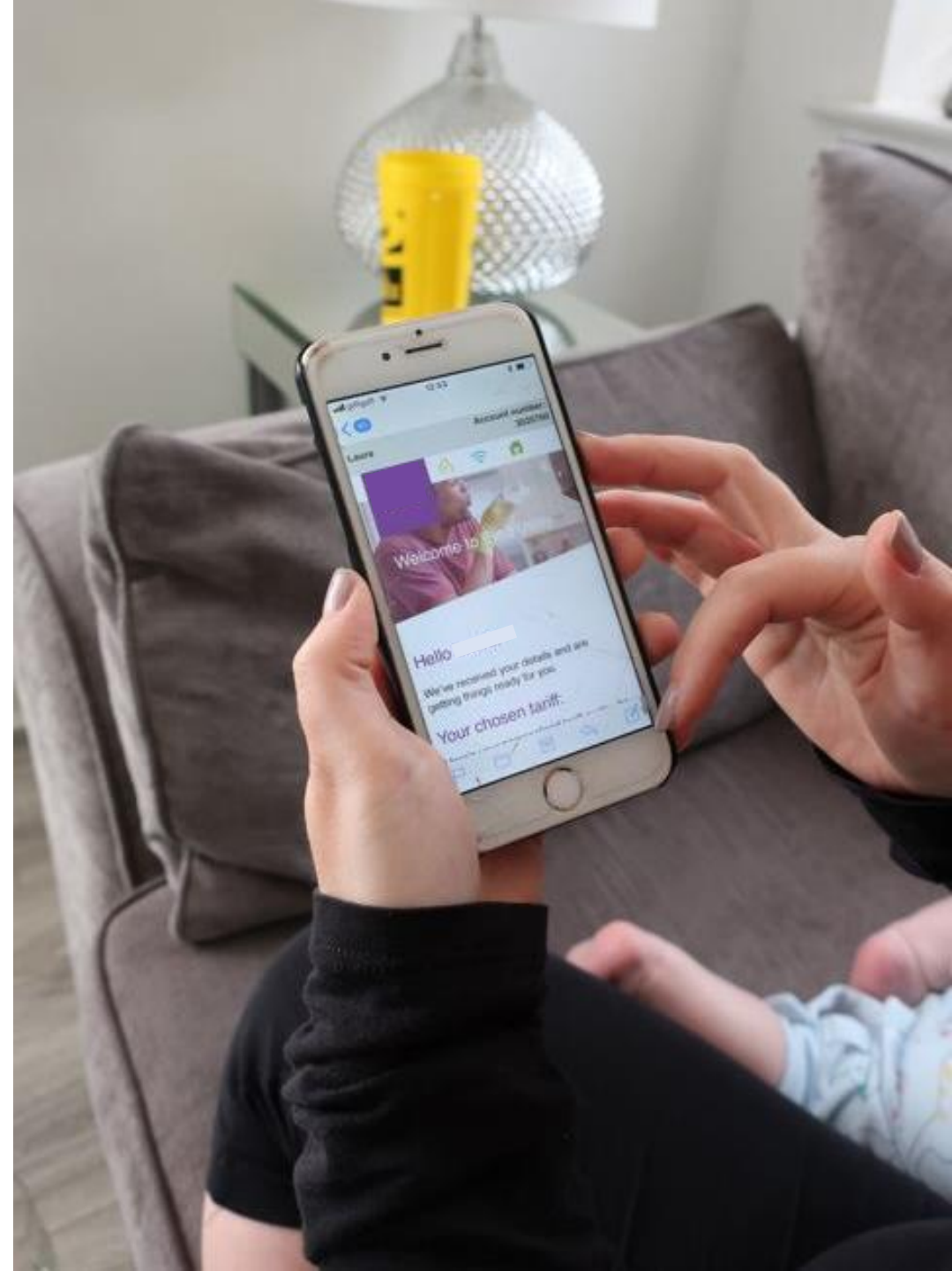
## Ongoing tariff switchers are a bit of an exception

Tariff switchers seem to sit mid-way between ongoing and lapsed switchers in terms of attitudes and strategies.

They have some of the strategies of ongoing switchers but still are reluctant to shop around for suppliers, and share some of the barriers stopping lapsed switchers from engaging.

*"I switch tariff because that's what you're supposed to do these days but I wouldn't know how to choose another supplier. If you switch you just go into bed with another unpleasant person"*

**Larry, 52, Ongoing tariff switcher,  
Market sceptic**







# WHAT STOPS PEOPLE FROM STAYING ENGAGED: THE OBVIOUS ANSWERS

## *Answer 1: I'm happy with what I have*

Some people said they prefer to stay on with their current suppliers rather than try a new provider.



### **Tanya, 53, Long term lapsed switcher, Happy shopper**

Lives alone in Leicester and works as a part-time shop-keeper. She switched to [supplier] after [other supplier] sent her a high bill.

*"I'm just happy with the status quo at this point."*



### **Sinead, 32, Lapsed switcher, Anxious avoider**

An Office Manager from Uxbridge, Sinead is happy with her suppliers and has no intention of switching in the near future.

*"I don't have any problem with [supplier] so why switch?"*

## Answer 2: **It's a hassle**

Some said that their perception of the time required to research and switch put them off engaging.



**Lily, 28, First time switcher, Anxious avoider**

A GP living with her husband (a barrister) in Manchester. They recently got married and don't have much spare time together.

*"I have no inclination to shop around. It's just such a hassle."*



**Ishmael, 29, Lapsed switcher, Anxious avoider**

Works in construction and lives alone in South Wales.

*"I would change my tariff but not my supplier. I think there will just be too much paperwork involved in changing supplier."*



## *Answer 3:* **I won't be able to make a good enough saving**

Some respondents didn't believe engaging would pay off enough for it to be financially worth it.



**Felix, 75, Lapsed switcher, Happy shopper**

Retired and lives on his own in London.

*"Maybe I'm just lazy but I just don't believe I could make a big enough saving."*



**Donald, 54, Lapsed switcher, Hassle hater**

Lives on his own with his cat in Derby. He had a previous bad experience with [supplier] and has been with [other supplier] since.

*"The saving I could make just wouldn't be worth the hassle."*

## *Answer 4:* **I don't know how to choose**

Some individuals said they were overwhelmed by the amount of information provided and were intimidated by the process.



### **Victoria, 55, Lapsed switcher, Market sceptic**

Victoria lives on her own in Holt after her two sons moved out. She is confident in managing her finances but isn't confident when it comes to managing her energy.

*"I just don't know what it's all meant to equate to, so I don't know how to make the right choice for myself"*



### **Ellie, 50, First time switcher, Savvy searcher**

Registered carer for her 23 year old daughter. Daughter's twin also lives with them. She receives Universal Credit.

*"I'm confused about what is available to me as an option because of my financial situation. I really don't feel I can make a well-informed choice."*

## Answer 5: I can't find the time

Some said they struggled to find time to sit down and go through the process, or didn't sufficiently prioritize it to do it regularly.



### Greg, 24, Lapsed switcher, Savvy searcher

A data analyst who lived with his girlfriend. Considers self to be highly organized.

*"I really only complete tasks when there's a sense of urgency. It's not a priority if there isn't a deadline."*



### Calvin, 48, Long term lapsed switcher, Anxious avoider

A married father of two who works as an IT manager.

*"I know I'm not on the best rate and that I could be saving money but the limelight has been stolen by other money issues...mortgage considerations, funding for extension, holidays etc. I just haven't had the time to do this yet."*



## *Answer 6:* **I don't trust any of the suppliers anyway**

Some consumers said they were distrustful of the energy market as a whole, believing that switching wouldn't ultimately bring them any advantages



### **Larry, 52, Ongoing (tariff only) switcher, Market sceptic**

Larry is an education consultant, he lives in the south with his wife. He switches tariff regularly, but doesn't trust suppliers enough to switch from [supplier].

*"I don't feel overly positive about any of the energy people because I really don't think they want to provide a good value service"*



### **Lucinda, 53, Long term lapsed switcher, Hassle hater**

Charity manager, lives alone in London

*"I point blank wouldn't switch to one of the bigger energy companies. They're rip-off merchants. They are profit-driven and have foreign shareholders who don't give a damn about Brits living in fuel poverty."*

A man with dark, curly hair and a light beard is sitting on a dark couch in a dimly lit room. He is wearing a light pink, long-sleeved button-down shirt and is looking down at a smartphone he is holding with both hands. The room has warm, yellowish lighting, and a dark jacket is hanging on a coat rack in the background. A semi-transparent white box with bold white text is overlaid on the left side of the image.

**WHAT STOPS PEOPLE  
FROM STAYING ENGAGED:  
DIGGING DEEPER**

# The barriers that sit behind the 'obvious answers' were driven by different factors...



EVIDENCE



MYTHS



EXCUSES





## Evidence: Barriers based on previous experience

- Knowing how much effort it took, the prospect of having to re-engage every year indefinitely into the future felt disheartening
- Life stage events / circumstances taking over priority (e.g. having a small child, disabilities)
- Past bad experience (this can also be with supplier from another sector, and now gets associated with switching energy)
- Confusion around the definition on bills and other communications prevented some knowing how they could improve
- Many didn't understand different tariffs available, which leads them to settle for what they have
- Unless an energy supplier treats them badly, people have a neutral opinion
- Fear, based on past experience, that the supplier they are leaving will cause problems and make it difficult for them to get the switch done
- Getting to a personal interface to discuss switching is not always possible

*"I'd had a problem with [supplier] in the past where they weren't taking payments and then served me with a massive bill. It was resolved but not to my satisfaction and it makes me a bit nervous when dealing with suppliers"*

**Victoria, 55, Lapsed switcher, Market sceptic**

*"I switched once from [supplier] to [supplier] but my bills went up loads. I switched back after that and stuck with [supplier] since then"*

**Laura, 59, Long term lapsed switcher, Contented conformer**

*"Even after using a [switching service] you still need to work it out yourself to know how much you will actually be spending."*

**Joelle, 47, Lapsed switcher, Hassle hater**

*"You just pay when you need it so I just don't have a problem with it. It works for me."*

**Tanya, 53, First time switcher, Happy shopper**



# Myths: Barriers based on assumptions about the energy market

- Suppliers are all in it together to make huge profits, so it's not actually possible to make a saving
- Most suppliers perceived as offering the same level of service overall, this prevented some from proactively researching into new suppliers and offers
- There is a lot of paperwork involved and switching takes a lot of effort
- They could find themselves without energy while switching
- Switching to a less known supplier might mean that they'll be cut off if they go bust, so that's a chance they're not willing to take
- Wariness about the transparency/accuracy of information found on price comparison websites
- The number of people trying to persuade them to switch made it feel like a 'scam'
- Perception that there is lots of paperwork involved, which will make it difficult and time consuming
- Prices don't actually vary all that much, so it's not worth taking the time to switch

*"I would rather be with a bigger brand that I know and have used in the past. The smaller suppliers might go bust"*

**Rory, 37, Ongoing switcher, Hassle hater**

*"It's only [supplier] that offer a special tariff for the registered disabled. They have to give you the cheapest tariff"*

**Laura, 59, Long term lapsed switcher, Contented conformer**

*"I imagine there's a lot of paperwork to fill. Any paperwork is paperwork."*

**Ishmael, 29, Lapsed switcher, Anxious avoider**



## Excuses: Barriers based on post-rationalisations of behaviour

- They're not the kind of person who cares about saving a few pounds
- They are happy with the 'status quo'
- They'd rather not have to deal with sorting out hypothetical issues with a new supplier
- Some said they didn't feel safe selecting brands they had never heard of
- Some said they felt some loyalty towards their current supplier
- Fear of sorting out issues with supplier later down the line
- For many it's not seen as a priority against other life issues with a more pressing deadline
- They won't be able to find the best deal anyway
- A considerable saving is too good to be true

*"I won't be checking every year unless something happens"*

**Amy, 25, First time switcher,  
Happy shopper**

*"I know it doesn't take long to switch but I just don't want to risk having to spend time sorting out a problem over the phone with a new supplier"*

**Sinead, 32, Long term lapsed switcher, Anxious avoider**

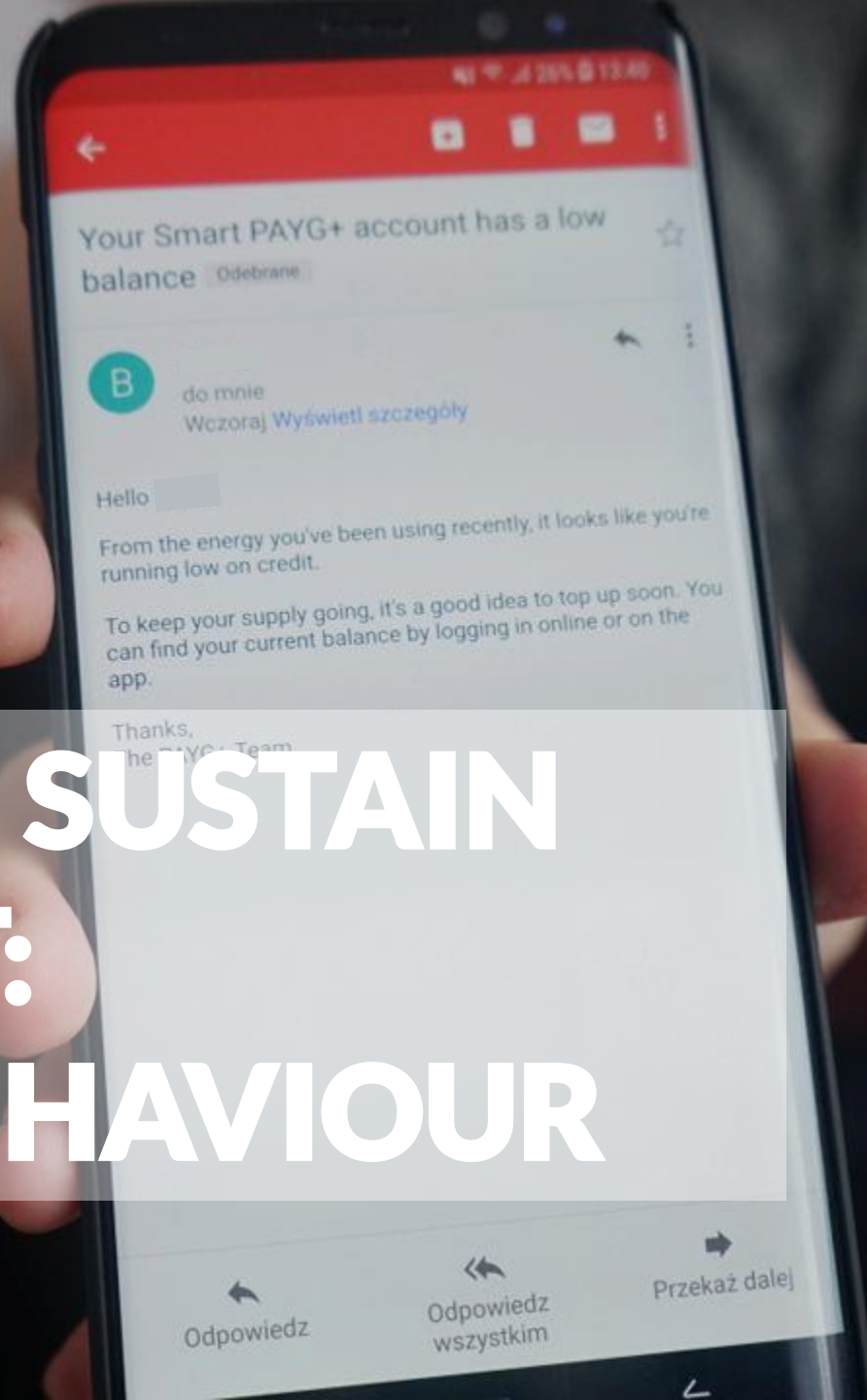
*"I'd be wary of any advert telling me I could make a saving of £100. I'd think it was a scam"*

**Gabrielle, 35, First time switcher, Hassle hater**

*"I talk to a lot of older people and they don't switch because of this blind loyalty. But I don't get it, what have they ever done for you? If everyone switched suppliers there would be lower tariffs because there would be competition"*

**Jerry, 36, Ongoing switcher, Happy shopper**

# HOW CAN WE SUSTAIN ENGAGEMENT: CHANGING BEHAVIOUR





# Modelling behaviour to work out how to change it

## Behaviour = Motivation, Ability & Trigger



### Motivation

Ongoing switchers...

- Want to **save** money
- Believe savings will be **enough** to bother with
- See themselves as the **kind of person** who switches and saves



### Ability

Ongoing switchers...

- Are **confident** in their ability to switch
- Believe switching is relatively **easy**
- Have developed **strategies** to make switching decisions easier



### Trigger

Ongoing switchers...

- Have **built prompts** to engage into their lives

## Behaviour = Motivation, Ability & Trigger

HIGH  
MOTIVATION

### MOTIVATION

Things that *motivate*  
people to *do* something

LOW  
MOTIVATION



HARD TO  
DO

### PERCEIVED ABILITY

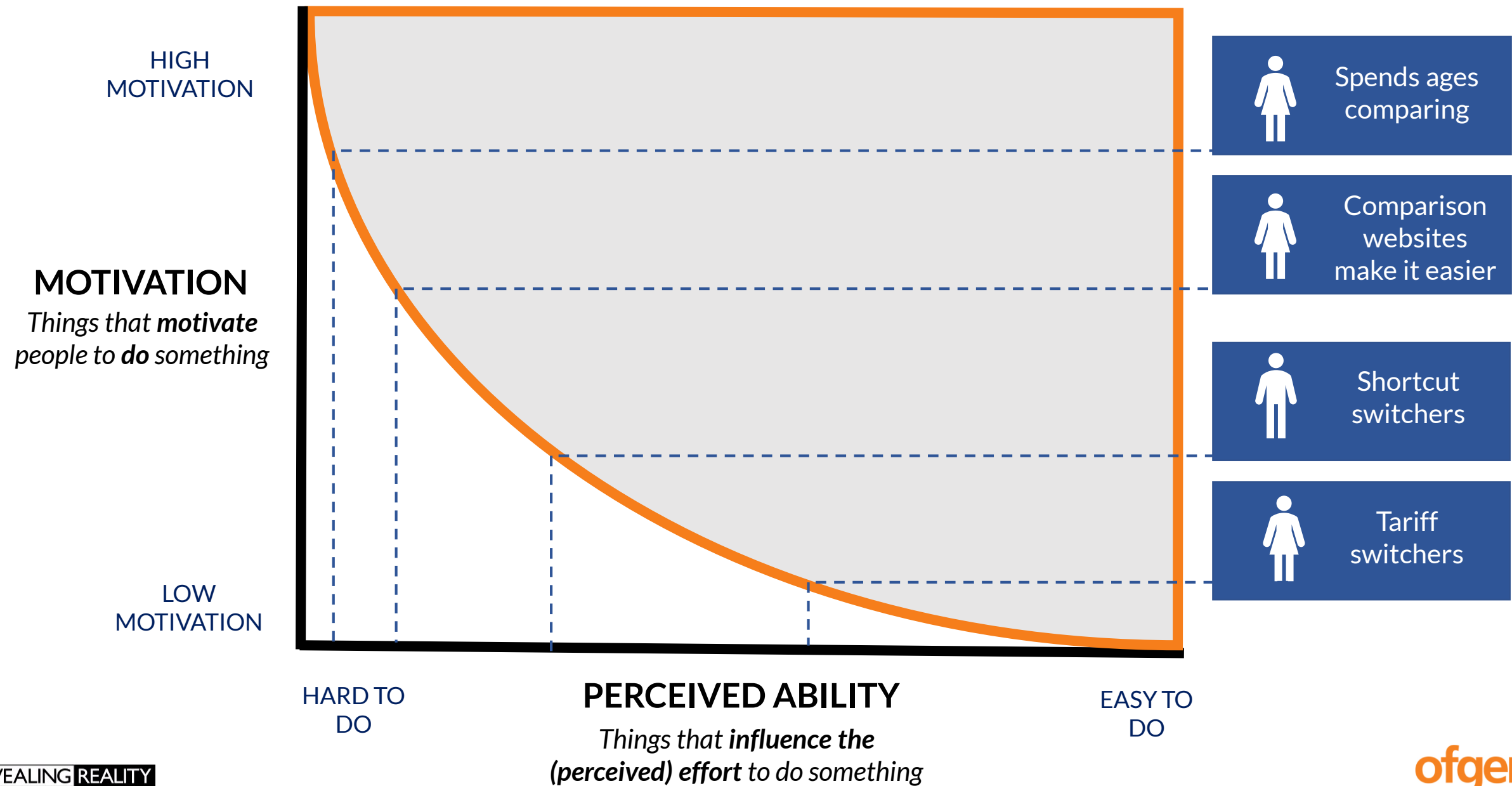
Things that *influence the*  
(perceived) *effort* to do something

EASY TO  
DO

Behaviour is driven by **motivation** (i.e. willingness to take action), **perceived ability** (i.e. perceived effort to take action) and **triggers** (i.e. prompts to take action).

Triggers will be effective if the conjunction between levels of motivation and perceived ability fall on or above the action line

# Mapping the behaviour of ongoing switchers...



# Opportunities to change behaviour



Increase **motivation** and  
**perceived rewards** of switching



Reduce the **perceived effort** of switching regularly

And in conjunction with the above...



Encourage **prompts** to  
engage





## Increasing motivation and the perceived rewards of switching regularly



### Making switching more appealing...

E.g. Emphasising scale of savings

### Making not switching less appealing...

E.g. Reframing “Standard Variable Tariff”

## Reducing the perceived effort and difficulty of switching regularly



### Making the process easier

*Tackling the barriers based on experience & evidence*

E.g. Providing shortcuts for choice

### Making the process seem easier

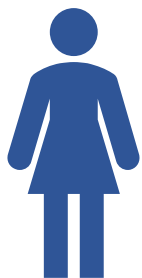
*Tackling the barriers based on assumptions & myths*

E.g. Reinforcing that a better deal is better than nothing

A close-up photograph of a person's hands holding a gold-colored smartphone. The person is wearing a light pink, long-sleeved shirt and a blue wristband on their left wrist. The background is blurred, showing a yellow cushion and a dark blue surface. A semi-transparent white banner with the text "CASE STUDIES" is overlaid on the left side of the image.

# CASE STUDIES

# Tanya, First time switcher, Happy shopper



Tanya is 53 and lives alone in a council flat in Leicester

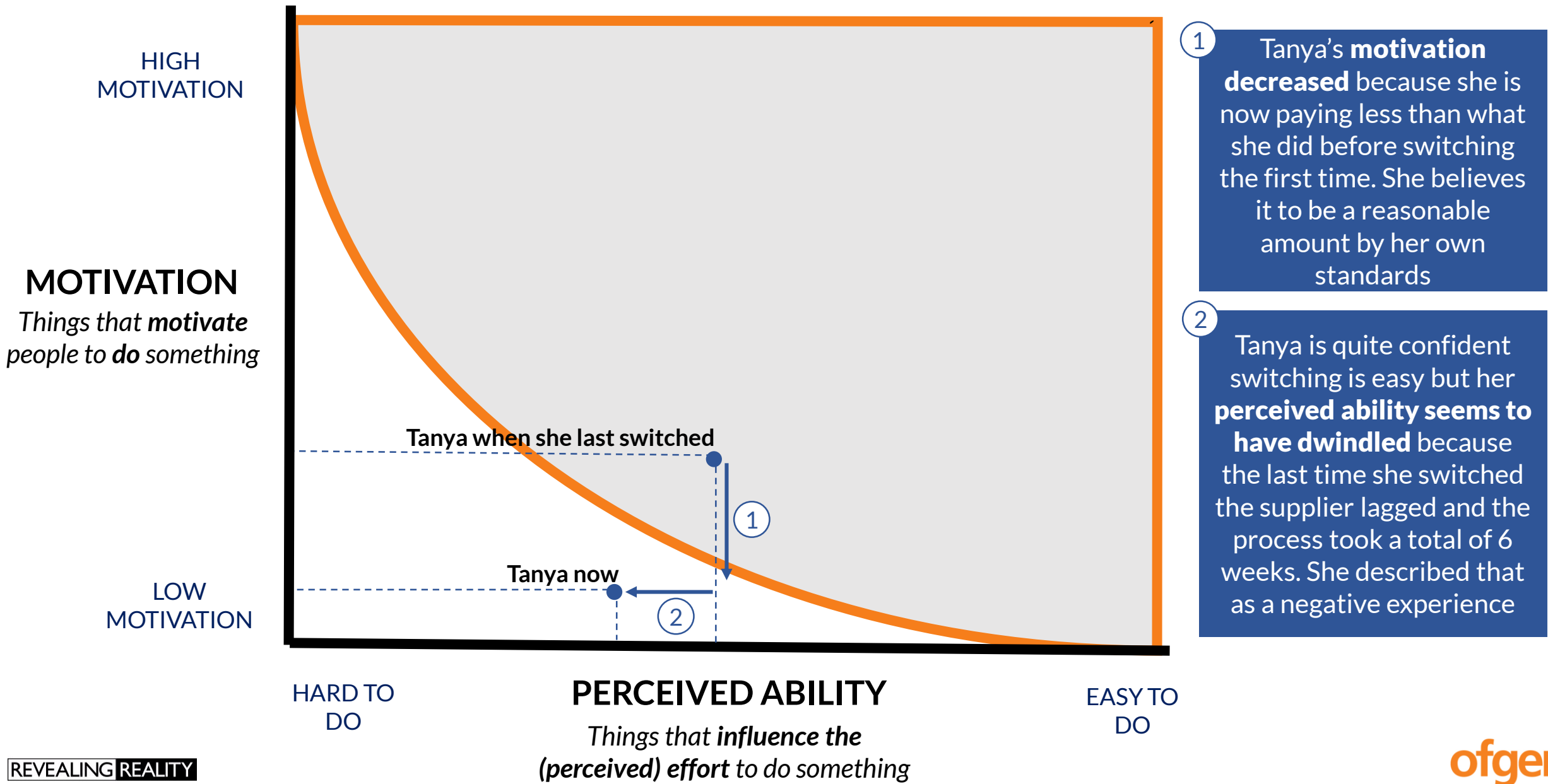
She used to work as a care assistant and now she works as a part-time shop assistant

She has 3 daughters aged 34, 30 and 22

*"I'm not wealthy by any means but I manage okay"*

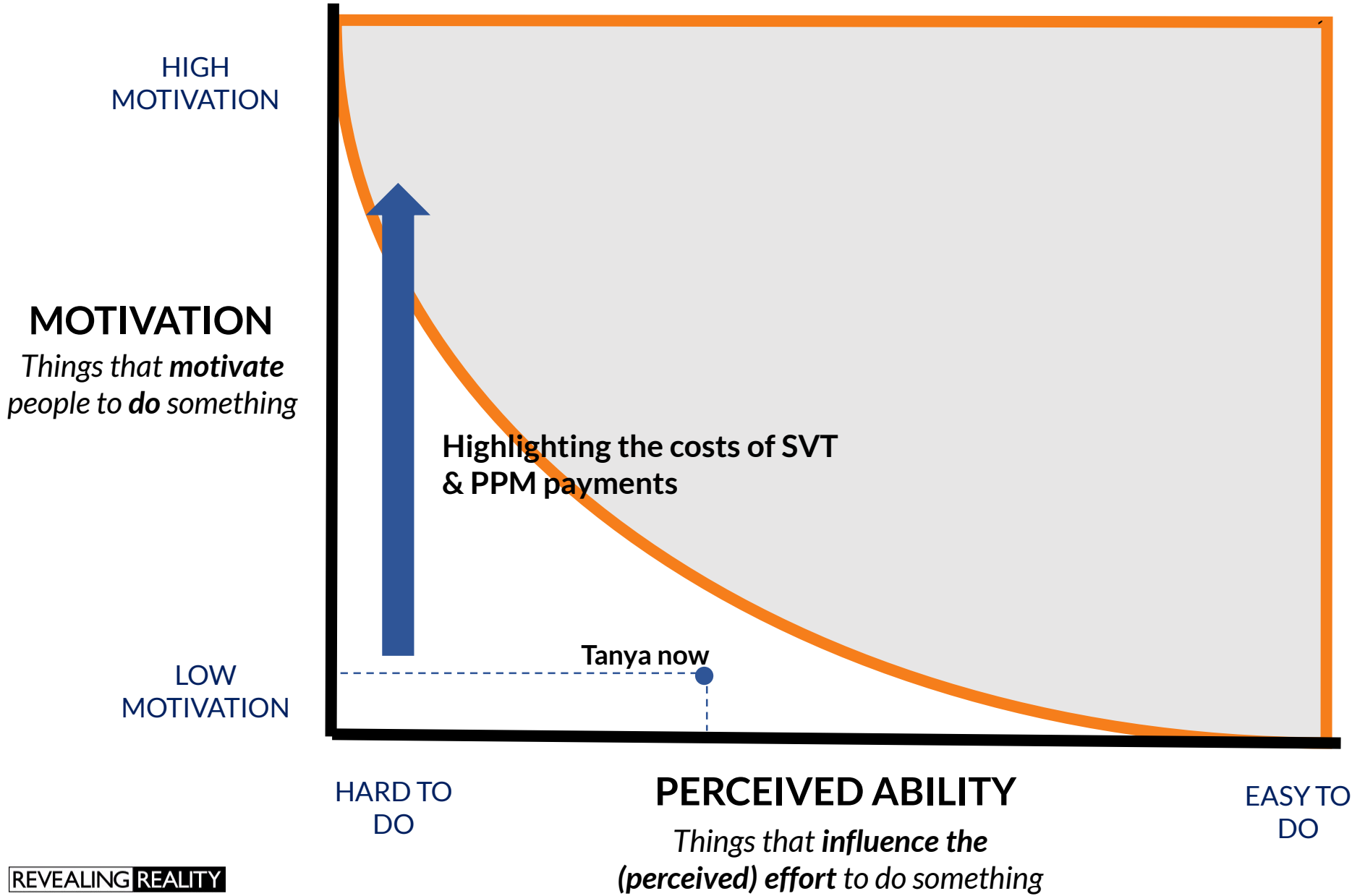
- She pays £41/month on direct debit for gas and £10/week on a pre-payment meter for electricity
- She has an online account and doesn't get any letters from [supplier]
- When she moved in to her house, [supplier] was installed but she thought she was paying too much money for gas (£65/month)
- She went on a comparison site and decided within half an hour to go with [supplier] because it was the cheapest and she'd been with them before and had no complaints. It took six weeks after that for the switch to be completed

# Tanya before last switch vs now





Tanya before last switch vs now



Reframing ‘Standard Variable’ Tariff

Tanya is not clear on what an SVT is. Better knowledge of a standard variable tariff might put her off not switching

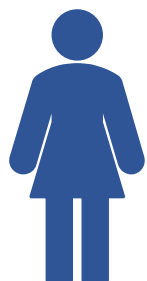
*‘Standard is just like a general one...that’s all I know really’*

Increasing awareness of payment methods

Tanya does not know that PPMs are generally more expensive

*“you just pay when you need it so I just don’t have a problem with it”*

# Tatiana, Lapsed switcher, Anxious avoider



Tatiana is a Polish migrant living with her mum, grandma & boyfriend

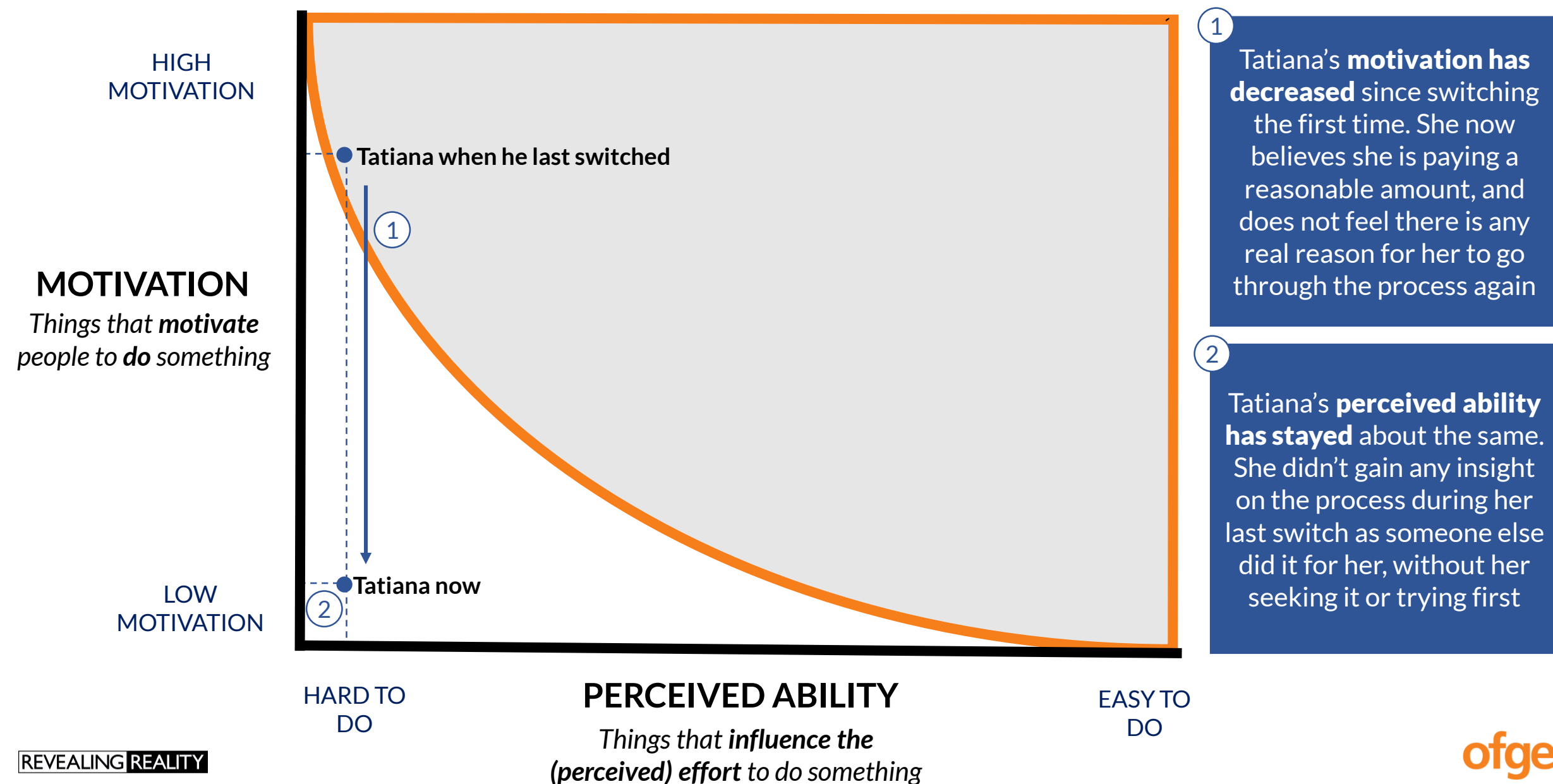
She speaks the best English in the family and deals with some of the household admin

They are low on money and often owe on the rent and their other bills

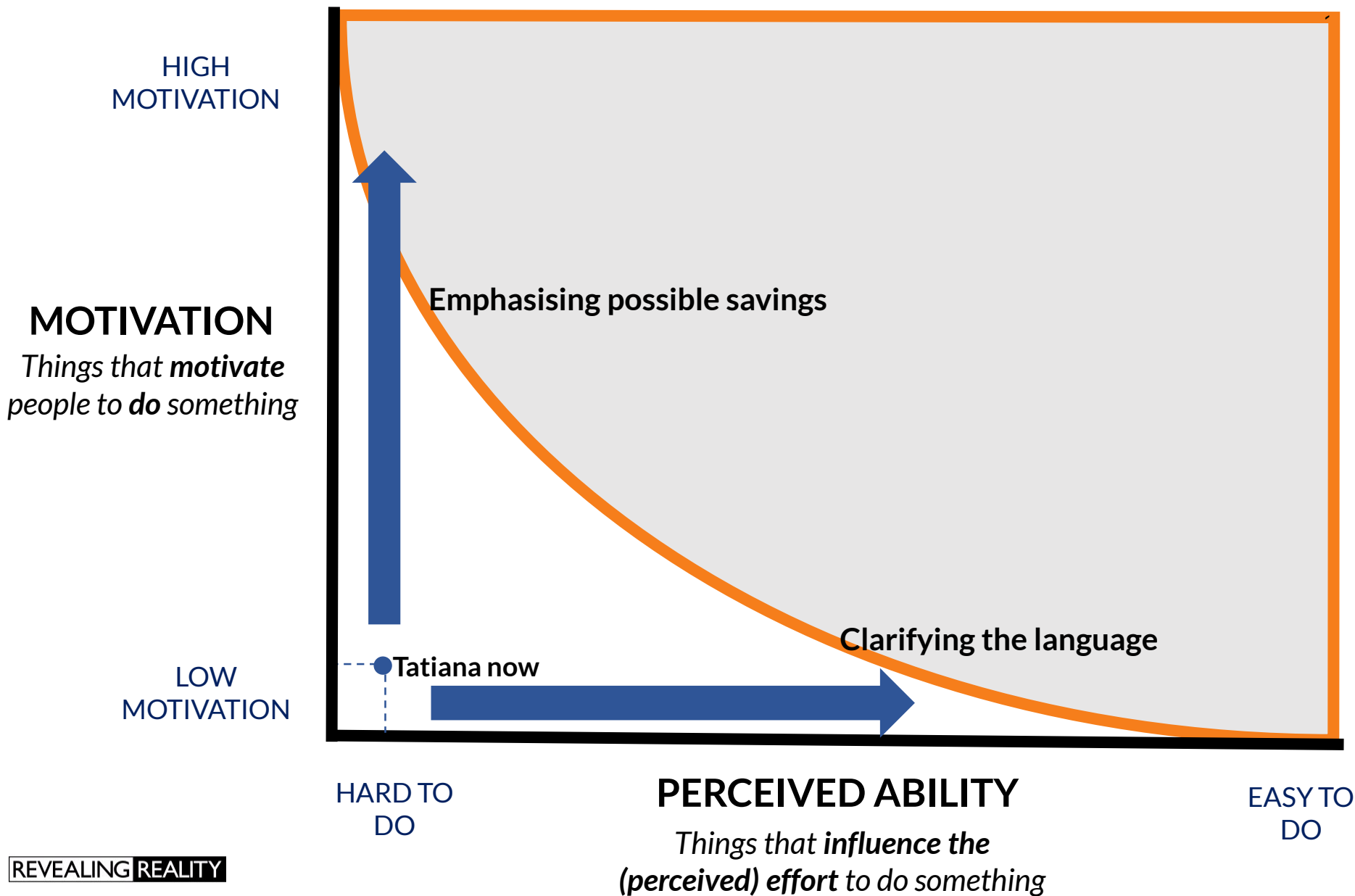
*“The last time the [switching service] man did it all for us”*

- Tatiana most recently switched from [supplier] to [supplier]
- Her family inherited [supplier] from the previous tenant when they moved in. They were paying on a PPM, and were always running out – it was a big hassle
- Someone came to the house to help them switch - he was also Polish and could explain it to all of them
- She said she wouldn’t be inclined to do it again because she feels they have a better deal now, and doesn’t feel confident doing it herself still
- Tatiana finds communications from energy suppliers hard to understand and is confused by technical language

# Tatiana before last switch vs now



Tatiana before last switch vs now



**Emphasising scale of savings**

Tatiana believes that the amount she is paying is good because it is less than what she was paying before. She might be more inclined to switch if she knew what a saving she could make overall on a fixed tariff

**Making the process easier**

Language around bills is not clear for Tatiana, who also gets confused by the technical jargon used by suppliers. If this was simplified for her, she might be more likely to understand and willing to engage



# Larry, Ongoing tariff switcher, Market sceptic



Larry is 52 and lives with his wife and dog in the South of England

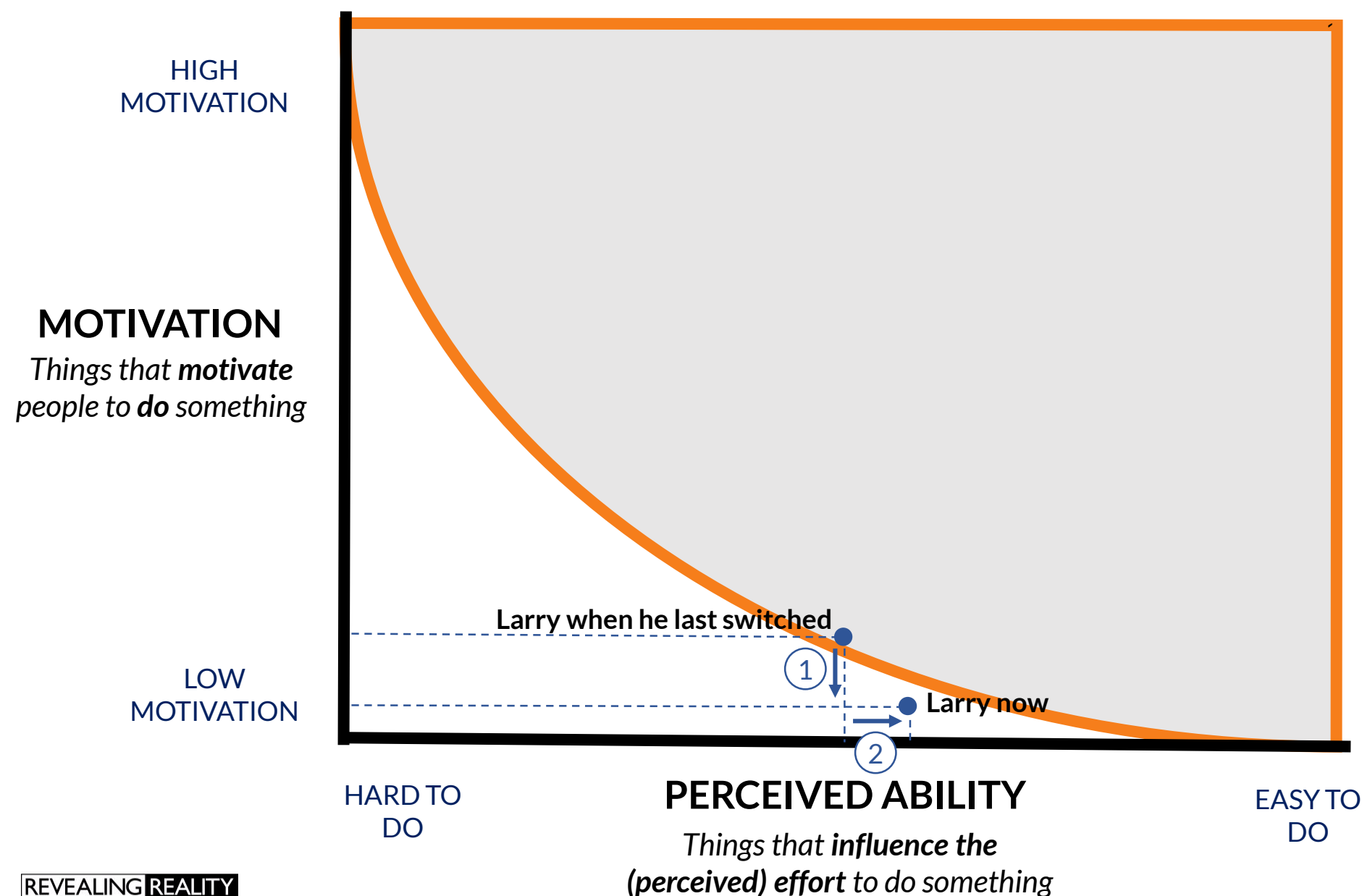
He used to be a teacher, and now works as a self-employed education consultant in religious studies and ethics

He loves music, and really values time with his family and close friends

*'One thing that I am always aware of is that once a company has got you, they then don't treat you very well'*

- He has been with [supplier] for both gas and electricity for 15 years now. The last time he switched supplier was because his wife was stopped at [supermarket] by a [supplier] representative.
- Pays £66 a month for energy
- Values loyalty and likes to build a long standing relationship with his contract providers, hoping that will get him rewards. He rings them up when it's time for renewal, and asks them for a better deal given that he's been with them for a while. That usually works for insurance, but never for energy.
- He is very sceptical of the energy market and cynically believes there is no real saving to be made
- Not quite sure of how to make a good comparison, as he believes PCWs aren't transparent (i.e. there is always some small print that invalidates the deal)

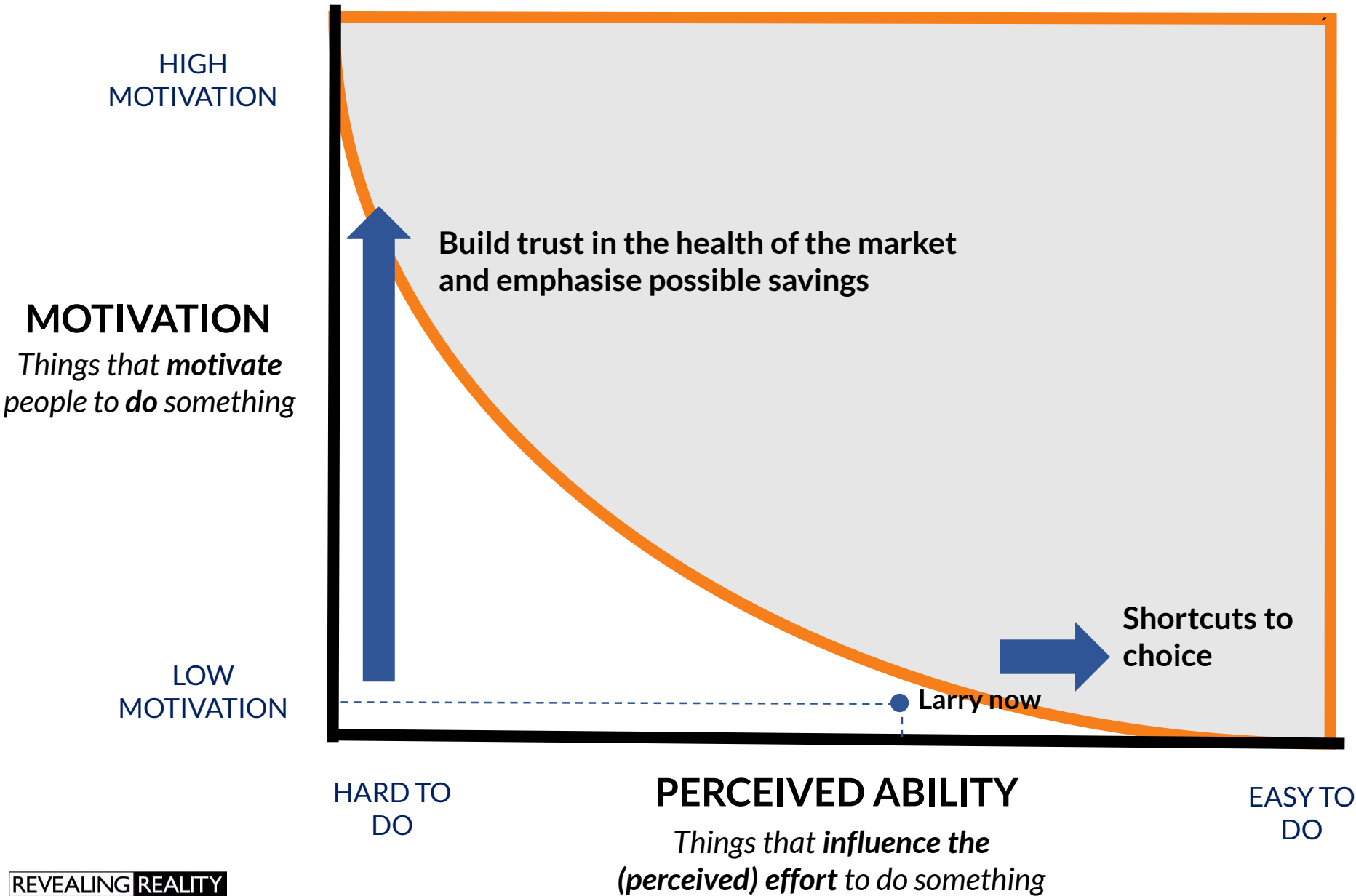
# Larry before last (supplier) switch vs now



1 Larry's **motivation decreased** since moving to [supplier]. He switched because he was convinced by his wife. It was already low as he doesn't believe the energy market has a healthy competition, and hopes to get rewards staying with the same supplier

2 Larry's **perceived ability slightly increased** as he got in to the habit of switching tariff. He is not sure, however, that he can use price comparison websites effectively, and doesn't think they are completely trustworthy

# Larry before last (supplier) switch vs now



## Debunk myths about energy

Larry believes there is no significant saving to be made as all suppliers are making profit at the expense of the consumer. Debunking this myths about the lack of competition in the market might help motivating him

## Demonstrate possible savings

Larry is unsure a saving can be made by switching supplier and does not trust price comparison websites. Showing the savings to be made, providing a reliable option for comparisons could be beneficial

## Shortcuts to choice

Larry doesn't bother to research other suppliers as he thinks it won't pay off with savings. Using prompts to make the process seem easy and a question of making a simple choice could help

# Summary of key recommendations

## Clarity around the language used in bills and communications

- Help people understand the meaning of different definitions used in bills (e.g. Kwh) to better inform their awareness and choices
- Reframe “Standard Variable” tariff to make sure consumers know that an SVT is considerably different and less convenient than a fixed tariff, to give the clear idea of its cost.



## Provide and authoritative and reliable voice in the market

- Ofgem should address the myths communicating that it is present to ensure competition and safeguard consumers rights
- Communications should also refer to guarantees in case suppliers make the switching process difficult or ensuring continuous energy provision in case small suppliers have issues.



## Help customers making narrowing down choice easier

- Provide consumers with strategies to navigate the options available. Shortcuts can help to make choice less daunting
- This also includes reinforcing the idea that a **better** deal will produce a higher return on the invested time and effort than trying to get the *best* one possible.





# Thank you!

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