

Ofgem Consumer Survey 2019

Tracking data and insights into
future energy solutions

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Executive summary

What is in this document?

This document is a summary of the main findings from the 2019 Consumer Survey. It presents findings from the 2019 survey, and shows trends in consumer engagement in the energy market since 2014.

It provides an overview of trends in consumer engagement with energy, covering switching and comparison behaviours, how vulnerable consumers behave in the energy market, whether consumers are confident to participate in the energy market and what the experience of engagement is like. It also summarises consumer reaction to some structural changes in the energy market and how behaviour might change if smart appliances are introduced.

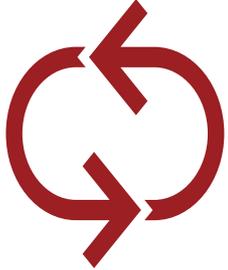
For a detailed break down of 2019 survey results please refer to the data tables. For a full description of the 2019 survey methodology, please refer to the technical report.

Context

In order to better understand motivators and barriers to consumer engagement, since 2007 Ofgem has commissioned annual surveys with domestic energy customers. The surveys have maintained a core of questions to measure and track consumer engagement, as well as differing question modules to answer their information needs.

- The 2017 survey was run by GfK UK and developed an attitude-based segmentation which grouped energy customers in to six attitudinal sub-groups to differentiate on key attributes including engagement, personal attributes (e.g. switching in other markets, internet use) and demographics. In 2018 and 2019 the segments were recreated using ‘golden questions’ to allow further tracking and analysis.
- In 2018, the GfK UK survey included a conjoint module which provided a more nuanced view on the attributes which consumers take into account when choosing suppliers and tariffs.
- In 2019, following the acquisition of some divisions of GfK UK, the survey was run by Ipsos MORI. The study continued to track engagement, but with a new focus on future innovations in energy use, and on the impact of recent supplier failures on switching intentions.

Key messages: Energy market engagement



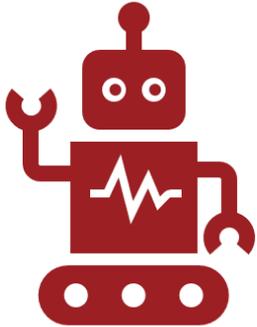
- There has been a further increase in reported switching and engagement levels, taking them to the highest levels seen.
 - In 2019 49% of consumers said they had engaged in some way (switching or comparing), which is an increase of twelve percentage points since 2014.
 - The gains in switching have been amongst mid-ages (35-64s) and ABC1s, with older and vulnerable consumers falling further behind.
 - The increase in engagement and switching is mainly amongst people who have switched before, suggesting a growing pool of sustained engaged consumers.
- Around half of engaged consumers reported having used price comparison websites in 2019 to find out about deals. Of those who went on to switch, two fifths did so using one.
- Awareness of energy scanning services and auto switching services is relatively high: 45% said they are aware of energy scanning services and 26% of auto switching services.
 - Levels of reported uptake of these services are lower: 11% say they have signed up to an energy scanning service and 2% to an auto switching service
 - Awareness and uptake are higher amongst consumers who were engaging before, suggesting that these services are not engaging new groups of consumers.

Key messages: Attitudes and perceptions



- Most consumers are confident to engage in the energy market and around half find it easy to compare energy deals. However, those aged 65+, those without internet access and those with disabilities still lag on these metrics (and fewer of these consumers switch or compare energy deals). These metrics are steady.
- Negative perceptions of the switching process are slowly declining, suggesting that some of the process-related barriers to engaging may be waning.
- Recent supplier failures have contributed to increasing perceptions of risks associated with supplier switching. Awareness of supplier failures tends to entrench disengagement amongst those consumers who are already unengaged.
- Trust in energy suppliers is comparable to that of other regulated industries. Lack of trust doesn't appear to inhibit market engagement, but high levels may increase inertia amongst some groups.

Key messages: Future Energy use



While awareness and installation of smart meters is growing most who have a smart meter say it hasn't had much impact on their energy use. However smart meters do encourage awareness and monitoring of energy use and discussions about it.

This year Ofgem explored if consumers could be encouraged to change when during the day they consume energy. This would increase network efficiency and could save consumers money.

- While most consumers with 'electricity hungry' appliances agree it would be easy to change when they use them, barriers to doing so exist. The main barriers are logistical (not being at home, noise) or related to personal preference, planning or having other priorities.
- A saving of £129 per year could encourage 50% of households to change when they use appliances.

We explored consumers' openness to using 'smart appliances' that could be set up to run at times when the cost of energy falls. These could be controlled by the consumer or remotely controlled by an external company.

Comfort with using such appliances is muted, particularly if remotely controlled, with the lack of direct control over the appliance a key barrier to use.

Research Objectives and Methods

This section summarises the research objectives and research methodology.

Research objectives

The overarching aim of the Consumer Survey is to provide a rich picture of consumers in the market

1. Tracking consumer actions

- ✓ Update key metrics measuring consumer engagement behaviours
- ✓ Understand what is changing, amongst whom
- ✓ Track differences in behaviour by segment
- ✓ Track differences in behaviour amongst vulnerable consumers

2. Informing future regulatory action

- ✓ To identify the impact of policy changes (e.g. price cap) on consumer actions
- ✓ Inform policy development
- ✓ Identify the impact of industry events (e.g. suppliers going out of business) on engagement and consumer actions
- ✓ Understand awareness and perceptions of future energy solutions (e.g. shifting when energy is use, energy scanning / auto-switching services) among consumers
- ✓ Identify the impact of these on engagement and consumer actions

Overview of the research method

Target sample:
**GB consumers with
mains gas and/or
electricity and full or
shared responsibility for
energy bills**

Data collection: in home, **face
to face**

4,001 interviews

in 2019

(2018: 4064; 2017: 4,001; 2016: 5,956; 2015: 5,934;
2014: 6,151)

Random location sample

Interviews carried out in all Government Office Regions in
England, and in Scotland and Wales

Quotas on age, gender and working status, to reflect a
**nationally representative sample of bill
payers/partners**

Data weighted to align with profiles from previous years
Consistent design to enable comparability over time.

Fieldwork carried out in June-September 2019

Median interview length = 27 minutes

Conventions used throughout this presentation

Significant differences are clearly marked and commented on throughout the presentation. All marked changes over time and subgroup differences have been tested at the 95% confidence level.

Changes over time (between 2016, 2017, 2018 and 2019) are represented by black up/down arrows ↑↓

Subgroup and segment differences are represented by up/down triangles



Some figures have been rounded up / down, and not all categories are shown, so sums will not always total 100 percent

Glossary



Terminology used through this report

- P12M engaged – switched supplier, tariff, or compared in the past 12 months
- P12M unengaged – none of the above actions in the past 12 months
- First time switchers – switched supplier for the first time in the past 12 months
- Ever switched – have ever switched supplier
- Never switched – have never switched supplier
- P12M switchers – switched supplier or tariff in past 12 months
- P12M supplier switchers – switched supplier in the past 12 months
- P12M tariff switchers – switched tariff in the past 12 months
- P12m comparers – compared supplier / tariff in the past 12 months (but not switched)
- SOLR – Supplier of Last Resort – this process occurs when Ofgem revokes an energy supplier's supply licence and appoints a new supplier (the Supplier of Last Resort) to take over their customers.
- Load-shifting – changing when energy-heavy appliances are run to reduce demand for peak-time energy.

Engagement headlines

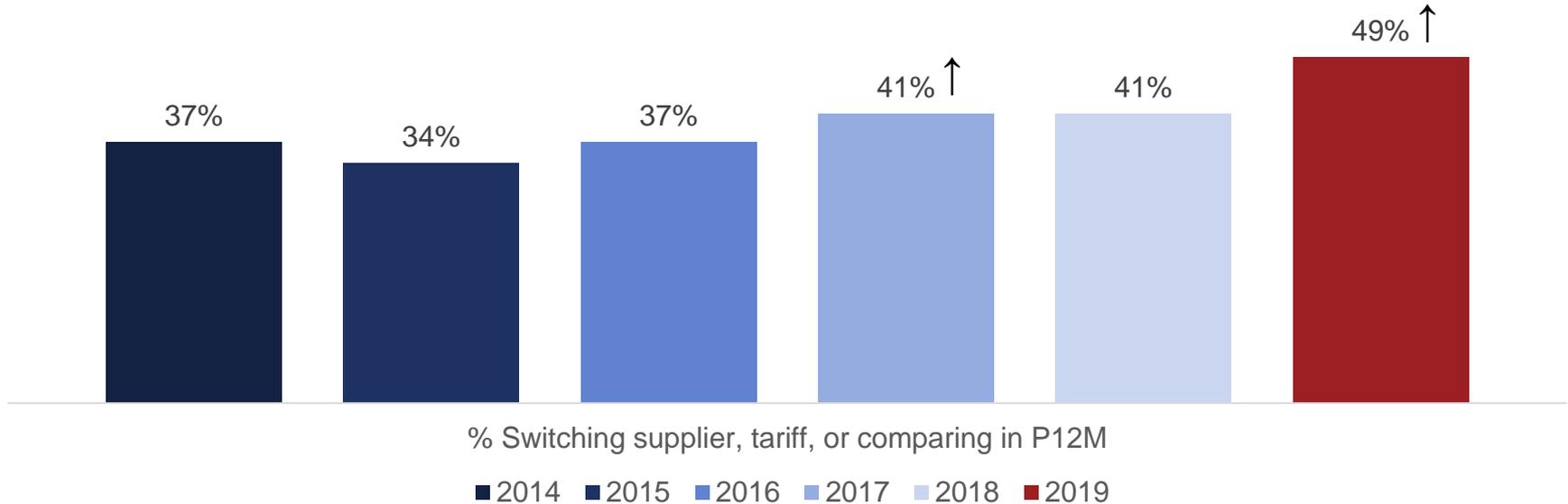
This section of the report shows changes in the levels of engagement with the energy market over time.

Is engagement increasing?



Engagement has increased significantly in 2019. Around half (49%) of consumers claim to have engaged in some way in the past 12 months – an increase of twelve percentage points in the past five years, and up from 41% in 2018.

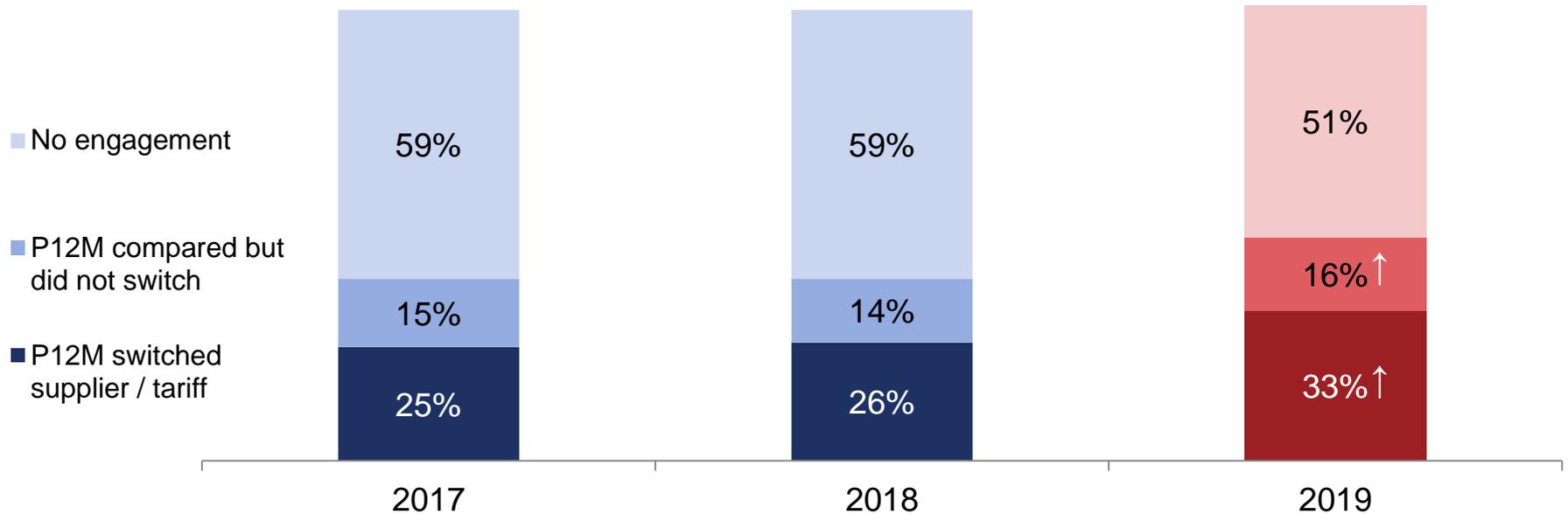
% switching supplier, changing tariff or comparing supplier / tariff in P12M



Q138/139. When did you last switch supplier? WhnSG/E. When did you last switch tariff? ChngG/E. Thinking about your supply, which if any of these have you done in the past 12 months? Base: All respondents (2019: 4001; 2018: 4064; 2017:4001; 2016: 5956; 2015: 5934; 2014: 6151) ↑↓ indicate significant change between waves

How has the engagement profile changed?

The increase in engagement has predominantly come from increased switching, with a smaller change in the proportion comparing but not switching.

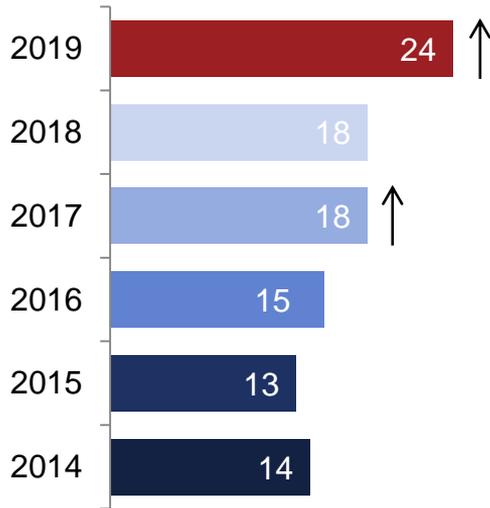


Q138/139. When did you last switch supplier? WhnSG/E. When did you last switch tariff? ChngG/E. Thinking about your supply, which if any of these have you done in the past 12 months?
 Base: All respondents (2019: 4001; 2018: 4064; 2017:4001; 2016: 5956; 2015: 5934; 2014: 6151) ↑↓ indicate significant change between waves

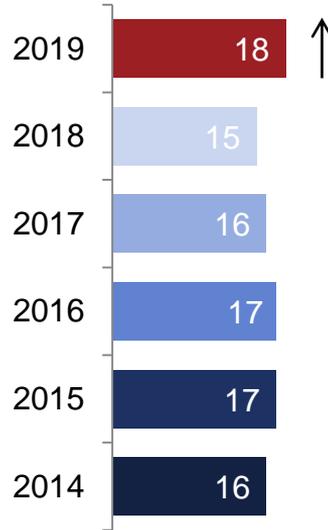
Types of engagement: breakdown

Both tariff and supplier switching have increased in 2019, but supplier switching has increased to a greater extent: tariff switching has increased by three percentage points since 2018, but supplier switching has increased by six percentage points.

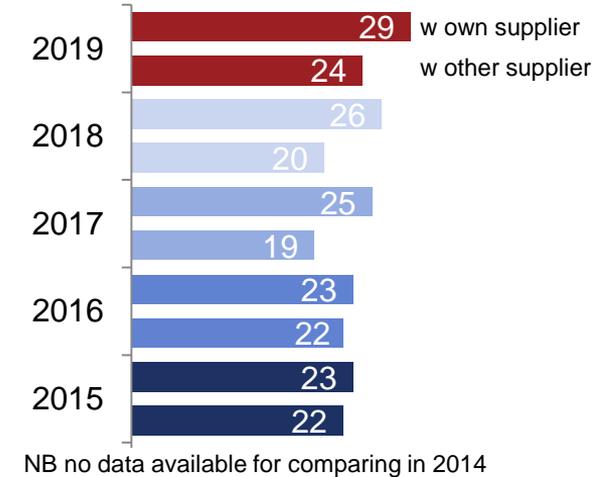
% switching supplier in past 12 months



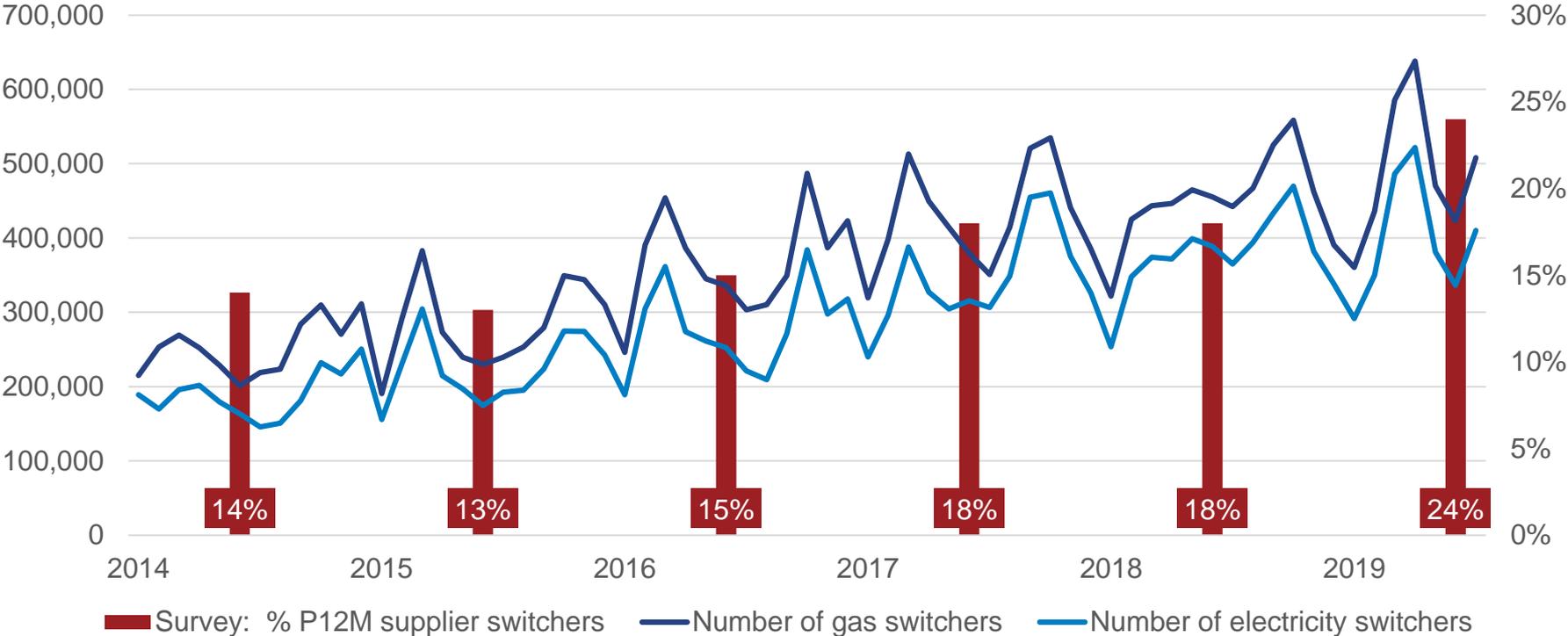
% switching tariff in past 12 months



% comparing only in past 12 months



The increased levels of supplier switching mirror Ofgem's switching data



Q138/139. When did you last switch supplier? WhnSG/E. When did you last switch tariff? ChngG/E. Thinking about your supply, which if any of these have you done in the past 12 months?
 Base: All respondents (2019: 4001; 2018: 4064; 2017:4001; 2016: 5956; 2015: 5934; 2014: 6151). Actual switching data from <https://www.ofgem.gov.uk/data-portal/retail-market-indicators>

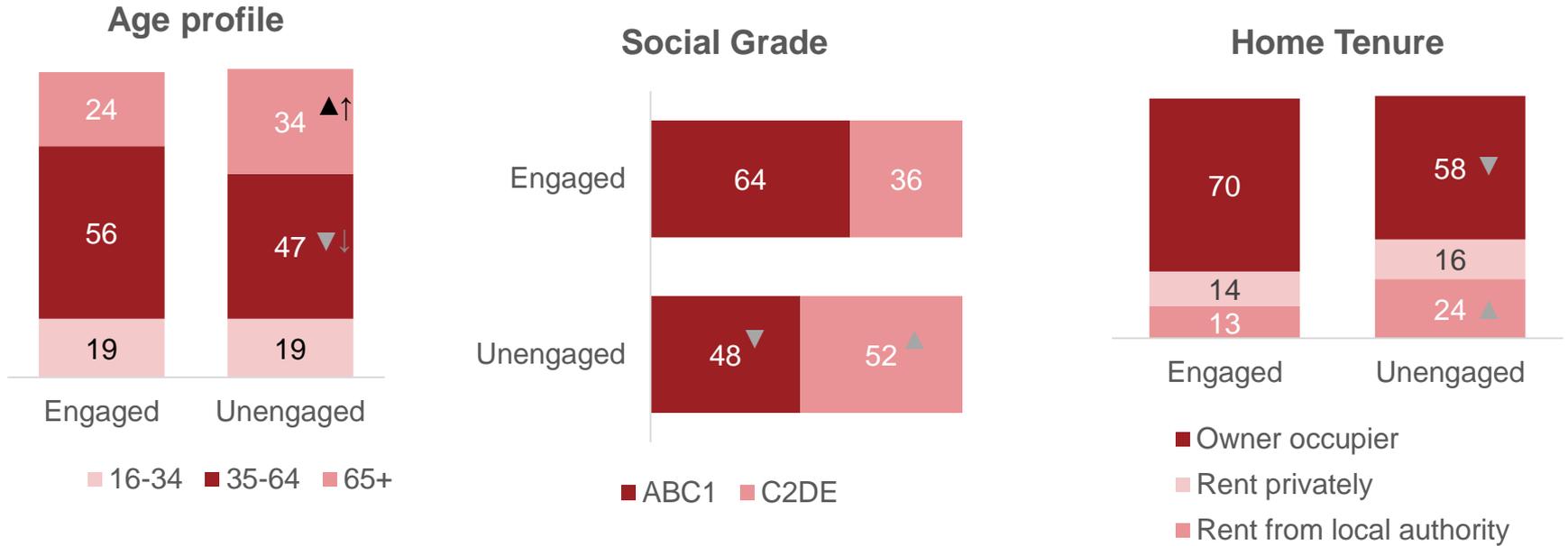
Who is engaging?

This section of the report profiles customers who are (or are not) engaging in the energy market, and looks at changes in these profiles over time. It also tracks changes in motivations for engagement and looks at use of new services including energy scanning services and auto switching services.

Who's engaging (or not)?



Engaged consumers remain skewed towards mid-aged consumers, ABC1s and owner occupiers. The age profile of *unengaged* consumers has become older, with the proportion of 65+s rising to 34% in 2019.



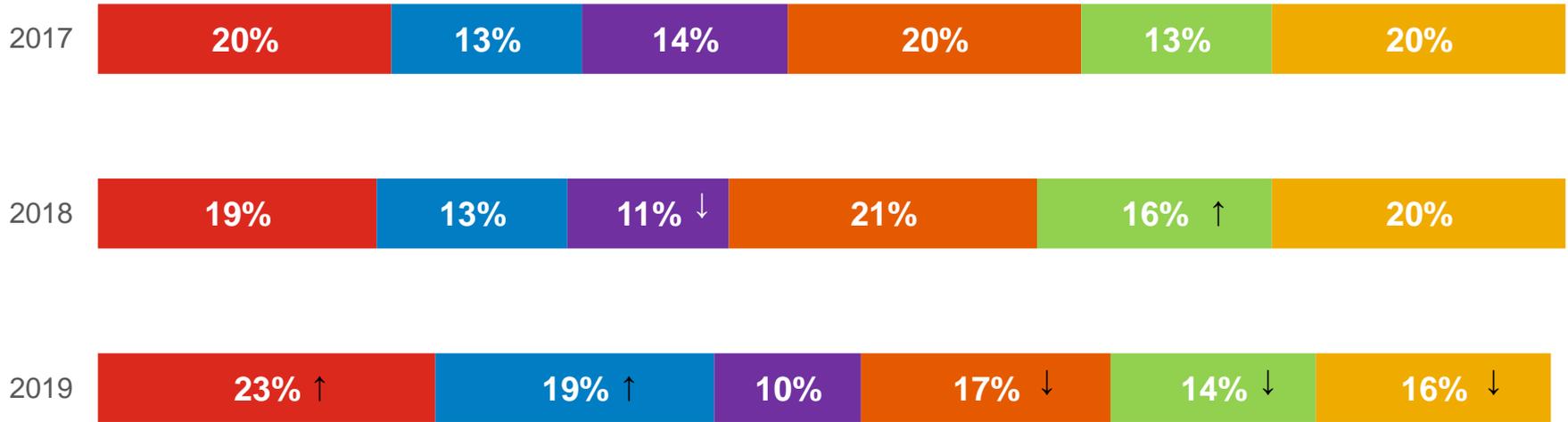
Base: all engaged/unengaged consumers: ▲▼ indicate significant difference between subgroups ↑↓ indicate significant change between waves

Segment profiles



Reflecting changes in engagement levels over time, there have also been changes in segment profiles with more in the engaged segments, and fewer in the less engaged segments.

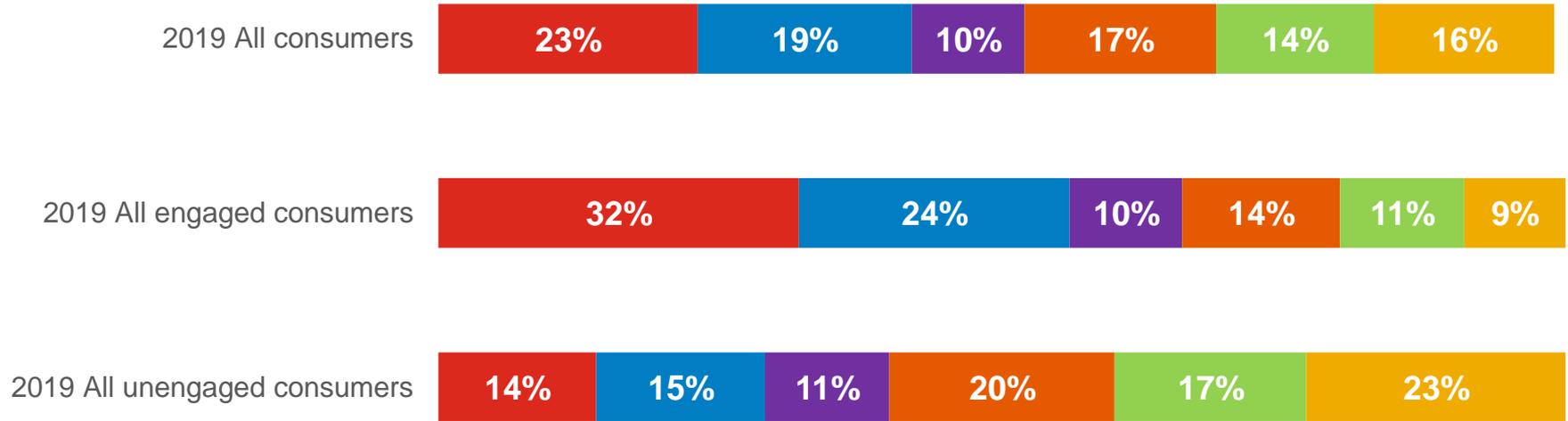
■ Happy Shoppers ■ Savvy Searchers ■ Market Sceptics ■ Hassle Haters ■ Anxious Avoiders ■ Contented Conformers



Segment engagement profiles

As in previous years, Happy Shoppers and Savvy Searchers were significantly over-represented amongst engaged consumers, and Hassle Haters, Anxious Avoiders and Contented Conformers were significantly over-represented amongst unengaged consumers.

■ Happy Shoppers ■ Savvy Searchers ■ Market Sceptics ■ Hassle Haters ■ Anxious Avoiders ■ Contented Conformers

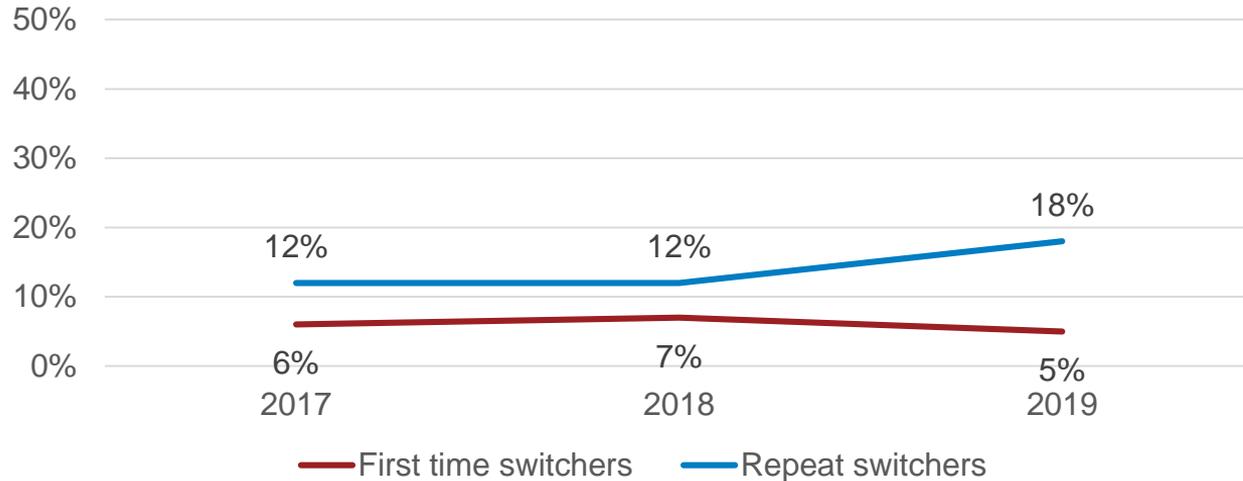


Who's engaging? Growth in repeat switching



The increase in engagement, and specifically switching, has come from increased *repeat* switching over time, suggesting a growing pool of sustained engaged consumers. In 2019 18% of energy consumers were repeat switchers, compared with 12% in 2017/18. The proportion of first time switchers has remained broadly unchanged over the same time period.

First time vs Repeat switching



Who are the switchers?

First time switchers

They tend to be **younger** (and profile is getting younger), with a higher proportion of **C2DEs and renters**

While they've switched they are **less engaged** in the energy market in general: compared to the market average, fewer are concerned about energy use in their home and fewer keep up to date with innovations or news in the energy market

They said **moving house** was a key motivation to switch

They said they feel less confident about engaging in the energy market (comparing, choosing, complaining), though no more likely to think that it was difficult to compare or choose.

PCWs were their most common switching method, though they were more likely than repeat switchers to have **phoned** a supplier or switched following a **salesperson visit**

They are equally likely as repeat switchers to feel they are saving money and they are on the best energy deal

Repeat switchers

They tend to be **older**, with more **ABC1s and owner occupiers**

They say they are **more experienced** in the energy market, **less trusting** in energy companies and more likely to think about the **risks** associated with switching. However, this hasn't put them off: they were more likely to be aware of energy companies going out of business (but less likely to be put off future switching by it)

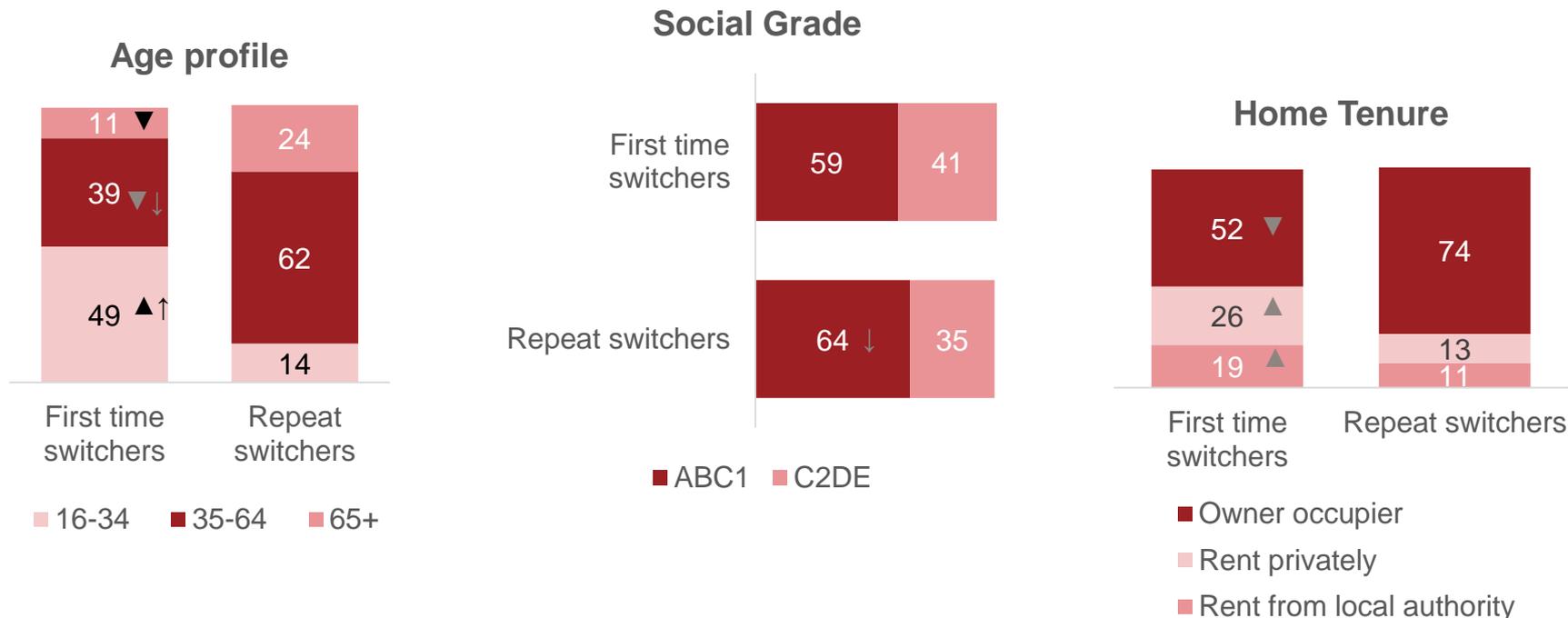
They were more experienced in switching, and **more aware of different ways of engaging** (e.g. PCWs, scanning and autoswitching services).

Price increase/end of tariff notices were the key prompts to switching for them, with **PCWs** their main source of comparison and to switch.

How might the engagement profile change in the future?



The profile of first time switchers has become considerably younger in 2019: with increasing switching amongst 16-34s. The profile of repeat (other) switchers has remained consistent over time: older, with ABC1 and owner-occupier biases.

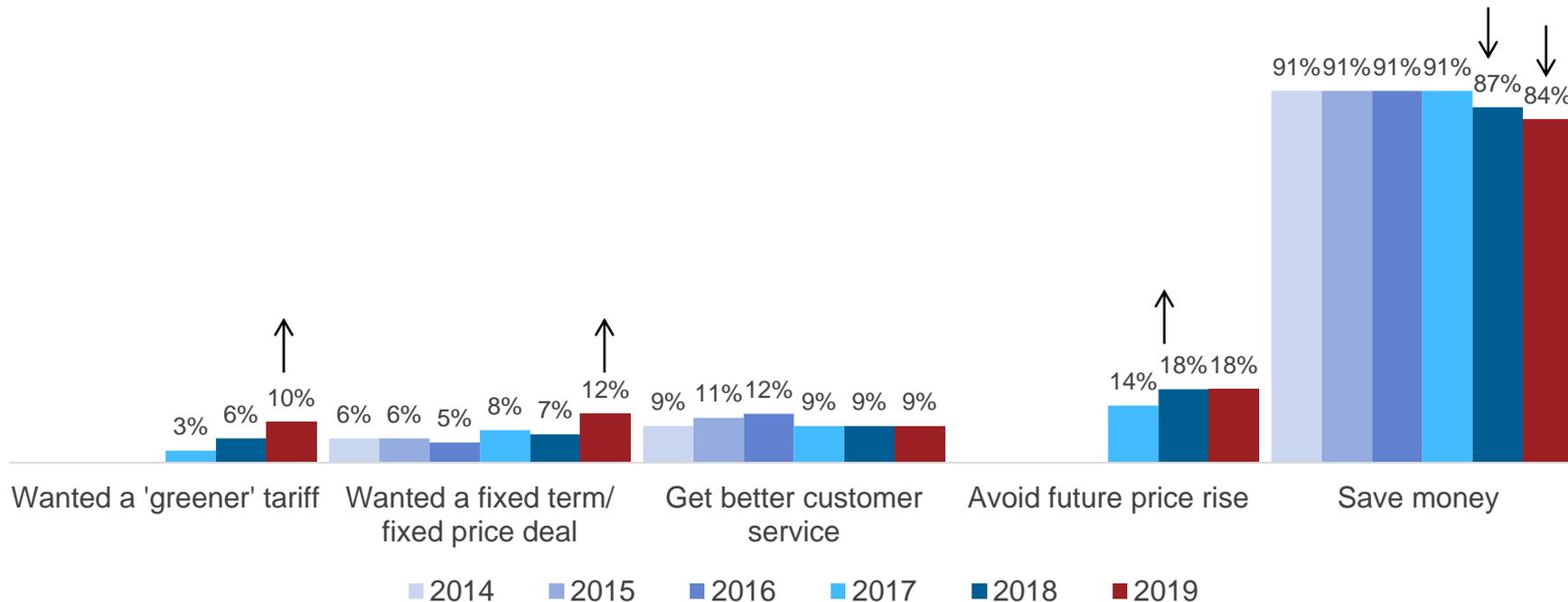


Base: all engaged/unengaged consumers: 2019 1924/2077; 2018 1517/2547; 2017 1634/2367
 ↑↓ indicate significant change between waves ▲ ▼ indicate significant difference between subgroups

Why do consumers engage?



Saving money remained the strongest motivation for switching supplier or tariff, mentioned by over eight in ten, though this has declined significantly from over nine in ten in 2017. The proportions motivated to engage by green tariffs or fixed deals increased significantly since 2018.



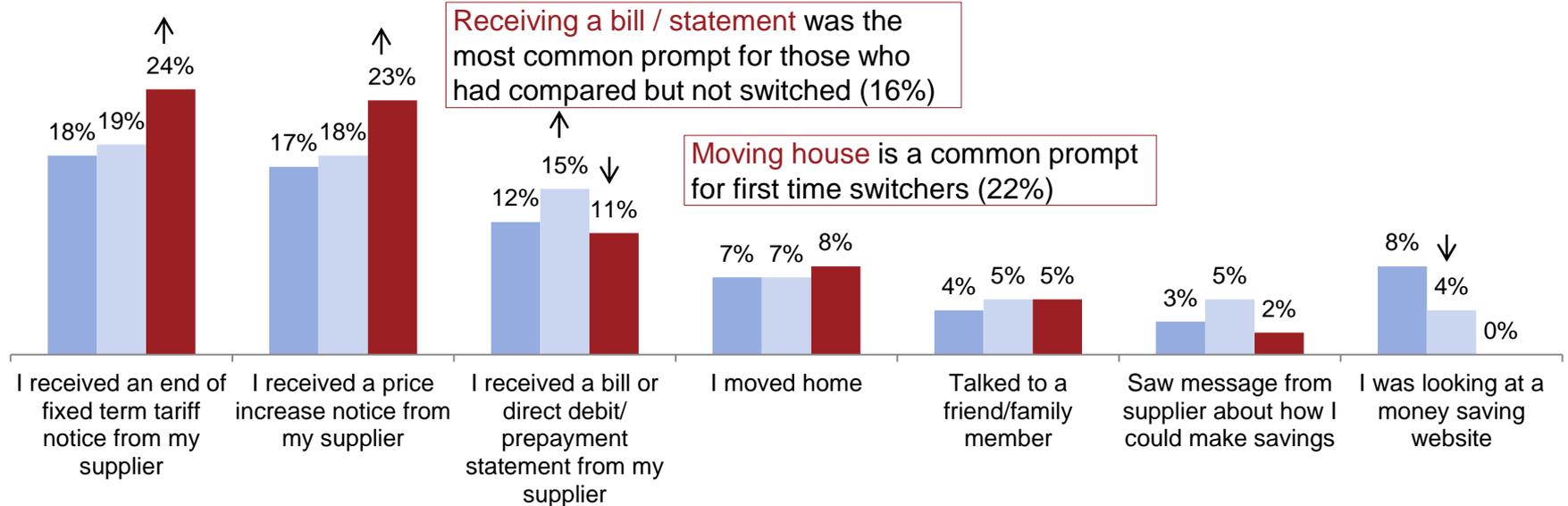
Q160. Thinking of the last time you engaged, what were your priorities? Base: Switched gas or electricity supplier or tariff, or compared suppliers or tariffs in the past 12 months (2014:2000, 2015:2034, 2016:2112, 2017:1558, 2018:1517, 2019: 1969) ↑↓ indicate significant change between waves

What prompts engagement?

End of fixed term and price increase notices became more important in prompting engagement amongst those who have engaged.

As in 2018, **End of fixed term notices** remain most common prompts for tariff switchers (36%); and repeat switchers (26%)

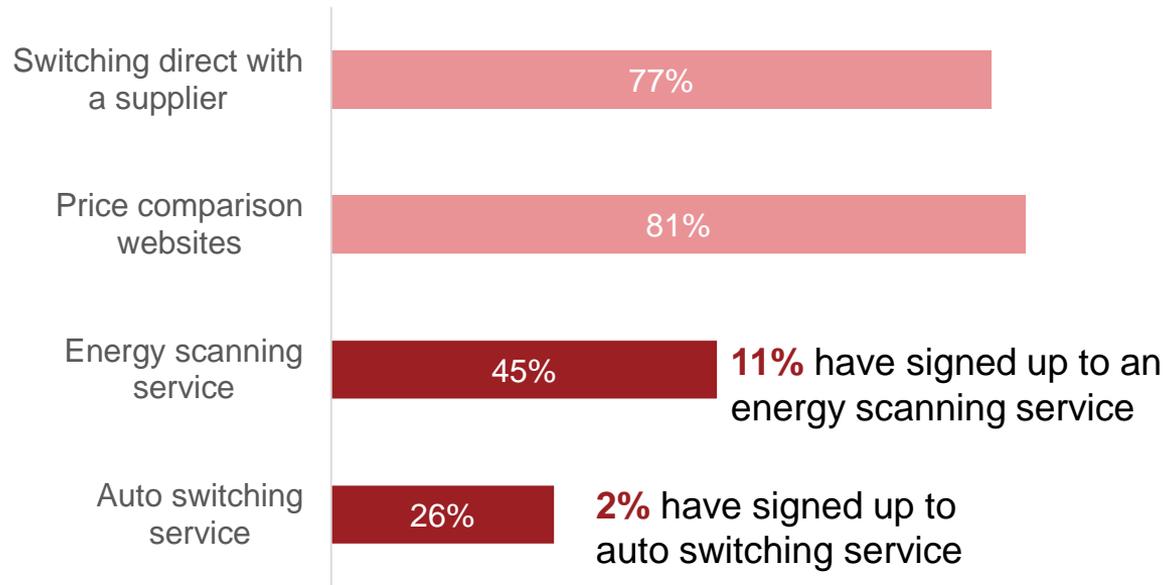
■ 2017 ■ 2018 ■ 2019



Q161. And thinking about the last time you engaged, what were the main reasons that caused you to do that? Base: Switched gas or electricity supplier or tariff, or compared suppliers or tariffs in the past 12 months: 2017:1558, 2018:1517, 2019:1969 ↑↓ indicate significant change between waves
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How do consumers engage?

Despite only having been launched recently, reported awareness of automated switching methods was relatively high, and just over one in ten said they have signed up for the services.



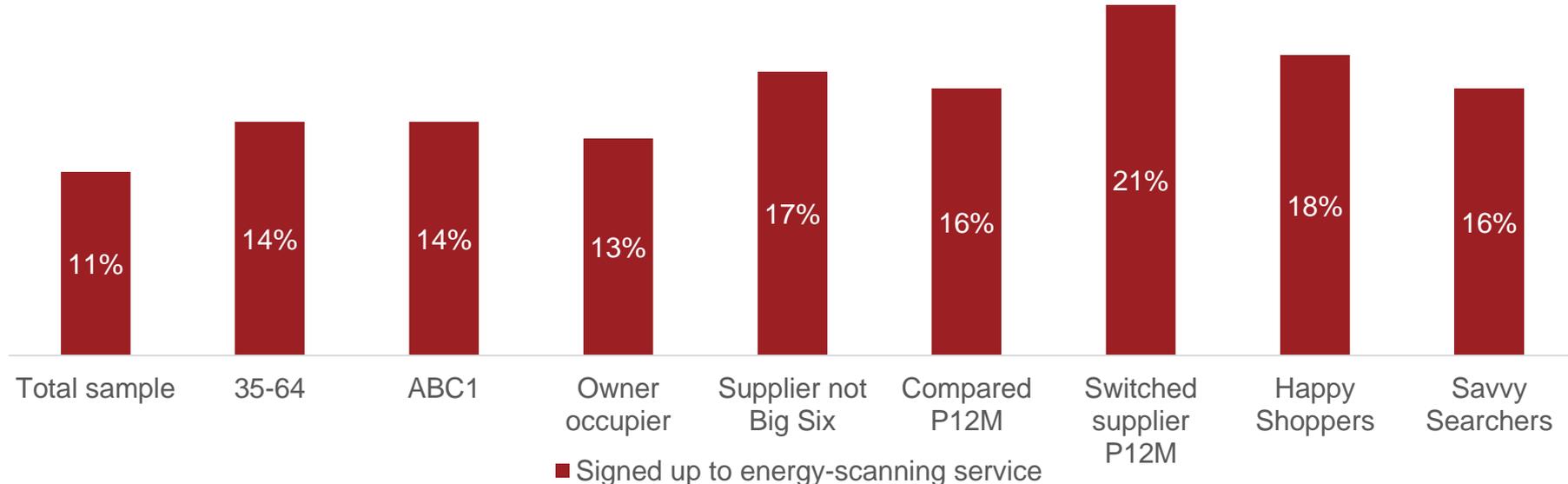
Of those signed up to an energy scanning / auto switching service **67% said they had received a notification** from it in the past 12 months. 19% of these took action following this

METHODS. Which of these ways to compare energy deals and switch energy suppliers have you ever heard of? ; METHODS2 And which, if any of these has your household signed up to?
 Base: all respondents 2019: 4001 (asked for first time in 2019)

Who has signed up to energy scanning services?

All of the customer groups shown on the chart below are more likely than average to say they have signed up to energy scanning services: these groups are similar to the types who said they had engaged in the energy market in other ways.

21% of **supplier switchers** said they have signed up to an energy scanning service and 5% completed their last switch through the service. These services could drive future switching activity and/or longer term engagement.



METHODS. Which of these ways to compare energy deals and switch energy suppliers have you ever heard of? ; And which, if any of these has your household signed up to? Base: all respondents 2019: 4001 (asked for first time in 2019) ▲ ▼ indicate significant difference between subgroups

What needs do energy scanning services answer?

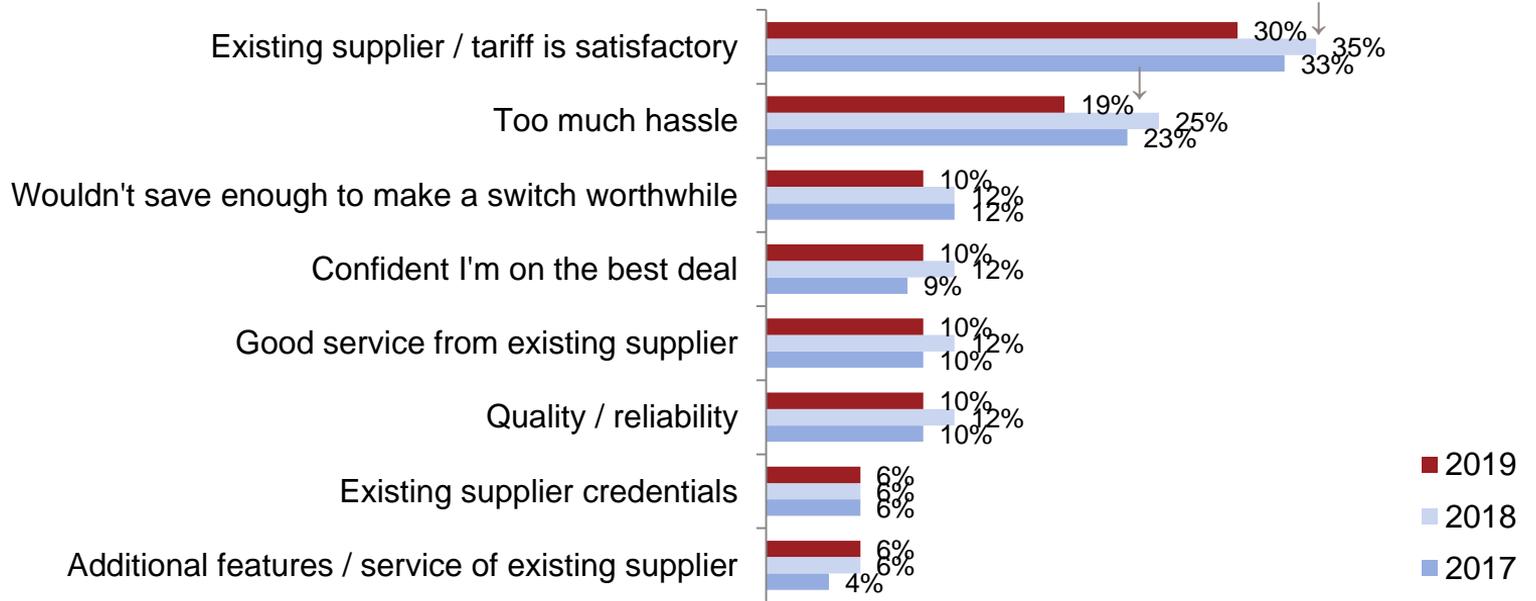
There is no evidence that energy scanning services are broadening engagement or being used because of poor perceptions of the switching process: those using services were not disengaged, nor did they have poor perceptions of the energy market or switching.

- Those signed up to energy scanning services were more likely to be repeat switchers than average (36% vs 18% on average)
- Users of energy scanning service were significantly less likely to agree :
 - ‘switching is a hassle I’ve not got time for’ (20% of those signed up to a scanning service agreed vs 43% on average);
 - ‘switching takes too long’ (17% of those signed up to a scanning service agreed vs 25% on average)
- The scanning services were no more likely to be prompts to engagement: those signed up to scanning services were instead more likely to say that they had been prompted to engage by an end of fixed term notice (32% vs 24% on average)

Why don't customers engage?



Reasons for not engaging remain similar over time: satisfaction with existing supplier or tariff was the most common reason. Fewer mentioned hassle as a barrier to engaging than in 2018.



NotSh. Are there any particular reasons why you have not <shopped around to see if there are any better energy deals /switched tariff or switched supplier>? Base: Shopped around in energy market but not switched supplier or tariff in P12M, or not shopped around in energy market at all in P12M: 2017: 3044, 2018: 3109 2019: 2710 ↑↓ indicate significant change between waves

Summary – Engagement in the energy market

Consumer engagement in the energy market has increased significantly in 2019: mainly from an increase in repeat switching

The profile of engaged consumers remained largely the same: biased towards mid-ages, ABC1s and owner occupiers, and the Happy Shopper and Savvy Switcher segments

There is potential for future change in the profile of engaged consumers, as first-time switchers in 2019 were younger: if they can be encouraged to stay engaged. Moving house was a common prompt for starting their engagement.

Saving money (now or in the future) remained the main motivation for engagement, but non-cost priorities became more prominent (e.g. greener tariffs, fixed tariffs).

Reasons for not engaging were similar to previous years – satisfaction with the status quo or not saving enough for it to be worthwhile – though perceived hassle of switching became a less prominent reason and may point to a positive future shift.

Reported awareness of auto switching / scanning is reasonably high, but fewer said they have signed up. Uptake is higher amongst groups who were already more likely to be engaged in the energy market.

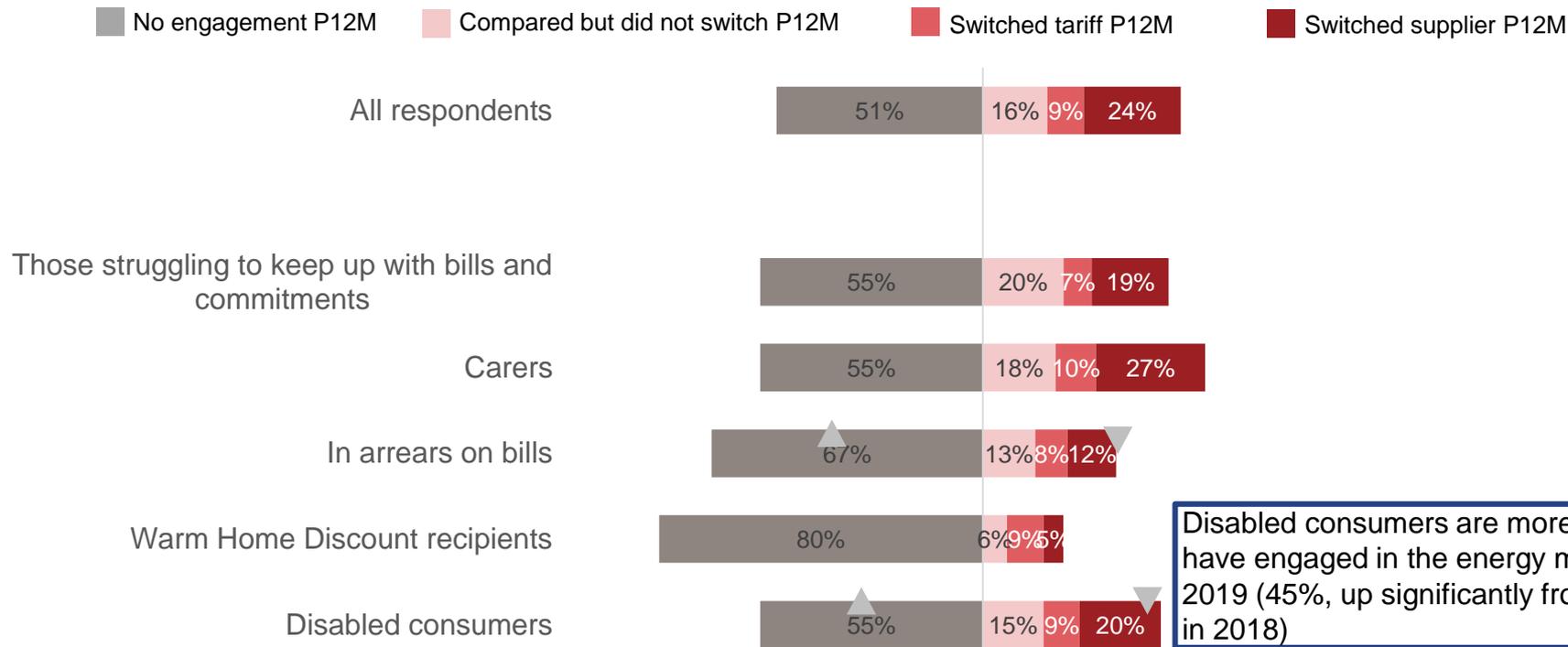
Vulnerable consumers

This section of the report looks in detail at customers who are defined by Ofgem as potentially vulnerable: including those who may be financially constrained, disabled customers and those with prepayment meters. It tracks engagement levels amongst those customers, as well as any particular barriers to engagement these groups may face.

How vulnerable consumers are engaging



Consumers who reported being in arrears on their bills and/or warm home discount recipients were the least likely of all customer groups to have engaged in the energy market.

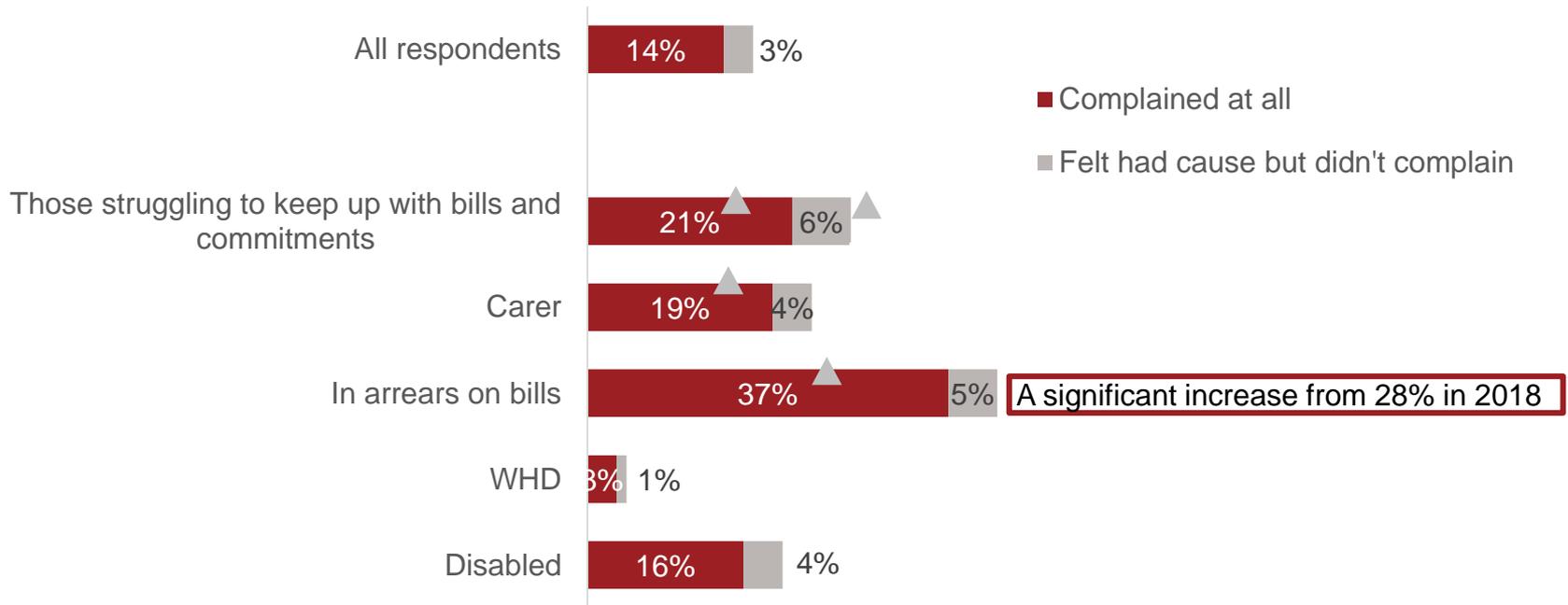


Q138/139. When did you last switch supplier? WhnSG/E. When did you last switch tariff? ChngG/E. Thinking about your supply, which if any of these have you done in the past 12 months? Base: All respondents (2012: 4001) ▲ ▼ indicate significant difference between subgroups

Are vulnerable consumers complaining?



Consumers in most vulnerable groups were significantly more likely to say they had complained in the past 12 months. Levels of reported complaints were particularly high amongst those who said they were in arrears on their energy bills (37% in 2019, up from 28% in 2018).



Q76. In the last 12 months, have you contacted a current or previous energy supplier to complain at all? Q81. Excluding any comment about their prices, do you believe you have had cause to complain to an energy supplier in the last year, but have not done so? Base: All respondents (2019: 4001). Groups classified as vulnerable are highlighted. ▲ ▼ indicate significant difference between subgroups

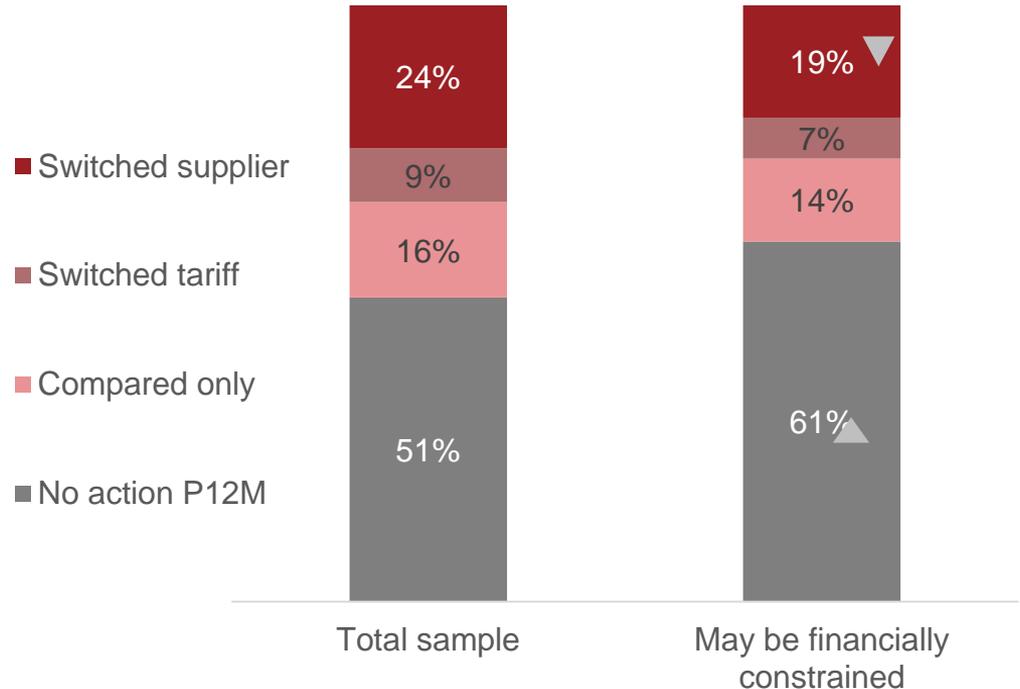
Consumers who may be financially constrained



Consumers who may be financial constrained comprised three in ten of all energy consumers. This group was significantly less likely than average to have engaged in the energy market (39% v 49% on average)

29% of the total sample were classified as 'financially constrained', defined as being at least one of the following:

- On a prepayment meter
- In arrears on their energy bills
- In receipt of means tested benefits



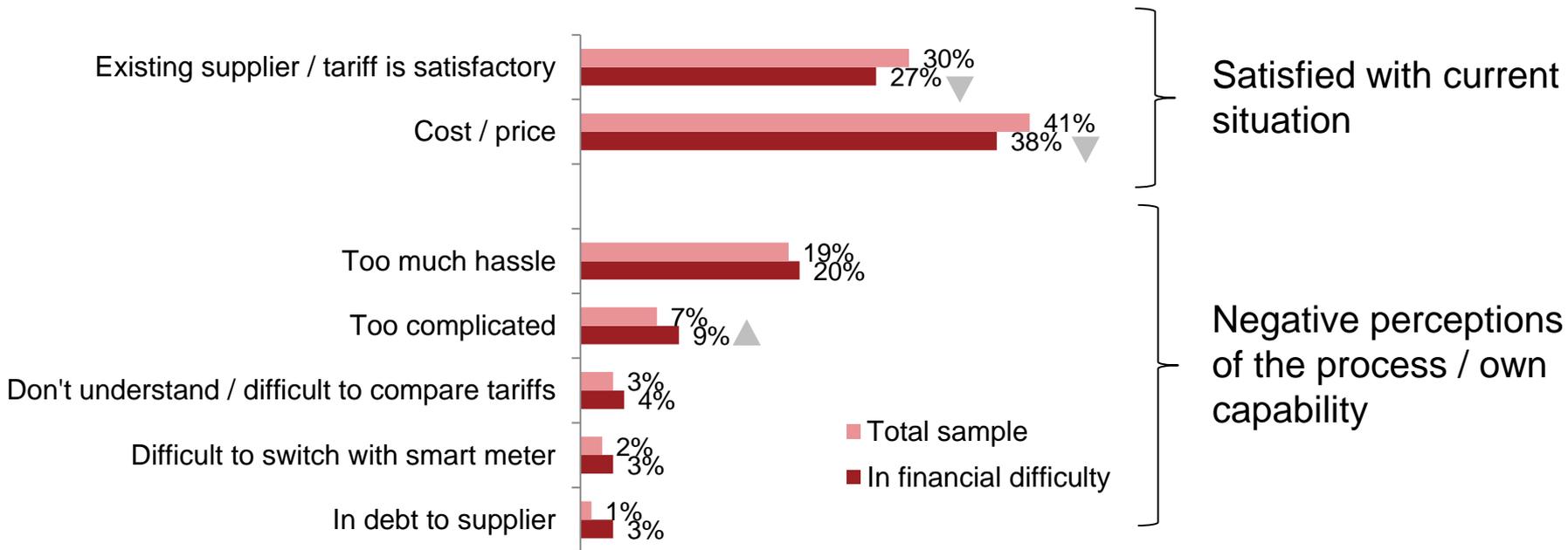
Base: 2019 only all respondents (4001), financially constrained (873). N.B. 'Financial constraint' is a new metric used in 2019 and questions were not collated in this way in previous years

▲ ▼ Indicate significant difference between subgroups

Consumers who may be financially constrained: Barriers to engaging



Significantly more said they had not engaged in the energy market for negative reasons (e.g. they thought it would be too much hassle, too complicated, or don't understand how to), rather than for positive reasons (e.g. satisfaction with their current situation).

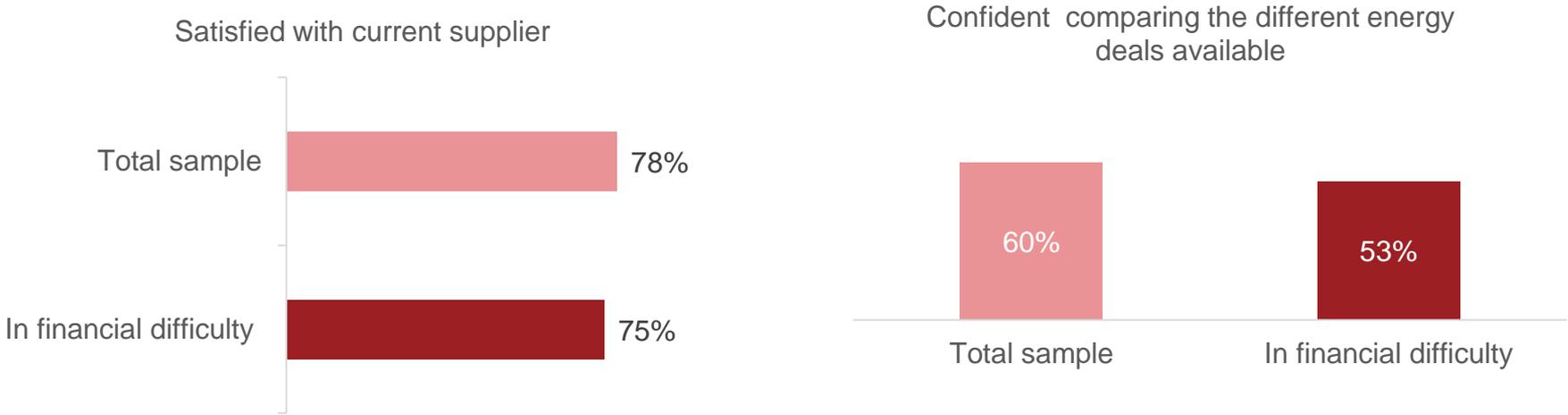


NotSh. Are there any particular reasons why you have not <shopped around to see if there are any better energy deals /switched tariff or switched supplier?> Base: Shopped around in energy market but not switched supplier or tariff in P12M, or not shopped around in energy market at all in P12M: 2019: 2710 (total sample); 873 (financial constraint) ▲ ▼ indicate significant difference between subgroups

Consumers who may be financially constrained – confidence and perceptions



Consumers who may be facing financial constraint are significantly less likely to say they are satisfied with their supplier or feel confident comparing energy deals



Conf2. How confident or unconfident do you feel about doing these things related to energy suppliers?. Comparing the different energy deals available.; Q59/63/67. How satisfied or dissatisfied are you with the overall service you receive from your current energy supplier?; HelpS. Did anyone who doesn't live with you go through or help you through the switching process on your behalf? Base: 4001 (total sample); 1176 (in financial difficulty) ▲ ▼ indicate significant difference between subgroups

Consumers who may be financially constrained: Confidence and perceptions



Consumers who may be facing financial constraint were also more likely to agree that it is too hard to work out whether they would save money if they switched, as well as that they had received help when switching (if they had engaged).

“It’s too hard to work out whether I would save or not if I switch”



49% of the financially constrained agreed;
compared to 40% amongst total sample

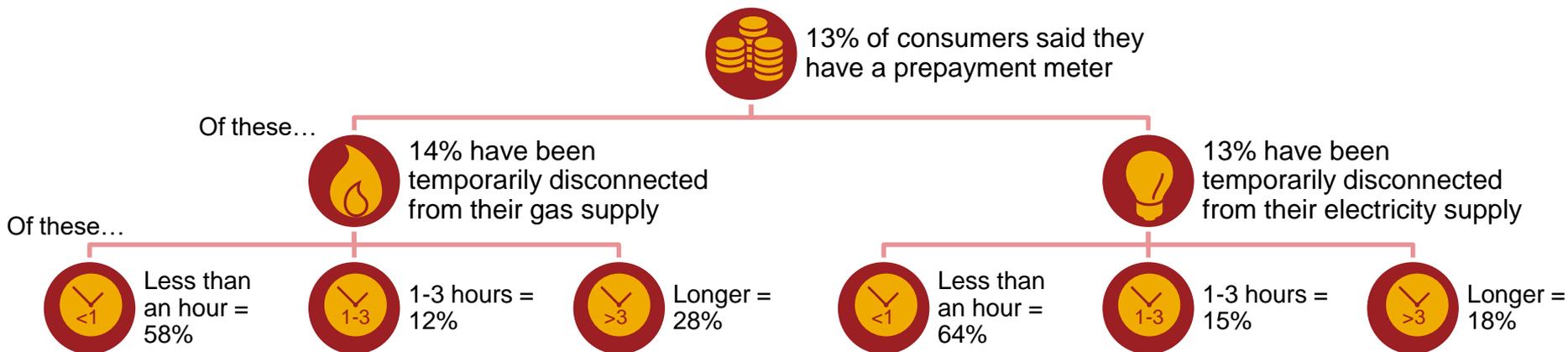


15% of the financially constrained had help when switching, compared to 9% amongst total sample

Conf2. How confident or unconfident do you feel about doing these things related to energy suppliers?. Comparing the different energy deals available.; Q59/63/67. How satisfied or dissatisfied are you with the overall service you receive from your current energy supplier?; HelpS. Did anyone who doesn't live with you go through or help you through the switching process on your behalf? Base: 4001 (total sample); 1176 (in financial difficulty) ▲ ▼ indicate significant difference between subgroups

How many with a prepayment meter customers self-disconnect?

One in seven prepayment meter customers reported self-disconnecting (being temporarily disconnected because they ran out of credit) over the past year. This is similar to 2018. Most self-disconnections were under an hour in length.



QPPM1 How often, over the last year, would you say that you have been temporarily disconnected from your (gas / electricity) supply because the meter ran out of credit before you topped it up? Base: All with Prepayment meter 2019: 378(gas)/461 (electricity) QPPM2 And which is the longest period of time you have been disconnected from your (gas/electricity) supply in the last year? Base: all temporarily disconnected 46/55** CAUTION LOW BASE

Reasons for Self-disconnection

Some of the reasons given by consumers for self-disconnection are shown below. These cannot be quantified because of small base sizes, and should be treated as qualitative in nature.

I usually run into emergency credit and on Monday I could not manage to top up before 11 am.

Complete accident - I didn't hear it beeping as I was out at work. If it beeps it cuts out after.

Just forgot to top it up.

Needed to borrow (money) from family and friends – it cut off before I got this.

Summary – Vulnerable consumers

Levels of engagement in the energy market are lower amongst some, but not all, of the vulnerable consumer groups.

Those in arrears on their energy bills and disabled people are less likely to say they have engaged, though engagement levels amongst disabled consumers have increased significantly in the past year

Many groups of vulnerable consumers are more likely than average to have complained to their energy supplier, and there has been an increase in reported complaints amongst consumers in arrears.

Around three in ten consumers may be ‘financially constrained’: they were less likely than average to have engaged in the energy market in the past 12 months

These lower levels of engagement may be linked to lower levels of knowledge and confidence in how to switch, and rather than because of high levels of satisfaction

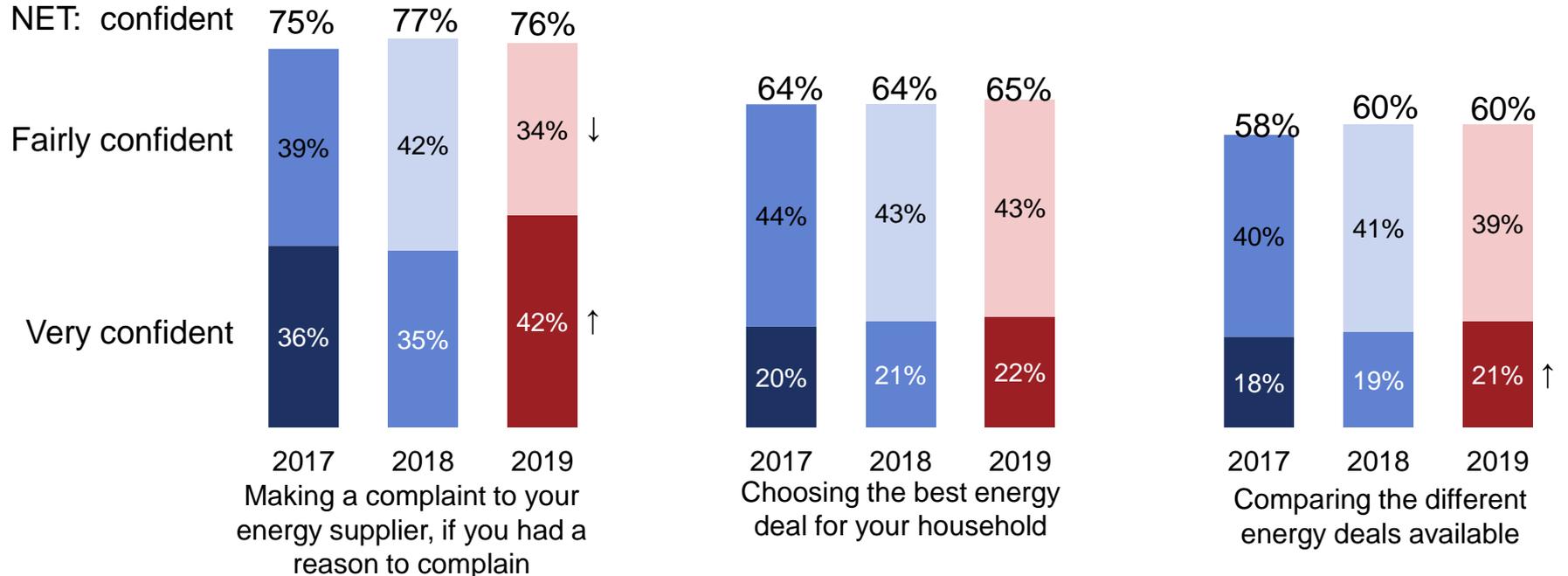
There has been no change in levels of prepayment meter self-disconnection this year – reported by around one in eight of those with a prepayment meter: most disconnections last for less than an hour

Confidence & perceptions

This section of the report looks at changes over time in perceptions of the energy market, and whether these may be barriers to engagement for some groups.

Confidence to engage is steady

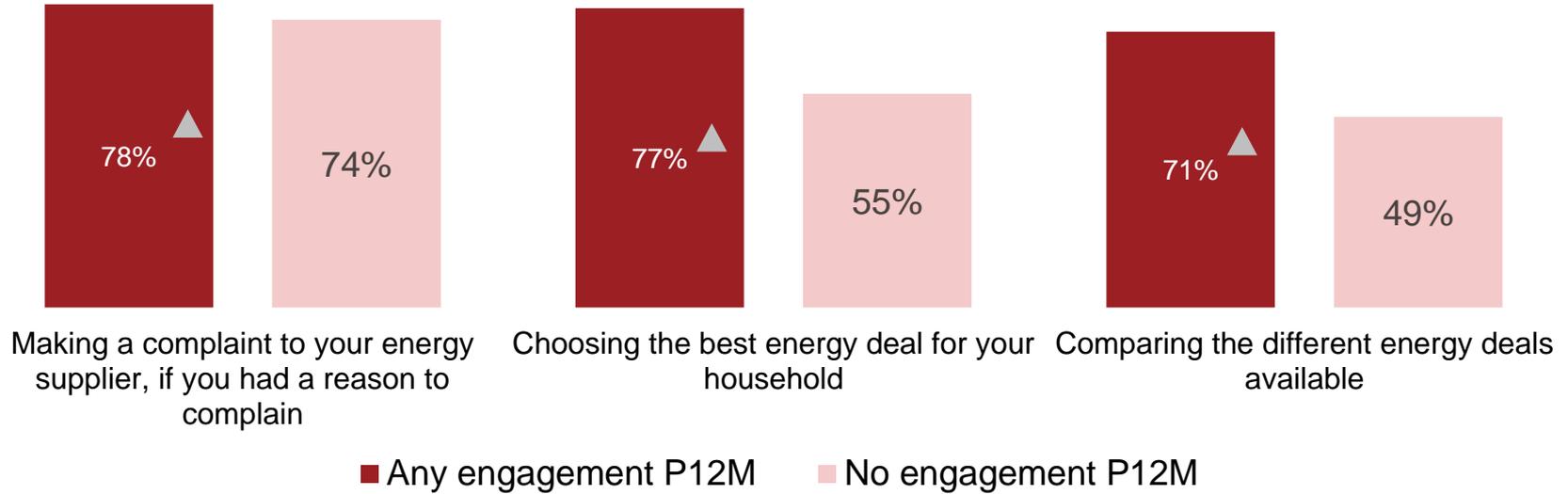
Net confidence in engaging with the energy market is steady (although those who are very confident are increasing)



Conf2. How confident or unconfident do you feel about doing these things related to energy suppliers? Base All respondents 2017: 4001, 2018: 4064, 2019: 4001. ↑↓ indicate significant change between waves

Confidence to engage is steady

As in previous years, fewer unengaged consumers said they feel confident comparing and choosing energy deals compared to engaged. However the gap in confidence to complain between the engaged and unengaged is closing.

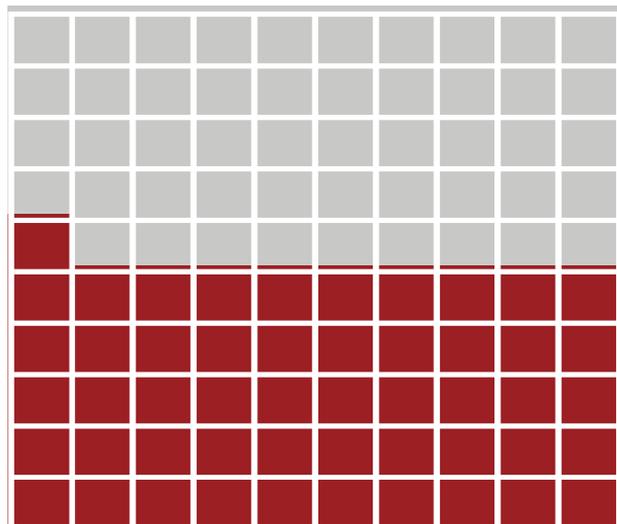


Conf2. How confident or unconfident do you feel about doing these things related to energy suppliers? Base: any engagement P12M: 1924; No engagement P12M: 2077. ▲ ▼ indicate significant difference between subgroups

How easy is it to compare tariffs?



Half of consumers said they find comparing tariffs easy, though the proportion thinking it is easy is lower amongst offline, older and disabled consumers



% saying they find comparing tariffs easy is...

Highest amongst...

Lowest amongst...

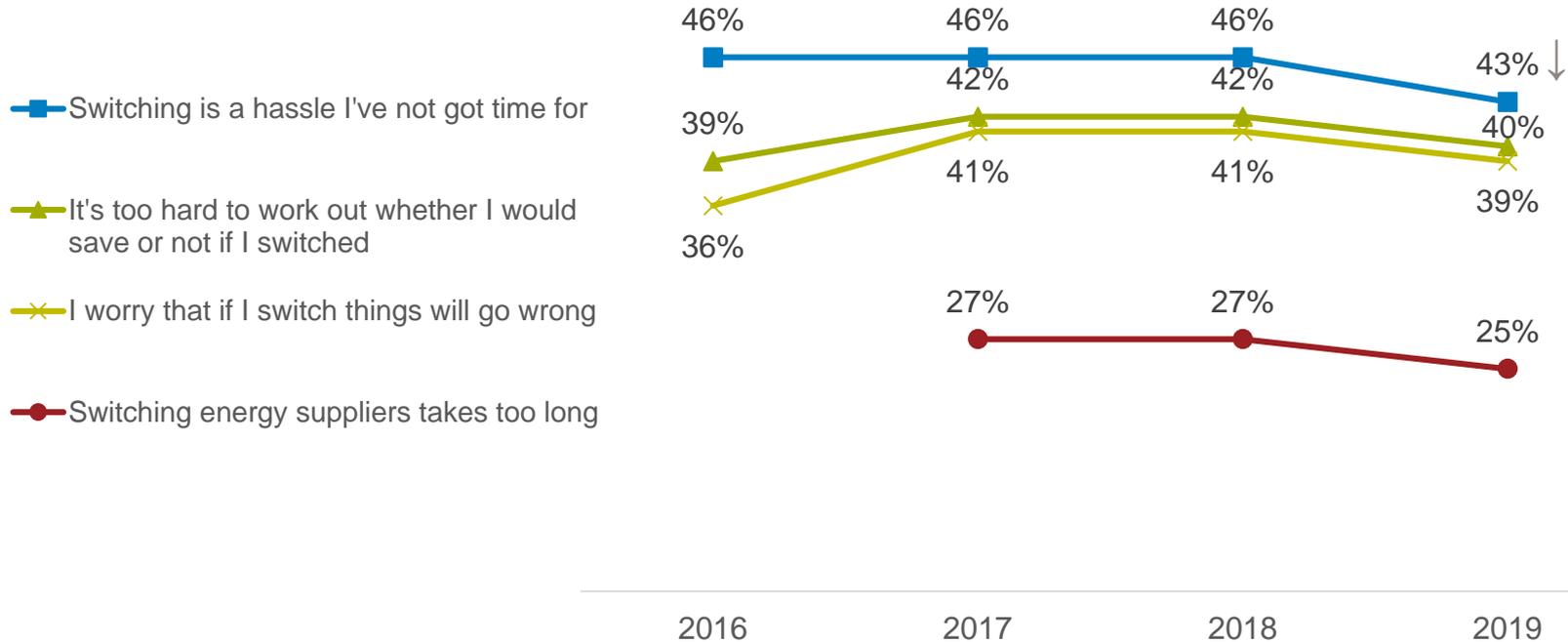
	2019		2019
16-34s	63%	65+s	39%
No disability	54%	Disabled people	41%
Owner occupiers	50%	No internet use	25%
Social renters	51%		

51% of consumers find comparing tariffs easy

Negative perceptions of the switching process are (slowly) declining



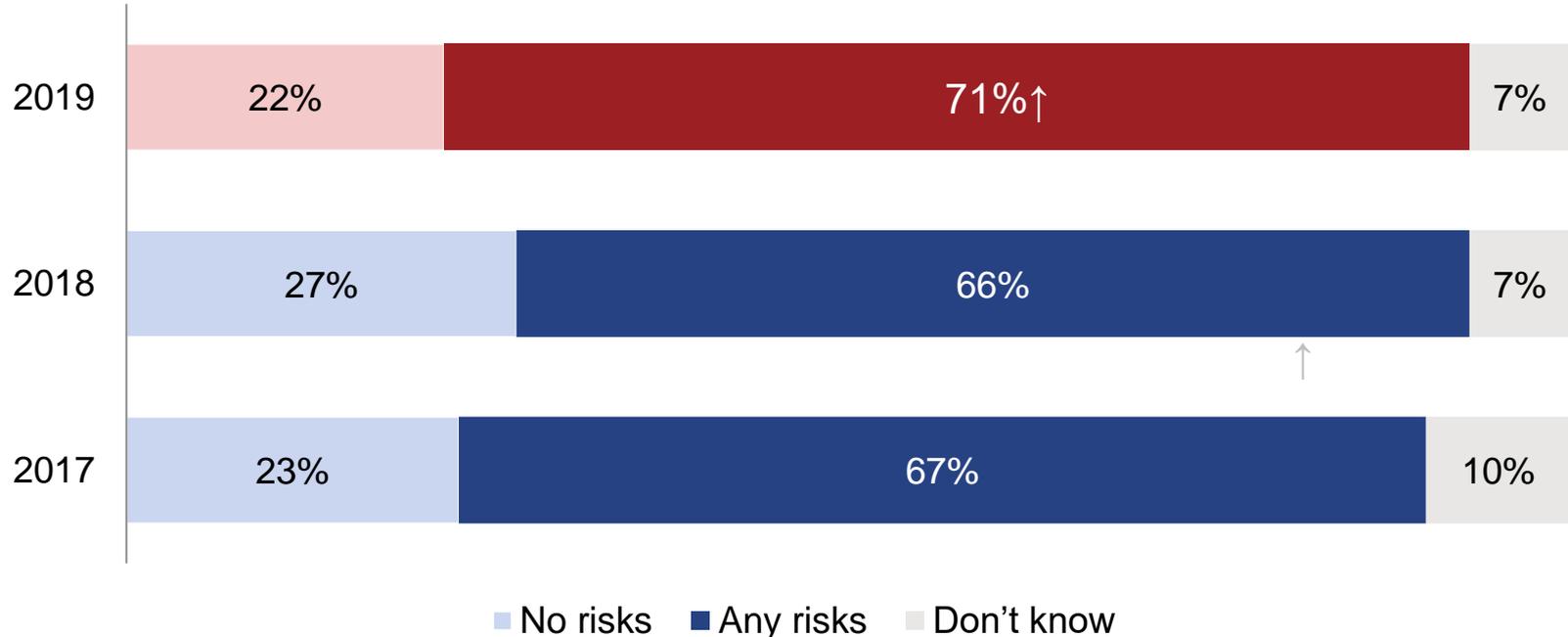
There has been a significant decline since 2018 in the proportion thinking that switching is a hassle I've not got time for, though there have also been more gradual declines in other negative perceptions of the switching process (too hard, worry it would go wrong, takes too long).



Q121. How much do you agree or disagree ...? Base: 2016: 5956, 2017: 4001, 2018: 4064; 2019: 4001 ↑↓ indicate significant change between waves

There's an increase in unprompted mention of risks...

However, more consumers were able to spontaneously name any risks associated with switching (71% in 2019, up from 67% in 2017 when the question was first asked)

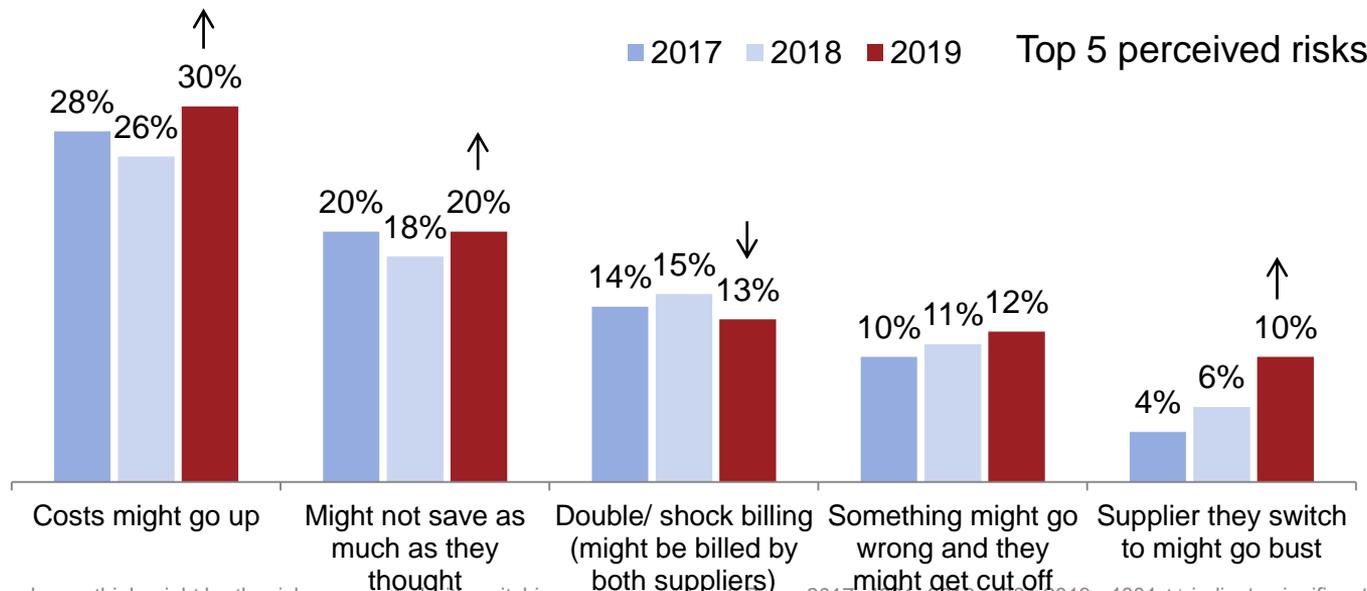


Risks. What, if anything, do you think might be the risks associated with switching energy suppliers? Base: 2017: 4001, 2018: 4064 2019 : 4001 ↑↓ indicate significant change between waves

The increase in perceptions of risks was across a number of categories



Significantly more consumers in 2019 thought that there were risks associated with switching from increasing costs (and lower savings), and that the supplier they switch to might go bust.

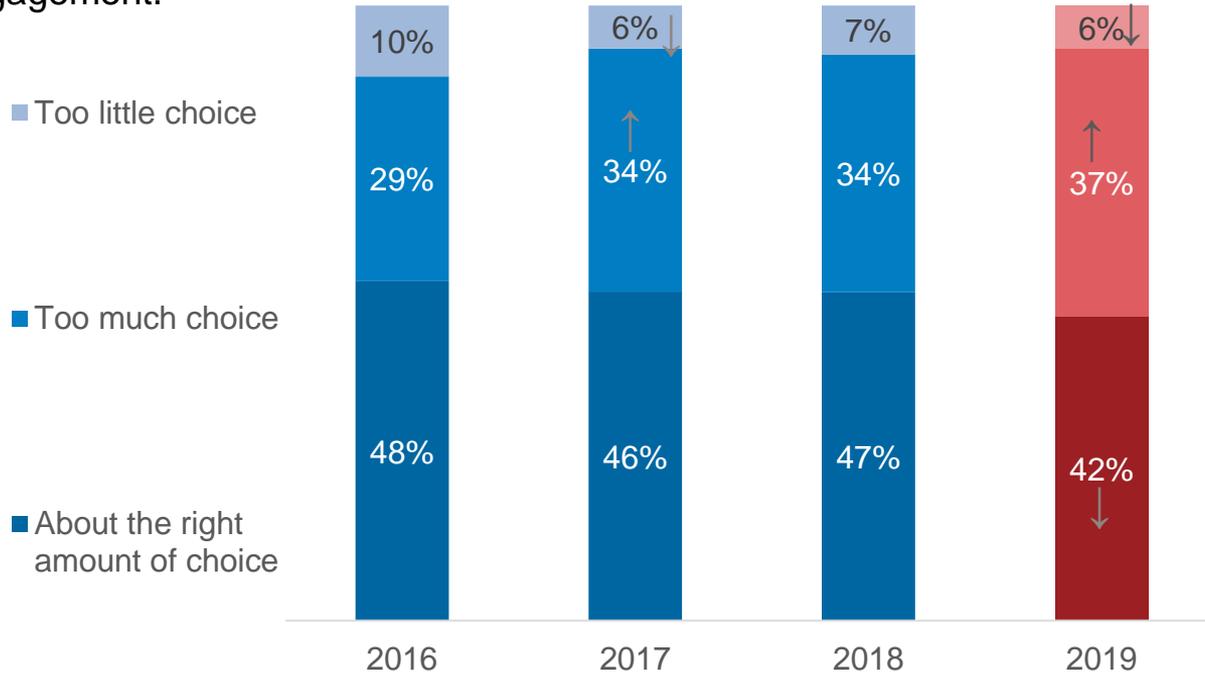


Risks. What, if anything, do you think might be the risks associated with switching energy suppliers? Base: 2017: 4001, 2018: 4064 2019 : 4001 ↑↓ indicate significant change between waves

But there has been a further increase in perceptions that there's too much choice of tariffs



Over a third of consumers thought that there is too much choice in tariffs (up from 29% in 2016): though this perception is more likely to be held by engaged consumers, suggesting it is not necessarily a barrier to engagement.



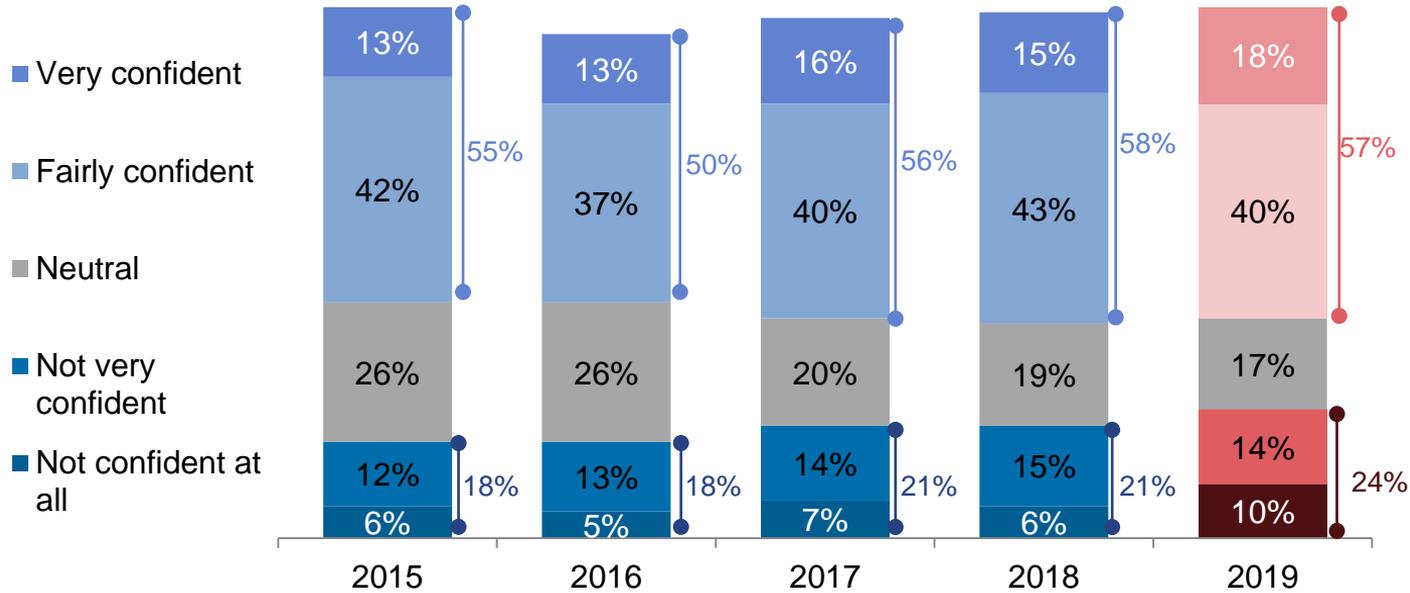
46% Savvy Searchers
44% Tariff switchers

Q73. Thinking about the range of different tariffs available to you from energy suppliers, would you say that you have ...? Base: 2014: 6151, 2015: 5934, 2016: 5956, 2017: 4001, 2018: 4064; 2019: 4001 ↑↓ indicate significant change between waves

Confidence on best deal



In 2017 there was a significant increase in the proportion of consumers feeling confident they are on the best energy deal for them, and this was maintained in 2018 (58%) and 2019 (57%).



Low confidence is up among some of the more engaged groups:

- Owner occupiers** 21-24%
- Higher income** 22-26%

Though the increase is highest amongst unengaged consumers (22-28%)

Q123_Q124_Q125. DERIVED VARIABLE: Confident on best deal for them (as % of all responses) Base: All respondents 2019: 4001; 2018: 4064; 2017 4001; 2016 5956; 2014 6151
 ↑↓ indicate significant change between waves

Summary – Confidence and perceptions

Confidence in engaging with the energy market has remained stable since last year

There are still gaps in confidence around engagement between engaged and unengaged consumers: the largest gaps are related to comparing and choosing energy deals.

Around half said they find comparing energy tariffs easy, but fewer among some vulnerable groups (older, disabled, not online) think it's easy.

Negative perceptions of the switching process are slowly declining (fewer believe it's a hassle, it's too hard or it takes too long).

More consumers mention risks associated with switching compared with previous years – with cost increases and supplier failure more likely to be perceived as risks.

There has been an increase in perceptions that there is too much choice of tariffs – though this was mainly amongst engaged consumers suggesting this perception is not necessarily a barrier to engagement.

Experiences and outcomes

In this section of the report we summarise consumer reports of their experiences of the switching process, and their perceptions of the outcomes of switching (e.g. do they feel they are saving money as a result?)

Summary: experiences of switching

Finding out about deals

- Most engagement was proactive, with price comparison websites most commonly mentioned as a source of information
- As in previous years, tariff switchers were less likely than supplier switchers to have used a price comparison website, and more likely to have telephoned their supplier

Making the switch

- Similar proportions to previous years said they switched using third party services or by contacting the supplier
- The majority of switchers said they found choosing and switching easy, but fewer felt they had control over their switching date

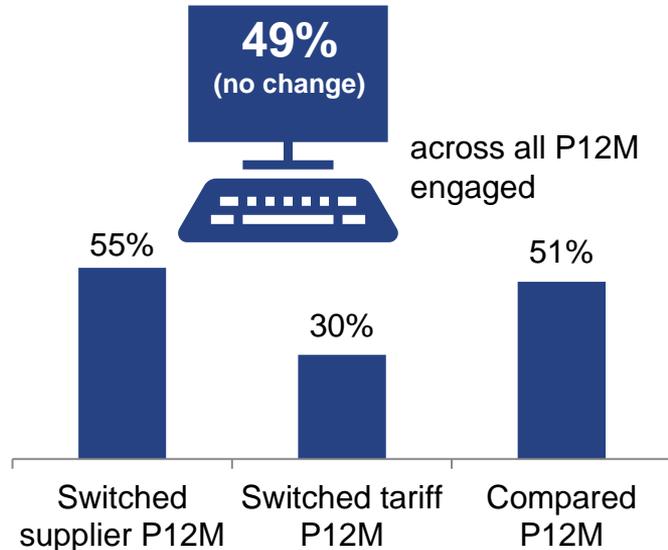
Do they feel they are saving money?

- Three quarters or more of switchers said they are saving money now, or will in the future, as a result of their switch
- More switchers think they are saving money in 2019 compared with previous years

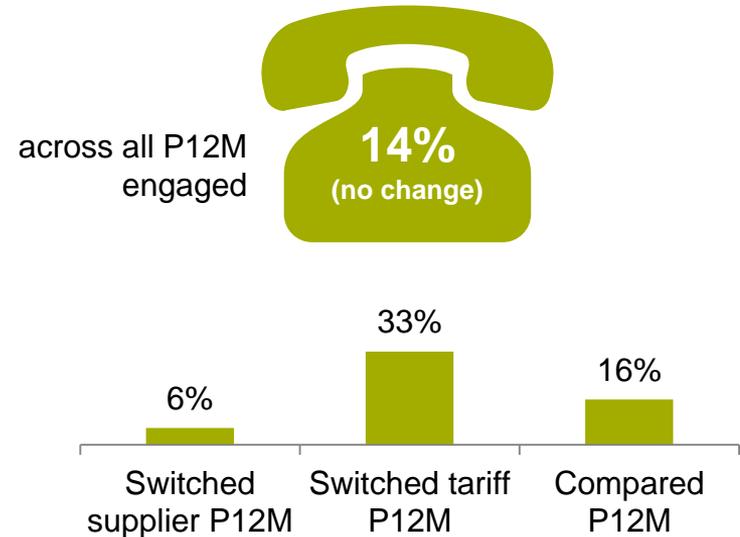
How do consumers find out about deals?

Online price comparison websites remain the most common way of finding deals. Around half (49%) of those who engaged/compared said they did so through a price comparison service. Fewer (14%) said they found out about deals by ringing their supplier, but tariff switchers were more likely than supplier switchers to have found out about deals in this way.

I used an online/ website price comparison service



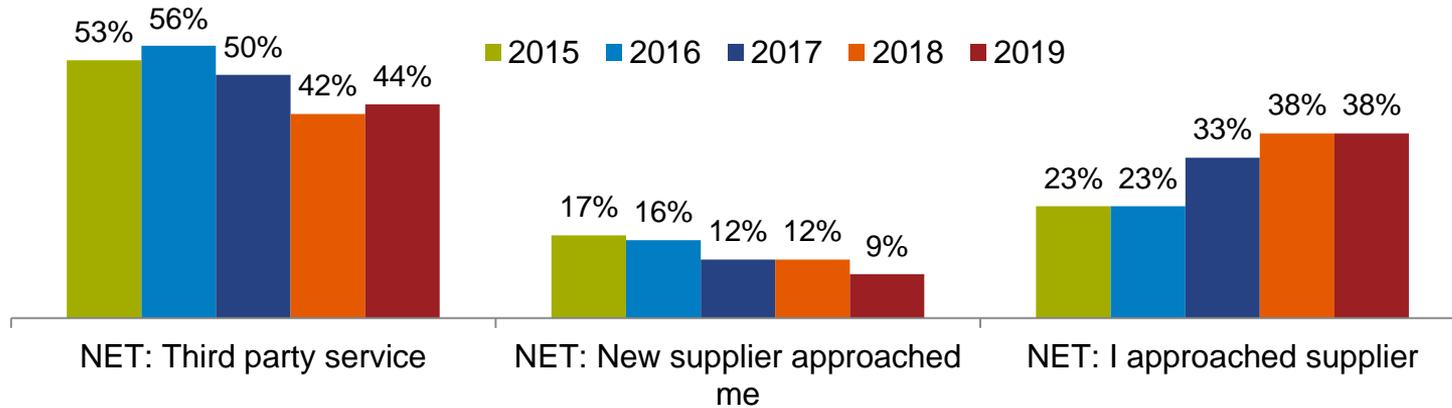
I rang my supplier



Q165. And when you last Compared supplier or tariff, how did you find out about the deals offered? Base: Switched supplier: 910; Switched tariff: 370; Compared supplier or tariff: 644; ↑↓ indicate significant change between waves ▲▼ indicate significant difference between subgroups

How consumers actually make the switch

Third party services remain the most frequent switching method reported: two fifths of those switching said they did so using a third party service. In 2018 there was an increase in the proportion saying they switched by approaching the supplier, and this was maintained in 2019.



55% of Happy Shoppers & Savvy Searchers used a PCW

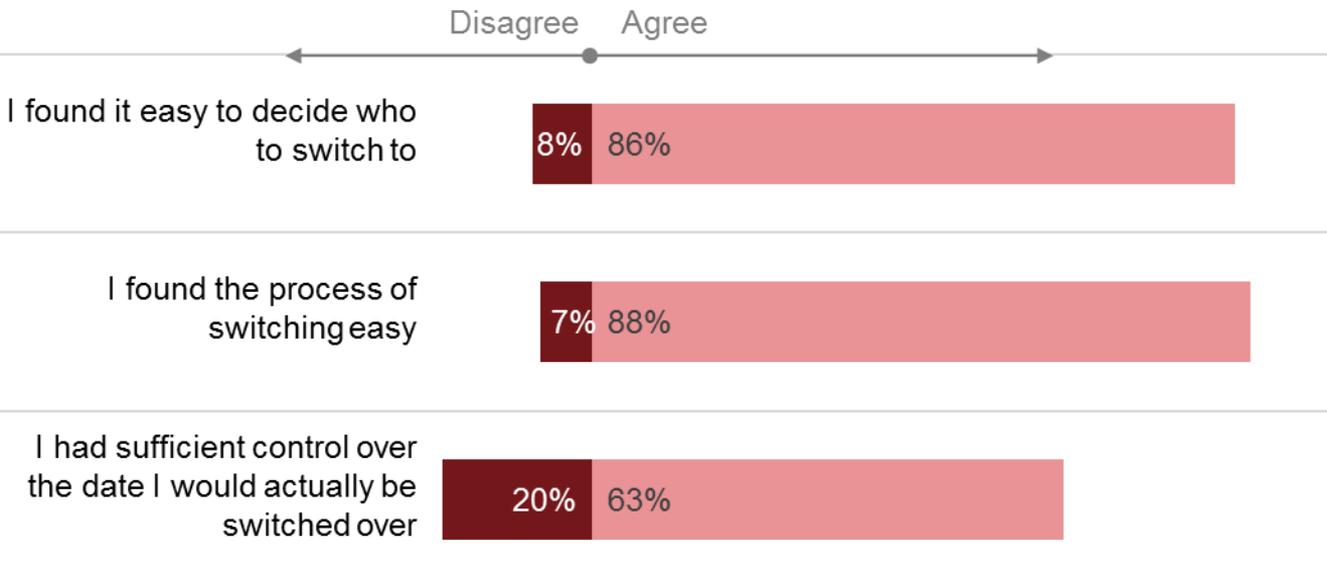
38% of switchers said that they actually completed their switch through a **price comparison website, scanning service or auto-switching service**. The remaining carried out the switch another way

53% Contented Conformers approached their supplier

Q156. Thinking of the last time you engaged how did you switch? Base : Switched gas or electricity supplier or tariff in past 12 months: 2015:733; 2016:860; 2017:670; 2018:955 2019:1291; PCWSW. Did you actually complete the switch through the <online price comparison service/scanning service/automatic switching service Base: Switched/compared last time using online price comparison site/energy scanning service/automatic switching service: 547 ↑↓ indicate significant change between waves

How did the switch go?

Almost nine in ten switchers said they found it easy to decide who to switch to and the process of switching easy. Fewer felt they had enough control over the date of their switch. Responses remained broadly unchanged over time.



Groups most likely to say they found it easy:

**Happy Shoppers (94%);
Those signed up to energy scanning services (91%)**

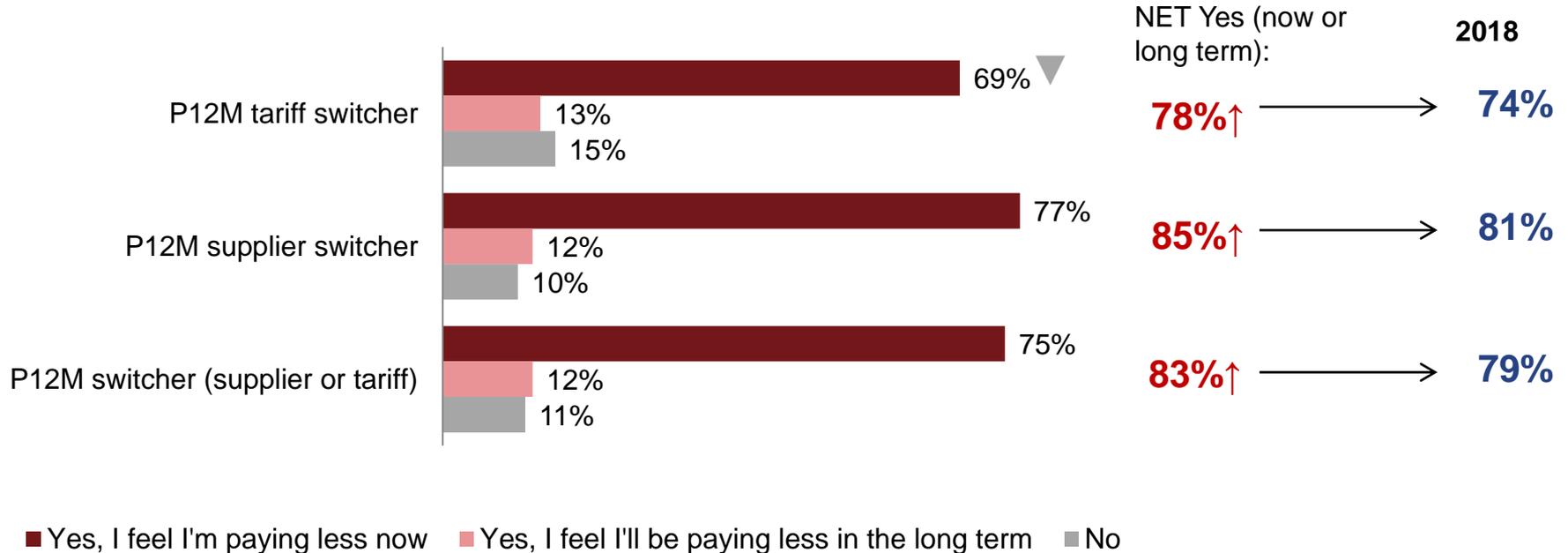
Groups who disagreed that they had enough control:

Anxious Avoiders and Contented Conformers

Q157. Thinking of the last time you engaged how much do you agree or disagree 'I found it easy to decide which deal to switch to?' / 'I found the process of switching easy' / "The last time I switched supplier, I had sufficient control over the date I would actually be switched over" Base : Switched gas or electricity supplier or tariff in past 12 months: 2019: 1334

Whether switchers feel they are saving money

Four fifths of consumers who have switched supplier or tariff said they feel they are saving money having switched: most think they are saving now (rather than future savings). Tariff switchers in 2019 were more likely than in previous years to feel they are saving money.



Q166. To the best of your knowledge, do you feel that you are now paying less than you would have if you had not switched? Base: 2019: switched supplier or tariff P12M: 1280; switched supplier P12M: 910; switched tariff P12M: 370 ↑↓ indicate significant change between waves ▲ ▼ indicate significant difference between subgroups

Failed switching

A very small proportion of consumers said they tried to switch in 2019 but were unable to do so. Of those who did, debt with current supplier and change of mind are the most commonly mentioned reasons

4% of consumers in 2019 said they had **tried to switch but not been able to** (similar to 3% in 2018)

The most common reasons for being unable to switch (raw figures shown below because of low base sizes)

- Existing supplier blocked the switch because I was in debt to them: 22 people
- Just decided not to go through with it in the end: 22 people
- Poor communication between existing and new supplier: 21 people
- Better deal expired / was no longer available: 11 people
- Landlord / council / Housing association would not allow me to switch: 10 people

QTried. Can I just check, in the past 12 months have you tried to switch gas or electricity supplier but have been unable to for some reason? Base: 4001; Qdescr. Which, if any of these describe what happened? Base: 153

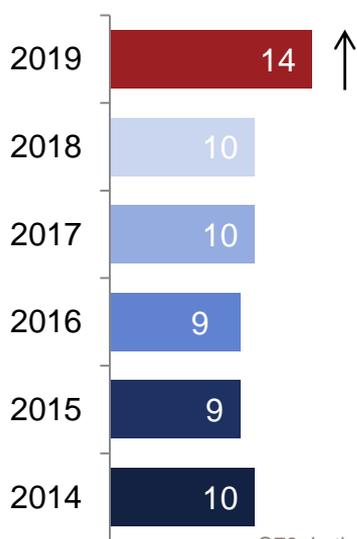
↑↓ indicate significant change between waves ▲ ▼ indicate significant difference between subgroups

Whether complained in past 12 months



There has been a significant year on year increase in the proportion saying they had complained about an energy supplier in the past 12 months (up from 10% in 2018 to 14% in 2019). A further 3% said they felt they had cause but had not complained.

% complaining in past 12 months



A further **3%** of all consumers felt that they had cause to complain but hadn't (unchanged since 2018)

Top 3 reasons for not complaining:

- Not worth the time/hassle (40% - unchanged)
- Didn't expect a good outcome (12%↓)
- Lack of confidence (6%↓)

Groups more likely to have complained are unchanged from previous years:

- P12M switchers – 20%
- Market Sceptics – 25%

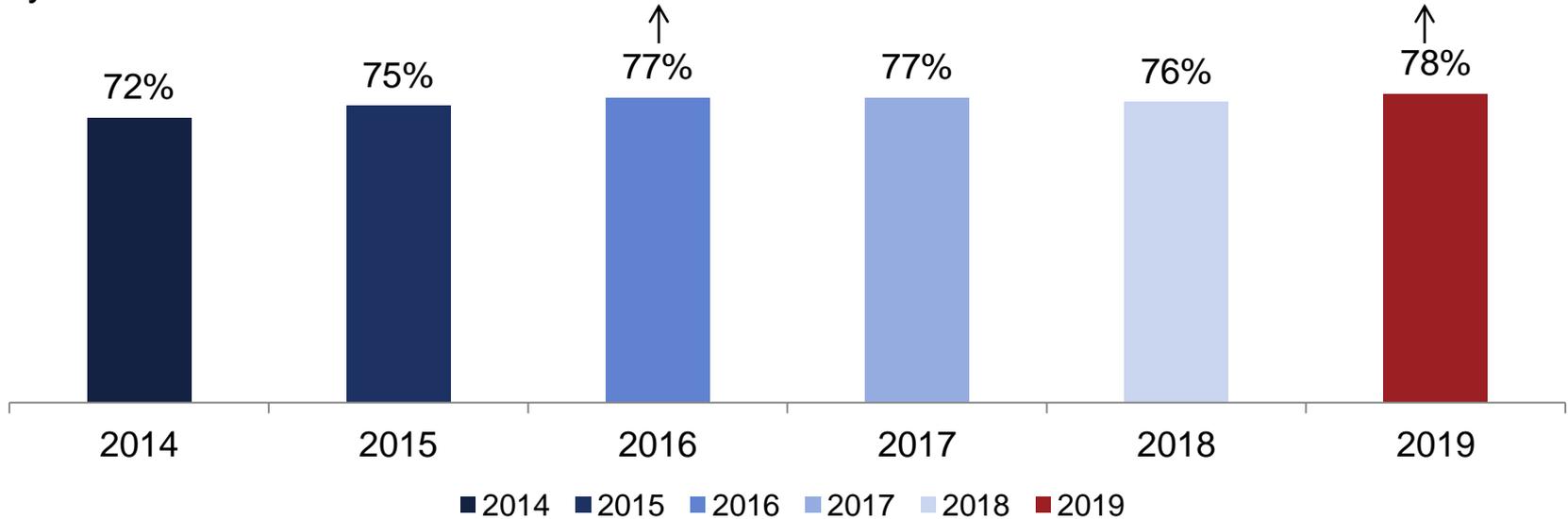
Q76. In the last 12 months, have you contacted a current or previous energy supplier to complain at all? Base: All respondents (2019: 4001; 2018: 4064; 2017:4001; 2016: 5956; 2015: 5934; 2014: 6151);

Q81. Excluding any comment about their prices, do you believe you have had cause to complain to an energy supplier in the last year, but have not done so? Base: All respondents (4001); NotCm. Why did you not make a complaint at that time? Base: All who had cause to complain but didn't (107)

Supplier satisfaction

Levels of satisfaction with their energy supplier remain broadly unchanged since 2016: over three quarters said they are satisfied (78% in 2019).

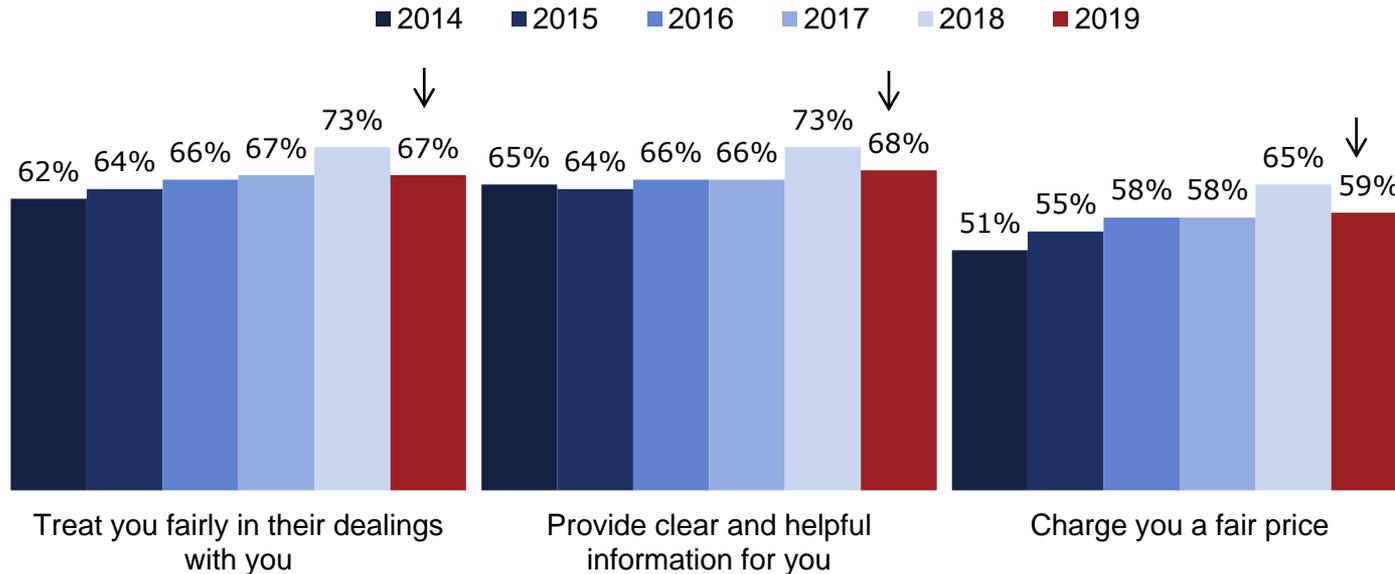
% Very satisfied or satisfied



Q59/63/67. How satisfied or dissatisfied are you with the overall service you receive from your current energy supplier? Base: 2014: 6151; 2015: 5934; 2016: 5956; 2017: 4001; 2018: 4064; 2019: 4001 ↑↓ indicate significant change between waves

Trust in own supplier

However, levels of trust in specific elements of supplier interaction have declined from the high points seen in 2018. Rates of decline in trust are biggest amongst engaged consumers, although their levels of trust remain above those of unengaged consumers.



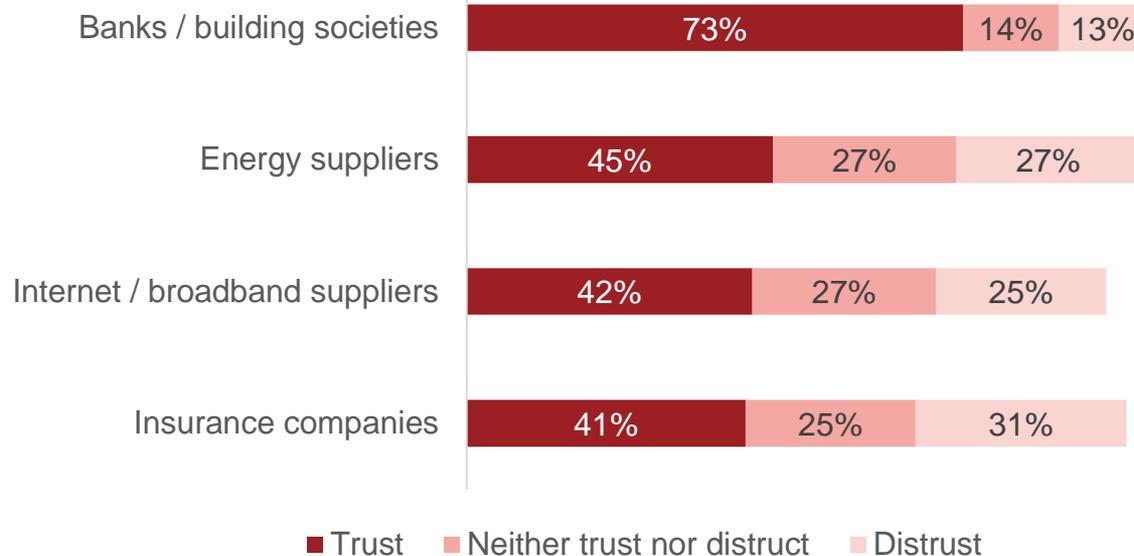
Declines strongest amongst engaged consumers, though their levels of trust remain above those of unengaged consumers

Decline strongest among C2DEs (7-8%)
Engaged/unengaged declines are similar

Q60 / Q64 / Q68. To what extent do you trust or distrust your supplier to ...? Base: 2014: 6151; 2015: 5934; 2016: 5956; 2017: 4001; 2018: 4064; 2019: 4001 ↑↓ indicate significant change between waves

Do consumers trust energy suppliers generally?

For the first time in 2019 we compared levels of trust in energy suppliers to treat consumers fairly with suppliers in other regulated industries. Trust was highest in banks/building societies, though energy suppliers were a little more likely to be trusted than internet or insurance companies. Low levels of trust do not appear to be a barrier to engagement, but high levels of ‘generic’ trust could encourage disengaged consumers to stay disengaged.



Trust in energy suppliers is highest across some of the least engaged groups:

- 65+s (50%)
- Low income households (49%)
- Social renters (51%)
- Never switchers (54%)
- Hassle Haters (56%)
- Contented Conformers (53%)

Summary – Experiences and outcomes

Consumer switching experiences remain consistent with previous years, with price comparison websites the main source of comparisons, and calling the supplier or price comparison websites the main switching methods.

Most switchers said they think they are saving money, and the proportion thinking they are saving now has increased since 2018

Energy companies are less likely to be trusted to treat consumers fairly than banks/building societies, but more likely than other regulated industries (broadband, insurance). Despite declines in levels of trust in energy suppliers since last year, levels of supplier satisfaction remain stable and high.

Lack of trust doesn't appear to inhibit market engagement, but high levels of trust may encourage or increase inertia amongst unengaged consumers.

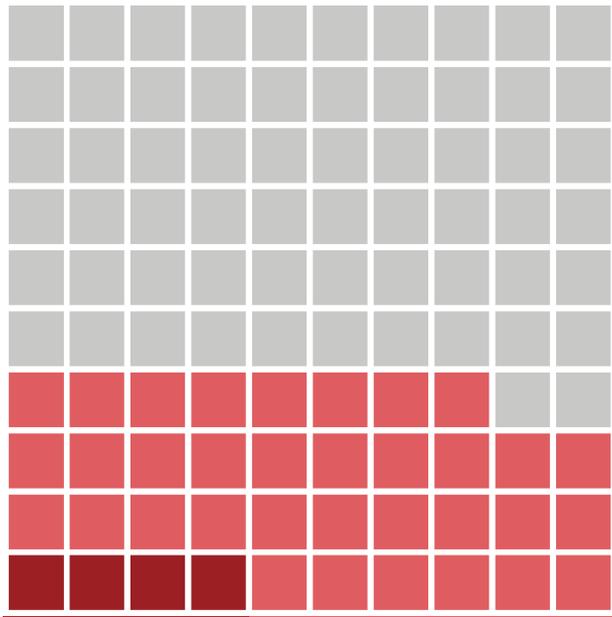
More consumers said they had complained in the past 12 months: up 4 points to 14% in 2019.

Does supplier exit impact on consumer engagement?

The Supplier of Last Resort (SoLR) procedure was established by Ofgem in 2003 to ensure that if an energy supplier goes out of business, domestic consumers have continued supply. To ensure this, Ofgem appoints a new supplier to take over their customers. Between January and September 2019 there were six supplier failures, affecting over 300,000 domestic energy customers. This section of the report looks at awareness of supplier failures and the impact of awareness on likely future energy market engagement.

Awareness of supplier failures

Two fifths of consumers said they had heard about energy companies going out of business recently, though fewer (4%) had any experience of it personally or through a friend or family member.



38% had heard something about energy companies going out of business recently

4% said they had experience of it

- 2% said it had happened to them
- 2% said it had happened to a close friend or family member

Groups more likely to have engaged in the energy market were more likely to be aware and have experience:

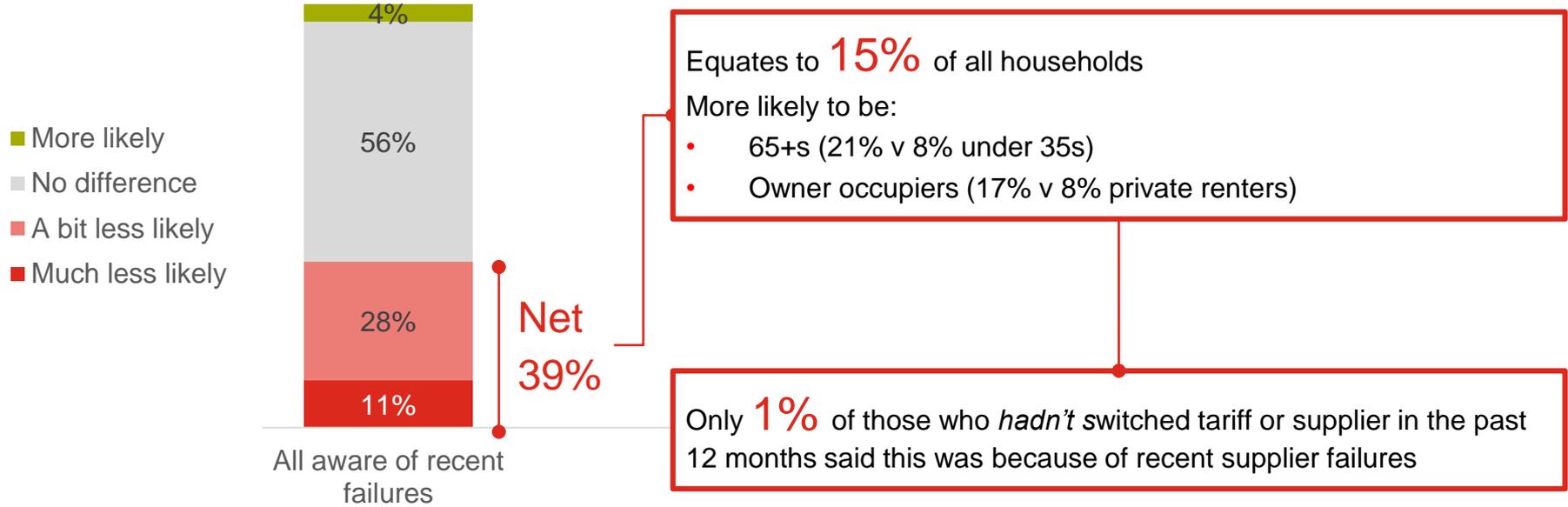
- ABC1s, higher income households
- P12M engaged and supplier switchers

EnergyOOB. Have you heard anything about energy companies going out of business recently? Base: All participants 2019 only (4001)

Impact of recent supplier failures on likelihood to switch



Around two fifths of those aware of recent supplier failures (15% of all households) said that the failures made them less likely to switch energy supplier in the future.



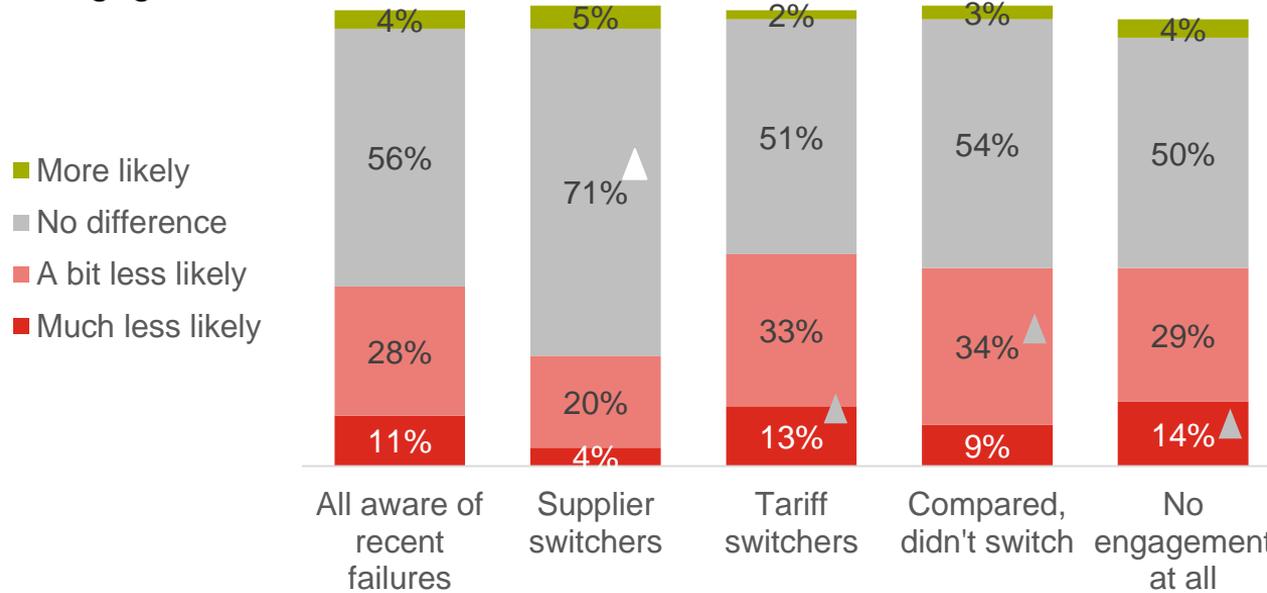
ImpactEnergyOOB. Which of these best describes how knowing that some energy suppliers have gone out of business makes you feel about switching energy suppliers? Base: All participants aware of energy suppliers going out of business recently Base: 2019 only All participants (4001) all aware of recent failures (1531)

Around two fifths of those aware of recent supplier failures said it made them less likely to switch in the future



Knowledge of recent failures was less likely to deter recent switchers (71% said it made no difference), but may reinforce barriers to engagement for some unengaged consumers.

Engagement in P12M



In 2019 69% of all consumers agreed that they would be **wary of using a supplier they had never heard of**: which is a significant increase from 64% in 2018.

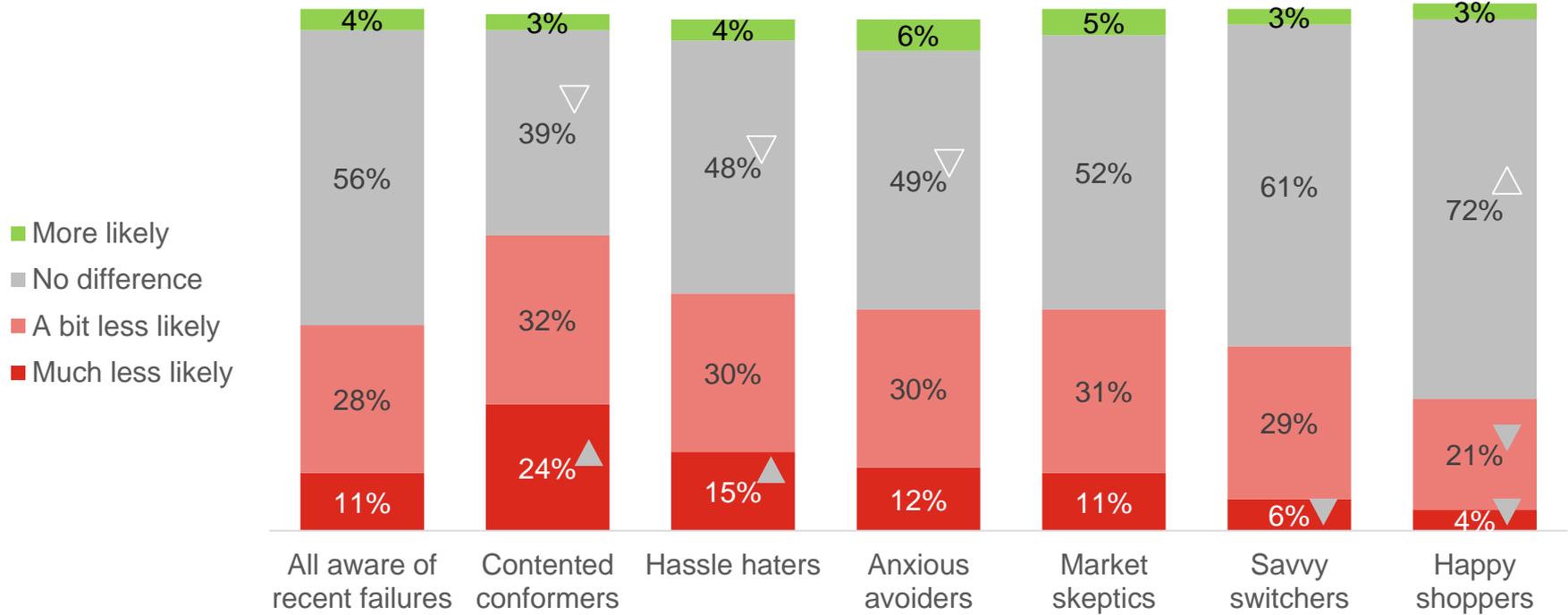
ImpactEnergyOOB. Which of these best describes how knowing that some energy suppliers have gone out of business makes you feel about switching energy suppliers? Base: All participants aware of energy suppliers going out of business recently Base: 2019 only All participants (1608) Supplier switchers (414) Tariff switchers (173) Compared didn't switch (315), no engagement at all (706); spatt. To what extent do you agree or disagree with these statements about energy suppliers?. I would be wary of using an energy supplier I have never heard of. Base: 4001

▲ ▼ indicate significant difference between subgroups

Knowledge of recent failures appears to reinforce views of risks of engaging amongst more anxious segments



Significantly more Contented Conformers and Hassle Haters say that knowledge of recent failures has made them less likely to switch in the future (compared to the population average).



Which of these best describes how knowing that some energy suppliers have gone out of business makes you feel about switching energy suppliers? Base: All participants aware of energy suppliers going out of business recently Base: 2019 only All participants (1608), Contented conformers (254), Hassle haters (232), Anxious avoiders (190), Market skeptics (152), Savvy switchers (401), Happy shoppers (379). ▲ ▼ indicate significant difference between subgroups

Summary – Does supplier exit impact energy engagement?



Two fifths said they had heard about energy suppliers going out of business, but far fewer had any direct experience

Knowledge of recent failures appears to have reinforced barriers to engagement for unengaged consumers and those consumer segments that tend to be nervous about switching (Contented Conformers and Hassle Haters)

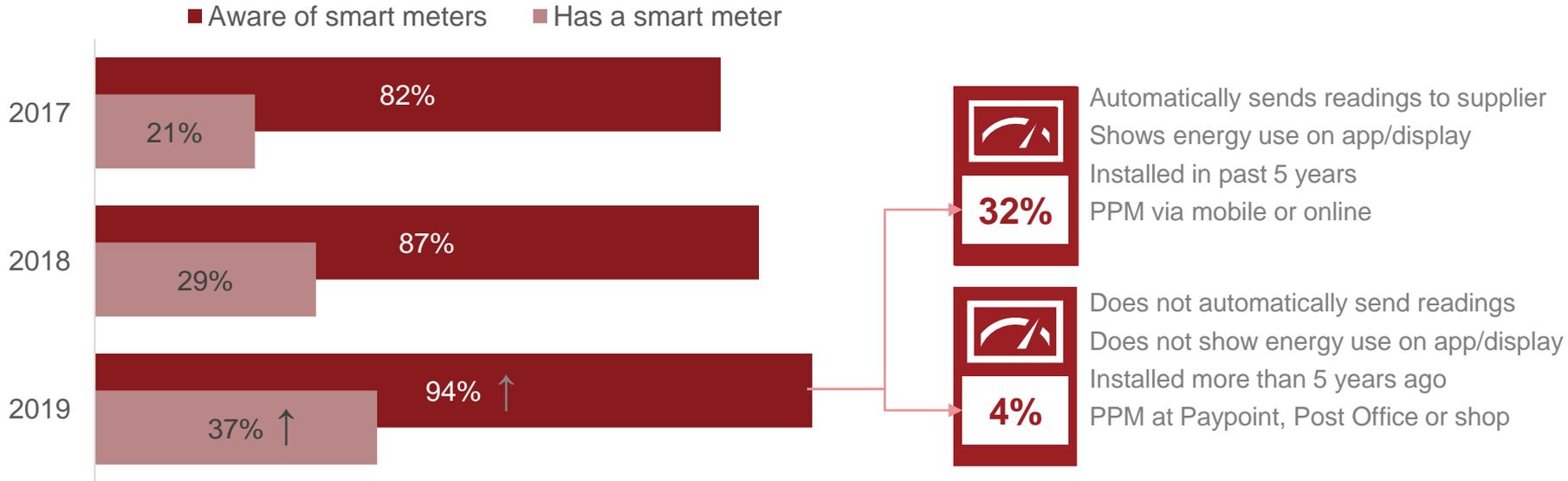
Shifting energy consumption

The final section of this report looks at issues associated with future energy use, including installation and use of smart meters, and potential future changes to help to balance peak time energy demand.

Smart meters

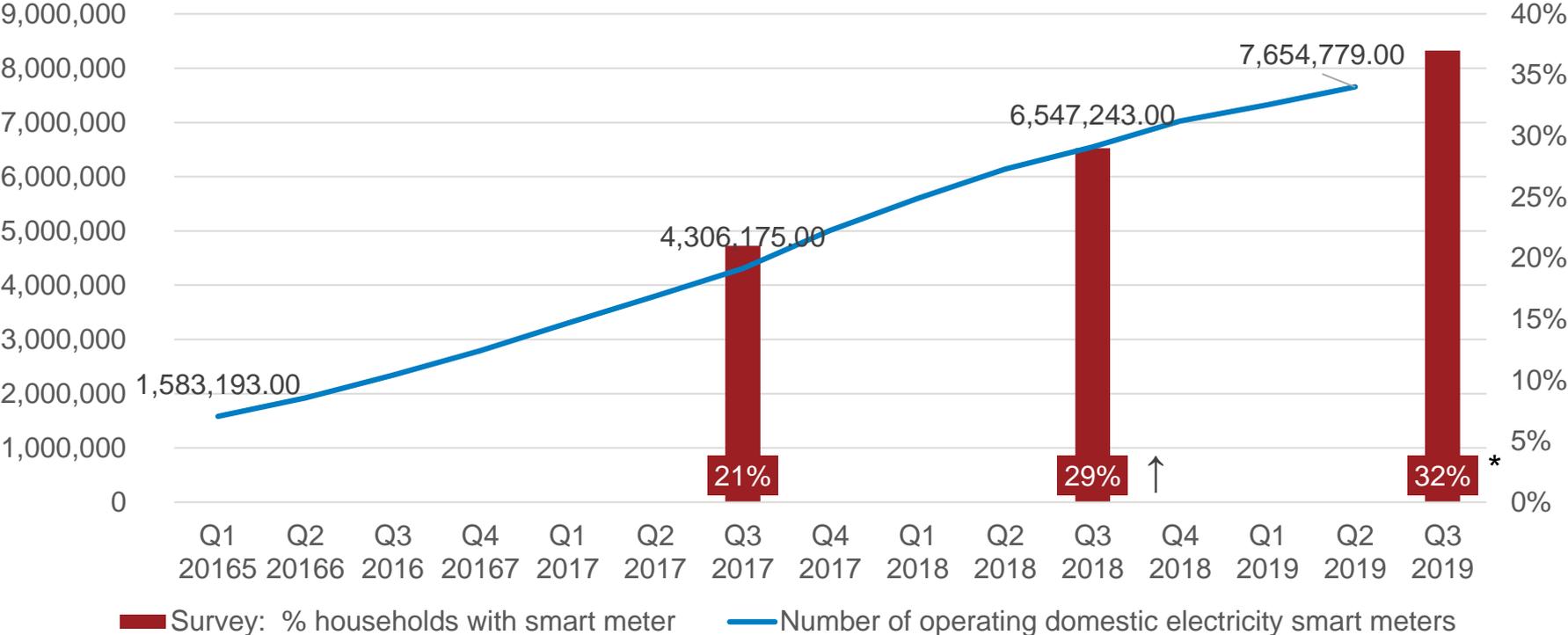


In 2019 almost all consumers (94%) had heard of smart meters, and 37% said they had a smart meter installed: though on asking further questions about the nature of the smart meter it is likely that fewer (32%) have a smart meter installed. Comparisons should be treated with caution because of questionnaire changes, but awareness and installation of smart meters has increased over time: awareness rose from 82% in 2017.



SM1 Have you heard of Smart meters? SM4 Do you have a smart meter? Base: all participants 2019 (4001); 2018 (4064), 2017 (4001) NB Question change over time, comparisons should be treated with caution. ↑↓ indicate significant change between waves
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Increased levels of smart meter installation are reflected in BEIS data

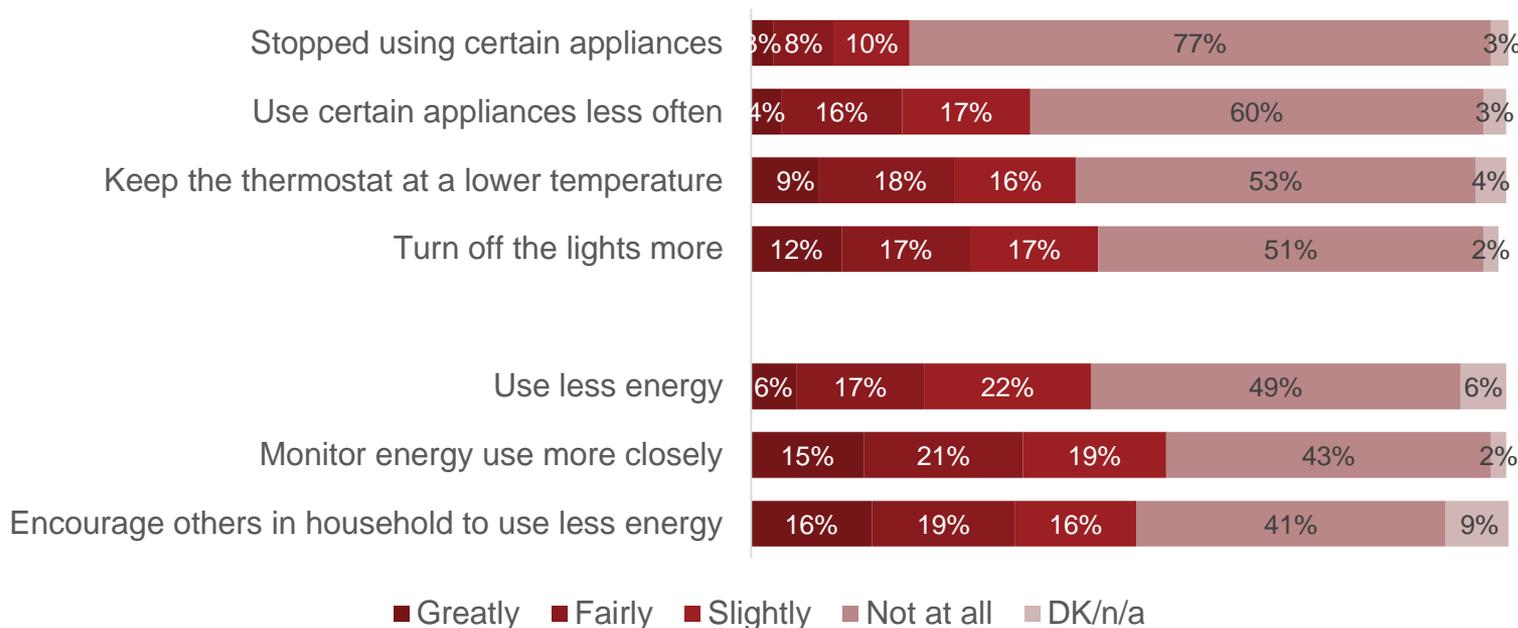


SM1 Have you heard of Smart meters? SM4 Do you have a smart meter? Base: all participants 2019 (4001); 2018 (4064), 2017 (4001) * NB Question change over time, to reflect smart meter definition used by Smart Energy Great Britain. Comparisons with previous years should be treated with caution. ↑↓ indicate significant change between waves Smart meter operational data taken from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/827387/2019_Q2_Smart_Meter_Statistics_FINAL.xlsx

Impact of smart meters on consumption



Smart meters encourage awareness and monitoring of energy use and discussions about it, and to a lesser extent using less energy, with simple actions like turning off lights or turning down the heating most commonly taken.

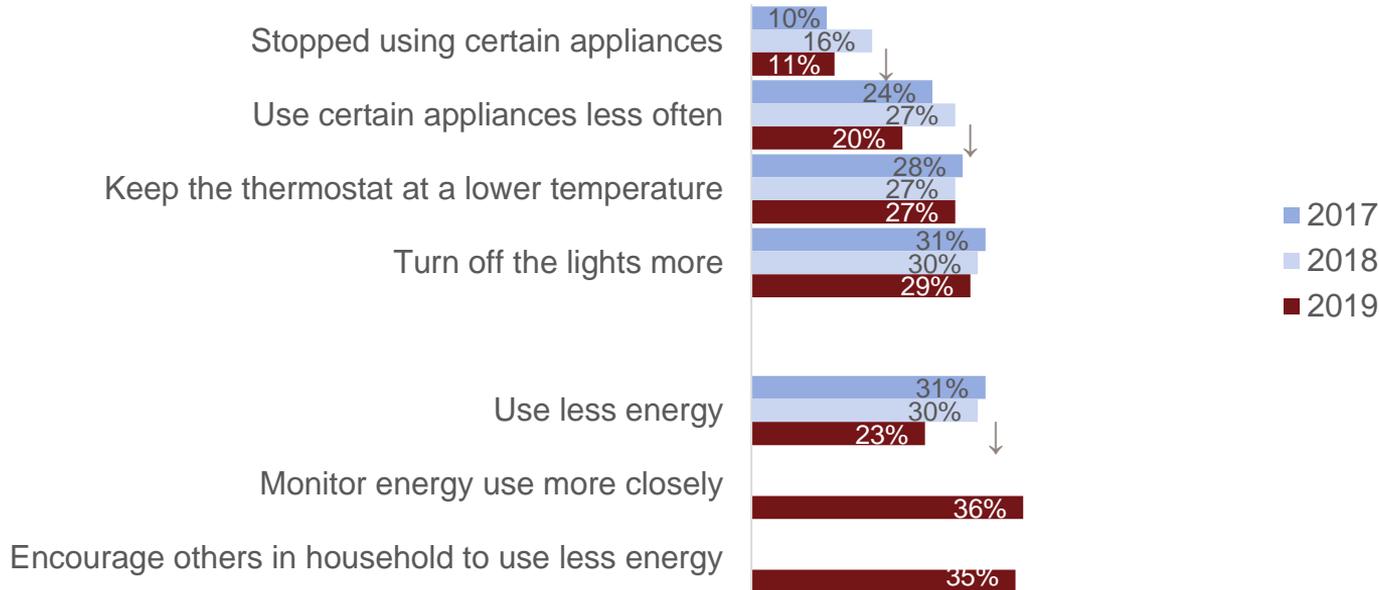


No particular patterns in changes in behaviour by demographic group

Impact of smart meters on consumption



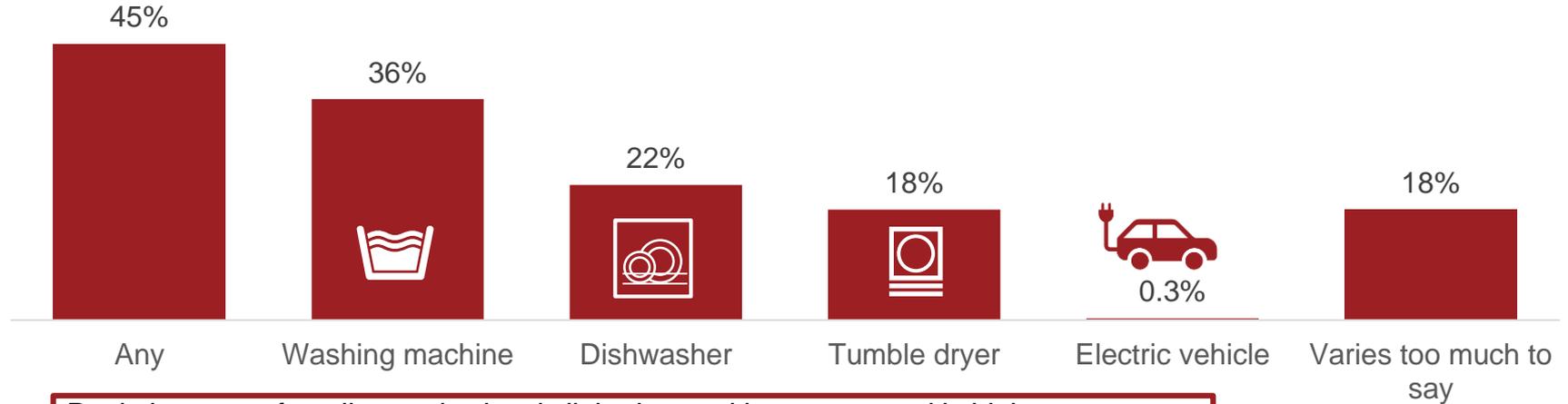
Those saying that the smart meter has impacted their energy consumption has fallen between 2018 and 2019. This is potentially an impact of the smart meter rollout - meaning that fewer people with smart meters are now 'early adopters' and thus less likely to show behavioral impacts as a result of proactive installation.



SM6 Since getting the smart meter have you...? Base: all participants with a newer smart meter 2019 (684); All participants with a smart meter 2018 (1187); 2017 (355) ↑↓ indicate significant change between waves, but comparisons should be treated with caution because the base for the question has changed. In previous years, questions on changes in consumption were asked of all with smart meters, but in 2019 these questions were only asked of people with newer types of smart meters.

Use of potentially electricity-heavy appliances at peak time

In order to assess the potential for shifting the time when ‘electricity hungry’ appliances are used, all households were asked which appliances they used at peak time (4-8pm on weekdays). Just under half of households did so and therefore could potentially move to off-peak use (‘load-shift’).



Peak time use of appliances is closely linked to working status, and is higher amongst:

- younger people (57% 16-34s, 50% 35-64s v 30% 65+s)
- AB households (53% v 37% DEs)
- Higher income households (53% income >£16K v 38% lower income).

Load-shifting



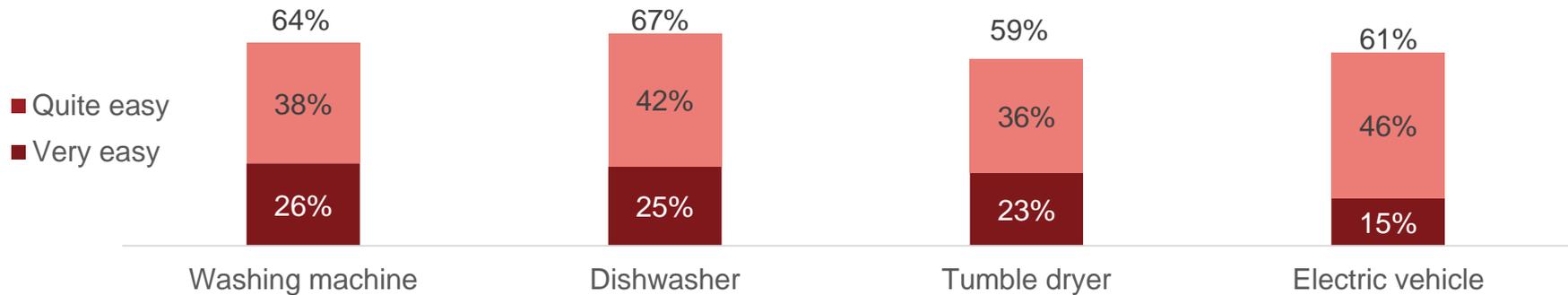
The price of energy fluctuates throughout the day, depending on demand. In the future, it could be possible to link appliances to the network, and set them to run when the price of energy falls, passing savings onto households.

Ofgem wanted to understand consumer sentiment towards using appliances that could be set to run at times when the price of energy falls. The survey asked a series of questions to identify if load-shifting would be possible for respondents, and if so, how they felt about this.

How easy would it be to load-shift?

The chart below shows proportions within households who say they use each appliance in peak time who think it would be easy to change when they use them. The exception is electric vehicles, which is shown as raw figures because only 13 participants said they charge their vehicle at peak times.

Three fifths or more of those using each appliance in peak times feel it would be easy to change when they do it to a time when there is less energy demand.



Amongst those who use each appliance in peak times:

- Older people and those in Wales were more likely to say it would be easy to loadshift
- Younger people, DE and those in Scotland were more likely to say it would be difficult to loadshift

LOADSH. How easy or difficult would it be for your household to change when you do these things to when there is less demand for energy? Base: all participants who use each appliance in peak times 2019 only: washing machine (1371), dishwasher (830), tumble dryer (670), electric vehicle (13**low base – raw figures shown)

How many households could potentially load-shift?



The table below shows the proportion of **all households** who say they have each type of appliance and that it would be very easy for them to change when they use the appliance. The row below grosses this up to show how many GB households this equates to and below we gross up to KWh saved..

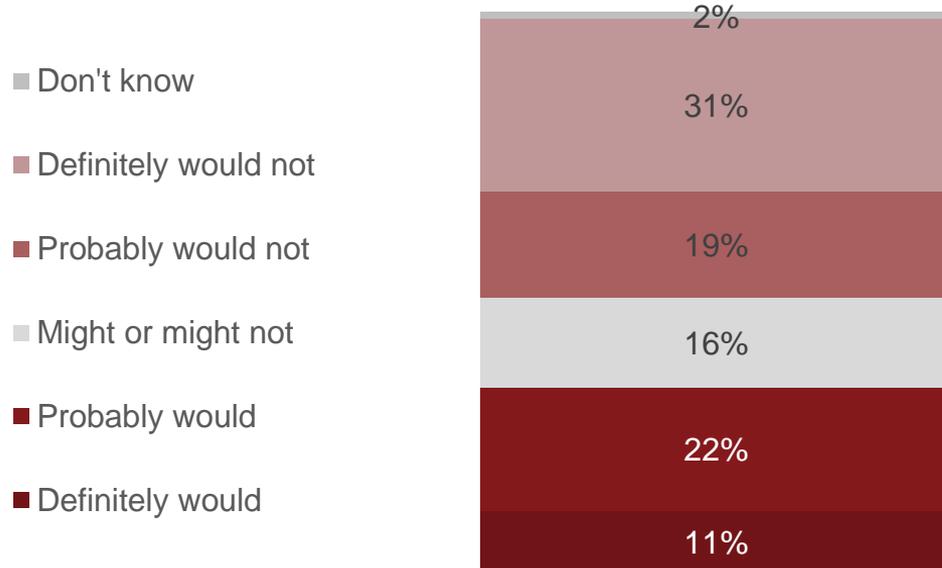
If we assume that all GB households who say it would be very easy to load-shift do so once a week, this has the potential to shift 24.6m KWh of peak hour demand each week.

Appliance	Washing machine	Dishwasher	Tumble dryer	Electric vehicle
Proportion of all GB households who have this appliance and use it at peak time and say this would be very easy to change	23%	15%	10%	0.2%
Number of GB households this equates to	6,2 million	3.9 million	2.8 million	54 thousand
Amount of peak time energy use saved each week if households loadshifted once a week	9.4m KWh	5.9m KWh	7.1m KWh	2.2m KWh

Could smart appliances be used to encourage load-shifting?



A third of households said they would use a smart appliance (that runs at times during the day when the cost of energy falls) to reduce the size of their household's energy bills.



Would you use a smart appliance to save money?

INTCONT1. How likely would you be to use appliances like this to reduce the cost of your household's energy bills? Base: all participants who use any appliances at peak time (2019 only)

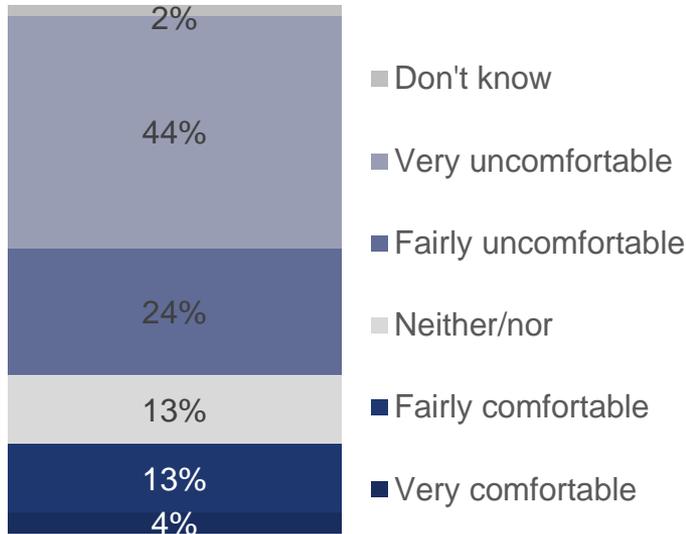
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Could remotely controlled smart appliances encourage load-shifting?

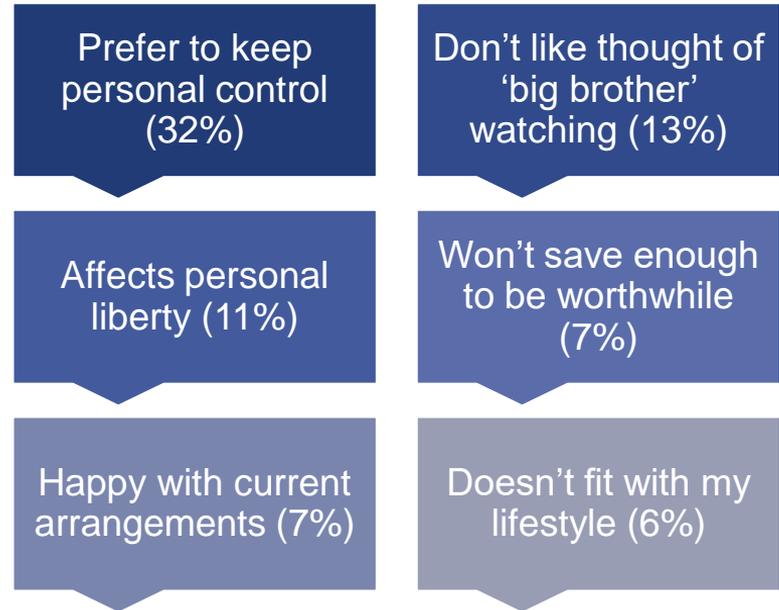


Peak time appliance users were asked how comfortable they would feel allowing external companies to control of when their appliances run (to ensure they are used when the price of energy is at its lowest). Only 17% said they felt comfortable: consumers have a strong sense of personal agency and want to maintain control over things in their home.



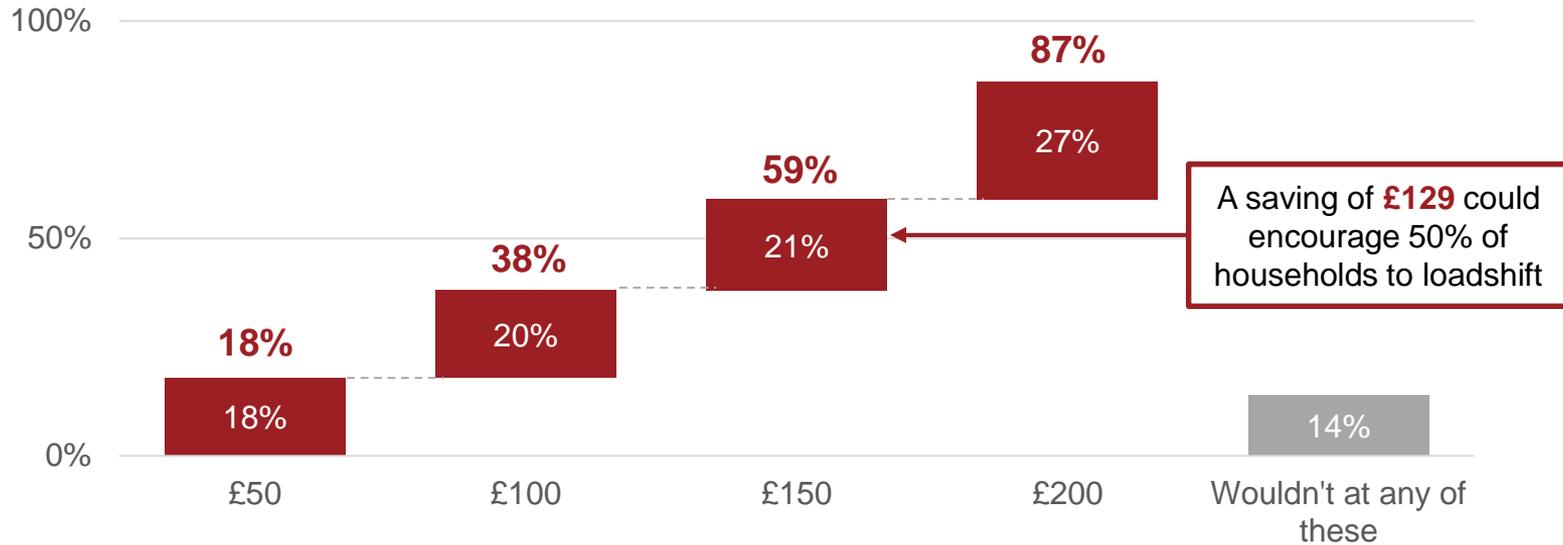
How comfortable feel having external company controlling appliances

Why feel uncomfortable?



What savings would encourage households to load-shift?

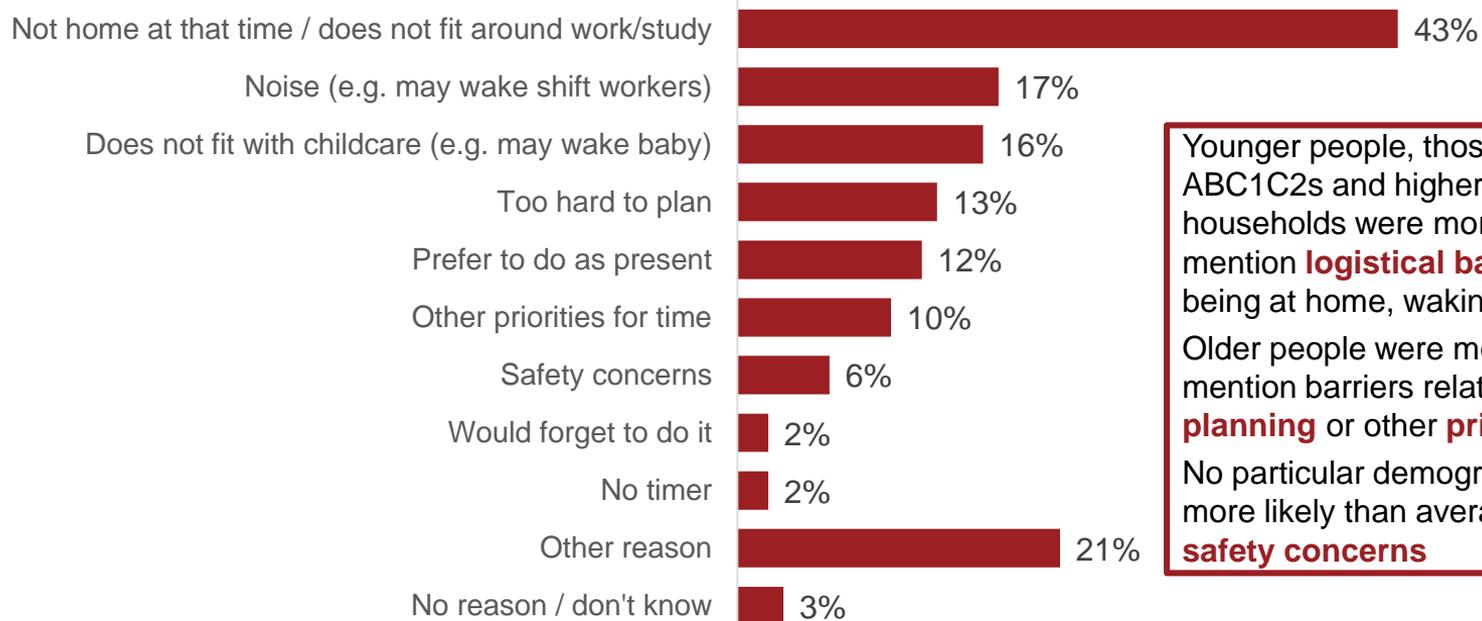
Households were asked how much they would need to save to encourage them to load-shift. They were shown a random selection of saving amounts ranging from £50-£200: the chart below shows the proportions who said they definitely would change the times when their appliances run at each savings amount. A fifth (18%) said they would loadshift for a £50 annual saving, but 14% wouldn't at any savings amounts at all. Half of households said they would loadshift if the savings were at least £129 per year.



What are the barriers to load-shifting?



All those who felt it would be difficult to load-shift were asked why this was. Few barriers were mentioned that could not be overcome by behaviour change or technology, though 6% of those thinking it would be difficult mentioned safety concerns (e.g. fire risks from having appliances running unsupervised).



Younger people, those with children, ABC1C2s and higher income households were more likely to mention **logistical barriers** (e.g. not being at home, waking others). Older people were more likely to mention barriers related to **preference, planning** or other **priorities**. No particular demographic group was more likely than average to mention **safety concerns**.

WHATPRE. Can you tell me a bit about what prevents your household from being able to <use appliances> at a time when there is less demand for energy (e.g. to the middle of the day, or overnight)? Base: all participants who feel it would be difficult to loadshift 2019 only (359).

Summary – Future energy use

Awareness and installation of smart meters appears to be increasing over time, in line with government/industry figures

- Smart meters encourage households to be more aware of and discuss their energy use. Fewer have made changes to their behaviour as a result, and those getting their smart meters more recently are less likely to report behaviour change.

Just under half (45%) of consumers owing ‘energy hungry’ appliances run these at peak times. Many peak time users concede that it would be easy to change when they use appliances.

However, expectations of the amount of money needed to be saved to change behaviour are high. To get half the population to change when they use appliances requires a financial incentive of at least £129.

A third of consumers are open to using smart appliances to reduce their energy bill, but few are comfortable with the idea of external companies controlling their appliances.

- Interventions encouraging ‘load-shifting’ will need to overcome barriers including thoughts of ‘big brother’ and affects on personal liberty, and interrupt established routines

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