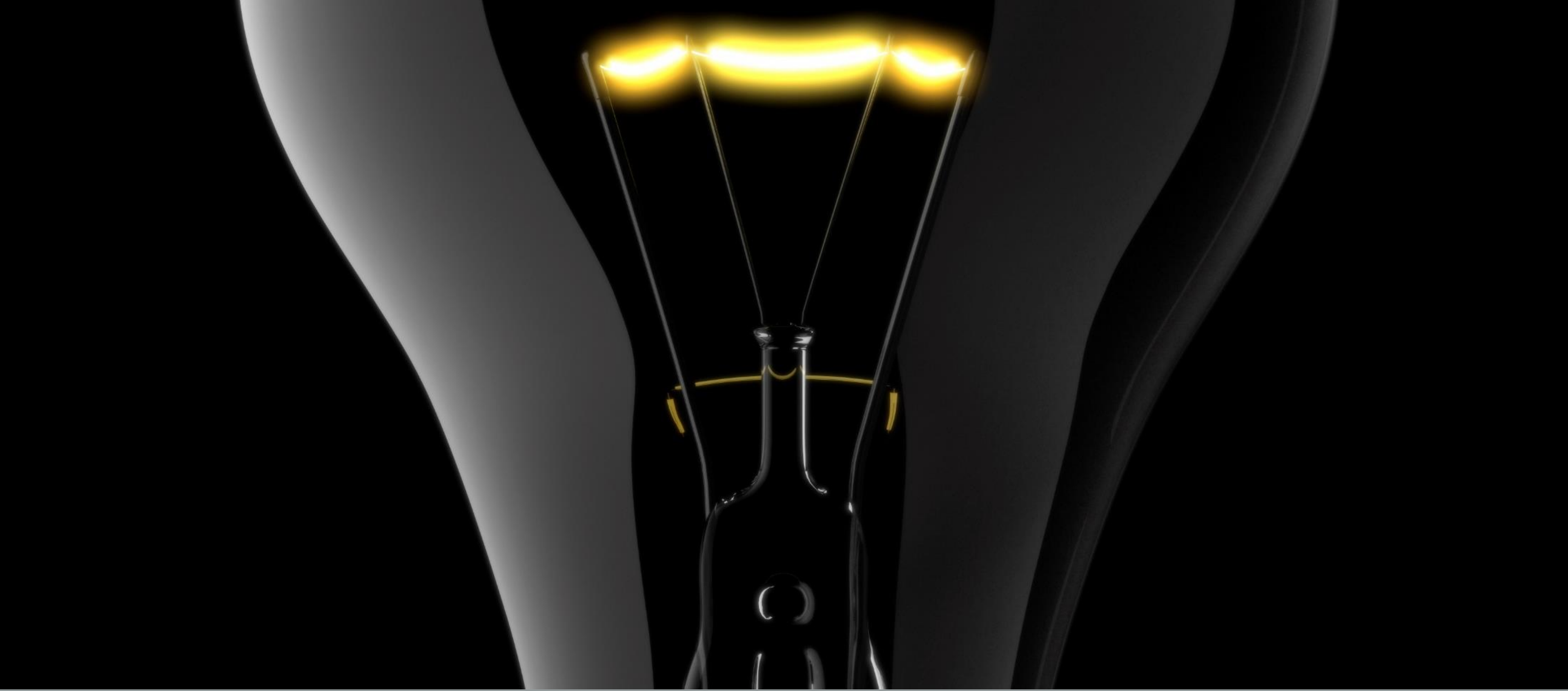
Household Consumer Perceptions of the energy market

Data collected in January 2020

Contents

Accent



What’s changed this quarter?

What's changed in Q1 2020

There were number of changes in this quarter (fieldwork took place in January 2020)

Engagement:

- Fewer customers contacted their supplier in relation to changing their tariff
- The proportion of consumers switching supplier was steady from Q4 2019 – Q1 2020, but was **above** all earlier quarters

Complaints:

- Complaints resolution times have increased

Telephone service:

- The proportion satisfied with telephone service was steady between Q4 2019 and Q1 2020, but significantly down compared to this time a year ago.

Background and method

Background

- This report presents findings from a tracking survey commissioned jointly by Ofgem and Citizens Advice.
  - The Gas and Electricity Markets Authority (GEMA) is the regulator of Britain's gas and electricity markets, and its principal objective is to protect the interests of both current and future consumers. Ofgem carries out the day to day functions of GEMA.
  - Citizens Advice helps millions of people every year to find a way forward, across all sectors, whatever their problems. This informs its role as the statutory energy consumer advocate, fighting for the best outcomes for current and future consumers.

- The tracker is a representative survey of domestic energy bill-payers and provides Ofgem and Citizens Advice with ongoing measures of consumer engagement in and experiences of the energy market.

Methodology

- Data was collected using a mixed-mode survey of 3,228 domestic energy bill-payers in Great Britain (GB). Fieldwork was carried out using:
  - An Online survey via a commercial online panel (n = 2,928)
  - A Face-to-face in-home survey with the digitally excluded population (n = 300). Participants were considered to be digitally excluded if they did not have access to the internet or had not used the internet in the previous six months.
- All participants were responsible (solely or jointly) for the energy bills in their household or for choosing their energy supplier.
- The survey used quotas to achieve a sample representative of the GB bill-payer population. Quotas were set on age, gender, social grade and region. Data were weighted to the known profile of the GB population. Quotas (other than gender) were based on census Household Reference Person (HRP)*, as a proxy for bill-payer.

* https://www.nomisweb.co.uk/datasets/st067

Fieldwork Dates

- Fieldwork dates for each of the six waves of the survey completed are indicated below:

Fieldwork Wave	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Online	24th October – 11th November 2018	29th January – 6th February 2019	26th March - 15th April 2019	3rd July - 17th July 2019	1st – 23rd October 2019	6th - 22nd January 2020
Face-to-Face	24th October – 13th November 2018	31st January – 17th February 2019	1st – 16th April 2019	1st July – 23rd July 2019	3rd – 17th October 2019	9th - 24th January 2020

Comparisons between survey waves

- This report presents results from data collected **in Q1 2020 (fieldwork took place in January).**
- **The charts show results for the latest quarter**. Tracking charts are only included when there has been a statistically significant change compared to the previous quarter.
  - As the survey involves sampling a selection, rather than the whole population, of energy consumers, confidence intervals apply to the results. These confidence intervals indicate, for a given sample size and a given survey result, the degree of confidence we can have that the survey result is real and not due to random chance. For the total sample on which these results are based (n=3,228), there is a confidence interval of +/-2% (i.e. a survey result of 50% could lie between 48% and 52%).
  - Confidence intervals also apply when comparing results between waves. Where there are statistically significant differences in findings to previous waves (i.e. we have statistical confidence that a real change has occurred), these are indicated.
  - All measures of statistical significance have been tested at the 95% confidence level.

Abbreviations/terms used in this report

Tariffs / Payment:

- Fixed = Consumer is on a fixed tariff for their electricity and gas
- SVT = Consumer is on a Standard Variable Tariff or a Variable Tariff for their electricity and gas
- Mixed tariff = on different types of tariff for gas and electricity
- Dual Fuel = Consumer uses the same supplier for electricity and gas
- PPM = Pre-payment Meter

Demographics:

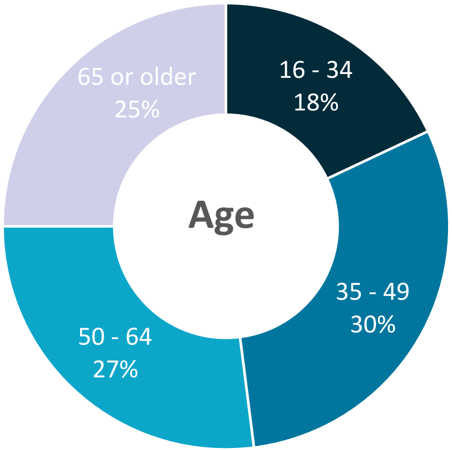
- SEG = Socio-Economic grade
- ABC1 = Consumers falling into the top three socio-economic bands
- C2DE = Consumers falling into the bottom three socio-economic bands
- Digitally included = Survey sample sourced from an online consumer panel
- Digitally excluded = Sample sourced from face-to-face in-home interviews. All selected on the basis they have no or limited access to the internet

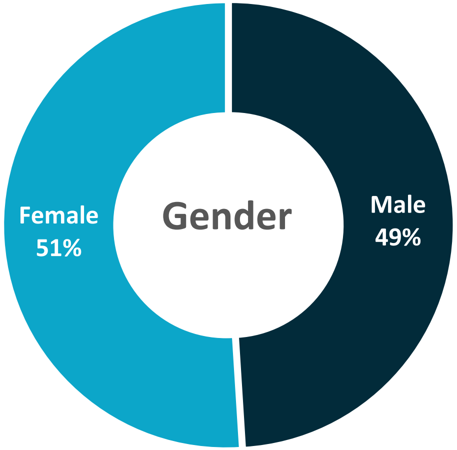
Other:

- PCW = Price Comparison Website
- PPS = Percentage points
- Net Satisfaction = % satisfied minus the % dissatisfied

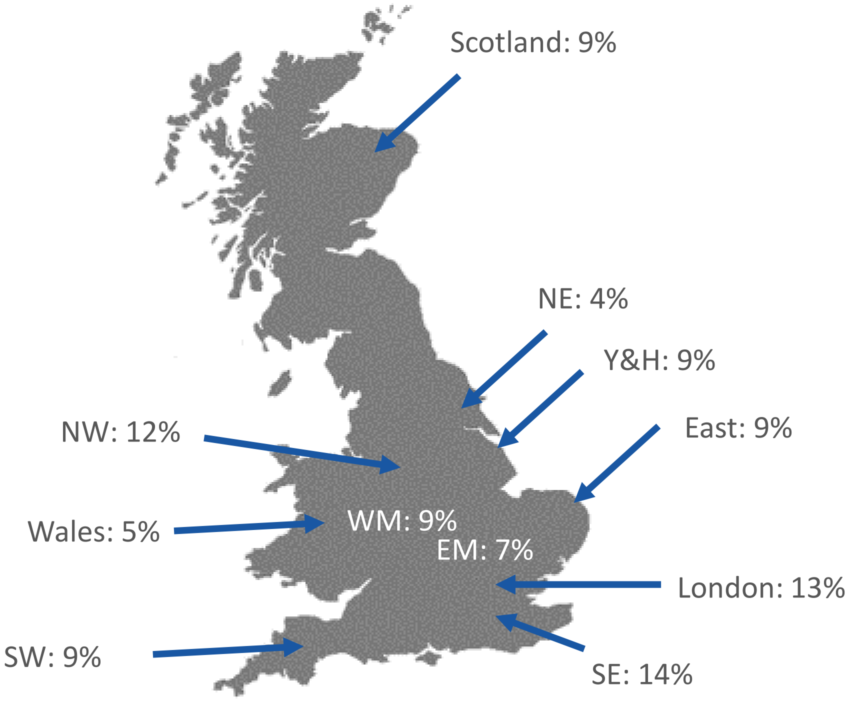
Sample profile

Sample profile





Region

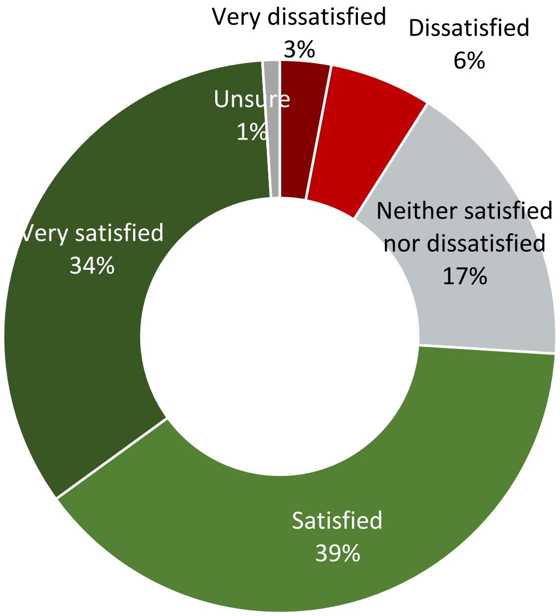


Base: All Participants (3,228)

Satisfaction with supplier

Overall satisfaction with supplier

Around three quarters of consumers are satisfied with their supplier (which is consistent with previous quarters)



- As with at least the previous three quarters, the following groups of consumers have higher satisfaction with their supplier:
  - Those on a fixed tariff (77% vs 70% of those on a variable tariff)
  - Those paying by direct debit (76%) vs PPM* (64%) or standard credit (65%)
  - Those who have ever switched supplier (75%) vs never switched (69%)
  - Those aged 65+ (78%) vs aged 16-34 (70%) and aged 35-49 (71%)
- Customers who are dissatisfied with their supplier overall also tend to be dissatisfied with the different dimensions of customer service.

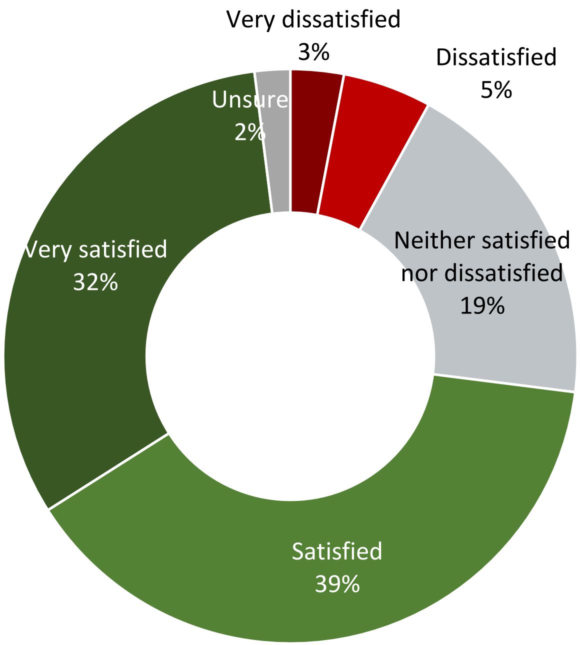
* PPM = Pre-payment meter

Overall, how satisfied or dissatisfied are you with (...) as your supplier of (gas/electricity/gas and electricity)?

Base: All Participants (3,228)

Satisfaction with customer service

71% are satisfied with customer service – similar to previous quarters



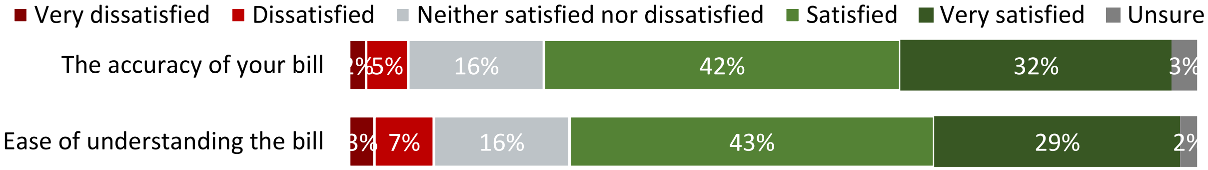
- Satisfaction is higher among:
  - Those paying by direct debit (73%) vs standard credit (66%) or a prepayment meter (PPM) (65%)
  - The digitally excluded (86%) vs those with internet access (70%)
  - Those aged 65+ (76%) vs aged 35-49 (67%) and aged 50-64 (70%)
- Consumers aged 65+ or those who pay by direct debit have consistently shown higher satisfaction with customer service.

Overall, how dissatisfied or satisfied are you with the customer service you have received from your energy supplier?

Base: All Participants (3,228)

Satisfaction with bills

Over 70% are satisfied with the accuracy and ease of understanding bills (which is consistent with previous waves)



- The '% satisfied' with ease of understanding is lower among those:
  - Who are dissatisfied overall with their supplier (40%) vs satisfied (83%)
  - Who have a disability (68%) vs no disability (73%)
  - Aged 35-49 (68%) vs those aged 65+ (75%)

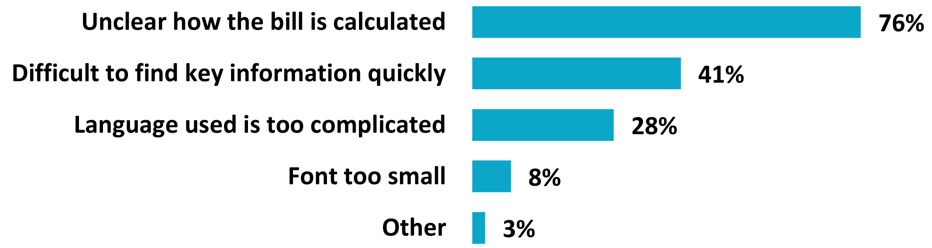
- Satisfaction with billing has been lower among consumers with a disability and those who are dissatisfied with their supplier overall for the duration of the tracker.

Please can you tell me how dissatisfied or satisfied you are with the following aspects of your energy supplier`s bills?

Base: Those who pay for their energy with a regular direct debit or standing order or with cash/cheque/credit card/BACS/App (2,687)

Reasons for dissatisfaction with ease of understanding the bill

As seen in previous quarters, clarity of calculation of bill continues to be the most common problem



Reason for dissatisfaction	Groups more likely to experience this problem
Difficult to find key information quickly	• The digitally included (42%) vs digitally excluded (16%) • Those who've contacted their supplier in past 3 months (48%) vs those who didn't (35%)

Why are you very dissatisfied/dissatisfied with the ease of understanding your bill from your energy supplier? (%)
Base: Those who are dissatisfied with the ease of understanding their bill from their energy supplier (272)

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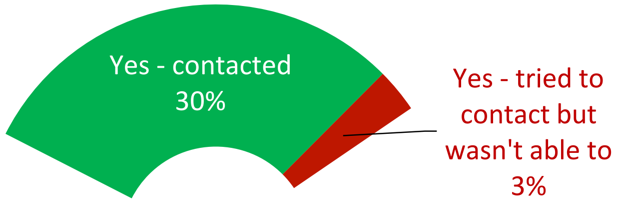
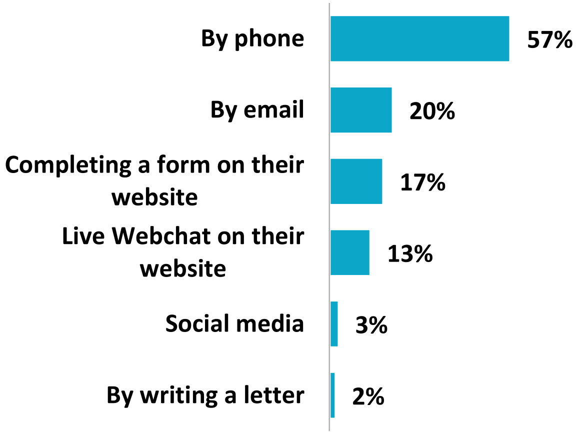
Recent contact with supplier (last 3 months)

Similar to previous quarters, **30%** contacted their supplier in last three months



Contact method used



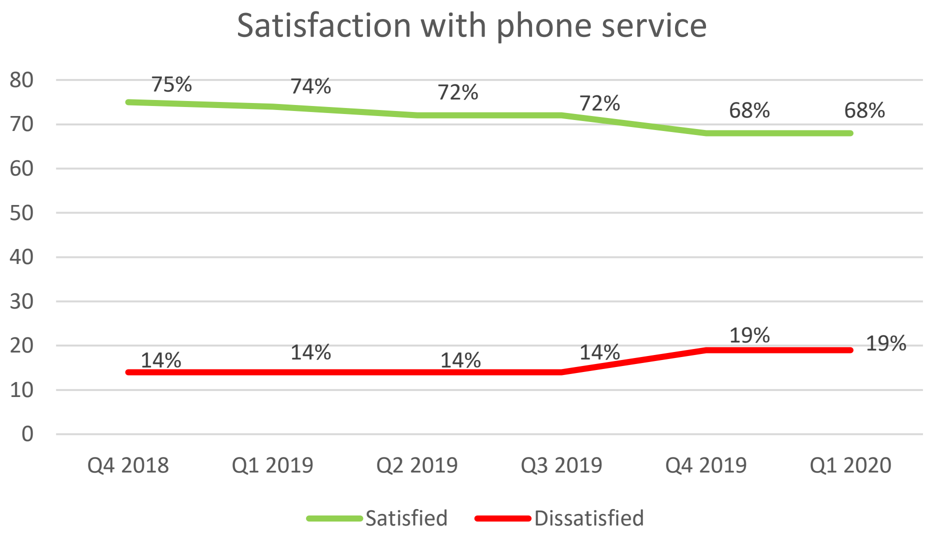
How did you (try to) make contact with your energy supplier on that last occasion? (%) Multiple responses allowed.
Base: All who contacted or have tried to make contact in the last 3 months (1,052)

- Those most likely to contact (or try to contact) are:
  - Dissatisfied customers (45%) vs satisfied (29%)
  - Aged 16-34 (41%) vs aged 50+ (26%)
  - Those with a disability (34%) vs those without (29%)
  - Those digitally included (31%) vs digitally excluded (16%)

Have you contacted, or tried to contact, your energy supplier within the last 3 months? Base: All Participants (3,228)

Satisfaction with service received by phone

Satisfaction with the service received over the phone was steady between Q4 2019 and Q1 2020, but was significantly lower compared to the first half of 2019



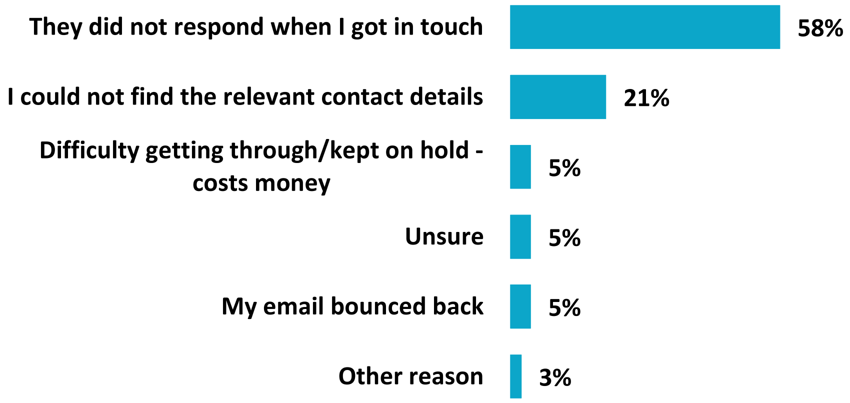
- Those who were dissatisfied with the telephone service received were more likely:
  - To be dissatisfied overall with their supplier
  - To be on a variable tariff
  - Pay by standard credit or via a prepayment meter (PPM)
  - Have contacted their supplier about a billing issue
  - Made a complaint or following up about a complaint
  - Be aged under 35

Please can you tell me how dissatisfied or satisfied you were with the service received by phone?

Base: All who contacted or tried to contact their energy supplier by phone (Q4 2018: 660; Q1 2019: 626; Q2 2019: 665; Q3 2019: 651; Q4 2019: 573; Q1 2020 596)

Reasons for failed contact with supplier

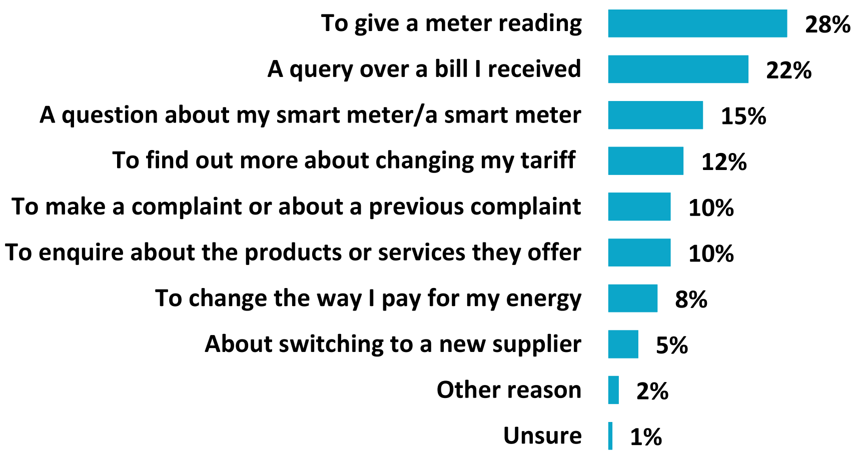
Consistent with previous quarters, non response is the main reason for failed contact



Thinking of the last time you tried to make contact with your energy supplier, why were you not able to? (%)
Base: Those who failed to contact their energy supplier (93)

Reasons for last contacting supplier

Among those who contacted or tired to contact their supplier in the past 3 months



% of all participants

9%
7%
5%
4%
3%
3%
3%
2%
<1%
<1%

Differences by subgroup:

- 41% without a Smart Meter gave a meter reading
- 39% of those aged 65+ got in contact about a meter reading
- 27% with a Smart Meter asked a question about it
- 25% who switched tariff in last 12 months contacted to find out about changing tariff
- 15% of those aged 16-34 got in contact about a complaint

* Contact relating to smart meters will include all forms of contact (e.g. installations, ongoing use, changing smart meter etc)

Thinking of the last time you (made/tried to make) contact with your energy supplier, what was it about? (%)

Base: Those who contacted / tried to contact their energy supplier (1,052)

Complaints

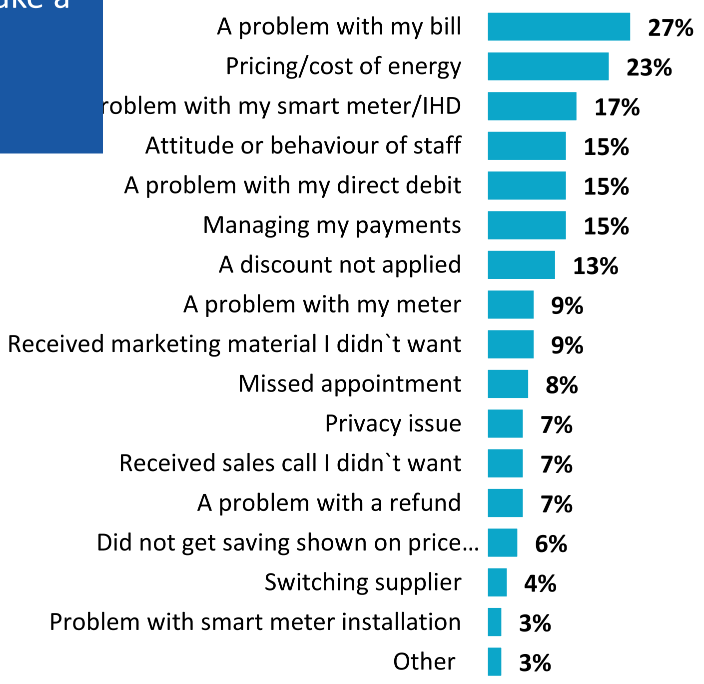
Complaints to suppliers

10% of customers who recently contacted their supplier, did so to make a complaint (a similar proportion to the previous wave).

This equates to 3% of all customers in the sample.

- The groups more likely to have complained were:
  - Dissatisfied overall with their supplier (31%) vs satisfied (6%) or neutral (12%)
  - Those paying by standard credit (17%) and PPMs (17%) vs those using direct debit (8%)
  - Younger consumers: 16-34 (15%)
  - Those with a smart meter (13%) vs those without (8%)

Reason for complaints (%)

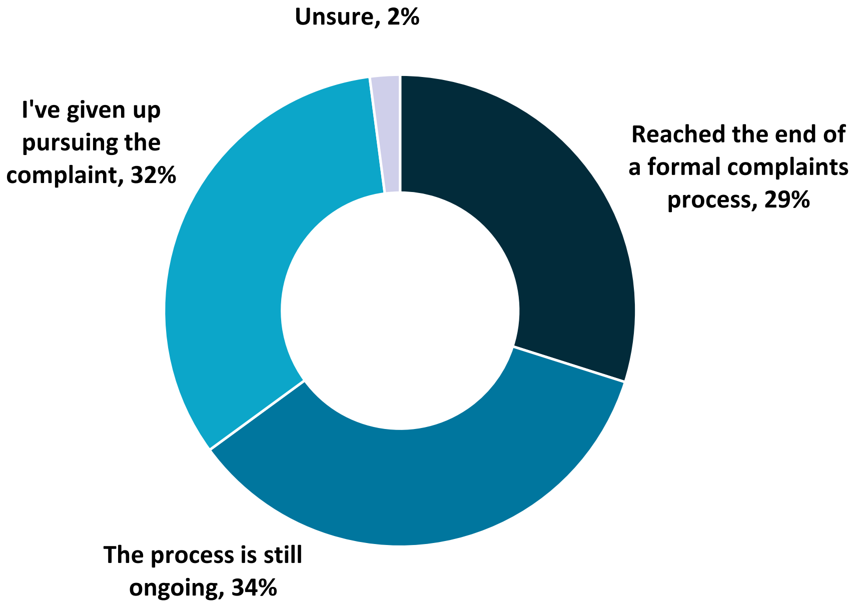


Base: Those who contacted their energy supplier to make a complaint (106)

Base: Those who contacted or tried to contact their energy supplier (1,052)

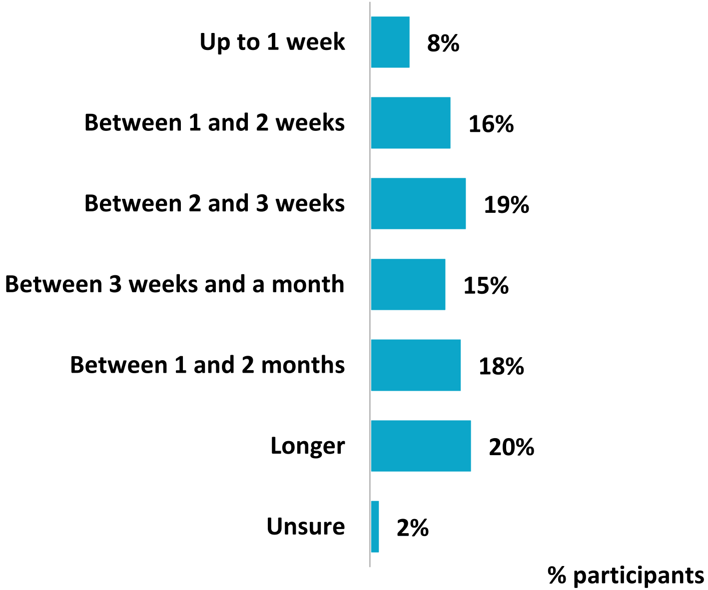
Stage of complaint and time taken to process (among those who made a complaint in the past 3 months)

29% of complaints have been completed



What stage are you at with the complaint process?
Base: Those who contacted their energy supplier to make a complaint (106)

38% of complaints took over a month to resolve an increase from Q4 2019 (28%)



Roughly, how long did the complaint process take from beginning to end?
Base: Those who knew the stage of their complaint process (105)

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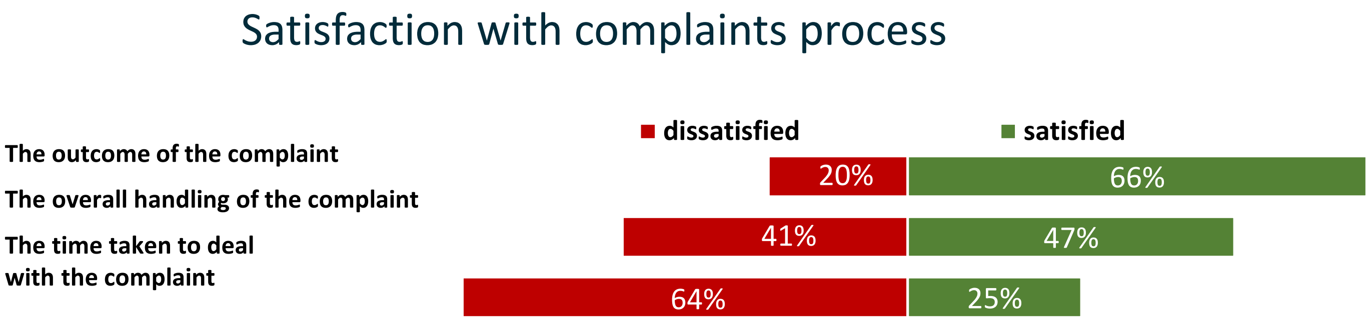
Satisfaction with the complaints process



N.B. Neutral and 'Don't know' responses are not shown

Please can you tell me how satisfied or dissatisfied you are with the following aspects of your complaint.
Base: Those who contacted their energy supplier to make a complaint (106);

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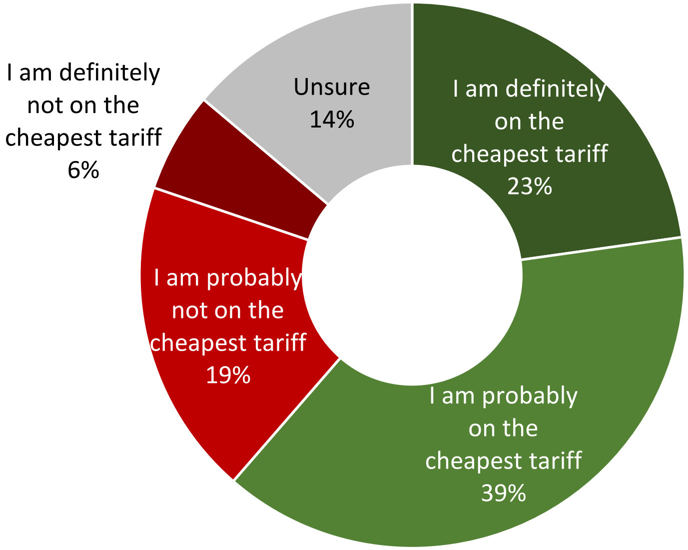
Tariffs and information provision

Cheapness of tariff

61% believe they are on their supplier's cheapest tariff (consistent with previous waves)



To what extent do you feel you are on the cheapest tariffs offered by your energy supplier?
Base: All Participants (3,228)

- Customers more likely to believe they're on the cheapest tariff are those:
- Who switched tariff in last 12 months (81%)
  - Who have ever switched supplier (70%)
  - Who have ever switched tariff (72%)
  - Are on a fixed tariff (75%)
  - Are aware of the default tariff price cap (72%)
  - Are satisfied with their supplier (70%)
  - Pay by direct debit (67%)
  - Are aged 65+ (67%)

Recall of information received from suppliers

Information received

Proportion saying recall receiving

Notification of a price increase, 45%

The choice of energy tariffs they offer , 42%

This is a tracker low

What to do in an emergency (e.g. a gas leak or faulty meter), 42%

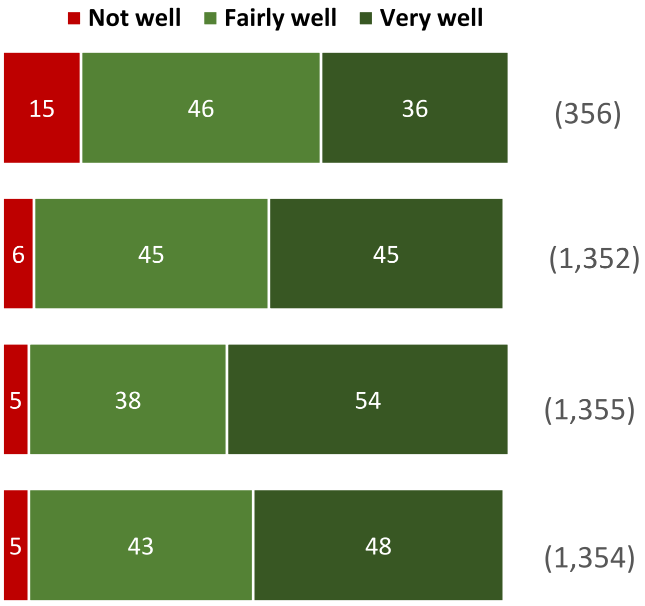
Q1 2020 is lower compared to the first half of 2019.

How to make a complaint, 42%

Q1 2020 (42%) is lower than the first half of 2019.

Do you recall if your energy supplier has given you information about any of the following in the last six months? Base: All participants (3,228), apart from 'Notification of price increase': All on SVT (779)

How well information met needs



How well did the information you received meet your needs? Bases: those receiving information (individual bases are in brackets)

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Recall of information received from suppliers(continued)

Information received

Proportion saying recall receiving

What to do if you want to change your energy tariff, 39%

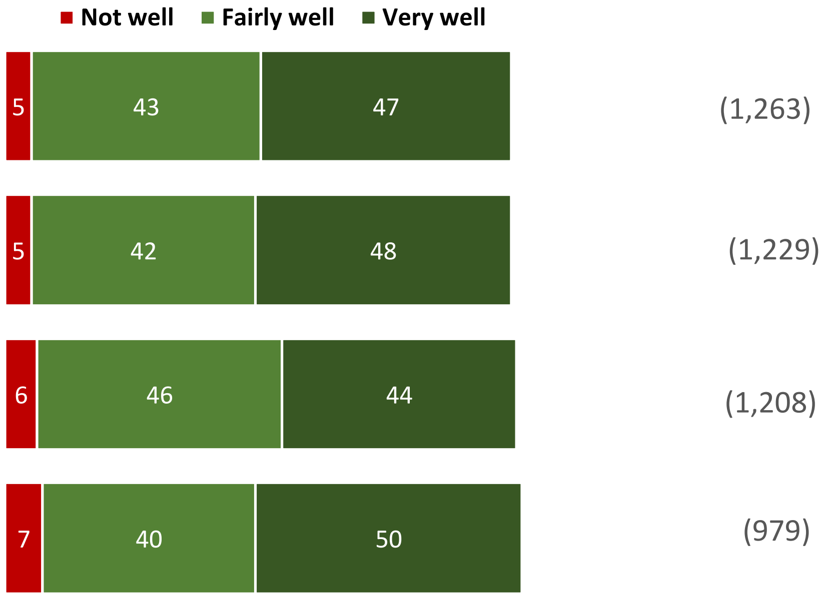
What to do if you need assistance with paying your energy bills, 38%

How to improve energy efficiency in your home and reduce your energy consumption, 38%

What information you need to compare energy prices, 31%

Do you recall if your energy supplier has given you information about any of the following in the last six months? Base: All participants (3,209), apart from ‘Notification of price increase’: All on SVT (805)

How well information met needs



How well did the information you received meet your needs? Bases: those receiving information (individual bases are in brackets)

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Switching

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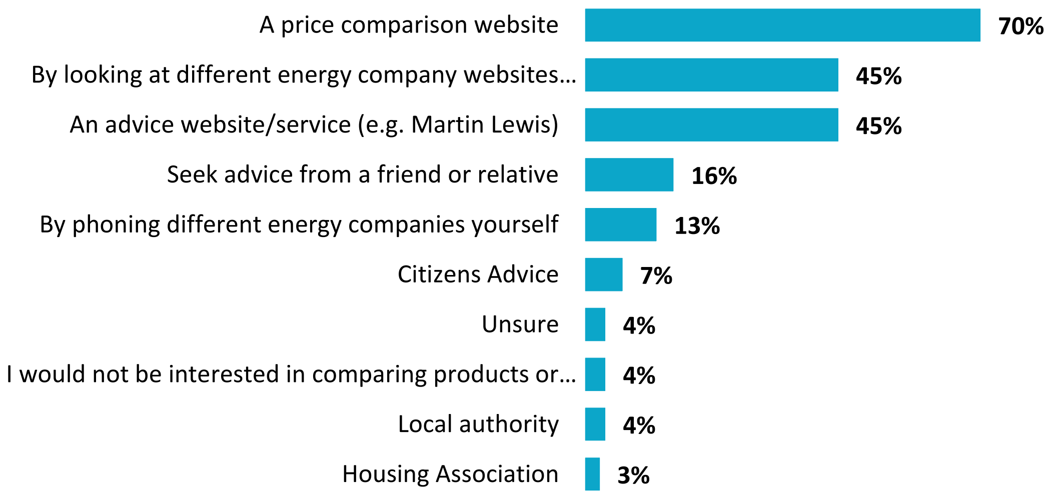
Information that would be used to compare suppliers

Price comparison websites (PCWs) remain the most commonly considered channel to compare tariffs



- Consumers less likely to considering using a PCW are:
  - Those who pay by standard credit (60%)
  - Those who have never switched energy supplier (57%)
  - Those aged 75+ (45%)
  - Lower social grades – C2DE (62%)
  - Those with a household income under £16,000 per annum (59%)
  - And the digitally excluded (5%)

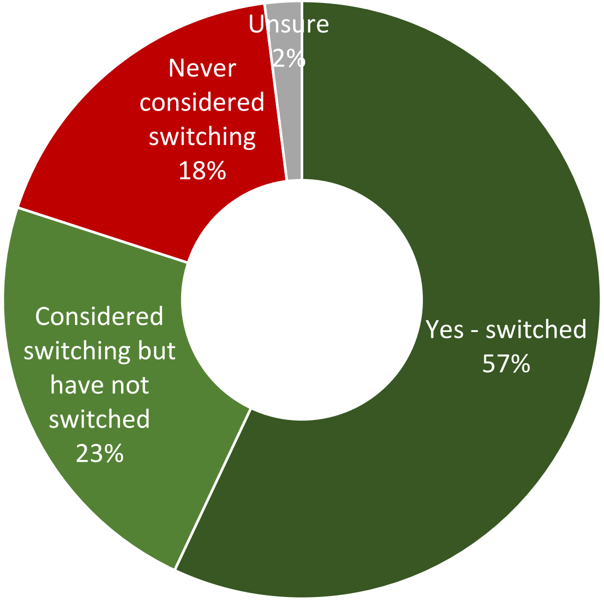
Where would you go to find information that would allow you to compare the products and services offered by different companies? (%)

Base: All Participants (3,228)

Incidence of switching energy supplier

The proportion of customers switching remains high at 57%, slightly below Q4 2019 but above all earlier quarters:

- Q4 2019 (58%) vs 52% Q1-Q3 2019 and 53% Q4 2018



- The proportion who have ever switched is lowest among:
  - The digitally excluded (45%)
  - Those paying by standard credit (29%) or PPM (35%)
  - Aged 16-34 (40%)
  - Lower social grades (C2DE) - (52%)
  - Two fuels with separate suppliers (31%) and electricity only households (50%)
  - Dissatisfied (51%) or neutral (52%) about energy supplier

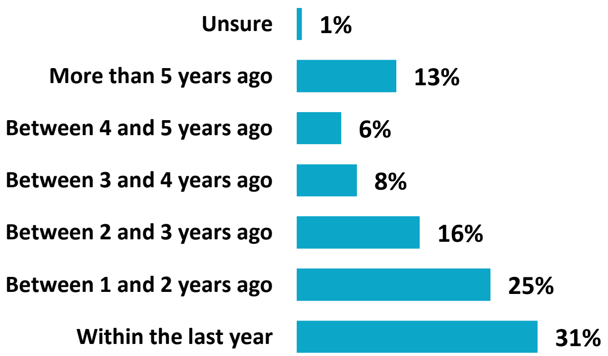
Have you ever switched or considered switching energy supplier?
Base: All Participants (3,228)

Last occasion switched supplier

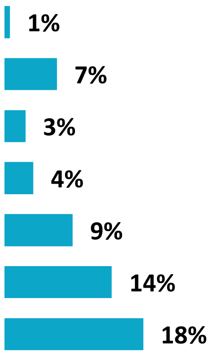
31% of those who have ***ever*** switched supplier did so in the last year

This equates to 18% of all consumers surveyed switching in the last year

Switching rates among those who have ever switched



Switching rates among the total sample (all participants)

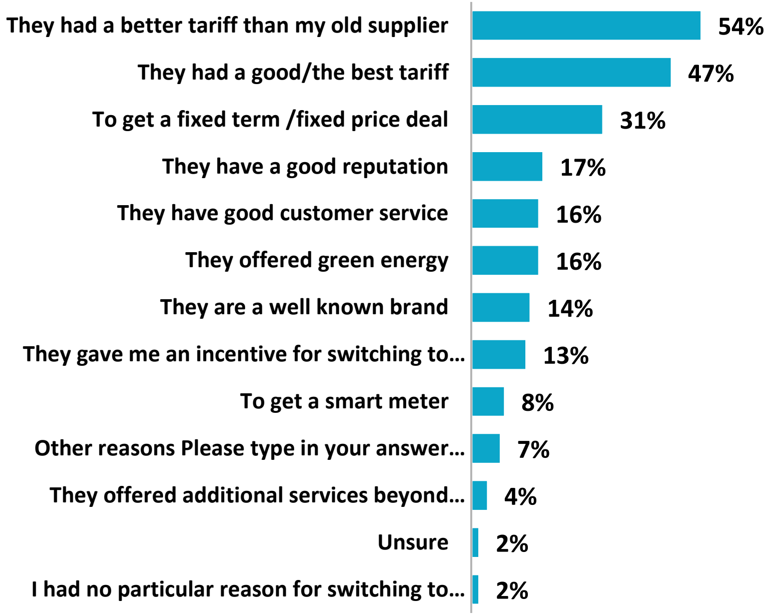


When was the last time you switched energy supplier? (%)

Base: Those who have ever switched (1,846); all Participants (3,228)

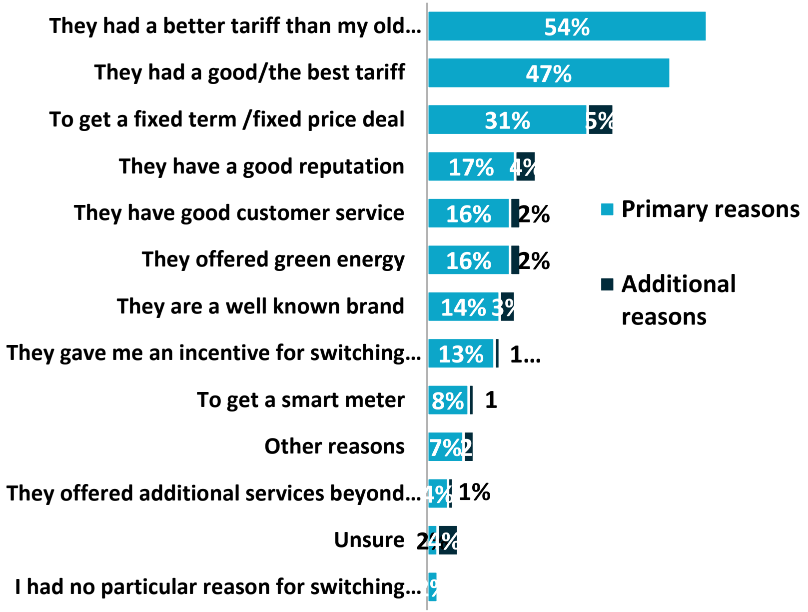
Reasons for choosing supplier

The key reasons for selecting a supplier are cost related



Once you had made the decision to switch to another energy supplier, what were the main reasons you chose the company you went with?
Base: Those who have ever switched (1,846)

Even when prompted with non-cost reasons; service, reputation, incentives and green tariffs are secondary considerations



Were there any other reasons for selecting them apart from the tariff?
Base: Those who have ever switched (1,846).

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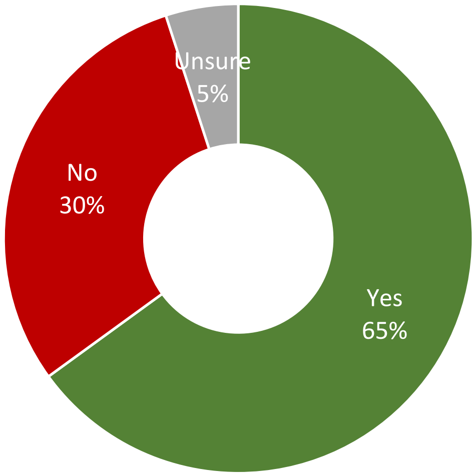
Use of Price Comparison Websites (PCWs)

65% who switched used a PCW



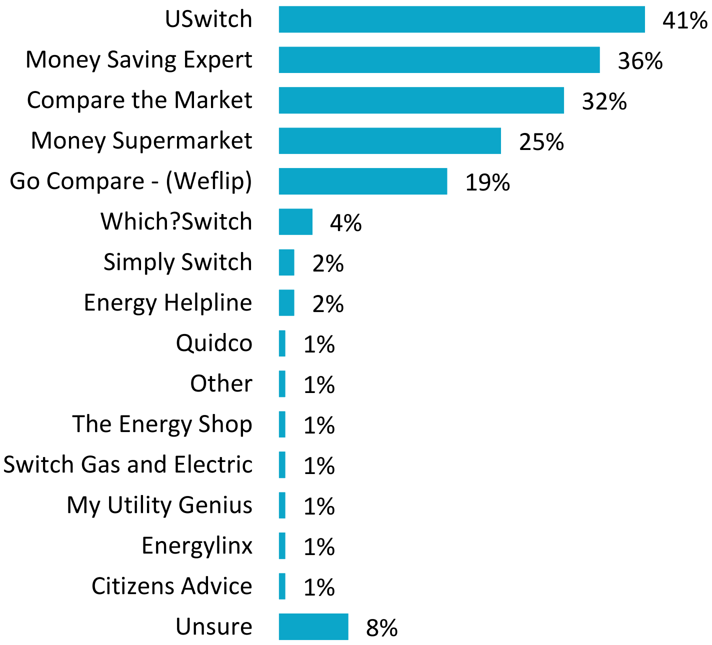
The proportion using PCWs is lowest among:

- The digitally excluded (11%)
- Those paying by PPM (42%) or standard credit (51%)
- Those aged 65+ (53%)
- Lower social grades - C2DE (54%)
- Those who have a disability (58%)

Did you use a price comparison website to help you switch energy supplier?
Base: Those who have ever switched supplier (1,846)

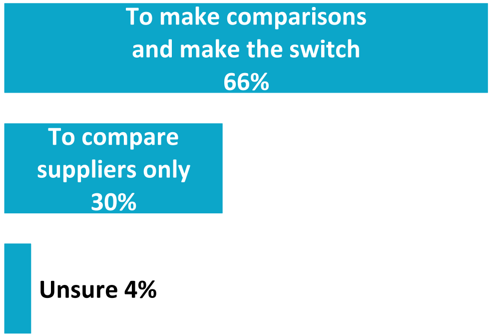
* PCW = Price Comparison Website

Price Comparison Websites (PCWs) used



Which price comparison websites did you use? (%)
Base: All who used price comparison website (1,181)

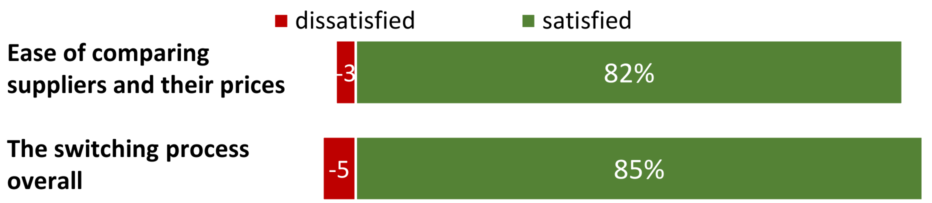
66% of those using PCWs used them to make the switch



Did you use the price comparison website only to compare suppliers or did you also use it to make the switch?
Base: Those who used a price comparison website to help them switch energy supplier (1,181)

Satisfaction with switching experience

Consumers are highly satisfied with the switching process



N.B. Neutral and 'Don't know' responses are not shown

Satisfaction with switching is higher for those who used a PCW

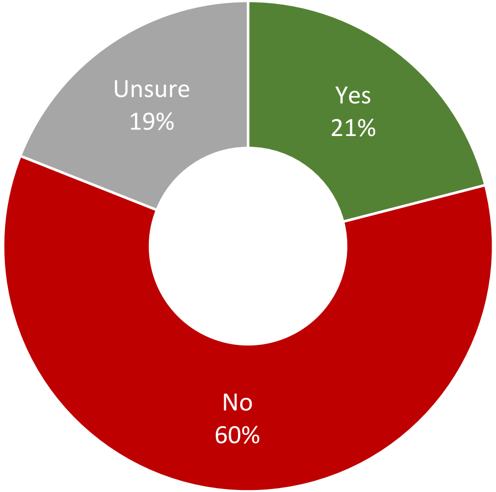
	Satisfied with ease of comparing suppliers and prices	Satisfied with the switching process overall
Did not use PCW	63%	77%
Used PCW only to compare suppliers	87%	85%
Used PCW to complete switch	95%	94%

Please can you tell me how dissatisfied or satisfied you were with the following aspects of your switch to another supplier?

Base: Those who switched their energy supplier (1,846), Did not use PCW (575), Used PCW only to compare suppliers (349), Used PCW to complete switch (781)

Switching consideration

In January 2020 21% were considering switching supplier (consistent with previous wave)



Are you currently considering changing your energy supplier?
Base: All Participants (3,228)

- The proportion considering switching is highest for:
  - Dissatisfied customers (56%)
  - Those aged 35-49 (28%)
  - Higher social group - ABC1 (23%)
  - The digitally included (22%) vs digitally excluded consumers (4%)
- Past switching behaviour doesn't appear to impact consideration. There is no difference in consideration by whether switched before (21% switched v 21% never switched)

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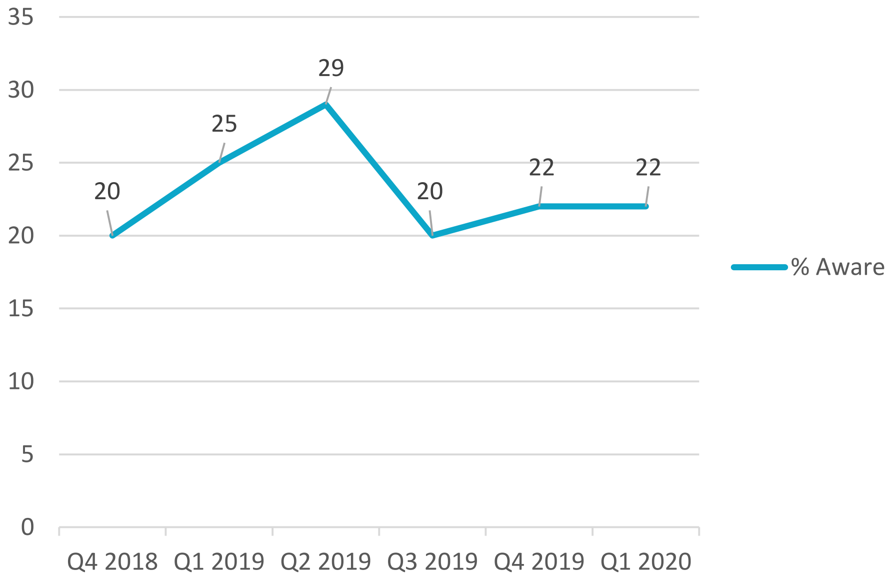
The energy price cap

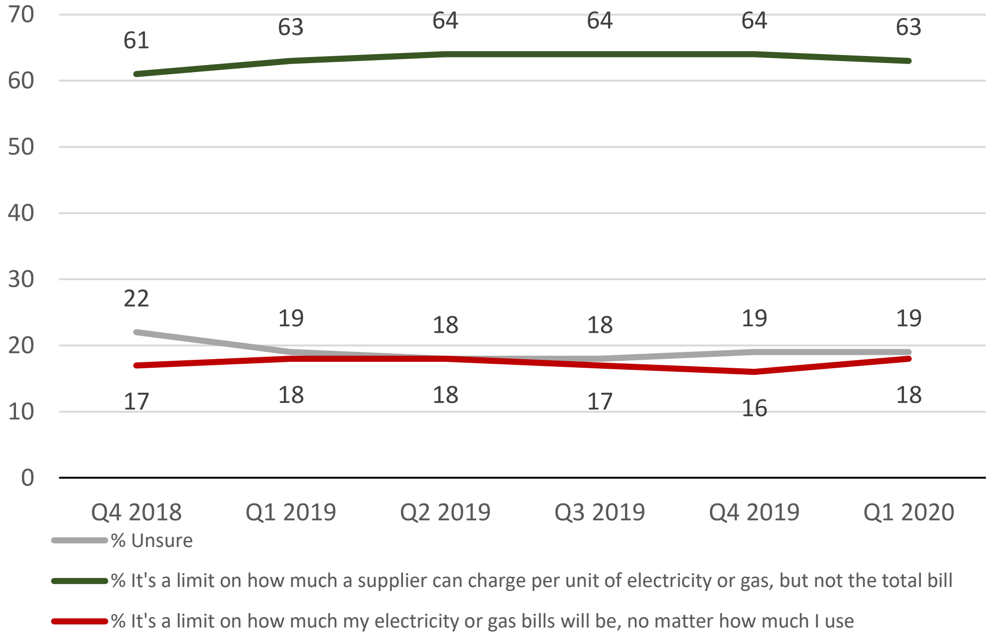
Awareness of the default tariff price cap

There has been little change in the awareness of the price cap since Q3 2019



Before today, had you heard about an energy price cap known as a `Default Tariff Cap'? (%) Base: All Participants (Q4 2018: 3,300; Q1 2019: 3,200; Q2 2019: 3,236; Q3 2019: 3,206; Q4 2019: 3,209; Q1 2020: 3,228)

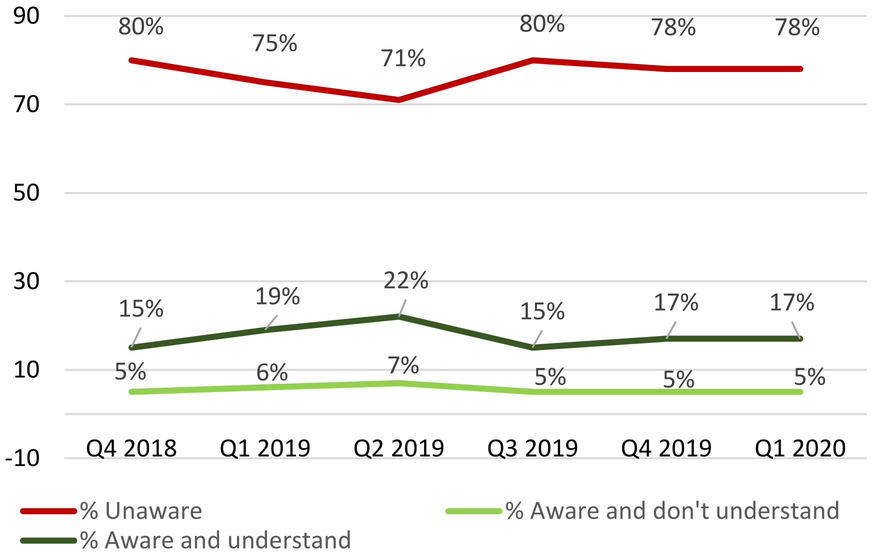
And understanding of the principle of the cap has remained similar compared to the previous quarters



Which of the following do you think best describes what an energy price cap is? (%) Base: All Participants (Q1 2019: 3,200; Q2 2019: 3,236; Q3 2019: 3,206; Q4 2019: 3,209; Q1 2020: 3,228)

% aware of and who understand the price cap

17% have heard of the cap and understand it. This is the same as the last quarter but still below the peak in Q2 2019



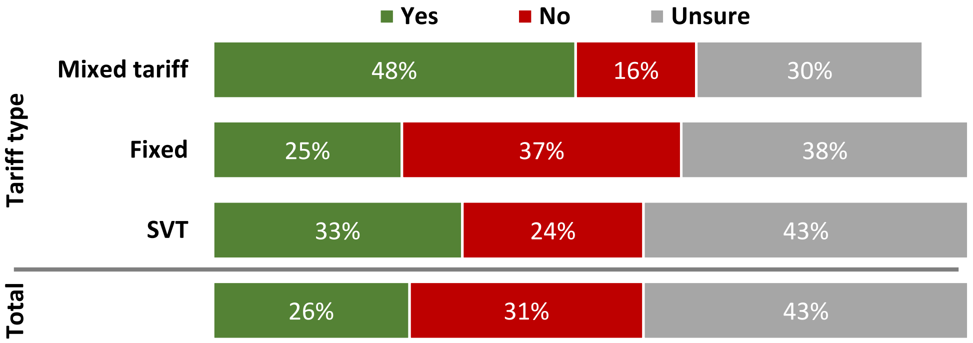
- Awareness and understanding is higher among:
  - Online consumers (17%) vs digitally excluded (9%)
  - Those aged 50-64 (20%)and Aged 65 and over (18%) vs aged 16-34 (12%)

Before today, had you heard about a new energy price cap known as a `Default Tariff Cap'? / Which of the following do you think best describes what an energy price cap is? (%) Base: All Participants (Q4 2018: 3,296; Q1 2019: 3,197; Q2 2019: 3,232; Q3 2019: 3,197; Q4 2019: 3,205; Q1 2020: 3,222)

*** Pps = Percentage points**

Perceived relevance of price cap

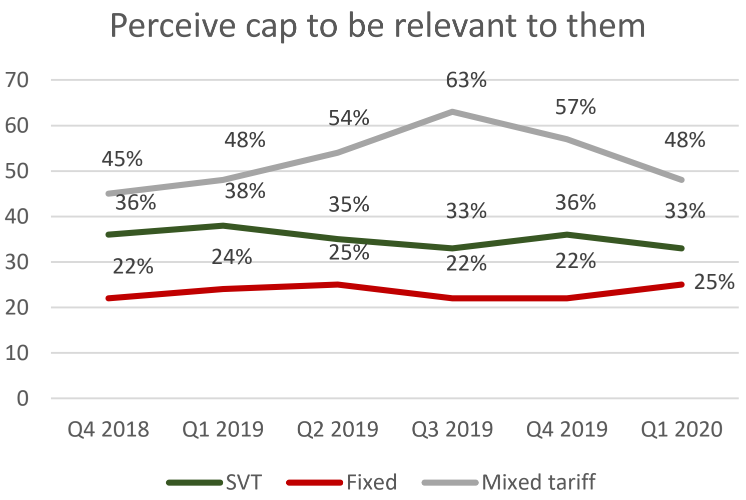
26% feel the cap could apply to them (but 25% for those on a fixed tariff)



Deemed most relevant by:

- Younger consumers: Aged 16-34 (32%)
- Aware of and understand the price cap (39%)
- Those with a smart meter (29%)

Perceived relevance by tariff type over time



Knowing this, do you think that the default tariff price cap will apply to your energy bills? (%)
Base: All Participants (3,228), Mixed Tariff (36), Fixed (1,817), SVT (657)

Smart meters

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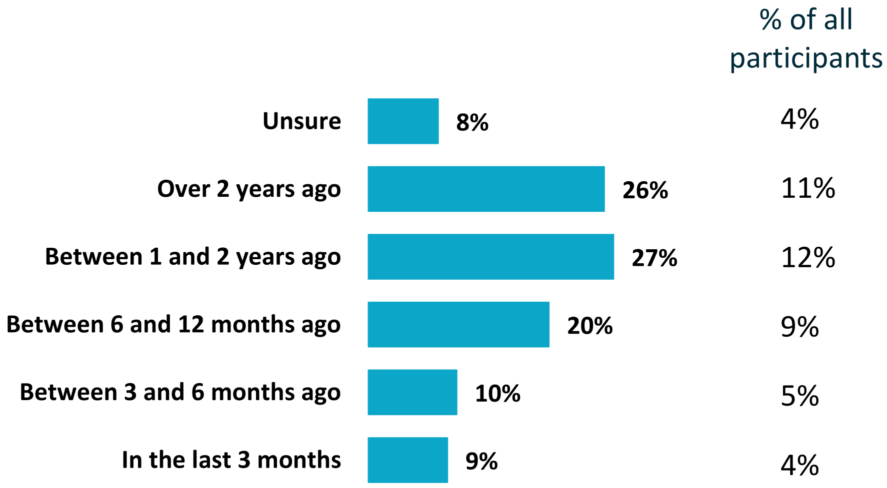
Smart meter use

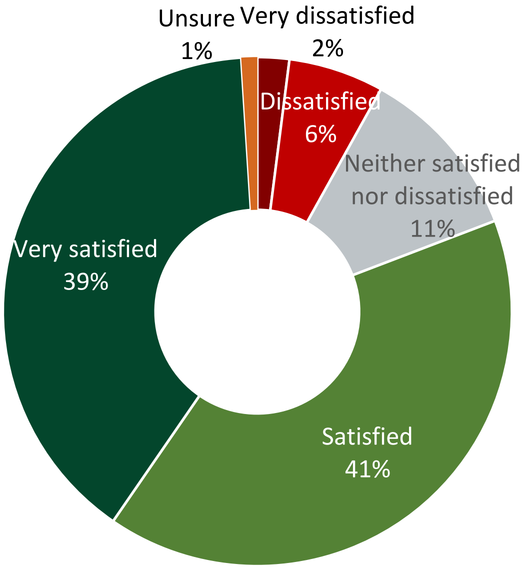
45% have a Smart Meter

8 in 10 are satisfied with the installation process

39% were installed in last 12 months:



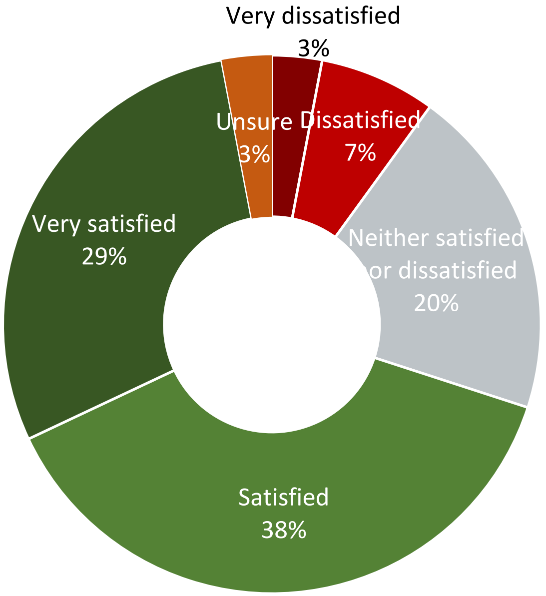
Of the two meters described below, which is the most similar to the one in your home? / When did you have your smart meter installed? (%)
Base: All Participants (3,228) / All with smart meter (1,400)



How dissatisfied or satisfied were you with the process you went through to have a smart meter installed? Base: All with smart meter installed in last 6 months (257)

Satisfaction with smart meter

67% are satisfied with their smart meter



- Higher satisfaction among:
  - The digitally excluded (85%)
  - Those satisfied with supplier overall (76%)

Overall, how satisfied or dissatisfied are you with your smart meter? Base: All with a smart meter (1,400)

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Annexes

Measuring smart meter use

- Use of smart meters was measured by asking participants to indicate which of the following best described the energy meters they have in their home.
- The question was asked separately of gas and electricity. The order of the meter descriptions was randomised across the survey sample.
- Those selecting the description for Meter A (the titles remained static) for either gas or electricity were deemed to have a smart meter.

Meter A	Meter B
Monitors energy use	Monitors energy use
Automatically sends readings of how much energy has been used in your home to your supplier	You or someone else in your household personally send readings of how much energy has been used in your home to your supplier OR someone from your supplier visits your home to take meter readings
Shows how much energy has been used in pounds and pence on a display or an app or online account	Does not show how much energy has been used in pounds and pence on a display or an app or online account
Has been installed in the last 5 years	Has been installed more than 5 years ago
SHOW IF HAVE A PRE-PAYMENT METER Allow those who pre-pay for energy to top up via their mobile or online	SHOW IF HAVE A PRE-PAYMENT METER Those who pre-pay for energy must top up at a pay point, post office or other shop

Sample profile: unweighted vs weighted

Demographic characteristic		Unweighted	Weighted
Gender	Male	47%	49%
	Female	53%	51%
Age	16-34	17%	18%
	35-49	28%	30%
	50-64	27%	27%
	65+	28%	25%
Social grade	AB	28%	30%
	C1	25%	26%
	C2	21%	19%
	DE	27%	25%

Demographic characteristic		Unweighted	Weighted
Region	East	9%	9%
	East Midlands	8%	7%
	London	11%	13%
	North East	5%	4%
	North West	12%	12%
	Scotland	9%	9%
	South East	13%	14%
	South West	9%	9%
	Wales	4%	5%
	West Midlands	9%	9%
	Yorkshire & Humber	9%	9%

Matt Evans
Tel +44 (0)20 8742 2211
Matt.Evans@accent-mr.com
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