

Ofgem Consumer Survey 2020

Update on Consumer Engagement with Energy

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Introduction and note on mode change

Introducing the 2020 consumer survey

Since 2014, Ofgem has undertaken a nationally representative survey of domestic energy consumers in Great Britain to monitor engagement in the energy market and measure consumer attitudes towards topical energy issues that support achieving our strategy. The survey covers a broad range of topics including consumer engagement with energy, attitudes towards decarbonisation and openness to using energy in a more flexible or efficient way (e.g. at different times of the day).

This report is a summary of the state of consumer engagement in the energy market in 2020. Where possible, trends over time are shown. However, as the questionnaire has substantially changed compared to previous years, much of the content does not have historic data.

Ofgem will be publishing more results from the 2020 consumer survey over the coming months, covering themes relating to decarbonisation and flexible energy use.

For a full description of the 2020 survey methodology, please refer to the technical report.

Changes to research method in 2020

In 2020 the data collection mode changed from face-to-face to online. The mode change means that strictly speaking, results are not comparable with previous years. Furthermore, consumers who respond to online surveys tend to answer questions in different ways compared to those who participate in face-to-face surveys. They tend to:

- Be less trusting of their energy supplier
- Be more inclined to switch energy deals
- Show greater confidence in their ability to select and choose an energy deal.

Other data¹ shows that these patterns are also true for other similar sectors like banking and insurance.

To understand the impact of the mode change on stated levels of engagement, a telephone-parallel run² was carried out to measure engagement. Results from both studies are shown in this pack for the engagement metrics.

¹ For example Ipsos MORI Financial Research Survey

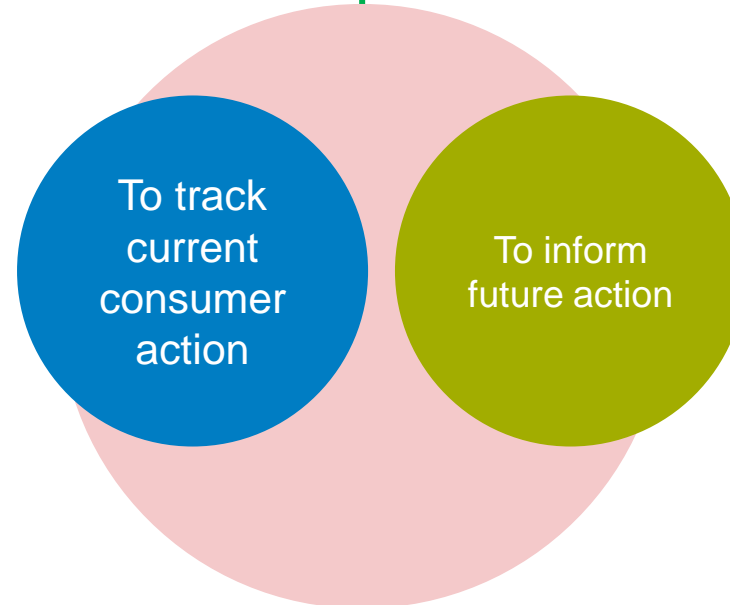
² The parallel run was planned to run face-to-face to replicate the 2019 methodology, however it was shifted to telephone due to social distancing requirements introduced in response to the COVID-19 pandemic.

Research objectives and methods

Research objectives

To provide a rich picture of consumers in the market

- ✓ Update key metrics measuring consumer engagement behaviours
- ✓ Understand what is changing, amongst whom: are barriers to engaging breaking down?
- ✓ Track differences in behaviour by segment, vulnerability and demographics



- ✓ Understand how entrenched are consumers with existing energy consumption habits?
- ✓ Which consumers are more or less open to changing energy consumption behaviours?
- ✓ Identify where can we support consumers, so they become part of the process of achieving net zero carbon emissions by 2050.

Conventions used throughout the report

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

Changes between subgroups or changes over time are represented by black up/down arrows \updownarrow on the charts

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

Conventions used throughout the report when discussing engagement

Terminology used in this report:

- P12M engaged – switched supplier, tariff, or compared in the past 12 months
- P12M disengaged – 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)

Abbreviations used throughout the report

Abbreviations used in this report:

- PCW – Price Comparison Website.
- ABC1 and C2DE – These abbreviations refer to approximated socio-economic grades. The classification is based on employment status, occupation and whether the consumer responding to the survey works full or part-time. There are six grades: A, B, C1, C2, D and E. For analytical purposes, the grades have been grouped into two categories – ABC1 and C2DE.

Definitions used in this report:

- Financially impacted by COVID-19 – those who report that they have experienced negative impacts on their household finances as a consequence of the COVID-19 pandemic.
- In financial difficulty - those who report having fallen behind on household bills.

Research method

Target sample:

GB consumers with mains gas and/or electricity and full or shared responsibility for energy bills

Data collection: online, sampled from a blend of panels

Engagement with energy also measured through a telephone parallel run, using a representative quota sample of 1635 consumers through the Ipsos CATI Omnibus

4,608 online interviews in
2020

(2019: 4001; 2018: 4064; 2017: 4,001; 2016: 5,956; 2015: 5,934; 2014: 6,151)

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

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

Data weighted to align with profiles from previous years

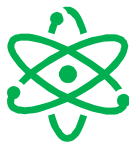
Fieldwork carried out in June-September 2020
Median interview length = 25 minutes

Notes on reading this report – impacts of the change in method and the COVID-19 pandemic

Data from 2020 is **not strictly comparable with previous years**, and trends this year may be different from usual, for the following reasons:



- There was a planned change to the fieldwork method employed.
 - In previous years the survey was conducted face-to-face in participant's homes, but in 2020 the survey moved online.
 - Because of this, changes in tracking data were expected, and a parallel run test indicated that these changes could not be mitigated through analysis.
- Fieldwork was conducted in Summer 2020, somewhat later than the usual annual fieldwork window (usually May-July).
- It is anticipated that the COVID-19 pandemic and lockdown, and associated economic impacts, may also have affected responses to the survey.
 - While external data on switching levels can be used to understand whether/how the pandemic may have impacted on switching measures in the survey, there is no other tracking data to triangulate other measures, and the extent of the impact cannot be known.



Engagement headlines

Key messages – Engagement in the energy market



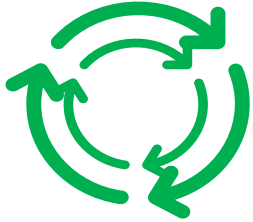
Two thirds (65%) of consumers say they have engaged in the energy market in the past 12 months. While the survey data supports other data from Ofgem in suggesting engagement levels have increased in the past 12 months, caution should be exercised in interpretation as the move to an online survey is also likely to have driven up reported engagement rates.

Regardless of the method changes, the online survey found that similar consumer profiles are more likely to have engaged compared to previous years: mid-ages, ABC1s and owner occupiers, and the Happy Shopper and Savvy Searcher segments*. Vulnerable consumers remain less likely than average to have engaged.

The survey data suggests a longer term increase in levels of supplier switching, and amongst households which have switched before.

The main reasons for not engaging remain similar over time: most commonly satisfaction with existing supplier. For more vulnerable consumers lower levels of confidence engaging, perceived hassle, lower levels of trust in the market and heightened concerns about cost increases may be further barriers to engagement.

Summary – Engagement in the energy market

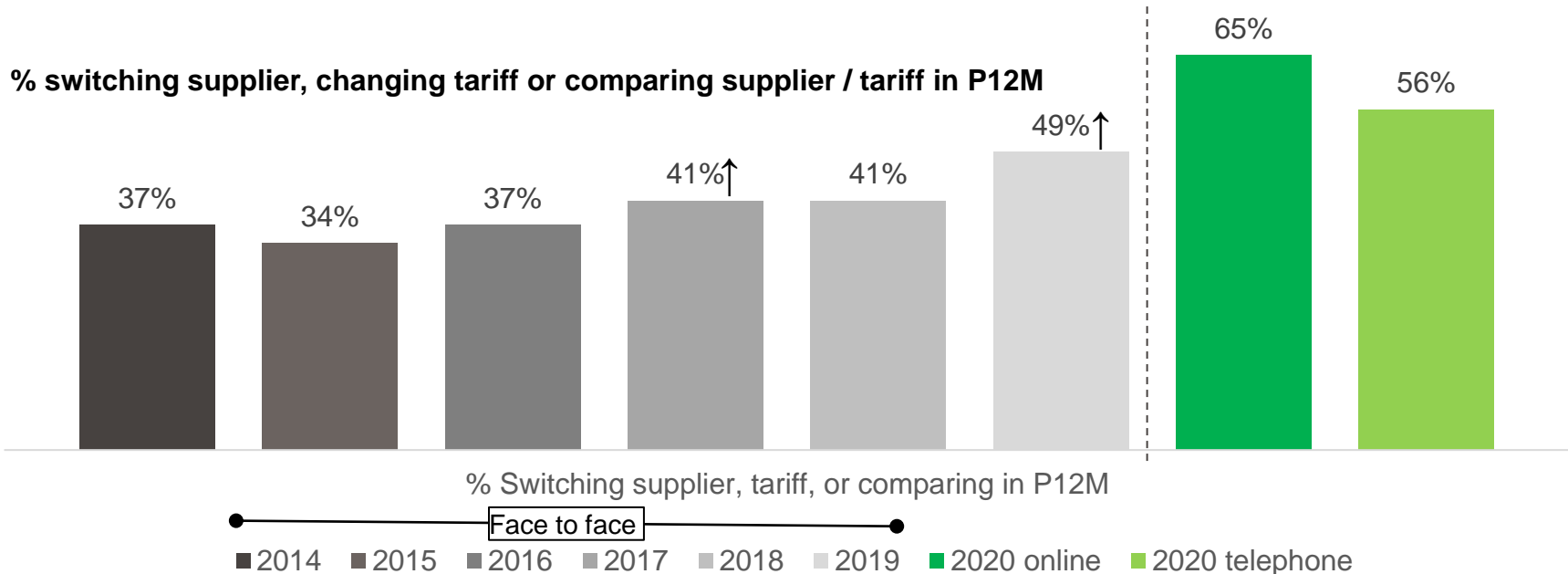


When prompted on specific barriers to switching, more disengaged customers compared to engaged express a belief that switching is a hassle or name specific risks they might face if they switch supplier (e.g. they may not make any savings on bills).

While awareness of energy scanning services and auto switching services is growing, sign-up rates are low (around 1/5 to scanning services and 5% to auto switching services).

In 2020 two thirds say they have engaged in the energy market

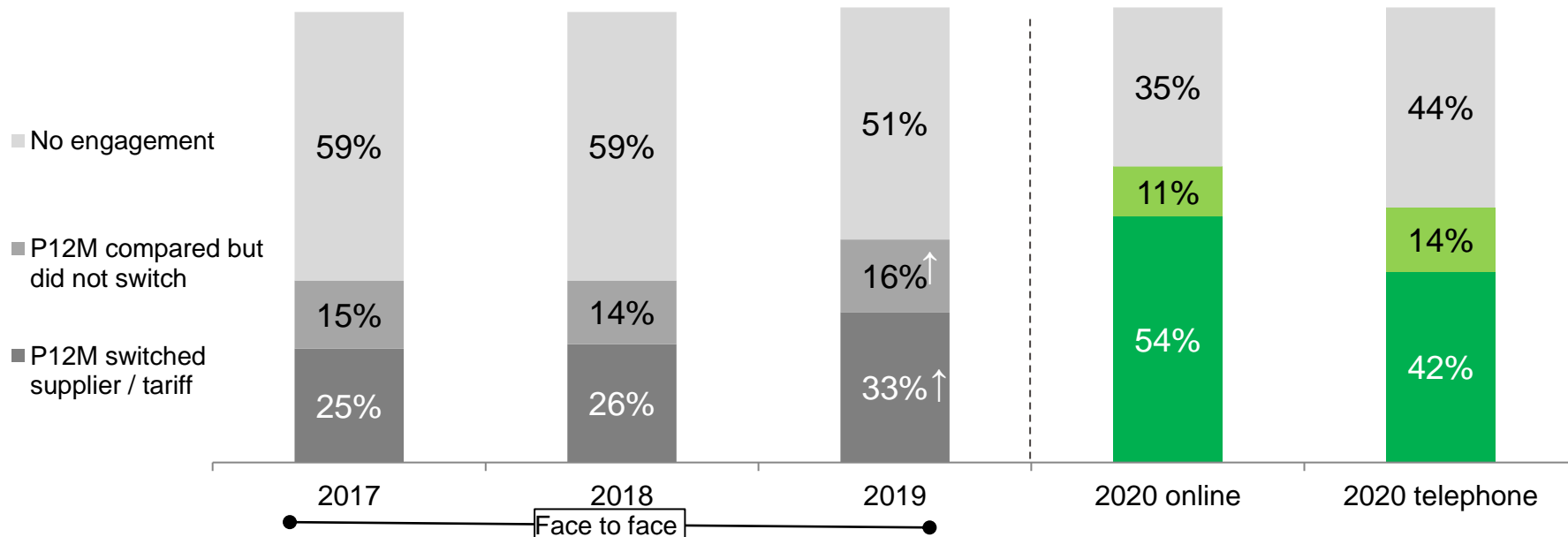
This is higher than in previous years, and engagement levels have been increasing over time. However, comparisons should be treated with caution due to the change in research mode. In the 2020 telephone survey, engagement levels were similar to the previous levels (measured face-to-face).



2020 QCOMPARE 2: Have you or your household compared energy deals in the past 12 months to see if you could switch to a different supplier or tariff? QENGAGE2: And which, if any, of these have you or your household done in the past 12 months? Previous years: 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 (2020: 4608 (online), 1635 (telephone); 2019: 4001; 2018: 4064; 2017:4001; 2016: 5956; 2015: 5934; 2014: 6151) ↑↓ indicate significant change between years: CAUTION: survey moved online in 2020 so significant differences since 2019 © Ipsos MORI April 21, 2021 | Consumer Engagement Survey not shown

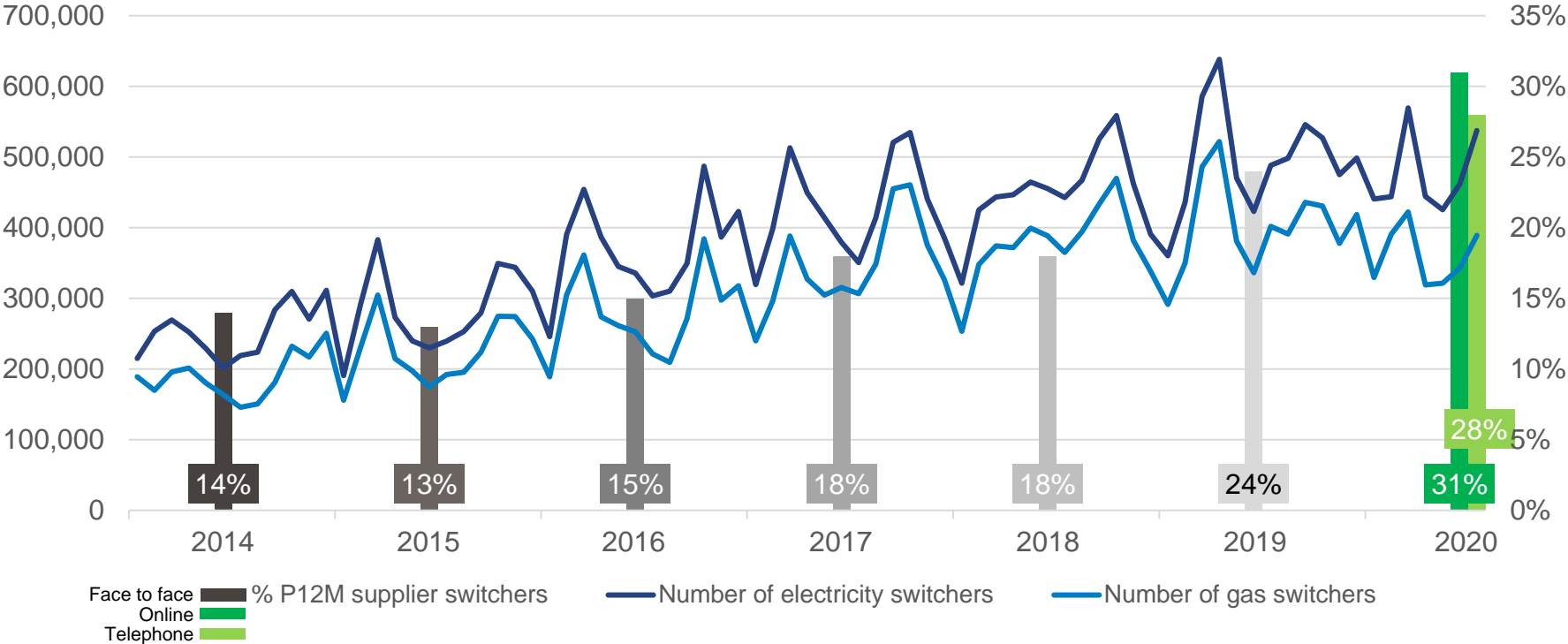
How has the engagement profile changed?

Online participants are more likely to have switched supplier or tariff than in previous years, or than telephone participants. Once again engagement levels of telephone participants are more alike to face-to-face data from previous years.



2020 QCOMPARE 2: Have you or your household compared energy deals in the past 12 months to see if you could switch to a different supplier or tariff? QENGAGE2: And which, if any, of these have you or your household done in the past 12 months? Previous years: 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 (2020: 4608 (online), 1635 (telephone); 2019: 4001; 2018: 4064; 2017:4001; 2016: 5956; 2015: 5934; 2014: 6151) ↑↓ indicate significant change between years. so significant differences since 2019 not shown

Increased levels of supplier switching reflect Ofgem's own switching data, although online estimates are again higher than 2020 telephone estimates or previous face-to-face surveys



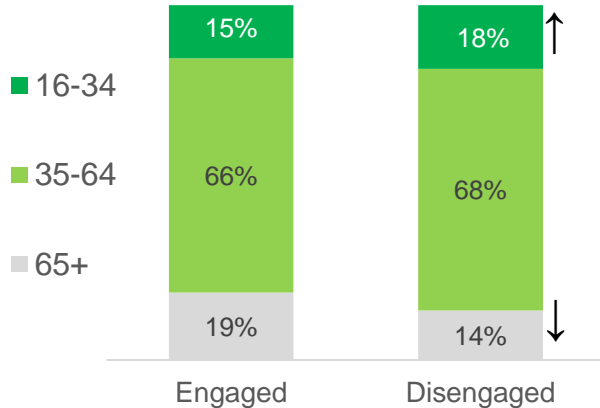
2020: QENGAGE2: And which, if any, of these have you or your household done in the past 12 months? Previous years: Q138/139. When did you last switch supplier? WhnSG/E. When did you last switch tariff? ChngG/E. Thinking about your supply, which if any of these have you done in the past 12 months? Base: All respondents (2020: 4608; 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?

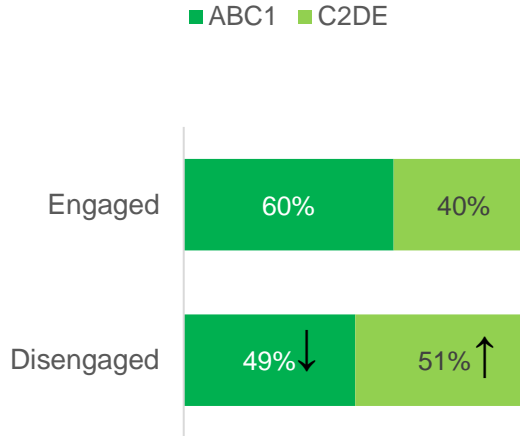
Who's engaging (or not)?

Though methods have changed, patterns in responses are very similar. Engaged consumers are biased towards mid-aged groups, ABC1s and owner occupiers.

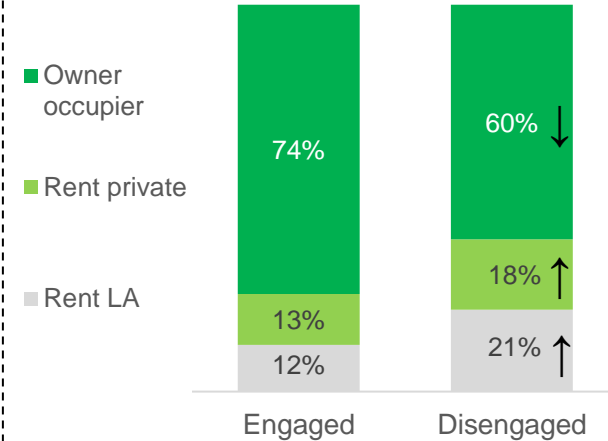
Age



Social grade



Tenure

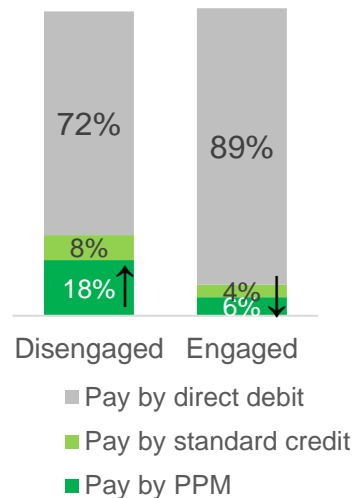


Base: 2020 Engaged (3080) Disengaged (1528) ↑ ↓ indicate significant differences engaged vs disengaged

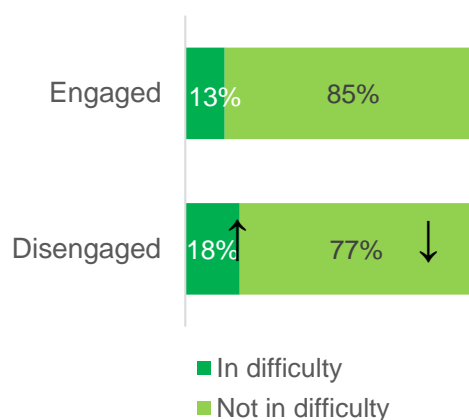
Who's engaging (or not)?

Disengaged consumers are more likely to pay by PPM or be in financial difficulty. But experiencing a negative financial impact from the COVID-19 pandemic may be driving some to engage

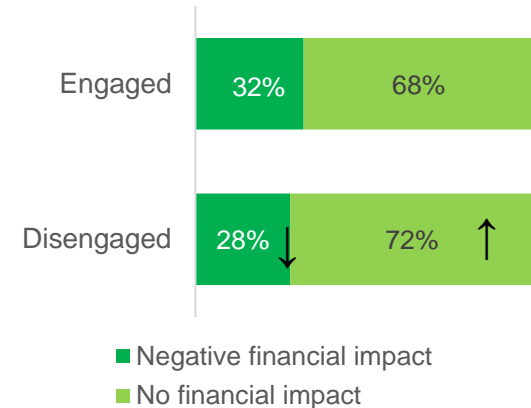
Payment method



Financial Difficulty*



Financial Impact from COVID-19



Base: 2020 Engaged (3080) Disengaged (1528) ↑↓ indicate significant change between subgroups

** Defined as those who report having fallen behind on household bills

The Ofgem energy consumer segmentation



The energy consumer segmentation helps to understand the variation in attitudes towards engagement with energy. It tells us the characteristics of consumers that are more or less likely to take an interest in who supplies their energy, their tariff or to compare or switch supplier. It helps to identify the types of consumers who may be responsive to incentives to change behaviour and those who will be more difficult to reach.

There are 6 consumer segments which are profiled on the next page.

Explaining the consumer segments

Happy shoppers enjoy shopping around in all markets, and are motivated by finding ways to save money. They are confident, trusting, engaged with the energy market and are positive about switching.

Market Sceptics have very low levels of trust in energy companies and a lack of confidence engaging with the energy market. This contrasts with their relatively high levels of engagement in other markets, and average levels of general confidence and self-efficacy.

Anxious Avoiders have very low self-efficacy and lack confidence in shopping around generally and specifically in energy: reflected in low levels of engagement across all markets. They are far less likely to spend time researching purchases or finding ways to save money.

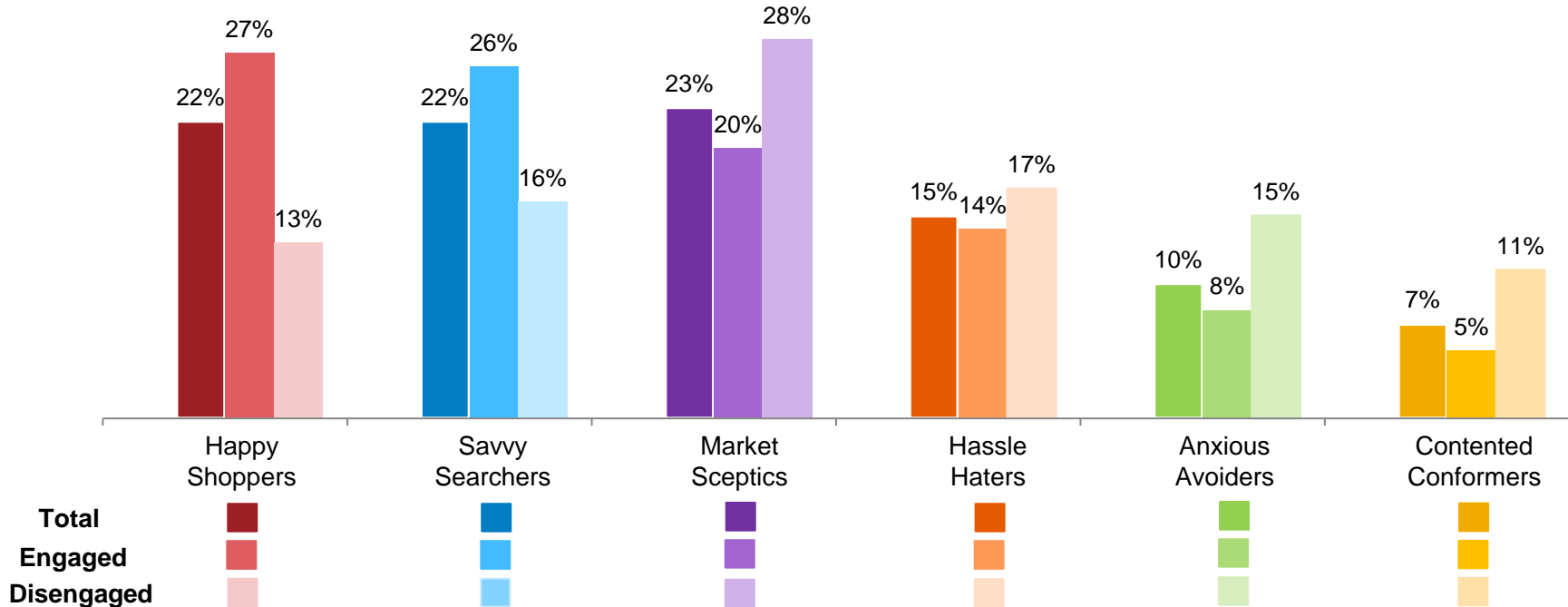
Savvy Searchers are highly confident and engaged across all markets, and broadly positive about energy switching. However, they are sceptical about the role of PCWs, often using more than one site to compare. Ultimately, they are confident they are on the right deal.

Hassle Haters are confident in their ability to engage in the market, and broadly trusting of suppliers. They are deterred, however, by the perceived time, hassle and risks involved. They feel they are on a good deal despite their lack of engagement but might be tempted by added value services.

Contented conformers are broadly happy with the status quo, trusting their supplier. They are nervous of change: worried by the risks of switching, unknown suppliers and overwhelmed with choice. They are the least confident engaging with the energy market and least motivated by saving money or value-added services.

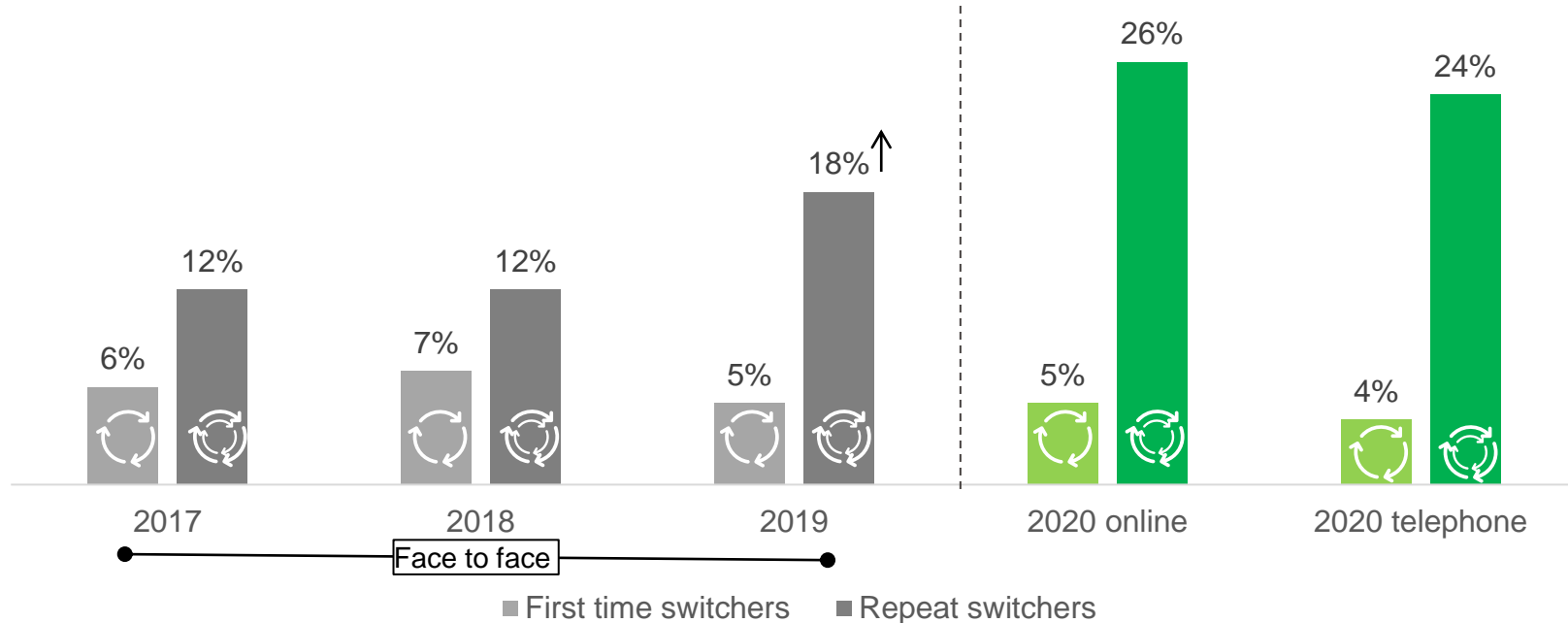
Segment engagement profiles in 2020

As in previous years, relatively more Happy Shoppers and Savvy Searchers are engaged with energy, while relatively more Hassle Haters, Anxious Avoiders and Contented Conformers are disengaged.



Who's engaging? Growth in repeat switching

Over time, there has been an upward trend in repeat switching, which has continued in 2020.



Base: Total 2017 (4001), 2018 (4064), 2019 (4001), 2020 4608 (online) 1635 (telephone) ↑↓ indicate significant change between years so significant differences since 2019 not shown

Profiles and behaviours of first time and repeat switchers are very similar to previous years



First time switchers

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

They are **less engaged** in the energy market in general: despite switching they are still less likely than repeat switchers to have compared energy deals (ever and in the P12M). They are also less likely to have previously switched tariff with their supplier.

They feel **less confident** engaging in the energy market (comparing and choosing), though no more likely to think that it was difficult to compare.

Having received a bill or statement from their supplier was a key motivation to switch for them.

Price Comparison Websites (PCWs) were their most common switching method, though they were more likely than repeat switchers to have **phoned** a supplier, used an **auto-switching service** or taken advice from **friends and family**.

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

Base: 2020 First time switchers (219), repeat switchers (1264)

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Repeat switchers

They tend to be **older** (particularly mid-aged), with more **owner occupiers**.

They are **more experienced** in the energy market being more likely to compare deals and having also switched tariffs more than first time switchers.

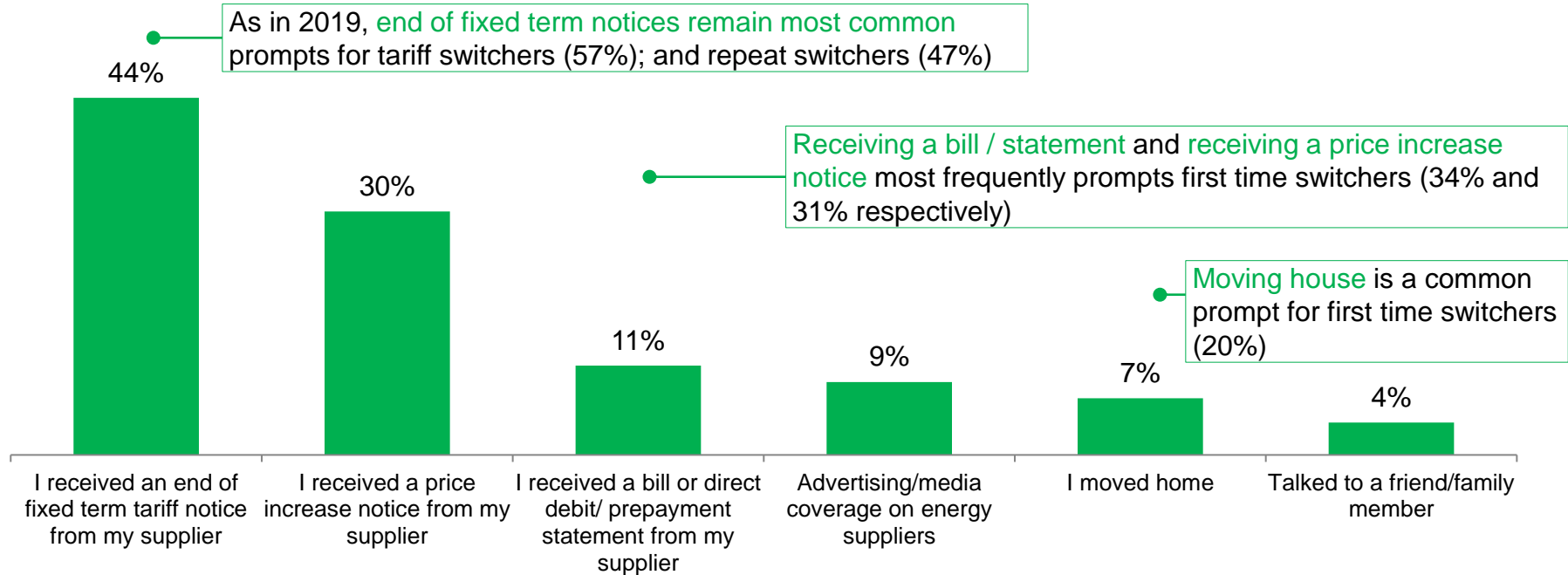
They are **less trusting** in energy companies and more likely to think about the **risks** associated with switching. While they are just as aware as first time switchers of energy companies going out of business, this was less likely to affect their attitudes towards switching.

They are **more aware of different ways of engaging** (e.g. PCWs, scanning and auto switching services).

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

What prompts engagement?

Supplier communications remain the key prompt to engagement. House moves remain a key prompt for first time switchers.

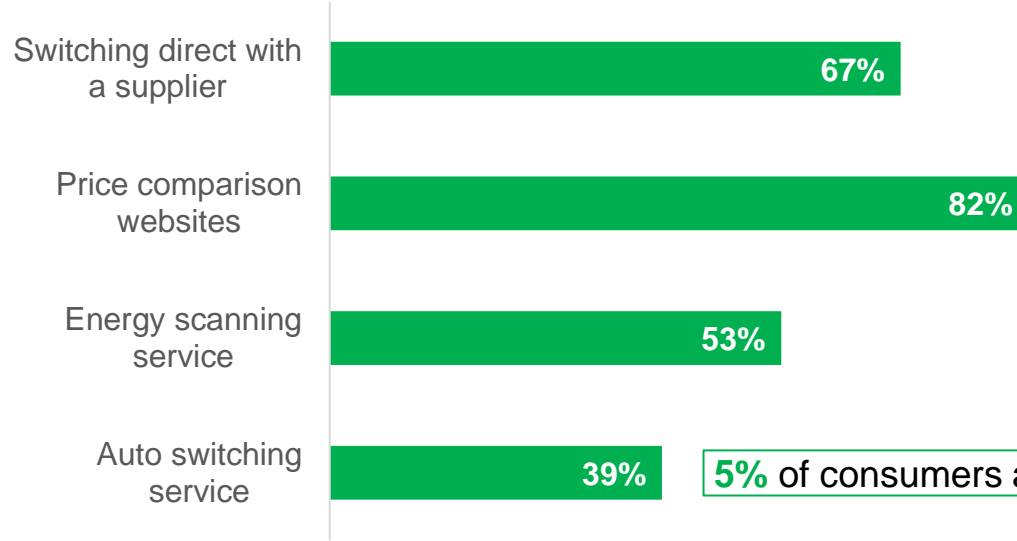


Q161. And thinking about the last time you switched supplier/switched tariff/compared energy deals what were the main reasons that caused you to do that? Base: 2020: Switched gas or electricity supplier or tariff, or compared suppliers or tariffs in the past 12 months (3080)

How do consumers engage?

While price comparison sites continue to be the most commonly known method of switching/comparing, there is growing awareness of scanning/auto switching services. Reported sign up levels for auto switching services are, however, fairly low.

Awareness of comparing/switching methods



20% of consumers signed up to energy scanning services. They were more likely to be:

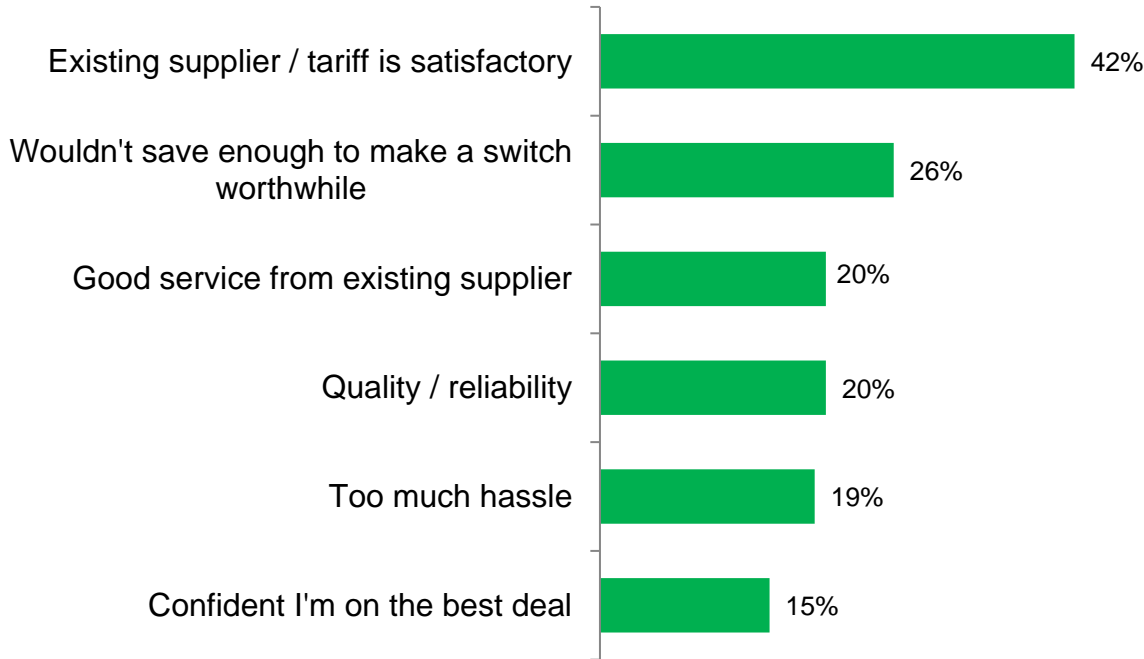
- ABC1: 22%
- Owner occupier: 22%
- Engaged: 28%
- With a small/medium supplier: 26%

5% of consumers are signed up to auto switching services

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: 2020: Total (4608)

Why don't customers engage?

Reasons for not engaging remain similar over time: satisfaction with existing supplier or tariff is the most common reason.



Top perceived risks of switching

Might not save as much as they thought	53%
Costs might go up	43%
Supplier they switch to might go bust	29%
Double / shock billing	29%

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: 2020: Shopped around in energy market but not switched supplier or tariff in P12M, or not shopped around in energy market at all in P12M (2040). Risks. What, if anything, do you think might be the risks associated with switching energy suppliers? Base: 2020: Not switched in P12M (3125).

Confidence in and perceptions of engaging

Summary – Confidence and perceptions



Levels of confidence comparing and choosing energy deals remain high, with higher income and engaged consumers more likely to feel confident.

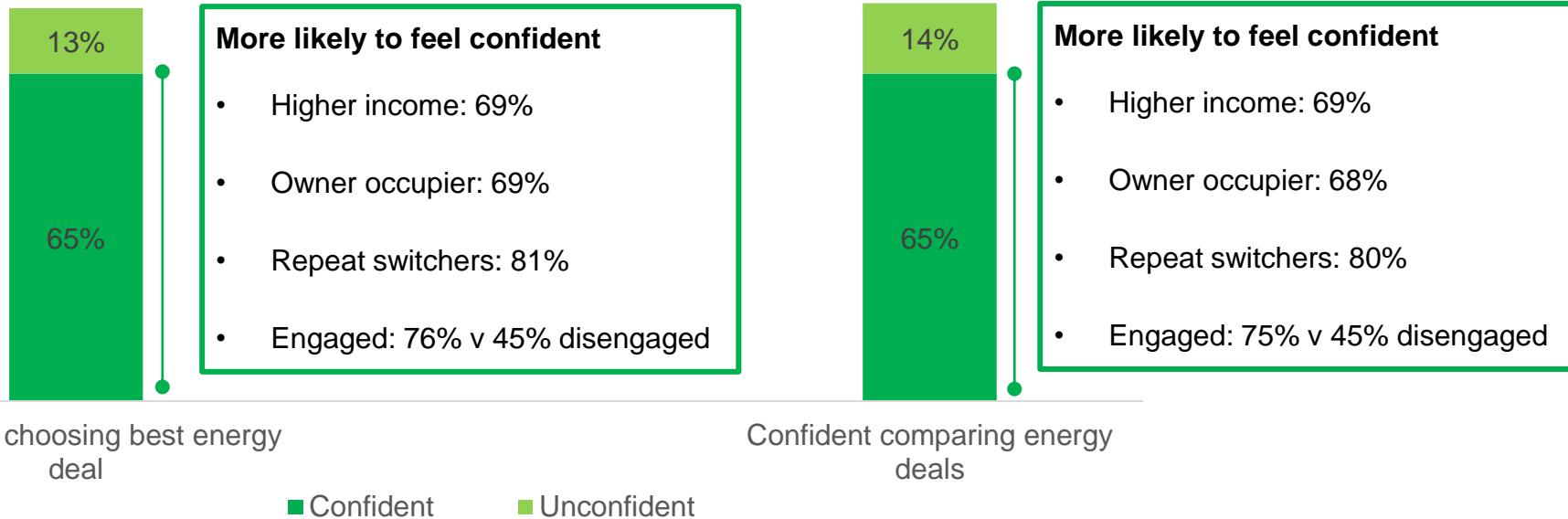
However, there are still gaps in confidence around engagement between engaged and disengaged consumers: the largest gaps are related to comparing and choosing energy deals. Disengaged consumers are also more likely to prefer well known suppliers and perceive many risks of switching, so may need further reassurance to encourage them to engage in the market.

Concerns about not achieving savings/higher costs are more prevalent than other concerns (e.g. supplier failure, being cut off).

How confident do people feel engaging with energy suppliers? ofgem



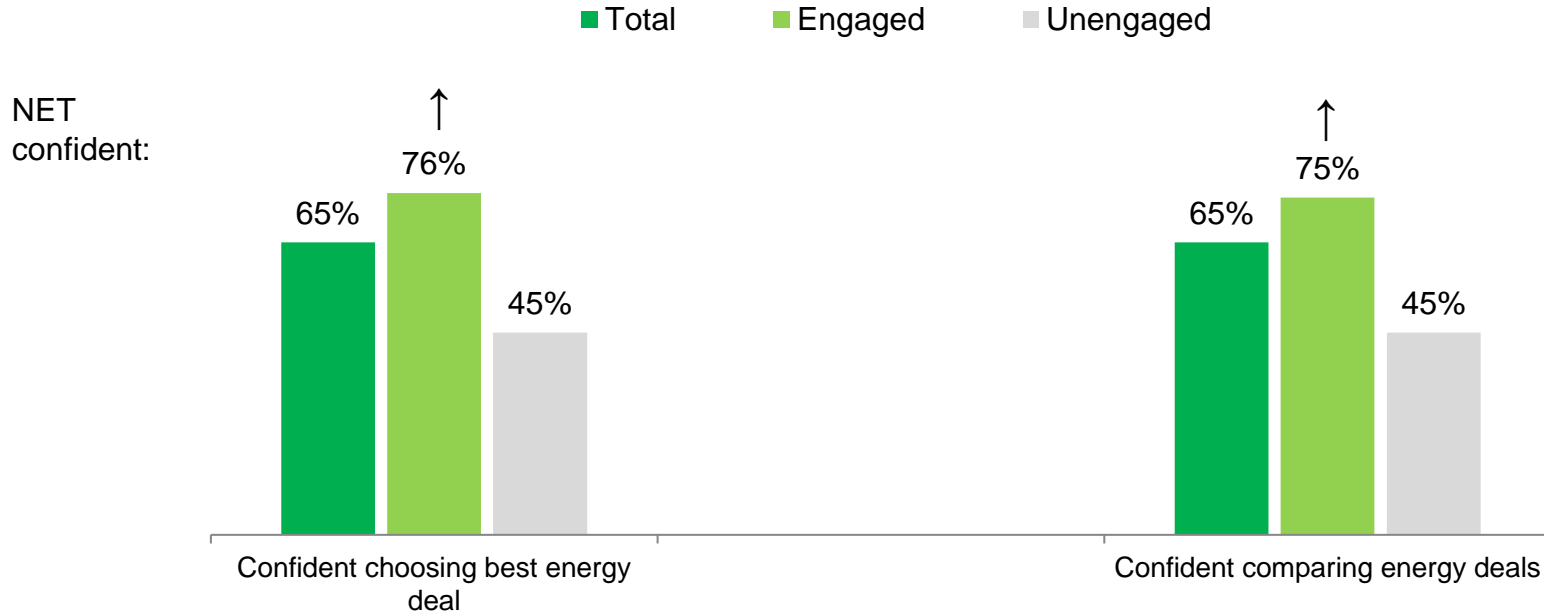
Two thirds of consumers feel confident comparing energy deals and choosing the best energy deal for them. Lower levels of confidence amongst disengaged consumers suggest lack of confidence may be a continued barrier to engagement.



CONF2: How confident or unconfident do you feel about doing these things related to energy suppliers? Base: 2020: Total (4608)

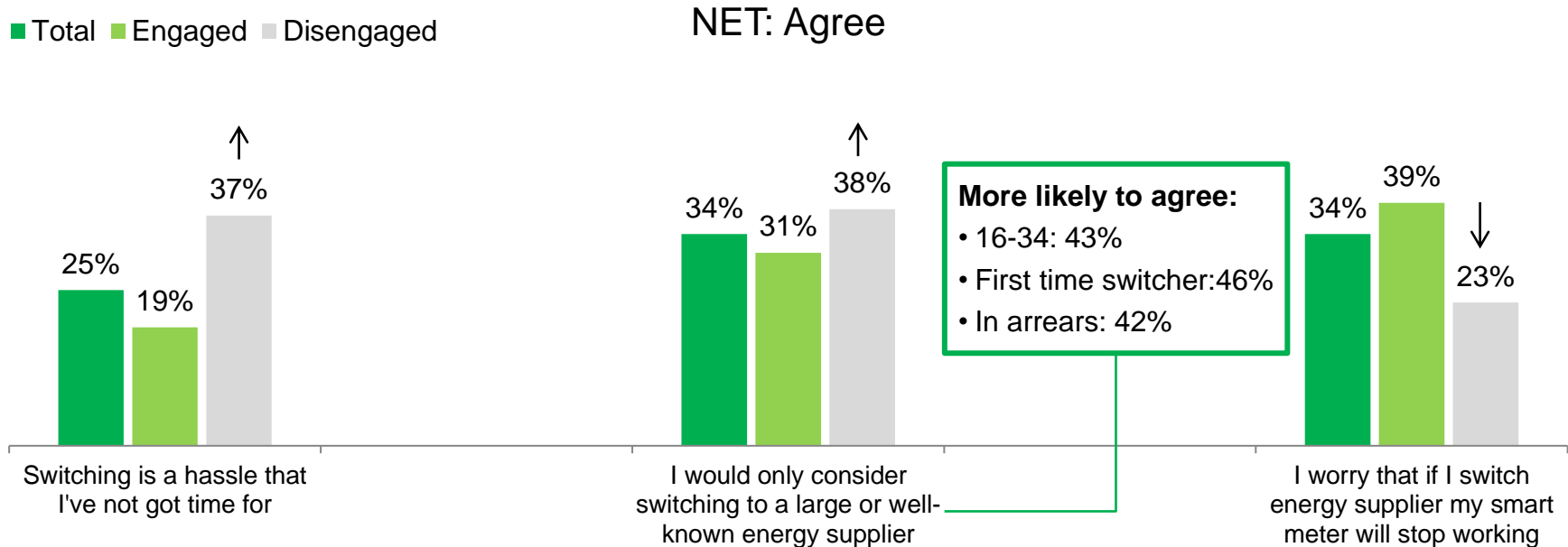
How confident do people feel engaging with energy suppliers? Engaged vs disengaged consumers

Unsurprisingly, engaged consumers are consistently more likely to say they feel confident engaging with their energy supplier



Perceptions about switching

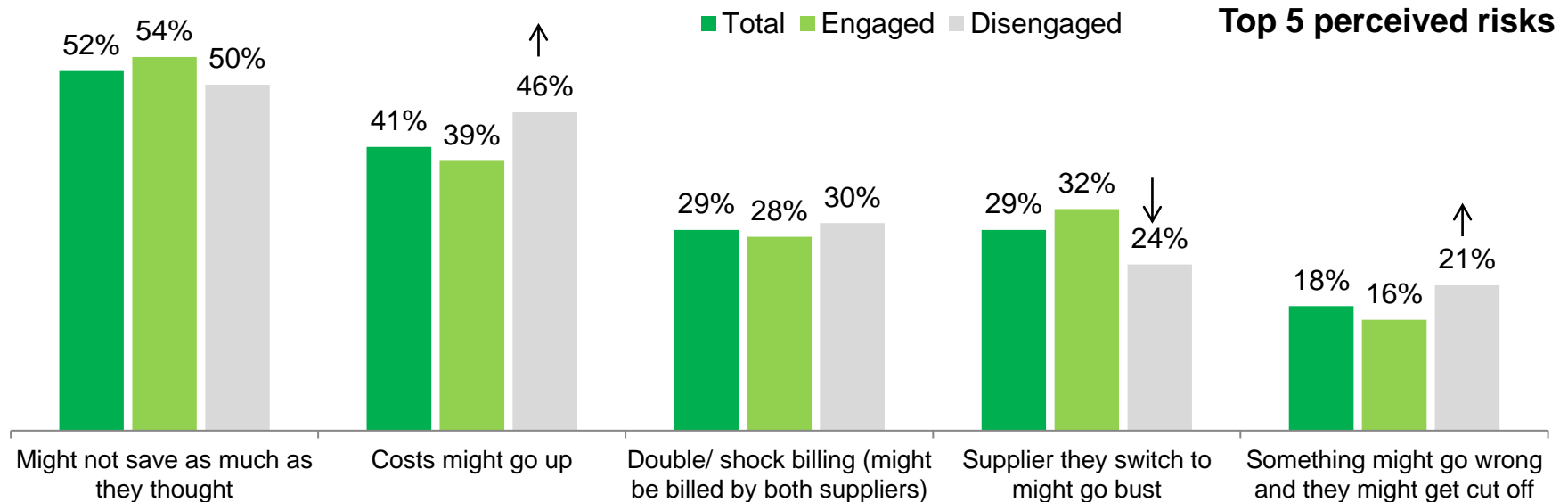
Disengaged consumers are more likely to perceive switching as being a hassle and would only consider switching to a well-known or large supplier.



Q121. How much do you agree or disagree ...? Base: 2020: Total (4608), Engaged (3080), Disengaged (1528) Total with smart meters (1445), Engaged with smart meters (989), Disengaged with smart meters (456) ↑↓ indicate significant difference engaged vs disengaged

Perceptions of risks of switching may put off some disengaged consumers from engaging

Disengaged consumers were more concerned about rising costs and being cut off, but less worried about their new supplier going bust.



Risks. What, if anything, do you think might be the risks associated with switching energy suppliers? Base: 2020: Total (4608), Engaged (3080), Disengaged (1528)

↑↓ indicate significant difference engaged vs disengaged

Engagement experiences and outcomes

Summary – Experiences and outcomes



Switching experiences are consistent with previous years. PCWs are the main source used to find and compare tariffs and calling the supplier or using PCWs the main switching methods.

Most switchers think they are saving money, and the proportion thinking they are saving now has continued to increase.

Fewer consumers trust energy companies compared to banks/ building societies, although levels of trust are similar compared with insurance companies and internet/broadband companies.

Disengaged consumers are less likely to trust energy suppliers in general, and their own supplier specifically. Lack of trust may inhibit market engagement, though for those disengaged high levels of trust may also increase inertia.

Experiences of switching

Finding out about deals

- Most engagement was proactive, with PCWs the main source of information
- As in previous years, tariff switchers were less likely to have used a PCW and more likely to have telephoned their supplier

Making the switch

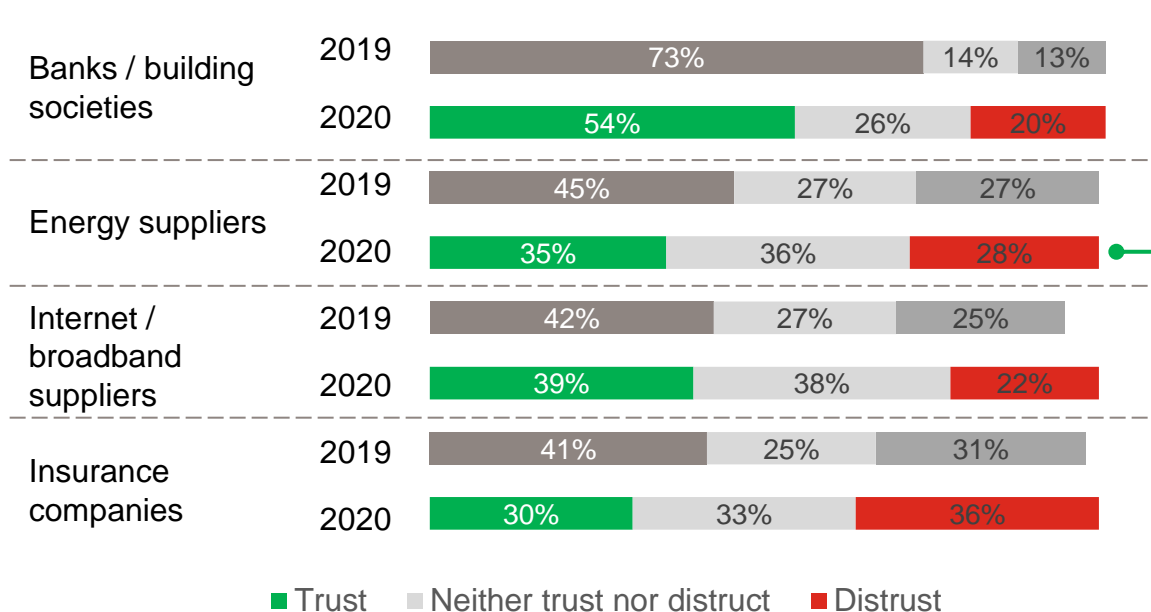
- Similar proportions switch using third party services or by contacting their supplier directly
- The majority of switchers found choosing and switching easy, but fewer felt they had control over their switching date

Do they feel they are saving money?

- Three quarters or more of switchers think they are saving money now or in the future
- More switchers think they are saving money compared with previous years

Do consumers trust energy suppliers generally?

Trust in energy suppliers *in general* to be fair in dealing with customers is comparable to that of other regulated industries, but lower than for banks / building societies.



As in 2019 trust in energy is highest across some of the least engaged groups:

- 16-34 (45%)
- DEs (39%)
- Hassle Haters (50%)
- Contented Conformers (41%)

Lack of trust is not a barrier to engagement *but*
 High levels of 'generic' trust could encourage disengaged consumers to stay disengaged

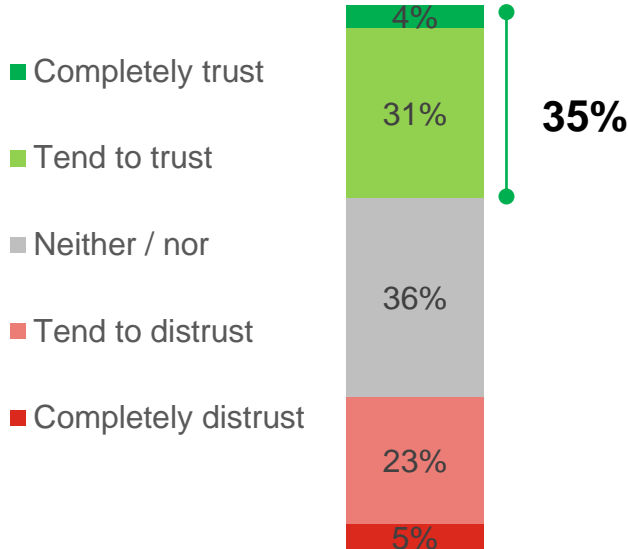
TRUST. To what extent do you trust or distrust each to be fair in the way they deal with customers and citizens? Base: 2019 Total (4001); 2020 Total (4608) NB Method change means that results over time should be treated with caution

Consumer trust

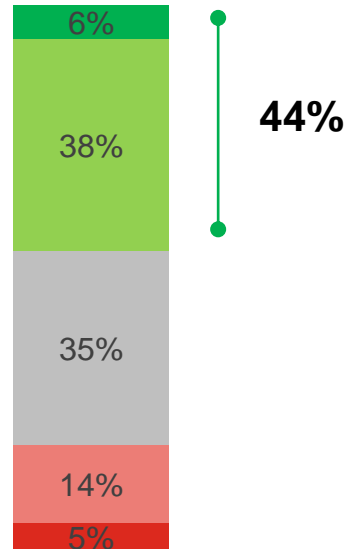
Just over a third of consumers say they trust the energy sector to treat customers fairly. As in previous years, customers are more likely to trust their supplier than the sector, though fewer trust their supplier to charge them a fair price.

To what extent do you trust / distrust your energy supplier(s) to...

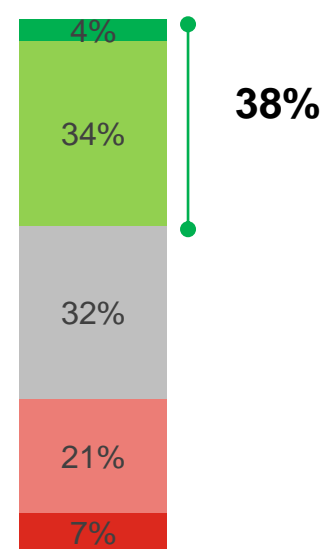
Trust in the energy sector



Treat you fairly



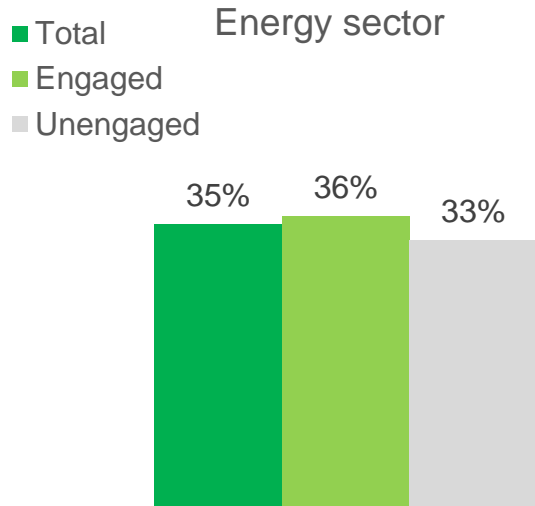
Charge a fair price



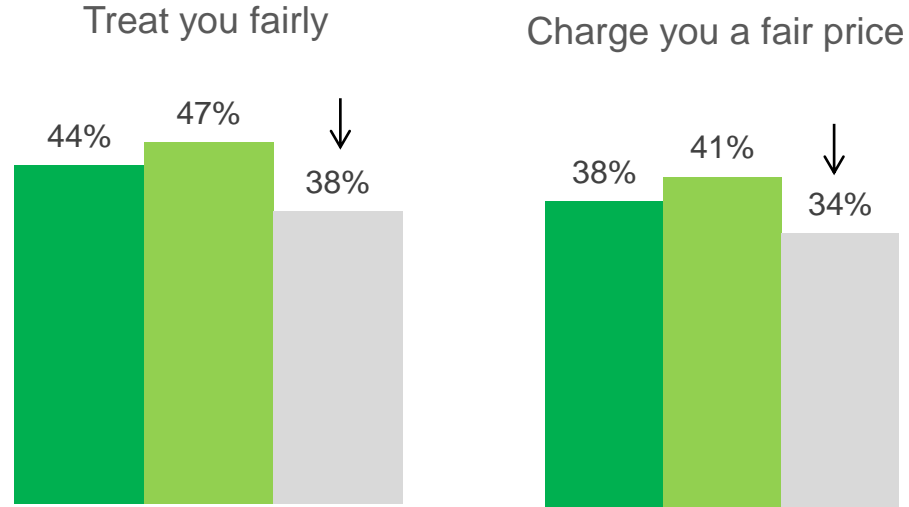
QTRUST: To what extent do you personally trust / distrust energy suppliers to be fair in the way they deal with customers and citizens? Q68: To what extent do you trust / distrust your energy suppliers to...? 2020: Total (4608)

Consumer trust

While engagement does not seem to be linked to trust in the energy sector in general, engaged consumers are more likely to trust their own energy supplier. This pattern is similar to that in previous years.



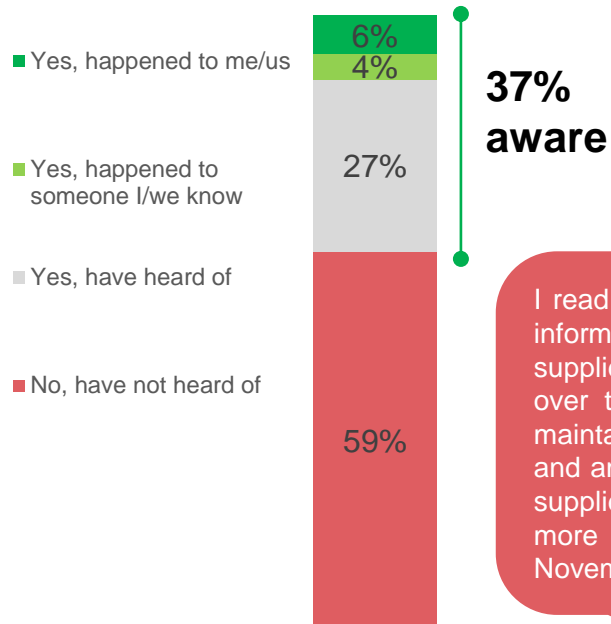
To what extent do you trust / distrust your energy supplier(s) to...



QTRUST: To what extent do you personally trust / distrust energy suppliers to be fair in the way they deal with customers and citizens? Q68: To what extent do you trust / distrust your energy suppliers to...? 2020: Total (4608) Engaged (3080) Disengaged (1528) ↑↓ indicate significant difference engaged vs disengaged

What are experiences of energy suppliers going out of business?

Just over a third of consumers are aware of suppliers going out of business. Personal experiences of a supplier going out of business are mixed.



It was not really an issue as I had already got a move in place. The old company was taken over and I got a refund from the new. It did not stop me moving again in the future.

[old supplier] were supplying my gas and electricity. They kept me fully informed throughout the process... I am happy with my new energy deal as I am paying less than I was with [old supplier]. [new supplier] customer service is fine.

I read about it in the press before my supplier informed me in writing. I was informed by my supplier that they were transferring all accounts over to another supplier who had agreed to maintain prices. I have not been transferred yet and am still waiting to be contacted by my new supplier. I am worried that I will end up paying more because my gas fixed price ends in November.

Received notice that I would be switched to a new supplier by Ofgem. I was horrified to find that the rates from this new supplier were 50% higher than those of the [previous supplier]. I was unable to switch to a supplier of my choosing until 30 days had passed and the process cost me a considerable amount of money as a result. I am very happy with my current tariff.

QENERGYOOB: have you heard anything about energy companies going out of business recently? QEXPENERGYOOB: Would you be able to describe in a bit more detail about your energy company going out of business? 2020: Total (4608), Personally experienced (221)

Vulnerable consumers

Key messages: Vulnerable consumers



Vulnerable consumers remain significantly less likely than other consumers to have engaged in the energy market. Gaps do not appear to be closing.

Engagement levels are the lowest amongst consumers defined as being in financial difficulty. They are less likely than other consumers to say they don't engage because they are satisfied with their current supplier/tariff, and more likely to think switching will be a hassle, and to feel unconfident engaging.

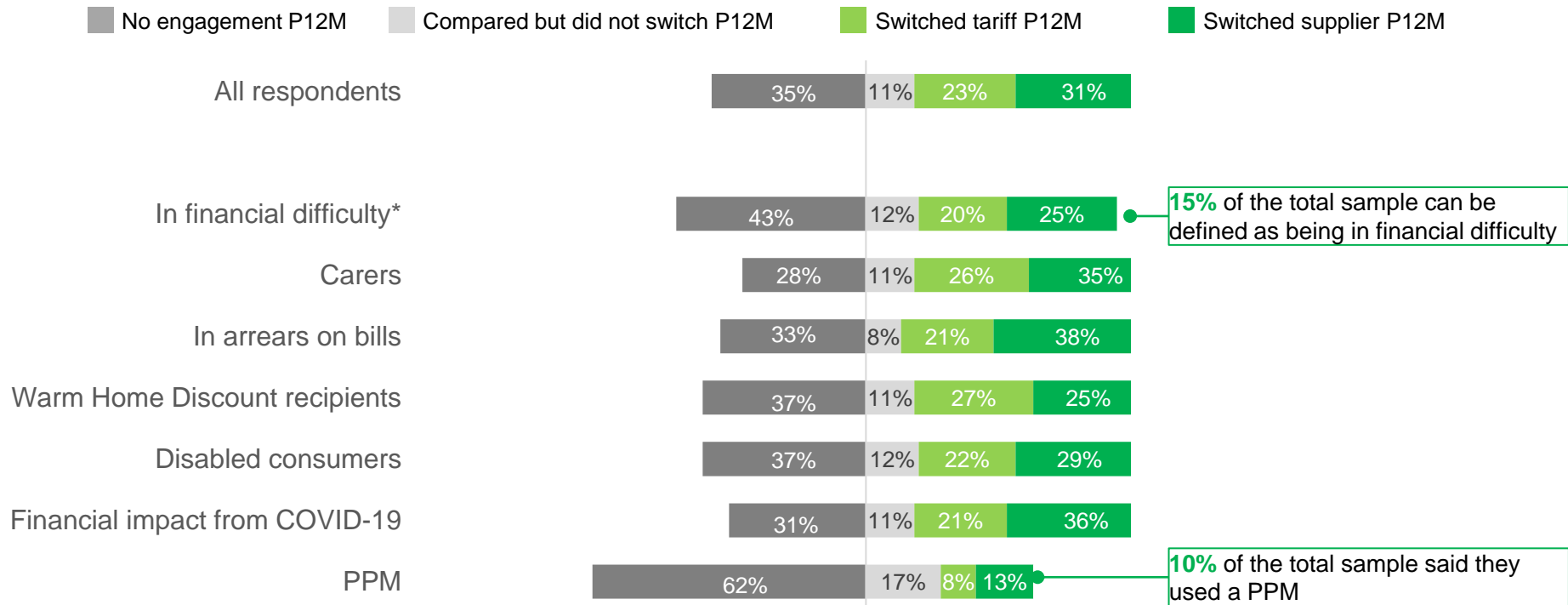
In our survey around one in ten consumers say they use a pre-payment meter. Around a third of this group report self disconnection in the past year.

The proportion of consumers who have **fallen into arrears on their energy bills has increased this year**: perhaps reflecting COVID's impact on household finances, and in line with other Ofgem research conducted*.

* [Consumers' experiences with energy during the Covid-19 Pandemic - October Update | Ofgem](#)

How vulnerable consumers are engaging

Consumers using pre-payment meters (PPM) and those in financial difficulty are the least likely to have engaged.



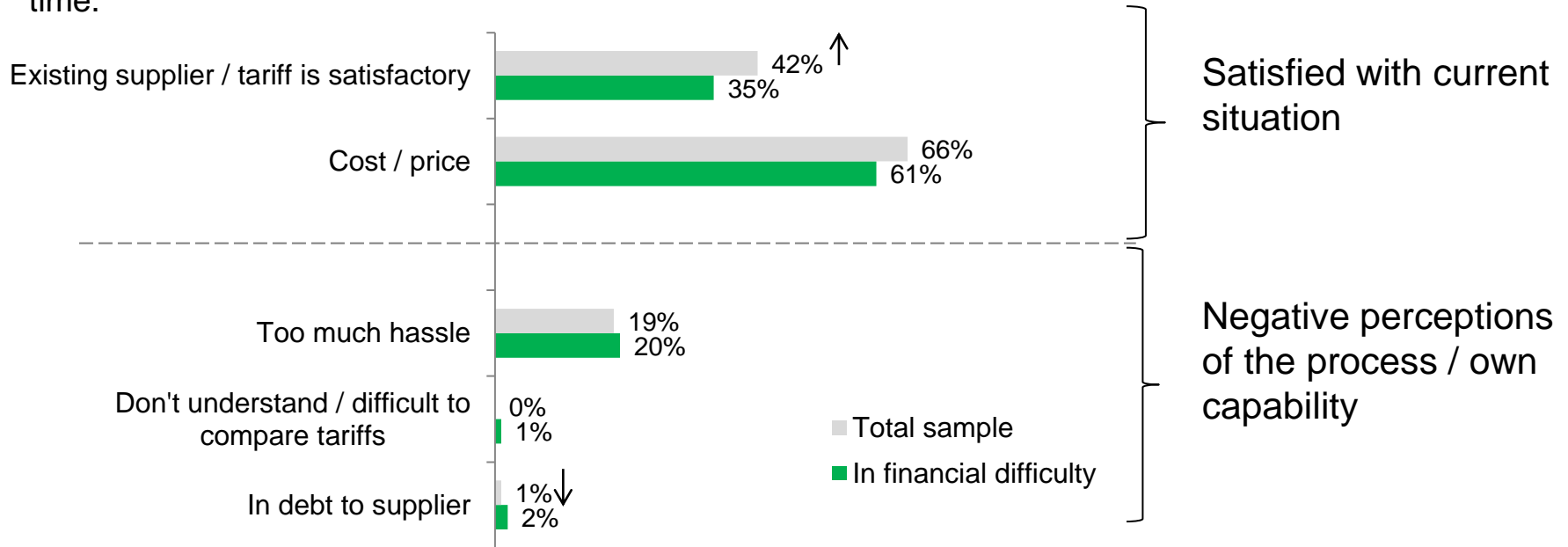
2020: QENGAGE2: And which, if any, of these have you or your household done in the past 12 months? Base: 2020: Total (4608)

*Defined as those who report having fallen behind on household bills 45

Households in Financial Difficulty – barriers to engaging



Households in financial difficulty tend to mention fewer reasons for not engaging than the average. In particular they are less likely to say they aren't engaging because they are satisfied with their current supplier/tariff, suggesting disengagement is instead driven by inertia / the weight of other priorities on their time.



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: 2020: Shopped around in energy market but not switched supplier or tariff in P12M, or not shopped around in energy market at all in P12M: Total (2040) In financial difficulty (352) ↑↓ indicate significant difference total vs in financial difficulty

Households in Financial Difficulty: confidence and perceptions **ofgem**



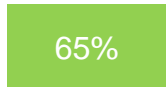
Those in financial difficulty were also less likely to feel confident engaging in the energy market and be put off switching because they think it will be a hassle. Increasing this confidence may help to encourage future engagement.

“Switching is a hassle
I haven’t got time for.”

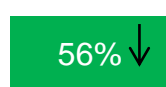


32% of those in financial difficulty agreed;↑
compared to 25% amongst total sample

Confident comparing the different energy deals available

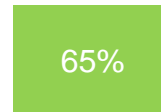


Total sample

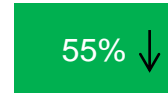


In financial difficulty

Confident choosing the best energy deal



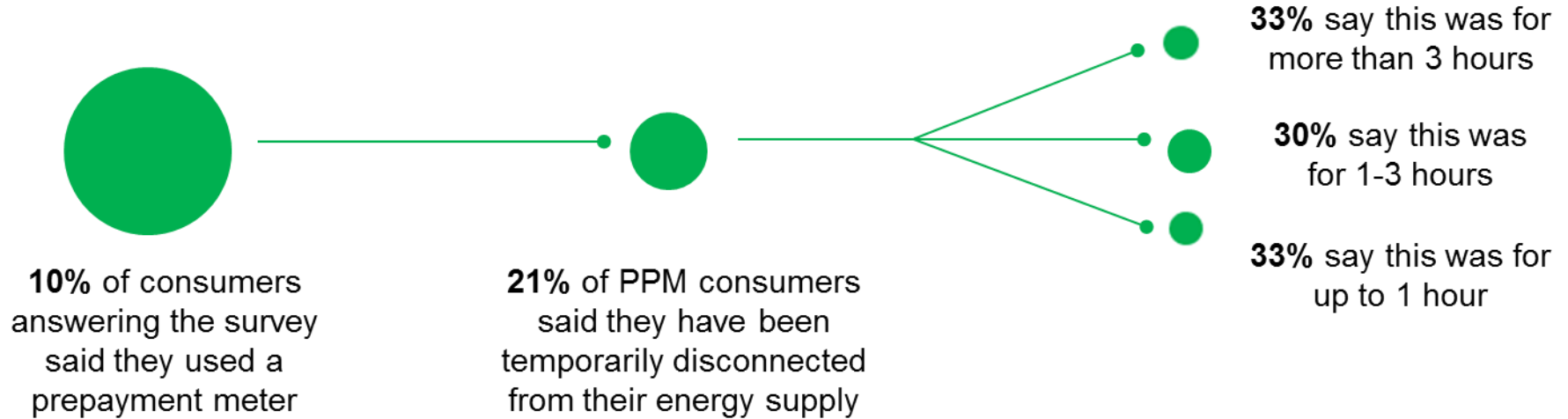
Total sample



In financial difficulty

Conf2. How confident or unconfident do you feel about doing these things related to energy suppliers?.; Q121. How much do you agree or disagree...? Base: 2020 Total (4608); In financial difficulty (658) ↑↓ indicate significant difference total vs in financial difficulty

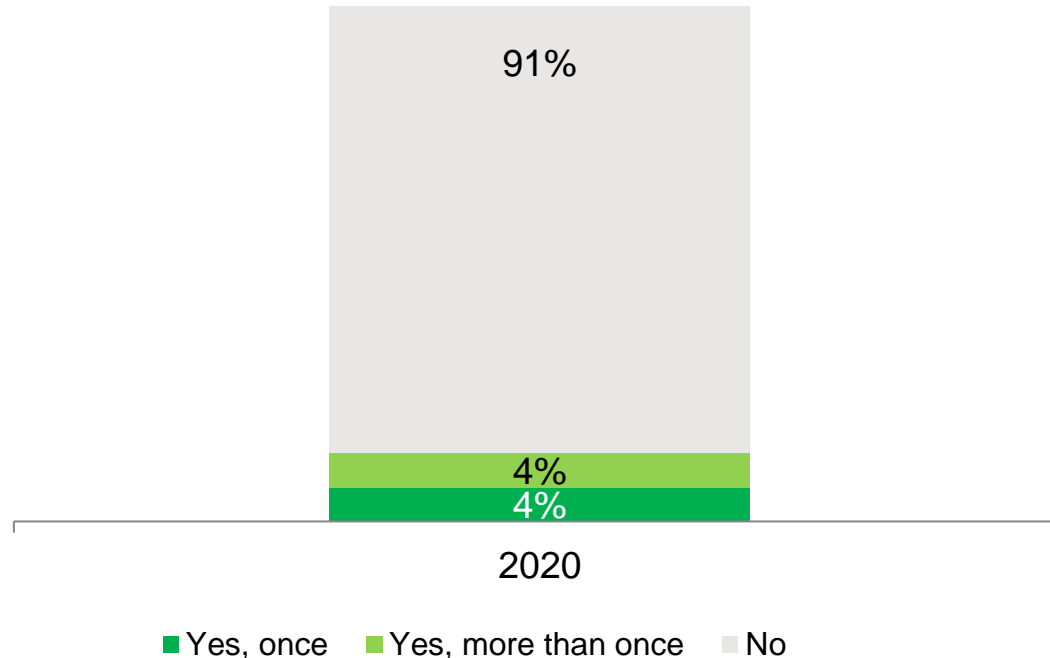
A minority of PPM consumers report self-disconnecting



QPPM1. How often, over the last year, would you say that you have been temporarily disconnected from your gas/electricity/gas or electricity supply because the meter ran out of credit before you topped it up? Base: 2020 Has prepayment meter (384); QPPM2. And which is the longest period of time you have been disconnected from your gas/electricity/gas or electricity supply in the last year? Base: 2020 Has been disconnected from any fuel type on PPM in the past 12 months (85) * CAUTION LOW BASE

The proportion saying they have fallen behind on energy bills remains very low (8%)

Although this has increased in 2020 (4% in 2019): likely a combination of methodological change and the impact of COVID on household finances.



QARREA. In the last twelve months, has the household been in arrears on your gas or electricity bills? Base: 2020 Total (4608)

Financially constrained households

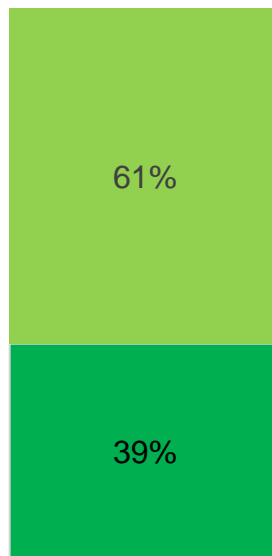
Two fifths of households are classified as financially constrained: up slightly from 29% in 2019.

Definition of **financially constrained**:

Those who are at least one of the following:

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

- Not financially constrained
- Financially constrained



2020

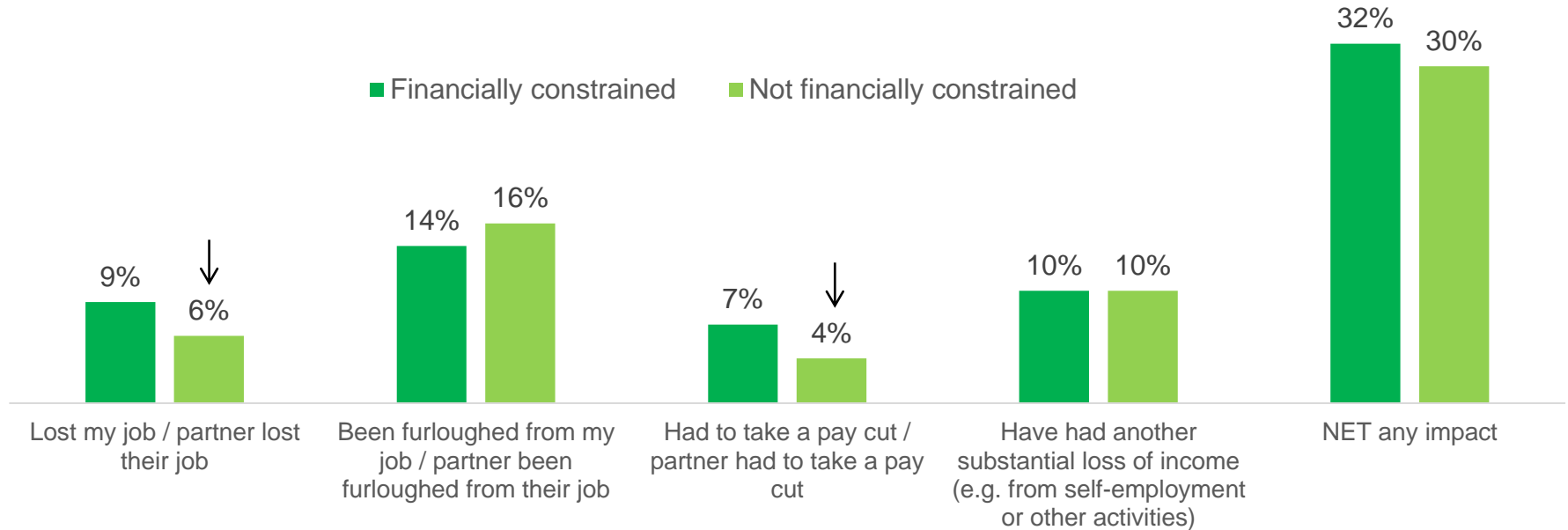
48% of financially constrained consumers switched in the P12M, but they are less likely to do so than non-financially constrained consumers (57%). Barriers to switching were similar to non-constrained households:

- Satisfaction with existing supplier/ tariff (39%)
- Not saving enough to make it worthwhile (26%)
- Good service from existing supplier (22%)

QENGAGE2: And which, if any, of these have you or your household done in the past 12 months? Base: 2020 Total (4608); 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: 2020: Shopped around in energy market but not switched supplier or tariff in P12M, or not shopped around in energy market at all in P12M: Total (2040) Financially constrained: (876)

Impact of COVID-19 on household finances

Significantly more financially constrained households report that COVID-19 had a negative impact on their finances.

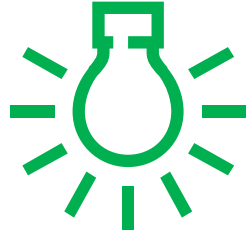


QCOVID1. As a result of the COVID pandemic, have any of these happened to you or your household? Base: 2020 Financially constrained (1787); Not financially constrained (2821)

↑↓ indicate significant difference financially constrained vs not financially constrained

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Key conclusions



The methodological shift and COVID-19 pandemic have made tracking of engagement in the energy market difficult, but there are indications that engagement levels are up.

There remain indications that lower confidence comparing and choosing energy deals, and lower levels of trust in the energy market may deter some consumers from engaging. The disengaged tend to prefer well known suppliers and perceive switching to be risky, and may welcome further reassurance to encourage future engagement.

Patterns in engagement are similar to previous years and switchers are mainly repeat rather than first time. There are indications that vulnerable consumers are still less inclined to engage. Increasing confidence may particularly help vulnerable consumers to engage.

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