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N.B. For this version of the report, figure 1.2 on page 11 has been updated.

Key findings and overview of the survey

2015 Key findings

In August 2013, Ofgem published its domestic Retail Market Review (RMR) proposals to promote consumer engagement in the energy market and improve competition between suppliers.¹ Ofgem intervened in order to make the market simpler, clearer and fairer. The proposals were introduced so consumers have the information they need to understand their current circumstances, can compare tariffs and find the right one for them, and be able to trust suppliers to treat them fairly.

As part of its monitoring and evaluation framework², Ofgem commissioned TNS BMRB to conduct a nationally representative face to face survey in spring 2014 of over 6,000 energy consumers in Great Britain³. The aim of the survey was to contribute towards the establishment of a baseline of consumer attitudes and behaviour in the early stages of the RMR interventions⁴. TNS BMRB repeated the survey on behalf of Ofgem in spring 2015 to examine any changes in these attitudes and behaviours. Ofgem have provided the data from these surveys to the Competition and Markets Authority for its investigation into the energy market. Ofgem intends to repeat this survey annually.

The survey investigates consumer engagement in the energy market: from reading a communication to reviewing what tariffs are available, switching tariff or changing supplier. It also collects extensive data on consumer confidence, trust and understanding of the energy market. With only one year's trend data available to assess the impact of RMR, it is too early to determine longer term trends; this will be a focus of future evaluation. Further background to this survey is given at the end of this section and the full methodology and questionnaire are presented in the separate Technical Report.

Engagement in the energy market

There has been a small increase in the proportion of consumers who are aware of all of their options in the energy market from switching supplier to changing tariff and changing their payment method; this is up four percentage points since 2014 from 75% to 79%.

In total, we found that 37% of consumers have engaged in the energy market in the previous year either by comparing tariffs, changing their tariff with their existing energy supplier or switching supplier (up from 35% in 2014).

- **13% have switched supplier** (compared to 14% in 2014);
- **17% have changed a tariff with their existing supplier** (with a few changing both supplier and tariff) (compared to 16% in 2014) ; and

¹ 'Implementation of the Domestic Standards of Conduct – decision to make licence modifications', 28/06/13 and 'The Retail Market Review – Implementation of Simpler Tariff Choices and Clearer Information' 27/08/2013.

² 'Domestic Retail Market Review Evaluation – a proposed way forward', 14/01/14.

³ Ofgem (2014) Retail Market Review Baseline Survey, conducted by TNS BMRB.

⁴ The 2014 survey formed part of Ofgem's baselining work, which also included a review of consumer insight gathered prior to any RMR implementation and relevant monitoring data (e.g. gathered directly from energy suppliers).

- **11% have compared their tariff with others available** from their own supplier or other suppliers, but neither changed tariff nor switched supplier after doing so (compared to 9% in 2014).

Again consistent with 2014, 4% of consumers have changed their payment method in the last year.

The proportion of consumers who have ever switched tariff amounted to 26%, compared to 24% in 2014. Indications are that there has not been an increase in 'first time' switchers in 2015.

After taking into account the factors that mattered to them, just under half of consumers (48%) were confident that they were on the best deal for them, a fall from 55% in 2014.

Segmenting consumers by level of engagement

Key indicators, such as whether a consumer has switched supplier or recalls receiving supplier communications, were used to create an index of engagement. We then divided respondents along this index to create four segments ranging from the very disengaged to most engaged energy consumers.

In this first follow up year, the size of the segments compared to those found in 2014 was almost unchanged. Nearly one fifth (19%) of consumers continue to be in the least engaged *unplugged* segment, having shown little or no engagement with the energy market in the last 12 months. At the other end of the scale, 15% of consumers, the *switched on* segment, are highly engaged consumers who have switched or changed tariff and regularly check communications. Those most likely to be engaged in the energy market tend to come from higher social grades, be older working age, are owner occupiers, pay for their energy use by direct debit and are often on a fixed term tariff.

Motivation for engaging

Saving money continues to be the main motivator for switching supplier, changing tariff or making a comparison. Nine in ten (91%) consumers who switched supplier, changed tariff or compared in the previous 12 months wanted to save money. Of those that switched or changed tariff with the intention of saving money, a majority (83%) of these feel that they are already paying less for their energy, or will do so in the future, a considerable increase on 77% in 2014.

Communications from suppliers continue to be a trigger for engagement among a minority. Consumers are most likely to recall seeing an annual summary or bill (59% and 69% respectively). Of those that recall these routine communications, about one third (34%) of those recalling a summary and one quarter (25%) of those recalling a bill took some actions as a result, from reviewing the tariff they were on through to switching supplier. Although fewer consumers received price increase notifications (PINs) and end of fixed term tariff notices they were more likely to take action as a result of seeing these.

A minority of consumers have been prompted to take action as a result of seeing a Tariff Comparison Rate (TCR) or Personal Projection (PP) on a supplier communication. Of the 18% of consumers who recall having seen a TCR, four in ten (39%) went on to check the features of their own tariff, a third looked at changing their tariff and 26% looked into switching suppliers.

Just over a third of consumers (35%) who had seen their PP were encouraged to check their tariff, three in ten to compare tariffs (30%) and 26% to switch tariff or supplier.

Methods of engaging

The internet is the established method for many to compare tariffs and suppliers. As observed in 2014, 44% of those who switched in the last 12 months did so through an online price comparison service. Results indicate that using online price comparison services is becoming more common - those who switched more than 12 months ago are less likely to have used an online price comparison service than those who switched within the last 12 months.

Consumers also demonstrate engagement in the energy market by contacting their supplier directly. Fifteen per cent of consumers have contacted their own or another supplier in the last 12 months other than to provide a meter reading or complain (broadly in line with 2014). In addition, in the prior 12 months, 9% of consumers contacted their supplier to complain (again similar to 2014). A further 4% felt they had cause to complain but did not do so.

A simpler energy market

Consumer perceptions about whether they have the right amount of choice of tariffs in the market and how easy it is to compare them are mixed. The proportion of consumers who feel that there is about the right amount of choice of energy tariffs available to them has remained stable at 44% (45% in 2014). Consumers are more likely to think that they have too much choice (30%, down slightly from 32% in 2014) than too little (11%, again down slightly from 14%). But a much higher proportion of consumers surveyed this time say they don't know about the level of choice in the market (15%, up from 8% in 2014). Most starkly, the proportion of the most disengaged *unplugged* consumers who say they 'don't know' is up 16 percentage points to 31%, with falls in the proportions that feel they have the right amount of choice (down 7 percentage points to 39%), too much choice (down 4 percentage points to 21%) and too little choice (down 6 percentage points to 8%).

Around two in five consumers say it is very or fairly easy to compare different tariffs for electricity and gas (38% compared to 37% in 2014). Results show the proportion overall that says don't know has doubled (up from 4% in 2014 to 9% in 2015). As found in 2014, the more engaged a consumer is, the more likely they are to find it easy to compare tariffs, rising from 24% of *unplugged* consumers to 52% of the *switched on* group. *Unplugged* consumers are most likely to have no strong opinion on ease of tariff comparison, with 23% reporting it is 'neither easy nor difficult' and a further 24% feeling that they don't know.

Among those who feel it is easy to compare tariffs, the most common reason is the amount of information available through online price comparison websites or the internet in general. Those who feel it is difficult to compare tariffs tend to perceive that the information about tariffs from suppliers is too complicated or there is too much choice or variety of tariffs.

We asked consumers who had engaged in the market in the last year if they feel that it has got easier or more difficult to compare tariffs in the last year. The proportion of this group that believes it is easier has risen from 23% in 2014 to 27% now. Age and access to the internet appear to be linked to ease of comparing tariffs; consumers aged below 35 and those with regular internet access continue to be most likely to believe comparison is getting easier. Those who had engaged but reported it to be more difficult were most likely to report that tariffs were getting too complicated and difficult to understand.

A clearer energy market

The RMR reforms aim to make it easier for consumers to understand their energy choices by requiring suppliers to provide clearer and more engaging communications. Consumers were asked how they engage with supplier communications; how familiar they are with the features of their own and other tariffs and their awareness of the new comparison tools such as the Tariff Comparison Rate.

A majority (82%) of consumers recalled receiving at least one or more communication from their supplier in the previous 12 months, most commonly a bill or annual summary. This is similar to 2014. Looking at the new comparison tools, 31% of consumers recalled receiving a Personal Projection and 18% seeing a Tariff Comparison Rate in the last 12 months.

Across all four main routine communications a majority of those consumers that recall receiving a bill, annual summary, price increase notification (PIN) or end of fixed term tariff notification have read it in detail, or at least glanced at it. Likewise a majority think the information within each of these routine communications is clear. A third of consumers (34%) recall seeing a message on one of these communications about savings they can make by managing their account online, changing tariff or changing their payment method with their current supplier, but only a minority are prompted to take action as a result.

Unsurprisingly, overall level of engagement is highly associated with whether a consumer reads a communication – those from the *unplugged* segment were much less likely to recall receiving a bill or statement, and they are least likely of all the segments to have read it in detail in comparison.

There has been an increase in consumers looking for information about their own tariff or energy use. Nearly half (47%) of active consumers⁵ found out about their tariff and energy use in the last 12 months, an increase from 28% in 2014, with 14% finding out about just their tariff (24% in 2014), and 6% just investigating their energy use (7% in 2014). Online bills and written communications from suppliers are still the most likely sources for these details. Of those looking for information about their own tariff or energy use, a majority are positive about how easy it is to find and understand.

Consumers are still fairly evenly divided between those who are familiar with their own tariff or tariffs more widely and those who are not, with little change from the baseline year. The more engaged someone is in the energy market, the more likely they are to be familiar with tariffs, especially their own.

A fairer energy market

The RMR remedies, including the Standards of Conduct, aim to create a fairer energy market and increase consumer trust in the way they are treated by energy suppliers when they engage with the market.

Levels of satisfaction and trust with energy suppliers overall remain positive. There has been a modest increase in satisfaction with consumers' own supplier rising from 73% satisfied or very satisfied with the service they receive from their supplier (or at least one of their suppliers) in 2014 to 75% in 2015. The change was largely driven by a rise in levels of satisfaction among

⁵ Those who had either compared tariffs with their existing supplier or other suppliers, who had changed their tariff with their existing energy supplier, or who had switched supplier in the last 12 months.

gas consumers. Generally, satisfaction with the Big Six suppliers and smaller suppliers is similar.

Consumers' trust in their own supplier to treat them fairly has marginally increased since 2014, up from 62% to 64%. Trust in their supplier to provide clear and helpful information remains stable. Trust in their supplier to charge them a fair price has risen slightly since 2014. In total, 55% of consumers trust their energy supplier (or at least one of them if they have separate suppliers) to charge them a fair price (up from 51% of consumers in 2014).

We also asked consumers to consider how much they trust energy suppliers to be fair in the way they deal with customers compared to service providers in other markets. There has been no change since 2014 with 43% of consumers saying they trust energy suppliers in general.

New Standards of Conduct were introduced in August 2013 as part of the package of RMR reforms. There has been no increase in consumer awareness of the Standards since the baseline survey in 2014, with three in ten in consumers (31%) recalling seeing information from their energy supplier about the requirement to treat customers fairly.

The proportion of consumers who have complained in the last 12 months remains stable at about one in ten. However, satisfaction with the way these complaints are handled has fallen slightly. The majority of complaints (87%) were made to a Big Six supplier, but they supply energy to 79% of the consumers who took part in the 2015 survey.

Background to the survey

The Retail Market Review

Prior to the baseline or '2014' survey (conducted between March and April 2014) some individual RMR remedies had already been introduced⁶. These included:

- 26th August 2013 - Introduction of the Standards of Conduct creating legally binding obligations for energy suppliers to treat customers fairly.
- 23rd October 2013 – Introduction of new rules to enhance consumer protection for consumers on fixed term tariffs. For example, by banning automatic contract rollovers for domestic consumers.
- 31 December 2013 – Introduction of a limit on the number of tariff choices and standardised tariff structures.

From early April 2014, new rules were introduced to make supplier communications clearer for consumers.⁷ As well as improving routine communications, suppliers are now required to provide Personal Projections (PP), a Tariff Comparison Rate (TCR) and Tariff Information Label (TIL)⁸ to help consumers understand their existing tariff and navigate the market. Communications must also include new prompts to engage, such as personalised information

⁶ While the introduction of some RMR remedies prior to the 2014 survey means a completely clean baseline of consumer behaviours and circumstances could not be established, in Ofgem's view it is unlikely the measures implemented would have impacted significantly on consumer engagement in the absence of the full package of reforms.

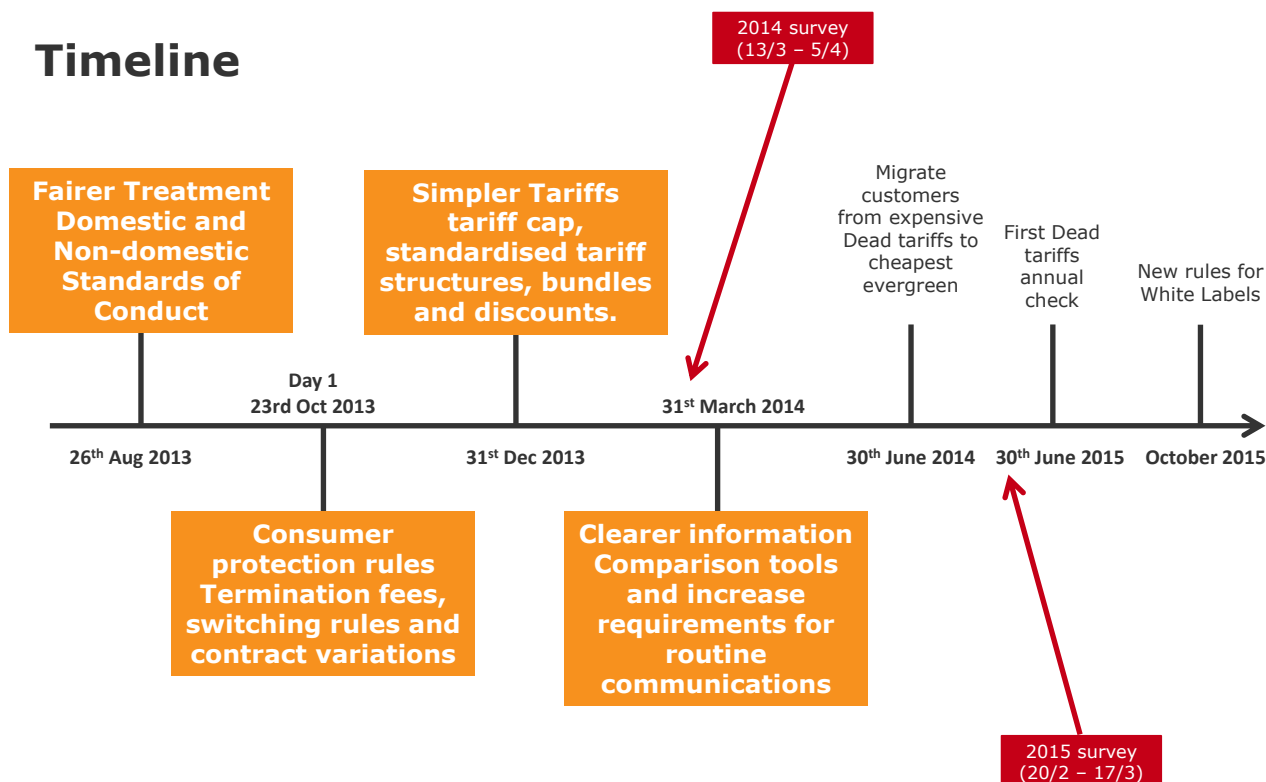
⁷ The vast majority of fieldwork was carried out before these new rules around supplier communications became mandatory. However due to the phased approach some suppliers took in introducing them, some changes may have already been in place at the time of fieldwork.

⁸ See chapter 3 for a more detailed description of these remedies.

on the supplier's cheapest available tariff. Additional rules relating to dead tariffs were also introduced at the end of June 2014⁹.

The following diagram shows the key events in the RMR process between 2013 and the 2015 survey.

Timeline



About this report

This report begins with an overview of the current levels of engagement in the energy market, before looking at key indicators relevant to Ofgem's aims to make the energy market simpler, clearer and fairer for energy consumers. Comparison is made throughout with indicators from the 2014 baseline survey.

- Chapter 1 '**Consumer Engagement in the Energy Market**' explores current levels of engagement including awareness of the choices available, levels of consumer action (supplier switching, changing tariff or payment method with the same supplier, comparison activity etc.), recall and response to supplier communications and consumer confidence that they are on the best deal for them. It also provides a combined analysis of levels of engagement through consumer segmentation.
- Chapter 2 '**A simpler energy market**' assesses how easy consumers find it to engage in the energy market, examines perceptions of the range of energy tariffs available to consumers and the perceived ease of comparing tariffs.

⁹ A dead tariff is a standard variable rate tariff that is no longer available to new customers.

- Chapter 3 '**A clearer energy market**' looks at consumer understanding in the energy market including engagement with supplier communications, clarity and understanding of communications and any action taken as a result of reading them. It also looks at how consumers access information as part of comparison activity and how far consumers are familiar with their own tariff and others available.
- Chapter 4 '**A fairer energy market**' presents consumer perceptions of fairness in the energy market by looking at satisfaction with and trust in energy suppliers. Consumer satisfaction with the process of contacting/complaining to energy suppliers is also considered here.
- Chapter 5 '**Tracking consumer behaviour**' reviews some of the key trends that are emerging between the baseline and 2015 survey.

Terminology

All consumers – We sampled respondents who were responsible, or jointly responsible, for the gas or electricity bills in their household. Most (81%) of respondents bought their gas and electricity from the same supplier (often as part of a dual fuel deal), whilst the remainder either had separate gas and electricity tariffs or electricity supply only (a very small number – 11 – reported having gas only supply). We asked some questions specifically about gas and electricity and others about all energy suppliers or tariffs. In some sections, responses to the gas and electricity questions were so similar that we have combined the results and, if there was a difference, used an average (mean) or the most positive response. We highlight where we have taken this action throughout the text.

Active consumers - Some questions were only applicable if a consumer had switched supplier, changed tariff with their existing supplier or conducted any comparison activity in the last 12 months. We refer to this group as 'active' consumers.

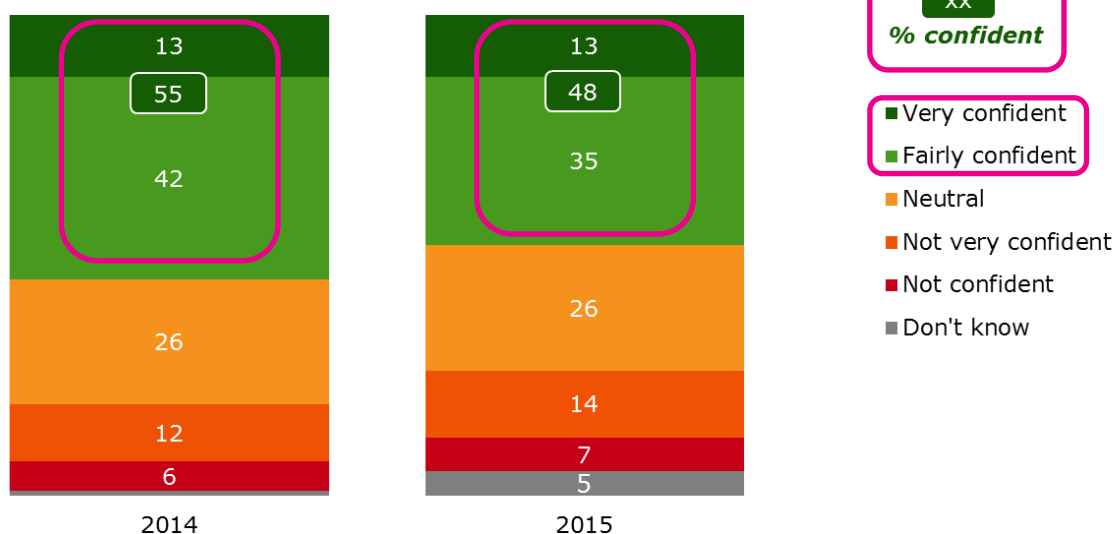
Presentation of data

This report presents results for all consumers graphically and discusses variation by key socio-demographic groups in the text. Supporting data tables showing full socio-demographic variations are published alongside this report. Comprehensive technical details, including the full questionnaire and supporting tables showing 2015 results for key measures, including attitudes, actions and energy circumstances, plus comparisons to 2014 results, are also published in an accompanying technical report.

For many results we present combined scores across categories – for example combining very and fairly confident responses into a combined confident category, as in the example overleaf. The combined result is included in a floating box on/around the two categories it is made up from. The combined figure in the floating box may not in all cases be the simple sum of the two separate figures – due to rounding the combined figure may sometimes be one percentage point less than the simple sum of the two separate categories.

How confident do consumers feel that they are on the best deal for them

%



Q.123 Thinking of the factors that matter most to you, how confident are you that you are currently on the best gas deal for you? Q.124 Thinking of the factors that matter most to you, how confident are you that you are currently on the best electricity deal for you? Q.125 Thinking of the factors that matter most to you, how confident are you that you are currently on the best energy deal for you?
 Base: All consumers (2014:6151, 2015:5934)

In many cases, results are presented as an aggregate figure across all types of consumer, despite being asked of gas and electricity consumers separately¹⁰ or gas, electricity and dual fuel consumers separately. The accompanying technical report provides a full copy of the questionnaire, details of changes between the 2014 and 2015 survey, and explanatory notes on how aggregate scores are calculated.

As both the 2014 and 2015 surveys were conducted using a quota sample, rather than a random probability sample, statistical differences are presented on an indicative basis only. Had the survey been based on a simple random sample we would have considered a difference of two percentage points or more to be significant at the $p < 0.05$ level (with slight variation according to the size of the proportions).

Where respondents can give multiple responses to a question, the sum of the individual responses may be greater than 100 per cent. Also, the percentages in the tables and charts do not always add to 100 per cent due to rounding, and the sum of sub-group percentages discussed in the text may differ from the apparent totals in the charts due to rounding. Similarly, where a number of responses have been grouped together (such as agree strongly and tend to agree), or for the net scores as described above, responses may not always equal the sum of the individual responses, again due to rounding.

¹⁰ In reality the majority of the sample are both gas and electricity consumers and therefore get asked both questions in these cases.

1. Consumer engagement in the energy market

Ofgem's Retail Market Review (RMR) monitoring and evaluation framework ultimately aims to determine whether and how the RMR has contributed to improving consumer engagement. Both this year's survey and the 2014 baseline survey collected measures of whether consumers are *aware* of their choices, how they *act* upon them and how they are *accessing* and *assessing* information to guide their decisions. The 2015 survey has revisited these indicators to establish what, if any, changes in consumer engagement have occurred as the RMR remedies begin to take effect. With only one year's data available to assess the impact of RMR, it is too early to determine longer term trends.

This chapter presents:

- Consumer awareness of the choices available in the energy market (1.1)
- Levels of consumer action, including: supplier switching, changing tariff or payment method with the same supplier, comparison activity and other contact with suppliers (1.2)
- Consumer access to information, including recall and response to supplier communications (1.3)
- Consumer confidence that they are on the best deal for them (1.4)
- A combined analysis of levels of engagement through consumer segmentation (1.5)

Key messages:

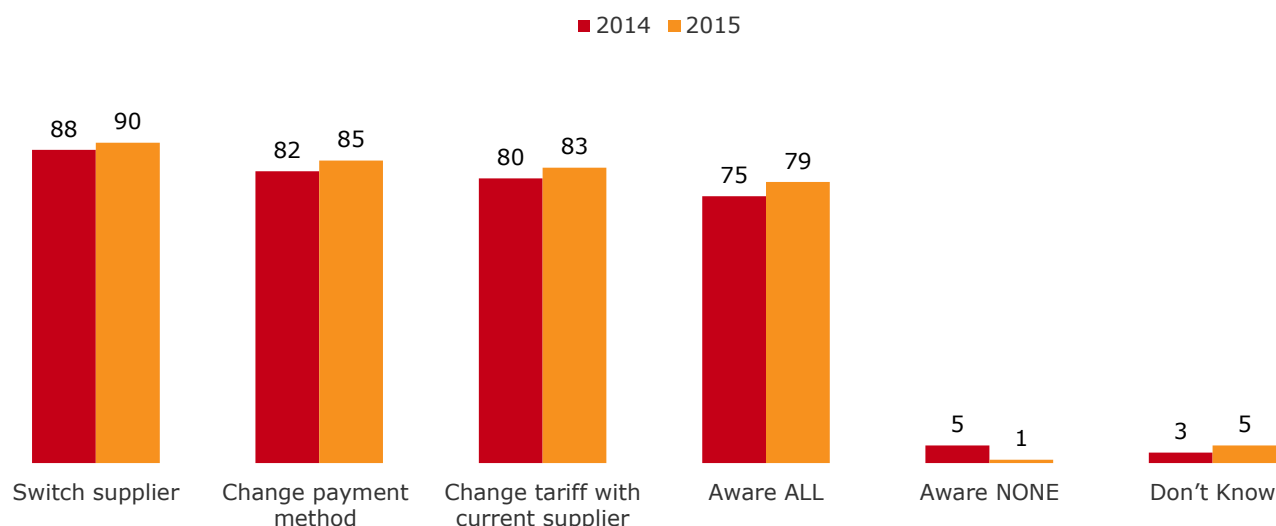
- A majority of consumers are aware of all of their options in the energy market, from switching supplier to changing tariff and changing their payment method, a slight increase from 2014.
- Levels of switching supplier, changing tariff with an existing supplier, and comparing tariffs in the last 12 months remain fairly stable. Around two in five consumers have been active in a least one of these ways in the last 12 months.
- Saving money remains the most common motivation for being active in the energy market, and most who do change supplier or tariff to save money believe they are or will do so. However just under half of consumers are confident they are on the best deal for them, a result that has fallen since 2014.
- Online price comparison websites are an important way for consumers to find out about the deals on offer and to switch.
- The size and characteristics of the four consumer segments are similar to the baseline year, with one in five consumers disengaged from the energy market compared to about one in six engaged.

1.1. Consumer awareness

There have been slight increases among consumers in awareness of their options within the energy market. Nine out of ten consumers know they can switch to a different supplier (90%, 88% in 2014); 85% are aware that they can change their payment method (82% in 2014) and 83% know that they can change tariff with an existing supplier (80% in 2014). Nearly eight out of ten (79%) are aware of all three of these options, an increase from 75% in 2014 (Figure 1.1).

Figure 1.1 Consumer awareness of possible engagement activities

All Consumers
%



Q.14 Which of the following do you think it is possible for energy customers to do?

Base: All consumers (2014:6151, 2015:5934)

Consumers most likely to be aware of all three options are in social grade AB (86%), as are those on a fixed term tariff (84%). Awareness is lowest among consumers in social grade DE (73%), those who do not have regular access to the internet (69%), and those who are on prepayment meters (72%) or standard credit (75%). This mirrors results from the baseline survey in 2014.

Awareness that you can change tariff with your existing supplier is most variable across countries and among different types of consumer. Consumers in Wales are significantly less likely to be aware of this option (73%) than consumers in England (84%) or Scotland (84%) as are older consumers (aged 65+), 79% of whom are aware.

1.2. Consumer action

In this section we explore various types and levels of consumer engagement, including switching supplier and changing tariff, comparing tariffs, changing payment method, and interactions between consumers and suppliers. These aspects are brought together as part of the segmentation of energy consumers to understand how levels of engagement differ across different groups of consumers (section 1.5).

Taken together, we found that 37% of consumers had been 'active' in the energy market by comparing tariffs, changing their tariff with their existing supplier or switching supplier. This was up from 34% in 2014.

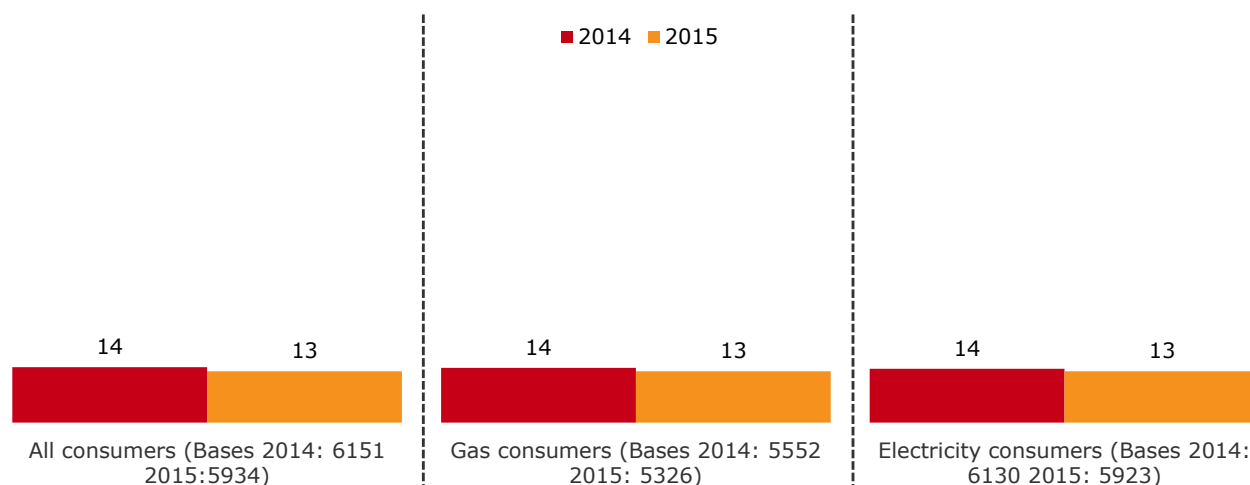
1.2.1. Switching supplier

Thirteen per cent of consumers switched energy supplier in the 12 months prior to the survey, compared to 14% in the baseline survey in 2014 (Figure 1.2). There is no variation in the levels of switching gas or electricity supplier (whether separately or as part of a dual fuel deal).

Figure 1.2 Whether switched supplier in the last 12 months

Whether switched supplier in last 12 months

%



Q.19 In the last 12 months, have you switched your gas supplier? Q.18 In the last 12 months, have you switched your electricity supplier?

Younger consumers (aged under 35) and those in social grades AB are more likely to have switched one or both suppliers for gas or electricity in the past year (16% and 15% respectively) than those aged 65 or older (8%) or in social grade DE (10%). The lowest rates of switching are among those who do not regularly access the internet¹¹ (who make up 20% of consumers). Only 3% of these consumers had switched in the last 12 months. This is a significant fall from 8% in the baseline survey in 2014, indicating that the increasing importance of online price comparison websites may be widening the engagement gap between those who are digitally included and those who are excluded.

Switching is more likely among consumers who pay by direct debit (15%) and those on a prepayment meter (12%), than among consumers on Standard Credit arrangement (4%) but we know less about the circumstances that precipitated the switch for these different types of consumer. Consumers who are currently a customer of a non-Big Six supplier are also more likely to have switched in the last 12 months (39% compared to 8% of Big Six customers).

In 2015, consumers who receive both gas and electricity supply who had switched (either a year or longer ago) were asked if they switched gas and electricity at the same time, and whether it was from a single supplier to another single supplier, or whether it was separate gas and/or electricity switching. The vast majority had switched both at the same time (98% of those who switched in the last 12 months and 94% of those who switched more than 12 months ago) and most switched from one single supplier for both fuels to another (90% of

¹¹ Defined as those who do not use the internet at least once a week.

N.B. The figure for the proportion of electricity consumers who have switched supplier in the last 12 months is 13%, not 14% as previously presented. Figure 1.2 has been updated.

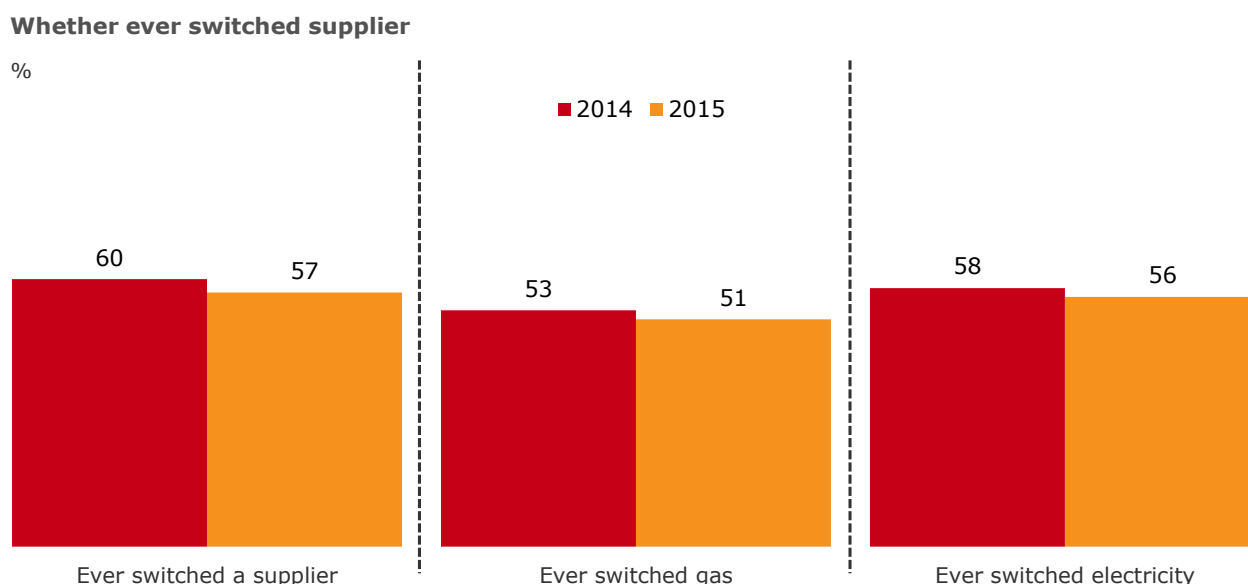
those who switched in the last 12 months and 83% of those who switched more than 12 months ago).

Consumers on a fixed term tariff¹² are most likely to have switched gas or electricity in the last 12 months (20%, compared to 9% of those on a standard variable tariff). Forty seven per cent of social grade AB consumers are on a fixed term tariff for at least one type of energy, compared to 27% of those in social grade DE. Older consumers are also slightly more likely to report being on a fixed term tariff (43% of those aged 65+) than those aged 35-64 (37%) or under 35 (33%).

1.2.2. Past switching behaviour

We asked consumers¹³, regardless of whether they only currently had an electricity or gas supply, whether they recall ever having switched gas or electricity supplier. In total, 57% of consumers had ever switched supplier, a fall of three percentage points compared to the baseline survey in 2014; 43% say they have never switched an energy supplier¹⁴. A slightly higher proportion have ever switched electricity supplier (56%) than gas supplier (51%) although this may simply reflect a greater prevalence of electricity only homes (Figure 1.3).

Figure 1.3 Whether ever switched supplier



Q.19 In the last 12 months, have you switched your gas supplier? Q.18 In the last 12 months, have you switched your electricity supplier? Q.20 Have you ever switched your gas or electricity supplier
Base: All consumers (2014:6151, 2015:5934)

As well as the 13% of consumers who switched in the last 12 months, 44% switched gas supplier longer than a year ago and 49% electricity supplier (43% have switched both).

¹² The question explained that “a fixed term tariff is a tariff that has a definite end date” before asking if the consumer was on a fixed term tariff.

¹³ Those who had switched gas and electricity in the last 12 months were not asked about switching longer ago, but those who had switched neither, or just one of the two, were asked about their switching behaviour beyond the last year.

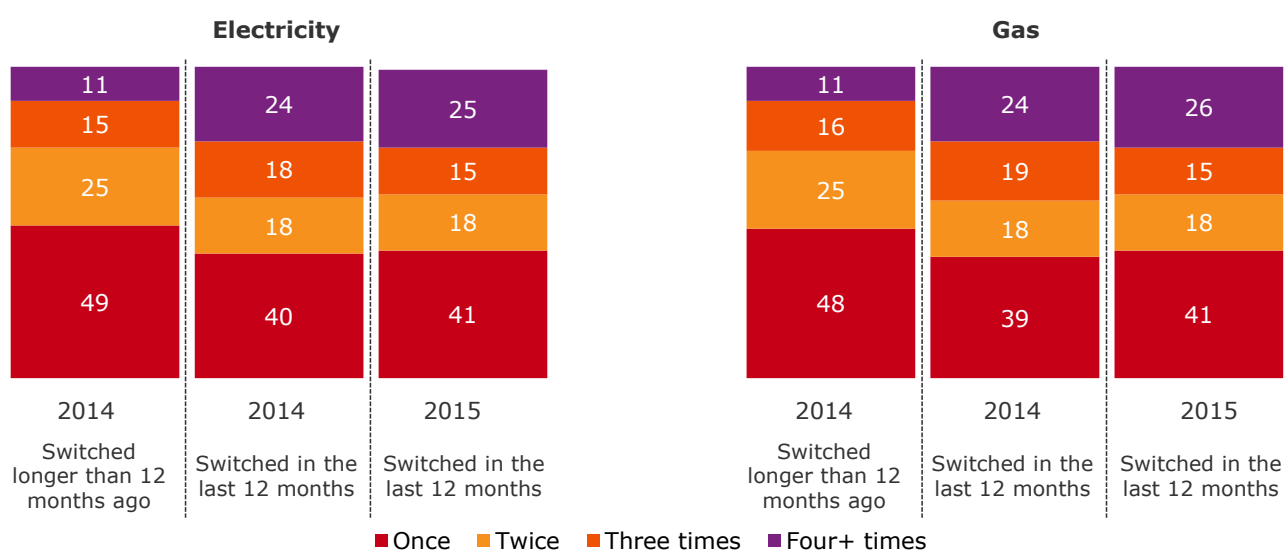
¹⁴ We would not expect all consumers to be able to accurately recall if they have ever switched supplier, especially if it accompanied moving house. Neither will the proportion ever switched and those who switched in the last year always correlate if we are recording frequent switching among the same group of consumers. From data received from Ofgem, the number of electricity meter points that have never switched is circa 30%.

Around one in five (19%) last switched supplier between one and two years ago (in 2014 the equivalent figure was 7%). If consumers have ever switched, it is typically once or twice, although there is a minority (14%) who have changed either gas or electricity supplier four or more times (Figure 1.4). The results also indicate that the proportion of first time switchers – consumers who have switched only once – remains fairly stable at around two in five (41% of electricity consumers, similar to the 40% at the baseline survey in 2014, and 41% of gas consumers, up slightly by two percentage points from the baseline survey in 2014).

As with switching in the last year, consumers paying by direct debit or now on a fixed term tariff are more likely to have ever switched.

Figure 1.4 Number of times switched supplier

Number of times **ever** switched
%



Q21 How many times have you ever switched your gas supplier

Q22 How many times have you ever switched your electricity supplier

Base: Electricity consumers who had switched prior to the past 12 months (2014:2617)

Gas consumers who had switched prior to the past 12 months (2014:2329)

Electricity consumers who had switched in past 12 months (2014:794, 2015:707)

Gas consumers who had switched in past 12 months (2014:736, 2015:659)

1.2.3. Tariff changing

We know that in recent years increasing proportions of consumers have changed tariff with their existing supplier¹⁵ potentially achieving a better deal without having to switch supplier. In 2015, levels of changing tariff with an existing gas or electricity supplier (or sometimes both) are similar to those recorded at the baseline (17%, 16% in 2014).

The proportion of consumers that report changing their gas tariff in the last 12 months has increased to 13% (from 11% in 2014), and is now comparable to those changing their electricity tariff (14%, 14% in 2014) (Figure 1.5). A much lower proportion of consumers recalled ever having changed tariff with an existing supplier (26%) than switched supplier (57%). Twenty two per cent of consumers reported ever changed electricity tariff and 18% their gas tariff (Figure 1.6).¹⁶

¹⁵ Retail Energy Markets in 2015, Ofgem, September 2015

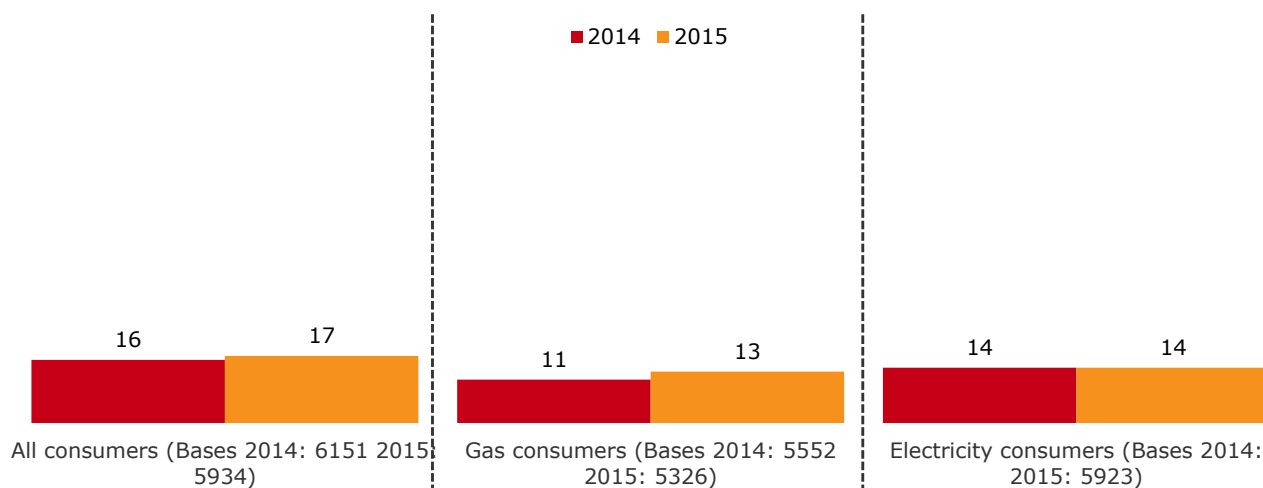
¹⁶ We asked all consumers if they had ever changed their gas tariff even if they had only electricity supply in their current home.

Consistent with the low reported awareness levels, consumers in Wales are less likely to have changed tariff in the last 12 months (9%) compared to consumers in England (14%). Otherwise, changing tariff is, like switching, more common among more advantaged consumers. Indeed, just 6% of irregular internet users changed their gas or electricity tariff last year (5% in 2014), compared with 16% of regular internet users.

Figure 1.5 Whether changed tariff in last 12 months

Whether changed tariff with existing supplier in last 12 months

%

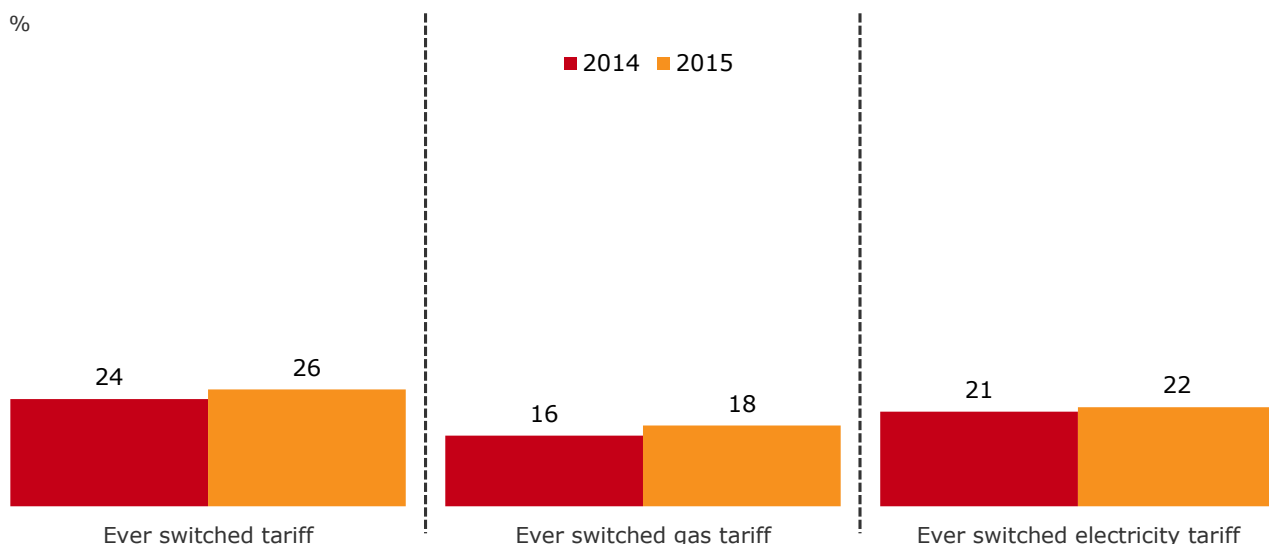


Q.35 In the last 12 months, did [you/you also] change the tariff you were on with your existing gas supplier (without switching supplier)? Q.36 In the last 12 months did [you/you also] change the tariff you were on with your existing electricity supplier (without switching supplier)?

Figure 1.6 Whether ever changed tariff with existing supplier

Whether ever switched tariff

%



Q.39 Have you ever changed your tariff with an existing electricity supplier? Q.37 Have you ever changed your tariff with an existing gas supplier?

Base: All consumers (2014:6151, 2015:5934)

1.2.4. Changing payment method

Changing the way they pay for their energy is another way consumers can exercise choice and get themselves a better deal. Four percent of consumers changed the way they paid for their energy in the last 12 months, which is in line with the baseline survey in 2014. Over half of these consumers have also switched supplier or changed tariff, leaving 2% of all consumers who, whilst not actively engaging in their tariff changes, have changed their payment method.

1.2.5. Comparing tariffs without changing tariff or switching supplier

As well as consumers who had switched supplier or changed tariffs with their existing supplier, a further 21% of consumers had conducted some comparison activity (either with their own supplier or across suppliers) but had not taken any further action. Again, this is more typical of more advantaged consumers. Consumers who are currently a customer of a non-Big Six energy supplier are also more likely to have conducted some comparison activity.

1.2.6. Whether consumers compare when they switch or change tariff

In the 2015 survey, the routing at the four comparison activity questions¹⁷ was opened up to include all consumers. Previously these questions had only been asked if a respondent had *not* switched supplier or changed tariff in the last year. As a result, we are now able to identify those consumers who switched supplier or changed tariff with their existing supplier within the last 12 months but did not also compare their tariff with those from their existing supplier or other suppliers¹⁸.

Overall, 26% of consumers have switched supplier or changed tariff in the last twelve months. Of these, two thirds also conducted some comparison activity in the last year; a third appear not to have carried out a tariff or supplier comparison before switching supplier or changing tariff¹⁹. This suggests that even among the group of seemingly more engaged consumers there are varying levels of 'active' engagement and some people may not, therefore, be making the best switching choices.

This group are more likely than those who have compared to be from lower social grades, to rent privately or (particularly) from a local authority, and to be non-regular internet users. They are also less likely to be familiar with the range of tariffs available from energy suppliers (62% were unfamiliar compared to 30% of those who sometimes compared and switched/changed tariff and 47% of those who always did so). The never compared group are also less likely to recall seeing one of the four main forms of communication from their supplier in the last twelve months. They also appear to be less likely to be informed about their own energy use. They are more likely to say they did not look for information on their existing tariff or energy use at their last action in the energy market - 62% versus 18% and 22% among the sometimes and always compared groups respectively.

1.2.7. Motivations for comparing, switching or changing tariff

Motivation for switching, comparing and changing tariff remain broadly unchanged from the baseline survey in 2014. Of those who actively compared, switched or changed tariff in the

¹⁷ Questions 41, 42, 43 and 44 – a full copy of the questionnaire is included in the accompanying technical report.

¹⁸ It should be noted that the survey does not have the space to collect full chronological details of comparing, tariff changing and switching activities. Our analysis assumes, for example, that if a consumer reports having compared gas tariffs and switched gas supplier in the last 12 months then these were related activities.

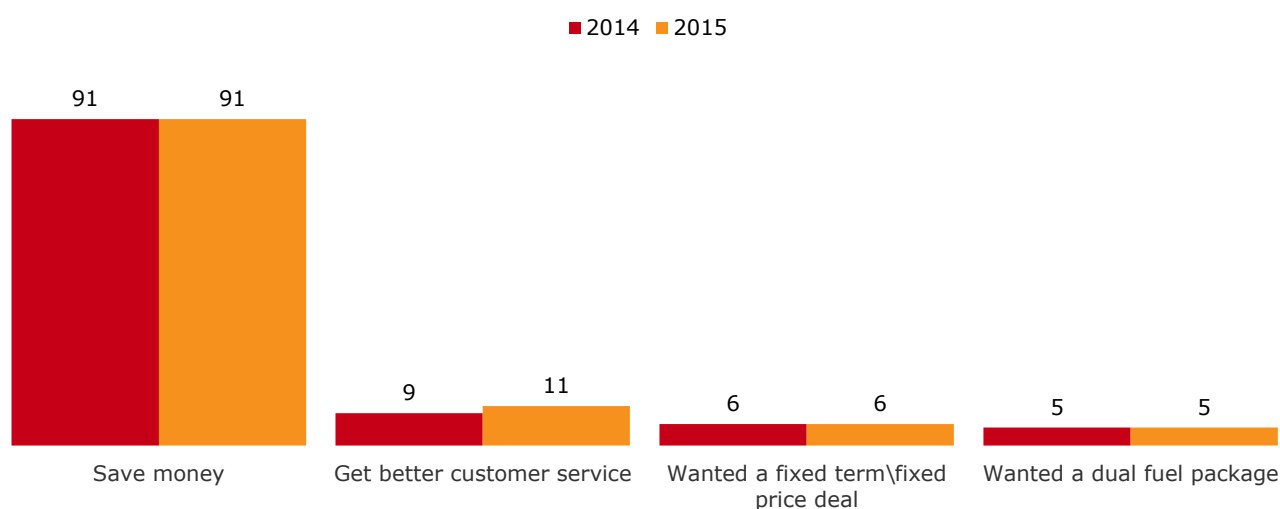
¹⁹ Although it should be noted that the survey asked about switching supplier/changing tariff in the last 12 months and comparison activity in the last 12 months separately, and we do not therefore know if the comparison activity was conducted at the same time as (i.e. part of) the switching/changing activity.

previous 12 months, a majority (91%) wanted to save money, but 11% wanted better customer service (up slightly from 9% in 2014); 5% were seeking a fixed term tariff and 5% wanted a dual fuel deal (Figure 1.7).

Saving money is a more prevalent reason for activity in the energy market among those on direct debit (91%, compared to 83% of standard credit consumers) and those on a fixed term tariff (93%, compared to 88% of those on a standard variable tariff), perhaps reflecting a general attitude towards getting the best possible financial deal. Saving money also seems to be a more common motivation among non-Big Six supplier customers.

Figure 1.7 Consumers' motivation for switching, changing tariff or comparing

Main things consumer wanted to achieve the last time they switched or compared
%



Q.160 Thinking of the last time you switched or compared <gas / electricity / gas and electricity> supplier or tariffs, what were the main things you wanted to achieve?

Base: All who switched supplier, changed tariff or compared in past 12 months (2014:2000, 2015:2034)

We asked consumers to estimate the minimum amount of money they would need to save per year to encourage them to switch supplier using whatever time period was intuitive to them, whether weekly, monthly or annually. We present the results for the 67% of consumers who gave a figure.

Among the active consumers (who had switched supplier, changed tariff or conducted comparison activity in the last year) the average (median) minimum amount that would encourage them to switch is £200 per year, which is identical to the baseline survey in 2014. The figure is higher, at £240, among non-active consumers (Table 1.1), which is also identical to last year.

Table 1.1 Minimum saving required to encourage consumers to switch supplier by consumer type

	Active consumers	Non-active consumers
	<i>Percentage</i>	
£0 to £50	8	5
£51 to £100	18	10
£101 to £200	29	30
£201 to £400	31	34
£401+	14	20
<i>Median</i>	<i>£200</i>	<i>£240</i>
<i>Unweighted base (all who provided an estimate)</i>	<i>1,570</i>	<i>2,172</i>

1.2.8. Experience of switching

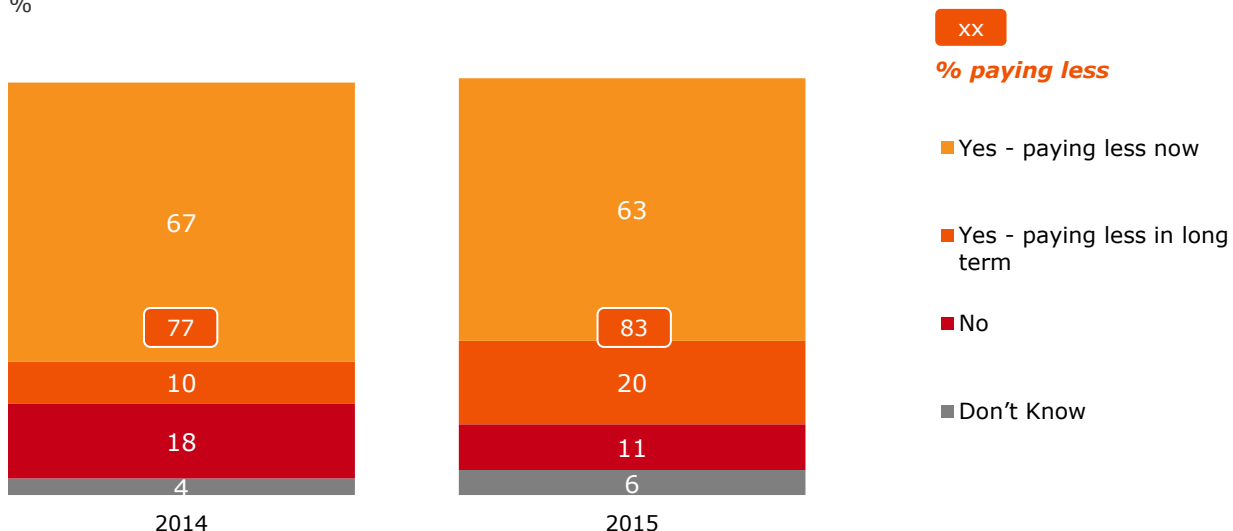
Of those who switched suppliers or changed tariff with the intention of saving money, 63% feel that they are already paying less for their energy and 20% believe they will save money in the long term. As shown in Figure 1.8 this amounts to 83% of these consumers believing they are saving money now or in the future.

This is an increase from the baseline survey in 2014 (77%), which perhaps indicates a higher quality of switching at this point. Similarly, the proportion of consumers who do not believe they are saving money after all, either now or in the future has dropped from 18% to 11%. Consumers in social grade DE are less likely to be confident about saving money through their switch (79%).

Figure 1.8 Whether consumers feel they are paying less after switching supplier or changing tariff

Whether consumers who switched supplier or changed tariff in the last 12 months with the aim of saving money feel that they are paying less than if they had not switched

%



Q.166 To the best of your knowledge, do you feel that you are now paying less than you would have if you had not switched your gas/ electricity tariff or supplier?

BASE: All who switched supplier or tariff with the aim of saving money (2014:1352, 2015:1306)

It is notable that consumers who switched supplier or changed tariff without conducting any comparison activity appear to have poorer outcomes. Of those who said they did so to save money, 76% feel they are better off, now or in the future, compared to 86% among those who compared.

When we asked how easy consumers found it to decide which deal to switch to, those who switched gas and electricity at the same time were more likely to be positive about their experience (76% finding it easy) than those who switched gas and/or electricity separately (66%).

There is also an indication that deciding which deal to switch to, regardless of whether it is a combined gas and electricity deal or not, has become easier, with a higher proportion of those who switched in the last 12 months positive about their experience (Table 1.2).

Table 1.2 Whether consumers found it easy to decide which deal to switch to

	Combined switch from single supplier to another single supplier	Gas switch (not as part of a combined energy supply switch to a single supplier)	Electricity switch (not as part of a combined energy supply switch to a single supplier)
<i>Percentage reporting it easy</i>			
All ever switched	76	65	66
Switched in last 12 months	84	79	75
Switched longer than 12 months ago	72	62	64
<i>Unweighted base in brackets, all who switched</i>	<i>2157</i>	<i>718</i>	<i>1009</i>

1.2.9. Triggers of comparison activity

We asked active consumers (i.e. those who had switched supplier, changed tariff, or compared tariffs in the last 12 months) what had triggered their decision to compare the tariff they were on with others available (Figure 1.9). One in ten consumers (11%) who had made a comparison did so after receiving a price increase notification (PIN). This was a large drop compared to the baseline survey in 2014, mainly because tariff prices did not increase in the 12 months prior to the 2015 survey²⁰.

Additionally, one in ten took action after receiving an end of fixed term tariff notice, but even checking routine bills or statements can have a similar effect, with one in ten consumers (9%) reporting that receiving a bill triggered their action. Moving home is one further prompt to compare their tariff for a small proportion of consumers (7%).

Just under one in 10 (9%) of these consumers who had compared the tariff they were on with others available reported making a comparison after looking at money saving websites. This is an increase compared to the baseline survey in 2014 (up from 6%).

²⁰ A price increase notification is required if there are any changes to the consumer's tariff which may disadvantage them, such as an increase in the tariff price and/or removal of discounts. In November 2013, most suppliers had increased the price of their tariffs. Furthermore, in late 2013 and early 2014, energy suppliers sent more of these communications than usual to consumers as a result of suppliers making changes to their tariffs to implement aspects of the RMR.

Figure 1.9 Reasons for comparing supplier or tariff in the last 12 months

Main reasons for comparing supplier or tariff (multiple responses allowed)

%



Q.161 And what were the main reasons that caused you to do this?

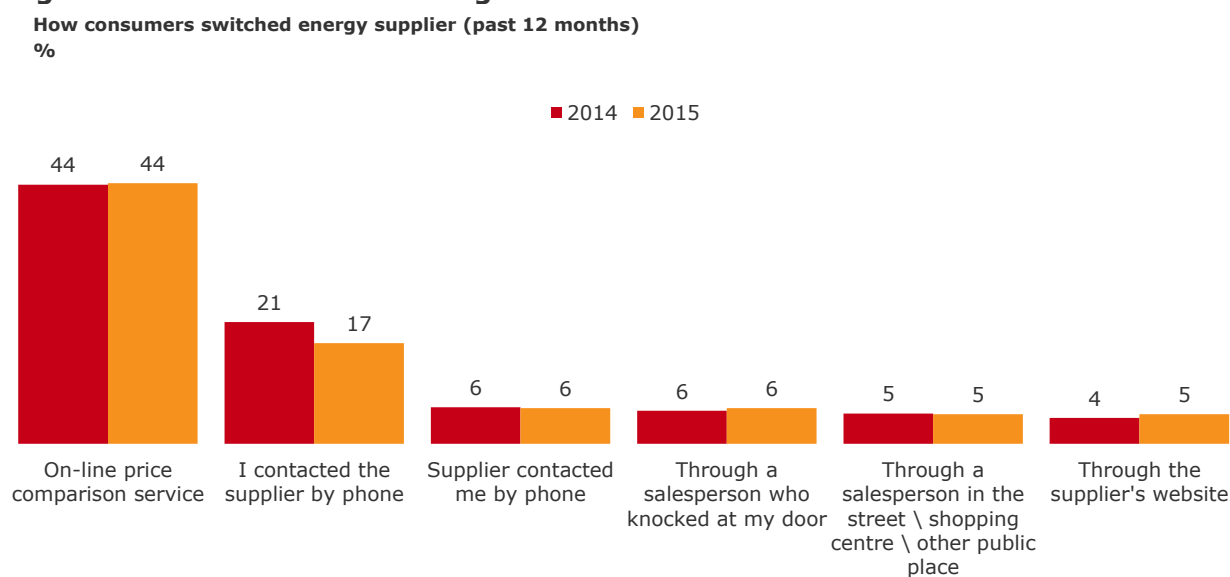
Base: All who switched supplier, changed tariff or compared in past 12 months (2034)

1.2.10. How are consumers switching?

We asked those who have ever switched supplier to recall how they last did this. Of those who had switched in the last 12 months, 44% used an online price comparison service to switch²¹ (consistent with the 44% found in the 2014 survey). Around two in five switches were facilitated by online price comparison services among consumers who switched in the last 12 months (40% for gas only switches, 41% for electricity only switches, and 46% for combined gas and electricity switches). This compares to between 16% and 25% for switches made more than 12 months ago (16% for gas only, 17% electricity only, and 25% for combined gas and electricity switches).

The proportion of consumers who contacted their new supplier by phone has fallen 4 percentage points to 17%. Direct contact from a supplier by phone, or through a salesperson at their home or elsewhere, remain methods of switching for a minority (Figure 1.10).

Figure 1.10 Method of switching when last switched – last 12 months



Q.29 Thinking of the last time you switched gas supplier, how did you switch? Q.34 Thinking of the last time you switched electricity supplier, how did you switch?

Base: All who switched in the past 12 months (2014:826, 2015:733)

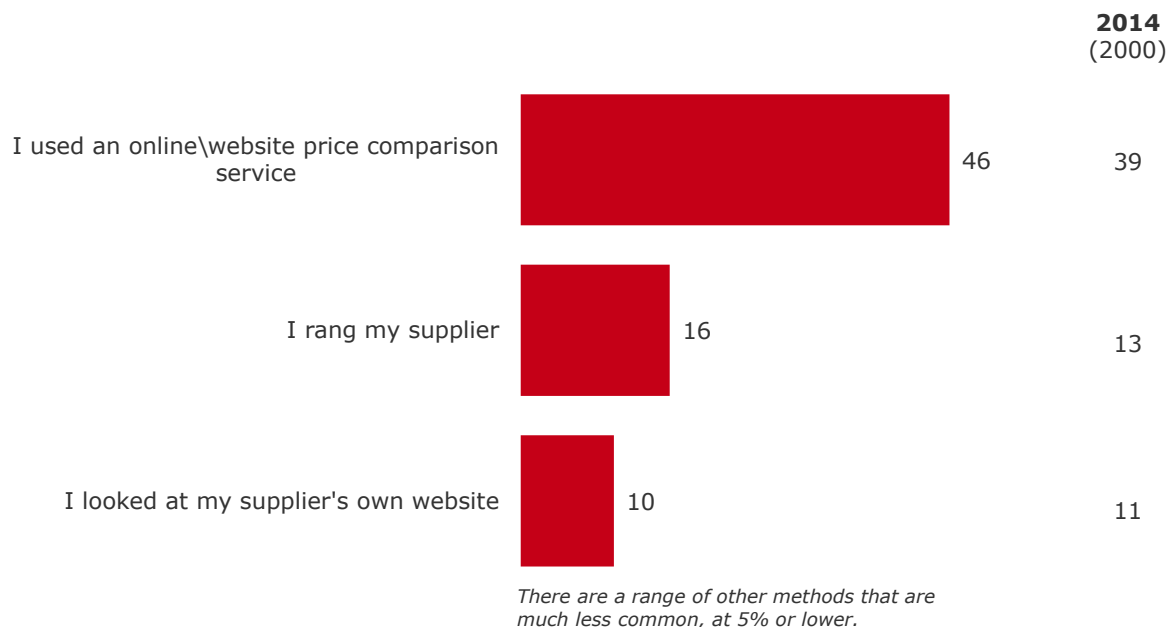
The most common method of finding out about deals offered (among all consumers that had been active in the last 12 months) was to use an online price comparison service (46%), which has increased significantly from 39% in 2014. This means a similar proportion now use comparison websites to find information about deals as do to make the actual switch (Figure 1.11). The next most common method of finding information about the deals on offer was telephoning the existing supplier (16%, up from 13% in 2014). Calling an existing supplier is more likely among those who have changed tariff than those who have switched supplier. Interestingly, calling a supplier has decreased as a method of switching but increased as a source of information. Supplier websites have remained a consistent source of information, used by 10% of active consumers (11% in 2014). Other sources of information about deals were scarcely used, none being cited by more than 5% of active consumers.

²¹ Not just to compare tariffs.

Online sources were less likely to be used by those in social grade DE (29%) and older consumers (31% of those aged 65+), reflecting broader digital inclusion demographic trends. These groups relied more heavily on the phone for information about switching and deals.

Figure 1.11 Where consumers found out about deals – last 12 months

How found out about the deals offered when last compared or switched (Top 3)
%



Q.165 And when you compared and / or switched gas / electricity supplier or tariff, how did you find out about the deals offered?

Base: All who switched supplier, changed tariff or compared in past 12 months (2034)

1.2.11. Contacting suppliers

We asked if consumers had contacted their current or previous energy supplier in the last 12 months to make a complaint, or for another reason (other than to give a routine meter reading). It remains only a minority (15%) that makes contact with energy suppliers (in part reflecting the majority of consumers who say they are satisfied with the service they receive overall).

One in ten (9%) consumers had made contact with their energy supplier to make a complaint. Older consumers (65 years or over) were less likely to complain (7%), compared to under 35s (14%) but there were no notable differences by social grade. Regular internet users (perhaps with access to a convenient channel for contact, but also reflecting age profiles of those more likely to complain) were more likely to have complained (10%) than those who did not use the internet regularly (6%), though this gap is 2 percentage points smaller than in the baseline survey in 2014.

Other than complaints and contact about routine meter readings, 9% of consumers had contacted their supplier in the last 12 months with an enquiry and 2% had contacted another energy supplier (both broadly in line with the figures observed in 2014). Additionally, 4% were contacted by their supplier and 2% were contacted by another supplier (compared to 3% and 1% respectively in 2014) (Table 1.3). More active consumers (i.e. those who have switched, changed tariff or compared) are also more likely to contact their supplier – for example 13% of

those in social grades AB, 13% of those on fixed term tariffs, and 15% of those who switched supplier in the last 12 months.

Table 1.3 Consumer interactions with suppliers (excluding meter reading and complaints)

Excluding complaints and giving routine meter readings, have you had any interaction with your own or another energy supplier in the last 12 months?		
	Percentage	
	2014	2015
Yes – I contacted my current or previous energy supplier	11	9
Yes – I contacted another energy supplier	3	2
Yes – my current or previous energy supplier contacted me	3	4
Yes – another energy supplier contacted me	1	2
No	84	83
Total - Consumer made contact with supplier	12	10
Total – Supplier made contact with consumer	4	6
Total – Any interaction with current/previous supplier	13	12
Total – Any interaction with another supplier	4	4
<i>Unweighted base (all consumers)</i>	<i>6,151</i>	<i>5,934</i>

1.3. Engagement with communications

Lack of clear information has been identified in Ofgem's RMR as a barrier to consumer engagement in the energy market.²² As part of the RMR, rules were introduced to improve supplier communications, such as bills and annual summaries, and new comparison tools, such as Cheapest Tariff Messaging, Tariff Information Labels, the Tariff Comparison Rate and Personal Projections were introduced. These became mandatory in April 2014 (just after the 2014 survey), although some suppliers had introduced Cheapest Tariff Messaging prior to this.

To measure engagement with supplier communications, we asked consumers if they recalled receiving a bill/direct debit or pre-payment statement, annual summary, price increase notification (PIN) letter or end of fixed term tariff letter in the last 12 months, (whether by post or electronically). We then explored the extent to which these communications had been read and whether they acted upon the information received. Details of consumer actions in response to these communications are given in Chapter 3.

In summary, 82% of consumers recall receiving one or more communication from their energy supplier in the previous 12 months. Of those that recall a bill, direct debit or pre-payment statement²³, 41% read it in detail rather than skimming it or not reading it at all (Table 1.4).

²² State of the Market Assessment, Ofgem and OFT, 27/03/2014, p22.

²³ Subsequent references in this report to receiving a bill are taken to include bill, direct debit or pre-payment statement.

Those aged under 35 are less likely to recall receiving a bill, direct debit or pre-payment statement, and to have read it. For example, just 33% of those aged 16-34 who recall receiving a bill went on to read it in detail, compared to 48% of those aged 65+. Almost six in ten consumers (59%) recall receiving an annual summary, higher than the 55% observed in 2014. Among these, 40% say that they read it in detail.

The type of tariff a consumer has will dictate whether they receive a PIN or end of fixed term letter. Twenty nine percent of consumers recalled receiving a PIN, which was significantly lower than the 48% in the baseline survey in 2014²⁴. Of those who recall receiving a PIN, 42% reported reading it in detail, which is unchanged since the baseline survey in 2014. A much smaller proportion of consumers recalled receiving end of fixed term letters (19%). Engagement with this communication was slightly higher with 53% reading it in detail, although this could both reflect the type of communication and the higher levels of engagement among consumers on fixed term tariffs.

Table 1.4 Recall and engagement with communications from suppliers

	Bill or direct debit/ prepayment statement	Annual summary	Price increase notification letter	End of fixed term tariff notice
<i>Percentage</i>				
Recall receiving this communication in the last 12 months	69	59	29	19
<i>Unweighted base (all consumers)</i>	<i>5934</i>	<i>5934</i>	<i>5934</i>	<i>5934</i>
Of which...				
<i>Percentage</i>				
Read it in detail	41	40	42	53
Glanced over it or skim read it	46	49	45	37
Only saw what it was, but did not read it	12	10	11	7
Don't know	1	1	2	3
<i>Unweighted base=those who recall receiving communication</i>	<i>4002</i>	<i>3367</i>	<i>1627</i>	<i>1091</i>

New questions around recall of tariff comparison rates (TCRs), Personal Projections (PPs) and savings notifications²⁵ were introduced in 2015. Half of all consumers recalled seeing at least

²⁴ No PINs were issued to consumers in the 12 months prior to the 2015 survey, as no price increases took place in this period. However, a large number of PINs were sent out just over 12 months before the survey which we believe some consumers may be recalling here. Also some consumers find it difficult to identify different types of communication clearly with half of consumers who recall receiving a PIN in the last 12 months also recalling receiving an end of fixed term tariff notification.

²⁵ In a change for the 2015 survey, respondents were asked whether they had seen a message about savings they could make by managing their account online, changing tariff or changing their payment

one of these forms of communication. As with other communications, recall was highest among consumers in social grade AB, regular internet users and older consumers. This mirrors the trends seen with the demographics of those consumers who recall the four main types of communication.

Table 1.5 Recall and engagement with communications from suppliers

	Savings if consumer switched tariff	Tariff Comparison Rate	Personal projections	Any
				<i>Percentage</i>
Recall receiving this communication in the last 12 months	34	18	31	50
<i>Unweighted base (all consumers)</i>	<i>5934</i>	<i>5934</i>	<i>5934</i>	5934

1.4. Consumer confidence that they are on the best deal for them

We asked energy consumers to consider the factors that matter most to them when choosing an energy supplier or tariff and then, in light of these, whether they thought they were on the best deal for them.

When asked to consider the factors that mattered most to them when choosing an energy supplier or tariff²⁶, results are similar to the baseline survey in 2014. Tariff price remains the most commonly chosen factor, although this has fallen to 75% from 82% in 2014. This is followed by customer service, chosen by a third of consumers (32%, 28% in 2014) and the reputation of the supplier (13%, 9% in 2014).

Consumers over 65 and those in social grade DE are again least likely to mention tariff price (in part as a result of higher levels of 'don't know' rather than preferences for other factors).

Consumers were asked whether, taking into account the factors that mattered to them, they considered they were on the best deal for them (Figure 1.12). Overall just under half of consumers (48%) feel they are on the best deal, a fall of 7% against 2014 (55%).

Confidence has fallen among both 'active' consumers (who have switched, changed tariff or compared), from 49% to 41%, as well as the remaining group of 'inactive' consumers (from 67% to 61%).

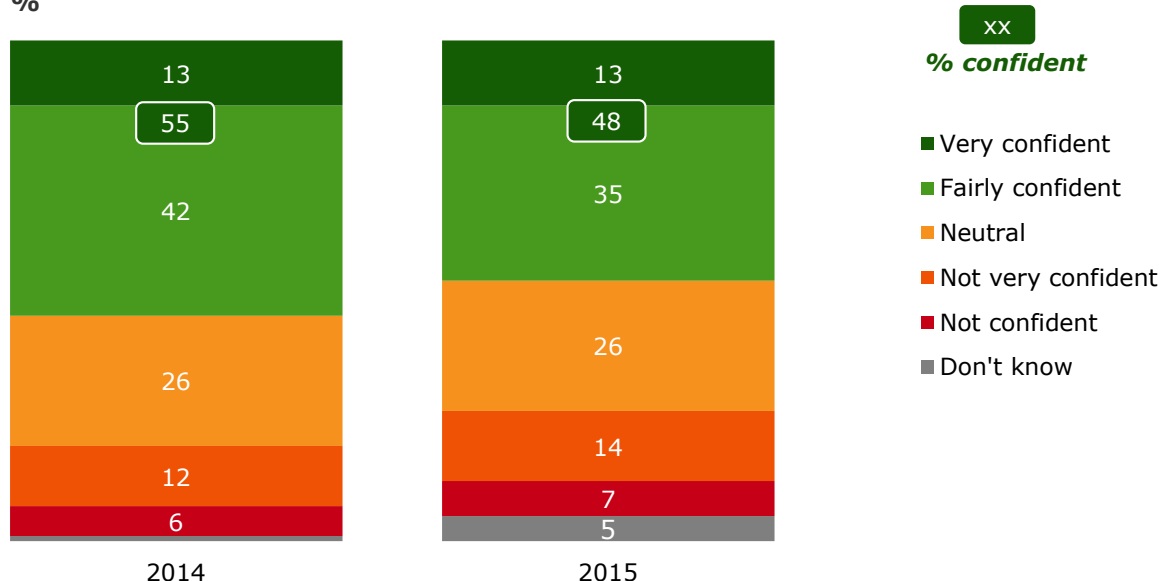
method, rather than whether their bill, annual statement, PIN or end of fixed term tariff notification had included a message about savings they could make by changing their tariff or payment method.

²⁶ Not specifically in relation to switching, just in general.

Figure 1.12 Consumer confidence that they are on the best deal for them

How confident do consumers feel that they are on the best deal for them

%



Q.123 Thinking of the factors that matter most to you, how confident are you that you are currently on the best gas deal for you? Q.124 Thinking of the factors that matter most to you, how confident are you that you are currently on the best electricity deal for you? Q.125 Thinking of the factors that matter most to you, how confident are you that you are currently on the best energy deal for you?
Base: All consumers (2014:6151, 2015:5934)

Segmenting consumers by their engagement

To better understand energy consumers, for the baseline survey we created an 'index of engagement' in the energy market. This gave consumers scores for their awareness and activity on each of the factors described in this chapter (Table 1.6).

A respondent could theoretically score from zero points - if they have no awareness of their options, have never switched or compared tariff and do not read any communications - up to 70 points²⁷ if they are fully aware of their options and engaged on every measure. In practice, most consumers scored between 10 and 35 points, with only about 4% of consumers scoring 50 points or more.

In the baseline survey in 2014, we divided consumers into four segments according to analysis of the distribution of the consumers along the index. The scores at which a consumer falls into one segment or another were then fixed for 2015 to see if the proportion of consumers falling into each segment is changing over time.

The segments are summarised in Figure 1.13 and described in detail in Figures 1.14 to 1.17. The results in 2015 are broadly similar to the baseline survey in 2014.

²⁷ While there are eight factors in the segmentation, each scoring a maximum of 10 points, those who switched supplier or changed tariff do not also receive the respective comparison question, and therefore cannot score ten points for both switching/changing tariff and comparing. See section 1.2.6. for further analysis of the overlap between switching/changing tariff and comparison activity.

Table 1.6 Factors used to create the index of engagement

Factor	Points allocated
Awareness that it is possible for energy consumers to...	
Switch to a different supplier, change their tariff with their current supplier, change payment method with their current supplier	0 – aware of no options 5 – aware of one or two options 10 – aware of all options
Switching supplier	
	0 - not switched supplier in last 5 years 5 - switched a supplier between 1 and 5 years ago 10 – switched a supplier in the last 12 months
Changing tariff with an existing supplier	
	0 - never changed tariff with an existing supplier 5 - changed tariff with an existing supplier not in the last 12 months 10 - changed tariff with an existing supplier in the last 12 months
Changed payment method with an existing supplier in the last 12 months	
	0 – not changed payment method 10 – changed payment method
Compared tariff with those offered by other suppliers, or with any others available with existing supplier in last 12 months	
	0 - not made any comparisons 10 – made any comparisons
Contacted a current or previous energy supplier in the last 12 months ...	
To complain	0 – did not make any contact with current or previous supplier in the last 12 months 10 - made contact with current or previous supplier in last 12 months for any reason (other than a routine meter reading)
For something other than a complaint or routine meter reading	
Contacted another energy supplier in last 12 months	
	0 - did not contact another energy supplier in the last 12 months 10 - contacted another energy supplier in last 12 months
Amount of detail consumer read the following communications received in last 12 months	
Annual Summary, bill or direct debit/ prepayment statement, price increase notice, end of fixed term letter	0 – read no communications 5 – glanced over/skim read at least one communication 10 – read at least one communication in detail

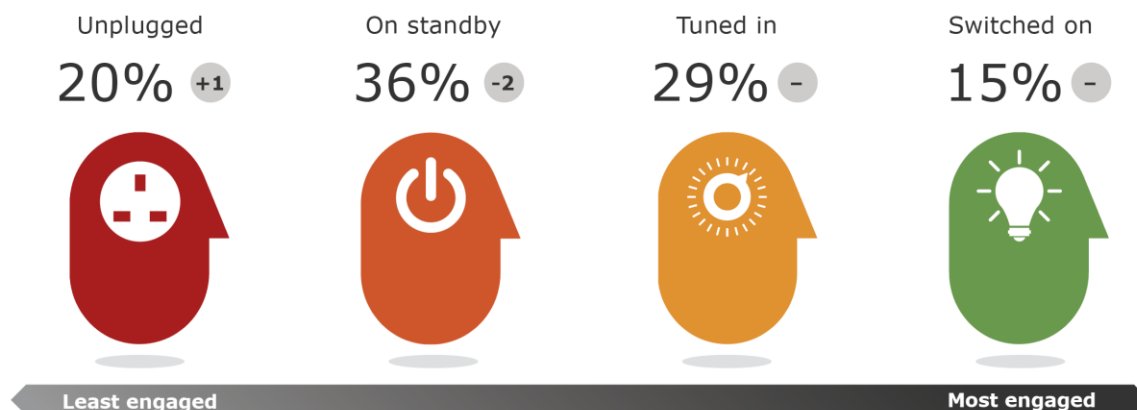
Figure 1.13 Energy Consumer Segmentation Summary

Ofgem retail market review – 2015 survey Segment characteristics

ofgem

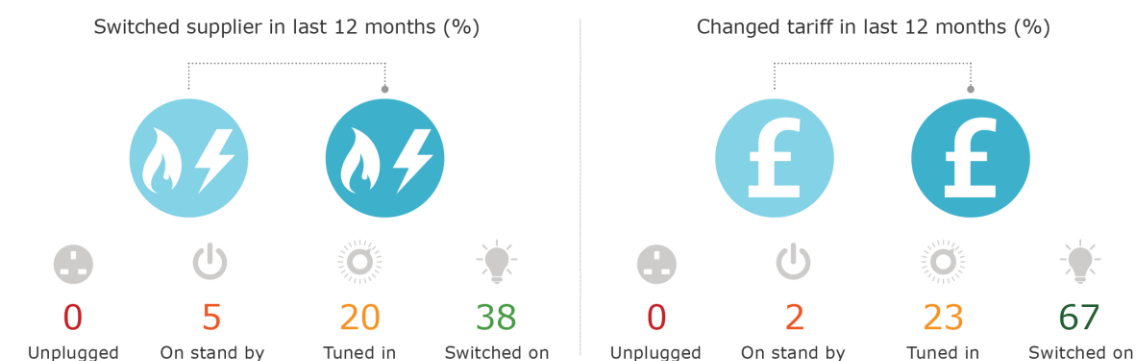
% based on all consumers

+00 Change from 2014

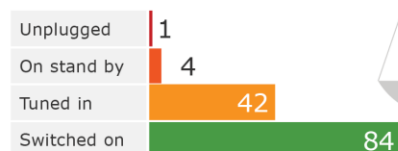


Engagement with the energy market

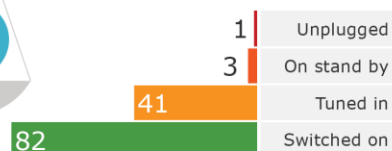
% based on all consumers in segment



Whether compared tariff with those offered by other suppliers (%)



Whether compared tariff with those offered by existing supplier (%)



TNS BMRB

The 'unplugged' consumer



The unplugged segment continues to make up around a fifth of consumers (20% of consumers scored 10 or fewer points on the index). Typically they are aware that you can switch supplier and may have glanced at a bill but otherwise are highly disengaged from the energy market. Only a handful of this group have ever switched supplier or changed tariff. Neither have they been active by conducting any comparison activity in the last year. They are also more likely than other segments to trust their energy supplier to treat them fairly or charge them a fair price (See Chapter 4). When asked about their energy costs, over one in five (22%) could not estimate how much they spent on gas and electricity each year (Figure 1.14).

These consumers are more likely to be in social grade DE (39%), be over 65 (31%) and live in social (29%) or private (25%) rented accommodation. Half (51%) of these consumers pay their bills by direct debit, whilst over one in four (28%) are on prepayment meters. Less than two thirds (62%) are regular internet users.

Attitudes were not included in the creation of the segments. However, there are some noticeable results when analysing attitudes to the energy market by segments that have remained stable since the baseline survey in 2014. Almost six in ten (57%) unplugged consumers reported that switching is a hassle that they do not have time for; just over two in five (44%) say that 'there is no real difference between suppliers in the prices they charge' and even if they did hope to switch almost half (46%) worry that something would go wrong if they tried. Only a third (34%) agreed that switching tariff with your existing supplier is a good way to save money, a large decrease from the 45% recorded in 2014. Similarly the proportion who are confident that they are on the best energy deal for them has also fallen (from 45% in 2014 to 37% in 2015).

The 'on standby' consumer



Again broadly in line with 2014, a large group (36%) of consumers scored over 10 but no more than 20 points. One in twenty (5%) have switched supplier in the last 12 months and 2% have changed tariff, but they have shown no other engagement in the energy market. Those who haven't switched or changed tariff are aware of their options but almost none have conducted any comparison activity (either with their own or other suppliers) in the last year.

As in 2014, this group is quite representative of the population by age, social grade and tenure. Around three quarters (75%) use the internet regularly and 67% of them pay by direct debit. However, being less likely to have engaged in the market recently, only 31% are on fixed term tariffs compared to 39% of all consumers (Figure 1.15).

As with the unplugged group, switching is seen as a hassle (55%) and half of on standby consumers feel like it is too hard to work out whether they would save or not if they did switch (49%). But approaching half (47%) do agree that changing tariff with their existing supplier is a good way to save money. About half (49%) were confident that they were on the best energy deal for them.

The 'tuned in' consumer



Moving up the index, 29% of consumers scored over 20 but no more than 35 points. One in five of these consumers have switched in the last 12 months (20%) and a similar proportion changed tariff with their existing supplier (23%). Both these figures have fallen very slightly compared to 2014. Those who haven't made any changes are aware of their options and are likely to have conducted some comparison activity.

Whilst this group are quite representative of the population by age, they are more likely to be from non-manual social grades (with 63% in social grades ABC1 compared to 54% of all consumers) and be regular internet users (86%). Just under half (47%) are on a fixed term tariff deal and just over three quarters (78%) pay by direct debit (Figure 1.16).

This group are slightly more positive toward being active in the energy market and the prospect of saving money. Just fewer than two in five (38%) think it is too hard to work out whether they would save by switching and 61% agree that changing tariff with their existing supplier is a good way to save money. Three in five (60%) are confident that they were on the best energy deal for them. Positively, perceptions of the deals energy providers offer have improved, with 37% saying that there is no real difference in the price energy suppliers charge, down from 43% in 2014.

The 'switched on' consumer



The most engaged segment remains at 15% of consumers (who scored more than 35 points on the index). These consumers are fully aware of their options and most of them (around 8 out of 10) have checked their tariff against others available from their own or other suppliers with only one third (33%) believing there are no real differences in the suppliers in the prices they charge. Over one third (38%) have switched in the last year and two thirds (67%) have changed their tariff with their existing supplier (although this is down from 63% in 2014). When asked about their spending on home energy, 94% of these consumers were able to give an estimate (Figure 1.17). Switched on consumers are most likely to have switched products in another market such as bank account or car insurance and seven in ten (70%) are confident they are on the best energy deal for them.

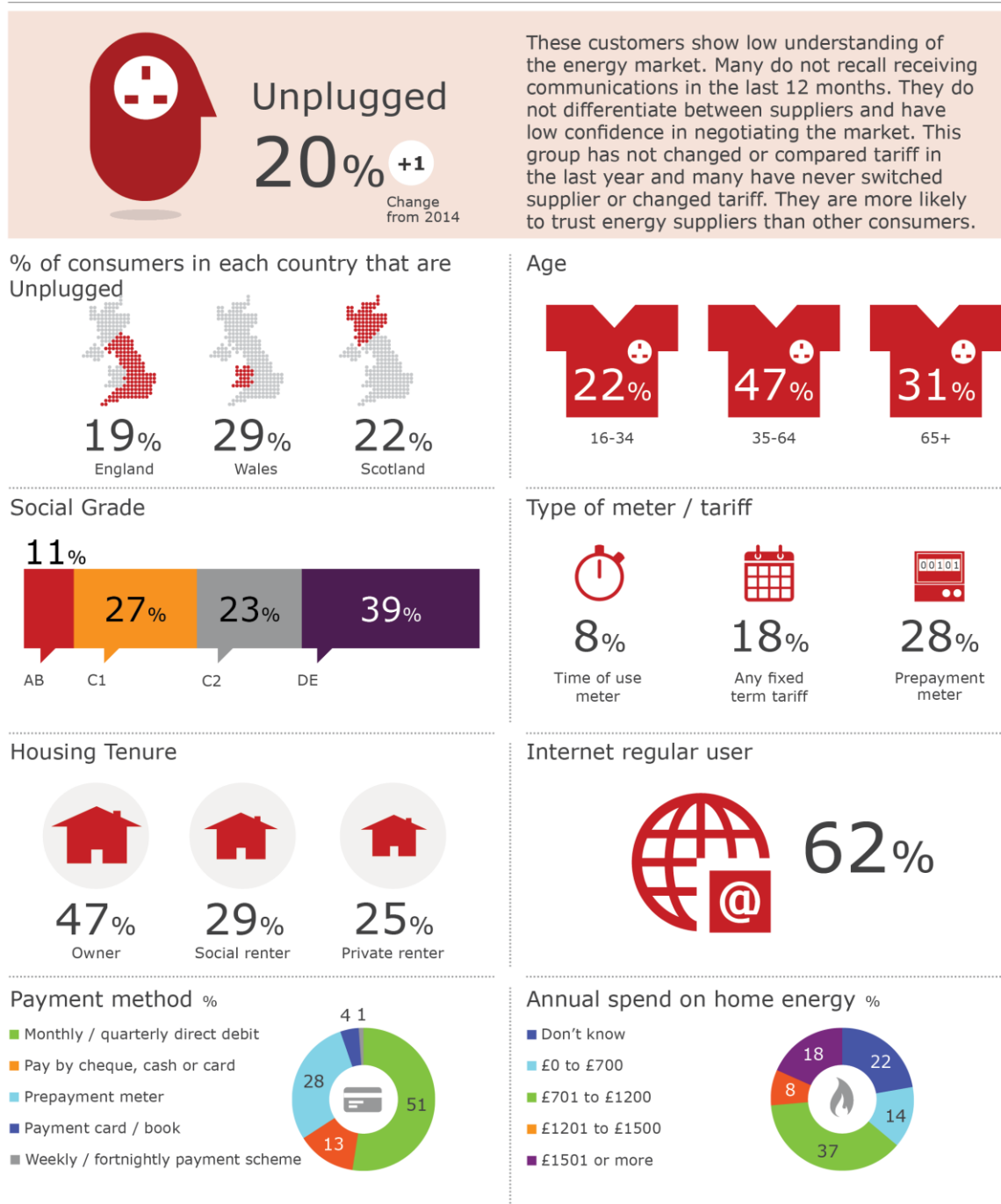
Just over one in three (36%) are from social grades AB compared to 23% of all consumers and 10% from social grades DE (compared to 25% of all consumers). Consumers aged 35-64 are over-represented (60% compared to 52% overall) and this group has the smallest proportion of those aged 65 or older (24% compared to 28% overall). These consumers are highly likely to be on the internet regularly (94%), over eight out of ten (88%) pay by direct debit and nearly two thirds (65%) are on a fixed term tariff.

Switched on consumers are least likely to trust energy suppliers in general (33%) compared to nearly half (49%) of unplugged consumers (See Chapter 4).

Figure 1.14 Characteristics of *unplugged* consumers

Ofgem retail market review – 2015 survey Segment characteristics

ofgem

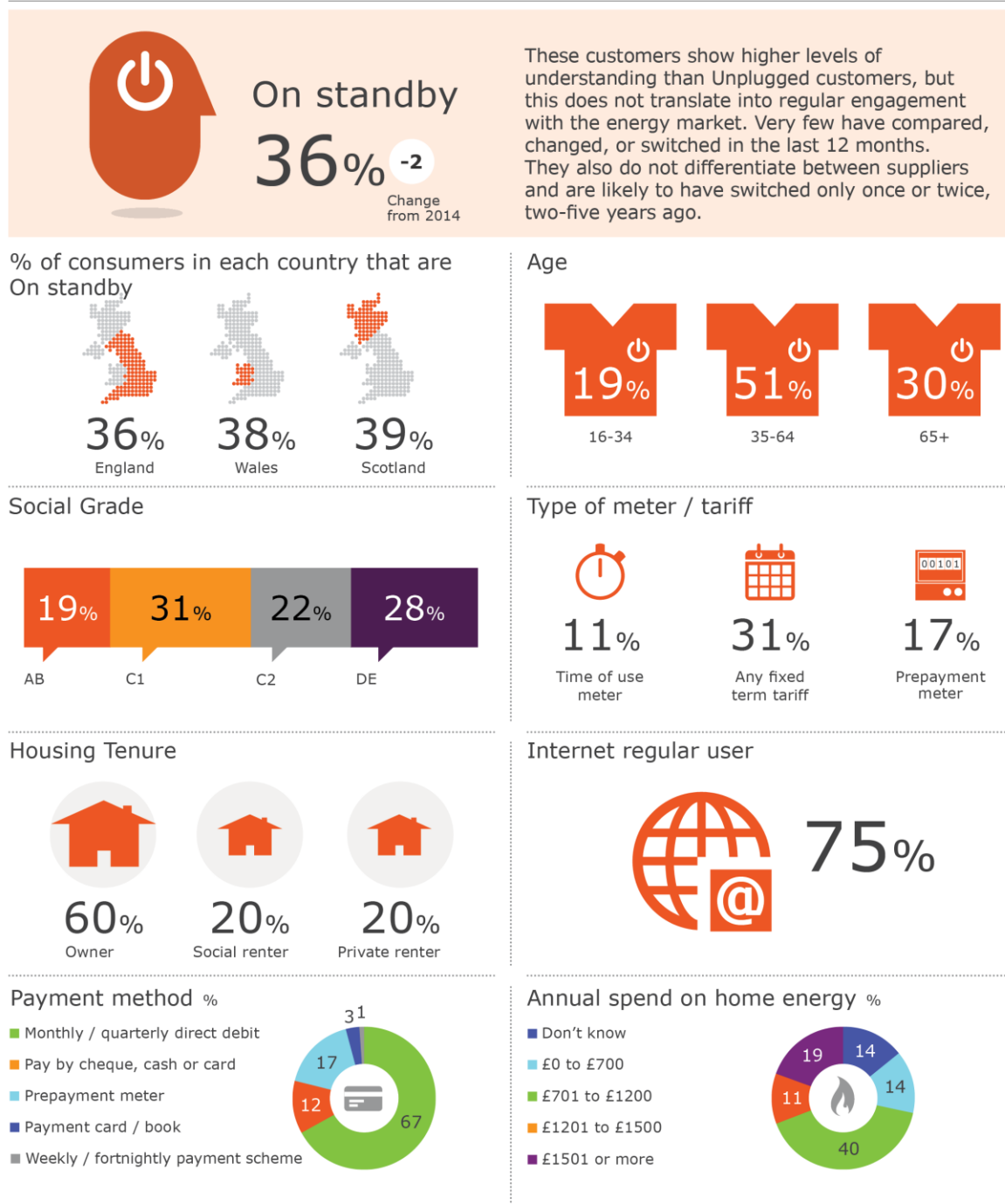


TNS BMRB

Figure 1.15 Characteristics of *on standby* consumers

Ofgem retail market review – 2015 survey Segment characteristics

ofgem

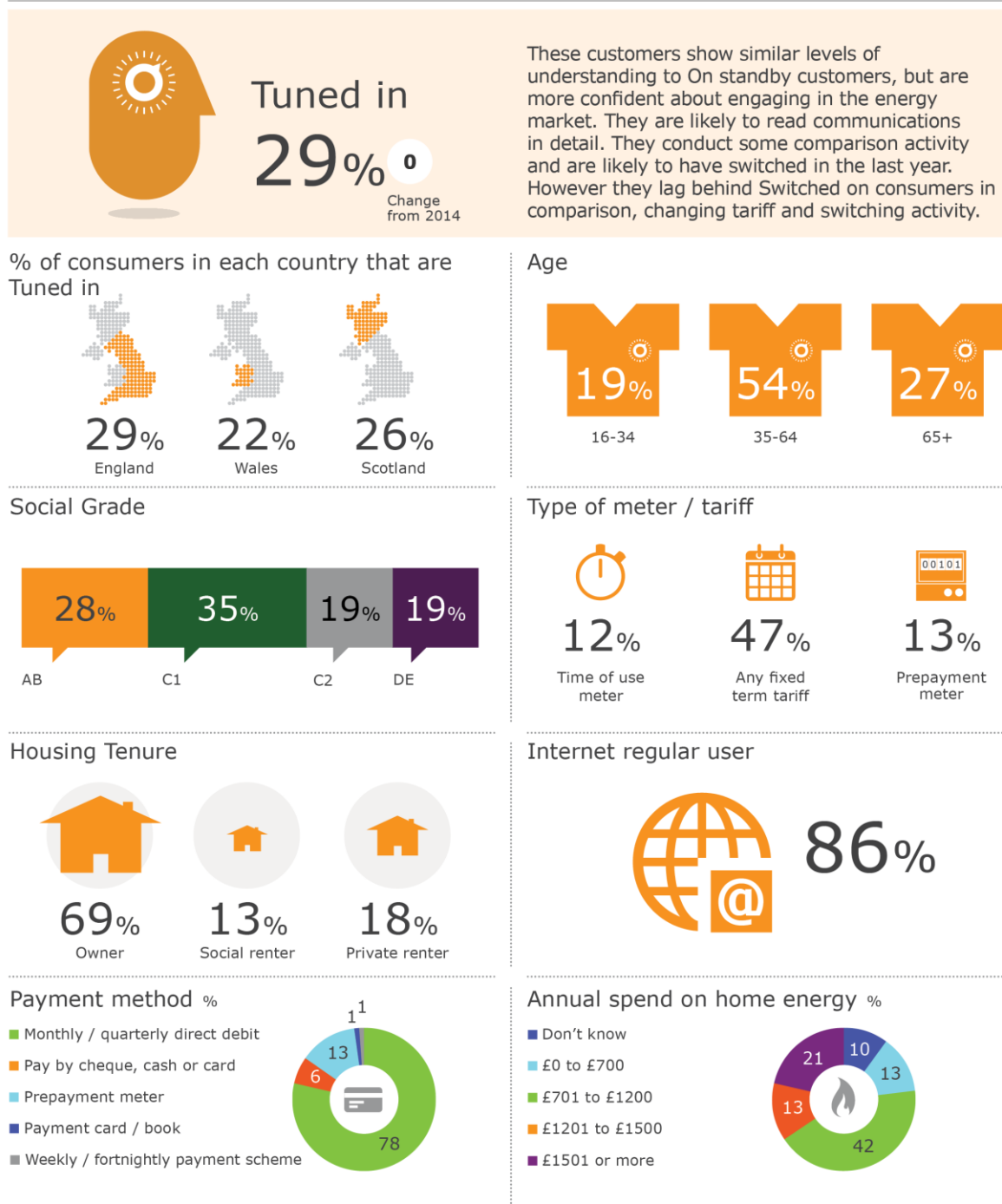


TNS BMRB

Figure 1.16 Characteristics of *tuned in* consumers

Ofgem retail market review – 2015 survey Segment characteristics

ofgem

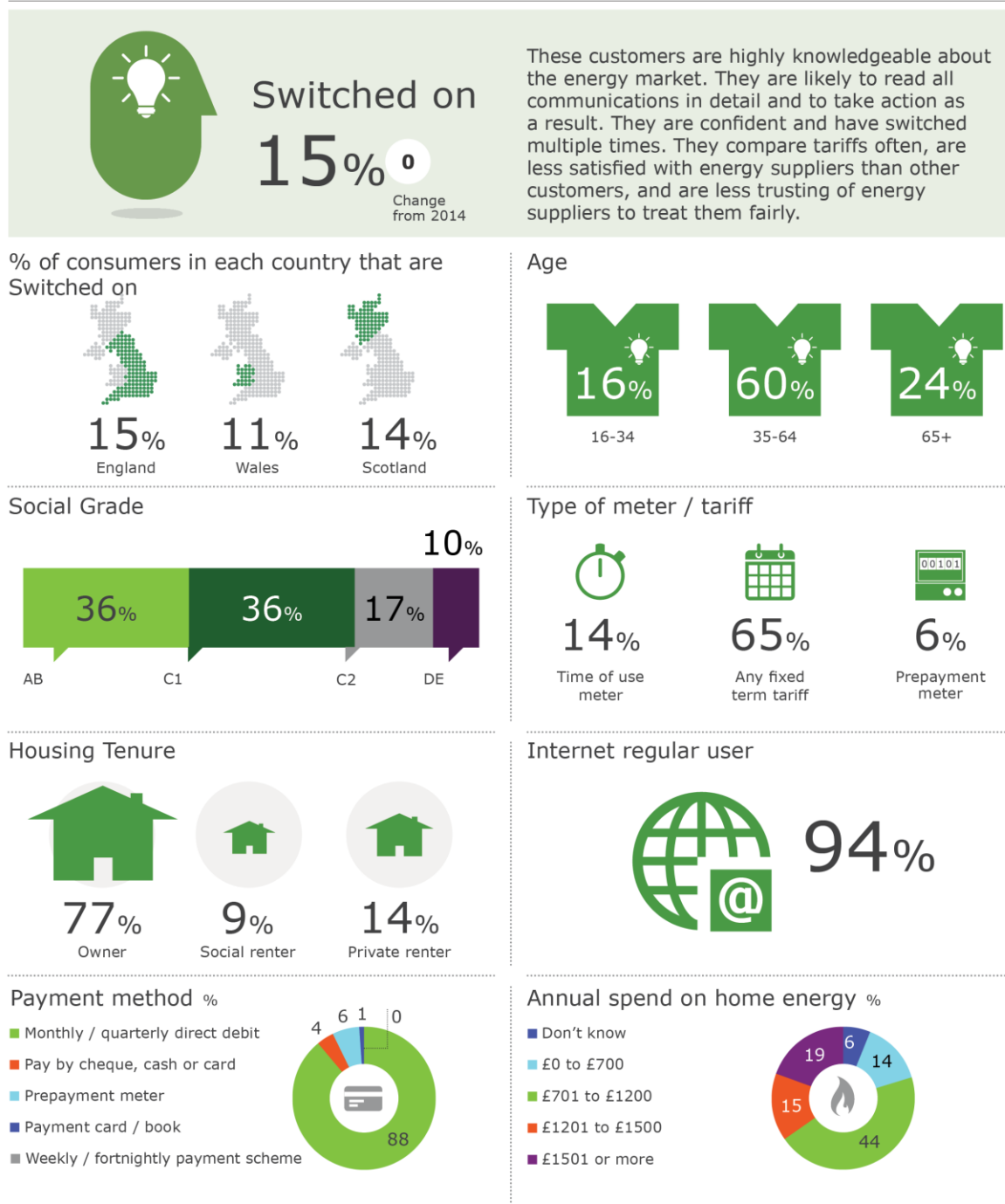


TNS BMRB

Figure 1.17 Characteristics of *switched on* consumers

Ofgem retail market review – 2015 survey Segment characteristics

ofgem



TNS BMRB

2. A simpler energy market

Ofgem's Retail Market Review (RMR) found that the large number of tariffs with complex and inconsistent structures could be off-putting for many consumers, act as a barrier to consumer choice, and may lead to poor switching decisions.²⁸ Ofgem has sought to increase the number of consumers who are able to effectively engage in the market by introducing measures to help people find it easier, less confusing and less time consuming to compare tariffs.

On 31 December 2013, Ofgem introduced new tariff rules aimed at making the market simpler. These included restricting the number and type of tariffs, discount and bundles suppliers can offer²⁹. The 2015 survey sought to assess any change in consumers' perceptions in light of these reforms.

This chapter presents:

- Consumer perceptions of the range of energy tariffs available to them (2.1)
- Consumers' perceived ease of comparing tariffs and their reasons (2.2)
- Perceived trends in ease of tariff comparison and reasons given (2.3)

Key messages:

- Consumer perceptions on whether they have the right amount of choice of tariffs in the market and how easy it is to compare are mixed.
- It continues to be the more engaged consumer who is positive about the simplicity of the market, and there is some evidence of decline among the least engaged, the unplugged segment.
- Access to information online is a key reason many consumers feel it is easy to compare tariffs; consumers who think it is difficult to compare tariffs are likely to say this is due to the complexity of the different tariffs available, and the information from energy suppliers about these.

²⁸ Ipsos MORI, Consumer engagement with the energy market, information needs and perceptions of Ofgem, Findings from the Ofgem Consumer First Panel Year 4: second workshops (held in March 2012), October 2012.

²⁹ The Retail Market Review – Implementation of Simpler Tariff Choices and Clearer Information published 27/08/2013.

2.1. Choice in the market

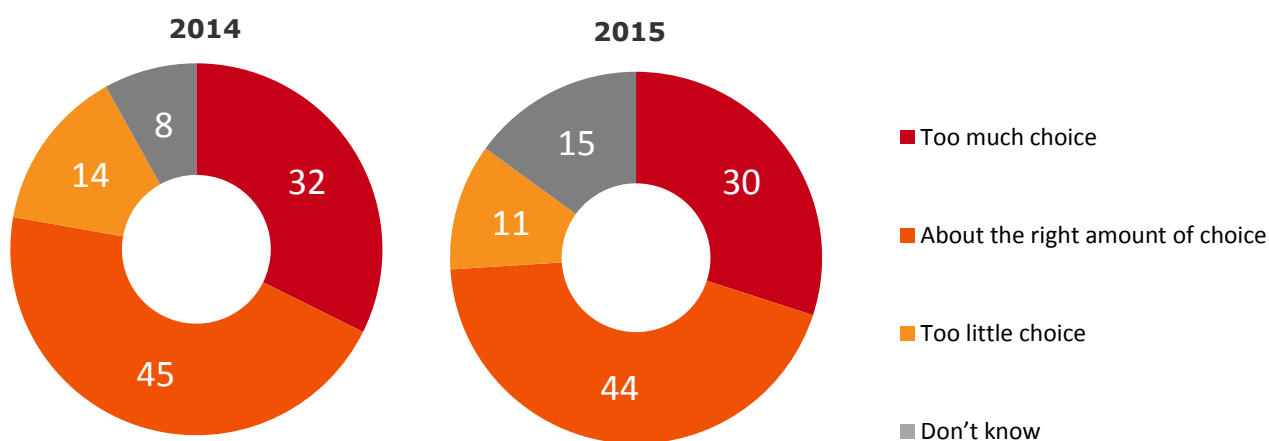
Consumer perceptions of choice in the energy market are mixed, with most consumers saying there is about the right amount, or perhaps a little bit too much, choice. Very few say there is too little choice (Figure 2.1).

The proportion of consumers who feel that there is about the right amount of choice of energy tariffs available to them has remained stable at 44% (45% in 2014). Consumers are more likely to think that they have too much choice (30%, down slightly from 32% in 2014) than too little (11%, again down slightly from 14% in 2014). A much higher proportion of consumers surveyed this time say they don't know about the level of choice in the market (15%, up from 8% in 2014).

Figure 2.1 Consumer perceptions of the range of different tariffs available to them

Consumers feelings about the range of different tariffs available to them

%



Q.73 Thinking about the range of different tariffs available to you from energy suppliers, would you say that you have...?

Base: All consumers (2014:6151, 2015:5934)

Consumers from social grade AB (35%), home owners (34%) and those on a fixed term tariff (34%) are more likely to say there is too much choice. Conversely those living in private rented accommodation or on a pre-payment meter are more likely to feel there is too little choice (14% and 13% respectively). This is likely, in part, to reflect the more limited tariff choices that are available to some of these groups.

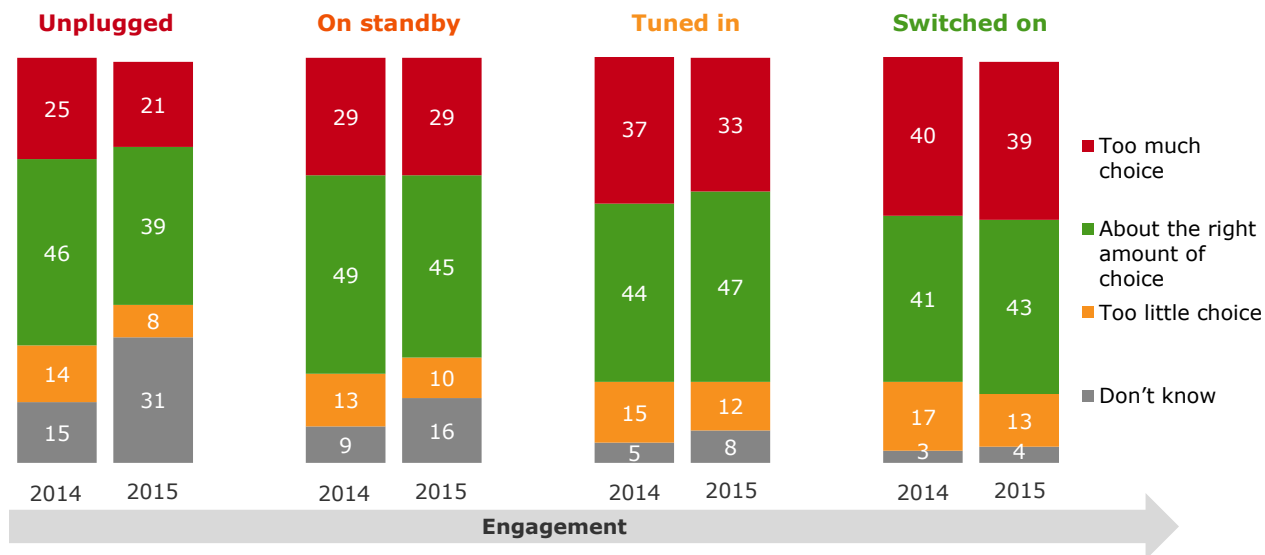
The proportion who feel that the types of tariffs available to them are about right range from 41% among consumers on standard credit to 45% among those paying by direct debit. Feeling that choice in the market is about right is also higher among younger consumers (51% of those under 35 say the amount of choice is about right).

Looking across the consumer segments (Figure 2.2), the proportion of the most engaged switched on consumers who feel they have the right amount of choice has risen 2 percentage points from 41% to 43% whilst the proportion of the unplugged group has fallen 7 percentage

points from 46% to 39%. Nearly one in three (31%) of the unplugged consumers this year didn't feel able to give an opinion, up from one in six (15%) last year.

Figure 2.2 Consumer perceptions of the range of different tariffs available to them by segment

Consumer perceptions of the range of different tariffs available by segment
%



Q.73 Thinking about the range of different tariffs available to you from energy suppliers, would you say that you have...?

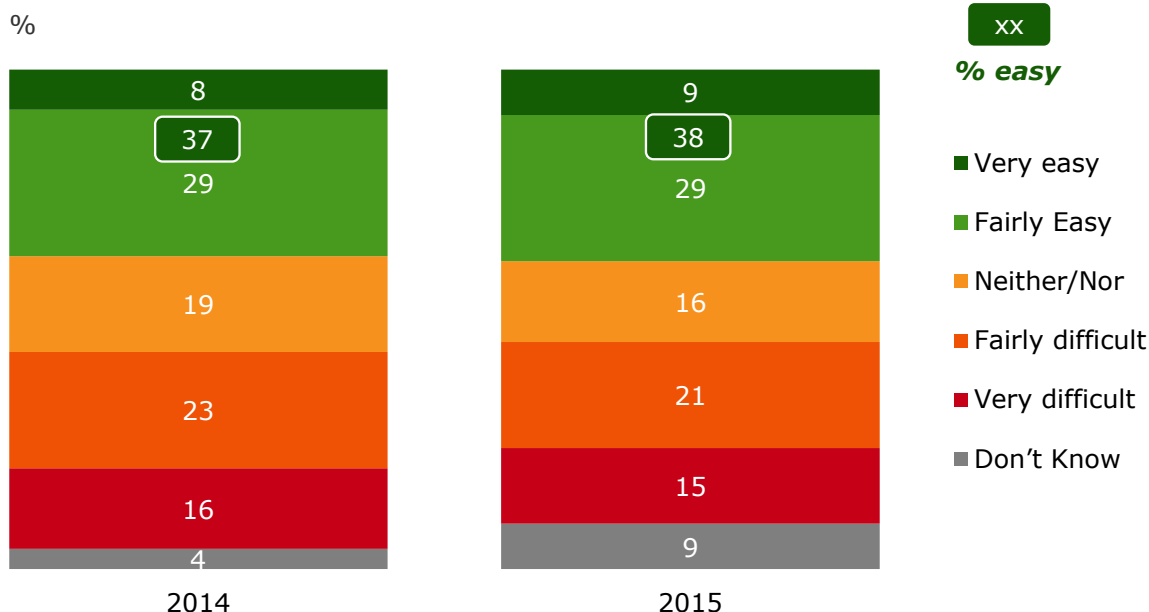
Base: All consumers (2014:6151, 2015:5934)

2.2. Ease of comparing tariffs

Perceptions of the ease with which consumers can compare tariffs remain polarised, with similar proportions saying it is easy as saying it is difficult (Figure 2.3). Around two in five say it is very or fairly easy to compare tariffs (38%), with a similar proportion saying it is very or fairly difficult (36%). The proportion considering it difficult to compare has fallen slightly since the baseline survey.

Figure 2.3 Perceived ease of comparing tariffs

Perceived ease of comparing different tariffs



Q.145 How easy do you believe it is to compare different tariffs for electricity or gas?
Base: All consumers (2014:6151, 2015:5934)

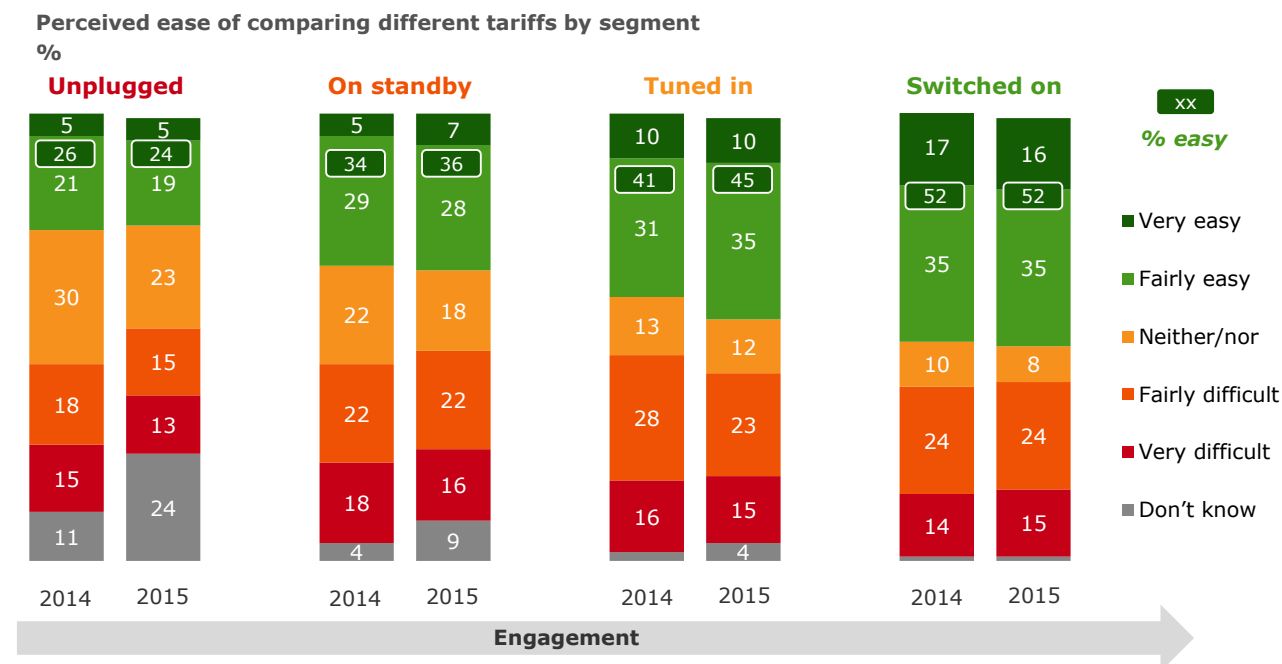
Perceptions are most positive among the young and regular internet users (who also tend to be younger). Fifty three per cent of consumers under the age of 35 believe it is easy to compare tariffs, as do 43% of regular internet users. Consumers who are older (25% of those aged 65+), disabled (27%) and those without regular internet access (22%), are least likely to believe it is easy to compare tariffs. As in 2014, consumers in Scotland are still less likely to consider it to be easy (31%) and more likely to consider it difficult (42%) to compare tariffs than those in other parts of Great Britain.

The most engaged consumers, *switched on* and *tuned in*, are more likely to perceive comparison to be easy (52% and 45%), than *on standby* or *unplugged* consumers (36% and 24%). The more disengaged *unplugged* consumers are most likely to have no strong opinion on tariff comparison, with 23% reporting it is 'neither easy nor difficult' and a further 24% feeling unable to answer the question (Figure 2.4). For each segment, with the exception of the most engaged *switched on*, the proportion of consumers that say they don't know whether it is easy to compare tariffs has increased, most notably from 11% to 24% among the *unplugged* segment.

Around four in ten consumers in the *switched on* (39%), *tuned in* (39%) and *on standby* segments (37%) believe that it is difficult to compare tariffs, while *unplugged* consumers are

least likely to believe it is difficult (28%). But across all of the segments, between 13% and 16% of consumers say that they think it is *very* difficult to compare.

Figure 2.4 Perceived ease of comparing tariffs across the segments



Q.145 How easy or difficult do you believe it is to compare different tariffs for electricity or gas?
Base: All consumers (2014:6151, 2015:5934)

2.2.1. Why do consumers think it is easy or difficult to compare?

In line with the baseline survey in 2014, consumers who believe it is easy to compare cite the fact that there is more information available on the internet from comparison websites (65%); or from suppliers (27%) and they believe the information from suppliers is clearer these days (17%).

Among consumers who believe comparison is difficult, 37% are concerned that tariff information from suppliers is too complicated, which is slightly lower than the proportion who said this in 2014 (41%). Around three in ten (31%) feel that there are too many tariffs to choose from (34% in 2014). These respondents also mentioned that tariffs are all structured differently (27% at 2015 and 2014 respectively), that there are too many suppliers (17% 2015, 15% 2014), and that you cannot trust the information that is available (16% 2015, 14% 2014) (Table 2.1).

**Table 2.1 Reasons why consumers believe it is easy or difficult to compare tariffs
(categories chosen by more than 2% of consumers)**

Reasons	2014	2015
<i>Percentage</i>		
Consumers who believe it is easy to compare		
There is more information available on the internet from price comparison websites	65	65
There is more information available on the internet from suppliers	28	27
The information from suppliers is clearer these days	19	17
Unweighted base (all who believe it is easy to compare tariffs)	2,230	2,132
Consumers who believe it is difficult to compare		
The information about tariffs from suppliers is too complicated	41	37
There are too many tariffs to choose from	34	31
The tariffs are all structured differently	27	27
There are too many suppliers	15	17
You can't trust the information that's available/ it is misleading	14	16
Unweighted base (all who believe it is difficult to compare tariffs)	2,352	2,152

2.3. Perceived trends in ease of tariff comparison

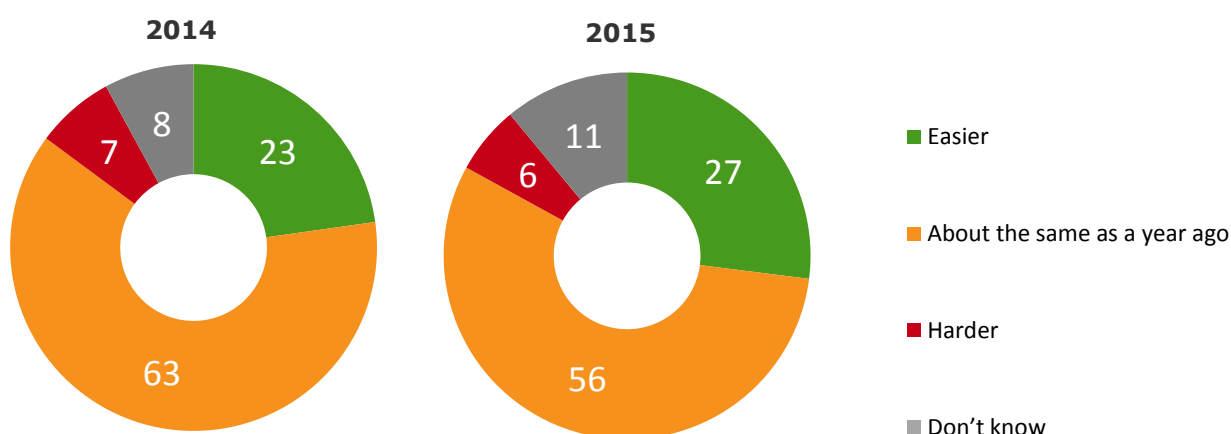
An important indicator of the impact of the RMR measures is to establish whether 'active' consumers (who had conducted any comparison, tariff changing or switching activity in the last 12 months) think it is easier or harder to compare tariffs than a year ago. Encouragingly the proportion that believes it has become easier has increased from 23% to 27%, and the proportion that believes it is harder has remained stable at 6% (7% in 2014). In 2014, nearly two thirds (63%) believed it is about as easy or as difficult to compare as it was a year ago, and this has fallen to 56% of consumers in 2015 (Figure 2.5).

Age and access to the internet appear to be linked to ease of comparing tariffs amongst active consumers. Consumers aged below 35 continue to be most likely to believe comparison is getting easier (35% at 2015, 27% in 2014). Those without regular internet access continue to be most likely to believe that it is harder to compare tariffs than a year ago (14% at 2015, 15% in 2014).

Figure 2.5 Consumer perceptions of whether it is easier or harder to compare tariffs than a year ago

Whether consumers think it is easier or harder to compare tariffs than a year ago

%



Q.74 And would you say it is easier or harder to compare energy tariffs than a year ago?

Base: All who have either switched supplier, changed tariff with existing supplier, compared tariff with other suppliers or compared tariff with existing supplier in the last 12 months (2014:1953, 2015:2034)

Among respondents who now find it easier to compare, the most common reasons given are 'the internet/online information' (24%) and there are more websites (19%). These are both down slightly but not significantly since 2014. The biggest shift since 2014 is that 17% think that more information is available (up from 10% in 2014); 13% think that information is clearer and more transparent (up slightly from 11% in the baseline survey in 2014). (Table 2.2).

However, the main concerns of those who, having engaged in the market in the last year, think it has become more difficult, are that it is too complicated /difficult to understand (27%), which is down slightly, but not significantly from 32% in the baseline survey in 2014, and that there is too much choice/competition (12%, although this is down significantly from 23% in

2014). They also believe that there is too much information (8%) and too many tariffs (11%). For some, it is a sense of mistrust of how tariffs are presented (12%) or inconsistency in the way information is presented (8%). (Table 2.3)

Table 2.2 Reasons why consumers believe it is getting easier to compare tariffs

Reasons		
	Percentage	
	2014	2015
Internet/online information	26	24
More websites	21	19
Clearer/more transparent information	11	13
More information available	10	17
Standardised/reduced amount of tariffs	9	4
News/media advertising/coverage/publicity	6	6
Government/legislation/Ofgem involvement	5	6
Suppliers have been made to make things easier	4	3
<i>Unweighted base (consumers who believe it is getting easier to compare tariffs)</i>	<i>451</i>	<i>529</i>
Multicoded response		

Table 2.3 Reasons why consumers believe it is getting more difficult to compare tariffs

Reasons		
	Percentage	
	2014	2015
Too complicated/difficult to understand	32	27
Too much choice/competition	23	12
Mistrust/dishonest/hiding charges	n/a	12
Too many tariffs	n/a	11
Not comparing like for like/inconsistency of information	n/a	8
Too much information	9	8
Not enough information	n/a	5
Impossible to compare	8	2
News/media advertising/coverage/publicity	n/a	5
Too many/constant changes to charges/tariffs/information	n/a	4
No internet access/ability/knowledge	n/a	3
<i>Unweighted base (consumers who believe it is getting more difficult to compare tariffs)</i>	<i>139</i>	<i>143</i>
Multicoded response		

3. A clearer energy market

Ofgem's Retail Market Review (RMR) found that it was often difficult for consumers to find and understand the information they need to understand their current circumstances and compare tariffs effectively. To address these problems, from April 2014 reforms were introduced to improve the quality of a number of suppliers' routine communications³⁰, including bills and annual summaries. New comparison tools,³¹ such as the Cheapest Tariff Messaging (CTM), Tariff Information Labels (TIL), Personal Projections (PP) and Tariff Comparison Rates (TCR) were also introduced.³²

- The **TCR** provides consumers with the cost of a tariff for a typical consumer using a single number expressed in pence per kilowatt hour. This aims to help consumers see at a glance which tariffs may be cheaper for an average consumer.³³
- **Personal Projections** provide a tailored projection of what a consumer would pay under one tariff based on their current energy use. Suppliers are required to use a standardised method of projecting the cost, so consumers can compare like-for-like when comparing tariffs offered by different suppliers.
- The **TIL** provides consumers with key facts about their own tariff (such as unit rate, standing charge, discounts and surcharges) in a standardised format. This helps consumers understand features of their energy tariff and to compare it with others available in the market.
- **Cheapest tariff messaging** indicates if a consumer could save money by changing from their current tariff to alternative tariffs with their existing supplier.

The changes to supplier communications and the new comparison tools were introduced after our 2014 baseline survey fieldwork, so in some cases new questions have been added to the survey this year to reflect these. We asked consumers, both in 2014 and 2015, how they engage with supplier communications and how familiar they are with the features of their current tariff and alternatives available.

³⁰ When referring to routine communications we include an annual summary, bill or direct debit/repayment statement, price increase notification letter and an end of fixed term tariff letter.

³¹ When referring to comparison tools we include Cheapest Tariff Messaging, Tariff Information Labels, Personal Projections and Tariff Comparison Rates.

³² Additional rules related to dead tariffs were effective from June 2014.

³³ The TCR is calculated using consumption for an average, or medium, energy user. As at July 2015, these values were 3,200 kWh for electricity and 13,500 kWh for gas, but will change to 3,100 kWh and 12,500 kWh respectively from 1 September 2015.

The chapter presents:

- Consumer understanding and response to supplier communications (3.1)
- Clarity of communications (3.2)
- Action taken because of communications (3.3)
- Recall of savings messages (3.4)
- TCRs and PPs (3.5)
- Access to information as part of comparison activity (3.6)
- Familiarity with the range and features of tariffs (3.7)

Key messages:

- Across all four routine communications, a majority of those consumers that recall receiving a bill, annual summary, PIN or end of fixed term tariff notification have read it in detail or at least glanced at it. Likewise a majority think the information for each of these remedies is clear, but only a minority are prompted to take action as a result. Results show similar consumer behaviour in regards to TCRs and PPs.
- There has been an increase in consumers looking for information about their own tariff or energy use. Online bills and written communications from suppliers are still the most likely sources for these details. Of those looking for information about their own tariff or energy use, a majority are positive about how easy it is to find and understand.
- Consumers are still fairly evenly divided between those who are familiar with their own tariff or wider tariffs and those who are not. The more engaged someone is in the energy market the more likely they are to be familiar with tariffs, especially their own.

3.1. Consumer understanding and response to supplier communications

Consumer recollection of receiving and reading communications is one indicator of engagement in the energy market (as discussed in chapter 1). In total, 82% of consumers recall receiving one or more communications from their energy supplier in the previous 12 months (in line with the baseline survey in 2014 result, 83%). The majority of consumers recall receiving a bill in the last year (69%, in line with the result observed in 2014); followed by an annual summary (59% compared to 55% in 2014).

Recall of a PIN declined to three in ten consumers (29% in 2015, 48% in 2014³⁴), reflecting the fall in volume of these letters in 2014/15. The proportion of consumers who remember receiving an end of fixed term letter remains stable at one in five (19% compared to 20% in 2014) (Table 3.1)³⁵.

³⁴ We would expect receipt of PINs to be lower based on industry figures but respondents may be including letters issued in later 2013.

³⁵ A consumer may report having read an end of fixed term tariff letter but not be on a fixed term tariff at the time of interview if the tariff expired and they have not entered into a new fixed term contract.

Table 3.1 Recall and engagement with communications from suppliers

	Bill or direct debit/ prepayment statement	Annual summary	Price increase notification letter	End of fixed term tariff notice
<i>Percentage</i>				
Recall receiving this communication in the last 12 months	69	59	29	19
<i>Unweighted base (all consumers)</i>	<i>5934</i>	<i>5934</i>	<i>5934</i>	<i>5934</i>
<i>Of which...</i>				
<i>Percentage</i>				
Read it in detail	41	40	42	53
Glanced over it or skim read it	46	49	45	37
Only saw what it was, but did not read it	12	10	11	7
Don't know	1	1	2	3
<i>Unweighted base=those who recall receiving communication</i>	<i>4002</i>	<i>3367</i>	<i>1627</i>	<i>1091</i>

Across most forms of communication, consumers tend to glance at it rather than read it in detail, but the majority of those who recall receiving the communication do engage with it in some way. The key exception is an end of fixed term tariff letter, where a greater proportion read it in detail than glanced at it. For example, fewer than half of consumers (who recall a bill, direct debit or pre-payment statement) read it in detail (41%, in line with the 42% observed in 2014). This compares to 53% (51% in 2014) of those recalling an end of fixed term tariff letter who read it in detail.

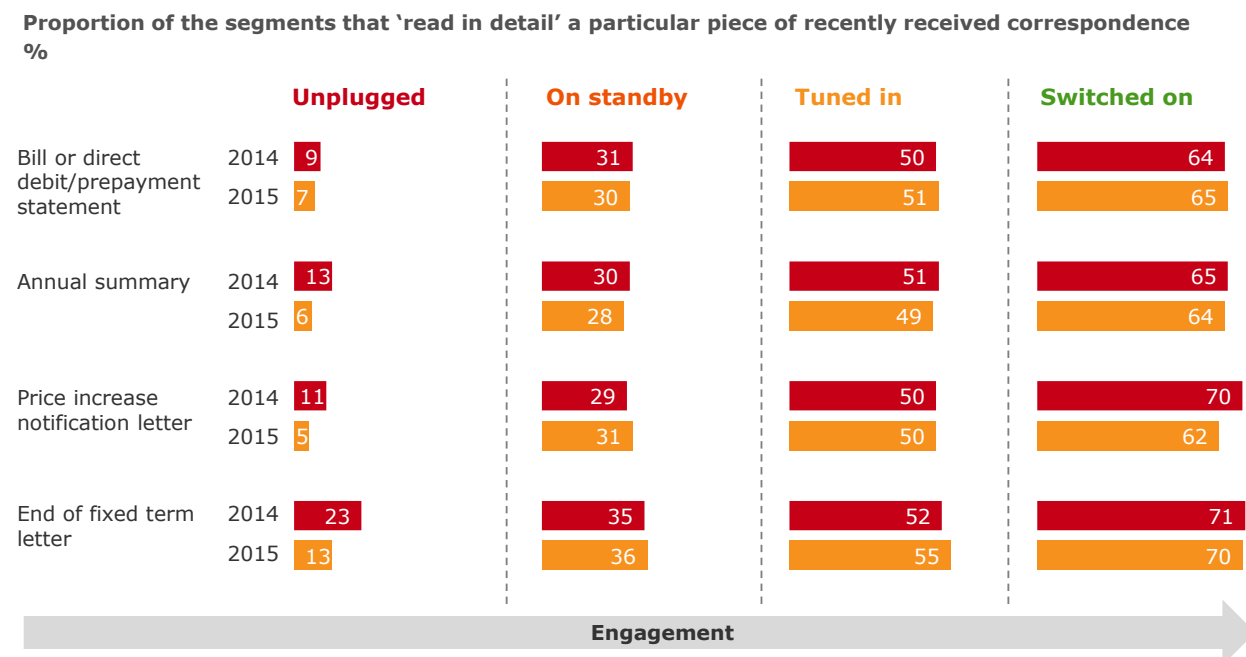
Older consumers, those from higher social grades and those who use the internet regularly are more likely to both recall and engage with supplier communications. Linked to internet use, we found that consumers with online tariffs are marginally more likely to have read supplier communications in detail than those who have paper billing. For example, 44% of consumers with a gas and electricity online tariff receiving a bill, direct debit or pre-payment statement have read it in detail compared to 38% of consumers in receipt of paper billing.

With the exception of end of fixed term tariff letters, customers of Big Six suppliers are more likely to recall receiving a communication from their supplier than those from non-Big Six suppliers (for example 70% of Big Six consumers recall receiving at least one bill or direct

debit\repayment statement in the last 12 months, compared to 65% of non-Big Six customers). The same is true for those who pay by direct debit or are on a fixed term tariff.

Unsurprisingly, the overall level of engagement is highly associated with whether you read a communication. For example, only 7% (9% in 2014) of the *unplugged* segment who recall receiving a bill or statement read it in detail compared to 65% (64% in 2014) of *switched on* consumers (Figure 3.1).

Figure 3.1 Proportion of the segments that 'read in detail' a particular piece of the most recently received correspondence



Q.95 Thinking about when you last received an annual summary, in how much detail did you look at it? Q.99 Thinking about when you last received a bill or direct debit/prepayment statement, in how much detail did you look at it?

Q.103 Thinking about when you last received a price increase notice, in how much detail did you look at it? Q.107 Thinking about when you last received an end of fixed term letter, in how much detail did you look at it?

Base: All who recall receiving communication (Bill 2014:4256, 2015:4002) (Annual summary 2014:3286, 2015:3367) (PIN 2014:2851, 2015:1627) (End of fixed term letter 2014:1140, 2015:1091)

3.2. Clarity of communications

We asked consumers who at least glanced at their communication to evaluate how clearly the information was presented. It is encouraging to find that a majority (three quarters or more) found each of the communications clear, and the proportion of consumers who found the more routine communications (bills and statements) clear has increased slightly.

Over three out of four consumers found their bill/statement (78%) and their annual summary (76%) very or quite clearly presented (75% and 73% respectively in 2014). Those in social grade AB are slightly more likely to find these types of communication clear than consumers in social grade DE (78% of social grade AB compared to 72% of social grade DE for the annual summary, 80% of social grade AB compared to 74% of social grade DE for their bill/statement).

In 2014 we found that consumers in Scotland were more likely than consumers overall to find the annual summary and their bill or statement presented *quite* or *very* unclearly. In 2015 there has been a slight improvement, with consumers in Scotland more likely than overall to say the communication was presented neither clearly nor unclearly (17% for the annual

summary compared to 13% overall and 18% for bills or statements compared to 12% overall). They are still, though, less likely than overall to say they found the communications clear (70% for their annual summary compared to 76% overall and 71% for their bill/statement compared to 78% overall).

Disabled consumers are slightly more likely than overall to say they find these communications presented quite or very unclearly (15% respectively for both types of communication, compared to 12% overall for the annual summary and 10% overall for the bill/statement). Results also show that those who are familiar with energy tariffs in general are more likely to find communications clear, which may reflect greater exposure to the types of information being presented (for example 83% of those who are familiar with energy tariffs thought their annual summary was clear, compared to 69% of those who are not familiar with tariffs). Current non-Big Six supplier customers are also more likely to find their annual summary clear (80%), as are those from higher social grades (78% of AB).

Price increase notifications (PINs) are issued when there is a price increase or if there is a change to the terms of a customer's tariff which may be to the customer's disadvantage, such as a removal of a discount. Of those that at least skimmed a PIN, three out of four (75%, 76% in 2014) found the information clearly presented. As we found in 2014, those in social grade AB are slightly more likely to find the PIN clear (78%) than those in social grade DE (73%). Consumers in Scotland are less likely to find the information clear than overall (67% compared to 75% overall).

End of fixed term tariff letters will only apply to consumers who have already chosen this type of tariff. These notices are sent to remind consumers that their current fixed term tariff is ending and to highlight the next steps. Around eight in ten (81%) who read their letter found it to be clear with no significant differences by social or demographic group among these already engaged consumers.

Results for the four communications for recall, response, clarity and action taken are presented in Figure 3.2.

3.3. Action taken because of communications

As we found in 2014, the end of fixed term letter was most likely to result in consumers taking some action, but across all forms of communication, it is still a minority who go on to check their current tariff, look at changing their tariff with their current supplier, or look at switching supplier.

Of those who recall receiving an end of fixed term tariff letter, around half (51%) took at least one action as a result. Forty three per cent of this group checked the features of the tariff they were on; 34% looked into switching tariffs with their current supplier and 24% looked into switching to a different supplier.

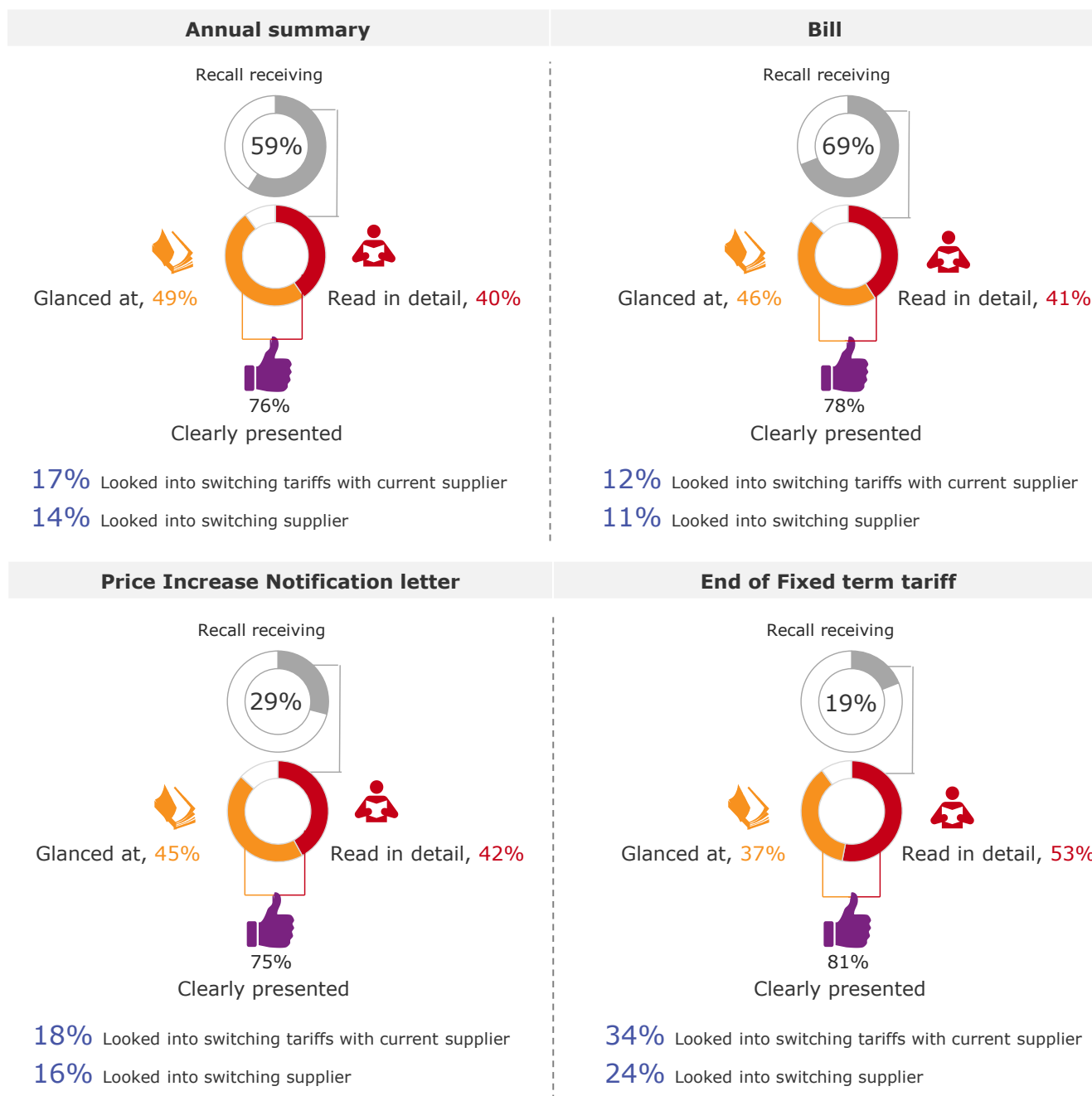
Comparison activity was relatively low after reading a PIN with 30% of consumers reviewing their tariff; 18% looking into changing tariff with their existing supplier and 16% looking into switching supplier. Although routine communications are less likely end of fixed term tariff letters to trigger action, 34% of consumers who read their annual summary still reviewed their tariff as did 25% of those who read a bill.

Consumers aged between 35 and 64 tend to be the most likely to have taken some action, with the exception of where a PIN has been received. For example, 37% of 35-64 year olds checked the features of the tariff they were on after reading their annual summary letter

compared to 31% of the over 65s. Similarly, whilst 37% of those in social grade AB checked the features of their tariff, just 26% of those in social grade DE took the same action. The lowest response to communication is among those with no regular internet access, reflecting the older and more economically disadvantaged profile of this group. For example, in response to reading the end of a fixed term letter only 3% of this group looked into switching supplier compared to 24% of all consumers. These results are similar to those observed in 2014.

Results for the four communications for recall, response, clarity and action taken are presented in Figure 3.2, with comparisons to the 2014 survey in Table 3.2.

Figure 3.2 Response to communications



Bases:

"Recall receiving" = all consumers (2014:6151, 2015:5934)

"Glanced at / Read in detail" = all who recall receiving communication (Bill 2014:4100, 2015:4002) (Annual summary 2014:3286, 2015:3367) (PIN 2014:2851, 2015:1627) (End of fixed term letter 2014:1140, 2015:1091)

"Clearly presented" & "Looked into..." = all who read communication (Bill 2014:3670, 2015:3443) (Annual summary 2014:2941, 2015:2981) (PIN 2014:2528, 2015:1399) (End of fixed term letter 2014:1029, 2015:967)

Table 3.2 Response to communications – 2014 vs 2015

Bill or direct debit/ prepayment statement			Annual summary		Price increase notification letter		End of fixed term tariff notice	
Percentages								
	2014	2015	2014	2015	2014	2015	2014	2015
Recall...								
Recall receiving the communication in last 12 months	69	69	55	59	48	29	20	19
Unweighted base (all consumers)	6151	5934	6151	5934	6151	5934	6151	5934
Detail read...								
Read it in detail	42	41	42	40	42	42	51	53
Glanced over it or skim read it	48	46	48	49	47	45	40	37
Unweighted base (those who recall receiving communication)	4256	4002	3286	3367	2851	1627	1140	1091
Clarity of presentation...								
Clearly presented	75	78	73	76	73	75	77	81
Unweighted base (those who read the communication)	3670	3443	2941	2981	2528	1399	1029	967
Action taken as a result ...								
Looked into switching tariffs with current supplier	13	12	17	17	19	18	34	34
Looked into switching supplier	11	11	15	14	17	16	23	24
Unweighted base (those who read the communication)	3670	3443	2941	2981	2528	1399	1029	967

3.4. Recall of savings messages

As part of the RMR remedies, suppliers are required to regularly notify their customers about savings they could make by moving to a cheaper tariff with them.³⁶ A third of consumers (34%) recall seeing a message about the money they could save. But, as with other forms of communication, only a minority are encouraged to take action as a result.

Consumers in social grade AB are more likely to recall this message (43% compared to 23% of those in social grade DE). Homeowners (40%) are more likely than private tenants (26%) and local authority tenants (22%) to say they remember seeing the message.

Consumers were most likely to say they recalled seeing a message about savings on a bill (33%) or on an annual summary (25%). Whether they have an online tariff also appears to have some bearing, with those on an online tariff more likely to recall seeing the savings message (46% compared to 28% not on an online tariff, although less than 1% overall say they saw the savings message via their online account, so this is likely linked to other corresponding demographics/characteristics). Those on a prepayment meter (18%) are the least likely of the three payment methods to recall seeing the message followed by those on a standard variable tariff (28%).

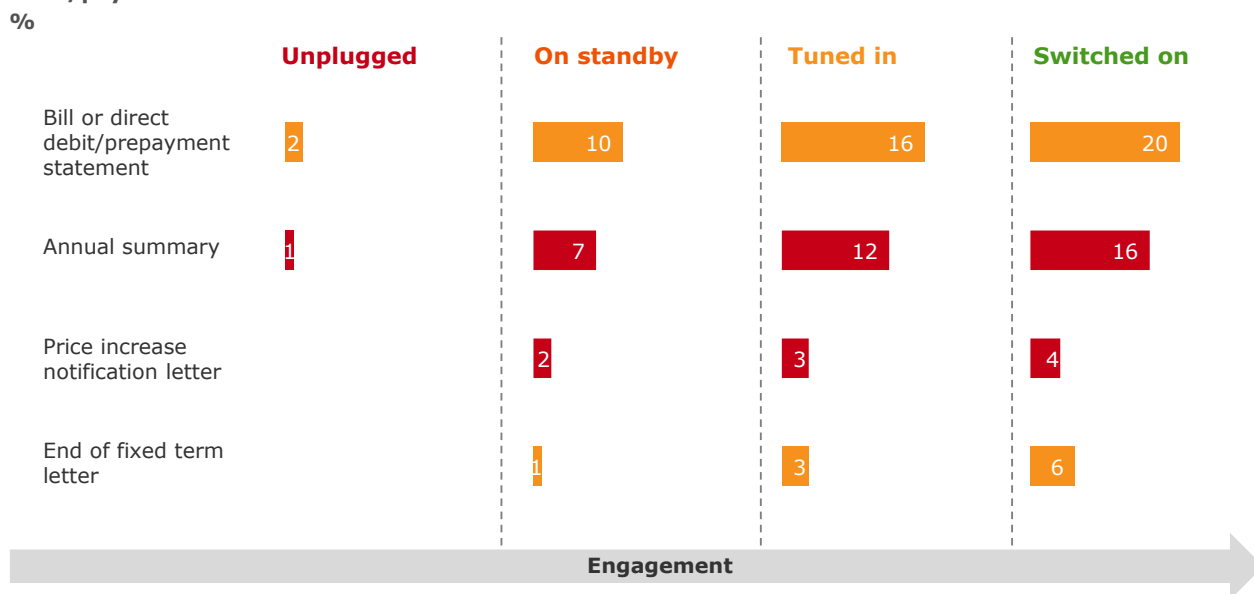
A minority of consumers say they were encouraged to take action as a result of seeing the message: nearly four in ten to check their existing tariff (38%), three in ten encouraged to compare tariffs (31%) and a quarter to switch their tariff or supplier (25%). Consumers prompted to take action are more likely to have regular internet access, reflecting the younger more economically advantaged profile of this group. For example 28% of consumers aged 35-64 and 27% of regular internet users switched tariff or supplier, compared to 19% of those aged 65+ and 11% of those with no regular internet access. Consumers paying by direct debit are consistently more likely to have been prompted to take action as a result of seeing the savings message, as too are those on a fixed term tariff.

Engaged consumers are more likely to recall seeing a savings message. For example, just 2% of the *unplugged* segment recalled seeing such a message on their bill or direct debit/prepayment statement compared to one in five (20%) of the *switched on* segment (Figure 3.3). This demonstrates the challenge of getting helpful and important information through to those who are disengaged from the energy market; even when less engaged consumers read a communication, they are less likely to recall seeing savings messages.

³⁶ In a change for the 2015 questionnaire, respondents were asked whether they had seen a message about savings they could make by managing their account online, changing tariff or changing their payment method, rather than whether their bill, annual statement, PIN or end of fixed term tariff notification had included a message about savings they could make by changing their tariff or payment method.

Figure 3.3 Recall of seeing a message on the last received letter about the possibility of saving money by changing tariff or switching payment method

Recall of seeing a message on communications about the possibility of saving money by switching tariff/payment method



Q168 Energy suppliers are required to notify customers about savings they could make by managing their account online, changing tariff or changing their payment method with their current supplier. Do you recall seeing a message like this? Q169. And where did you see this?

Base: All consumers (5934)

*Please note that in 2014, awareness of savings messages was only asked of those who had read each communication. In 2015, this was asked of all consumers.

3.5. Tariff Comparison Rates and Personal Projections

Energy suppliers are now required to provide Tariff Comparison Rates (TCR) for each tariff they offer. The aim of the TCR is to act as a prompt for consumers and raise awareness that there may be cheaper tariffs available. Recall of TCRs was recorded for the first time in 2015, with nearly one in five consumers (18%) saying they have seen one.

There is some variation in recall among subgroups. Just under a quarter of consumers (23%) in social grade AB recall seeing a TCR, compared to just 12% in social grade DE. Recall also varied by the tariff consumers are on, with 25% of consumers on a fixed rate tariff saying that they had seen one, compared to just 13% on a standard variable rate. An energy bill (29%) and an annual summary (20%) are the most commonly named sources of awareness of the TCR. Other sources include via a leaflet or letter sent directly to the consumer (18%), on their energy supplier's website (13%) and via email (8%).

A Personal Projection (PP) is an estimated annual cost of a tariff based on consumers' expected energy use. As with TCRs, recall of a PP has been recorded for the first time in 2015, and results show slightly higher levels of penetration. Three in ten consumers (31%) have seen a PP. Again, consumers in social grade AB are more likely to recall seeing one (42% compared to 20% in social grade DE). Recall also varies by consumer tariff type. Four in ten consumers (41%) on a fixed term tariff have seen a PP compared to a quarter of those on standard variable tariffs (25%).

As with TCRs, a bill (32%) or annual summary (30%) are the two most common sources for seeing a PP. Other sources include via a leaflet or letter sent directly to the consumer (16%), on their energy supplier's website (11%) and by email (8%).

As with the other types of communication, a minority of consumers have been prompted to take action as a result of seeing a TCR or PP. Four in ten consumers (39%) having looked at a TCR then checked the features of the tariff they were on, a third looked at changing their tariff and 26% looked into switching suppliers. Just over a third of consumers (35%) who had seen their Personal Projection were encouraged to check their tariff, three in ten to compare tariffs (30%) and 26% to switch tariff or supplier.

3.6. Access to information as part of comparison activity

Ofgem wants consumers to find it easier to access and assess information to make well informed comparison and switching decisions. Information based tools, such as the Tariff Information Label (TIL), are intended to allow consumers access to key information about their tariff at a glance. Whilst some energy suppliers introduced them earlier, TILs were not required on energy supplier communications until after the 2014 survey.

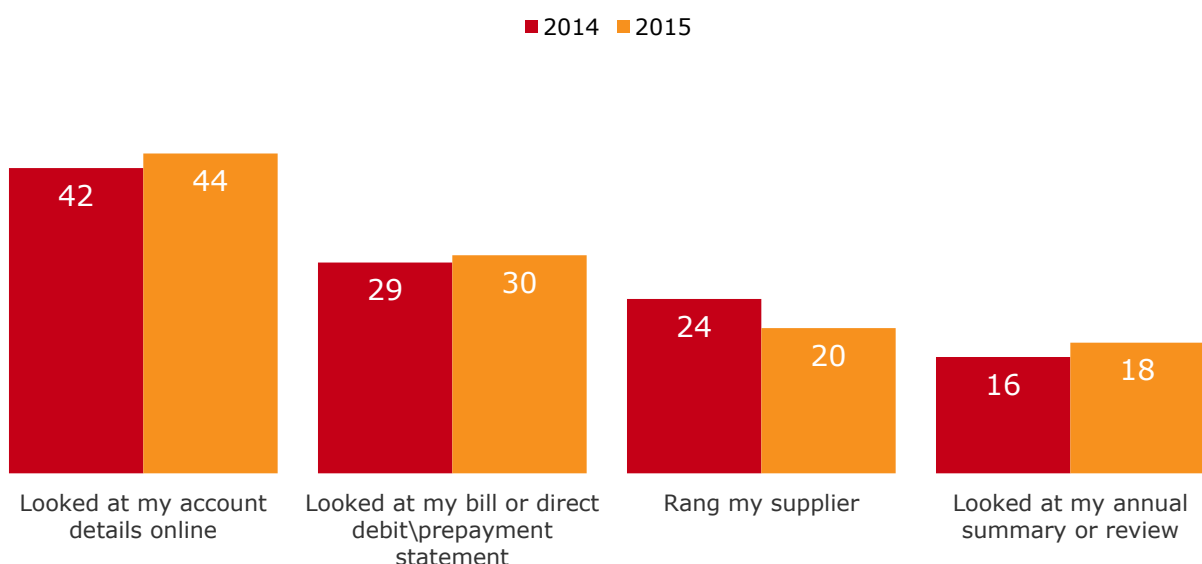
When comparing suppliers or tariffs in the last 12 months, two thirds of consumers (67%) who had compared also looked for more information about either their existing tariff or current energy use; a considerable rise from 49% in 2014.

As well as an overall increase in consumers looking for more information on their tariff or energy use, there has been a large increase in the proportion looking for information on both their tariff and their energy use. Nearly half (47%) found out about their tariff and energy use, an increase from 28% in 2014, with 14% finding out about just their tariff (24% in 2014), and 6% just investigating their energy use (7% in 2014).

As we found in 2014, consumers were most likely to look for this information via their online account (44%), through bills or statements (30%), by contacting their supplier by phone (20%) or looking at their annual summary (18%). Consumers were marginally less likely to have contacted their supplier by phone in 2015 (20%) compared to 2014 (24%) (Figure 3.4).

Figure 3.4 Sources of more information about current tariff and energy use

How found out more about existing tariff or energy use
%



Q.163 And how did you find out more about your existing tariff or energy use?

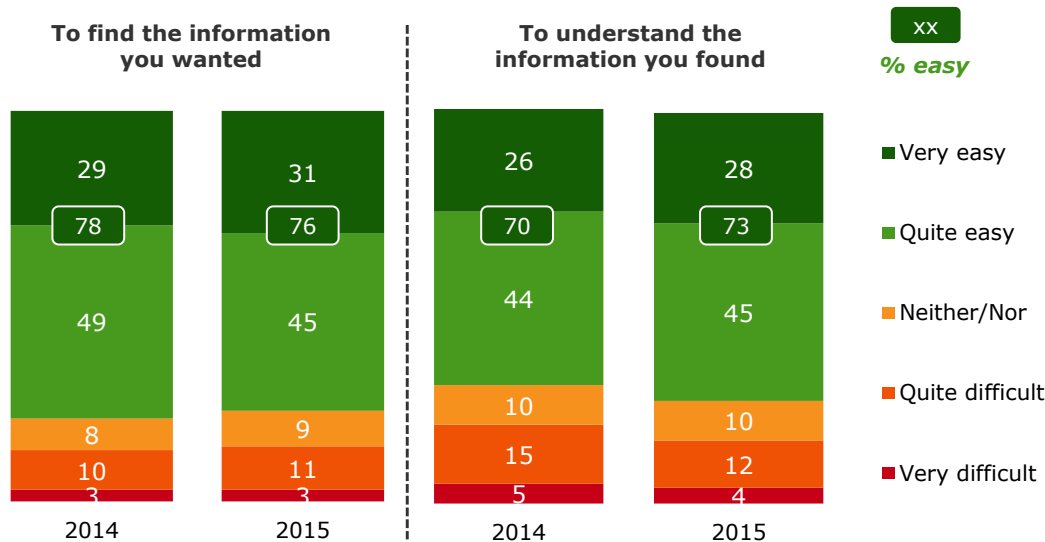
Base: All who, when switching/comparing tariffs/suppliers in past 12 months, also looked for information about existing gas and/or electricity tariff or energy use (2014: 1153, 2015:1299)

Of those who looked for tariff or energy use information, the majority found it quite or very easy to find the information that they wanted (76%, compared to 78% in 2014) and to understand the information they found (73%, compared to 70% in 2014). However, 14% of this group found it quite or very difficult to find the information and 17% found it difficult to understand the information they found. (Figure 3.5).

Figure 3.5 Ease of finding information/understanding information

How easy or difficult was it...

%



Q.164 And thinking about the information that you wanted about your existing tariff or energy use. How easy or difficult was it...

BASE: All who switched supplier, changed tariff or compared in past 12 months AND looked for information on their current tariff (2014: 1294, 2015 :1299)

In line with 2014, young consumers (aged under 35) were more likely to have found it easy to find the information that they wanted (84%) and to have understood it (81%). And, in contrast to other behaviours, the ability to find and understand the information was not clearly associated with social grade, as observed in 2014. In fact, consumers in social grade AB were slightly more likely than others to report that they had difficulty finding the information (17% compared to 14% of all consumers) and understanding what they found (20% compared to 17% of all consumers). This again could reflect higher expectations from engaged consumers about how easy it should be to access and understand the information.

3.7. Familiarity with the range and features of tariffs

To understand how well information about the range and features of tariffs is reaching consumers, we asked participants how familiar they are with:

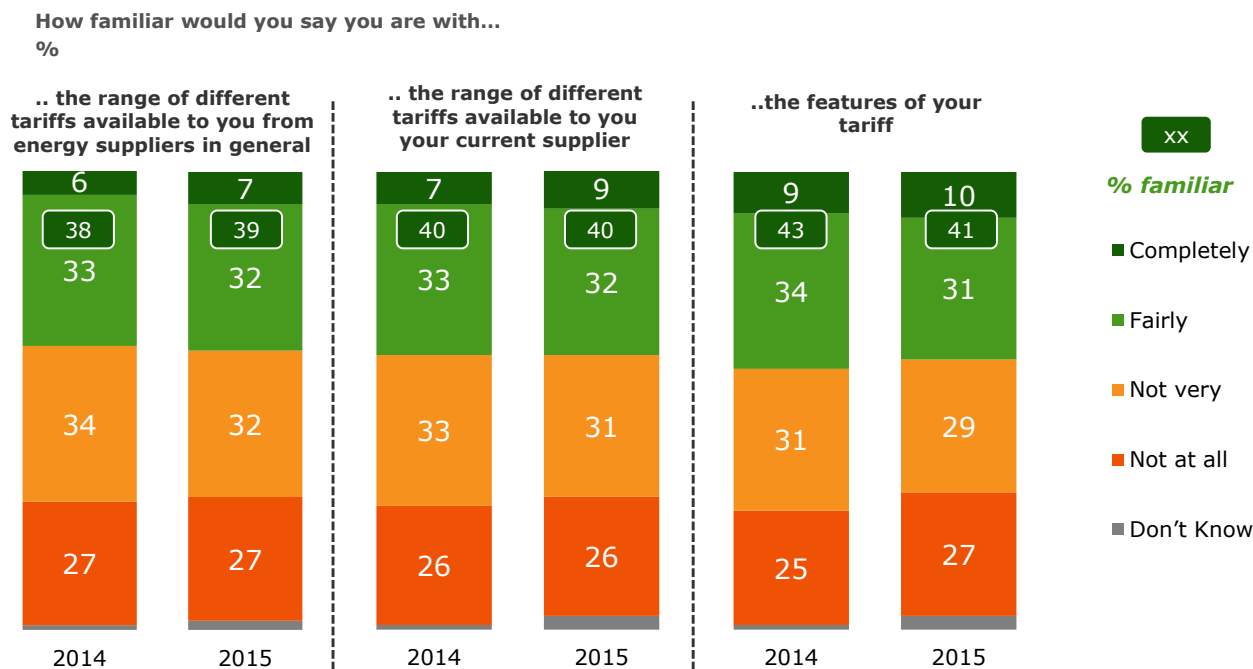
- the features of their own current gas and electricity tariff;
- the range of tariffs available from their current gas and/or electricity supplier; and
- the range of tariffs available from energy suppliers in general.

Although asked about each fuel separately, very few respondents gave a different answer for one tariff than the other. We therefore present a single 'familiarity' result. Where consumers occasionally did feel differently about one tariff over the other, we present the most positive result.

The results in 2015 show that familiarity with tariffs remains unchanged from 2014, with around two in five consumers *completely* or *fairly* familiar. When asking about familiarity with their own tariff, we explained that this includes the rate they pay and any discounts, standing charges that apply, exit fees or benefits that they receive. Just over four in ten consumers (41%) feel familiar with these features. Thinking about the range of different tariffs available from their own supplier, a similar proportion (40%) says they are familiar with this. A similar proportion (39%) feels familiar with the range that is available from all energy suppliers in general.

Over one in four consumers feel that they are *not at all* familiar with the feature of their existing tariff (27%), the range of tariffs available from their own supplier (26%) or the range available from energy suppliers in general (27%) (Figure 3.6).

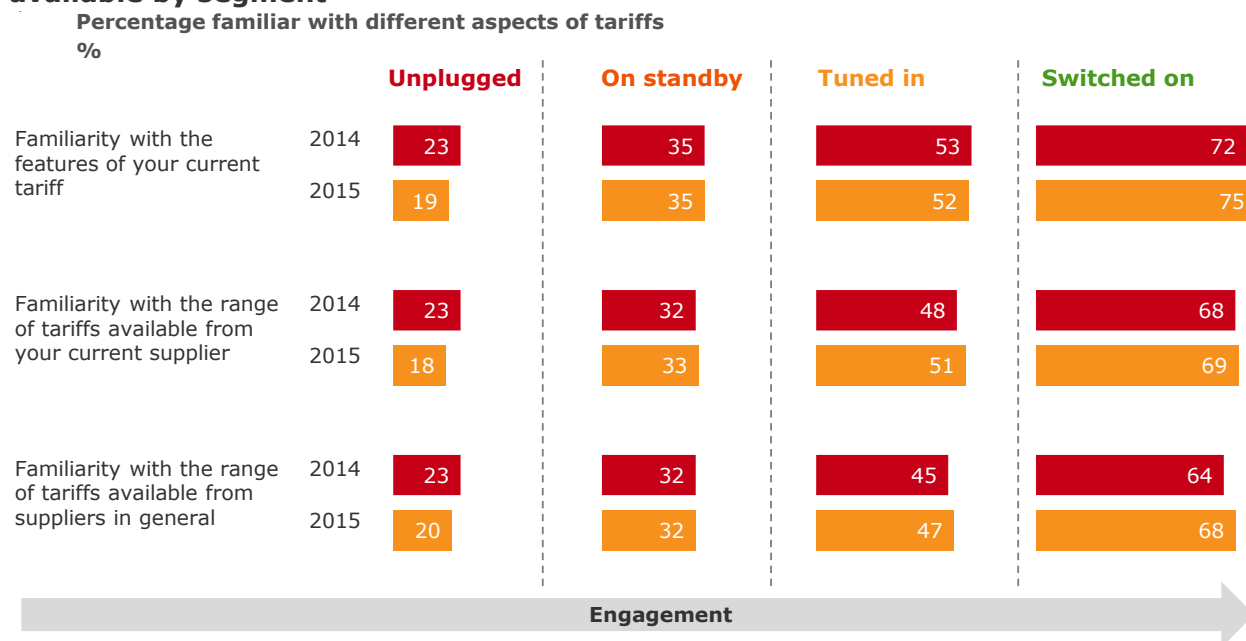
Figure 3.6 Consumer familiarity with range of tariffs from suppliers in general and from own supplier, and familiarity with the features of their own tariff



Q.86 How familiar would you say that you are with the range of different energy tariffs available to you from energy suppliers in general?, Q.152 How familiar would you say you are with the range of different tariffs available to you from your current energy supplier? Q.87 How familiar would you say that you are with the range of different tariffs available to you from your current gas supplier?, Q.88 How familiar would you say that you are with the range of different tariffs available to you from your current electricity supplier? Q.153 How familiar would you say you are with the features of your current dual fuel tariff? Q89 How familiar would you say that you are with the features of your current tariff? Q90 How familiar would you say that you are with the features of your current electricity tariff?
BASE: All consumers (2014: 6151. 2015: 5934)

Unplugged consumers remain less likely to feel familiar with the features of their own tariff compared to *switched on* consumers. Familiarity appears to increase among engaged consumers as they focus on their own tariff as opposed to tariffs in general, but for *unplugged* consumers familiarity is equally low across all three measures. (Figure 3.7).

Figure 3.7 Percentage familiar with the features of their own or range of tariffs available by segment



Q.86 How familiar would you say you are with the range of different energy tariffs available to you from energy suppliers in general?

Q.152 How familiar would you say you are with the range of different tariffs available to you from your current energy supplier? Q.87 How familiar would you say you are with the range of different tariffs available to you from your current gas supplier? Q.88 How familiar would you say you are with the range of different tariffs available to you from your current electricity supplier? Q.153 How familiar would you say you are with the features of your current dual fuel tariff? Q.89 How familiar would you say you are with the features of your current gas tariff Q.90 How familiar would you say you are with the features of your current electricity tariff?

Base: All consumers (2014:6151, 2015:5934)

4. A fairer energy market

The RMR aims to create a fairer energy market that consumers are more willing to trust and engage in. On 26 August 2013, Ofgem introduced new Standards of Conduct to ensure that consumers are treated fairly by suppliers and their representatives in all their dealings with them. The aim is that, over time, the level of trust consumers have in energy suppliers improves.

The chapter presents:

- Consumer satisfaction with energy suppliers (4.1)³⁷
- Consumer trust in energy suppliers (4.2)³⁸
- Standards of conduct communications from suppliers (4.3)
- Satisfaction with complaints and contact (4.4)

Key messages:

- Levels of satisfaction and trust with energy suppliers overall remain positive. There has been a modest increase in satisfaction with consumers' own energy supplier (particularly among gas consumers).
- Consumers' trust in their own supplier to treat them fairly has also marginally increased since 2014, with trust in them to provide clear and helpful information stable. Trust in their supplier to charge them a fair price has increased slightly since 2014.
- Levels of complaints have not changed (continuing to be a minority) but satisfaction with the way these complaints are handled has fallen slightly.

³⁷ For both satisfaction with and trust in their current supplier(s), the 2015 survey saw a minor change to the questionnaire routing from the baseline survey. In 2014 those who had both gas and electricity but who could not name one of their suppliers were excluded from these questions. These respondents were asked both satisfaction and trust questions in 2015; due to the small number of respondents affected the results remain comparable between years. Further details are provided in the accompanying technical report.

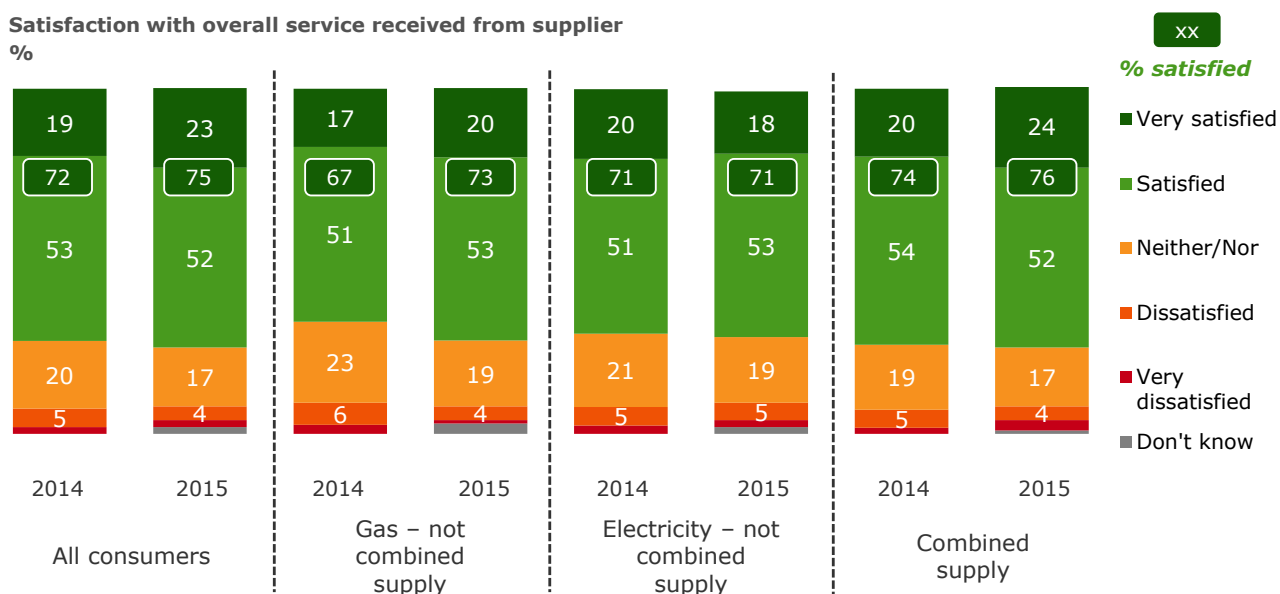
³⁸ As 37.

4.1. Satisfaction with energy suppliers

Overall there has been a modest increase in consumer satisfaction with their energy supplier(s) from 72% *satisfied* or *very satisfied* with the service they receive in 2014 to 75% in 2015. Increased satisfaction overall has been driven by gas consumers who were notably less satisfied with their supplier in 2014 (67% in 2014, 73% in 2015) whilst satisfaction among combined supply or electricity consumers has been more stable. (Figure 4.1).

Consumers aged 65 or older are the most likely to report being satisfied with the service received from their supplier, rising to 84% among those with a separate gas tariff and those with a combined supply. There is little difference in satisfaction levels between people in different social grades.

Figure 4.1 Satisfaction with the service received from energy suppliers



Q.59/63/67 How satisfied or dissatisfied are you with the overall service you receive from your current gas/electricity/energy supplier?

BASE: All consumers (Year 0: 6151, Year 1: 5934)

Generally satisfaction between the Big Six suppliers and smaller suppliers is similar. Satisfaction, however, is lower among gas consumers who do not buy their gas and electricity from the same supplier (Table 4.1).

Table 4.1 Satisfaction by consumer type and supplier type

Satisfaction with energy supplier	All consumers	Big Six Supplier Consumers	Non-Big Six Supplier Consumers
<i>Percentage</i>			
All consumers (5934)	75	75	76
Gas, not combined supply (541)	73	75	56 ³⁹
Electricity, not combined supply (1154)	71	72	70
Combined gas and electricity, same supplier (4769)	76	75	78

³⁹ Result based on small base size (60).

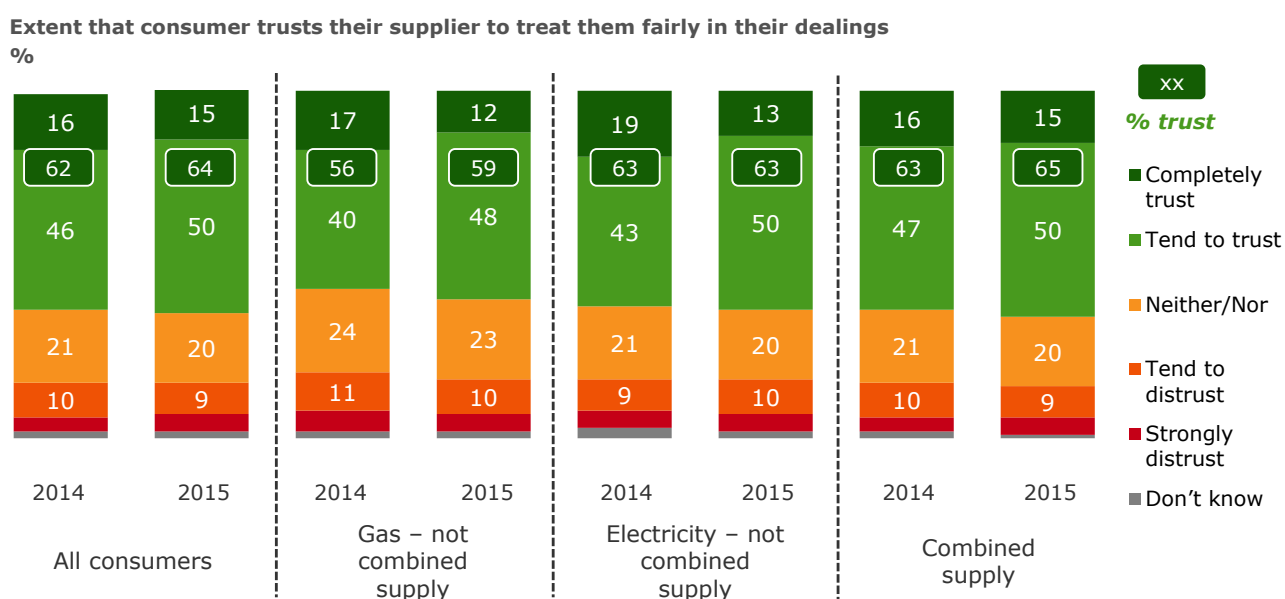
4.2. Trust in own energy supplier

4.2.1. Trust in own energy supplier to treat you fairly in their dealings with you

Consumers' trust in suppliers to treat them fairly has also marginally increased since 2014. Almost two thirds (64%, up from 62% in 2014) of consumers say they *completely* or *tend to* trust at least one of their current energy suppliers to treat them fairly in their dealings with them.

Customers generally are slightly more likely to trust their supplier to treat them fairly in 2015 than in 2014, but as in 2014, those with a separate gas tariff are least likely (59% at 2015, 56% in 2014) to trust their gas supplier to treat them fairly. Results for customers on separate electricity (63% at 2015 and in 2014) or a combined (65% at 2015, 63% in 2014) supply show higher levels of trust (Figure 4.2).

Figure 4.2 Whether trust own energy supplier to treat you fairly in their dealings with you?



Q60_1/Q64_1/Q68_1 To what extent do you trust or distrust your gas/electricity/energy supplier to...Treat you fairly in their dealings with you?

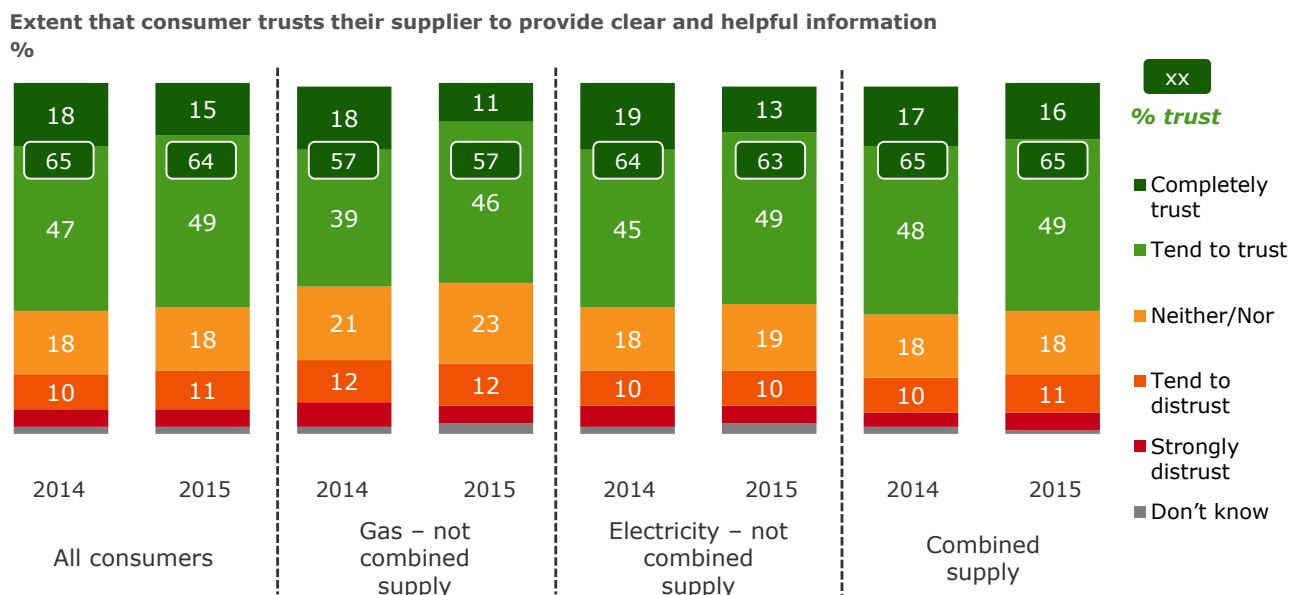
BASE: All consumers (2014: 6151, 2015: 5934)

More trusting consumers tend to be older, from lower social grades, not on a dual fuel deal and are less likely to be regular internet users.

4.2.2. Trust in own energy supplier to provide clear and helpful information

In line with 2014, nearly two thirds (64%) of consumers trust at least one of their energy suppliers to provide clear and helpful information (65% in 2014). Consumers with a separate gas tariff are less likely (57%) to trust their gas supplier than those on separate electricity (63%) or combined (65%) tariffs (Figure 4.3).

Figure 4.3 Whether trust own energy supplier to provide clear and helpful information



Q60_2/Q64_2/Q68_2 To what extent do you trust or distrust your gas/electricity/energy supplier to...Provide clear and helpful information for you?
 BASE: All consumers (2014: 6151, 2015: 5934)

Consumers aged 65+ and those who do not use the internet regularly are also most trusting of their energy supplier to provide them with clear and helpful information. Nearly three quarters (74%) of consumers aged 65+ on a separate gas tariff trust their energy supplier to provide them with clear and helpful information, compared to 46% of those aged 35 to 64. Just over seven in ten (72%) of those on a combined tariff who do not use the internet regularly trust suppliers to provide them with clear and helpful information compared to 63% of consumers with regular internet access.

Across all tariff types, consumers in social grade DE are again more trusting than those in social grade AB, for example 65% of DE consumers on a gas only tariff trust their energy supplier to provide them with clear and helpful information compared to 47% of those in social grade AB.

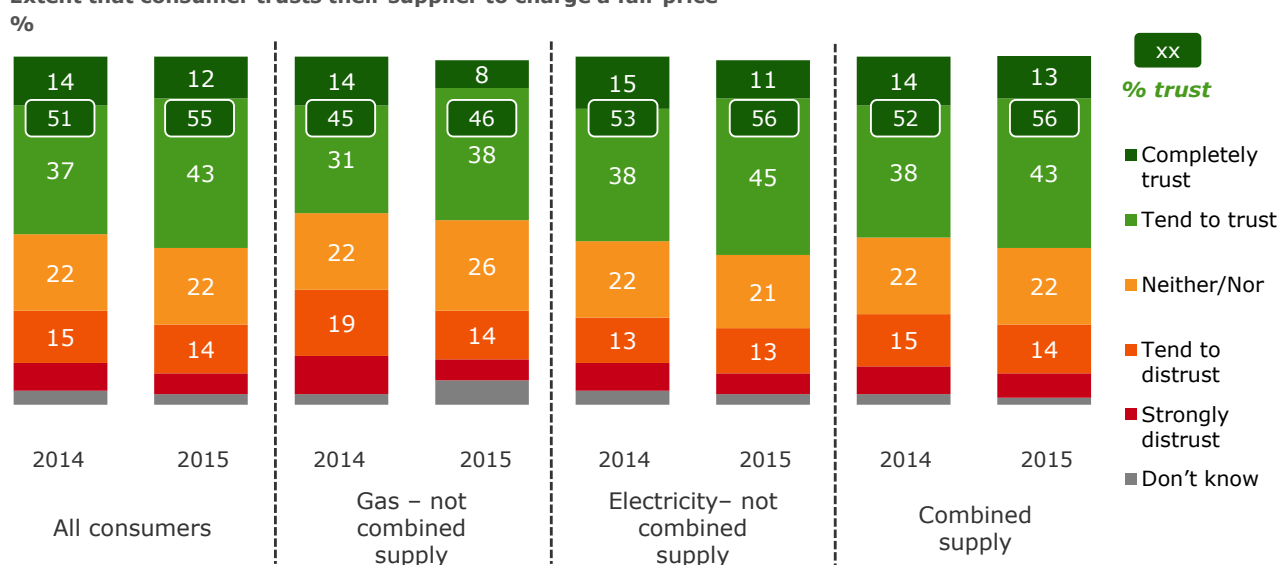
4.2.3. Trust in own energy supplier to charge a fair price

The RMR rules have no direct bearing on the prices that energy suppliers charge their customers. While the question on trust to charge a fair price was not asked as a direct measure of success for the RMR reforms, Ofgem recognises it is an important attitudinal trait which may have a bearing on consumers' willingness to engage in the energy market.

In total, 55% of consumers trust at least one of their energy suppliers to charge them a fair price; this is a slight increase from 51% of consumers in 2014. As we found in 2014, trust in a fair price is lower among consumers on separate gas tariffs (46%) compared to those on separate electricity or combined tariffs (56%) (Figure 4.4).

Figure 4.4 Whether consumers trust energy suppliers to charge a fair price

Extent that consumer trusts their supplier to charge a fair price



Q60_3/Q64_3/Q68_3 To what extent do you trust or distrust your gas/electricity/energy supplier to...Charge you a fair price for your gas/electricity/energy?
 BASE: All consumers (2014: 6151, 2015: 5934)

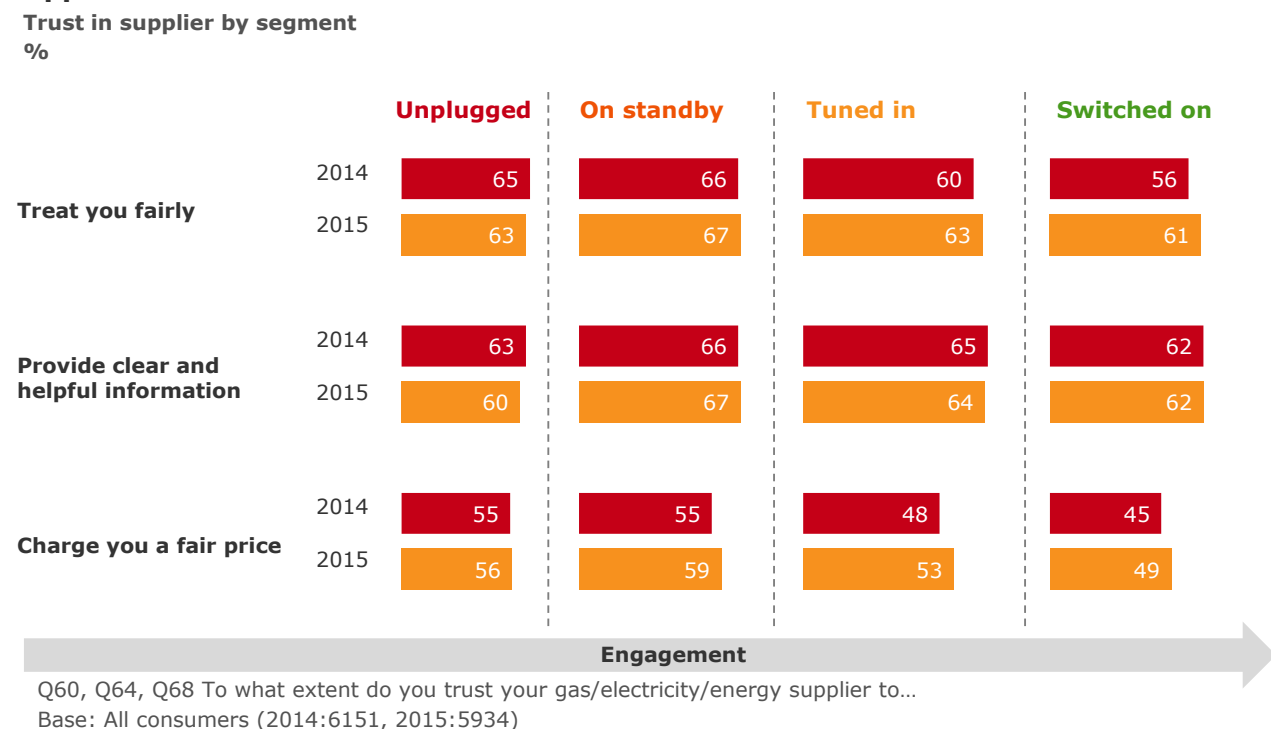
As with the other trust measures, consumers aged 65+ and those who do not have regular access to the internet are most likely to trust suppliers to charge them a fair price. For example, nearly seven in ten consumers aged 65+ (67%) and those who do not have regular access to the internet (68%) trust their dual fuel supplier to charge them a fair price.

Differences by social grade are also an important factor, as across all tariffs consumers in social grade DE are more likely to trust their supplier to charge a fair price. For example just over half of consumers in social grade DE (52%) trust their gas supplier to charge a fair price compared to a third of those in social grade AB (33%).

4.2.4. Trust in own supplier across the consumer segments

In 2015, *switched on* consumers are more likely to trust their energy supplier(s) compared to 2014 (Figure 4.5). The increase in the proportion that trusts their supplier brings them more in line with the other segments, but this segment still tends to have the lowest levels of trust. For example in 2015, 53% of the *switched on* segment who are on separate gas tariffs trust their gas supplier to treat them fairly compared to 59% overall. However, in 2014 the level of trust was just 29% among the *switched on* segment compared to 56% of the whole sample.

Figure 4.5 To what extent do you trust or distrust your gas/electricity/energy supplier to...?



4.2.5. Trust in energy suppliers in general vs other markets

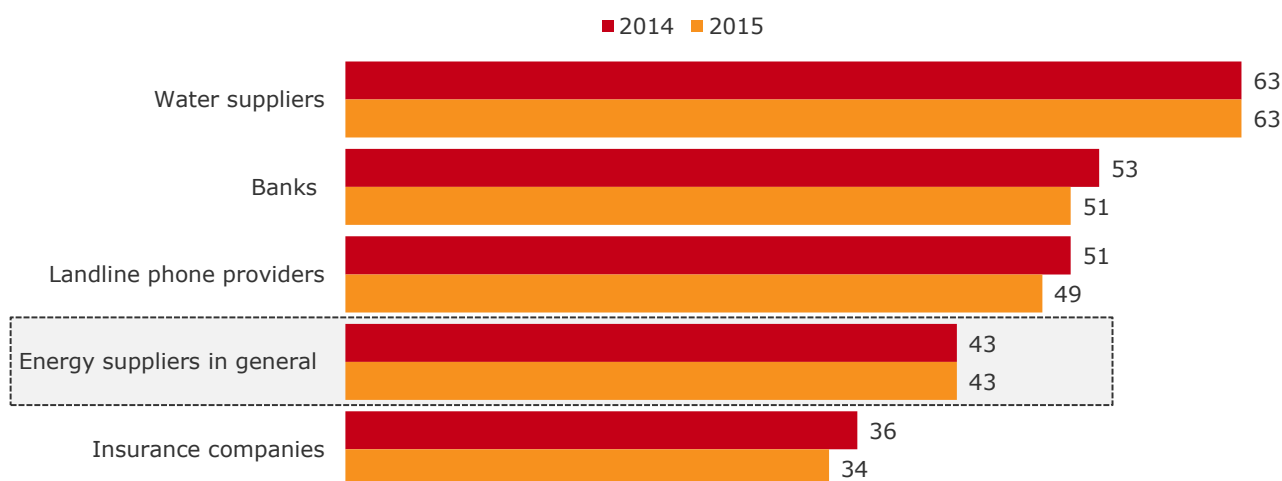
We asked consumers to consider how much they trust energy suppliers in general to be fair in the way they deal with customers compared to service providers in other markets or the public sector. There has been no change since 2014 with 43% of consumers saying they trust energy suppliers in general, which is considerably lower than the 64% who trust their own supplier to treat them fairly.

Energy consumers' levels of trust in other types of providers⁴⁰ have also remained the same or stable since 2014, insurance companies are still least likely to be trusted (34%) while energy suppliers fall behind the three other service companies included in the survey, landline phone providers (49%), banks (51%) and water suppliers (63%). Generally, trust varies by age, access to the internet and social grade for all types of services in the same way as for energy suppliers.

Figure 4.6 Extent to which consumers trust service providers to be fair in the way they deal with customers or citizens?

Please tell me the extent to which you trust or distrust the following to be fair in the way they deal with customers or citizens?

%



Q.72 And please tell me the extent to which you trust or distrust the following to be fair in the way they deal with customers or citizens?

BASE: All consumers (2014: 6151, 2015: 5934)

⁴⁰ As part of the review of the RMR survey questionnaire for 2015, the list of other providers was reduced, with NHS Doctors, Police, Mobile phone providers, Estate agents and Politicians removed.

4.3. Standards of Conduct communications from energy suppliers

Suppliers are required to inform their customers about what actions they have taken to treat consumers fairly, and what service/treatment their customers can expect from them.

Continuing the approach adopted in 2014, we asked participants if they recalled receiving any communication from their energy supplier(s) about their 'requirements to treat customers fairly' as we did not expect consumers to be familiar with the term 'Standards of Conduct'.

There has been no increase since 2014, with three in ten in consumers (31%) recalling seeing information from the energy supplier about their requirement to treat customers fairly.

Consumers most likely to recall receiving such a communication are from social grade AB (39%) and those on a fixed term tariff (38%, compared to 27% of those on a standard variable tariff). Those who pay for their energy use via direct debit are more likely to have seen information on requirements to treat customers fairly (34%, compared to 23% of those on a prepayment meter).

Nearly six in ten (58%) of those who recall some communication from their energy supplier(s) about 'requirements to treat customers fairly' said that they had seen this information in a letter or leaflet sent to them, just under a quarter (24%) remember seeing it somewhere such as a newspaper article or advertisement. Other sources mentioned included their supplier's website (9%) and email (8%).

4.4. Satisfaction with complaints and contact

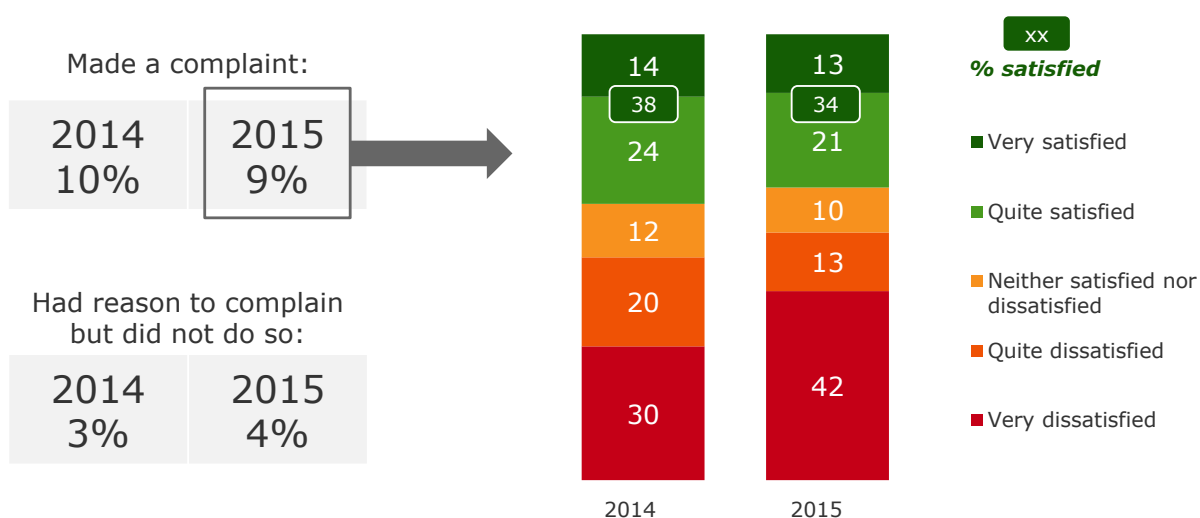
In line with 2014, one in ten consumers (9% 2015, 10% 2014) have contacted their current or previous energy supplier in the last 12 months with a complaint. A further 4% (in line with 2014) felt they had reason to complain but did not contact their energy supplier.

Consumers are less likely to complain if they are aged 65+ (7%) and linked to this, if they don't have regular access to the internet (6%). There are minor differences by social grade overall but families with children under 5 in social grade AB are more likely to have complained than families with children under 5 in social grade DE (15% compared to 10% respectively). Consumers who have switched suppliers in the last twelve months are most likely to have complained (19%). Eighty seven per cent of complaints were made to a Big Six supplier, but they supply energy to 79% of the consumers who took part in the 2015 survey.

Figure 4.7 Levels of complaints and satisfaction with the complaints process

Made a complaint/Contact with energy suppliers
% All Customers (2014: 6151, 2015: 5934)

Satisfaction with complaints process
% All who made a complaint (2014: 583, 2015: 535)



Q.76 In the last 12 months, have you contacted a current or previous energy supplier to complain at all? Q.81 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? Q.80 Thinking of the last time you complained, taking everything into account regarding the complaints process how satisfied or dissatisfied were you overall with the way in which your complaint was handled by the energy supplier?

Consumers' level of satisfaction with their supplier's complaints process⁴¹ has decreased slightly from 38% in 2014 to 34% in 2015, with a corresponding increase in the level of consumers who are dissatisfied with the process, from 50% in 2014 to 55% in 2015. There has been a large increase in the level of consumers who are very dissatisfied from 30% in 2014 to 42% in 2015 (Figure 4.7).

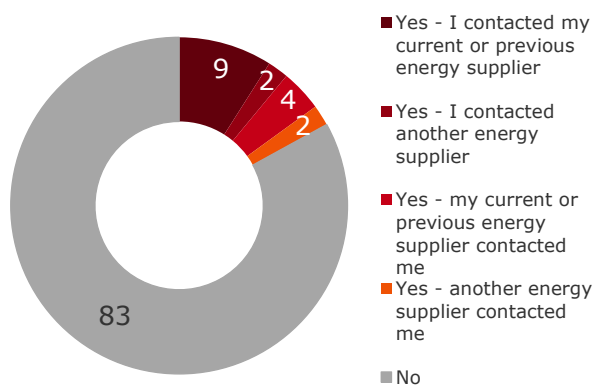
As well as being less likely to complain, those without regular internet access are also more likely to report being satisfied with the process (49%), as are complainants aged 65 or older (40%).

Apart from complaints, around one in ten consumers (9% 2015, 11% 2014) got in touch with their energy supplier in the previous 12 months with a query other than a routine meter reading. Again, those without regular internet access are least likely to have been in touch (5%). A further eight per cent of consumers contacted another energy supplier or were contacted by an energy supplier. In these cases, less than three quarters (74%) of consumers are satisfied with the way they were dealt with. (Figure 4.8).

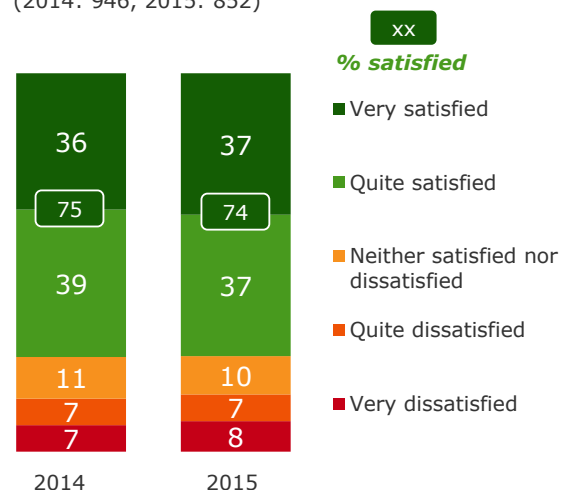
Figure 4.8 How satisfied or dissatisfied overall were you with the way the supplier dealt with you?

Whether had any interaction with supplier in last 12 months (excluding complaints and routine meter readings)

% All consumers (5934)



Satisfaction with how supplier dealt with them
% All who contacted supplier, excluding complaints/meter readings (2014: 946, 2015: 852)



Q.82 Excluding complaints and giving routine meter readings, have you had any interaction with your own or another energy supplier in the last 12 months?/Q.84 How satisfied or dissatisfied were you with the way the supplier dealt with you?

⁴¹ Consumers were asked about the most recent complaint.

5. Trends in consumer behaviour

Ofgem's RMR aims to promote consumer engagement in the energy market and make the market simpler, clearer and fairer. Ofgem intends to conduct a largely consistent survey of energy consumers annually to track perceptions and behaviours and to help understand the impact the RMR might be having. The 2015 survey provides an opportunity to monitor progress at an early stage and identify key areas for the surveys to focus on going forward.

Engagement in the energy market

There are encouraging signs of rising awareness of options within the energy market, with an increasing proportion of consumers aware that they can switch supplier or change tariff or payment method with their supplier to get a better deal. Nearly eight out of ten consumers (79%) are now aware of all of their options.

At this point, however, there is limited evidence that this increase in awareness has resulted in significant changes in consumer behaviour. Levels of switching supplier, changing tariff with their existing supplier, and comparing tariffs without switching/changing are all broadly in line with 2014, although overall the proportion of consumers that are active in the energy market has risen slightly from 35% to 37%. An area of significant change is the proportion of active consumers who have checked their tariff or energy use in the last year - 47% have done so, a considerable rise from 28% in the 2014 survey.

Results in 2015 have highlighted an important area for greater exploration – the role that comparison plays in consumers exercising choice and making beneficial changes to their energy supply. For the first time we have been able to identify that a significant minority of consumers do not necessarily compare when switching supplier or changing tariff. Understanding why this may be and what this means for the quality of their switch/change is a potential area for greater exploration in 2016.

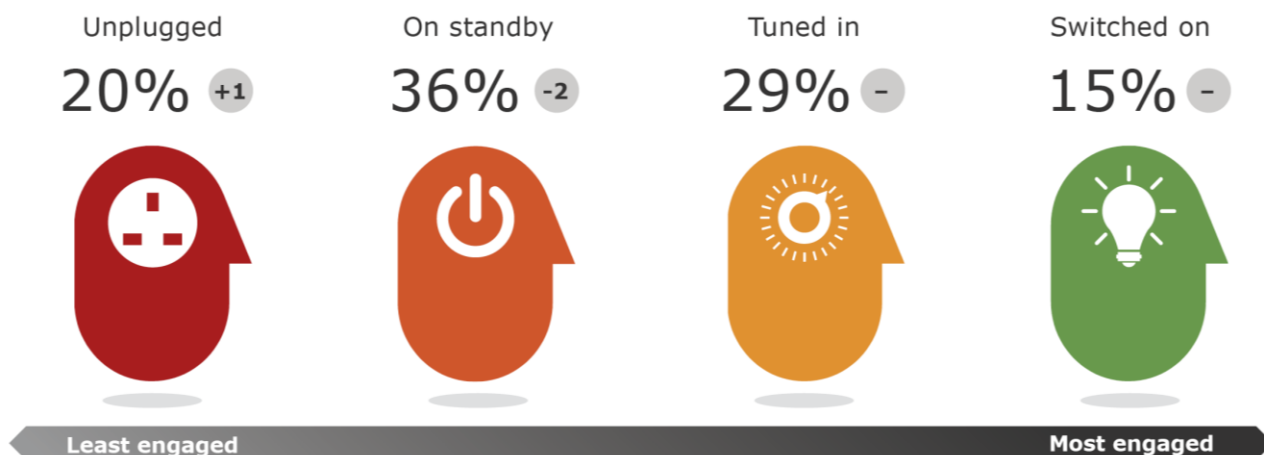
Saving money remains the most common motivator for switching supplier, changing tariff or comparing tariffs, and those who do switch or change tariff to save money are usually positive about their experience. The internet, and online price comparison services specifically, play an important role in enabling consumers to exercise choice, and monitoring the (likely) increasing role these play will be important.

As a comparative tool, we have used the same index of engagement to reconstruct the consumer segments across 2015 and 2014. As the RMR reforms take effect we might expect to see the size of the *tuned in* and *switched on* segments growing whilst the more disengaged segments shrink in size. At this early stage we found both the size and characteristics of the consumer segments to be quite similar to the baseline year. About one in five consumers (the *unplugged* – 20%) remain disengaged from the energy market compared to about one in six (the *switched on* – 15%).

Figure 5.1 Energy Consumer Segments

% based on all consumers

+00 Change from 2014



For those that are not engaging in the energy market, the barrier appears to be one of perceptions rather than negative direct experience. Nearly half of all consumers (48%) still think that switching is a hassle and over one third (38%) worry that something will go wrong if they switch. These fears increase as disengagement with the energy market increases. It is these consumers that still need to be convinced that it is worth their while to compare tariffs or suppliers and that the process of changing deals will be straightforward.

Simplifying the energy market

Increasing choice in the energy market is an important aim of the RMR, measured through consumer perceptions and well as actual changes to the market. The proportion of consumers who feel they have too little choice in the energy market remains low, as in 2014, and has fallen slightly, from 14% down to 11%. However, there remains a significant minority (30%) who feel the energy market provides too much choice, and an increasing proportion who say they don't know (up to 15% from 8% in 2014). This is almost entirely concentrated among the least engaged consumers. It is not possible to infer from the data whether this is a change in perceptions, with consumers becoming more aware of what they don't know, or consumers simply feeling more able to say that they do not feel confident about navigating the energy market.

A fall in the proportion of consumers finding it difficult to compare tariffs would indicate a positive impact of the RMR; even if the proportion who report finding it easy remains constant. Here there is encouraging evidence with the proportion of consumers considering it difficult to make comparisons falling slightly from 39% to 36% and, looking at those with experience of comparing, those who have switched, changed tariff or compared deals are more likely to say they think the process has got easier in the last year (up from 23% in 2014 to 27% in 2015).

But again the proportion of consumers feeling unable to give an opinion has risen with nearly one in four of the *unplugged* consumers reporting that they didn't know whether it is easy or difficult. This seeming greater detachment from the energy market is an important area to monitor and understand.

Making the energy market clearer

Consumer interactions with routine communications, such as bills and annual summaries, and with comparison tools, such as Personal Projections and Tariff Comparison Rates, will continue to be an important area of focus for the RMR surveys. Recall of routine communications appears fairly stable at this stage, but results continue to be positive around the proportion of consumers who glance at or read these communications and those who feel they are clearly presented. However, there is no evidence that these communications are prompting more than a minority to take actions, such as looking into switching tariffs with their current supplier. We see a similar pattern of consumer behaviour in relation to comparison tools, but as 2015 is the first year specific questions on some of these have been included.

We know that consumers with the highest levels of engagement, particularly if they have conducted comparison activity in the last year, generally report the highest levels of familiarity with their own and other tariffs from their own supplier. The RMR information remedies, introduced universally shortly after the 2014 survey, aim to improve consumer understanding of tariff charges and energy use, even among those who are not actively comparing. There is no sign yet of a change in levels of familiarity with either consumers' own tariff or others available from either their current or other suppliers. Similarly the gap in reported familiarity between engaged and less engaged groups remains the same as 2014.

Creating a fairer energy market

Levels of satisfaction with energy providers remain positive. How this breaks down between Big Six and smaller suppliers could be an area for future investigation (currently results show similar levels of satisfaction between the larger and smaller suppliers). Results indicate that there is a greater prevalence of complaining to Big Six suppliers, disproportionate to their share of energy consumers.

There is positive evidence that consumers increasingly trust their suppliers on some measures. We have observed an increase in the proportion of consumers who trust their supplier (or at least one of them if they have separate suppliers) to treat them fairly from 62% to 65%. The trend seems to be a growing number who 'tend to trust' rather than report that they 'completely trust' their supplier. Similarly, there has been a rise in the proportion of consumers who trust their supplier to charge them a fair price (from 51% to 55%). The overall levels of trust in energy suppliers in general compared to other services remains similar to 2014.



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