



**Consumer reactions to a proposed
switching service**

**Consumer First Panel Wave One Workshops
2016/17**

Research Report for Ofgem: Appendices

November 2017

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Appendix 1 - Participant profile

The demographic profile for the sessions is shown in the table below:

	Guildford	Llandudno	Newcastle	Stirling
<i>Gender</i>				
Male	10	9	10	8
Female	10	10	10	7
<i>Age</i>				
18-29	5	4	4	2
30-59	11	10	13	12
60+	4	5	3	1
<i>Ethnicity</i>				
White	19	19	13	13
BME/mixed	1	-	7	2
<i>Socio-economic group</i>				
AB	5	3	3	5
C1/C2	12	11	11	6
DE	3	5	6	4
<i>Working status</i>				
Employed	13	10	12	12
Student	1	1	3	-
Retired	4	5	2	1
Unemployed	2	3	3	2
Other	-	-	-	-
<i>Housing tenure</i>				
Live in my own home	11	9	9	10
Rent from the Council/Housing Association	5	3	6	3
Rent from a private landlord	4	6	5	1
Other	-	1	-	1
<i>Disability</i>				
Yes	2	6	2	1
No	18	13	18	14
<i>Energy source</i>				
Electricity and gas	18	17	19	12
Electricity only	2	2	1	3
<i>Payment type</i>				
Direct debit	17	13	12	9
Quarterly	2	3	3	3
Pre-payment	1	3	5	3
Other	-	-	-	-

<i>Fuel poverty</i>				
Yes	2	4	5	2
No	18	15	15	13
<i>Switched energy supplier</i>				
Yes, in the last year	5	6	2	4
Yes, but not in the last year	8	6	12	4
Never	6	7	6	7

Appendix 2 - Research instruments

Ofgem Consumer First Panel Workshop 1 - Final Agenda

Objectives

- To understand Panellists' overall views and reaction to the concept of a service, which allows suppliers (other than their own) to contact people on SVTs for 3 years or more, to provide tailored switching offers.
- To uncover what reassurances customers would need in order to engage with this service.
- To understand what customers would want to opt in to/out of i.e. flesh out the detail behind the concept of the service.

Timing	Content	Requirements
18.00-18.15	Arrival and registration <ul style="list-style-type: none"> • Refreshments available • Participants will be allocated to a table to ensure a mix by demographics, life-stage and switching behaviour in each of the two groups • Lead facilitator and table facilitators available to meet and greet. 	Tea & Coffee. Room set up: 2 x Round tables, 8-9 seats to a table. Front table with screen and data projector. Extra chairs for observers Filming and photography permission forms
18.15 – 18.25	Plenary session - Welcome and thanks for attending from lead facilitator (Community Research) <ul style="list-style-type: none"> • Welcome to the first Panel event of Wave 8 • History and overall aim of the Panel • General housekeeping <ul style="list-style-type: none"> ▪ Who is in the room ▪ Role of facilitators ▪ Role of observers ▪ Ground rules • Brief introduction to today's session: 	Slides

	<p><i>Today, we'll be discussing how customers who have not switched energy suppliers could get tailored information about better energy deals from other suppliers. We will give you more details about this idea later in the session and will be asking for you to give us your thoughts on this service.</i></p>	
<p>18.25-18.45</p>	<p>Group discussion – Discussion about engagement and switching in the energy market TABLE INTRODUCTIONS Quick introductions around the table - name, and share info about which energy suppliers they are currently with.</p> <p>FACILITATED DISCUSSION AT TABLES Market knowledge/energy suppliers</p> <ul style="list-style-type: none"> • Are there any issues relating to the energy market that you are aware of? <i>Probe: for them individually, for consumers generally, for Ofgem, for suppliers or for the market as a whole</i> • Have you heard about any potential changes to the energy market over the last 12 months or so? If so, what? • Do you think that some suppliers are better than others? • How do you think your current supplier compares to other suppliers? <p>Triggers and barriers to engaging and switching:</p> <ul style="list-style-type: none"> • Have you ever looked around for a better deal for your energy? <ul style="list-style-type: none"> ▪ If yes, what prompted you? ▪ If not, why not? • If not switched supplier have you ever changed your tariff (i.e. looked for a better deal) from your existing supplier? <ul style="list-style-type: none"> ▪ If yes, what prompted you? ▪ Was this an easier choice than switching supplier? <ul style="list-style-type: none"> ○ Why? • Those of you who have never switched energy suppliers, why is this? <ul style="list-style-type: none"> ▪ Did you ever consider switching and not go through with it? ▪ What do you think might make you switch? If you knew you could save money, would you think about it? • Those of who have never switched tariffs with their existing suppliers, why is this? <p>FACILITATOR TO NOTE ON FLIP CHART THE KEY BARRIERS AND TRIGGERS TO BOTH ENGAGING AND SWITCHING.</p>	<p>Flipcharts</p>

	<p>Understanding of language around tariffs/ exploring how Panellists currently refer to their own tariff/what do they understand about it:</p> <ul style="list-style-type: none"> • What does the term 'energy tariff' mean to you? • Do you know which energy tariff you are currently on? <ul style="list-style-type: none"> ▪ Is it a fixed price deal, for example? • What, if anything, do you understand by the terms 'Standard Variable Tariff' or 'Default Tariff'? Does anyone know/think that they're on one? <p><i>Facilitator to explain SVT if no-one knows and give out Handout 1.</i></p> <ul style="list-style-type: none"> • What other types of tariffs does your energy supplier offer? • How do you think these vary from a Standard Variable Tariff? • What do you like or dislike about the tariff you are on? <ul style="list-style-type: none"> ▪ What do you see as the pros and cons of Fixed vs. Standard Variable Tariffs? 	<p>Handout 1 - brief description of tariff types</p>
<p>18.45-19.05</p>	<p>Quiz session - Lead facilitator to run short quiz with the aim of imparting background information about the energy market/SVTs.</p> <p>Group is split into four teams. The statistics will be presented in a quiz format with a prize for the winning team, for example.</p>	<p>Question and Answer slides (see Lead Facilitator's slides)</p> <p>Answer papers</p> <p>Prize</p>
<p>19.05 – 19.10</p>	<ul style="list-style-type: none"> • Presentation: An animation to introduce the outline concept of a service, provided via Ofgem, to allow suppliers other than your own to contact people on SVT's for 3 years+ and provide tailored energy deal. <ul style="list-style-type: none"> • 'See outline / storyboard' • Brief Q&A but also deflect / explain that details are not clear / set – that is what we are going on to talk about • LEAD FACILITATOR TO EXPLAIN: <i>Even those who are currently on a fixed tariff and have switched in the past can end up on a SVT for 3 years, sometimes without realising, for example when a fixed tariff comes to an end. So even those Panellists who have switched in the past could find themselves eligible for this service.</i> 	<p>Simple animation to explain the service</p> <p>Handout 2 - summary of the service</p>
<p>19.10-19.15</p>	<p>Individual top of mind thoughts</p>	<p>Individual questionnaire</p>

19.15-19.25	<p>Group discussion – Gauging initial reactions to the service</p> <p>FACILITATED DISCUSSIONS AT TABLES</p> <p><i>Based on the outline service (facilitator to acknowledge that details have been kept to a high level)</i></p> <ul style="list-style-type: none"> • Is it clear what the service is trying to achieve? <p>IF NECESSARY FACILITATOR EXPLAINS: <i>The idea is that tailored offers are provided directly to the customer. This reduces the work involved for customers in finding a better deal.</i></p> <ul style="list-style-type: none"> • What do you like about the service? • What would the benefits be? • What don't you like? • What would be the downsides? • What do you want to know more about? <p>FACILITATOR TO NOTE KEY CONCERNS AND KEY QUESTIONS ON FLIPCHARTS</p>	Flipchart
19.25 – 19.35	<p>Tea / Coffee break</p>	Tea and Coffee
19.35-19.55	<p>Carousel exercise to share ideas about addressing the key concerns.</p> <p>LEAD FACILITATOR OUTLINES CAROUSEL EXERCISE AND MOVES GROUPS ROUND IN A TIMELY WAY</p> <ul style="list-style-type: none"> • Flipcharts with the following headings to be pinned on walls around the room: <ul style="list-style-type: none"> ▪ What do you need to know in the initial communication? ▪ What reassurances do you need to have that your details are being kept safe? ▪ What do you need to know about the deals you are being offered? • Participants to move around the room (opportunity to have a coffee) and add to/expand on any existing comments on each flip chart. 	Flipcharts
19.55 – 20.05	<p>Plenary session - feedback on carousel</p> <p>LEAD FACILITATOR TO REVIEW EACH FLIPCHART AND DRAW OUT:</p> <ul style="list-style-type: none"> • Key messages on each topic, focusing on: <ul style="list-style-type: none"> ▪ What would reassure them that this concern is being addressed? ▪ What does Ofgem/energy suppliers need to do? ▪ What is the key message to communicate to consumers? • Clarifying any ambiguous points • Exploring any interesting ideas 	

20.05-20.50	<p>Group discussion – Thinking about the service in more detail</p> <p>AT THEIR TABLES, THE GROUPS ARE ASKED TO THINK ABOUT HOW THE SERVICE MIGHT WORK</p> <ul style="list-style-type: none"> • What should the first communication tell customers about the service? <ul style="list-style-type: none"> ▪ How should the initial letter explain things? ▪ Should the letter come directly from the supplier or jointly from the supplier and Ofgem or a consumer group such as Citizen’s Advice? <ul style="list-style-type: none"> a. If jointly how should these other parties been introduced? • How should the opting out process work? <ul style="list-style-type: none"> ▪ How should it happen? ▪ Should it just be a choice of opt out OR do nothing (in which case customer details are shared with Ofgem); or should there be other choices? ▪ In what ways should customers be able to opt out? ▪ Should they be able to choose to hear only from certain suppliers or about certain deals? • When customers receive their tailored / personalised offers how might it work so they receive the right amount of information, in a form that suits them? <ul style="list-style-type: none"> ▪ What does tailored / personalised really mean? ▪ Should only postal contact be allowed (as suggested in the animation)? ▪ What rules should there be about sending offers to energy customers? ▪ Should there be rules about who can send tailored offers to customers? ▪ Who should be allowed to contact customers? <ul style="list-style-type: none"> a. All other suppliers? b. Ofgem? c. Others – like Citizens’ Advice or Price Comparison Websites ▪ If not all suppliers should there be some rules e.g. they can only send good deals (e.g. x% savings) or only suppliers who perform well on customer service can send? ▪ Should there be a maximum number of letters/contacts? Over what time period? ▪ If customers aren’t happy with the level of material / contents or offers how could they complain? • Who would you say that the service is for? Why do you say that? • Would you personally use the service? Why? Why not? 	
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20.50-21.00	<p>Plenary feedback session</p> <ul style="list-style-type: none"> • Brief feedback is taken from each group: <ul style="list-style-type: none"> • Up to 3 key points they feel are important / useful from the discussion they have just had. 	
21.00-21.05	<p>Plenary – thank and close</p> <ul style="list-style-type: none"> • Thank you for your time and contribution • Explain what will happen with feedback • Explain online discussion board • Look forward to the next workshop 	Slides
21.05-21.15	<p>Table admin and departure</p> <ul style="list-style-type: none"> • Complete Part 2 of Individual Questionnaire • Distribute and sign for incentives • Encourage participation in next session 	Individual questionnaire & evaluation Incentives signature form

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Handout 1 - Main types of tariff

Standard Variable Tariff

This is your supplier's 'default' tariff sometimes called an 'evergreen' tariff. It will have variable prices that can go up and down with the market. It is flexible (i.e. you can change suppliers when you like) but it is not usually the cheapest.

Fixed Rate Tariff

This is a tariff which offers guaranteed standing charges and unit rates, usually until a fixed point in time (an end date.) You do not benefit from any price cuts whilst you are on a fixed tariff, but equally price increases won't affect you either. If you increase the amount of energy you use, the amount you pay will go up; but fixed tariffs guarantee the cost of the standing charge and the pence per unit cost of gas or electricity stays the same. Some of these tariffs have an exit fee if you decide to move supplier.

Pre-Payment Tariff

These tariffs are for people with pre-payment meters and this means customers pay in advance for gas and electricity by 'topping-up' their meter using prepay tokens, cards or a key.

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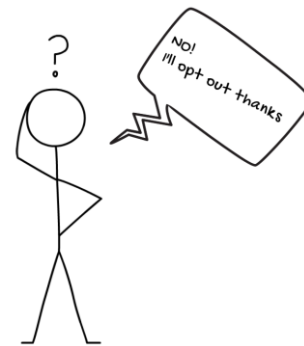
Handout 2 – The proposed new service

The new idea we are discussing is a service to give customers personalised information on energy deals that could save them money.



This is what it would mean

1. If you are on a standard variable tariff and you haven't switched supplier for three years or more, your energy supplier will write to you.
2. They will explain the details of the service and ask if you are happy for your details (about you, your current tariff, energy consumption etc.) to be shared with Ofgem. If you're not, you can opt out of the service.
3. Ofgem will then allow other suppliers to contact you by post.
4. These suppliers will give you information on their best energy deals and offers tailored for you.
5. They will not be allowed to email or call you and they won't be allowed to send general marketing letters.
6. You will then be able to decide what to do - whether to stay with the same supplier or switch supplier and possibly save money on your energy costs.
7. The exact details of how it will work haven't been decided yet and we'd like to hear your views about it today.



Appendix 3 - Evaluation feedback

An evaluation questionnaire was distributed to all Panellists at the end of each session. There was a high level of satisfaction, with no Panellists indicating that they disagreed with the statements.

The results in summary are as follows:

Workshop	Guildford	Llandudno	Newcastle	Stirling	Total (%)
<i>I enjoyed taking part in the event</i>					
Strongly agree	13	15	10	12	68%
Agree	7	3	9	2	28%
Neither agree nor disagree	-	-	-	-	-
No answer	-	1	1	1	4%
<i>Everyone was given a fair chance to have their say</i>					
Strongly agree	13	15	12	11	69%
Agree	6	3	5	3	23%
Neither agree nor disagree	1	-	2	-	4%
No answer	-	1	1	1	4%
<i>I am looking forward to the next session</i>					
Strongly agree	14	13	11	11	66%
Agree	5	4	8	3	27%
Neither agree nor disagree	1	1	-	-	3%
No answer	-	1	1	1	4%