



Consumer reactions to a proposed switching information service



Consumer First Panel: Wave One Workshops 2016/17 Research Report for Ofgem

November 2017

Contents

1. Executive summary.....	3
1.1 Introduction	3
1.2 Background and objectives.....	3
1.3 Approach	3
1.4 Key findings	4
2. Introduction, background, objectives and methodology.....	6
2.1 Introduction	6
2.2 Background.....	6
2.3 Research objectives	6
2.4 Methodology	7
3. Consumer context	10
3.1 Spontaneous identification of issues	10
3.2 Views on switching energy suppliers and tariffs	10
4. Overall response to the new service.....	15
4.1 Initial impressions of the new service	15
4.2 Perceived benefits of the service	17
4.3 Reservations about the new service.....	19
5. Guiding principles for the service	25
5.1 Initial communications about the new service	25
5.2 The opt-out mechanism	28
5.3 Encouraging consumer engagement with the new service.....	29
6. Conclusions.....	35

1. Executive summary

1.1 Introduction

The Ofgem Consumer First Panel brings together a group of around 80 consumers three times a year to discuss their views of key energy issues and their impact on consumers across Great Britain. The Panellists are selected to be broadly representative of energy customers in Great Britain. Since 2007, feedback from the Consumer First Panel has helped ensure the consumer voice is heard in Ofgem's policy making process.

This report summarises the findings from the first wave of the 2016/17 Consumer First Panel.

1.2 Background and objectives

The first Ofgem Consumer First Panel session for 2016-17 focused on **the Competition and Markets Authority's recommended Database Remedy**; the proposal that Ofgem create a database of energy customers who have stayed on their supplier's default tariff for over three years. These customers would be contacted and provided with information on alternative cheaper tariffs from other suppliers.

The aim of the remedy is to reduce the number of customers on expensive Standard Variable Tariffs¹ (SVTs), by making it easier for the customer to engage with the market. The proposed database would be managed by Ofgem; energy suppliers would be required to provide the address and energy usage details of these customers to the database. Other energy companies would then be allowed to approach these customers with alternative energy deals. Eligible customers would be provided with an opportunity to opt-out of inclusion of their details on this database.

The purpose of the session was to understand Panellists' overall views and reaction to the service concept; to uncover what reassurances customers would need in order to engage with this service and to start to flesh out the detail behind the concept.

1.3 Approach

A series of deliberative workshop sessions was undertaken with Panellists. The research aims were best served by intensive discussion, with the input of facts, over a period of several hours. Deliberative sessions involve a cross-section of participants working together, ensuring that a range of perspectives are heard. Information is provided throughout the session so Panellists attain a deeper understanding of the topic.

¹ Standard Variable Tariffs (SVTs) are the supplier's 'default' tariff sometimes called an 'evergreen' tariff. They have variable prices that can go up and down with the market so are flexible but not usually the cheapest tariff.

In total, 74 Panellists participated across the four sessions held. Workshops were conducted in Llandudno, Stirling, Guildford and Newcastle, between the 23rd August and the 1st September 2016. During the sessions the remedy was termed a “service”, rather than a “database”.

1.4 Key findings

Panellists were selected to represent a mix of behaviours and attitudes in terms of switching their energy supplier. There was a **general consensus that there are a number of barriers that make it challenging for customers to engage with the market overall**. These include practical barriers such as the perceived complexity of tariffs, lack of visibility of costs (for example, because they pay for their energy by direct debit) and being in debt or credit with their current supplier. There were also perceived downsides to switching, predominantly the risk of paying more after spending time and effort navigating a complex switching process.

There was a widespread distrust of energy suppliers that was evident from the start of discussions. This was a function of both personal, negative experiences of customer service and also awareness of media stories relating to suppliers performing badly or being fined for poor performance (e.g. for overcharging customers). This resulted in a prevalent viewpoint that all energy suppliers are 'the same'; a belief which further inhibited switching.

In general, Panellists liked the idea of a service which encouraged them to switch by offering them alternative energy deals. Almost all Panellists, with certain conditions or caveats, approve of a service which would provide willing consumers with postal offers from other energy suppliers.

Panellists agreed that encouraging switching is beneficial to the market and the consumer. They told us that they do see inertia in the market as an issue and encouraging more switching was seen as having potential benefits for the individual consumer (in that they may receive a cheaper/better deal) and for the market as a whole (because greater mobility may drive greater competition between suppliers and better customer service).

Panellists felt that the service had **particular benefits for older or vulnerable customers** who may be somewhat excluded from current switching mechanisms due to lower online capabilities and/or confidence. However, Panellists felt these benefits for vulnerable customers would only be realised if the service was clearly communicated as there was also the prevalent concern that its introduction could be confusing for this audience in particular.

Acceptance of the service came with conditions. Approval of the service among the Panellists was dependent on the following factors:

1. **Customers' personal data must be protected.** They told us that their data must be kept secure and used for this alone.
2. **It must be easy to opt-out of the service.** Opting out must be easy with multiple ways to do so. There was also a call for their decision easily to be reversible - if their circumstances or preferences change, they wanted to be able to opt-in.
3. **The details of the service must be clearly communicated.** Panellists told us that the initial communications about the setup of the service must be highly visible; be clear about what the service is; be clear that those not wanting to be part of it need to opt out with easy routes for doing so and be rigorously tested with consumers prior to launch. There were calls for a high profile communications campaign to pave the way for its introduction.
4. **Customers should be sent the best possible offers.** Panellists wanted the offers they received to represent the best value in the market for them, and not simply to be lower than they pay at the moment.
5. **Offers should be targeted, consistent and user friendly.** Panellists were concerned about the volume of communications they might receive and wanted the offers they received from energy suppliers to be provided in a finite time-frame, limited in number and easily comparable.
6. **The service must be regulated by an impartial body.** The service must be overseen closely by an objective adjudicator (Ofgem was seen as appropriate by many²) who is able to enforce good practice.

As well as these key elements, some other suggestions to make the service more beneficial to consumers were offered:

- Make the service flexible to allow consumers to select the criteria for the types of offers they would want to see.
- Offers could be consolidated into a single communication with a range of offers collated by a central body (possibly Ofgem). This would make direct comparison between offers easier and to ensure information is presented consistently.

² It should be noted that Panellists, through their experience of being on the Consumer First Panel, are more informed than typical energy consumers and may, as a consequence, have a different view of Ofgem.

2. Introduction, background, objectives and methodology

2.1 Introduction

In July 2016, **Ofgem commissioned Community Research to conduct research with a refreshed Consumer First Panel.** The Ofgem Consumer First Panel consists of around 80 consumers who meet three times over a year to discuss their views of key energy issues and their impact on consumers across Great Britain. Since 2007, feedback from the Consumer First Panel has helped ensure the consumer voice is heard in Ofgem's policy making process.

This report summarises the findings from the first wave of the 2016-17 panel which took place between the 23rd of August and 1st of September 2016 across four locations: Llandudno, Guildford, Stirling, and Newcastle.

2.2 Background

The first panel session for 2016-17 focused on the **Competition and Markets Authority's recommended Database Remedy.**

In June 2014 Ofgem referred the energy market for investigation by the Competition and Markets Authority. In June 2016, the Competition and Markets Authority published a report on the findings of its investigation, which included the finding that customer engagement was weak and that this was having an adverse effect on competition in the energy market. They proposed the creation of a database of energy customers who have stayed on expensive default tariffs, Standard Variable Tariffs (SVTs), for more than three years. These customers could be targeted in order to improve their engagement in the energy market and help them identify potential savings.

The proposed database would be managed by Ofgem and energy suppliers would be required to provide the address and energy usage information of these customers to be added to the database. Other energy companies would then be offered the chance to approach these customers with offers of energy deals. Eligible customers would be provided with an opportunity to opt-out of their details being included on this database.

2.3 Research objectives

The purpose of the sessions was to:

1. Understand Panellists' overall views and reaction to the concept of such a service.
2. Uncover the likely barriers to customers engaging effectively with the service, and how the service could be designed to overcome these barriers.

2.4 Methodology

2.4.1 Overview

The Ofgem Consumer First Panel is the flagship project of Ofgem's Consumer First initiative. It brings together a group of GB energy consumers to discuss their views of key energy issues and their impact on consumers across Great Britain. The Panellists are selected to be broadly representative of GB energy customers.

The following three-hour sessions were conducted:

- Llandudno on the 23rd August 2016 with 19 participants.
- Guildford on the 25th August 2016 with 20 participants.
- Stirling on the 31st August 2016 with 15 participants.
- Newcastle on the 1st September 2016 with 20 participants.

2.4.2 Rationale and limitations

A series of deliberative workshop sessions were undertaken as the research aims were best served by intensive discussion, with the input of facts and information, over a period of three hours. Deliberative sessions involve a broad cross-section of participants working together, but ensure that a range of different perspectives are heard. Information is provided throughout the session to enable Panellists to attain a deeper understanding of the issue.

The deliberative process enables participants to move beyond their own personal perspective and consider the issues they are presented with, in a much wider and more holistic context. In this way participants may move gradually from an initial position as an individual consumer, to a new perspective as citizen. Rather than considering only their own immediate priorities, they are able to take on board additional information, hear the views of others from different backgrounds and experiences, and thereby come to a fully considered conclusion based on the facts and views they have heard than might otherwise have been the case. The information provided is carefully worded and quality checked to ensure that it is balanced to ensure that Panellists are not unduly influenced by particular arguments or led to a particular conclusion.

It is important to note that the Ofgem Consumer First Panel research is not intended to be statistically reliable and, as such, does not permit conclusions to be drawn about the extent to which something is happening in the wider population.

It should also be noted that Panellists' views were potentially affected by two critical features of the dialogue which are unlikely to exist in the real world:

- Panellists were encouraged to provide recommendations to shape the final database service. They were also asked to provide comment on the service. Each

Panellist may have been commenting on their version of the service which suited their desires, rather than the same variation of the service.

- The environment was “sterile” in that no other information or opinion was allowed into the conversation which may have swayed the views of Panellists’ perspectives.

Throughout the report, quotes have been included to illustrate particular viewpoints. It is important to remember that the views expressed do not always represent the views of all Panellists. In general, however, quotes have been included to illustrate where there was a particular strength of feeling about a topic.

2.4.3 Recruitment

In total, 74 participants attended the first wave of the Panel workshops.

Participants were recruited to be broadly representative of the specific home nation population as a whole, with reference to the following:

- Individual characteristics (for example, gender; age; ethnicity; working status; presence of a disability).
- Household characteristics (social grade, geographic location, housing tenure).
- Energy characteristics (presence of fuel poverty; energy source; energy supplier; payment type; switching behaviour).

Panellists were told in advance that the session would be discussing energy, although they were not given any specific detail about what the workshop would cover. Panellists were screened to make sure they were not working in an energy-related field. Panellists were paid an incentive of £60 in order to thank them for their time and to cover any incidental expenses.

Participant profiles for each session can be found in the appendices (produced in a separate report to the main findings).

The sessions were audio-recorded (where possible) and fully transcribed with the permission of the Panellists. The Stirling workshop was also filmed and a short summary video has been produced, combining footage of the Scottish event and vox pops of Panellists from all of the sessions.

2.4.4 Content

Facilitation at the workshops was conducted by Community Research. Some discussions involved all Panellists, and others were conducted in smaller groups. Panellists were provided with information relating to the energy market, current levels of switching and the proposed service, using the following stimuli:

- A “pub quiz” presentation of facts and figures relating to the dominance of the six largest energy suppliers (British Gas, EDF, E.ON, Npower, Scottish Power and SSE), the fact that consumer switching in the market remains low and the potential savings that might be achieved if more customers switched.

- An animation which outlined the concept of the service.
- Supporting handouts with key information.

Panellists completed a short questionnaire immediately after being provided with information on the new service to understand their perspectives on it. This ensured that their immediate, personal views were captured before any further group discussion. Panellists were then taken through a gradual process of deliberation, designed to build their understanding of the issues involved. They answered a second individual questionnaire at the end of the session to monitor if, and how, views changed over the course of the session.

The final agenda for the workshop sessions and hand-outs are provided in the appendices.

All Panellists were asked to complete an evaluation questionnaire at the end of the session; the results of which are outlined in the appendices.

3. Consumer context

3.1 Spontaneous identification of issues

The initial conversation at the events covered a spontaneous discussion of key developments or activity of note in the energy market that Panellists had spotted in the recent past. This was included for a number of reasons:

- To give scope for Panellists to raise spontaneous issues given that this was the first time that they had met as a group.
- To help set the scene and put the rest of the discussions in context. For example, issues with trust and switching raised initially were used to help frame the discussions and were useful in explaining their response to the new service concept.

Many Panellists were not aware of anything happening in the energy market, and very few Panellists could contribute many notable stories which had stood out to them. Often they initially went to their own recent experiences as an energy consumer. Some related negative experiences of suppliers in terms of customer service. These included things like being overcharged, having hidden or unexpected fees or having problems rectifying a bill and the supplier being inaccessible or communicating poorly.

There were also some perceived negatives about market performance in general. Some Panellists said that suppliers were not well trusted by consumers and there were some stories they had heard about suppliers performing badly or being fined for poor performance (e.g. for overcharging consumers).

Smart metering was mentioned by a small number of Panellists at each of the sessions. Some Panellists said that they had recently had smart meters installed and there was some more general awareness of these being made available to consumers and being promoted by energy suppliers. There was also some limited awareness relating to new requirements for suppliers to offer consumers better rates if they were available.

There was some spontaneous conversation around switching. Some Panellists felt that switching did not happen frequently, based on their own experience and that of people they knew. However others, some of whom had switched, felt that this was potentially becoming more common, and certainly becoming easier, particularly with the use of web comparison sites and apps.

3.2 Views on switching energy suppliers and tariffs

The Panel includes people with a range of different experiences of switching (as set out in the recruitment specification). This being the case there was a wide range of different levels of knowledge relating to switching, and many different perspectives on switching represented among the group.

There was a distinct difference in the views of Panellists who had recently switched energy supplier, those that had switched less recently and those who had had never switched at all.

- Those who had never or had not recently switched tended to see it as more difficult and risky. In some instances these views were coloured by negative experiences of switching many years previously (sometimes prompted by doorstep sales-people). These negative experiences included poor experience of the sales process, with some having been subject to what they saw as high pressure sales. Others had found the actual process of moving from one supplier to another to be difficult, time consuming and frustrating, for instance having received duplicate bills from both suppliers and finding this time consuming to resolve. Finally some had found the promise of saving money through switching to not be realised. They reported that savings were limited. In at least one case, a Panellist said that their prices had risen soon after switching and they ended paying more overall.
- Whilst many had not switched, at least for a while, negative experiences had filtered through to them, via friends and family or via the media. This strengthened their view that switching was “more hassle than it's worth”. They tended to see switching as unpredictable and the benefit, as well as being irritating or, at worst, very frustrating and stressful. This contrasts strongly with their views of switching in other markets (e.g. car insurance or mobile phone) which were not perceived as negatively.
- By contrast, recent switchers tended to have a more positive view of the process. They were generally very upbeat about their experiences. They said that, on the whole, it had been relatively pain free and, critically, they saw that they were experiencing notably lower bills.

Sharing these more positive experiences of switching did make those with negative views reflect and consider that it might not be as bad as they thought. Some less engaged Panellists considered that the switching process must have “improved” over the past few years.

3.2.1 Triggers and barriers to switching

After the general conversation on switching, Panellists then went on to explore the reasons and causes of switching or not switching.

Triggers to switching

The triggers to switching took two forms - “push factors” which had encouraged or forced customers to move away from their current suppliers, and “pull factors” which attract them towards a new supplier.

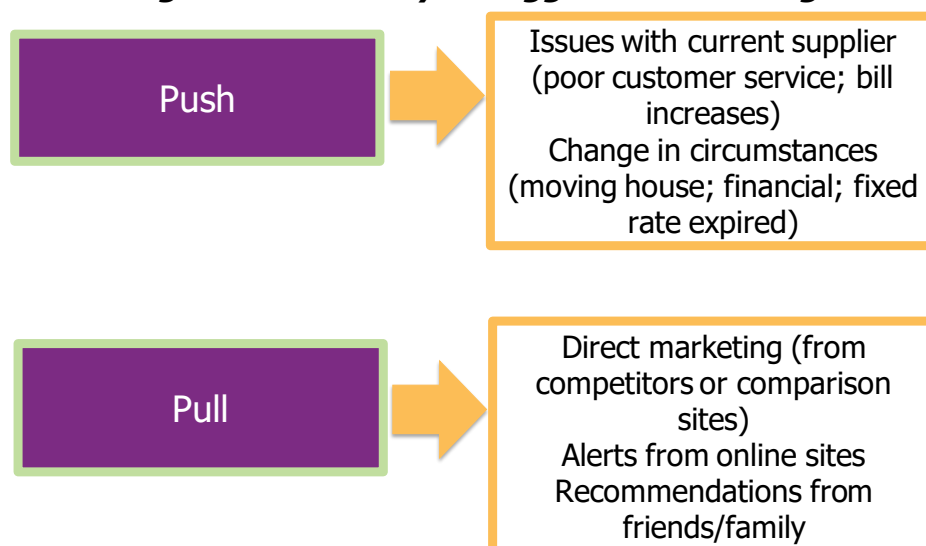
- The **push** factors tended to be either things which had forced them back in to the market or negative experiences which had encouraged them to search for a better deal. These were events such as moving house or coming to the end of a fixed rate (which was only a trigger for regular switchers). The negative experiences that

encouraged them to switch were either monetary – having received an unexpectedly large bill (large enough to bring home the idea they may be overpaying) or a change in financial circumstances.

- The **pull** factors were more random than push factors. They included messages which reinforced the available savings and actively encouraged them to investigate taking advantage of these savings. There are many of these kinds of messages which they might be exposed to daily (through mass marketing etc.). However the messages which make a connection and prompted action tended to either be from a trusted source (e.g. the recommendation of a friend or relative who had recently switched and saved, or from an expert such as Martin Lewis) or to have been very direct (e.g. a door-step visit with personal savings easily demonstrated and the switch completed for them). A smaller number indicated that they have proactively sought savings on price comparison sites.

The triggers to switching are summarised below in Figure 1.

Figure 1: Summary of triggers to switching



Barriers to switching

Barriers to switching took two forms - the first was inertia due to the lack of any specific reason or trigger to move, and the second were the perceived downsides or risks associated with switching.

Most who had not switched claimed it is simply easier to stay with their existing supplier than moving. Many felt that the costs of their bills were not high enough to be a prompt to switch. For some, switching had just not crossed their mind.

A smaller number of Panellists professed to feel genuinely comfortable with, or loyal to, their current supplier. This was generally because they had received good service in the past e.g. fixing issues with supply quickly (despite this not being the responsibility

of the supplier), or fixing their boiler or other equipment efficiently (even though this would have been delivered as part of an added value package), or sorting out a billing problem.

For many this inertia was the main reason why they do not think of switching. Few had any real reason to switch. However, when asked to consider this possibility, they described more barriers around the "unknowns" of the switch and what happens to them once they had switched.

The process itself is seen as potentially complicated and time consuming. At its best it will require them to find a supplier they want to switch to, fill in forms, take and give meter readings and other admin which take up time. People that felt that they are 'time poor' said there was limited incentive to do this. Some Panellists described this as the sort of task which people know they "should" do but which is "always at the bottom of the to-do list". In some cases, perceptions of the switching process were the main barrier, with people seeing the potential for errors and extended periods of having to "sort out" issues which arise. This perception raises more of an active barrier to switching beyond just "getting round to it".

Panellists often saw a potentially uncertain future as an energy consumer. They felt it was unlikely they would be much better off as a result of switching, and that they could be worse off than they are now because of future energy prices and/or being unknowingly put on a worse deal. The financial benefits of engaging in the market were perceived to be potentially small and hard to calculate. Since some see energy pricing as hard to understand, comparison between tariffs is also perceived to be difficult. This means Panellists who had not switched or not switched for a long time thought the potential savings on offer might be guesswork. Also many felt that the savings were simply not that substantial (for some Panellists, even the potential saving of around £300 was not seen as that significant).

"I've switched but I've not switched based on any great knowledge that the new supplier was going to be a lot cheaper or better. I think it's all very complicated in the way they try to sell you it, per kilowatt hour, day rate, night rate, a general unit rate, whatever."

"I think it's really confusing, I think all the tariffs are really opaque. I changed to [energy supplier] but it was literally a finger in the air job."

There was also some fear that even if on the surface a tariff might appear appealing, it could hide additional fees or tariff increases might leave them no better (or worse) off in the future.

"I phoned [name of supplier] up and they said 'yeah, fine, it will be this much cheaper' and it was for two months and then all of a sudden they

had to increase my monthly payments and it went from £50 more than I'd been paying and I was tied in for a certain amount of time."

A few Panellists were also impeded by the belief that they could not switch e.g. because they are in debt or on a prepayment meter, because they are locked into a boiler servicing contract, because they might lose credit they have accumulated.

The barriers to switching are summarised in Figure 2.

Figure 2: Summary of barriers to switching



4. Overall response to the new service

Section summary:

The overall initial feeling about the service may be summarised as **positive with reservations**.

Panellists identified potential benefits for individual customers, particularly those who are older or vulnerable and who may be excluded from the market due to lower online capabilities and/or confidence. Some Panellists also felt that the introduction of the remedy may have a positive impact on the market as a whole, potentially making it more competitive.

However, immediate concerns and questions were raised about the service, particularly surrounding energy companies having access to customers' personal data, the operation of the opt-out process and the possibility of customers being inundated with offers that may be hard to compare.

4.1 Initial impressions of the new service

Panellists were informed about the new service through an animation and provided with a handout as a reminder of the key points:

INFORMATION PROVIDED IN HANDOUT

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.

A service to give customers tailored information on energy tariffs or offers that could save them money.

£££

No! I'll opt-out thanks

To: Mr Stick
From Company X

To: Mr Stick
From Company Y
You could save £xxx with us

~~✗~~ ~~✗~~ ~~✗~~

Once Panellists had been shown this information and discussed the energy, current levels of switching and the new service, they were asked to complete a short questionnaire to capture their individual thoughts on the service, an initial conversation followed to draw out their overall thoughts, the benefits they saw and any reservations they had about it.

The overall initial feeling about the service can be summarised as **positive with reservations**. Panellists saw the potential benefit to customers, who tend not to switch, being exposed to better offers which might encourage them to take action. This was felt to have particular benefits for older or vulnerable customers who may be somewhat excluded from the market due to their capabilities and/or confidence of going online. However, Panellists felt these benefits for vulnerable customers would only be realised if the purpose of the service was clearly communicated as there was also the prevalent concern that its introduction could be particularly confusing for this audience.

Some Panellists also felt that the introduction of the proposed service may have a positive impact on the market as a whole, potentially making it more competitive. They liked the idea of energy companies being encouraged to "fight for customers" through suppliers offering better rates to attract new customers and also offering more competitive rates and/or a better service to their current customers in an effort to deter them from switching.

However, immediate concerns and questions were raised, particularly surrounding energy companies having access to personal data, the operation of the opt-out process and the possibility of customers being inundated with offers that may be hard to compare.

A minority of Panellists were negative about the concept itself. Some rejected the new service as they felt that there are better ways of ensuring that consumers get a good deal. For instance, some suggested that a letter and communications campaign, stating the potential cost savings, could be more effective, as it is simpler and there are fewer barriers to participation (such as the reluctance to share data).

"I like the idea but I think an initial letter explaining my circumstances would be enough to prompt me into taking action myself." (Individual questionnaire feedback)

Others felt that encouraging switching was simply not necessary or not Ofgem's role and that it should be left up to the consumer alone to find better deals (if they wanted to).

"This is the long way round, you would just go online yourself and find the cheapest deal. Why would you want to let Ofgem have your details

and then the other suppliers are going to contact you. You can go online and see yourself, then you just do it yourself."

*"I am wondering whether it is better to let our suppliers inform us of best tariff and use our own initiative to switch. Seems a lot of information for Ofgem to access, work out and circulate. Should they do that for us?"
(Individual questionnaire feedback)*

There was also concern that those who are most in need of the service will be the ones least likely to use it. Panellists were concerned that older or more vulnerable consumers in particular, would be more reticent about sharing their data and, therefore, more likely to opt-out. Even if they did not opt-out, there was concern that they might find a proliferation of energy offers coming through their door confusing and so simply ignore them.

"... thinking about the older members of family, [they] are very much set in their ways of 'I don't like people knowing my business' and don't like sharing that...But then they're not the ones that are going to go and sit on the internet and search, so they are the ones who are going to need this type of service."

Others expressed concern that Ofgem may be diverted from their primary role of regulating the market.

"I think that consumers should find deals themselves. [There's] enough information out there to do so. Ofgem should spend time and money regulating the energy sector." (Individual questionnaire feedback)

4.2 Perceived benefits of the service

Positives highlighted by Panellists can be divided into those that could benefit individual consumers and those that could benefit the overall energy market.

4.2.1 Benefits for individual consumers

The following perceived benefits for individuals were highlighted:

- The offers could prompt people to take action and switch by bringing potential savings to their attention, with less need of proactive effort on the customer's part.
 - Some Panellists expressed the view that even if a customer chose to opt-out of the service itself, the very fact that they had received a letter about the service might prompt them to make their own comparisons and consider switching.

"Because someone else is taking all the responsibility away, and I'm lazy as well. So I don't want to go through all these different companies

checking kilowatts and all that. I just want someone to say look, you'll save £30 by doing this."

"Saving money and encouraging a more open and honest energy market, whilst also educating people about the market and how to make use of it." (Individual questionnaire feedback)

- Since the offers would be tailored and personalised, customers would know specifically what they could save if they switched.

"I suppose if it's personalised to you as well, it takes away the having to do research and looking through things, that actually it's just clear for me to say right, if I go with this, this is exactly what I'll get."

- Being paper and mail based is inclusive for those without internet access and / or the skills and confidence to use the internet to make their own comparisons.

"It's going to go to people as well who don't use the internet, right, so that's a good thing. Because they'll be lots of people who aren't internet savvy and don't use the switching tools you're talking about but do read their mail."

- The emphasis on no unwanted calls from energy suppliers was highlighted by a number of Panellists as beneficial.

"Good idea for people who find it difficult to research into the latest deals from energy suppliers. Overall, the idea of companies sending information on the best prices without dealing with sales representatives appeals to me." (Individual questionnaire feedback)

4.2.2 Benefits for the overall market

Some Panellists felt that the introduction of the new service could result in a more competitive energy market overall, by encouraging suppliers to be more ambitious in their offers to try to ensure that they retain current customers.

"One of the main benefits has to be that it will encourage energy providers to give people their best prices. If they know that you're going to be sent 10 or 15 deals in a year or two, it should feed-back that these companies need to be more competitive in the first place."

4.3 Reservations about the new service

Generally Panellists felt they needed more information about how the service would actually work in practice before being able to say firmly how they feel about it. Nevertheless, a number of reservations were expressed, as follows:

- **Impact on the market**
 - What repercussions will it have for the market as a whole?
 - Will this lead to more confusion?
 - Why is it only offered to customers who have been on a SVT for three years or more?
- **How will it work in practise?**
 - Is this a one-off mailing?
 - How secure will my personal data be?
 - How will the opt-out process work? How easy will it be?
 - Why is it opt-out rather than opt-in?
 - Will I be bombarded with information from suppliers?
 - Which suppliers will I be contacted by?
 - Who decides which suppliers?
 - Will the offers genuinely represent the best deals?
 - Will the offers from different suppliers be comparable?
- **How will it be monitored?**
 - Who is paying for this?
 - What is Ofgem's role?
 - Who will be monitoring this? What will happen if suppliers do over-step the mark?

4.3.1 Concerns over the market impact

A small number of Panellists questioned the overall impact of the introduction of the new service on the market as a whole. They assumed that if more customers are offered a better deal, then the minority of customers who are currently on the best deals will find that their energy bills go up, since energy suppliers will not be in a position to offer these preferential rates to a larger number of customers.

"Some other energy company's going to have to take in all that information, then they're going to have to process it, then they're going to say 'oh my God, we can't offer this deal anymore', they'll hike it back up."

4.3.2 Concerns over the mechanics of the service

Figure 3: Summary of concerns over the mechanics of the service



Timing and quantity of letters

A key concern was being 'bombarded' with letters from different suppliers. Being flooded with offers was a common concern but those Panellists who currently have their gas and electricity provided by different companies were particularly concerned, as they queried if they would receive double the number of letters as those on dual energy tariffs.

"This will open up the floodgates to other suppliers to constantly bombard you with quotes and letters."

"What you wouldn't want is to get a letter and then to make the switch and then a few weeks later get a different letter and that's even cheaper and then you make another switch. Would you get a letter with everybody's rates, or would you be bombarded with lots of letters..."

Some Panellists immediately suggested that a consolidated set of offers from a price comparison site might be a more practical option.

"Have you considered sending them to look at a comparison site? Or sending them the best deals from a comparison site?"

Quality of offers

Panellists wanted reassurance that the offers they would receive would represent a genuinely “good deal” for them and the service would not be used by companies to sell worse products to consumers. They wanted the offers they received to represent the best value in the market for them, and not simply to be lower than they pay at the moment.

They also queried that, if they were not going to receive offers from all energy suppliers, who would decide exactly what offers they received?

“I only want to be sent 10. So how do they decide which 10 to send you if there’s 40 companies bidding for your business...?”

There was a widespread concern that companies would use the customer information to merely undercut their existing deal but not provide the best offer they had. There was also a concern that deals would look good “on paper” but would actually offer a poor deal for the consumer in the long run (e.g. that they would offer a “teaser rate” that would spike at some point after they switched).

“What is to stop them tailoring the offer to me rather than giving me the best offer?”

“It didn’t make it clear that those companies would be offering us the best deals on the market or just what they chose to send because it’s slightly better than what I’m paying.”

They also wanted reassurance that there would be redress if they found out they were not, in fact, on the best deal at some point after switching via the service (e.g. receiving a reimbursement if they later discovered a better deal is available).

“If you get a letter saying which is your cheapest and then you actually go to that company and it’s nothing to what’s in black and white, what happens then?”

Data security

Significant concerns were expressed about the security of customers’ personal information. In particular, Panellists wanted to know:

- What specific information would be collected.
- Where it would go.
- How it would be safeguarded.
- How long it would be kept.
- Who would have access to it and how they would be able to use it.

"My initial reaction is suspicion...Even if I thought it was a good thing I'd always have that reserve, 'hang on a minute, where's this information going?"

"Yes, what information are they going to share...Is it just going to be that you're a family? Is it going to be that you're a single person? What information's actually going to be shared? ...they'd want to know how much you're spending to see if they could save you any money. So it's going to be private information."

Opt-in or opt-out

In the description of the new service that Panellists saw, it was proposed that customers would need to explicitly opt-out if they did not want to receive further information. Some Panellists agreed that the service should be opt-out so as to ensure that as many people as possible are encouraged to review their tariff (and potentially make cost savings).

"People won't respond and, therefore, they won't be a part of it and then they won't be able to say that this was a success. So it will need to have a high percentage of active participants."

Other Panellists identified particular benefits of it being opt-out for vulnerable people, such as the elderly.

"I think some people might think I don't want any hassle and won't get round to doing it, but if it's done automatically..."

They felt that if it was opt-in, the service wouldn't be very different to existing price comparison tools.

There was, however, a minority of Panellists who believed strongly that this service should be opt-in rather than opt-out. They disliked the principle that inaction could lead to personal details being divulged. A number argued that many customers will disregard all official mail as 'junk' so they won't be making an informed decision and their details would be shared by default.

"Leads me to think about what they are going to do with my information without my permission."

"You're not given a choice. Well, you are in a way but they've made the choice for you really."

Some Panellists queried the rationale for the process being opt-out as they felt that if consumers are too apathetic to opt-out, then they are also likely to be too apathetic to actually switch when they receive the information on different offers.

Governance

Panellists wanted more information about Ofgem and its role in the service. They asked questions about how the service would be monitored and regulated.

"I think the governance is a concerning factor here, and the reality of how you would police and govern this.

"I think it's going to be a nightmare for Ofgem to control, all this...Because you're going to have more companies getting more information on people than they ever had before."

Panellists wanted to be reassured that energy companies would not overstep the scope of the service i.e. they would not receive any contact other than the personalised offers described and that their data will not be used for anything other than this purpose (e.g. selling on of personal data; sending of general marketing materials etc.).

Who the service is for

Some Panellists' initial response to the service was that it might be too limited in terms which customers are included. Some thought that consumers who had been on an SVT for less than 3 years may benefit. Others thought that even people who are approaching the end of a fixed rate tariff might potentially benefit from being given access to this service as it would prompt them to switch again.

Some Panellists also considered that the mail only format was quite limiting and might not suit everyone. They felt that the addition of digital communications (e.g. receiving initial communications and offers via email) would make it more likely the service would be noticed and used and would better suit people who preferred communications via this channel.

4.3.3 Concerns about funding

There was some concern expressed about where the funding for the new service would come from and Panellists wanted clarification about exactly who would pay. They assumed that the service costs would either be passed on to customers in the form of higher energy bills and questioned whether the advantages of its introduction would outweigh the associated costs.

"All these companies are going to have to send out hundreds of thousands of letters, they're going to want paying back for that somehow so they're going to put their rates up again. They're going to have to get something back, they don't do it for nothing."

"Is it the government that pays for it? Is it going to come out of our pockets somewhere else? So is it worth having if we're going to end up paying for it in the end?"

5. Guiding principles for the service

Section summary:

Panellists' recommended that initial communications should include concise but comprehensive information about the service, how it works and what they can expect. They stressed the need for the communication to be accessible, particularly for those who face communication challenges. To help ensure the communications would be noticed and read, some Panellists felt the initial letter should be mailed alongside a nationwide campaign to raise awareness of the service. For some, this campaign would make the opt-out process more palatable.

In terms of the service, the following guiding principles were identified based on Panellists' feedback:

- Control the volume of information with a maximum number of offers provided over a specified specific time period.
- Have a rounded view of what is the "best" offer i.e. that the calculation of what is best for an individual consumer should not be based on price alone but should also incorporate customer service ratings and other factors (such as the source of the energy).
- Ensure offers are easily comparable with the use of a consistent template and graphics where appropriate.
- The service, as well as the offers, should be tailored for individual customers i.e. the customer should be able to decide how the service works for them (when they receive offers, how many offers they receive, from which suppliers and how they receive the offers).
- There needs to be reassurance about data security both in terms of the physical security of data and also monitoring of the use of the data by energy suppliers (i.e. no selling of data to third parties).

5.1 Initial communications about the new service

Panellists' felt that the initial letter should include concise, comprehensive information about the service, how it works and what they can expect including:

- The reason for and purpose of the service – to encourage switching - with justification as to why the service has been developed.
- Why the individual customer is receiving the letter (i.e. because they have been on a SVT for 3 years or more). And why other customers might not receive it.
- The amount of potential savings by switching - average consumer or specific examples (i.e. a typical family etc).
- A short summary of how the service works:
 - Information on the sharing of data - to whom, how, when, what & data protection rules.

- What they can expect in terms of communications from the companies their data is shared with (if they do not choose to opt-out) i.e. how many, by what channel, what these offers will represent in terms of value (e.g. what level of saving they will need to offer if any, whether they will be that company's best deal etc.).
- Stress how it differs from price comparison sites that already exist.
- Be clear that there is no obligation to switch.
- Clear direction that if they do not wish to receive these communication they will need to opt-out, followed by clear information on the opting out process – how they can do it and the time frame by which they need to opt-out (or within which they will begin to receive communications).
- Information on how the service is overseen – including general information on what Ofgem is.
- Who to contact if they have any questions or concerns.
 - Further information on the new service should be easily accessible, for example, via a telephone helpline and website information

The style and tone of the communications were felt to be as important as the actual information included. It was seen as critical that the communication should be kept as simple, unequivocal and straightforward as possible. This meant avoiding unnecessary complexities or incidental information and keeping messages to the key facts. It was also seen as critical to avoid technical or confusing terminology and explain the facts in as basic a way as possible.

"The terminology needs to be very user friendly. Because if they're going to just start talking about all the tariffs ...some people don't understand that anyway. So they need to explain it, this is what happens and what happens after that."

Panellists believed it was very important for information to be made accessible to those who may face difficulties e.g. for those for whom English is not a first language or consumers with a learning, physical or sensory impairment. Therefore, it was seen as important to have accessible versions of the communication available. Some Panellists felt it would also be beneficial for the communications to be distributed through intermediary organisations that have pre-existing connections with more vulnerable groups (e.g. Age UK).

Panellists were concerned that, because this communication would be via a one off letter and not a bill, it could be easily dismissed as a piece of marketing or other non-essential communication from their energy supplier. They stressed that it needs to be delivered in such a way that it stands out and encourages the customer to read it. Panellists suggested very clear labelling on the envelope to ensure it is opened (e.g. it

states 'this is not a circular' and/or 'important information enclosed'). They also stressed that it needs to be individually addressed and not generically "to the householder".

Some Panellists commented that they thought the communications would need to be rigorously tested with consumers prior to launch to ensure it stands out, encourages reading and is extremely user friendly. To ensure this is the same for all consumers, Panellists felt that this communication needs to be standardised and be the same wording regardless of which supplier sends it out.

To avoid a letter being missed, some Panellists felt that it should not be a one off communication. This included some Panellists saying that there should be more than one letter to allow for people being away or simply missing the letter at the first time of sending. Also some suggested that this initial correspondence should be emailed, both in order to be more environmentally friendly and because this is their preferred communications channel. However, others felt strongly that the main communication should be by letter so as to be as inclusive and effective as possible.

"Why would it not be emailed? I'm imagining because the written word is a more powerful approach, it's easier to delete an email."

To help ensure that customers paid attention to the communications, some Panellists felt an initial awareness campaign was needed before the letter was sent out.

5.1.1 Branding

Whilst Panellists understood the letter would need to come from the current supplier, it was felt that Ofgem branding should be prominent to emphasise the independence of the service. Some Panellists felt that Ofgem's brand recognition was sufficiently strong, while others argued that many customers will not know who Ofgem is and will not automatically trust the brand. They saw information about Ofgem, its general role and specific role in creating, managing and overseeing the service as essential in communications.

Some Panellists saw potential in co-branding of the initial communications with a third party to build trust and interest in using the service. Panellists were prompted to consider specific third parties, including Citizens Advice or other third sector organisations such as Age UK. There was mixed response to the benefits of partnering with such organisations. Citizens Advice was seen as having consumers' interests at heart but as not having the requisite expertise in the energy sector because they are supported by volunteers. Also a small number of Panellists had had negative experiences of the service provided by their local Citizens Advice office which they said would adversely influence their response to any communication from the organisation as a whole.

Some mentioned negative news stories relating to Age UK, which influenced their perception of that organisation. However, some saw their endorsement of the service as being potentially effective in building credibility. Some Panellists also mentioned that an endorsement from a trusted expert such as Martin Lewis would give them more confidence that the service was in their interests and encourage them to use it.

5.1.2 Communications campaign

Many Panellists felt that the letter may be missed, misunderstood, ignored or not trusted. There were strong calls for a widespread and high profile communications campaign highlighting its importance and explaining the service.

They also felt that the opt-out process may be more acceptable if a communications campaign paves the way for it, making comparisons to the recent campaign relating to workplace pensions. Employees also have to opt-out if they do not want to be enrolled in the workplace pension scheme but it was felt that there had been little dissent because the concept has been clearly communicated and explained.

It was also felt that the campaign is important to reassure vulnerable consumers and to direct them to where they can get further information if required.

5.2 The opt-out mechanism

As previously stated, some Panellists felt strongly that this service should be an opt-in service, and maintained that position throughout the discussions. However, for others an opt-out system was acceptable as long as there is a prominent communications to make the service and the need to opt-out, if you do not wish to be involved, unmissable.

Panellists recommended the following in order to make the opt-out work:

- It should be made very easy with multiple methods for opting out offered including freepost, free phone number and the internet. Several Panellists recommended that it should be handled like the recent communication they have received about confirming their details on the electoral roll:

"When they did the electoral roll for the electoral register, they did it in about five or six different ways, by text, by phone, by going online. It needs to cover everybody's preferences."

- It was pointed out that opting out by email would mean that you have a record of doing so.
- There should be a reasonable time period given to opt-out. Some believed that a single initial prompt to opt-out was insufficient and that a follow up letter, or even a series of letters should be sent before consent was implied. Even if you had initially not opted out, it was seen as important that opting out remains an option at any

time and that further communications include reminders of how to opt-out, should you wish.

- However, Panellists did not want opting out to be permanent. They felt consumers should be able to opt back in at any point and it should be simple to do so. They also felt there should be periodic reminders of the service in case customers want to opt in or their circumstances change.
 - Alternatively, some suggested that there should be an option at opt-out indicating whether they wish to be recontacted in the future about the service.
 - Some also suggested that at opt-out there should be a facility for people to ask for further information about the service.

5.3 Encouraging consumer engagement with the new service

5.3.1 Controlling the volume of information

Setting limits on the number and type of offers consumers could receive was seen as essential to avoid them feeling “bombarded” but also to ensure that a good offer was not missed. The limits Panellists would want to see included:

- A specific time period after opting in (in which they will receive communications). They also thought it would be useful if they were contacted each year if they had not switched or if they reverted to an SVT.
- The overall number of offers should be limited to a maximum number. Panellists discussed the merits of having a ‘top 5’ or ‘top 3’ set of offers, rather than an unlimited number. Certainly it was felt that more than 10 specific offers would be too many.
 - Most Panellists felt that only the “best” offers for them should be included so the number might vary from one customer to another depending on how many offers qualified.

5.3.2 A rounded view of what is the “best” offer

There was some debate over what constituted the “best” offers, with some Panellists suggesting that elements other than price (for example, customer service ratings, where is the contact centre based, how easy the switching process is or environmental considerations) should be factored into the equation.

“Are the other energy suppliers approved and audited for customer service? You could get a great offer from a company who provide terrible service.” (Individual questionnaire feedback)

However, price was the primary consideration for almost all Panellists. They generally wanted to see the offers which represented the greatest saving to them. This was expressed as one of, or a combination of, the following:

- The best offer from each of a limited number of suppliers (a maximum of 10) and that this should represent the greatest savings available to them (as the first few offers on a price comparison site might).
- That offers should only be made if they reach a minimum level of saving – either as an annual cost (e.g. minimum of £50 saving per annum) or, recognising that a valuable saving is different for different consumers, a minimum saving as a percentage of their current expenditure (e.g. a minimum of 5% saving on current spend).

They recognised that some people would want to see short term or flexible offers and others might only consider offers that offered better rates over the long term. It was seen as appropriate to see the best of both kinds of tariff.

Alongside price, it would be important to be able to see clearly how the tariff was structured (i.e. fixed terms, exit fees etc.) so that alongside a basic measure of “cheapest”, customers would be able to make a more subjective analysis of value for money and appropriateness for them as consumers (e.g. do they like to be locked in or free to switch whenever they like?).

Some thought it was important to include an offer from the existing supplier as they already have a relationship with them and switching would then not be required. This did not have to necessarily be the ‘best’ offer.

Some Panellists also felt it was important to include at least a representation of offers from the six largest energy suppliers (if they were not included for price reasons). They felt that some people would not want to choose only from a list of “unknown” brands and so would want to see well established brands included.

"When I went on moneysupermarket.com and I put in my holiday insurance...they always bring up the cheapest ones first and quite often they're the companies you've never heard of. But my partner was like 'no, don't go to them'"

Panellists felt a company's customer service performance might be another factor in weighing up which offer to take. Panellists therefore felt that the inclusion of customer satisfaction/service ratings in the equation could help customers make an informed choice and may also have positive repercussions in terms of helping to drive up customer service standards generally.

5.3.3 Ensuring that offers are easily comparable

Having easily comparable quotes from the different suppliers was seen as essential to making the service effective in encouraging switching.

"...finding the time to go online and research, compare, that's going to take three and a half hours out of my life...this service needs to take that away. I'm looking for a service where I hand my information to you, you do it all, you come back to me and tell me what I can save."

To help comparison, Panellists felt that the suppliers should be required to use a consistent template or format for their quotations. This would display clear and comparable information on standing charges, unit rates and any other charges, such as exit fees. It should be clear whether the rates are cheaper at certain times; if the rates quoted are dual-fuel prices; and if there are any special offers (e.g. free weekend energy or nectar points etc.). They also wanted to be able to see the length of any fixed period for the tariff and what penalties there are for early switching.

"We decided that when customers receive personalised tailored offers that it should be in Trivago style information, or maybe even how supermarkets are ranked, and you can then see literally as soon as you open the letter who's going to be the best option for you."

Panellists suggested that this common format could include graphics/charts illustrating the various elements of the tariff and other charges.

They felt it was important for suppliers to be quoting on the same basis (i.e. cost based on a full year's actual usage rather than the summer period to artificially lower the price). This consistency of approach should be made clear in quotations.

Some Panellists noted that it would be important for the offers they receive to have a long enough shelf life so that they could compare them as they came in and be able to choose whichever best suited them. It would be frustrating if the offer had changed when the consumer contacted the supplier.

A number of Panellists in each location felt that being able to see the range of offers, collated by a central body and presented in a single, consolidated communication would help comparison. This collation process would also ensure that offers arrive at the same time rather than being staggered over an indefinite period. It might also mean that personal data isn't being shared with suppliers as frequently.

"Why can't all the quotes go to Ofgem to centralise and send out to customers so suppliers are not given personal details."

Some suggested this communication could include a unique code which linked to their data, to be used to investigate quotes directly with suppliers or via price comparison sites.

"If I got a letter and I knew by going on a website and entering my 13 digit code that's on the letter, just like you do with car tax, it will then come up with a comparison based on my information...that makes that process for me a lot quicker, and actually a lot simpler and I'm more likely to do it."

5.3.4 Tailoring the service for individual consumers

Panellists also felt that different types of consumers would have different needs (e.g. do they prefer to have an extended, predictable fixed price or prefer the freedom of a variable rate, whether they would consider less well known suppliers, or they care about how "green" their energy is?).

This meant it would be hard to meet the needs of all consumers in a single communication. Some suggested that it might be necessary for the service itself to be flexible so they could tailor it to their needs. This could include tailoring offers on the following basis:

- When they receive offers and how many they receive.
- What criteria to set for an offer to be included – minimum price saving, minimum customer service rating etc.
- Which criteria to compare primarily – overall saving, customer satisfaction rating.
- What other information to include.
- Which suppliers to definitely include or exclude e.g. their current, new entrants, biggest suppliers etc.
- How they want to be communicated with i.e. post, email etc.

5.3.5 Keeping the data secure and monitoring the process

Almost all Panellists were concerned with how customers' data would be collected, transmitted, stored and used. A small minority were more relaxed, feeling that there is so much personal data online and that protection measures can only go so far, and therefore there is always a degree of risk one must accept.

Concerns took two basic forms:

- That data would be inexpertly secured or stored and so might be inadvertently leaked or stolen.
- That energy suppliers, or others with access to the database, might use the data for purposes beyond the intentions of the "service".

Data protection and security

Because Panellists did not know precisely what kinds of threats the data might be subject to, it was difficult for them to say exactly what would reassure them that these had been mitigated against.

Panellists talked, in some instances, in broad terms such as their data being “secure” or its security being “guaranteed”. Phrases such as “complies with the Data Security Act” went some way to providing reassurance. A generic “guarantee” of security was also strengthened by suggestions of adverse repercussions if a leak occurs e.g. penalties for those holding the data if it is leaked.

Panellists also asked for transparency and clarity over how and where data is stored and who can access it.

“...where would the data be held...is it just Ofgem who have the data that can then be accessed by the 46 other suppliers, or whether your data would be circulated amongst those 46 companies to then do as they so wish.”

Others suggested ways to mitigate the impact of data leaks. For instance, some suggested that only the bare minimum of information should be kept by the service and as much personal information be excluded as possible. Others suggested that security would be aided by having maximum time periods that data can be retained for.

Monitoring of energy suppliers' use of data

Panellists simply felt that the rules of data use should be very clear for both energy suppliers and other third parties. These rules should explicitly rule out any use other than that stipulated by the service.

This meant that there should be no marketing other than tailored offers, meeting the criteria they had specified when they described how they would want the service to work. They wanted these restrictions to be unlimited in time and scope (i.e. no general marketing five or ten years later). They wanted energy suppliers only to keep the data for as long as necessary to make them offers, after which it should be deleted.

These concerns were somewhat abated by of the threat of meaningful penalties if the energy company did not adhere to data usage principles or regulations. Panellists felt this would require some auditing or spot checking of the energy suppliers' useage of the data.

For some, this discussion reinforced the appeal of a service which was run centrally by Ofgem³. Panellists suggested that energy companies could make blind offers based on energy usage data minus personal information, which would then be passed to customers via Ofgem. Alternatively Ofgem would collate and send offers in a single

³ It should be noted that Panellists, through their experience of being on the Consumer First Panel, are more informed than typical energy consumers and may, as a consequence, have a different view of Ofgem and its possible role in this respect.

communication. This system would negate any need for monitoring of energy companies (as they would not have access to critical, personal information).

6. Conclusions

As the overall response to the service can be described as "**positive with reservations**", Panellists' approval was dependent on the following factors:

1. **Customers' personal data must be protected.** Panellists told us that their data must be kept secure and only used for the purpose of the service. Almost all Panellists were concerned about how customers' data would be collected, transmitted, stored and used and there was a worry about their data being sold on to third parties.
2. **It must be easy to opt-out of the service.** Opting out must be easy with multiple ways to do so. There was a concern about the possibility of being in the scheme by default because they had missed related communications or had been unable to easily register their preference to opt-out. There was also a call for their decision to opt out to be easily reversible. If their circumstances or preferences change, they wanted to be able to opt-in.
3. **The details of the service must be clearly communicated.** Panellists said the initial communications about the set-up of the service must:
 - a. Be highly visible to ensure that the key messages aren't missed and that customers aren't in the service by default. There were strong calls for a widespread and high profile communications campaign highlighting its importance and explaining the service as a means of minimising any criticism of the opt-out process and reassuring customers, particularly vulnerable consumers, about its legitimacy.
 - b. Be clear about what the service is.
 - c. Be clear that those not wanting to be part of it need to opt-out.
 - d. Explain easy routes to opting-out (with clear timeframes).
 - e. Be rigorously tested with consumers prior to being launched to ensure that the communication stands out and encourages the consumer to take notice and is user friendly.
4. **Customers should be sent the best possible offers.** Panellists wanted the offers they received to represent the best value in the market for them, and not simply to be lower than they pay at the moment. There was a widespread concern that companies would use the customer information to merely undercut their existing deal and not provide the best offer they had. There was a concern that deals would look good "on paper" but would actually offer a poor deal for the consumer in the long run.
5. **Offers should be targeted, consistent and user friendly.** Panellists were concerned about the volume of communications they might receive and wanted the offers they received from energy suppliers to be:
 - a. provided in a set time-frame,
 - b. limited in number (no more than ten) to ensure that customers are not bombarded with information and that they don't miss a good deal;

c. be easily comparable.

6. **The service must be regulated by an impartial body.** Panellists told us that the service must be overseen closely by an objective adjudicator (Ofgem was seen as appropriate by many) who is able to enforce good practice.

As well as these key elements some other suggestions to make the service more beneficial to consumers were offered:

- **Make the service flexible** to allow consumers to select the types of offers they would want to see. This could be in terms of the number of offers received, offers only being sent if they reach a minimum level of saving or including other factors other than price in deciding what constitutes the best offers, for example, customer service ratings or environmental considerations.
- Offers could be **consolidated into a single communication** with a range of offers collated by a central body (possibly Ofgem). This would make direct comparison between offers easier and to ensure information is presented consistently. It would also ensure that offers arrive at a single moment in time rather than being staggered and might also mean that personal data isn't being shared with suppliers.
 - Most Panellists assumed that this communication would be in the form of a letter which allowed them to compare and contrast a range of offers. However, some suggested that customers could be given a unique code which would allow them to access their data easily and search for energy deals online.