



Ofgem CYED: Check Your Energy Deal Trial

Qualitative Research Report

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1

Project background

Background.

As part of Ofgem's work to encourage customer engagement in the energy industry, the 'Check Your Energy Deal' (CYED) digital service is being developed and tested by Ofgem as one way of trying to engage energy customers that have not engaged for at least 3 years.

To test the viability of the site, a test group of up to 11,000 randomly selected customers in a set location, who are/were supplied by Supplier A, was conducted over 8 weeks from 25th September 2017.

Customers were first sent an opt out communication, followed by a secondary invitation.

This report provides details of a qualitative, deep-dive analysis of customer experiences of participation in the digital service.



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Research objectives.

Overarching objective

To understand *why* customers involved in the trial did or didn't take action.



Specific objectives:

1 Understand how customers become aware of the digital service.

3 Explore customers' experience of using the service.

2 Understand what action customers took and *why*.

4 Develop learnings about barriers to use, from accessing the service to switching.

This report contains findings from the 34 interviews conducted with energy customers.

Methodology.

A semi-structured qualitative approach was adopted, in order to understand customer actions and reactions to the communications.

34
semi-structured, qualitative interviews.

Topic guide developed by DJS Research in partnership with Ofgem.

Quotas agreed with Ofgem, to ensure a mix of customers were included.

Quotas based on information provided in the sample and then checked with recruitment screeners.

Interviews lasted c.30 minutes each.

All conducted by experienced qualitative interviewers.

Participants were all made aware that Ofgem was the sponsor.





Quotas and sampling (1).

An overview of the interviews achieved, against each of the 10 quotas are outlined below.

- 1** Didn't access the service and didn't switch - 5
- 2** Didn't access the service but switched internally – 3**
- 3** Didn't access the service but switched externally – 0**
- 4** Accessed the service (email/letter) but didn't switch - 14
- 5** Accessed the service (email/letter) and switched using the service - 4
- 6** Accessed the service (email/letter) and switched using another method – 5
- 7** Accessed the service (social media) but didn't switch – 3**
- 8** Accessed the service (social media) and switched using the service – 0**
- 9** Accessed the service (social media) and switched using another method – 0**
- 10** Accessed the service through digital assistance – 0*

 *No sample for quota.
**Insufficient sample to complete quota.

Note: details of the sampling approach and interview success rates are detailed on page 7.

Quotas and sampling (2).

Quota specifications were set by Ofgem, and Supplier A supplied 3 sample files in accordance with the quotas. DJS Research then confirmed the quotas through screening questions, and anyone who didn't meet any of the 10 quota criteria was not interviewed.

Sample cleaning

Upon receiving sample files, DJS Research undertook a 3 stage sample cleaning process:

- 1) De-duplication of records within the file and against other sample files.
- 2) Removal of contacts with no numbers.
- 3) Remaining records assigned an internal Unique ID ready for sample loading.

Screening

Quotas were determined on the basis of respondent answers to 4 screening/quota questions relating to recall of and action arising from the CYED communication(s):

- 1) Recall of the CYED communication.
- 2) Use of the service.
- 3) Whether they accessed the deals on the site.
- 4) Actions arising from use of the site.

Sample statistics

The following sample statistics were recorded from a total of 453 contacts:

- 34 interviews completed.
- 17 non-qualifiers.
- 15 quota complete screen outs (quota 4 closed after 14 interviews).
- 166 refusals.
- 59 unusable records (e.g. number not recognised).
- 162 no outcome (numbers called on at least three occasions).



A note on sampling.

This was **qualitative** research with an emphasis on **understanding** rather than **measuring**.

However, the inclusion of some structured questions does mean that we can provide *some* indicative measurement. This needs to be interpreted carefully:

1. Any figures provided are not statistically robust, and do not constitute a representative customer view.
2. It should also be remembered that as well as not having sufficient numbers to provide statistically robust data, the sample is not necessarily 'representative'. The *quota sampling* approach means that we specifically selected participants that fitted agreed criteria (as outlined on P7 and P8).



Sample mapping.

Following the conclusion of fieldwork, DJS research and Ofgem undertook a sample mapping process in order to better understand which versions of the CYED site customers (who had accessed the service) had used in their journey.

This process, which was undertaken by mapping back unique user IDs to the site's user data, enabled a fuller understanding of the user experience – including the date at which they last accessed the site, the version of the site they used, and the branding of their communications (Ofgem or Supplier A).

Overall, six had used version 0, the first version of the site which included three deals and no online or offline differentiation; three had used version 1, a version with background updates but no significant user interface changes; one had used version 2, another version with background updates but no significant user interface updated; and, sixteen had used version 5 – the latest version of the site which showed 4 deals (online and offline) and included trustpilot reviews of each of the suppliers whose deals came out cheapest.

The remaining respondents did not access the service.

2

The initial communication



Initial understanding of CYED.

Understanding of CYED from the initial letter is strong.

In particular, those who accessed the service are likely to claim recall of the communication.

Although nineteen respondents say they remember the communication, fourteen mentioned aspects relating to the CYED site and switching, rather than the opt-out, suggesting a certain level of misattribution to the second communication.



Check for new deals for my energy.

Ofgem setting up a system, like a comparison site.

Could get cheaper energy – letter from Company A.

Providing an estimate of savings to be made.

A link to explain how to change energy supplier.

Supplier A passing details to Ofgem to see if I could get a better deal.

Accessed (email/letter), didn't switch (8)

It was simply that Ofgem were going to set up this system where energy users could go on the site and use it like a comparison site. I could look to see what my tariff was and what other tariffs were on offer... A switch facility that could be trusted as it came from the Ofgem office.

Accessed (email/letter), switched using site (4)

That there were other deals available that would offer me better value for my gas and electricity than my current provider. It also informed me that I would be provided with an estimation of the savings I could make.

Accessed (email/letter), switched via another method (5)

I think all the energy suppliers were asked to get their customers energy consumption information and give it to Ofgem. This information was then taken by Ofgem and was used to select and supply us with suitable alternative suppliers.

Impressions of the initial communication's content.

Regardless of the action taken, impressions of the initial communication are positive.

Accessed but didn't switch

Favourable reaction, but some surprise (and shock) that Supplier A would admit the customer might be overspending.

Switched using service

Appreciated the simplicity of the message and were prompted to act.

Switched via another method

The professional nature of the communication is seen as a positive.

"It was pretty favourable - a good idea, they are a legal organisation set up by government and independent. They are not influenced or malleable. My first thought is... this can be trusted."
(accessed but didn't switch)

"I thought it was fairly simple, fairly short and easy to digest. I acted on it almost immediately."
(switched using the service)

"When I saw the email I thought definitely, you can pass my details on and you can check for new deals. The whole thing was positive."
(switched via another method)

Negative aspects

Very few negatives responses are recorded here. One respondent mentions not really looking at the communication and throwing it away, and one other mention of the communication not being "something I jumped at and acted on straight away."



Why customers received the communication.

Customers broadly fall into four categories of thought as to why they received the communication. Some think it's because they've been flagged as paying too much, some that they've been flagged as being on the same tariff for too long, others don't know and some believe it's due to their location.

Pay too much (4)

It was at the back of my mind that maybe I am I paying over the odds.

I imagine it's because the prices are higher

I think that they know I'm skint!

Same tariff for years (6)

Because I have been on the same tariff for 3 years.

It said I have been on the same tariff for 8 years.

I would hazard a guess that it was sent to people who hadn't changed supplier recently or for a long time.

Don't know (10)

I have no idea why it was sent to me. I thought it was a national thing.

I'm not sure why I received the information.

I honestly have no idea why I was sent the information.

+4 Due to location.

Within these responses there is some residual concern that suppliers might not have been entirely truthful about whether customers are on the best deal, or not.



When I have called Supplier A they have said that you are on the best deal, otherwise why would I have stayed with them..

Note: numbers in brackets refer to the number of participants in a group.

Actions arising from the 1st communication.

Customers took mixed action following the 1st communication:

- Checking the communication was **bona fide**.
- **Forgetting** about it (until the 2nd communication).
- Put the letter in the **to do list pile**.
- Acted immediately.*



The vast majority who claim recall of the 1st communication considered it clear – only two mention being unsure what to do (and one understood after accessing the site).

Note: numbers in brackets refer to the number of participants in a group.

*There is some misattribution of communications between communication 1 and communication 2.

Checking the veracity (6)

Customers who wanted to check whether the communication was legitimate did so either by **contacting Supplier A**, checking the **security certificate** of the site, **checking online**, or going **back** after a couple of days **to double check**.



Customers do have a certain degree of scepticism – but Ofgem have a strong, trusted brand. A 'check out our credentials' link might build confidence. Two customers also mention that if the communication had been soliciting (private) information it would have been a turn off.

Forgetting (8)

For **some** customers **the initial communication was acknowledged and then forgotten**. Catching customers at a time when they have the opportunity to act could be as much luck as judgement – the **secondary communication** is therefore **vital**.

Opting out

Once customers are happy the communication is genuine there is no wish to opt out - *"it's always interesting to know someone else is doing the work for me"*

Yes it was clear and I switched my supplier!

I don't think the letter was that clear, but when I went on the website it gave options of different providers - that appeared very self evident.

Clarity and believability.

Customers are happy that the communication is both clear and believable. The simple structure (not too long) and professional tone is well received by customers. However, this alone isn't always enough to prompt action.

On high alert

A number of customers admit to being sceptical of lots of communication – especially anything purporting to be able to save them money. For most though, being linked to Ofgem is enough reassurance.

However, sometimes it's just about being in the right place at the right time:



I believed there was an opportunity to save money... the timing was right, I'd been thinking about switching.

"It looked official and genuine and because it was not from an energy supplier I knew that whoever it was from would not be making money from it."
(Switched using another method)

"I wouldn't have gone and done it if I don't think it was legitimate."
(Switched using service)

"It felt believable as it was well written and you can just tell it was genuine."
(Didn't access, didn't switch)

There is no particular difference in reaction to the clarity and believability of the communication across groups. While it's a vital element to get right in order to not put people off, it's not likely to be a key factor in deciding to switch, or not.



The decision not to opt out.

The top two reasons customers provided for not opting out are **thinking they could save money** and **not being aware of being able to opt out**. Other, less frequent, mentions relate to being able to trust the communication, being curious about the deals and being too busy to do anything about it either way.

Save money (7)

I was just interested to see what I could save to be honest.

Mainly because I thought there was an opportunity to save money so I thought it would be worth entering my details.

It would depend on how much we thought we could save, on whether opted out or not.

Not aware of opt out (7)

I didn't know that I could opt out, I didn't see the first email, but I can't see any reason why you would want to opt out. It's giving you an option to save money, and is doing all the work for you. It would take me a long time to get the deals and information myself.



Some customers who weren't aware they could have opted out still say they would be unlikely to have done so - the main factor is wanting to save money.

Changes and improvements.

Customers are generally happy with the content, tone and message of the initial communication. There are, however, some minor improvements suggested by individual customers...



1. Make it clear(er) who the communication is from.
2. Consider co-branding the supplier logo & Ofgem logos.
3. Be clear(er) it's independent.
4. Bigger print or Braille (letter) / audio options (email) for people with sight problems.

Note: the likely misattribution of the opt out letter with the 2nd communication suggests that some of the ideas for improvements could be applicable to all communications.

3

The secondary communication



Understanding of CYED.

Understanding of CYED from the 2nd communication is strong.

Customers who don't recall the first communication mention that it's a simple and concise letter.



Those who claim they recall the first communication felt that the two were consistent (and largely the same).



Asking me if I wanted to consider switching.

Conveyed that switching wouldn't take long.

Could get cheaper energy – letter from Supplier A.

Saying I can look on the site to change to a cheaper supplier.

Believable as it contains Ofgem's name.

To make sure customers are getting the best deal.

Didn't access, didn't switch (4)

The letter was really clear. I'm also glad it was on one page. It was nicely laid out, and all the relevant bits were highlighted. I found it approachable and non aggressive.

Accessed (email/letter), didn't switch (6)

It was a good idea, very clear and believable as it had Ofgem's name on it.

Recall the first communication (15)

I suppose the second letter was as good as the first but in all honesty I don't recall spotting a real difference between the two letters.

Ofgem

vs.

Supplier A



Customers who said they recalled the communication were asked whether it came from Ofgem or Supplier A. Differences in outlook depending on the source are shown below...

6 say the communication came from Ofgem

It was fine, it told me where the website was and what to do.

The letter was really clear, I found it approachable and non-aggressive.

I thought the letter was very clear. It was asking me to consider if I wanted to switch and it gave me a phone number to call if I wanted to get more information.

19 say the communication came from Supplier A

I thought it was good that they were contacting me - I was surprised that I was on high tariff and they are explaining this to me.

I wasn't sure if I believed the information that was on there or not.

I thought it was really good.

I was very curious as I wondered why my energy company was asking me to question my bills.

Note: sample mapping shows us that, overall, 8 customers received Ofgem branded communications, and 24 received Supplier A branded communications (2 did not receive any second contact communication, as they had already switched internally). Only one customer who received Ofgem branded communications misattributed to Supplier A, and two who received Supplier A branded communications misattributed to Ofgem.

Although the communications are well received overall (regardless of whether the second communication came from Ofgem or Supplier A) **there is more confusion over the purpose and intent of CYED when the letter comes from Supplier A.**

Actions arising from the 2nd communication.

Customers took mixed action following the 2nd communication:

- Checking the communication is **bona fide**.
- Put the letter in the **to do list pile**.
- Went on the site to **check deals**.
- Went on the site to **check deals and switch**.



As with the 1st communication, customers found the communication clear and knew what to do as a result.

Checking the veracity

A couple of customers who are **not** entirely **tech savvy** waited for family members **to check** it for them.

The to do list

Some customers consider themselves to be **too busy** to look into switching at the moment, some had put it **on the to do list but found other priorities** and one mentions **waiting for his living situation to change** (housemate moving out).

Checked deals, didn't switch

One or two days later I clicked on the link, went on the website and looked at the deals. I did some precautionary investigation, because of the general warning, if a deal seems too good to be true, then it generally is. There may be some dodgy details in the small print, so it is always wise to double check.

Checked deals, switched

I acted the same day, I took it at face value, I told my wife after I had already done it.

Some, despite trusting the source of information, maintain a cautious outlook about the deals on offer.



Details of (in)action.

Didn't access, didn't switch (5)

The reasons for not taking any action range from the customer being a 'stick in the mud' to putting it on the to do list and it getting lost amongst everything else 'to be honest, I put it in a pile on the kitchen counter with all the other letters.' One customer mentioned that the site didn't work when they tried to access.

Customers didn't get as far as accessing the service.

Accessed (email/letter), didn't switch (14)

The communication(s) were a prompt to check for this group – but the reasons for not continuing further range from 'having a busy lifestyle' and needing to 'sit down with my partner to assist me in choosing', to not seeing the point because 'as far as I was concerned I was on a good deal anyway.'

One customer was overwhelmed by the choice 'there is just so much to choose from'.

Action ranged from having a cursory glance at the deals all the way to doing further research on the companies and deals on offer.

Switched using CYED (4)

Customers here are less concerned by analysing the deals in great detail, 'I saw the deals were a lot different... so I thought I'd give it a go'. The speed of making the decision to switch is another common trait of customers in this group.

Customers complete the process in a matter of days.

Accessed, switched using another method (5)

Customers here are slightly more circumspect than those who switch using CYED. One preferred to speak to the prospective supplier, one chose a deal with a supplier that wasn't the cheapest because of spending some additional time looking into the reputation and standing of the company. Another went on once and didn't switch, then looked back a couple of weeks later and saw the website improvements – this prompted a deeper look at the deals, but then they switched using a comparison service because of additional perks (cinema vouchers).

Action was less immediate for this group, who tended to take a bit more time and look at other options.

Note: numbers in brackets refer to the number of participants in a group.

Pros and cons of different communication methods.

Within our sample customers who recall the letter(s) are more likely to have switched.*

Different communication methods have different pros and cons.

While letters are perhaps seen as more formal, not having a direct link to online content is a drawback. Emails are good for being able to directly follow links, but there is a sense that customers are inundated with email communication.

Letters



Formal.

The info you normally get from suppliers has Ts&Cs.



Breeds confidence.

I felt confident having Ofgem on the letter.



Prompts Calls.

I called Supplier A, I said 'I have got this letter...'

Emails



Easy to access the site.

There was a big green button you had to click on.



'Normal.'

I am used to getting emails from them.



Easy to delete.

I just had a quick look and deleted.



Junk?

I just thought it was more junk from the energy people.

Social media**



Provides secondary touch-points.

I didn't see the letter.



Impersonal.

I thought it was a blanket communication.

First vs. second communication.

Overall, reactions to both communications are similar – indeed **some were unable to differentiate**. Both are (mostly) seen as clear, trustworthy and professional – but for some there isn't a sufficient hook to prompt switching.

Initial communication

I just thought it was more junk from the energy people, but when I read more it was informative as to how I could save money.

I'm a normal person, I don't usually check these things but the tone of it made me think, "I'll check this out."

I thought it was fairly simple, fairly short and easy to digest.

As far as I was concerned the letter was identical to the first one so I didn't bother to read it.

The second email I received was the same as the first one. So I just looked at it again to see if anything had changed.

Secondary communication

I thought the letter was very clear.

It was to the point and not too long and clear.

It was clear enough to action the information, I was fairly happy with it.

It was a good idea, very clear and believable as it had Ofgem's name on it.

***Note:** customers have varying degrees of recall of the communication(s) – interpretation of what was the first and second communication will not always be accurate.

Changes and improvements.



There is slightly more criticism of the second communication than the first, but, overall, opinions are positive. Suggested improvements focus on making the Ts&Cs as prominent as possible, and differentiating from the previous communication.

1.

Ts&Cs quite small print – enlarge?

2.

Information too repetitive – make the message build on from the 1st communication.

3.

Make it clear(er) why it's being sent (customer thought they were on the best deal already).

Note: the likely misattribution between communication suggests that some of the ideas for improvements could be applicable to all communications.

4

The website



Expectations of the website.

Customer expectations are broadly similar – an independent site that offers the best (no strings) deals to customers.

Accessed but didn't switch

Some reservations about having to provide personal information and therefore who might be given access to the information.

Switched using service

Some reservations about simplicity/ease of use.

Accessed via social media

Reservations (in one case refusal) to share information online.

**"The permission to share information did make me stop and think. I did wonder about doing that as I wasn't sure who I would be sharing my information with and what they would do with it. So I did hesitate at first but then I ticked the box as I wanted to know what I could save."
(Accessed but didn't switch)**

**"I just hoped it would provide a simple comparison for me."
(Switched using the service)**

**"If it had asked for my phone number, my date of birth, how long I'd been living in my house and loads of other stuff then I probably wouldn't have gone on the site."
(Accessed via social media, didn't switch)**

The positives

Although some customers (across most quota groups) did have some reservations – overall, customers harboured few serious reservations before going onto the site, and most had fairly simple expectations.

What worked well?

The simplicity of the site, with easy to access deals from a trusted provider is appreciated.

Customers are impressed with the easy to use nature of the site, and they get to where they want to be with the minimum of fuss.

Customers who were able to find deals they felt were suitable for them and would save them (enough) money were, naturally, more impressed overall.



Info on potential savings.



Ability to see different options.



Quick and easy.



Trust pilot reviews.



No jargon.



Part of Ofgem.

Sometimes I get frustrated with websites, where you click on links and it doesn't take you where you want to go. This was simple and easy to use and it was very quick, it literally gave you a comparison there and then. The steps you had to take were instant and happened in very quick time.

(Switched using the service)

Its made it clear that I can save quite a bit money if I switch; I think it said about £80 a quarter.

(Accessed the service (email/letter) but didn't switch)

It looked simple [and it was]. I liked the customer ratings with stars alongside the offers - I picked the one that looked the best; the cheapest price, with 4 and half stars.

(Switched using service)

Regardless of the version of the site used, the overall impression is of a simple and easy to use website. The additions of reviews etc. to later versions doesn't appear to diminish the site in any way, and are actually seen as positive additions by those who accessed different versions.

Reasons for not accessing.



For customers who didn't/haven't accessed the site at all, the reasons are varied...

I don't have a computer. If I needed to do anything like that, my sons would do it for me.

I couldn't access it.

I was not interested enough in the offer to look online.

I haven't looked at it yet. Supplier A have said that I am on the cheapest deal for now. But when my friend moves out I'm going to go on a couple of these price comparison sites.

I'm just lazy. I'm much less keen to check out things like this than other people. Also, because I rent my property, I'm not that bothered about switching as maybe someone who owned their own home is.



Barriers to action – non-switchers.

For those that switched using the site action was almost immediate.

For those that didn't switch at all, the barriers to using are most closely linked to lack of (continued) interest, uncertainty over the validity of deals or the provenance of the companies listed, and inertia.



I had a look at the site and then left it at that. I want to check out all the companies on there before I make a decision and I never rush into things. I looked at the website twice.
(Accessed the service (social media) but didn't switch)



I looked at the deals, I didn't go any further, I wanted to do some research on the top 3 suppliers, as I had not heard of them. I went on the site just once.
(Accessed the service (email/letter) but didn't switch)

I'm just lazy. I'm much less keen to check out things like this than other people. Also, because I rent my property, I'm not that bothered about switching as maybe someone who owned their own home is.
(Didn't access, didn't switch)



Barriers to action – switchers.

For those that switched using the site action was almost immediate.

For those that switched using another method, the CYED site is the prompt to check, but when they revisit the (prospective) new supplier is top of mind, and going direct is seen as the less convoluted option.

The role of suppliers



Once customers have gone on to the site, **if they don't take immediate action** the suppliers who offer the **best deals are seen as the end game**, so the need for continued use of the CYED site is diminished.

Once I had made up my mind, I contacted the supplier I had chosen through their website and switched that way. This was the simplest and quickest route as they stated that they would manage the transfer for me.

(Accessed the service (email/letter) and switched using another method)

I switched as soon as I got my credit back from Supplier A. I think I went on the Ofgem website 3 or 4 times in total though.

(Accessed the service (email/letter) and switched using another method)

The new supplier emailed me a quote and said they would phone me shortly. They rang me back a minute later and their customer service guy started to sell to me there and then. However, I wasn't prepared to make a decision immediately because I wanted to think about it. So I waited a week and then called them back; that's when I made the switch.

(Accessed the service (email/letter) and switched using another method)

Likelihood to use the site again.



Only seven customers say they would be unlikely to use the site again – with no observable pattern across customer groups. The reasons for a reluctance to use again of two customers are shown below...



Likelihood to use again:
Quite unlikely.

Just because I think there are better comparison websites out there – [Price Comparison Website] is better. There are ones that are better advertised like ones with adverts that you can't forget.



Likelihood to use again:
Very unlikely.

I am quite old fashioned. I prefer communicating by phone. I don't like using these types of websites as things take much longer to sort out. I wouldn't recommend it to my younger friends either as I think they're intelligent enough to know what to do.

Customers who are unlikely to use the site again provide very different reasons for their reluctance. Overall, the perception is of an easy to use and trusted website. However, customers may not engage with this service due to the prominence of (commercial) comparison sites with established brand names.

Customers who are likely to use the site again are more likely to say they would recommend. No one who wouldn't use the site again would be likely to recommend to friends or family.

There is no difference in likelihood to use again based on the version of the site accessed.



Impressions of the site by the last version used.

Version 0 (6 participants)

The clarity and simplicity is liked – especially for those who are not so tech savvy, or are on a mobile device.

It was easy to use the website on my phone. You just clicked on things and you could go back or leave reviews.

Version 1 (3 participants)

Being easy to understand is appreciated, and the clarity of the savings on offer is well liked.

Its made it clear that I could save quite a bit money if I switched; I think it said about £80 a quarter.

Version 2 (1 participants)

Respondent was reluctant to share details online.

I don't want to share my information online, so I will acknowledge that I limited the usefulness with my intransigence.

Version 5 (16 participants)

Simplicity and ease of use is still appreciated – but the offers are more front of mind.

It seemed really clear, what you could save and how to go about changing - Some were accessible online and some were over the phone.

The earlier versions of the site (versions 0-2, where there were three deals shown with no online/offline differentiation and no company reviews) are well liked for their clarity, simplicity and ease of use. Encouragingly, after updates were made to include more deals, online/offline differentiation and reviews, the positive aspects of the site still shine through.

Changes and improvements



Although customers are, generally, positive about the site there are some suggestions for improvement...

State the reason(s) why the deal's being offered and how long it's active for.

Show customer reviews for each company.*

Have an 'email me these deals' button.

More info about getting in touch with your provider so you can take action with them.

Provider biographies.

*Earlier variants of the service did not include customer reviews but those were added in the final variant.

5

Perceptions of
Ofgem



Knowledge of Ofgem.

Industry regulator, with responsibility for ensuring that energy companies act fairly.

There is a high level of awareness of who Ofgem are, and broadly what their responsibility is.

Despite some negative associations with energy companies, Ofgem are seen as a trusted entity and no negative sentiments are reported.



Ofgem are the energy regulator ombudsman. They are responsible for ensuring the deals offered by the energy providers are fair; they look at their terms and conditions and see if they are infringing on the rights of the customer.

(Didn't access, didn't switch)

The office that deals with issues around gas and electricity supply, the ombudsman. There has been so much in the last few years of wholesale energy prices going up and down. Ofgem is mentioned in this regard - when suppliers aren't passing savings on to consumers, [Ofgem get involved and] the price drops.

(Accessed the service (email/letter) and switched using the service)

Thoughts on Ofgem offering the service.

Broadly positive reactions.

Most are enthusiastic about the service being offered by Ofgem. The only negative sentiments relate to frustration at not being offered the best deals without the need for regulator intervention.



Great idea

Gravitas

Good stuff

Positive associations focus on the **independence of Ofgem and its trusted status** as the energy regulator. It's not something that many had thought about before, but upon being asked **acknowledge it's a natural fit** (why hasn't it been done before?).

Don't see the point

Why them?

For the few (4) that have less positive opinions, customers tend to ask one of two questions; **don't 3rd parties do that?** (not seeing the point), and; **why should Ofgem have to be involved?** (believe the energy companies should offer the best deals regardless).

It's important that the information on the site is comprehensive and there can be no bias towards anyone energy company whatsoever. The fact it's Ofgem running this suggests they don't have a particular bias. Provided they offer information about all the relevant companies then it works very well.

(Didn't access, didn't switch)

Surely it's a moot point, shouldn't the companies themselves do this? I know that it is a double edged sword... they need not to rip people off, and they need to make a profit. How much strength do Ofgem have?

(Didn't access, didn't switch)



6

Switching behaviours



Reactions to the deals offered.

The majority of customers who accessed the service were impressed by the deals/savings offered.

Surprised by savings (12)

12 customers expressed surprise at the potential savings they could make by switching.

As expected (7)

7 found the savings as expected – a combination of those knowing they were paying too much, and those being unsurprised by the (small) savings.

Happy with supplier (1)

1 customer said they knew the savings would be high, but they're happy anyway.

**"It wasn't as expected, I was gobsmacked. One of the deals works out at a £66 per year saving. It is definitely worth the effort of doing some research on the companies I don't know."
(Accessed but didn't switch)**

**"The savings were in line with what I expected. I was expecting a saving of between 15% and 20 % and my actual saving was just shy of 20%."
(Switched using the service)**

**"I suppose in a way the savings were good; a couple of hundred a year. But, as long as I am happy with my existing company and they treat me right then I'll stay with them."
(Accessed the service, didn't switch)**



Opinions of the deals offered between those who did and didn't switch are similar, with a roughly even split of those who were surprised and those who thought the deals were as expected.

The other mentions around the deals offered centred on not believing the savings could be so high (1) and not being able to see the savings (1).



Reactions to the deals by quota group.

Customers who hadn't switched at the point of being interviewed were put off by a mixture of being uncertain about the suppliers with the best deals, feeling as though they should consult family/friends – or, by simply not thinking the saving was worthwhile (although the 'worthwhile' amount is dependent very much on the individual). Those who switched using CYED had no such concerns about the suppliers, or, if they did they quickly researched the companies to satisfy themselves it was a good deal. Those who switched elsewhere did so for a variety of reasons – wanting to get reassurance (and perks) from commercial comparison sites, wanting to speak directly to the supplier and believing that comparison sites (including CYED) are money making operations.

Accessed but didn't switch (17)

The amount of saving was enough to spark my interest (£300 per year), but one of the reasons I have not switched yet is I don't know the names of the suppliers.

The saving was actually £80 a quarter and I was surprised by that amount. I didn't recognise any of the names though, which is why I need to sit down with my partner.

I wasn't surprised by the savings, I was gobsmacked (£66 per year). I haven't got around to switching yet, but I will do, definitely.

The saving of £30 a year was what I expected... and the amount was not enough to move.

Switched using service (4)

I was surprised by the savings and really pleased, the customer ratings (of the suppliers) was really good and the one I chose had 4.5, and as they were on the site I didn't have any reservations as I felt I could trust them.

The savings were in line with what I expected (between 15 & 20%) but I didn't have any reservations because it was an Ofgem, the regulator, website – I trusted the suppliers on there.

It was roughly a 25% saving which was quite significant and I had no reservations because if one of the new companies goes it would be swallowed up by another.

Switched via another method (5)

I was more surprised than I thought I would be. The second time I went on the site (version 5) I was happier because there was more information available – and when I saw the same deal on another price comparison site, I was much happier and I switched there.

I wasn't surprised by the savings (already knew they were paying too much), I didn't recognise the names so I googled [supplier] for the reviews and switched to them separately.

I was surprised. I clicked on some of the links but didn't switch that way because comparison sites are money making enterprises.

Reactions to the deals by the site version used.

Version 0 (6 participants)

Lack of recognition of the suppliers is an issue raised by 4 of the 6.

The deals were really good although I didn't recognise any of the suppliers.

Version 1 (3 participants)

Lack of recognition is cited as an issue for all 3 customers.

I didn't know the names of the suppliers with the top deals on the website, so I looked at customer reviews for them.

Version 2 (1 participant)

Inertia was an issue for this respondent, rather than the site.

My own inertia is another reason I'll never switch.

Version 5 (16 participants)

Lack of recognition of the suppliers is again mentioned (by 12), but the ability to see reviews is a positive.

The biggest saving on offer had the poorest customer reviews, the lowest saving had the best customer reviews!

Issues of the provenance of the suppliers listed for the best deals is an issue for some customers, regardless of the version of the site accessed. However, for those who were able to see the deals alongside customer reviews, an important additional layer of context was added.



Action after seeing the deals.

Accessed but didn't switch (17)

I did nothing as I had not heard of any of them. If the deals had been from one of the big three or four then I might have acted differently.

If Supplier A answer the phone I'll question the difference - It's on the to do list - I'll probably end up switching something but I'm not in a rush.

Once I decided I wasn't going to take up these deals I went back to my own supplier and got a cheaper deal with them.

I'll wait to see what my husband says and if we do move I might do some more checking.

Switched using service (4)

They said that they would send me an email. They have already emailed 4 times keeping me up to date.

I chose the supplier that offered a good price but did not tie me to a long term contract; this was really important to me. I didn't feel the need to find additional information, other than what the website directed me to.

I clicked on the link to the supplier, and I took it on face value, I didn't contact Supplier A. I clicked on the link to the supplier as the saving was good and I was happy to move from Supplier A.

Switched via another method (5)

I didn't click the link I just googled [supplier] to see if they had any really bad reviews. They had a few but most of them were okay.

I looked at the different deals on offer and then I clicked on some of their sites. **I didn't bother using a price comparison site as they are money making enterprises.**

I clicked onto links. On the website I read all the information I could; and when I saw the same information on the price comparison site I felt much happier about the information.

Those who didn't (haven't) switched were either cautious because of the **names of suppliers** offered, **didn't have time**, or **wanted a second opinion**. Those who switched using the service did so because of **taking the info at face value**. Although only mentioned by one customer, the perception of **comparison sites being money making operations** was the reason to not switch using the site.



Case study: didn't switch.

Profile: male, 65+,
unconvinced.

The 'sceptic.'



Reaction

- Positive.
- Finds Ofgem credible.
- Unsure why targeted.

"Ofgem are responsible for ensuring the deals offered by the energy providers are fair; they look at their Ts&Cs and see if they are infringing on the rights of the customer."

"Ofgem have no allegiance to any one provider so it is more than suitable for them to offer this type of service."

"I have no idea [why I was contacted]. It could be because of the opinions I have voiced about energy companies in the past?"

Perception

- Likes the simplicity.
- No concerns about security.
- Unsure switching is 'worth it.'
- Underwhelmed by the deals and the suppliers.

"The letter seemed genuine and it was helped by the fact it had the address of a government website on it; so there was no reason to think the letter was a fake or forgery. It was not asking you to part with your dosh for a start!"

"I just don't believe switching is worth the agony and the stress."

"I looked at the figures they were offering and that was it, I was done. I only visited the site once."

Impact

- The overall impact wasn't enough to convince him to switch, and he remains unconvinced by some aspects of the service.

"It would be nice if they stated the reason they were offering the deal, how long they could fix the price and then state that after the deal ends you will have to change to another tariff. They just can't maintain the savings they advertise as it would not be financially viable for them. They'd all go bust."



Case study: switched.

Profile: male, 45-54,
enthusiastic switcher.

The 'convert.'



Reaction

- Positive.
- Likes that it comes from Ofgem
- Thinks he was targeted because he'd been on the same tariff for 4 years.

"It definitely makes the whole thing more credible. It's right for Ofgem to offer this as they have a level of independence that the suppliers don't."

"I am guessing that it's because I haven't switched for four years. It was relevant and very easy to do."

Perception

- Likes the 'measurability.'
- No reservations about using.
- Had already considered switching.
- Liked the deals (after scrutiny).

"I thought it was short and to the point, with some kind of measurable number that alerted me to the possibility of saving money."

"The timing was also right as I had been thinking about switching before I got the letter."

"I did a comparison and it gave me an estimated saving based on 2 or 3 providers. I chose a provider that offered a decent saving without trying me into a long contract."

Impact

- Persuaded to switch almost immediately – due to simplicity and ease of process.

"I thought it was fairly simple, fairly short and easy to digest. I acted on it almost immediately."

"There were very few boxes that needed to be filled and a lot of my data was already there. When the response came back it was easy to understand."

Factors considered in switching.



Customers who switched – either using the site, or via another method - were happy to switch online, although one was pushed into switching over the phone...

I was happy to do it on the CYED website.

I'd always assumed I'd do it online.

I wanted to switch online as recently I've found it can take a long time to speak to someone when you call businesses... even though I would probably prefer to speak to someone.

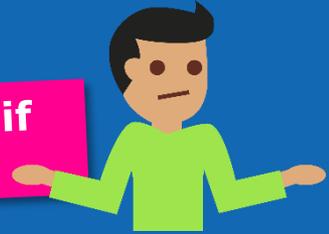
I would have preferred doing the switch via the website but I ended up doing it over the phone after they called me back the second time.



Plans to switch.



Customers who haven't (yet) switched were asked what plans, if any, they have to switch. Responses and reasons are mixed...



Two mentions

Supplier A still say the customer is on the cheapest tariff.

Customer is too lazy to go through with it.

It's a joint decision, haven't had chance to discuss.

Savings aren't enough to switch.

It's on the to do list.

One mention

Concerned it's a 'tempter' deal and prices will go up.

Happy with current supplier.

Not worth the hassle.

Unsure about the suppliers.

Worried about the process.

Existing meter problems.

Waiting for the next bill.

7

Conclusions



Conclusions.

The communications

Both communications receive a similar (positive) reaction.

Praised for being clear and concise.

The communications are seen as believable – and Ofgem is key to this.

The call to action is mixed. Many are curious about the deals, but there's not always a sufficient hook to pursue.

The website

Seen as clear and simple to use.

Deals including only 'smaller companies' are sometimes questioned.

Some are initially concerned about having to provide personal info.

Inertia, laziness and being tech shy can be big barriers to use.

Switching

Switching process seen as easy by those who go through with it.

Varied reasons for not switching.

The deals offered are generally praised – and surprise a number of customers.

Conclusions.

The communications.

Reaction to the communications are **largely positive**, regardless of the customer's final action.

Should the communications be repeated, a **clearer indication** that **it's** from **Ofgem** would be seen as a positive step by many. For those who recall both communications, they would like to see **more distinction between communications in future**.

The addition of **links for customers to check that the site is bona fide** before accessing might be **a useful, future addition**.

The simple, straightforward and professional tone of the communications is appreciated. Up front offers of big savings might be seen as too salesy and detract from the positives derived from the professionalism.

Conclusions.

The website.

Customers expect a **simple to use, independent site that provides the best deals for customers** – and this is, largely, what customers experience.

Customers who accessed the site find it to be simple, straightforward and easy to use. For those who didn't access, inertia and time pressures are a big factor in not going further, and it is unlikely that any additions or amendments to the site would have significantly impacted this decision.

Indeed, **barriers** to switching tend to be **self-imposed** – those who did switch did so almost immediately, and without too much hesitation. Those who didn't were more likely to put it on a to do list or get second opinions – in effect, suggesting that delaying a decision is likely to result in a no-switch outcome.

Likelihood to use again and recommend **is strong**. **Customers** who are **not likely to use again have specific reasons**, and no pattern is observed.

Conclusions.

The role of Ofgem and switching behaviour.

Ofgem are **well known** and are seen as a **trusted entity**. The **fit** with the service **is seen to be a natural one**. However, there is **some** (low level) **concern that Ofgem shouldn't have to provide the service**, and one customer was under the impression that CYED would be a for profit service.

Most customers are **impressed** (or shocked) **by the savings** they're offered.

Those who switched, mostly, expected to be able to do it online. There are some blurred lines between the site and the supplier, and a bit of confusion about where the supplier should get involved in the process. Customers appreciate the simple and clear nature of the site – although this doesn't seem to be a 'clincher' in convincing those who have reservations to go ahead with switching.

Those who didn't or haven't switched took the no action route for a variety of reasons, that show no consistent theme – although one key indicator appears to be time between receiving the communication and making a decision.

Key learnings.

Communications are well received – clear, simple and professional is the correct tone.

Ofgem are a trusted entity, and should be 'front and centre' as far as possible.

Not shouting (too much) about potential savings in the communications is an appropriate differentiator.

Providing any additional prompts and nudges to check the authenticity would be well received.

Making clear that the deals aren't introductory offers will be useful to generate further trust.

Offering bios and reviews of providers (especially less well known ones) is a welcome addition to the later versions of the site.

An element of 'right place, right time' will always be at play – customers have to be in the right frame of mind to (seriously) consider switching.

Reasons for not being likely to use again, and not switching are tied in to inertia and being uncertain about the suppliers/deals.

Ofgem 'endorsement' is important, and is a key factor in deciding to switch for some.

8

Appendix



Didn't access, didn't switch – profile.

While customers that didn't access and didn't switch made their decisions for different reasons (from being nervous using technology to waiting for a housemate to move out), some consistent characteristics are observed in this group of respondents.

Cautious and unmoved

Those who didn't access and didn't switch are characterised by a propensity to be cautious about new things, and are motivated by the comfort of the familiar. Overall, they're hard to convince and happy to run with the status quo.



It's a double edged sword... and, how much strength do Ofgem have?

"I also like to take time to think about things. If I'm honest, I'm happy with my deal - probably out of ignorance - so I haven't looked further afield. I've also noticed that prices have not really gone up that much with Supplier A."

"I prefer to stick with things I know; I don't like change."

"I am happy with who I'm with so I don't want to switch."

"I haven't' looked at it yet. Supplier A have said that I am on the cheapest deal for now. But when my friend moves out I'm going to go on a couple of these price comparison sites."

Although these customers have common characteristics in being cautious about switching and preferring the status quo, there are no demographic similarities to note.

Accessed, didn't switch – profile.

While customers that accessed but didn't switch provided a number of different reasons for not switching – or delaying a decision - from being uncertain about the suppliers with the best deals to deferring a decision until they had consulted friends/family, they don't jump into making a decision.

Decision delayers

Those who accessed and didn't switch are characterised by a shared trait of delaying making a decision. In addition, they provide pragmatic reasoning for not switching – focussing more on the potential downsides than the savings.



Someone like me just sits on the same deal even though I know I'm not getting the deal for myself.

"The thing is I'd never heard of either of the companies and this put me off taking it any further. That's why I stayed with Supplier A. You read the papers and you hear stories about people who have had bad experiences with these smaller companies."

"I went on to the website to see if the deals were still the same about 5-7 times."

"I want to do some research on the top 3 suppliers, as I had not heard of them."

"It would be a step into the unknown and that they are small companies is a deterrent. In addition is saving £100 worth it?"

Customers here are linked by their cautious, pragmatic nature – but there is no discernible demographic link between them.

Switched using CYED – profile.



Customers that accessed CYED and switched are characterised by their quick decision making and their belief that the trustworthiness of Ofgem makes the (relative) risk worthwhile.

Decisive and confident

Those who switched using CYED are distinctive from the rest of the sample in their willingness to make a quick decision about what to do. In addition, even though they acknowledge that some suppliers were unknown to them this isn't seen as an obstacle.



I had not thought about it before but thought I would give it a go.

"I acted the same day, I took it at face value, I told my wife after I had already done it. I know the reverse is true sometimes, if it is too good to be true then it probably is, but as it came from Ofgem [it was credible]."

"As they don't have an axe to grind they'll ensure that the consumer gets the best deal."

"Because I thought there was an opportunity to save money so I thought it would be worth giving entering my details."

"It struck me that it had credibility, coming from Ofgem and that encouraged me. The communication was short and concise... I did it the same day."

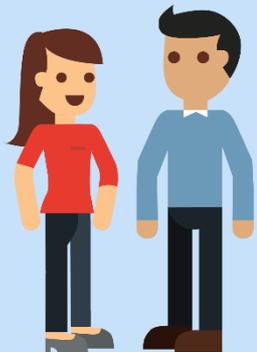
Again, there are no demographic similarities in this group.

Switched via another method – profile.

Customers that accessed CYED but switched via another method have a common characteristic of looking into the offers and being impressed, but then researching further to satisfy their wider curiosity.

Open-minded but diligent

Those who accessed CYED but then switched elsewhere are open to the idea of switching, but are minded to do some further research, or to speak to someone direct before making the final decision.



Once I had made up my mind, I contacted the supplier I had chosen through their website and switched that way.

"The energy company are going to do the whole process for me. All they've asked me to do is supply the final reading and they'll do all the rest. I didn't go through the website as I contacted [supplier] direct. This is the first time I have switched in 40 years."

"I didn't click the link I just googled [Supplier] to see if they had any really bad reviews. They had a few but most of them were okay."

"On the website I read all the information I could; and when I saw the same information on the price comparison site I felt much happier about the information."

"It's a government appointed organisation it makes the whole thing more credible and if they do get it wrong then it's their credibility that is up the spout."

Customers are linked by wanting to validate the CYED info (despite trusting Ofgem) before committing. This process can then mean CYED isn't required for the full process.

Accessed

vs.

Not accessed



Those who accessed the service are more likely to have been concerned by the 'value' of their existing deal than those who decided not to access.

Accessed the service (26)

I went on the site twice and got as far as looking at the names of the 4 providers. But I haven't proceeded as I want to ask my partner.

It made me think and made me want to get in touch with them [Supplier A] to find out what's happening.

My expectations were that I would save next to nothing, and it was surprising when they said they could save me £50 per year.

Didn't access the service (8)

I just believed what Supplier A told me.

I didn't go onto a price comparison website, we are happy to stick with the companies that we are with.

I put it the letter my to do pile. I didn't go on the website or look for any deals anywhere. It's something I might do in January.

The key difference between those who accessed and didn't access is in the curiosity of savings, and contentment to stick with the status quo.