

Check your energy deal

Final findings



November 2018

Learning the lessons from small scale trial of **CMA Database remedy** we built and operated a **secure digital service** for disengaged consumers based on in depth understanding of **user needs**.

We ran an a **live trial** with 10 000 disengaged consumers from 'Supplier A' (a large energy supplier) based in five Northampton postcodes.

We also provided an **assisted digital service** through a local partner, **Citizens Advice** and supported the service with **targeted social media**.

Key insights

Digital service increased the switching rate in trial area compared to control group, from approximately 3% to 5%

However, this was not a randomised control trial and results must be treated with caution

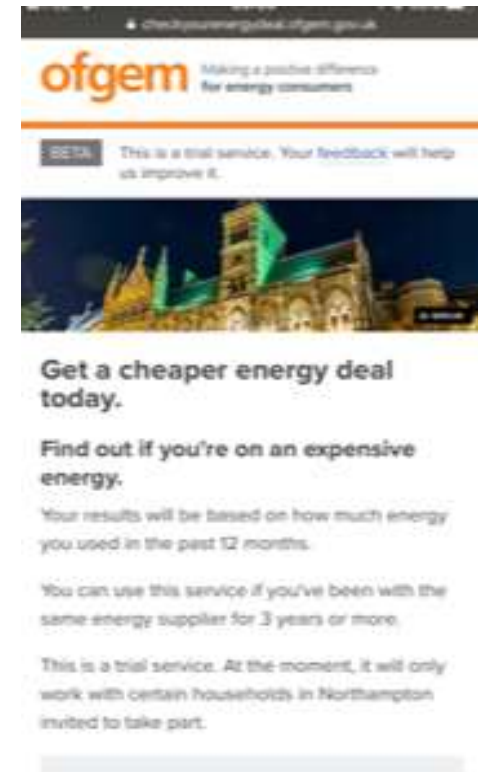
Many customers logged on to the service but were not eligible to switch through it.

Many of the customers who switched chose to do so outside the service

Social media appears effective at raising awareness of the digital service

Supplier data on consumers is a potential issue that needs close management

The IT cloud architecture works effectively and is secure





Customers on poor value standard variable tariffs typically pay **£300 MORE** than customers on the cheapest fixed-term tariffs.



26%

of supplier gross profits came from standard variable revenues in 2016, compared to 14% for fixed-tariffs.



60%

of energy customers are on non price-protected variable tariffs

Consumer disengagement adversely affects competition, specifically:

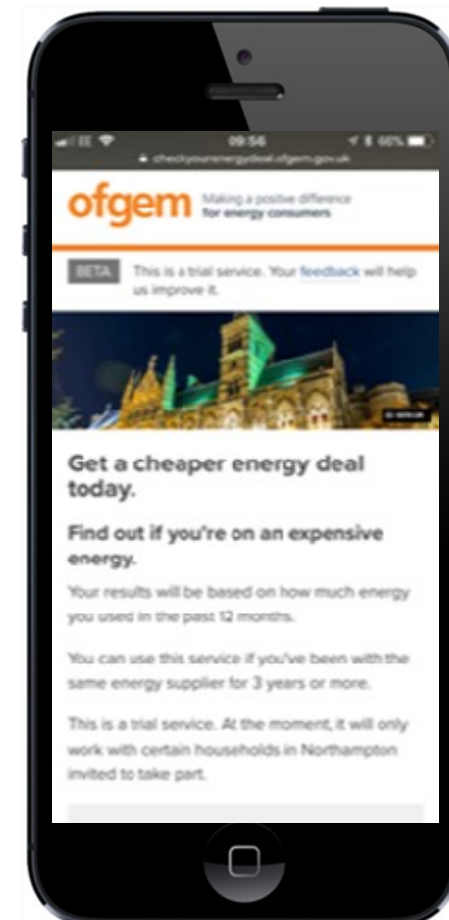
- Customers face real and perceived barriers to accessing and assessing information
- Customers face real and perceived barriers to switching

Suppliers earn more from inactive consumers who stay on SVTs

We trialled the CMA **direct supplier marketing approach** plus the **Best Offers Letter (BoL)** in 2016 and results were promising.

We agreed to **digitalise** the concept and trial an online service, and this became the '**Check Your Energy Deal**' trial. User needs was core to the design of the service, and the service also aimed to remove perceived barriers to switching to a new supplier.

Does a fully digital and assisted digital service encourage the most disengaged to switch to a cheaper energy deal?



Over 10,000 'Supplier A' customers within the Northampton area were invited to see the three cheapest energy deals available to them based on their energy consumption. Trial customers could then switch by a dedicated CYED website or were given guidance in how to do so. This was done in partnership with Price Comparison Website 'My Utility Genius'. Northampton Citizens Advice offered a second assisted digital service developed for those with specific needs or require more assistance with technology.

The project ran for 7 weeks during September – November 2017. It was not designed as a randomised controlled trial and changes were made to the service throughout the trial. The control group referred to in this pack were 80,000 non-trial participants randomly selected from 'Supplier A's customer base. Statistical analysis did not find any significant differences in the characteristics of the control and intervention groups.

Some groups of customers were excluded from the service, for example those with non standard meters (excluding economy 7), non-domestic customers and those with very low consumption.

Design based on
thorough user
testing & meeting
user needs

Positive feedback
from initial consumer
research

Consumers can be
encouraged to
service via social
media

1. Eligible customers receive a communication (letter or email) offering the chance to opt-out of the service. Customers were randomly allocated in to two groups, with half of the customers received Ofgem branded communications, and the other 'Supplier A' branded ones
2. Customers that do not opt-out of the service receive an invitation to the service
3. Customers visit the CYED website and enter their postcode, then select address and current supplier
4. Customers eligible for the service receive a message telling them they are on an expensive energy tariff, then a request to share information with a third-party
5. Customers that agree to share their information then see the three cheapest offers available for them, based on the most up-to-date consumption data
6. Customers then choose an offer and are either directed to switch directly through a third-party website or told how to switch.

Additional assistance was available via the local Citizens Advice office.

Ofgem Sponsored -  

Northampton! All you need is your postcode to check if you're paying too much for your energy.



NORTHAMPTON
Switch to a cheaper energy tariff now!

GOV.UK

Find out if you're overpaying. [Learn More](#)

CheckYourEnergyDeal.com

26 9 Comments 2 Shares

**Don't put it off!
Get your cheaper energy deal today**

You have 14 days to change your mind after you sign up. Your gas or electricity will not be interrupted at any point, and the way you pay will not change.

You are currently on an expensive energy deal paying on average **£70.00** a month



Save **£3.33** a month



 16,591 Reviews

You would pay
£66.67 a month
If you use the same amount of energy

[Deal details](#)



More money-saving energy deals

Save **£12.50** a month





 2,775 Reviews

You would pay
£57.50 a month
If you use the same amount of energy


[Deal details](#)


Save **£11.07** a month



 1,241 Reviews


You would pay
£58.93 a month
If you use the same amount of energy

[Deal details](#)


16,591  Reviews


Reviews 1 - 10


Margaret
15 October 2017

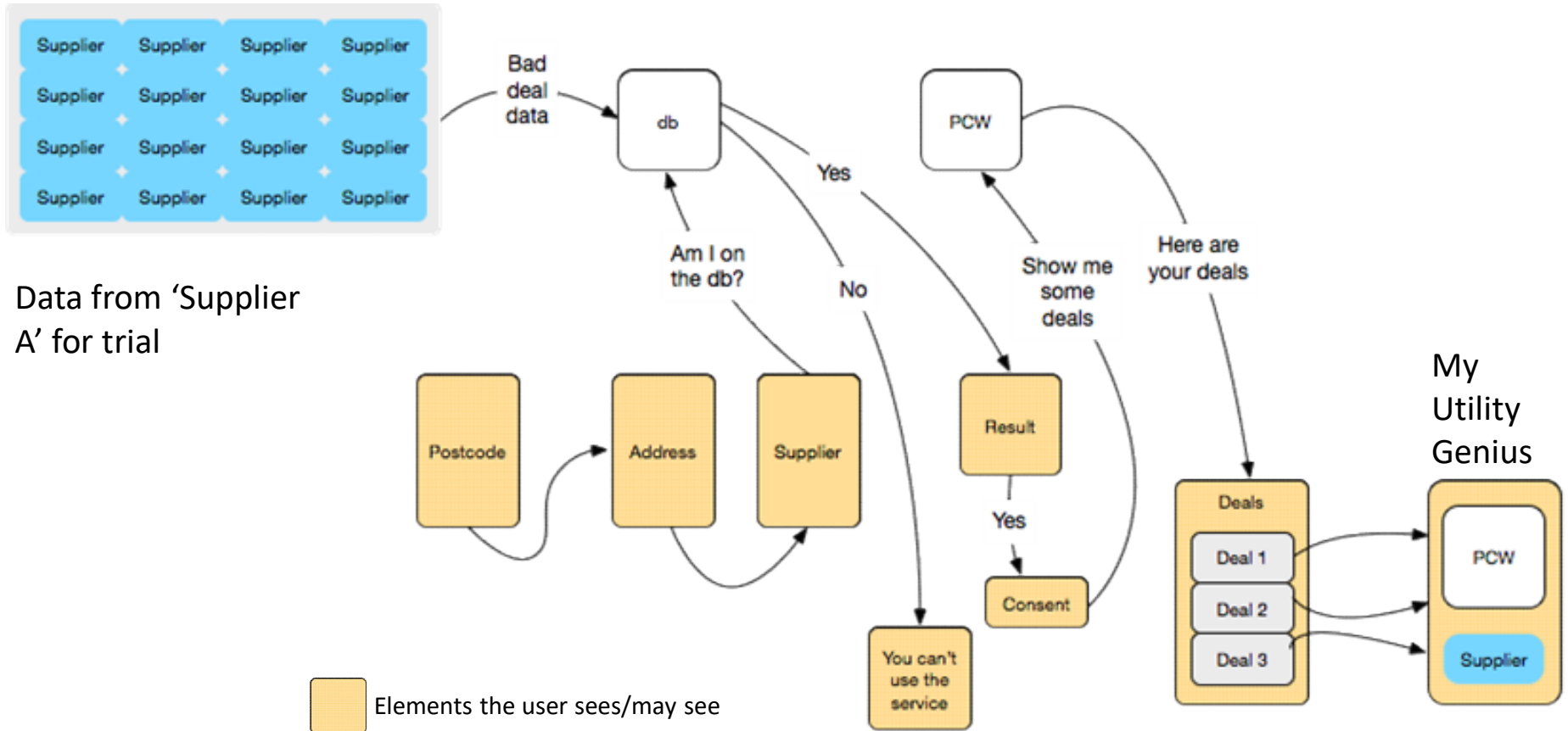

Brilliant caring service

I found the experience of changing fuel supplier to this company completely hassle free. Once I had given my permission I had nothing to do but provide meter readings when requested.They kept me informed at every stage via email which reassured me that things were moving forward.They kept to the deadline they had set for switch over and I always felt that I was important to them. Brilliant service!

Katherine
15 October 2017


 I have been with this company for a ...



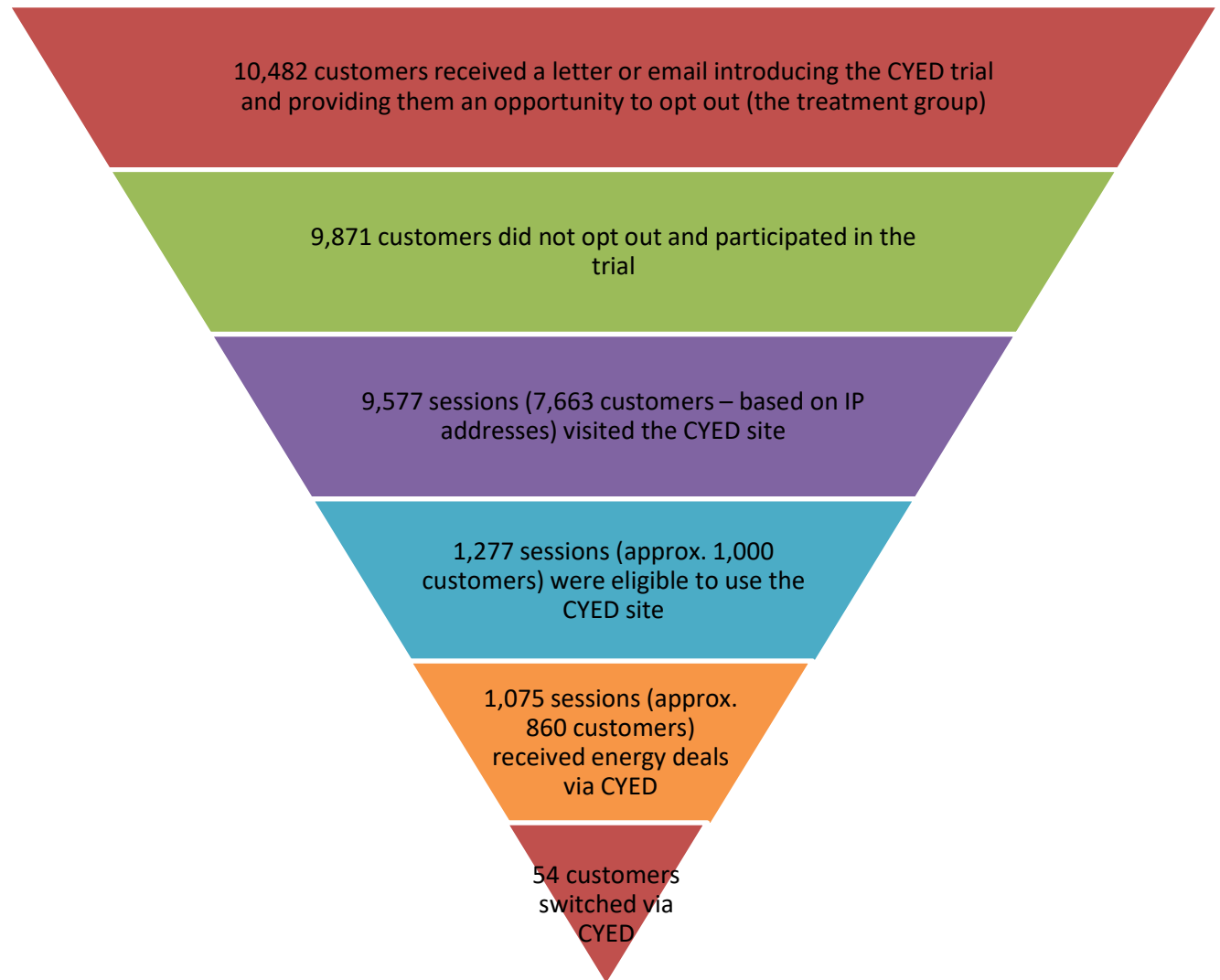


Data from 'Supplier A' for trial

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

Trial participant, CYED Qualitative research report

- Many of the customers who tried to use the CYED service found they were not eligible to use it.
- Of the intervention group of around 10,500 customers who received an invitation to the service, 54 switched through the CYED site.
- In addition, 123 CYED customers switched by other means.



- The trial doubled switching rates compared to the control group from around 2.6% to around 4.8%. This is based on information provided by the energy suppliers and is the most reliable data
- Customers who used the CYED were more likely to switch to a new supplier than those who switched through other means. Around 60% of total switches occurred to external suppliers
- Customers who switched after using the CYED service saved an average of £261 (however, sample sizes are low)
- Northampton Citizens Advice received more than 100 contacts in the first week and of the six people they visited, five switched their energy supplier, showing that the programmes had considerable impact on those who Citizens Advice were able to visit

Comments from users of the service:

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 site website 3 or 4 times in total though.

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

Sometimes I get frustrated with websites...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)

General feedback:

- ✓ The website is seen as simple, straightforward and easy to use.
- ✓ Switchers are happy with the service. They reported as likely to use again and recommend to others.
- ✓ Ofgem's name is a recognised as independent, trusted and impartial

Thoughts about Ofgem's role in the trial:

- Of those who received communications from Ofgem, who had previously opted out of Direct Marketing with their current supplier, there was a feeling that the brand evokes trust and confidence
- Consider co-branding this letter with the Ofgem logo to provide greater reassurance.
- Most are enthusiastic about the service being offered by Ofgem.
- Negative sentiments related to frustration at not being offered the best deals without regulator intervention.

For those that haven't switched, the reasons for not doing so vary quite considerably – but almost all are impressed by the clarity of the communication and the ease of the site.

Didn't access, didn't switch

I read the letter but I didn't want to take things further. I didn't want to opt out - I don't know why really - just in case I suppose.

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 about it. The fact it was Ofgem made it more believable. I didn't want to switch though

Accessed but didn't switch

I just went on the link and didn't do anything after that - It was easy to read, I wasn't sure if I believed the information that was on there or not.

I thought it was really good; it showed you what you could save straight away, I clicked on the link and put my postcode.

Accessed and switched

The letter that came from the supplier with Ofgem on it [prompted me to act]. I felt confident having Ofgem on the letter in checking their website. With 'Supplier A's logo on the letter, it was almost them recommending us to try the website.

It was short and concise, and indicated that you could take some action, and I did it the same day. As it was from Ofgem it was credible and without prejudice.

"I had read that 'Supplier A' would be contacting us, it was no surprise when they did – it was good"
(didn't access, didn't switch)

"Normally the info you get from energy suppliers has [lots of] terms and conditions, whereas this was a simple one page letter entitled 'Check Your Energy Deal'. 'Supplier A being forced to tell me to potentially leave them, meant I was intrigued - in a good way."
(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)

For more information please refer to the full Qualitative Research Report [here](#).

Our core purpose is to ensure that all consumers can get good value and service from the energy market. In support of this we favour market solutions where practical, incentive regulation for monopolies and an approach that seeks to enable innovation and beneficial change whilst protecting consumers.

We will ensure that Ofgem will operate as an efficient organisation, driven by skilled and empowered staff, that will act quickly, predictably and effectively in the consumer interest, based on independent and transparent insight into consumers' experiences and the operation of energy systems and markets.