

Consumers' experiences with energy during the Covid-19 pandemic

Summary of research findings



Office for Research and Economics
August 2020

In April 2020 Ofgem began polling domestic energy consumers to understand the impact that social distancing measures had on their energy consumption, their financial well-being and if they knew what to do should they need assistance with paying energy bills.

Two waves of polling were undertaken. While different consumers from the same target audience (domestic energy bill payers) were interviewed in each wave, results aren't strictly comparable due to a change in methodology between waves. Ofgem plans to run further waves of polling in 2020.

Key findings from the first two waves are included in this report.

Methodology: Ofgem Consumer Polling

Ofgem consumer polling Wave 1 (April 2020)

Fieldwork was carried out by Ipsos MORI, using a telephone survey with a GB-representative sample of 858 domestic energy bill payers.

Fieldwork ran from 3-12 April 2020.

Ofgem consumer polling Wave 2 (May 2020)

Fieldwork was carried out by Ipsos MORI, using an online survey with a GB-representative sample of 1885 domestic energy bill payers.

Fieldwork ran from 22-25 May 2020.

Consumers' concern about energy bills increased between April and May

- From April to May those who were worried about falling behind on bills due to reduced income increased (from 16% to 21%)

Consumers aged 16-24 years were particularly affected

- In May, nearly half of 16-24 year olds surveyed (48%) were worried about falling behind on energy bills due to reduced income
- Significantly more in this age group were worried about their energy supply being affected (45% vs 20% on average)

16-34 year olds with PPMs were also concerned

- Moreover, 16-34 year old Prepayment Meter (PPM) users were more worried they might not be able to top up because their income has been reduced (47% vs 30%)

Many Prepayment Meter (PPM) customers have experienced issues since social distancing started

In May:

- Three in ten (30%) were worried they might not be able to top up because of a fall in income (although this was slightly down compared to April, 35%)
- Just over one in five (22%) drew on emergency credit and a further 6% asked their supplier for more credit
- Others said they could not top up because they could not afford it (11%), or topped up with less than usual (10%). Five percent ran out of credit and were temporarily disconnected

Around two in five (41%) consumers recalled receiving *some type* of information from their supplier relating to the lockdown:

- What to do if having trouble paying bills was the most recalled type of information (25%), with recall highest among 16-24 year olds (35%) – the age group most likely to have concerns about paying energy bills

One in five (20%) recalled information relating to what their supplier is doing to manage customer service

The majority of consumers who contacted their supplier during the lockdown were satisfied with that contact

- Around two thirds (66%) of customers who contacted their supplier were satisfied with the time it took to get in touch with their supplier
- Three quarters (74%) were satisfied with the outcome of the enquiry

Many consumers took steps in May to manage their energy payments or to switch supplier

- Around two thirds (65%) of all consumers with payment issues have contacted someone for information or advice on how to manage their energy payments.
- They mostly contact their energy supplier (27%), Citizens Advice (18%), or Comparison websites (17%)
- 10% of all consumers have said they are in the process of switching or are actively looking to switch, with a further 21% thinking about switching.

- Are consumers concerned about energy bills?
- What issues have Prepayment Meter (PPM) customers experienced since social distancing started?
- A closer look at the experiences of young people in Britain
- How many consumers recall receiving information from their supplier?
- How many consumers were aware of support initiatives introduced by the Government?
- Were consumers able to contact their supplier during the first months of social distancing?
- How many were satisfied with the time taken to contact their supplier and the outcome of the contact?
- Where do consumers think to go should they need support with paying their bills?
- How many consumers switched supplier during the first few months of social distancing?

Concerns about affordability

From April to May concern about falling behind on bills increased (from 16% to 21%).

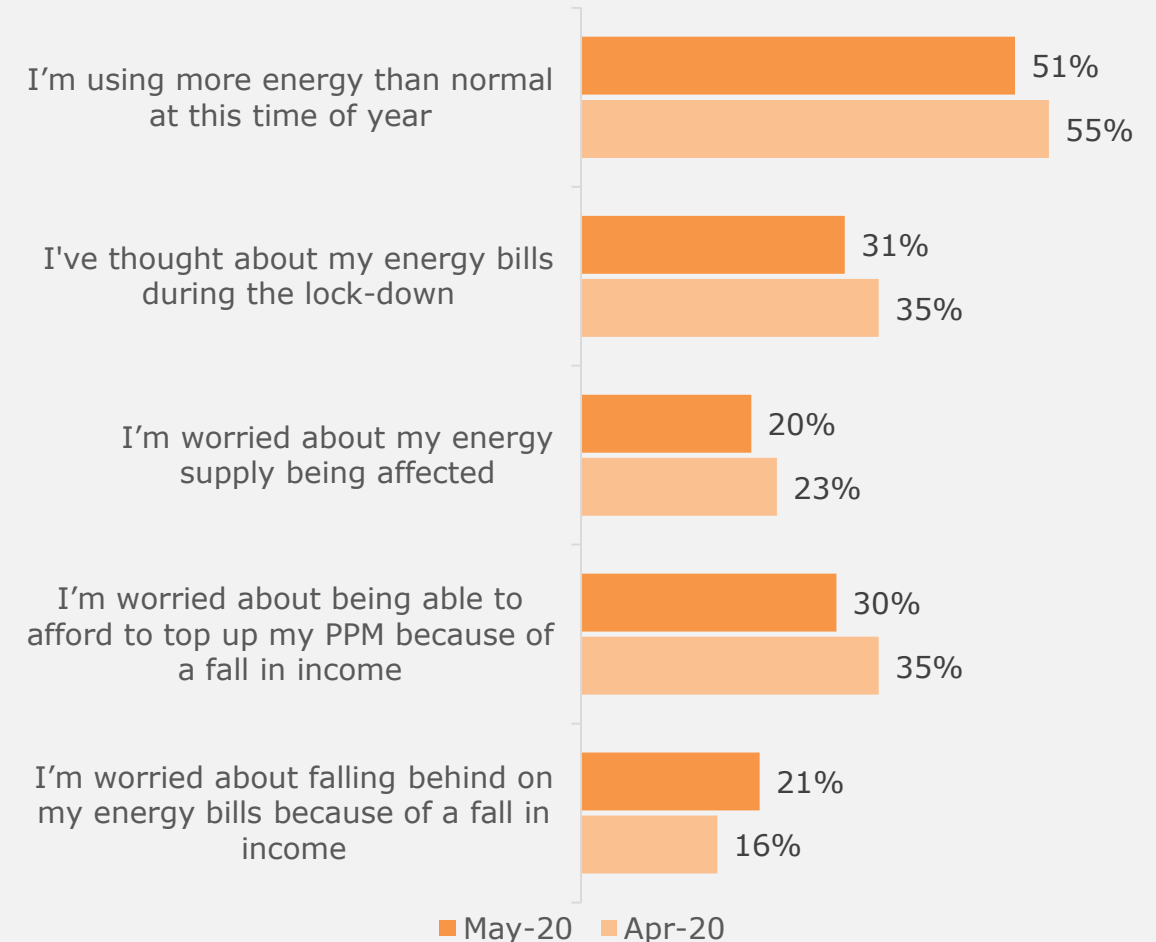
Concern about being able to top up because of a fall in income among PPM customers declined slightly between April and May, from 35% in April to 30% in May).

Consumers are using more energy

With so many people staying at home because of social distancing in April and May, it's not surprising that more than half of the consumers we surveyed were using more energy than usual for the time of year (55% in April, 51% in May).

Around a third reported that they had given thought to their energy bills (35% in April, 31% in May).

Concerns about energy since social distancing started



To what extent do you agree or disagree with the following statements?
Sample base: All Consumers, April 2020, (n=845), All Consumers, May 2020, (n= range from 241 to 1880)

We asked what issues consumers with Prepayment Meters (PPMs) had experienced since social distancing started.

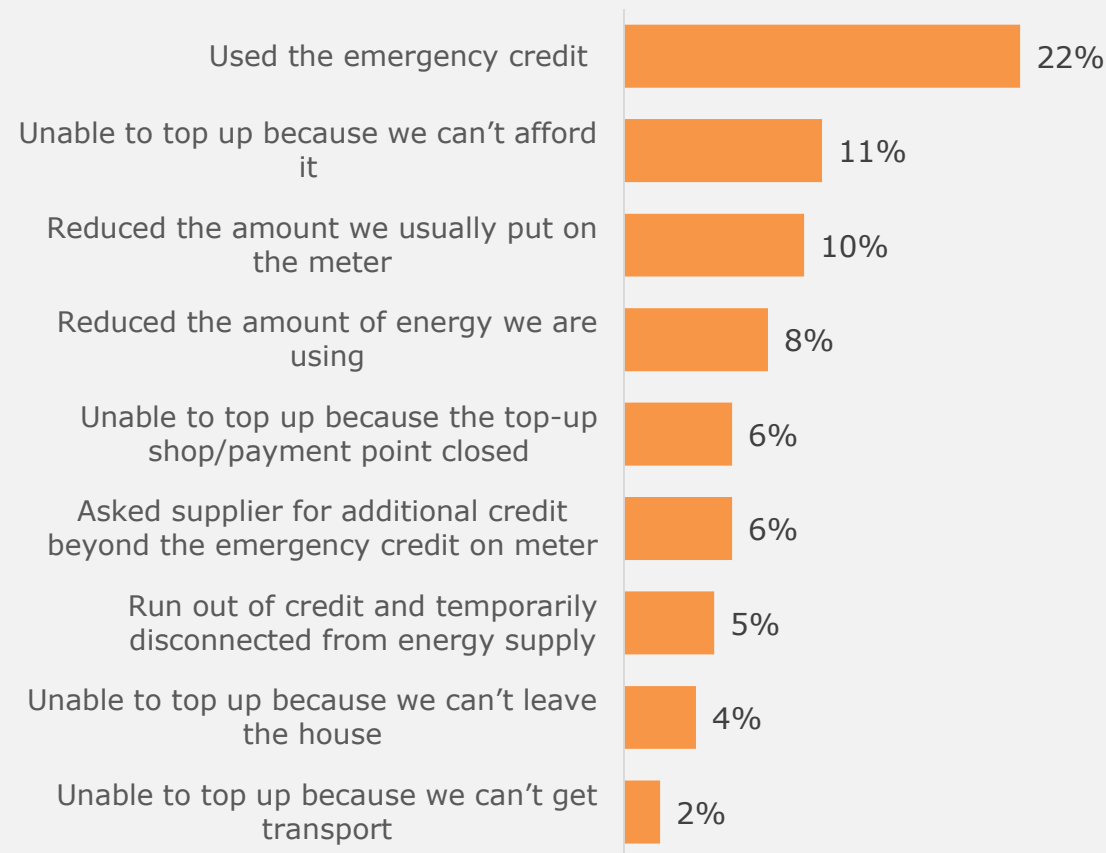
The most common issues relate to affordability:

- One in five (22%) drew on emergency credit
- Around one in ten reported that they could not top up because they could not afford it (11%) or had reduced the amount they put on their PPM (10%)
- 6% asked for additional emergency credit
- One in twenty (5%) ran out of credit and were temporarily disconnected

A small proportion reported issues topping up because of social distancing measures:

- Their payment point was closed (6%)
- They couldn't leave home (4%) or
- They couldn't get to public transport (2%)

What issues have PPM customers experience with topping up since social distancing started? (May 2020)



Consumers aged 16-24 were the age group most likely to express concern about managing their energy bills:

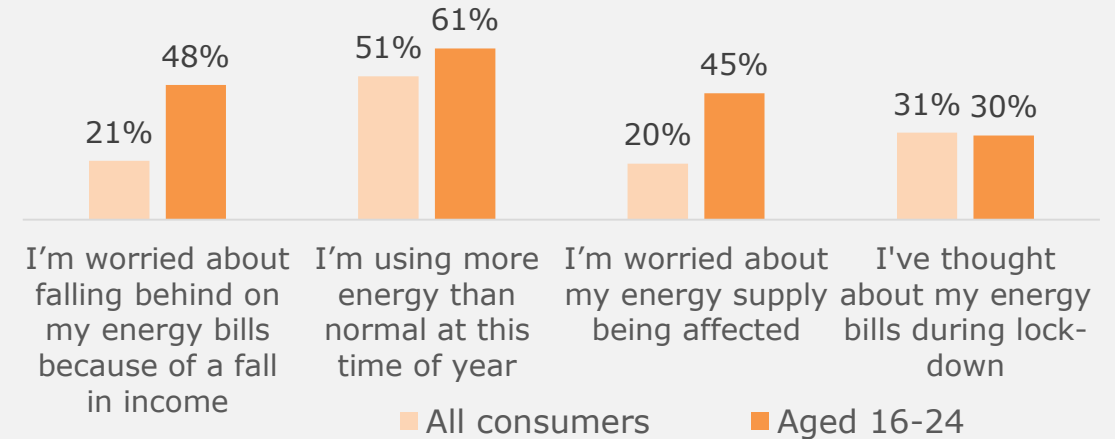
- Almost half (48%) were worried about falling behind on energy bills due to reduced income
- And 45% were worried their supply might be affected

Moreover, nearly half (47%) of 16-34 year olds with PPMs were worried they might not be able to afford to top up (in contrast to 30% of all PPM consumers)

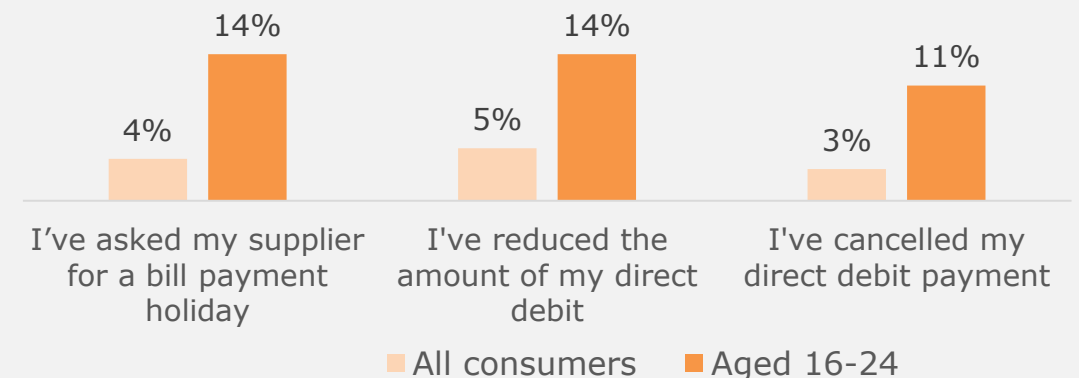
16-24s were also the age group most likely to have taken steps to manage their bills:

- One in seven (14%) who pay via standard credit or direct debit requested a payment holiday
- The same proportion (14%) of those who pay via direct debit have reduced their direct debit payment. Just over one in ten (11%) have cancelled their direct debit

Concerns about energy since social distancing started (May 2020)



Experiences managing energy bills during the lockdown (May 2020)

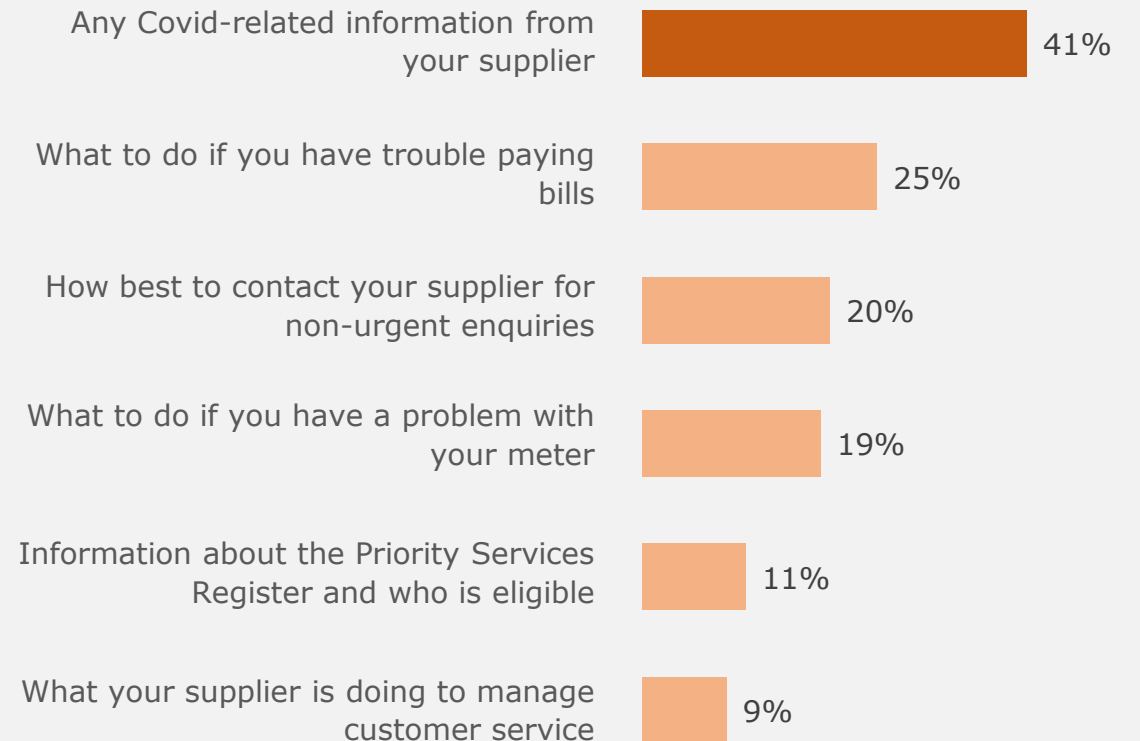


To what extent do you agree or disagree with the following statements?
Since social distancing started, have any of the following happened to you?
Sample bases vary by statement and can be found in the Appendix Table

In May, two in five (41%) consumers recalled receiving some type of information about dealing with their energy supplier during the lockdown:

- What to do if having trouble paying bills was the most recalled type of information (25%)
 - Recall was highest among 16-24 year olds (35%), which is also the age group most likely to have concerns about paying energy bills
 - Recall was also high among 25-34 year olds (31%)
- The other commonly recalled information related to getting assistance should it be needed:
 - Around one in five (20%) recalled information about how to contact their supplier for non-urgent enquiries or what to do if there was a problem with a meter (19%)
 - Around one in 10 recalled information about what to do if they have a problem with their meter (11%) or information about the Priority Services Register and who is eligible (9%)

Recall of information from suppliers since people started social distancing (May 2020)

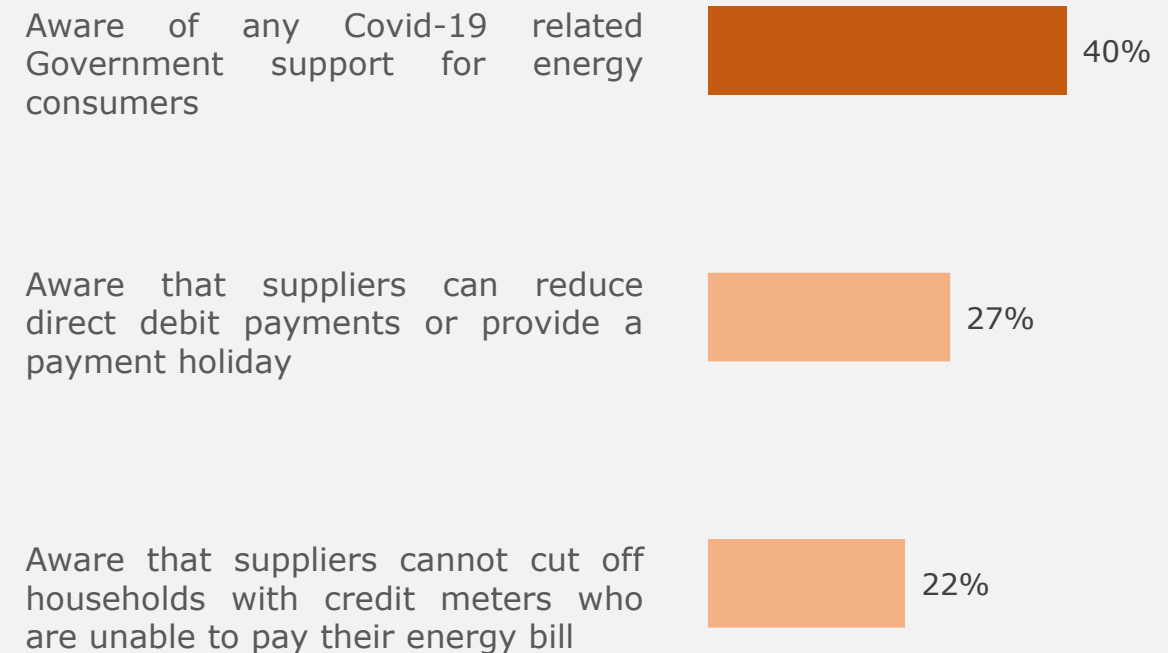


Since the Government advised people to isolate/socially distance themselves from each other, which, if any, of the following information has your household received from your electricity and gas/electricity supplier?
Sample base: All Consumers, May 2020, (n=1880), Aged 16-24, May 2020, (n=227)

In March, the Government and energy suppliers agreed to introduce some additional support methods should consumers have difficulty paying bills.

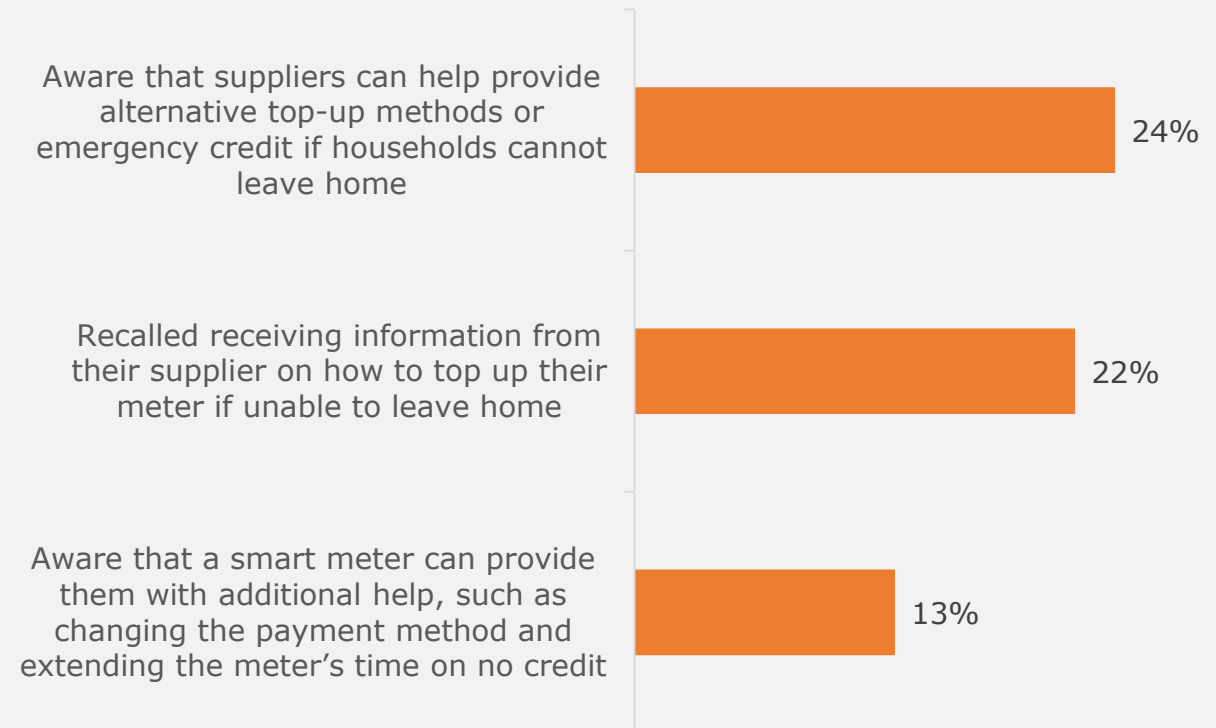
- In May, four in ten (40%) customers were aware of at least one of the types of support available to them
- Awareness of changes to payment arrangements (27%) was slightly higher than awareness that they couldn't be cut off (22%)

Awareness of Government support initiatives (May 2020)



- 24% of those with PPMs were aware that suppliers can help provide alternative top-up methods or emergency credit if householders cannot leave home
- 22% of the PPM users recalled receiving information from their supplier on how to top up their meter if unable to leave home
- 13% of the PPM customers were aware that a smart meter can provide them with additional help, such as changing the payment method and extending the meter's time on no credit

PPM customers' awareness of available support (May 2020)



The Government has introduced some measures to help people manage their energy bills during isolating/social distancing. Before being interviewed today, which, if any, of the following were you aware of?

Sample base: PPM customers, May 2020, (n=241)

One in six (17%) of the consumers we surveyed had contacted their energy supplier since social distancing started

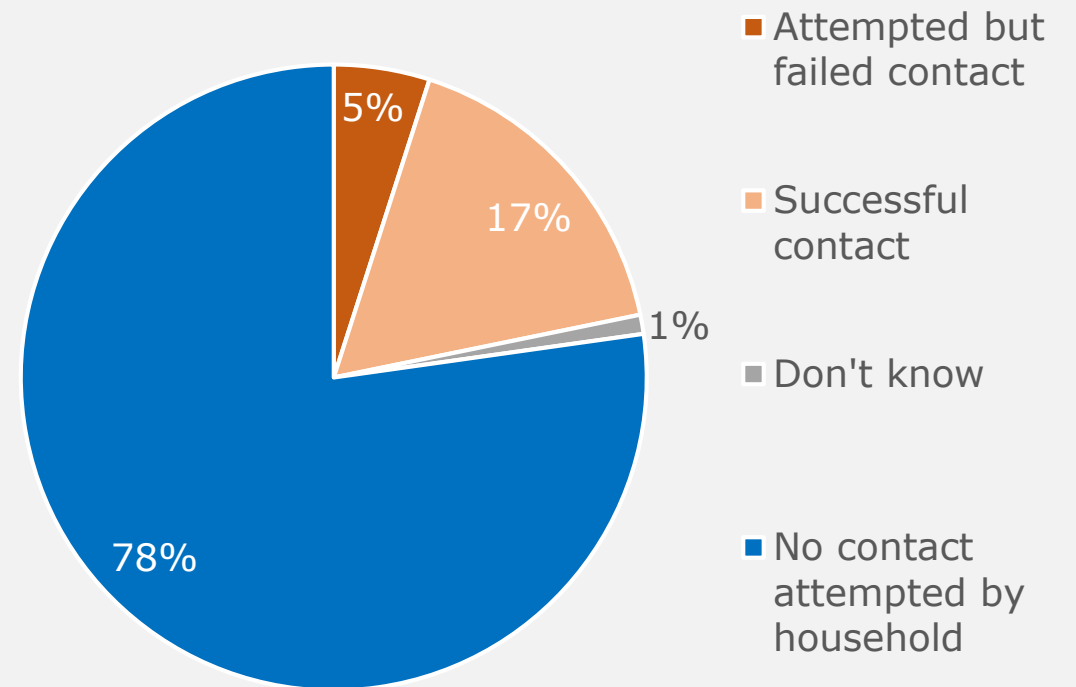
- This may be lower than normal – our regular ‘Consumer Perceptions of the Energy Market Survey’* tells us that around three in ten (30%) consumers contact their supplier in any three month period

One in twenty (5%) attempted but failed to contact their energy supplier

- This is only marginally higher than usual – our regular ‘Consumer Perceptions of the Energy Market’ survey records that 3-4% on average are unable to contact their suppliers in any three month period

* <https://www.ofgem.gov.uk/publications-and-updates/consumer-perceptions-energy-market-january-2020>

Contacting suppliers (May 2020)



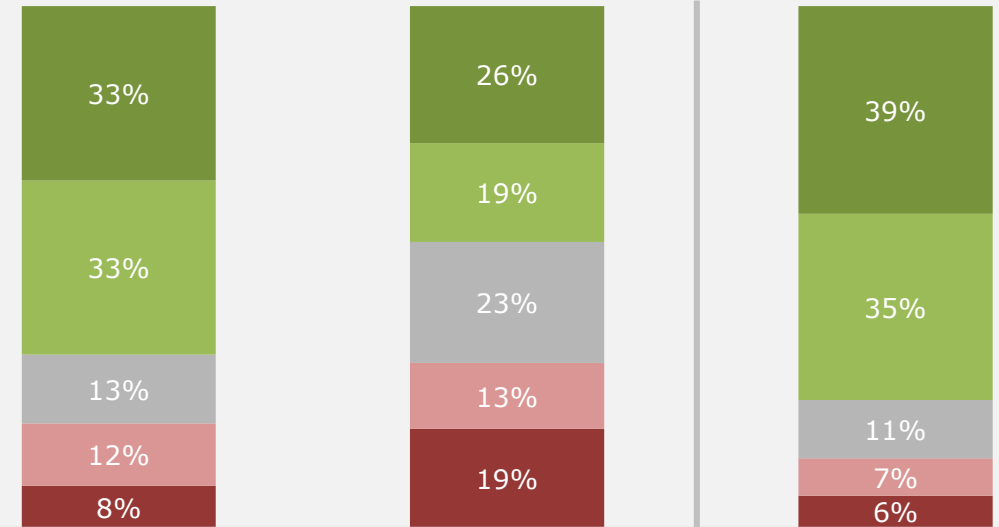
Have you contacted or tried to contact your electricity and gas/electricity supplier (by phone, online or mail) for any reason since the Government asked people to isolate/socially distance themselves from each other?
Sample base: All Consumers, May 2020, (n=1880)

Around two thirds (66%) of customers who contacted their supplier were satisfied with the time it took to get in touch with their supplier.

Three quarters (74%) were satisfied with the outcome of the enquiry.

PPM customers may be having greater difficulty reaching suppliers. Fewer than half (45%) were satisfied with the time it took to get assistance.

Satisfaction with contact (May 2020)



All contacted: The time it took to get through to someone who could help me / to respond (combined results)
 PPM contacts: The time it took to get through to a person who could help me
 All contacted: Satisfaction with outcome

- Very dissatisfied
- Fairly dissatisfied
- Neither satisfied nor dissatisfied
- Fairly satisfied
- Very satisfied

And how satisfied or dissatisfied, were you with the following when you last contacted you supplier?
 [statements were asked separately, but results for 2 and 3 are combined in the charts above]

1. The outcome
2. The time it took to get through to a person who could help me
3. The time it took for them to respond

Bars don't add to 100% as 'don't know' responses are not shown

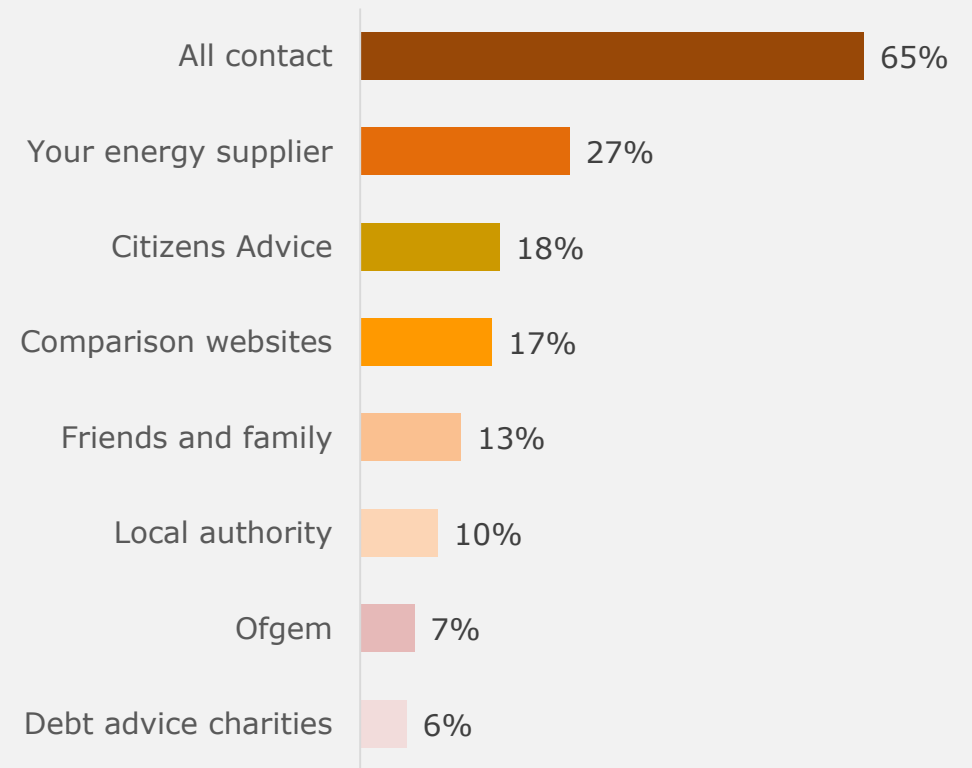
Sample base:, All who contacted supplier since social distancing (n=325), All PPM consumers who contacted supplier since social distancing (n=34)

Around two thirds (65%) of all consumers with payment issues said they had contacted someone for information or advice on how to manage their energy payments.

The most common contact points were:

- Their energy supplier (27%)
- Citizens Advice (18%)
- Comparison websites (17%)
- Friends and family (13%)
- Local authority (10%)
- Ofgem (7%)
- Debt advice charities (6%)

Who consumers seek information or advice from when they need support managing energy payments (May 2020)



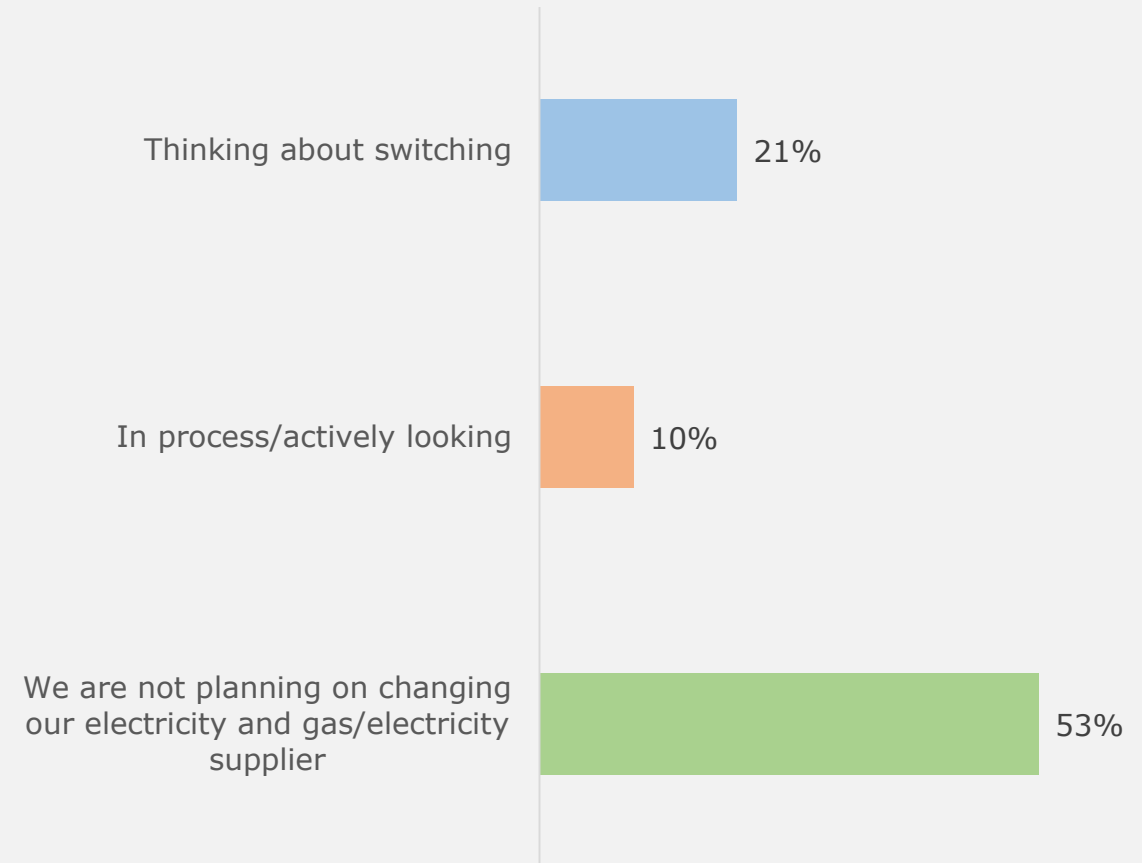
Have you contacted any of the following for information or advice about how to manage your energy payments?

Sample base: Customers who have had payment issues (n=301)

In May 2020, one in ten (10%) of consumers surveyed said they are in the process of switching or are actively looking to switch

A further 21% said they were thinking about switching

Switching during Covid-19 (May 2020)



Which of the following, if any, best describes what those in your household are doing right now?
Sample base: All consumers (n=1880)

Concerns about energy since social distancing started (May 2020) – Sample bases

Statement	Sample base	n - All Consumers	n - Aged 16-24
I'm worried about falling behind on my energy bills because of a fall in income	All who pay via direct debit or standard credit	1652	199
I'm using more energy than normal at this time of year	All consumers	1880	227
I'm worried about my energy supply being affected	All consumers	1880	227
I've thought about my energy bills during lockdown	All who pay via direct debit or standard credit	1652	199

Experiences managing energy bills during the lockdown (May 2020) – Sample bases

Statement	Sample base	n - All Consumers	n - Aged 16-24
I've asked my supplier for a bill payment holiday	All who pay via direct debit or standard credit	1652	199
I've reduced the amount of my direct debit	Those who pay via direct debit	1479	153
I've cancelled my direct debit payment	Those who pay via direct debit	1479	153

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We do this by:

- **working with Government, industry and consumer groups to deliver a net zero economy at the lowest cost to consumers.**
- **stamping out sharp and bad practice, ensuring fair treatment for all consumers, especially the vulnerable.**
- **enabling competition and innovation, which drives down prices and results in new products and services for consumers.**