Household Consumer Perceptions of the energy market

Quarter 3 2020

Fieldwork carried out in August & September 2020

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Accent

Changes this quarter

Changes this quarter

Fieldwork took place between the COVID-19 lockdowns, in August and September 2020

Smart meters

- This quarter consumers are, overall, more satisfied with their smart meter (71% vs 67% Q2 2020) and the smart meter installation process (80% vs 72% in Q2 2020)

Switching processes

- There has been a decline in satisfaction with the ease of comparing suppliers during the switching process (77% satisfied vs 83% in Q2 2020)

Changes this quarter

Recall of information from suppliers

- In Q2 2020 we saw a spike in recall of information from suppliers (likely because they put processes in place to respond to the pandemic). In Q3 2020, recall of receiving information has fallen back, significantly so for:
  - What to do in an emergency
  - How to make a complaint
  - Notification of a price increase

Background and method

Background

- This report presents findings from a tracking survey commissioned jointly by Ofgem and Citizens Advice.
  - The Gas and Electricity Markets Authority (GEMA) is the regulator of Britain's gas and electricity markets, and its principal objective is to protect the interests of both current and future consumers. Ofgem carries out the day to day functions of GEMA.
  - Citizens Advice helps millions of people every year to find a way forward, across all sectors, whatever their problems. This informs its role as the statutory energy consumer advocate, fighting for the best outcomes for current and future consumers.
- The tracker is a representative survey of domestic energy bill-payers and provides Ofgem and Citizens Advice with ongoing measures of consumer engagement in and experiences of the energy market.

Methodology

- Data was collected using a mixed-mode survey of 3,202 domestic energy bill-payers in Great Britain (GB). Fieldwork was carried out using:
  - An online survey using a commercial online panel (n = 2,976)
  - A combination of telephone (n= 16) and face to face interviews (n= 210) to allow for inclusion of the digitally excluded population. These consisted of those without access to the internet, those who had not used the internet in the previous six months and those not confident in using the internet (n=226). Telephone interviews were conducted by CATI (Computer Assisted Telephone Interviewing). In the light of the coronavirus outbreak, the face to face interviews were conducted in accordance with the Market Research Society's guidance on social distancing
- All participants were responsible (solely or jointly) for the energy bills in their household or for choosing their energy supplier.
- The survey used quotas to achieve a sample representative of the GB bill-payer population. Quotas were set on age, gender, social grade and region. Data were weighted to the known profile of the GB population. Quotas (other than gender) were based on census Household Reference Person (HRP)*, as a proxy for bill-payer.

* https://www.nomisweb.co.uk/datasets/st067

Fieldwork Dates

- Fieldwork dates for each of the eight waves of the survey completed are indicated below:

Fieldwork	Wave 1 (‘Q4 2018’)	Wave 2 (‘Q1 2019’)	Wave 3 (‘Q2 2019’)	Wave 4 (‘Q3 2019’)	Wave 5 (‘Q4 2019’)	Wave 6 (‘Q1 2020’)	Wave 7 (‘Q2 2020’)	Wave 8 (‘Q3 2020’)
Online	24th October – 11th November 2018	29th January – 6th February 2019	26th March - 15th April 2019	3rd July - 17th July 2019	1st – 23rd October 2019	6th - 22nd January 2020	1st - 17th April 2020	21st August – 16th September 2020
Face-to-Face*	24th October – 13th November 2018	31st January – 17th February 2019	1st – 16th April 2019	1st July – 23rd July 2019	3rd – 17th October 2019	9th - 24th January 2020	1st - 24th April 2020	24th August – 28th September 2020

*Wave 7 (‘Q2 2020’) and part of Wave 8 (‘Q3 2020’) were conducted by telephone in response to the need to socially distance brought about by the Covid-19 pandemic

Comparisons between survey waves

- This report presents results for the eighth tracking wave (Q3 2020)
- As the survey involved sampling a selection, rather than the whole population, of energy consumers, confidence intervals apply to the results. These confidence intervals indicate, for a given sample size and a given survey result, the degree of confidence we can have that the survey result is real and not due to random chance. For the total sample on which these results are based (n=3,202), there is a confidence interval of +/-2% (i.e. a survey result of 50% could lie between 48% and 52%).
- Confidence intervals also apply when comparing results between waves. Where there are statistically significant differences in findings to previous waves (i.e. we have statistical confidence that a real change has occurred), these are indicated. Where only wave eight results are shown, there are no statistically significant differences in findings from previous waves.
- All measures of statistical significance have been tested at the 95% confidence level.

Abbreviations/terms used in this report

Demographics:

- SEG = Socio-Economic grade
- ABC1 = Consumers falling into the top three socio-economic bands
- C2DE = Consumers falling into the bottom three socio-economic bands
- Online = Survey sample sourced from an online consumer panel
- Digitally excluded = Sample sourced from face-to-face in-home interviews. All selected on the basis they have no or limited access to the internet

Tariffs / Payment:

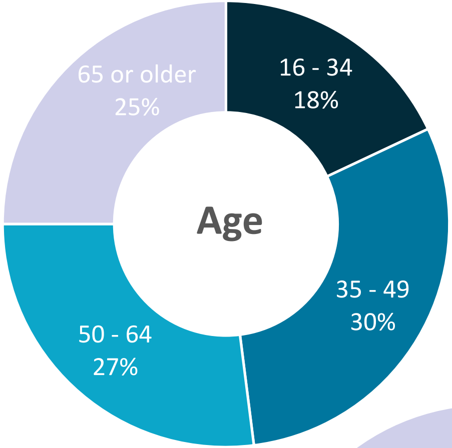
- Fixed = Consumer is on a fixed tariff for their electricity and gas
- SVT = Consumer is on a Standard Variable Tariff for their electricity and gas
- Mixed tariff = on different types of tariff for gas and electricity
- Dual Fuel = Consumer uses the same supplier for electricity and gas
- PPM = Pre-payment Meter

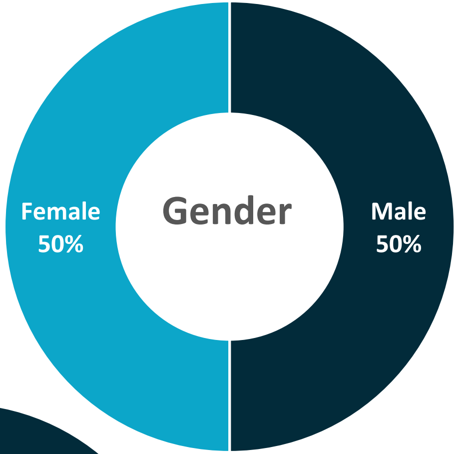
Other:

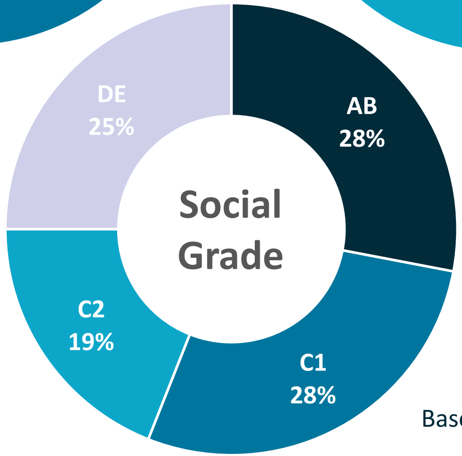
- PCW = Price Comparison Website
- PPS = Percentage points
- Net Satisfaction = % satisfied minus the % dissatisfied

Sample profile

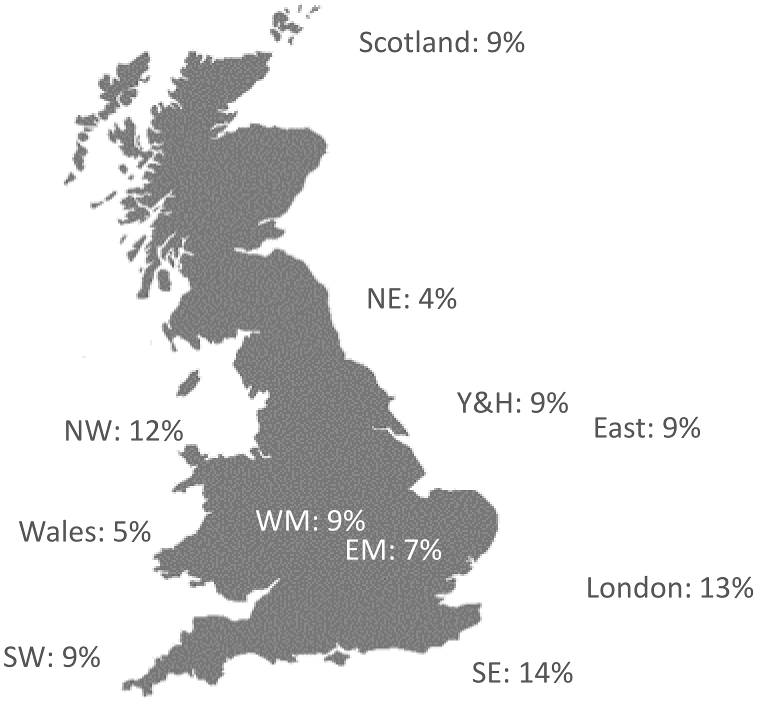
Sample profile Q3 2020







Region



Base: All Participants (3,202)

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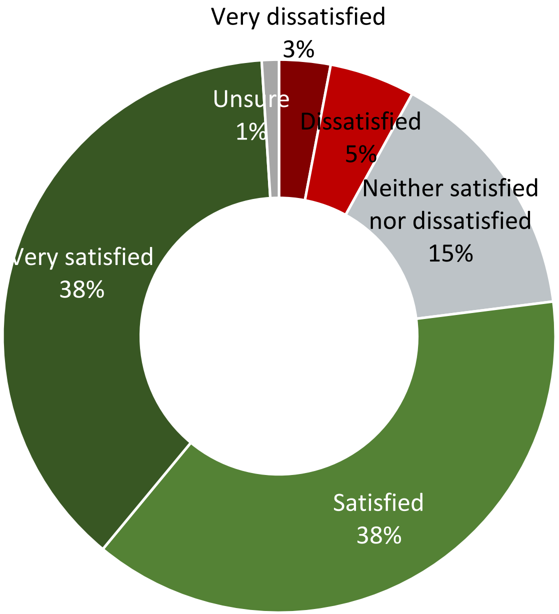
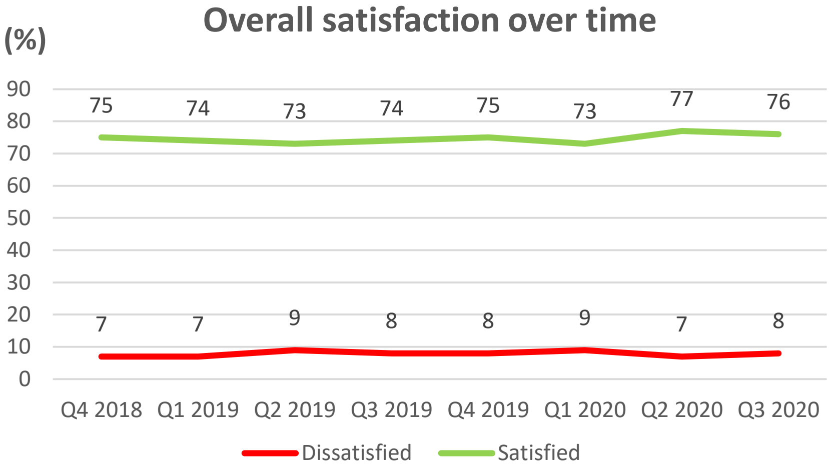
Satisfaction with supplier

Overall satisfaction with supplier

76% are satisfied with supplier, which has remained broadly consistent since Q4 2018





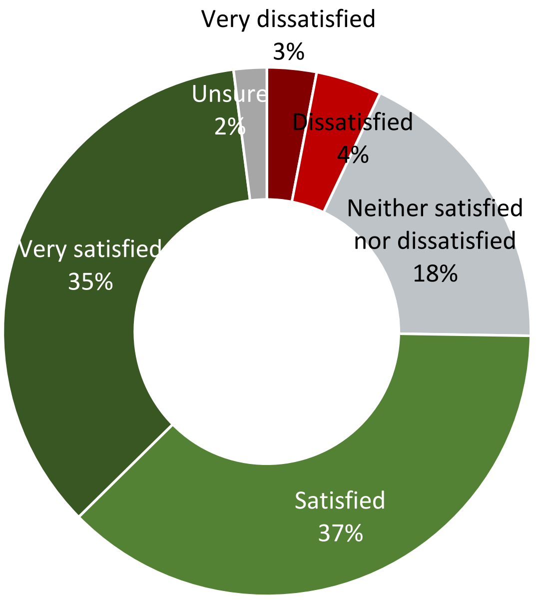
Overall, how satisfied or dissatisfied are you with (...) as your supplier of (gas/electricity/gas and electricity)?

Base: All Participants (3,202)

Accent

Satisfaction with customer service

73% are satisfied with customer service, in line with previous quarters



- Higher satisfaction among:
  - Those paying by direct debit (74%) vs standard credit (68%)
  - Those with a smart meter (74%) vs those without (71%)
- Of these groups, the following have most consistently shown higher satisfaction
  - Aged 65+ (all 8 quarters)
  - Pay by direct debit (all apart from Q4 2018)

N.B. the difference between the total % of very satisfied and satisfied consumers in the chart and the heading text are due to rounding

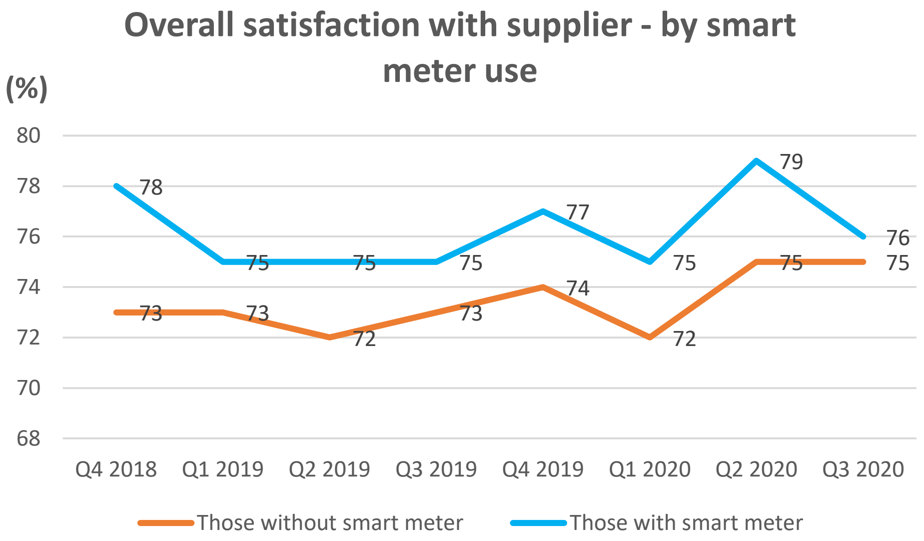
Overall, how dissatisfied or satisfied are you with the customer service you have received from your energy supplier?

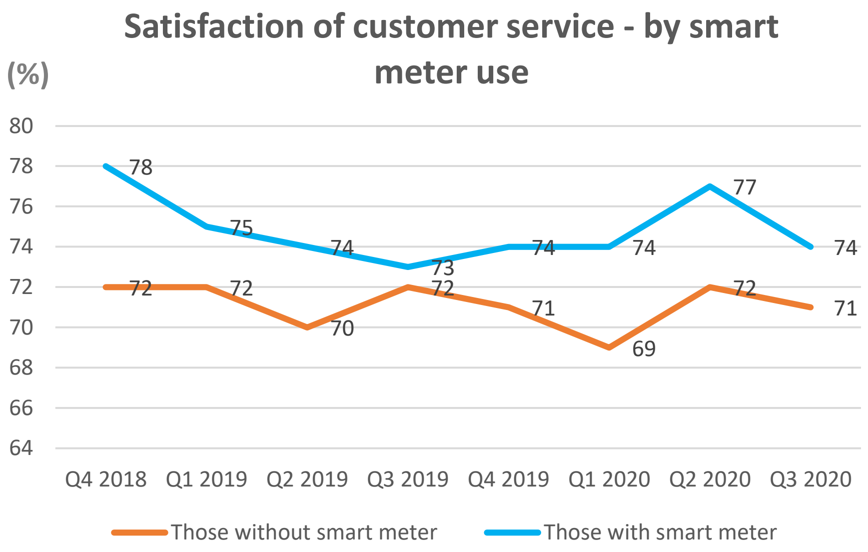
Base: All Participants (3,202).

Accent

Comparing supplier satisfaction ratings among customers with and without a smart meter

Consumers with a smart meter have consistently returned higher ratings





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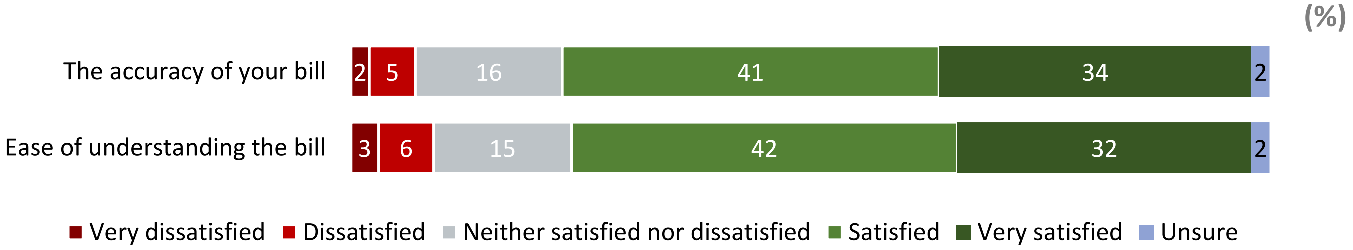
Satisfaction with bill

Around 3 in 4 are satisfied with accuracy and ease of understanding bills – this has remained consistent since Q4 2018



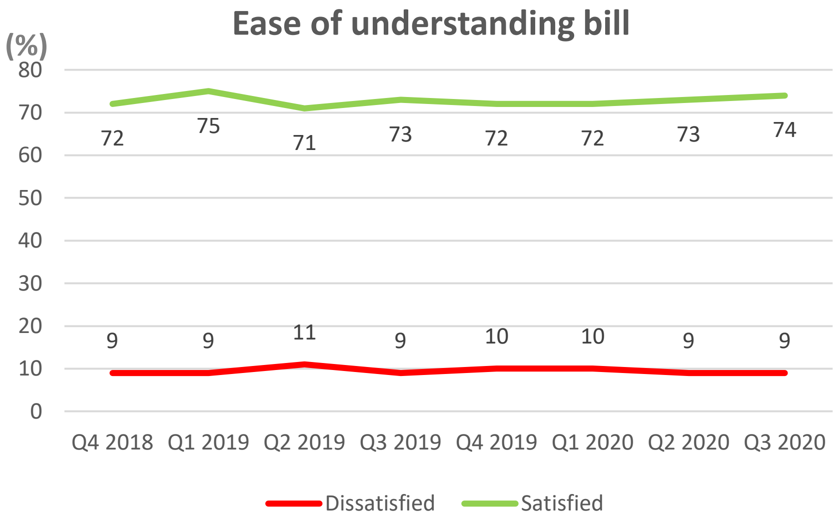
- '% satisfied' with ease of understanding is lower among:
  - Those dissatisfied overall with supplier (31%) vs satisfied (86%)
  - Those with a disability (69%) vs no disability (76%)
  - Those paying by PPM (60%) or via standard credit (69%) vs direct debit (75%)
- Each of these groups has had lower satisfaction over all or some of the last 8 quarters:
  - Those dissatisfied overall with supplier (all 8 quarters)
  - Those with a disability (all but Q1 2019)

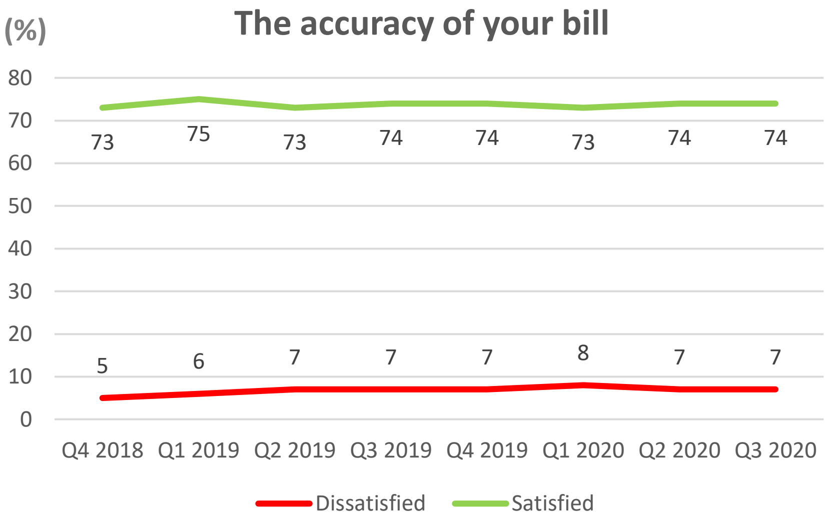
Please can you tell me how dissatisfied or satisfied you are with the following aspects of your energy supplier's bills?

Base: Those who pay for their energy with a regular direct debit or standing order or with cash/cheque/credit card/BACS/App (2,654)

Satisfaction with bill over time

Satisfaction with bills is consistent over time





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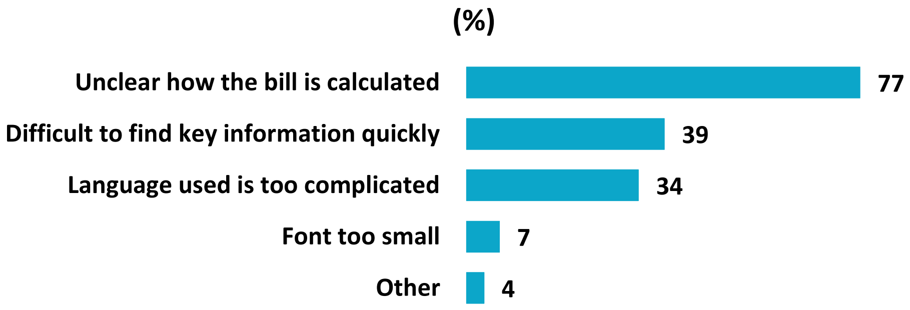
Reasons for dissatisfaction with ease of understanding the bill

Clarity of calculation of bill is the cost common problem (consistent with previous waves)



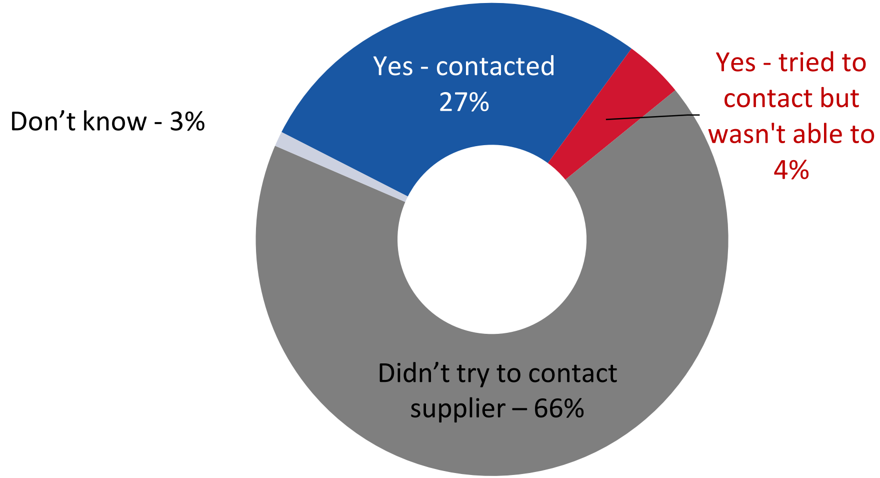
- Consumers who have never switched tariff or supplier are the group most likely to be dissatisfied because it's unclear how the bill is calculated (90%).

Why are you very dissatisfied/dissatisfied with the ease of understanding your bill from your energy supplier? (%)

Base: Those who are dissatisfied with the ease of understanding their bill from their energy supplier (229)

Recent contact with supplier (last 3 months)

Similar to previous quarters, just over a quarter (**27%**) contacted their supplier in the last three months.

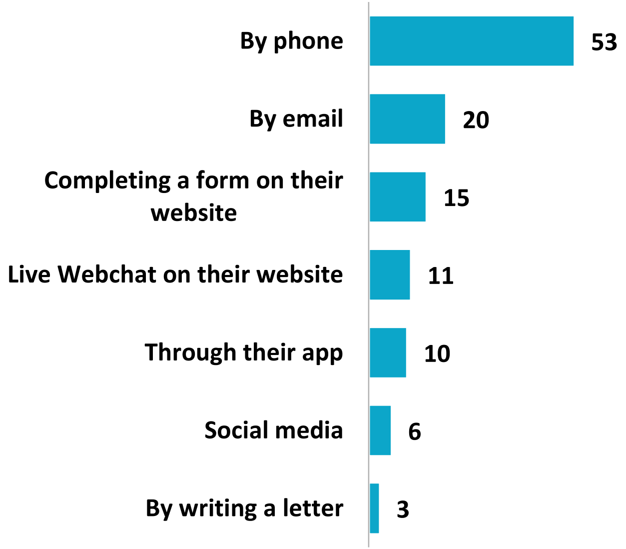


- Those more likely to contact are:
  - Dissatisfied customers (38%) vs satisfied (27%)
  - Aged 16-34 (36%) vs aged 35+ (25%)
  - Those with a disability (31%) vs those without (26%)
  - Online customers (28%) vs digitally excluded (11%)
  - Those who ever switched suppler (29%) and tariff (33%) vs never switched (21%)
- In Q3 2020 the proportion who tried but were unable to reach their supplier is consistent with previous tracking waves.

Have you contacted, or tried to contact, your energy supplier within the last 3 months? Base: All Participants (3,202)

Recent contact with supplier: contact channel

Method used to contact suppliers (%)



How did you (try to) make contact with your energy supplier on that last occasion? (%)

Base: All who contacted or have tried to make contact in the last 3 months (1,006)

While phone is the most common method used, there are a number of differences for the secondary channels:

- 16-34's are the age most likely to use their supplier's app (16% vs 8% among those aged 35+)
- Those aged 65+ most likely to use website form (22%)
- Those in a lower SEG are more likely to use phone (63% C2DE % vs 46% ABC1) and less likely to use email (16% vs 23%) or a form on website (13% vs 18%)
- 96% of digitally excluded used phone.

Most contact methods are stable over time, except there has been a significant decrease in the proportion contacting their supplier by phone compared to last year (62% Q3 2019 vs. 53% Q3 2020)

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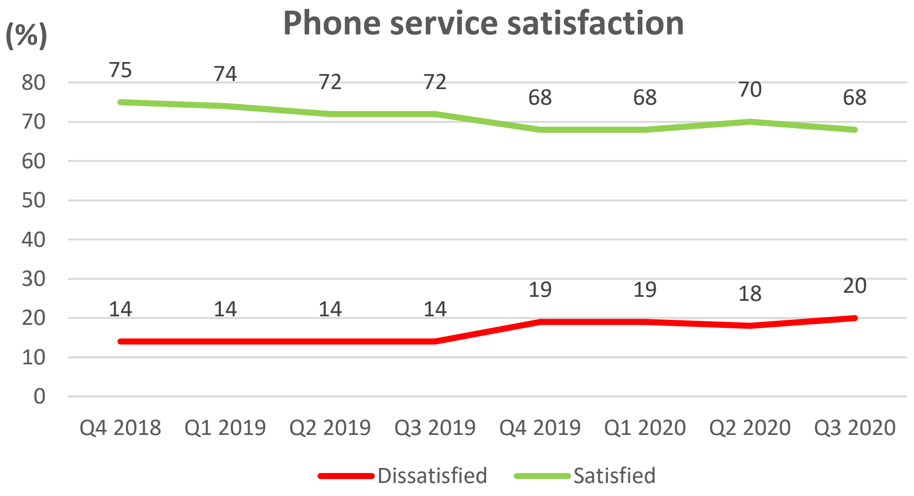
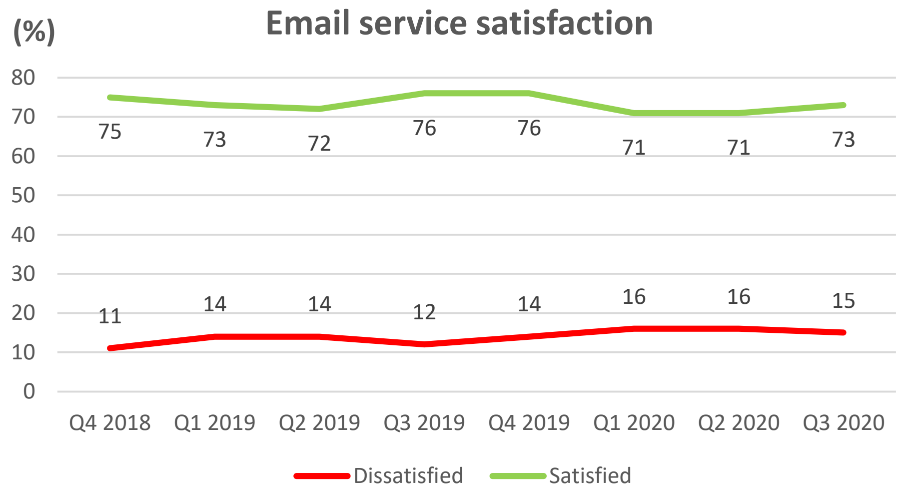
Satisfaction with phone and email service

Satisfaction with phone service has gradually declined



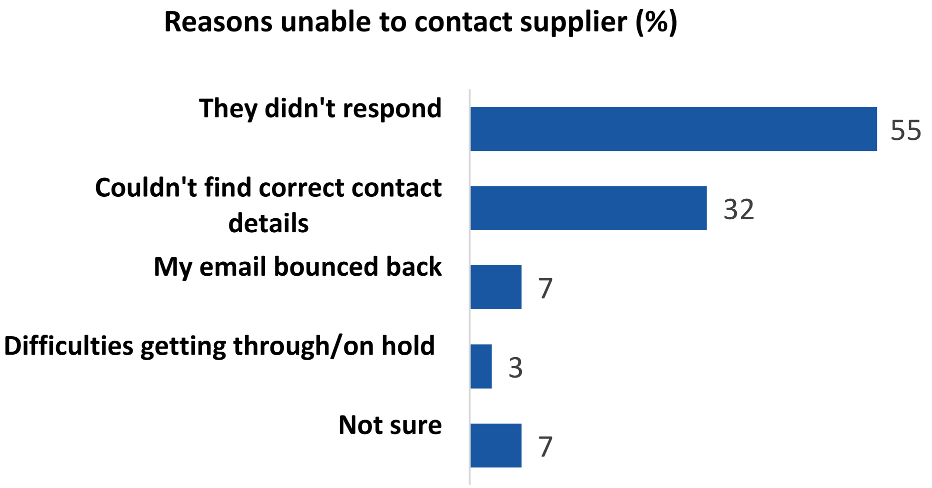


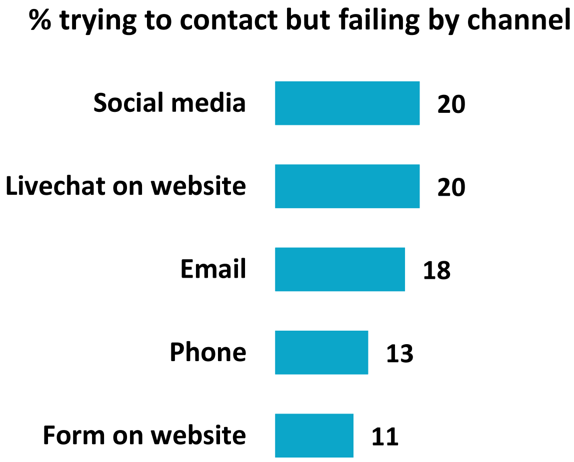
Please can you tell me how dissatisfied or satisfied you were with the service received by phone? (%)
Base: All who contacted or tried to contact their supplier by phone in the last 3 months (Base: 538 - 651)

Please can you tell me how dissatisfied or satisfied you were with the service received? (%)
Base: All who contacted or tried to contact their supplier by email/webchat/website form/app in the last 3 months (Base: 411 – 505)

Reasons for failed contact with supplier

Lack of response is the most common reasons for failed contact (consistent with previous waves)

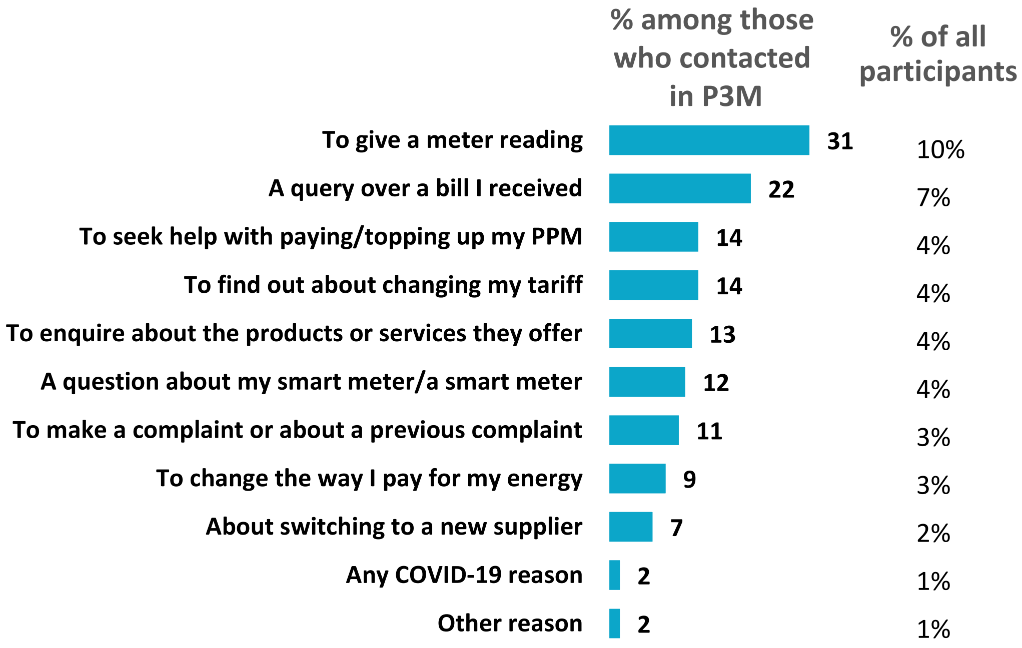




Thinking of the last time you tried to make contact with your energy supplier, why were you not able to? (%)
Base: Those who failed to contact their energy supplier (136)

Have you contacted, or tried to contact, your energy supplier within the last 3 months?
Base: All who contacted or have tried to make contact (Phone 540, Webchat 113, email 199, social media 55, website form 150)

Reasons for last contacting supplier



Differences by subgroup:

- 41% without a smart meter gave a meter reading
- 41% of those aged 65+ got in contact about a meter reading
- 30% on standard credit got in contact about a bill query
- 29% who switched tariff in last 12 months contacted to find out about changing tariff
- 20% with a smart meter asked a question about it
- 15% of those aged 35-49 got in contact about a complaint
- 19% of those using standard credit got in contact to change payment methods

* Contact relating to smart meters will include all forms of contact (e.g. installations, ongoing use, changing smart meter etc)

Thinking of the last time you (made/tried to make) contact with your energy supplier, what was it about? (%)

Base: Those who contacted / tried to contact their energy supplier (1,006)

Reasons for contacting supplier varies by payment method

	Payment method		
	Any using standard credit	**Any using PPM**	**Any using Direct debit**
To give a meter reading	26%	9%	36%
A query over a bill I received	30%	12%	23%
To seek help with paying my energy bills/with topping up my prepayment meter	20%	30%	9%
To find out about changing my tariff	16%	13%	14%
To enquire about the products or services they offer	14%	14%	13%
A question about my smart meter	17%	13%	12%
To make a complaint or about a previous complaint	20%	9%	10%
To change the way I pay for my energy	19%	10%	7%
About switching to a new supplier	12%	13%	6%

- Those paying by **standard credit** more likely to contact about:
  - A bill query
  - to change payment method
  - To switch supplier
  - To give a meter reading
  - About a complaint
  - To seek help with paying bills
- Paying by **PPM** more likely to contact about:
  - A smart meter
  - A complaint
  - Covid-19 and emergency payments
- Paying by **direct debit** more likely to contact about:
  - Changing tariff
  - A meter reading

*Highlighted percentages are statistically significant

Statistically higher than non-highlighted and light green cells

Statistically higher than non-highlighted cells

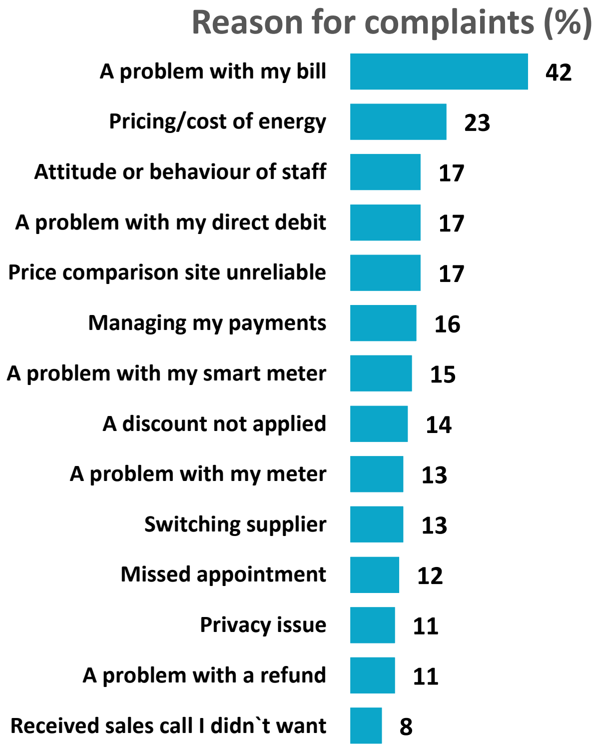
Complaints

Complaints to suppliers

11% of recent contacts with suppliers were relating to a complaint

- This equates to 3% of all consumers complaining the last time they contacted their supplier
- The groups more likely to have complained:
  - Dissatisfied overall with their supplier (33%) vs satisfied (6%) or neutral (14%)
  - Those using standard credit (20%) and PPM (9%) vs those using direct debit (10%)
  - Younger consumers: 16-49 (14%)
  - Those with a smart meter (12%) vs those without (10%)
  - Those with a disability (14%) vs those without (10%)
- In Q3 2020 there was a statistically significant increase in consumers complaining about a problem with their bill (up to 42% vs 30% in Q2 2020)

Base: Those who contacted or tried to contact their energy supplier (1,006)



Base: Those who contacted their energy supplier to make a complaint (107)

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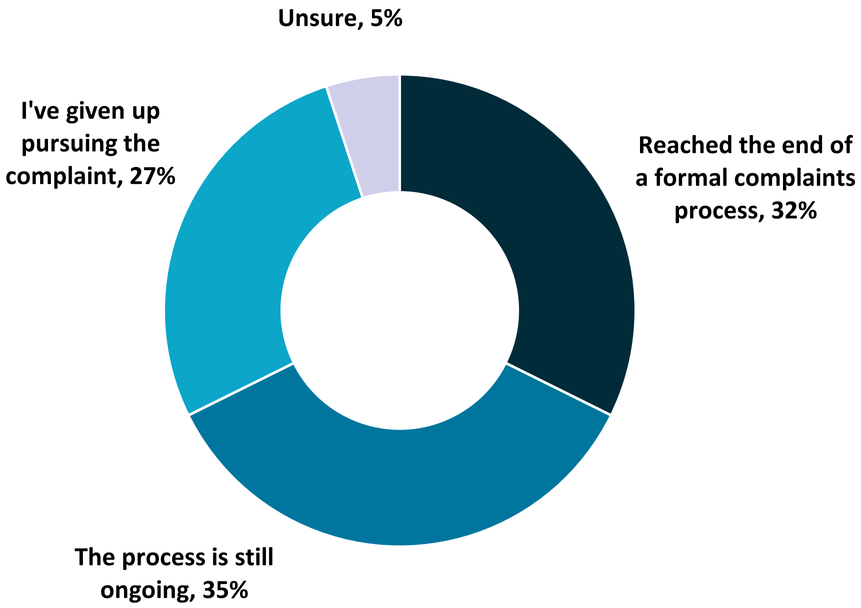
Stage of complaint and time taken to process (Past 3 months)

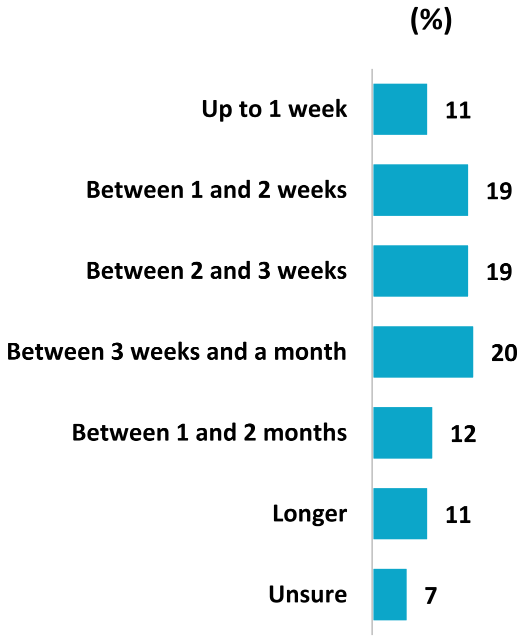
32% of complaints have been completed



What stage are you at with the complaint process?

Base: Those who contacted their energy supplier to make a complaint (108)

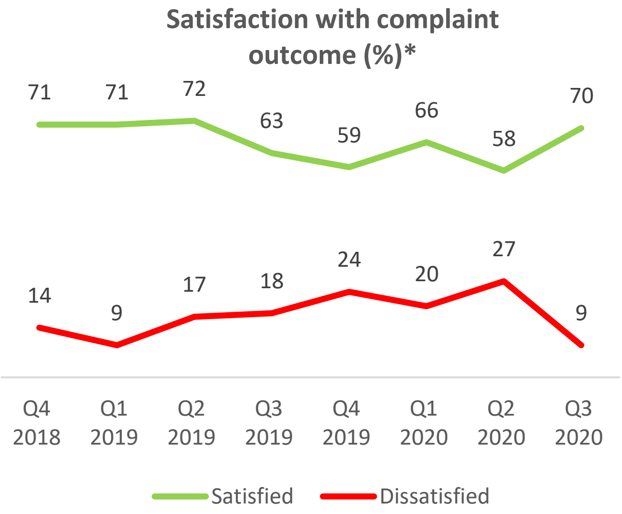
23% of complaints have been live for over 1 month

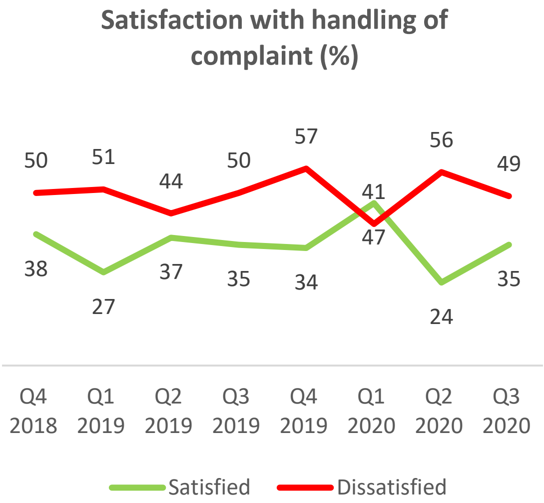


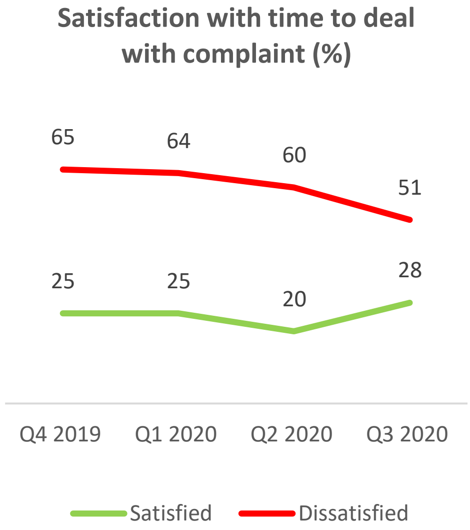
Roughly, how long did the complaint process take from beginning to end?

Base: Those who knew the stage of their complaint process (102)

Satisfaction with the complaints process







Satisfaction with the outcome of a complaint has **increased this quarter**

Satisfaction with the handling of complaints has **increased over the last quarter**

Satisfaction with the time taken to deal with complaints have **increased this quarter**

N.B. Neutral and 'Don't know' responses are not shown

Please can you tell me how satisfied or dissatisfied you are with the following aspects of your complaint.
Base: Those who contacted their energy supplier to make a complaint Q3 2020 (107) ; All other waves (96-111)
* Note small base sizes: Those whose complaint reached an outcome Q3 2020 (34); All other waves (33-46)

Tariffs and information provision

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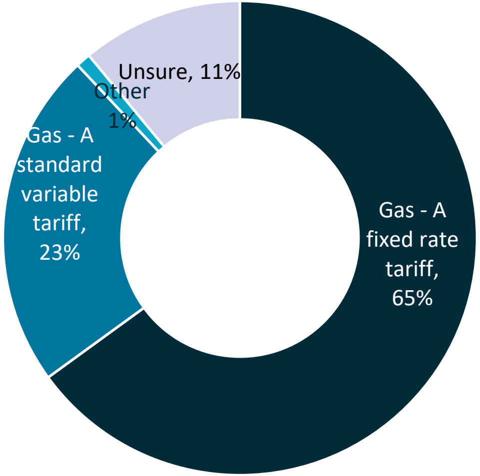
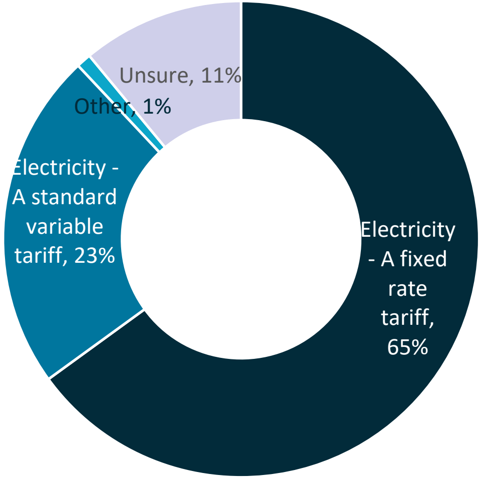
Tariff type

88% of gas and electricity customers say they know what tariff type they are on

Gas



Electricity



What kind of gas / electricity tariff are you on?

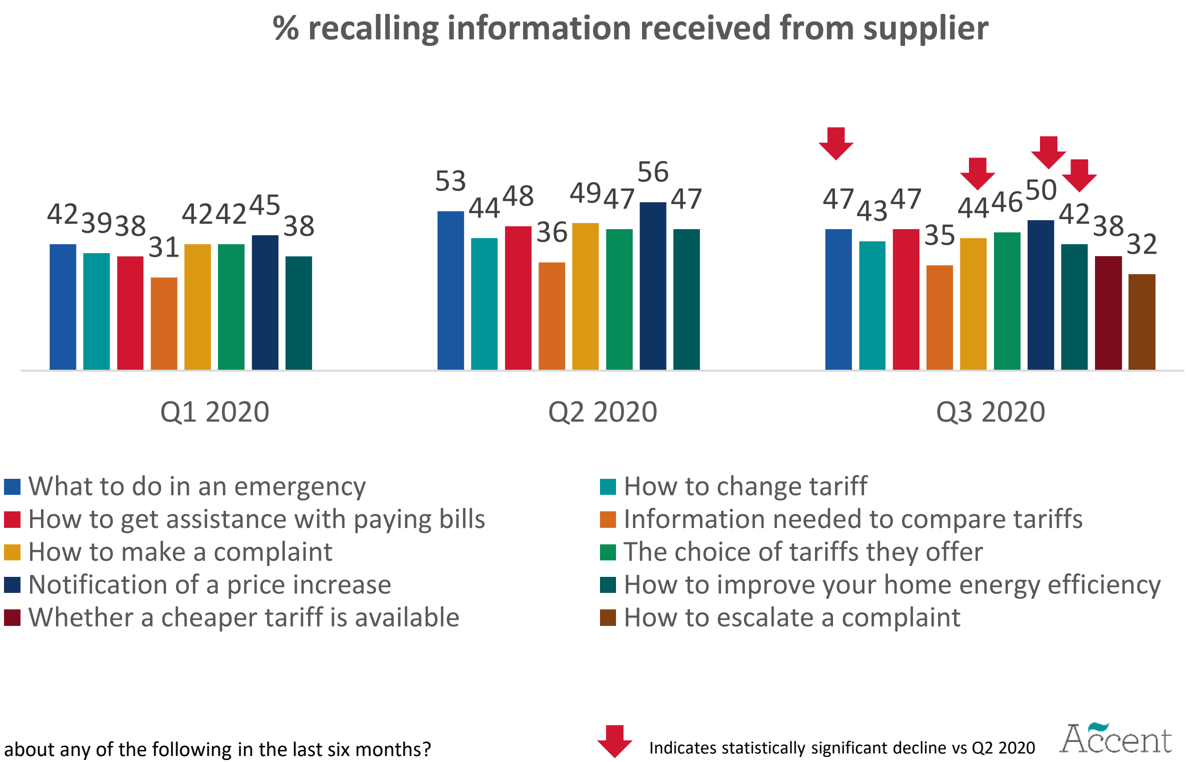
Base: Gas (2,653), Electricity (3,064)

- Those who are unsure are most likely to be:
  - PPM customers
  - Never switched supplier
  - Have a disability
  - Lower social grades

% unsure what tariff they're on	Gas	Electricity
Payment method:		
Direct Debit	8%	7%
PPM	24%	23%
Standard Credit	12%	12%
Switching status:		
Ever switched supplier	9%	8%
Never switched supplier	15%	14%
Disability status:		
Have a disability	16%	15%
Don't have a disability	9%	8%
Socio-economic grade:		
ABC1	8%	7%
C2DE	16%	15%

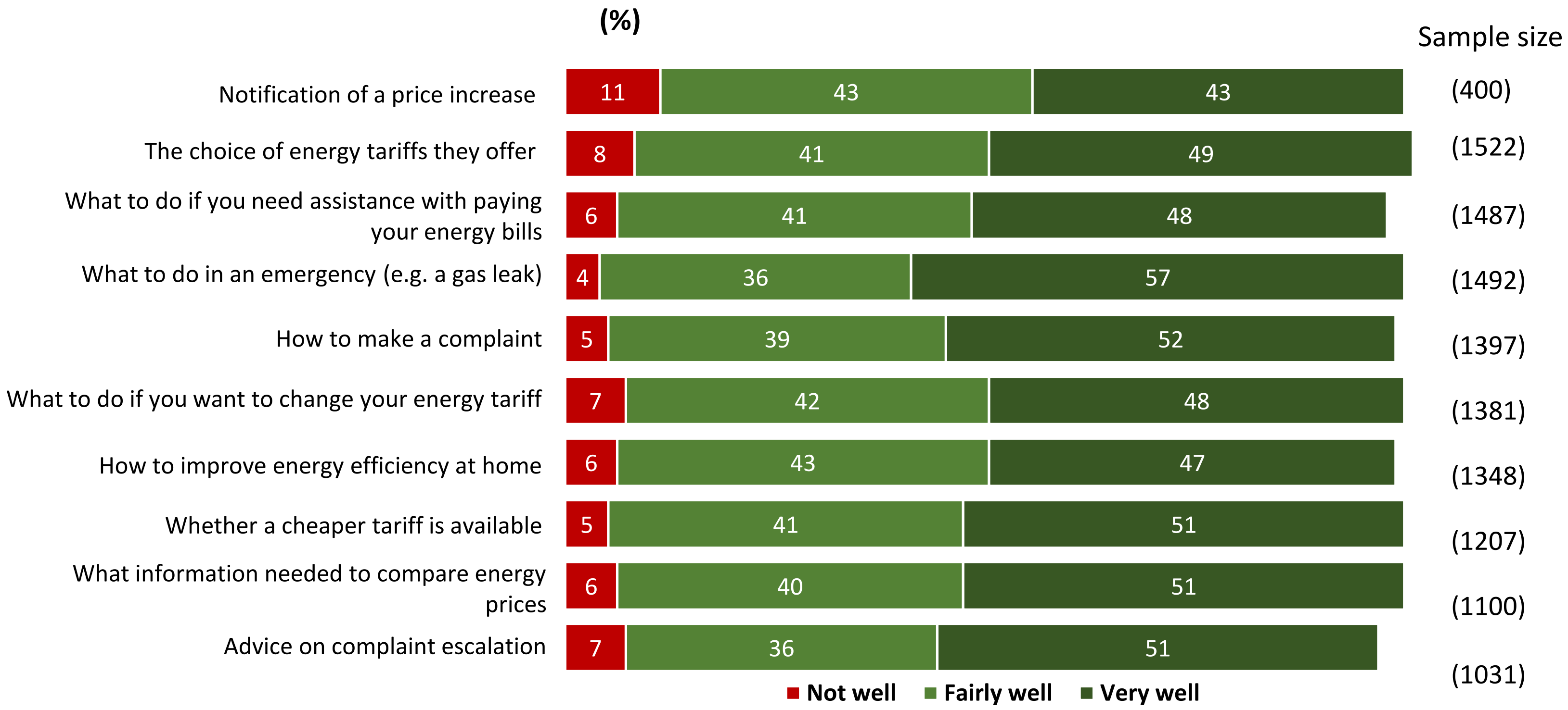
Recall of information from suppliers

- In Q2 2020 we saw a spike in recall of information from suppliers, but this quarter recall of receiving information has fallen back, significantly so for:
  - What to do in an emergency
  - How to make a complaint
  - How to improve energy efficiency and reduce energy consumption
  - Notification of a price increase



Do you recall if your energy supplier has given you information about any of the following in the last six months?
To improve readability of this chart, only data from the last three tracking waves is shown

How well information meets needs



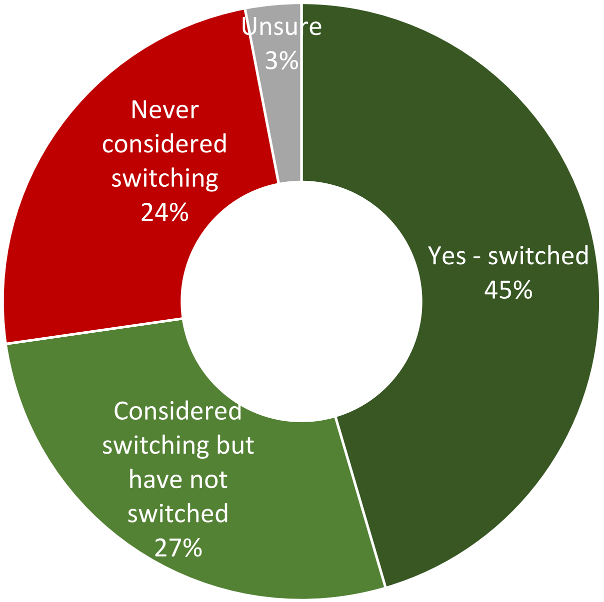
Do you recall if your energy supplier has given you information about any of the following in the last six months? Base: All participants (3,202), apart from 'Notification of price increase': All on SVT (799)

How well did the information you received meet your needs? Bases: those receiving information (individual bases are in brackets)

Switching

How many consumers have ever switched supplier?

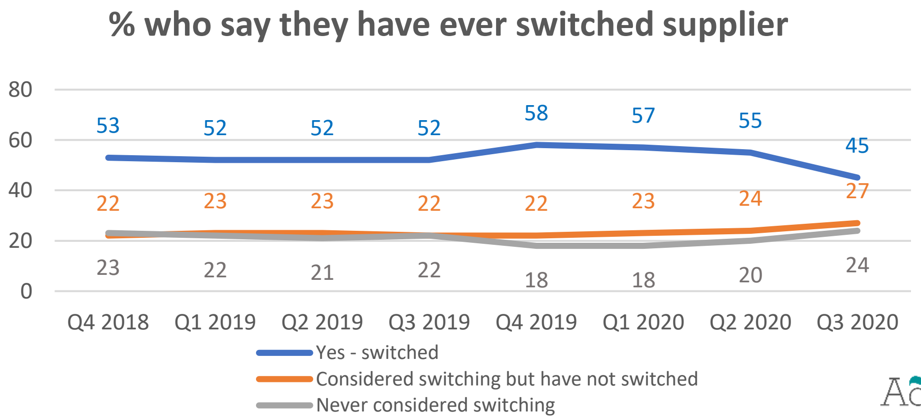
After higher switching rates over the previous three quarters, recall of switching has dropped to a tracker low – **45%** say they have ever switched supplier



Have you ever switched or considered switching energy supplier?
Base: All Participants (3,202)

Proportion switching lowest for:

- Those paying by standard credit (21%) or PPM (25%)
- Those on an SVT (30%) or a mixed tariff (24%)
- Aged 16-34 (27%)
- C2DE SEG (37%)
- Those with a smart meter (38%)
- Digitally excluded (36%)



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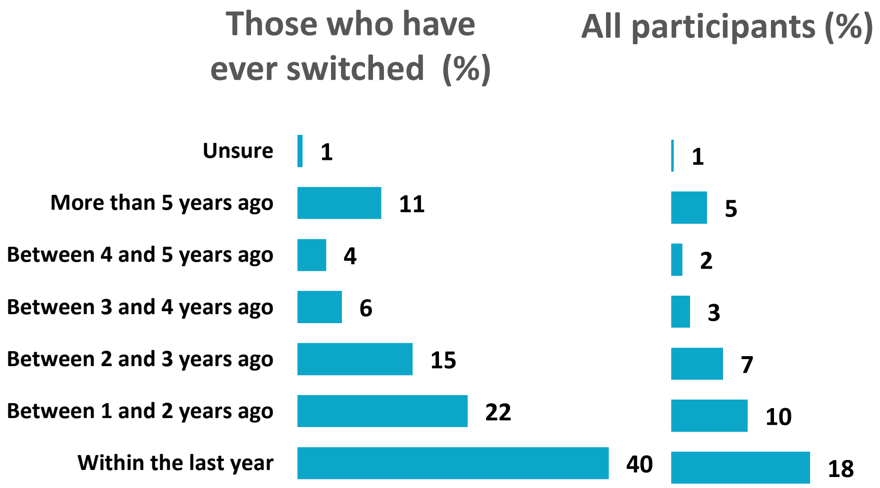
When was the last time consumers switched supplier?

40% of those who have ***ever*** switched supplier did so in the last year

This equates to 18% of all consumers switching in the last year



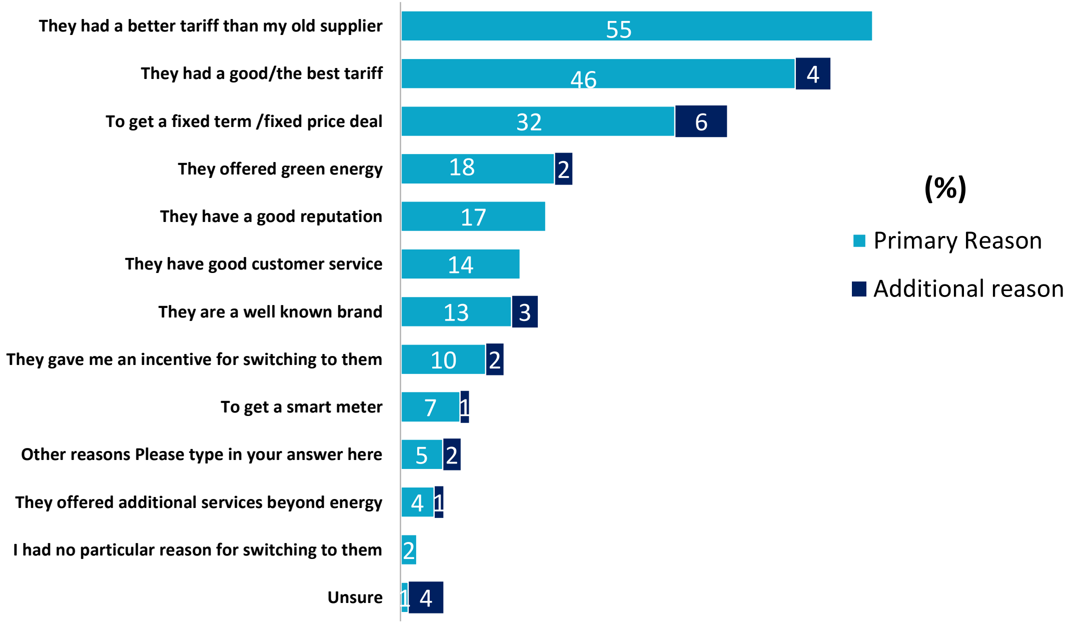
When was the last time you switched energy supplier? (%)

Base: Those who have ever switched (1,422); all Participants (3,202)

Accent

Reasons for choosing supplier

The key reasons for selecting a supplier are cost related. Even when prompted with non-cost reasons, service, reputation, incentives and green tariffs are secondary considerations (20% gave no additional reason).



Once you had made the decision to switch to another energy supplier, what were the main reasons you chose the company you went with?
Base: Those who have ever switched (1,442)

Were there any other reasons for selecting them apart from the tariff?
Base: Those who have ever switched (614).

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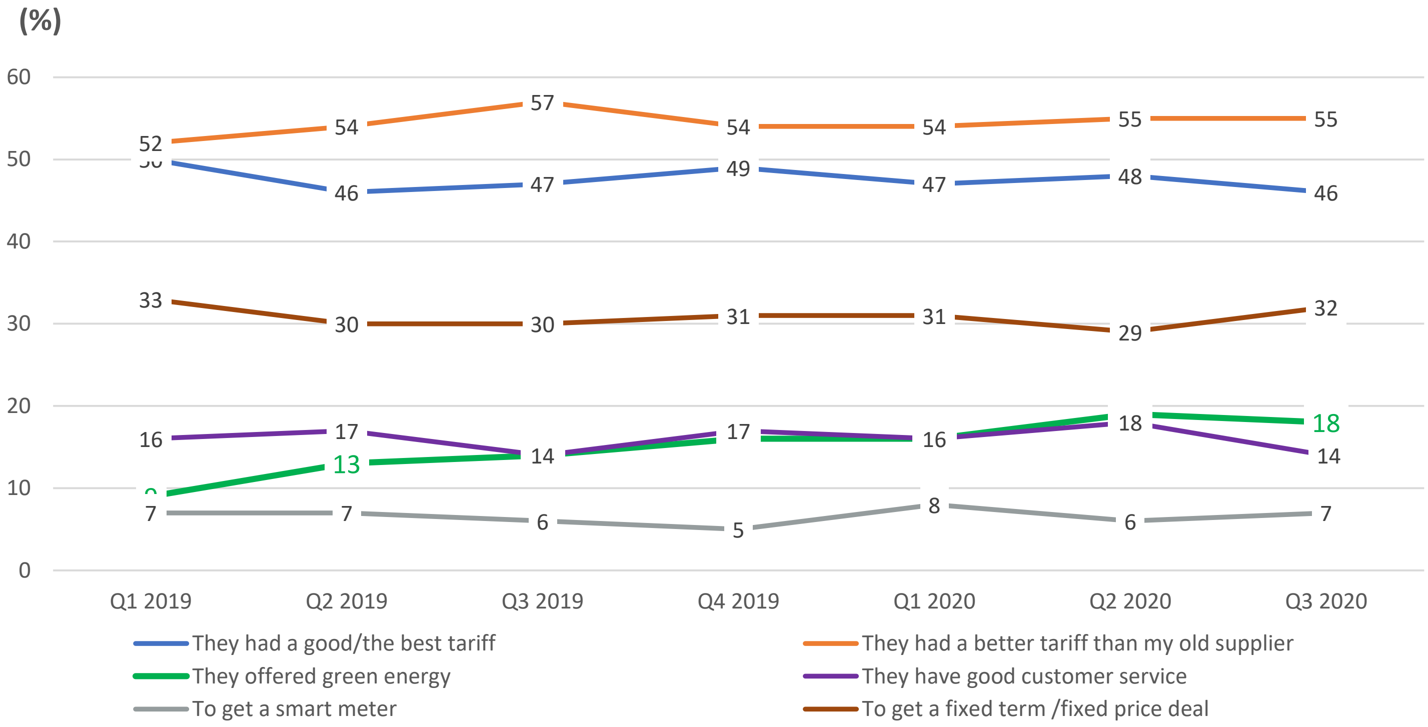
Reasons for choosing supplier over time



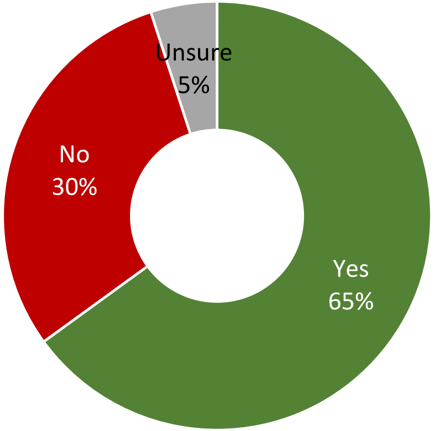
- Over time mentions of choosing a supplier because they offered a green energy tariff have substantially increased
- There has been a decrease in switching because of good customer services; down from 18% in Q2 2020 to 14% this quarter.

Once you had made the decision to switch to another energy supplier, what were the main reasons you chose the company you went with?

Base: Those who have ever switched (1,442)

Use of Price Comparison Websites (PCWs)

65% who switched used a Price Comparison Website (similar to previous waves)



The proportion using PCWs is lowest for:

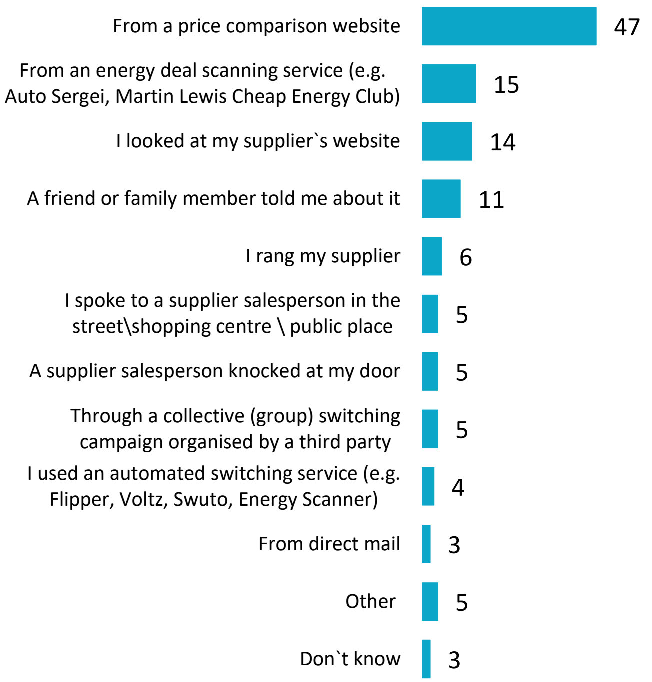
- The digitally excluded (4%)
- Those paying by PPM (47%)
- C2DE SEG (54%)
- Aged 65+ (55%)
- Have a disability (58%)
- Those with a smart meter (58%)

Did you use a price comparison website to help you switch energy supplier?

Base: Those who have ever switched supplier (1,442)

Source of energy deal information

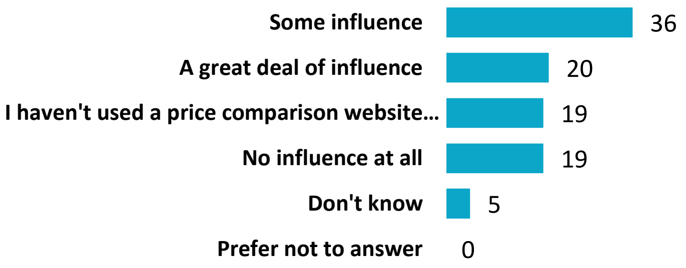
How found out about energy deal (%)



How did you find out about the energy deal you switched to? (%)
Base: Those who switched their energy supplier (1,342),

- 16% had heard of an Ofgem accreditation for price comparison websites, and 12% had specifically heard of the Ofcom Confidence Code
- Over a half of those aware of the Ofgem accreditation for price comparison websites said this has some influence on the comparison website they would use

Influence Ofgem accreditation has on choice of PCW (%)



To what extent does Ofgem accreditation influence which price comparison website you would use? (%)
Base: All aware Ofgem accreditation for price comparison websites (517)

Before today, had you ever heard of the Ofcom Confidence Code or Ofgem accreditation for price comparison websites? (%)
Base: All Participants (3,202)

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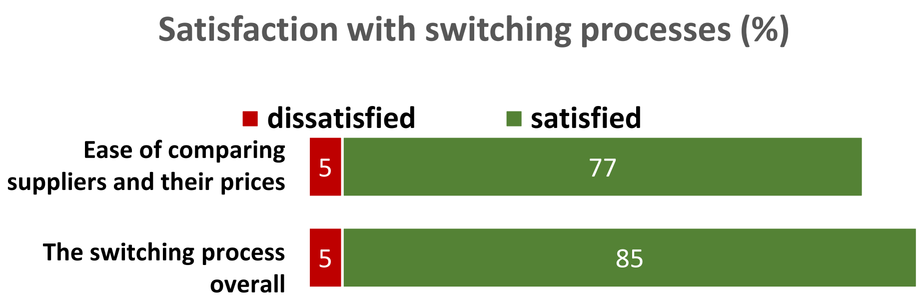
Satisfaction with the switching experience

High satisfaction with switching process, but satisfaction with ease of comparing suppliers is down (77% vs 83% Q2 2020)



- Satisfaction with the ease of comparison and switching overall remains significantly higher among those who used a PCW compared to those who don't
- Those paying by direct debit are more satisfied (79% with ease of comparing suppliers and 86% with the process overall)
- Those with a disability tend to be less satisfied (72% with ease of comparing suppliers and 81% with the process overall)

Please can you tell me how dissatisfied or satisfied you were with the following aspects of your switch to another supplier?

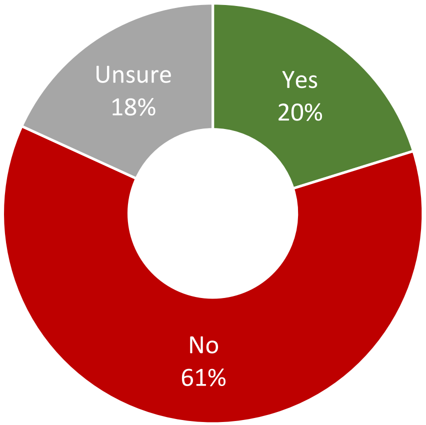
Base: Those who switched their energy supplier (1,442), Did not use PCW (442), Used PCW to complete switch (926)

N.B. Neutral and 'Don't know' responses are not shown

Switching consideration

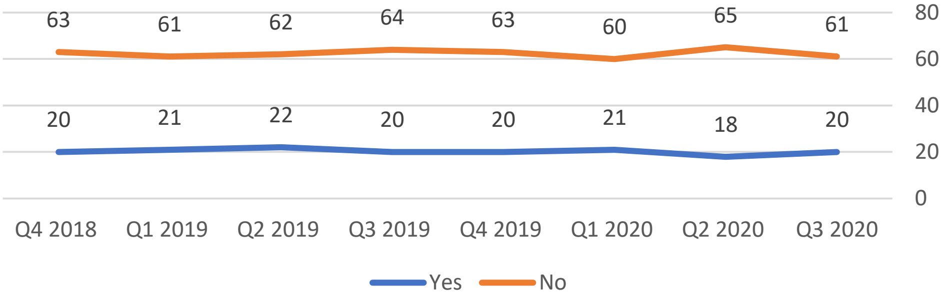
While consideration of switching dipped slightly in Q 2020 (during the lockdown), this has now returned to pre-pandemic levels

% who are considering switching their supplier



Are you currently considering changing your energy supplier?
Base: All Participants (3,202)

Considering switching over time (%)



- The proportion considering switching is highest for:
  - Dissatisfied customers (62%)
  - Mixed tariff (39%)
  - Paying via standard credit (30%)
  - Aged 16 to 34 (29%)

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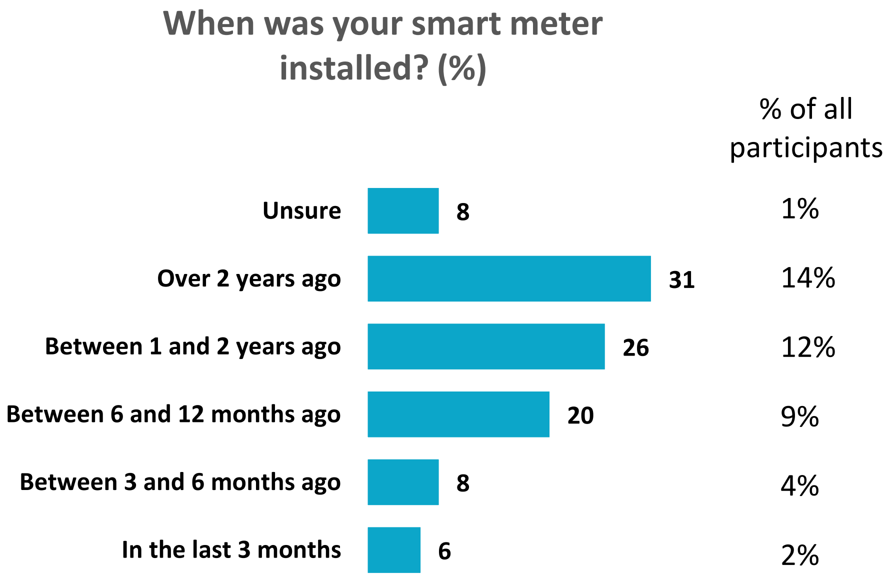
Smart meters

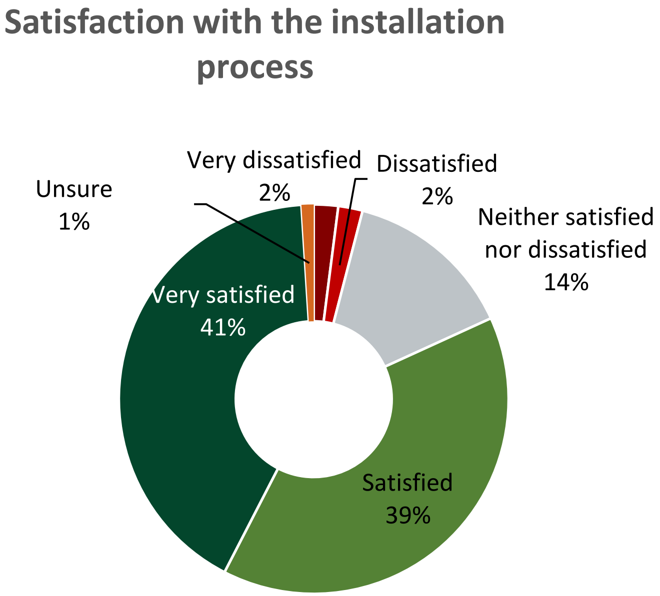
Smart meter use

46% have a smart meter (based on their description of their energy meters)

8 in 10 are satisfied with the installation process – significantly more compared to Q2 2020 (80% vs 72%)

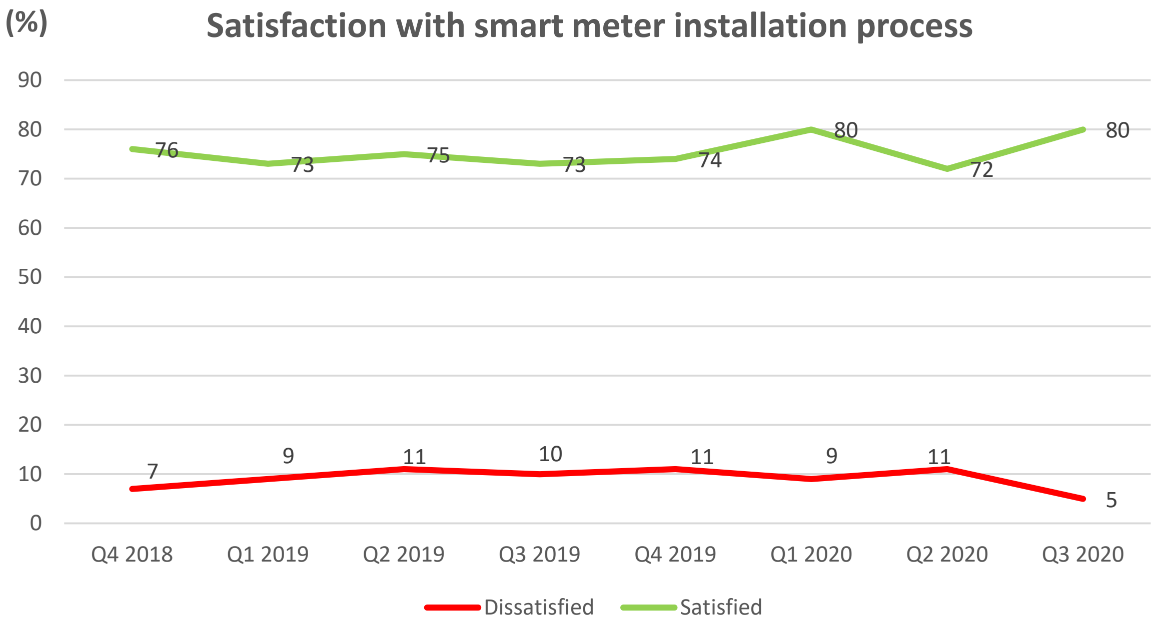


Of the two meters described below, which is the most similar to the one in your home? / When did you have your smart meter installed? (%)
Base: All Participants (3,202) / All with smart meter (1,472)



How dissatisfied or satisfied were you with the process you went through to have a smart meter installed? Base: All with smart meter installed in last 6 months (194)

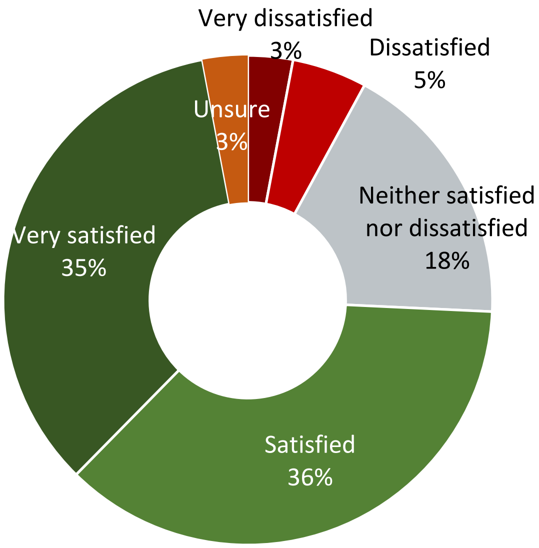
Satisfaction with smart meter installation over time



- There was an increase in satisfaction of the smart meter installation process from Q2 2020 (72%) to Q3 2020 (80%)

Satisfaction with smart meter overall

71% are satisfied with their smart meter. This is the highest level recorded. Previously, between Q1 2019 and Q2 2020 this remained consistently between 64% and 67%



- Higher satisfaction among:
  - Digitally excluded (87%)
  - Customers satisfied with their supplier (81%)
  - Aged 16 to 34 (80%)
  - Never switched energy supplier (79%)
  - Not disabled (74%)

Overall, how satisfied or dissatisfied are you with your smart meter? Base: All with a smart meter (1,472)

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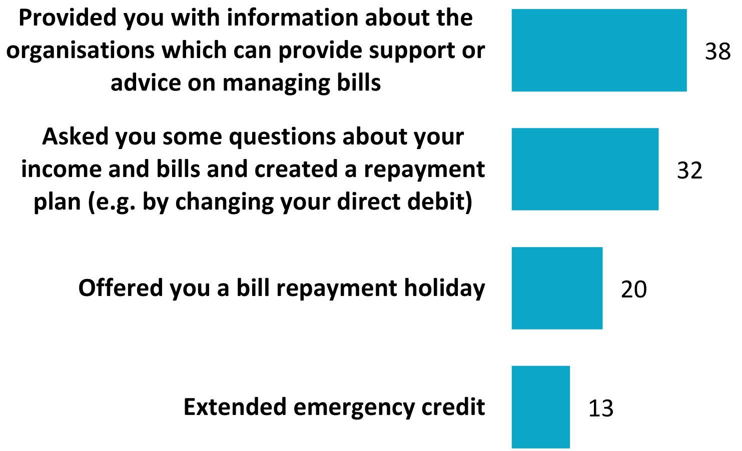
Supplier debt management processes

Supplier support for customers who have fallen behind on bills

We asked consumers who had run out of credit on their PPM or fallen behind on bills if they had contact with their energy supply to ask for help:

- 62% of consumers had contact, including 46% who contacted their supplier themselves and 16% were contacted by their supplier.

What support is offered by suppliers to assist with paying energy bills? (%)



Have you been in contact with your energy supplier to ask for help with paying your bills? Base: All households running out of credit on PPM or running behind on energy payments (471)

When you had contact with your energy supplier about your bills, did they do any of the following? Base: All households contacting energy suppliers about running out of credit on PPM or running behind on energy payments (287)

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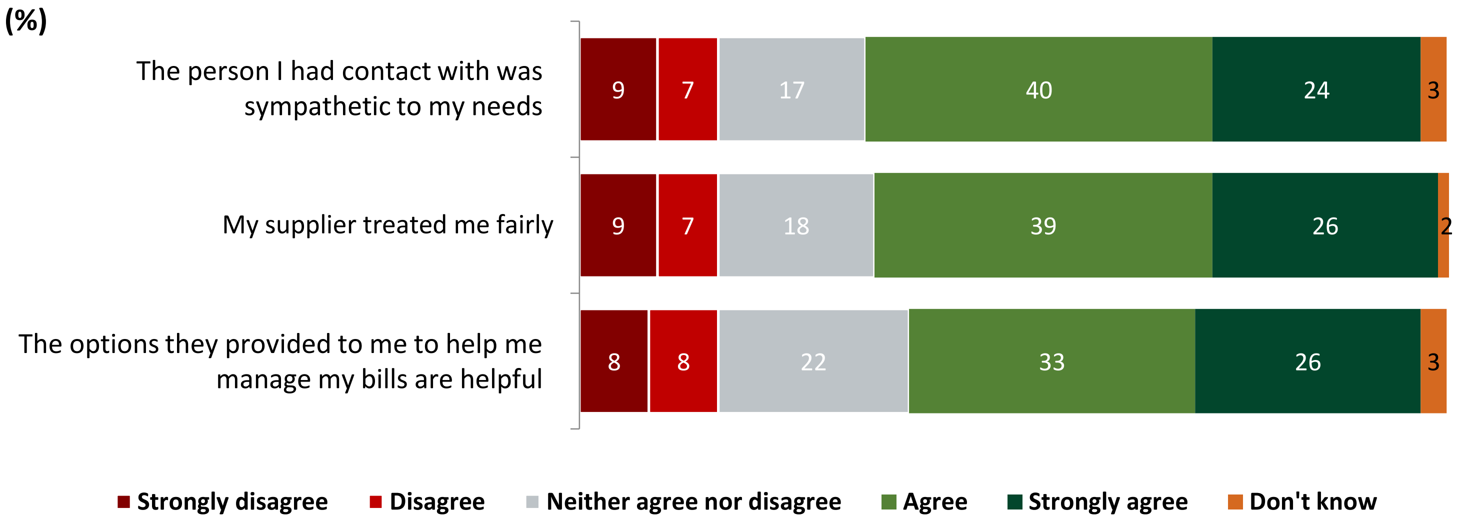
Supplier support when having issues paying bills

A majority of those receiving support felt the contact was sympathetic, fair and helpful



To what extent do you agree or disagree with the following statements about the contact you`ve had with your energy supplier about paying your bills: Base: All households contacting energy suppliers about running out of credit on PPM or running behind on energy payments (287)

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Annexes

Measuring smart meter use

- Use of smart meters was measured by asking participants to indicate which of the following best described the energy meters they have in their home.
- The question was asked separately of gas and electricity. The order of the meter descriptions was randomised across the survey sample.
- Those selecting the description for Meter A (the titles remained static) for either gas or electricity were deemed to have a smart meter.

Meter A	Meter B
Monitors energy use	Monitors energy use
Automatically sends readings of how much energy has been used in your home to your supplier	You or someone else in your household personally send readings of how much energy has been used in your home to your supplier OR someone from your supplier visits your home to take meter readings
Shows how much energy has been used in pounds and pence on a display or an app or online account	Does not show how much energy has been used in pounds and pence on a display or an app or online account
Has been installed in the last 5 years	Has been installed more than 5 years ago
SHOW IF HAVE A PRE-PAYMENT METER Allow those who pre-pay for energy to top up via their mobile or online	SHOW IF HAVE A PRE-PAYMENT METER Those who pre-pay for energy must top up at a pay point, post office or other shop

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Sample profile: unweighted vs weighted

Demographic characteristic		Unweighted	Weighted
Gender	Male	47%	50%
	Female	53%	50%
Age	16-34	18%	18%
	35-49	27%	30%
	50-64	27%	27%
	65+	27%	25%
Social grade	AB	26%	28%
	C1	26%	28%
	C2	20%	19%
	DE	27%	25%

Demographic characteristic		Unweighted	Weighted
Region	North East	5%	4%
	North West	12%	12%
	Yorkshire and The Humber	9%	9%
	East Midlands	8%	7%
	West Midlands	9%	9%
	East of England	9%	9%
	London	13%	13%
	South East	13%	14%
	South West	8%	9%
	Wales	5%	5%
	Scotland	9%	9%

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