Accent

Consumer Perceptions of the Energy Market

Wave 1: October – November 2018

Accent is registered to the market, opinion and social research International Standard ISO 20252

citizens advice

ofgem

Contents

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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 provides free, confidential and independent advice to help people overcome their problems. One area of Citizen Advice's consumer representation is in gas and electricity supply.
- The tracker is a representative survey of domestic energy bill-payers in Great Britain and provides Ofgem and Citizens Advice with ongoing measures of consumer engagement in and experiences of the energy market.

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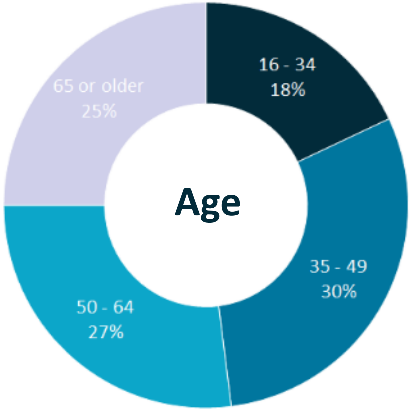
Methodology

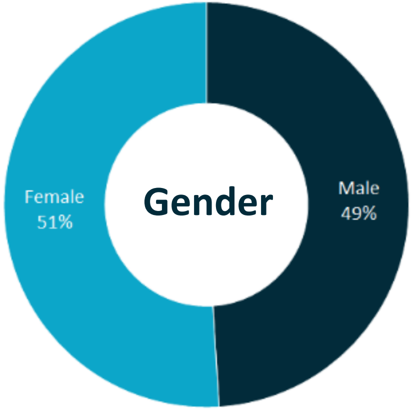
- Data was collected using a mixed-mode survey of 3,300 domestic energy bill payers in Great Britain (GB). Fieldwork was carried out using:
  - An online survey via a commercial online research panel (n = 3,000)
  - A face-to-face in-home survey with the digitally excluded population (n = 300). Participants were considered to be digitally excluded if they did not have access to the internet or had not used the internet in the previous six months.
- 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.
- Fieldwork dates:
  - Online: 24th October – 11th November; Face-to-face: 24th October – 13th November

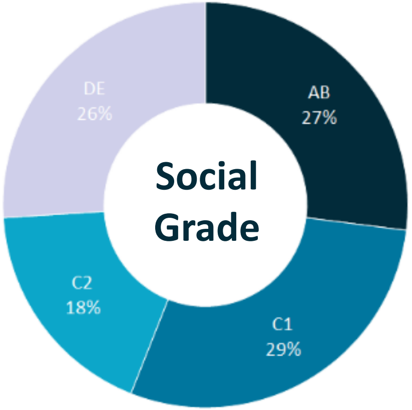
* https://www.nomisweb.co.uk/datasets/st067

Sample profile

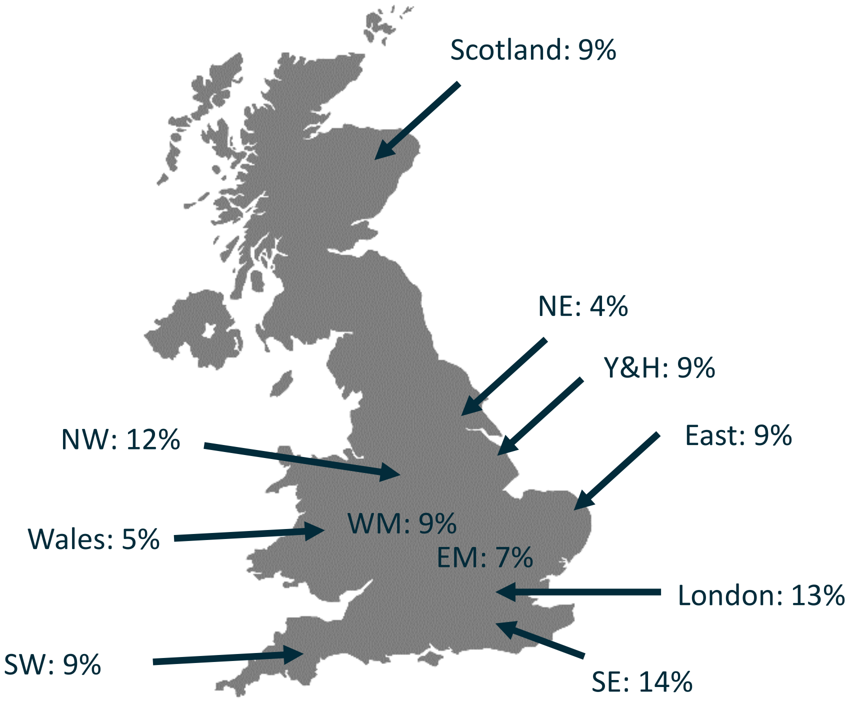
Sample profile





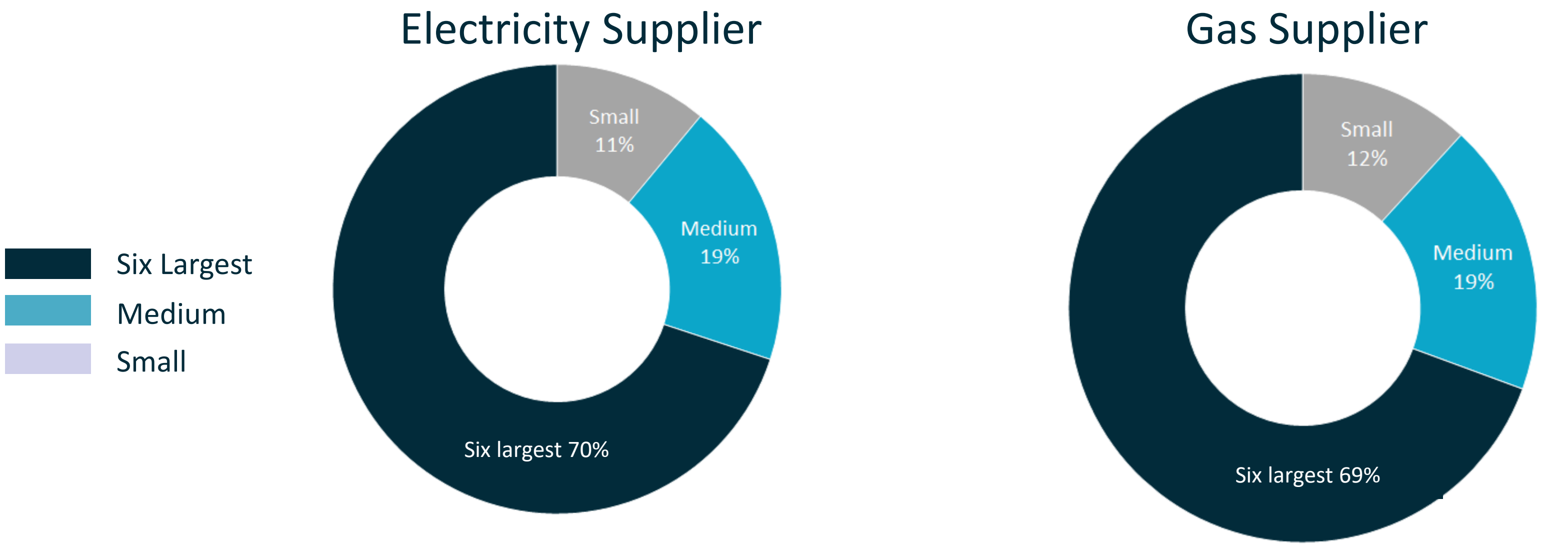


Region



ase: All Participants (3,300)

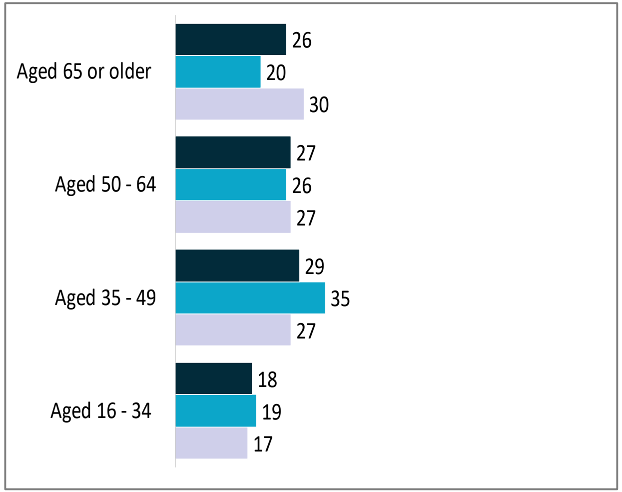
Suppliers used



Please can you tell me which company you pay your electricity bill to? Base: All with mains electricity (3,288)

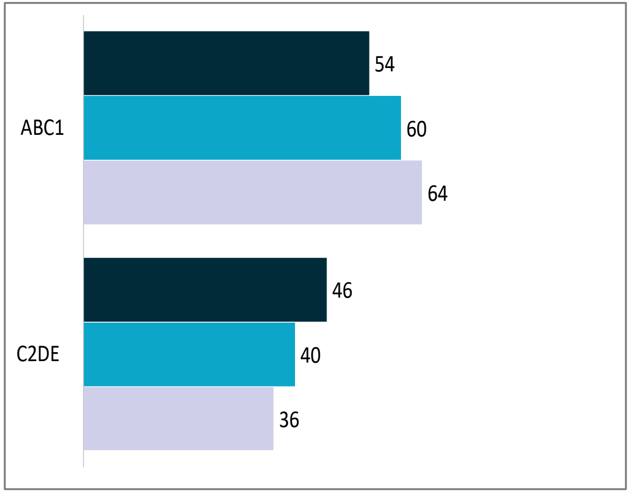
Customer profile by supplier category

Age



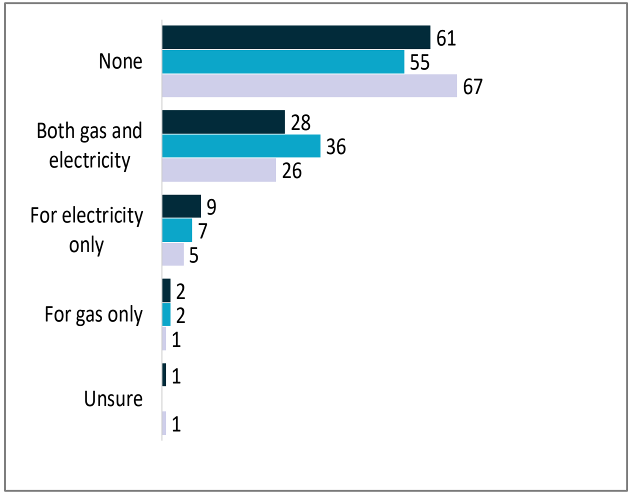
Six Largest and Small Tier have more over 65s than Medium Tier

Social Grade



Six Largest have more C2DEs and fewer ABC1s than Small Tier

Smart Meter Ownership



Medium Tier most likely to have a smart meter

Six Largest Medium Tier Small Tier

Base: All participants: 3,300

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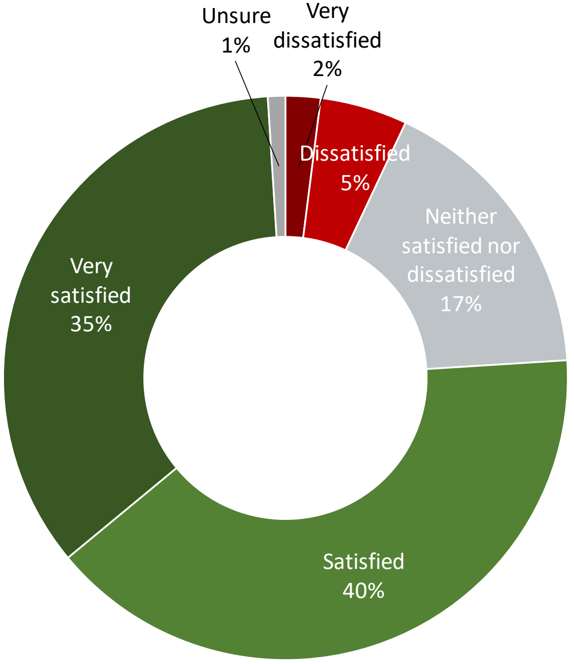
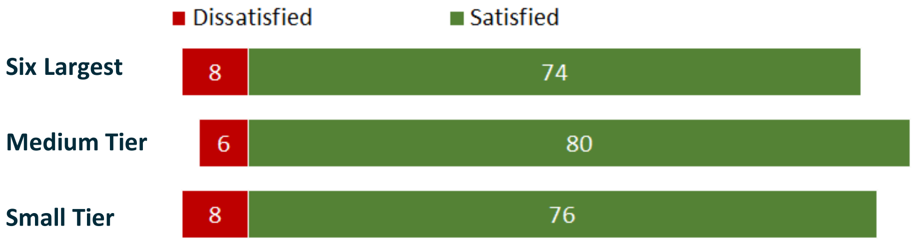
Satisfaction with supplier

Overall satisfaction with supplier

75% are satisfied with their supplier



- Medium Tier customers are the most satisfied*



Overall, how satisfied or dissatisfied are you with (...) as your supplier of (gas/electricity/gas and electricity)?
Base: All Participants (3,300)
* The bars in this chart do not add to 100% as 'Unsure' and 'Neither satisfied nor dissatisfied' responses are not shown

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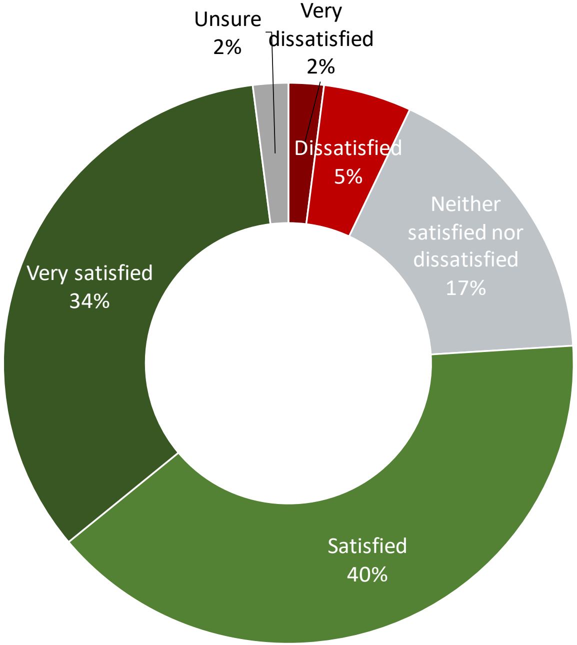
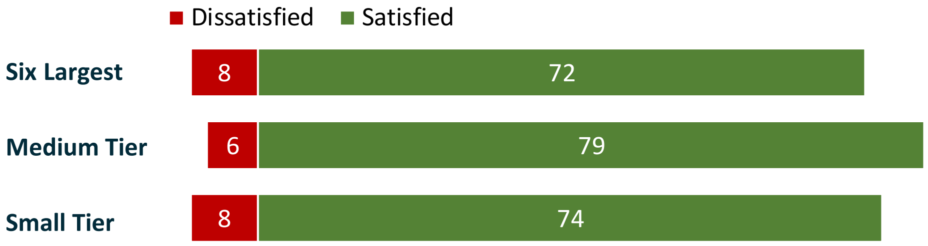
Satisfaction with customer service

74% are satisfied with customer service



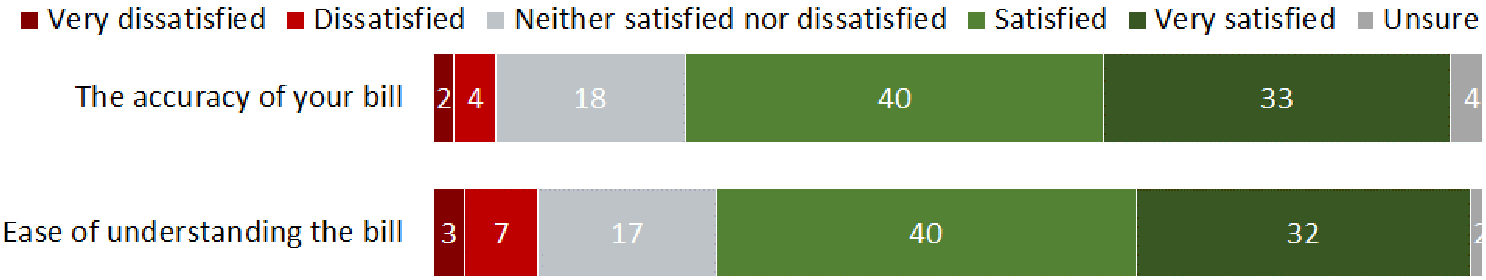
- Medium Tier customers are the most satisfied with customer service*



Overall, how dissatisfied or satisfied are you with the customer service you have received from your energy supplier?
Base: All Participants (3,300)
* The bars in this chart do not add to 100% as 'Unsure' and 'Neither satisfied nor dissatisfied' responses are not shown

Satisfaction with bill

Over 70% are satisfied with the accuracy and ease of understanding bills

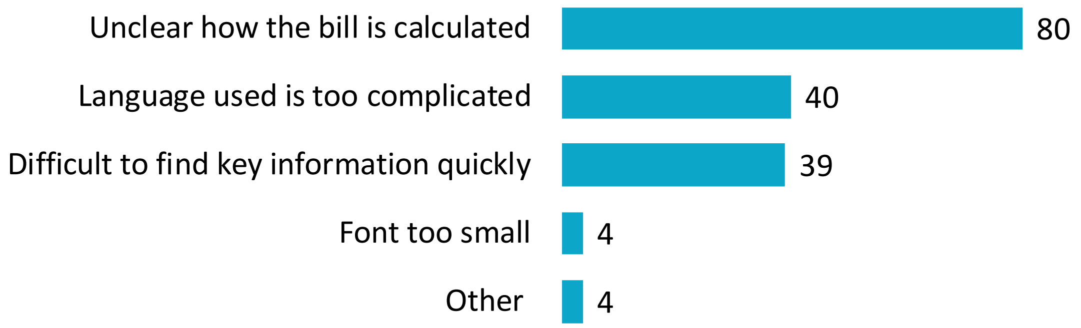


Please can you tell me how dissatisfied or satisfied you are with the following aspects of your energy supplier`s bills?

Base: Those who pay for their energy with a regular direct debit or standing order or with cash/cheque/credit card/BACS/App (2,705)

Reasons for dissatisfaction with ease of understanding the bill

A lack of clarity about the calculation of bill is the most common problem

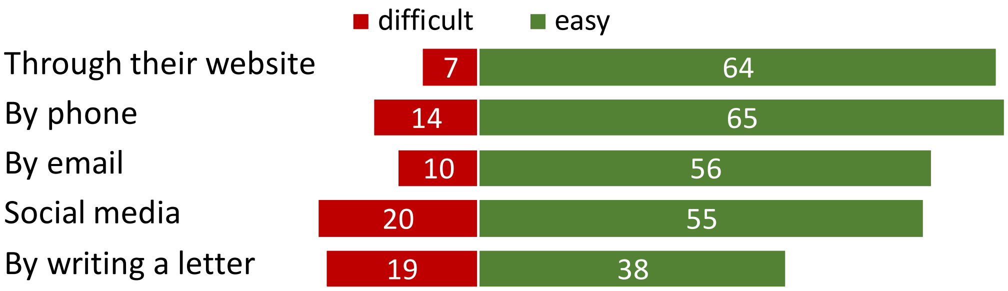


Why are you very dissatisfied/dissatisfied with the ease of understanding your bill from your energy supplier?

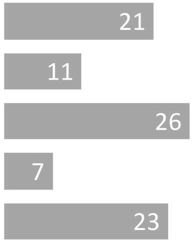
Base: Those who are dissatisfied with the ease of understanding their bill from their energy supplier (247)

Ease of making last contact with supplier

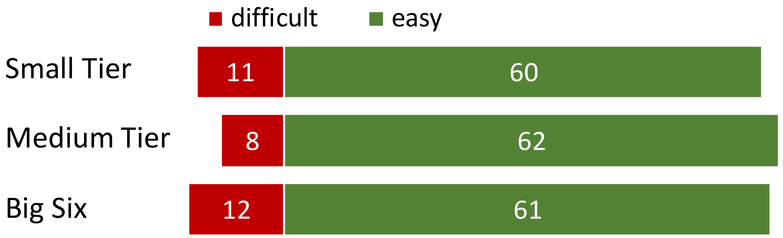
Website found to be the easiest contact method



Have not tried to contact in this way



Little difference in ease of contact by supplier size*

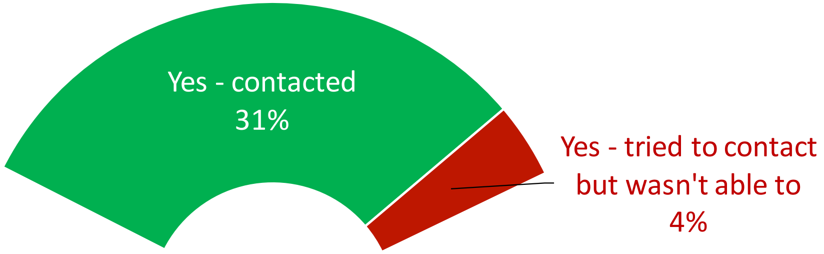


Thinking about the last time you tried to contact your energy supplier how easy or difficult did you find it to contact them in this way? Base: All Participants (3,300)

* The Bars on this chart do not add to 100% as 'Neutral', 'Have not tried to contact' and 'Don't know' responses are not shown

Recent contact with supplier (last 3 months)

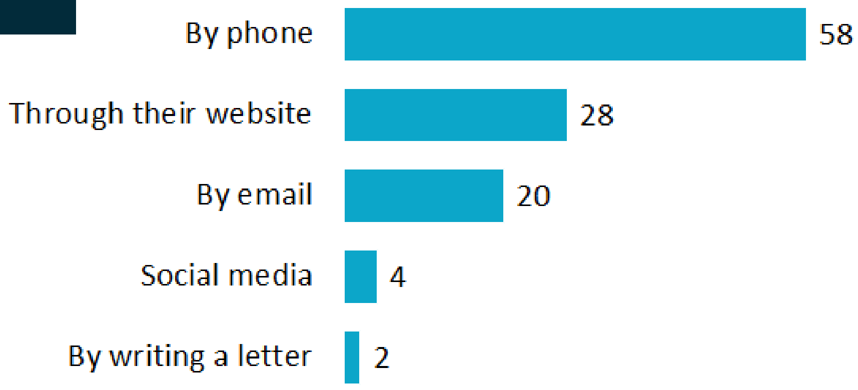
35% tried to contact their supplier in last three months



- Those most likely to attempt to contact are:
  - Small Tier customers (48% v 34% Six Largest and 29% Medium Tier)
  - Dissatisfied customers (55% compared to 34% satisfied)
  - Switchers (39%) v non switchers (29%)

Have you contacted, or tried to contact, your energy supplier within the last 3 months?
Base: All Participants (3,300)

Contact method



How did you (try to) make contact with your energy supplier on that last occasion?
Base: All who have tried to make contact (1,130)

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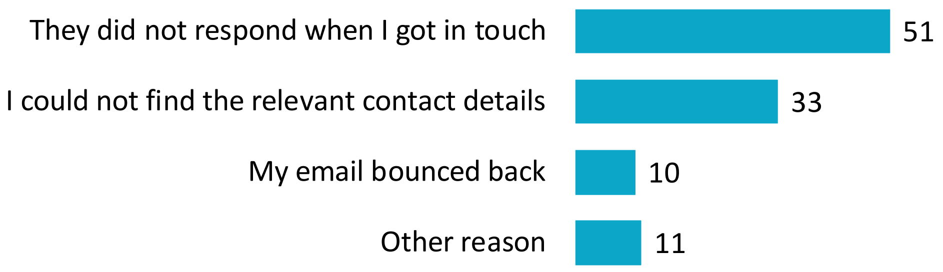
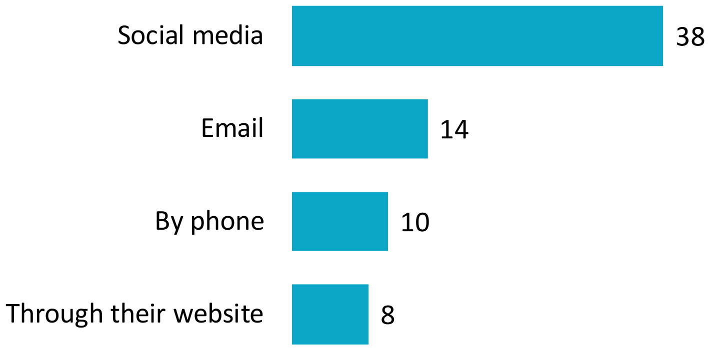
Reasons for failed contact

Reasons for failed contact



Least successful contact channels

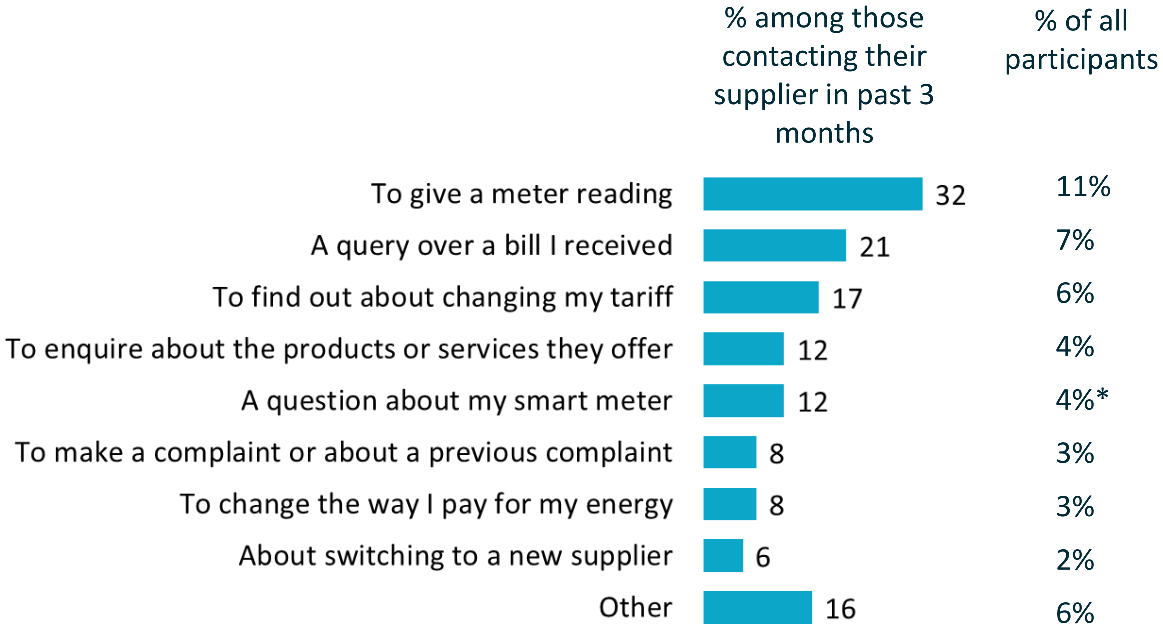
(% trying to contact but failing)



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 (114)

Have you contacted, or tried to contact, your energy supplier within the last 3 months?
Base: Those trying to contact their energy supplier

Reasons for last contacting supplier



Differences by subgroup:

- 43% without a Smart Meter gave a meter reading
- 26% with a Smart Meter asked a question about it
- 30% who switched tariff in last 12 months contacted to find out about changing tariff

* 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 (1,130)

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Satisfaction with contact

Three in four are satisfied with ease of contacting supplier

Groups more satisfied with ease of making contact are:

- Small Tier (80%) and Medium Tier (79%) compared to Six Largest (74%)
- Those with Fixed Tariffs (81% compared to 74% among SVT and Mixed)
- Switchers (78%) v non switchers (67%)

Please can you tell me how dissatisfied or satisfied you were with the following…?
Base: Those who contacted or tried to contact their energy supplier (1,130)

* Bars do not add to 100% as 'Neither satisfied nor dissatisfied' and 'Unsure' responses are not shown

Complaints

Complaints to suppliers

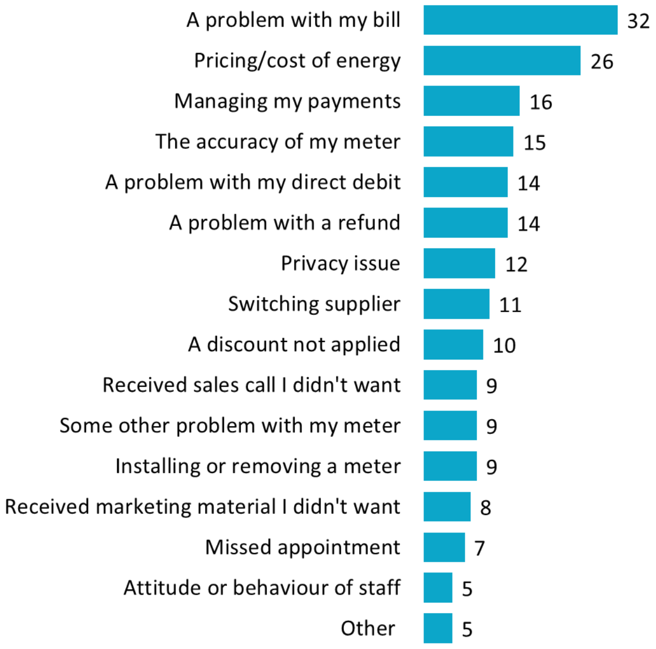
8% of consumers who contacted supplier in the past three months did so relating to a complaint

- This equates to 3% of all consumers complaining the last time they contacted their supplier

The groups most likely to have complained are:

- Consumers with a disability (11%) compared to those without (7%)
- Younger customers: (13% 16-34 compared to 3% 65+)
- Dissatisfied customers (28% compared to 5% satisfied)

Reason for complaints

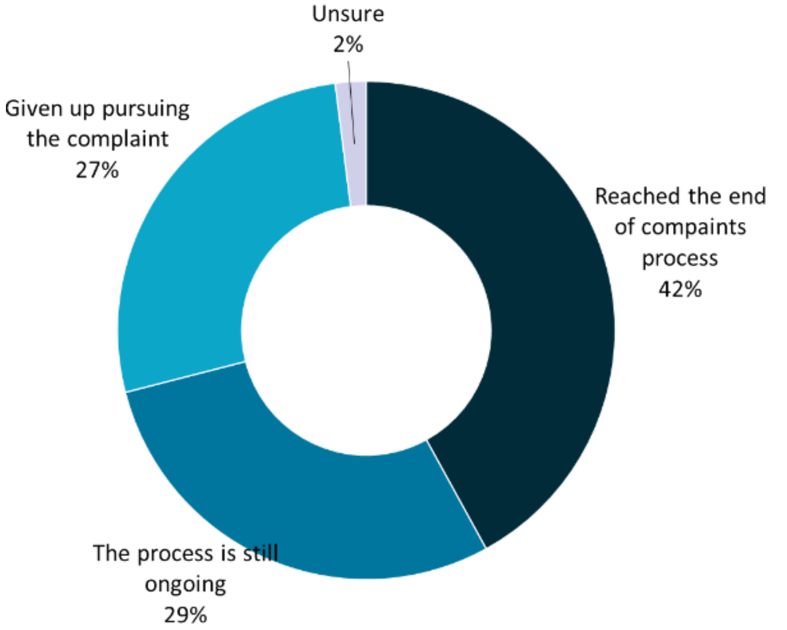


Base: Those who contacted or tried to contact their energy supplier (1,130)

Base: Those who contacted their energy supplier to make a complaint (89)

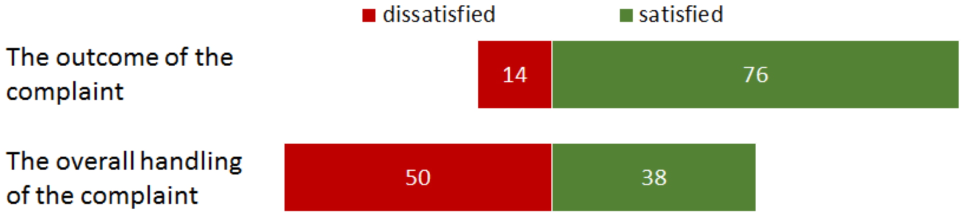
Stage of complaint and satisfaction with complaints process

42% of complaints have been resolved



What stage are you at with the complaint process?
Base: Those who contacted their energy supplier to make a complaint (89)

Satisfaction with complaints process*



* Bars do not add to 100% as 'Neither satisfied nor dissatisfied' N.B. and 'Unsure' 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 (89)

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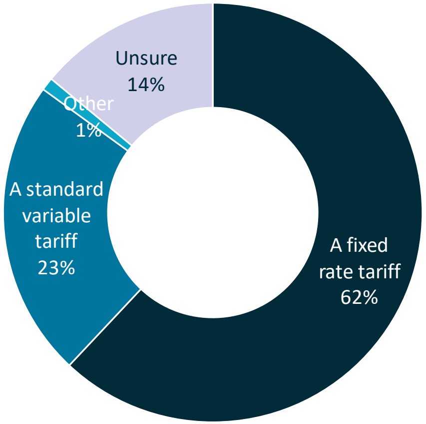
Tariffs and information provision

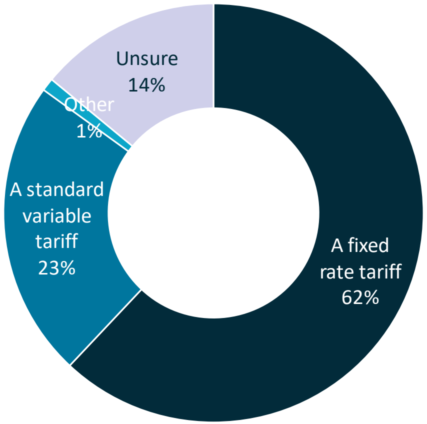
Tariff type

For each fuel, 86% state they know what tariff type they are on

Gas



Electricity

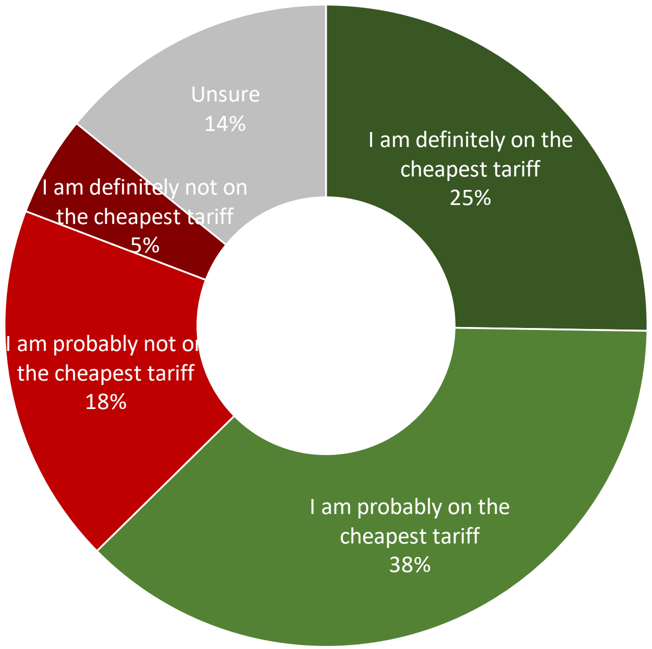


- **Those who are unsure are most likely to be**:
  - **Gas tariff**
    - Are digitally excluded (29%)
    - Use a prepayment meter (28%)
    - Use different suppliers for electricity and gas (25%)
    - Have never switched supplier (24%)
    - In the C2DE SEG (18%)
    - Are aged 65+ (17%)
  - **Electricity**
    - Are digitally excluded (29%)
    - Use a prepayment meter (26%)
    - Are aged 35+ (15%)
    - C2DE SEG (18%)
    - Have never switched supplier (22%)

What kind of gas / electricity tariff are you on?
Base: Gas (2,800), Electricity (3,182)

Perceived cheapness of tariff

63% believe they are on their supplier's cheapest tariff



- The smaller the provider the more likely consumers are to feel they're on the cheapest tariff:
  - 78% among customers using Small Tier suppliers vs
  - 69% for Medium Tier
  - 57% among the Six Largest

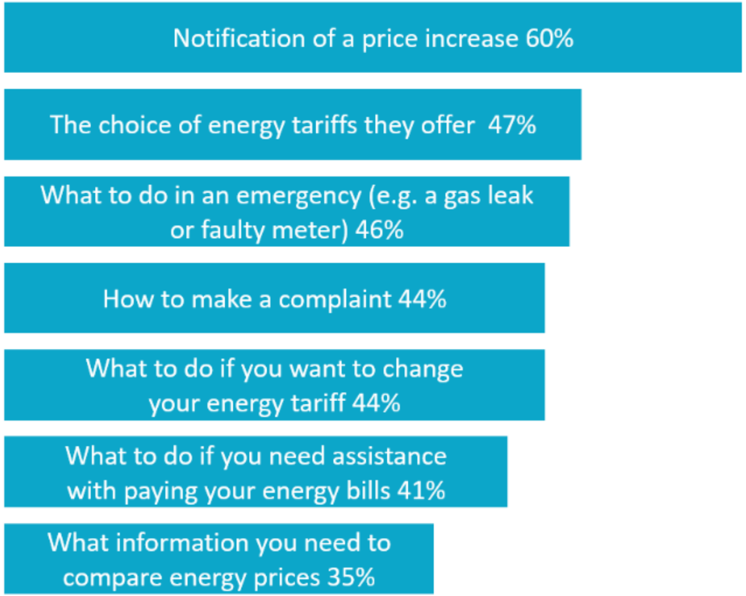
- Consumers most likely to believe they're on their supplier's cheapest tariff include those:
  - Who say they on a fixed tariff (77%)
  - Who have ever switched supplier (71%)
  - Who own a smart meter (67%)
  - Using a dual fuel supplier (65%)

To what extent do you feel you are on the cheapest tariffs offered by your energy supplier?
Base: All Participants (3,300)

Information received in last six months, including tariffs

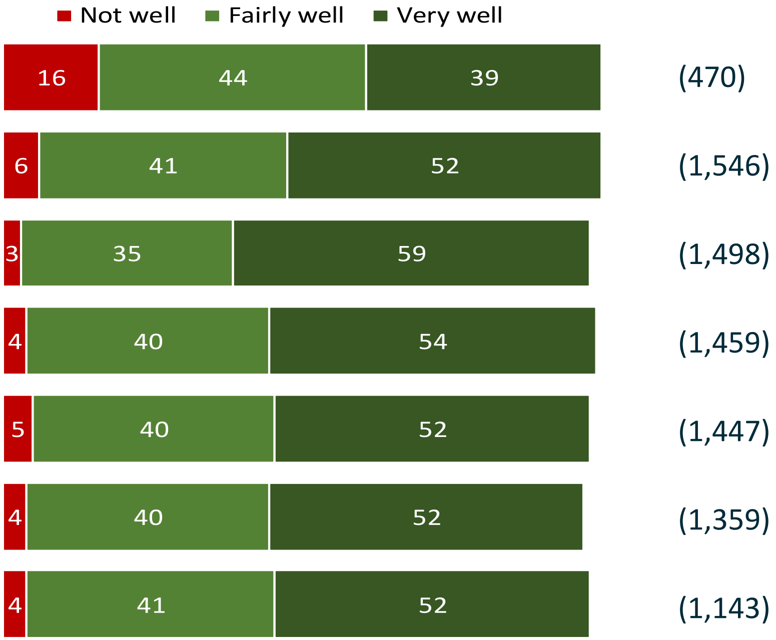
Information received

Proportion saying recall receiving



Do you recall if your energy supplier has given you information about any of the following in the last six months? Base: All participants (3,300), apart from 'Notification of price increase': All on SVT (789)

How well information met needs

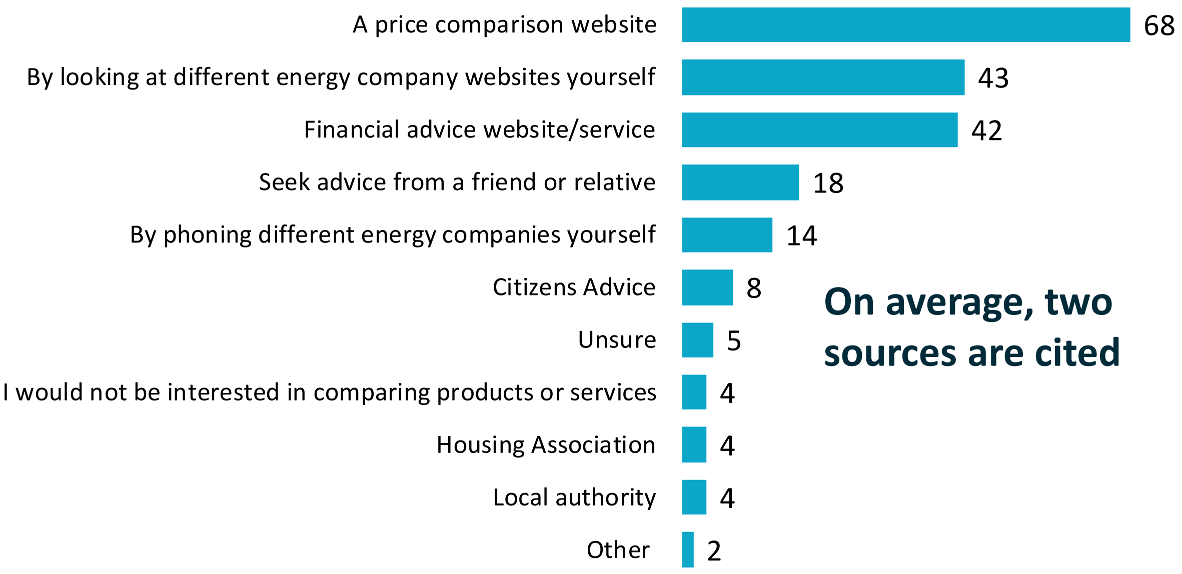


How well did the information you received meet your needs?
Base: All participants (3,300), individual base in brackets

Switching

Information that would be used to compare suppliers

Over two thirds (**68%**) would use a price comparison website to compare suppliers



On average, two sources are cited

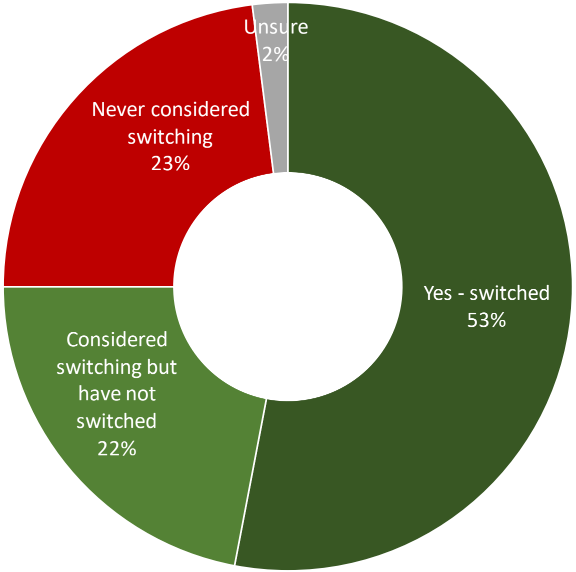
Consumers more likely to use a PCW are:

- Those who have ever switched supplier (77%)
- Customers of medium and smaller tier suppliers (76%)
- On a fixed tariff (73%)
- SEG ABC1 (73%)

Where would you go to find information that would allow you to compare the products and services offered by different companies?
Base: All Participants (3,300)

Incidence of switching energy supplier

Half (**53%**) have ever switched supplier



Switching is highest among:

- Those satisfied with their supplier (54%) vs dissatisfied (46%)
- ABC1 SEG (58%) compared to C2DE (46%)
- Small (82%) and Medium (78%) Tier customers compared to Six largest (41%)
- Those online (55%) compared to the digitally excluded (32%)

Have you ever switched or considered switching energy supplier?
Base: All Participants (3,300)

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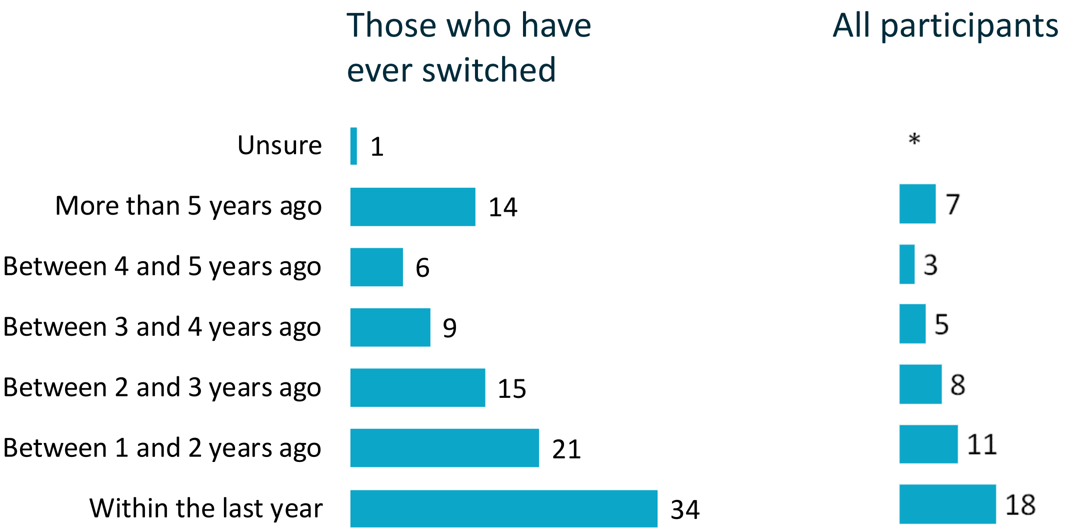
Last occasion switched supplier

34% of those who have ***ever*** switched supplier did so in the last year

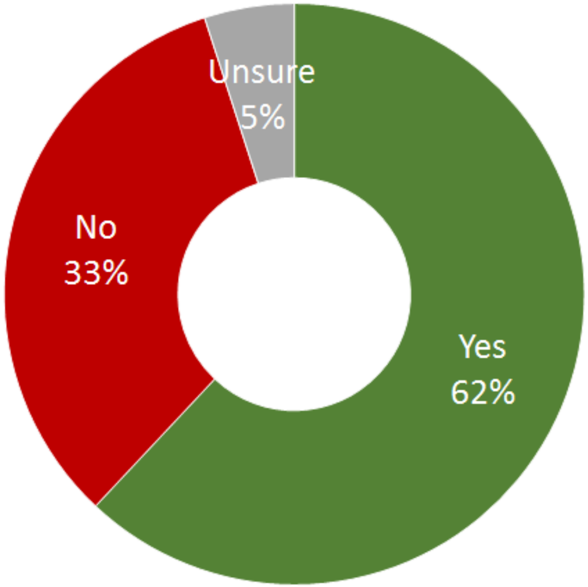
This equates to 18% of all consumers having switched in the last year



When was the last time you switched energy supplier?
Base: All Participants (1,741)

Use of Price Comparison Websites

62% who switched used a Price Comparison Website



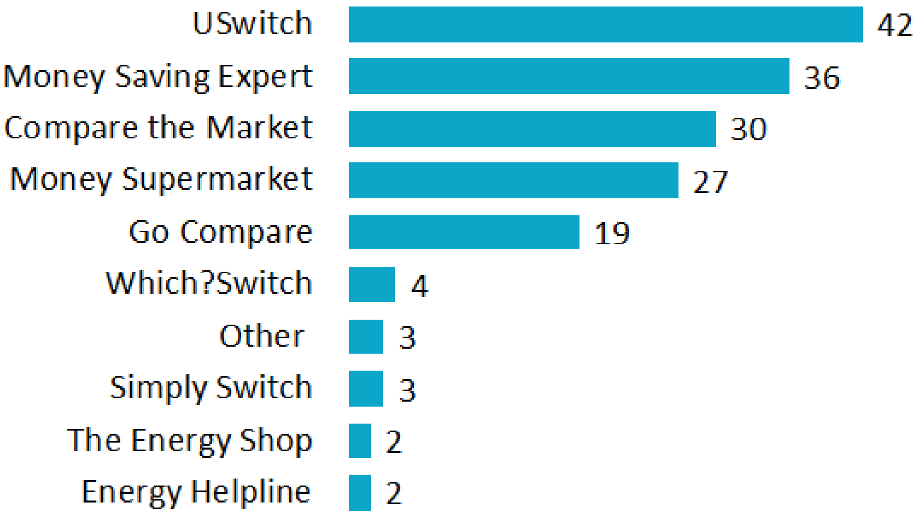
Did you use a price comparison website to help you switch energy supplier?
Base: All Participants (1,741)

Proportion using Price Comparison Website highest for:

- Those aged 16-34 (74%) and 35-49 (70%) compared to 65+ (49%)
- ABC1 (70%) compared to C2DE (50%)
- Online (65%) compared to digitally excluded (4%)

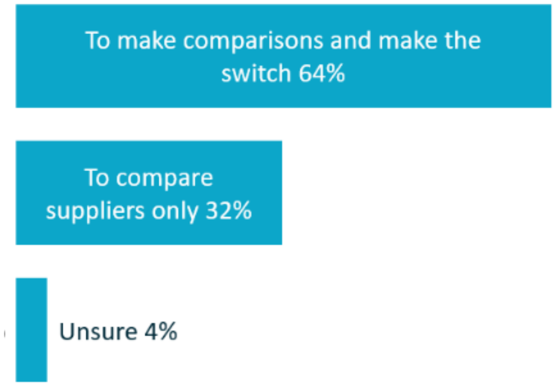
Price Comparison Websites (PCWs) used

1.7 sites are used on average



Which price comparison websites did you use?
Base: All who used price comparison website (1,072)

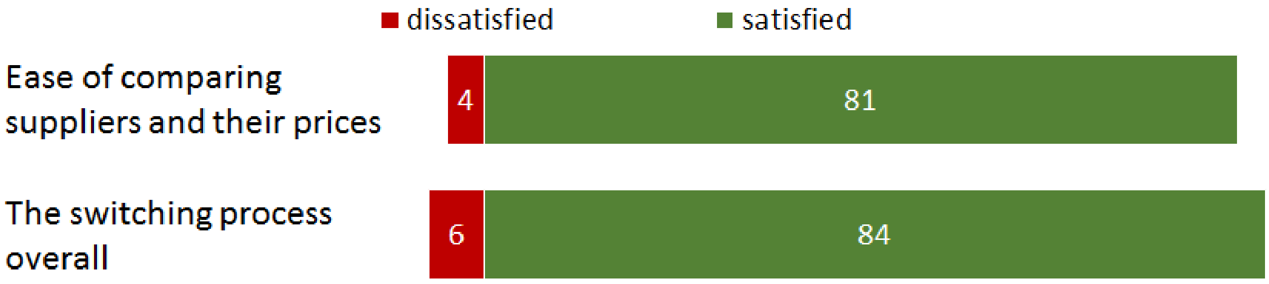
64% of those using PCWs used them to make the switch



Did you use the price comparison website only to compare suppliers or did you also use it to make the switch?
Base: Those who used a price comparison website to help them switch energy supplier (1,072)

Satisfaction with switching experience

High satisfaction with the switching process (over 80%)



Bars do not add to 100% as ‘Neutral’ and ‘Unsure’ responses are not shown

Satisfaction with swtiching is higher for those who used PCW

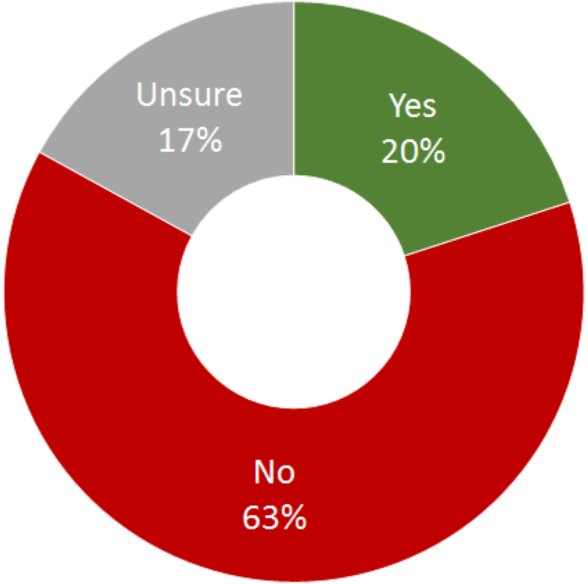
	Satisfied with ease of comparing suppliers and prices	Satisfied with the switching process overall
Did not use PCW	67%	77%
Used PCW only to compare suppliers	88%	86%
Used PCW to complete switch	93%	92%

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 (1,741)

Consumers currently considering switching

20% are currently thinking of switching supplier



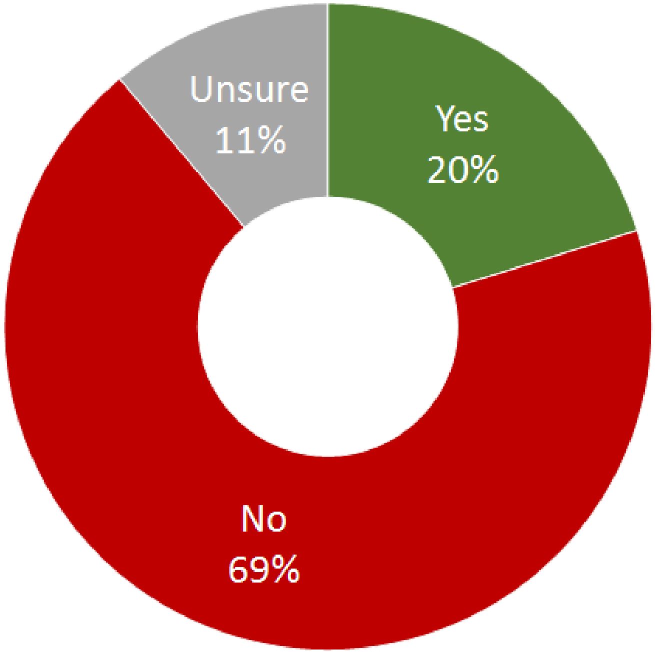
Are you currently considering changing your energy supplier?
Base: All Participants (3,300)

- The proportion considering switching is highest among:
  - Dissatisfied customers (63%) compared to satisfied customers (13%)
  - ABC1 (23%) compared to C2DE (16%)
  - Online (21%) compared to digitally excluded (5%)
- There is no difference by size of supplier
- And little difference by whether switched before (21% switched v 18% never switched)

The energy price cap

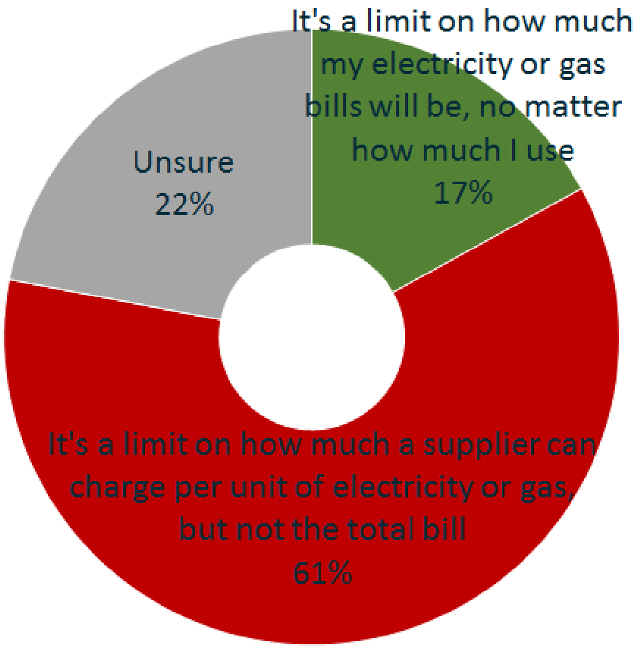
Awareness and understanding of cap

20% are aware of Default Tariff Cap



Before today, had you heard about a new energy price cap known as a `Default Tariff Cap'? Base: All Participants (3,300)

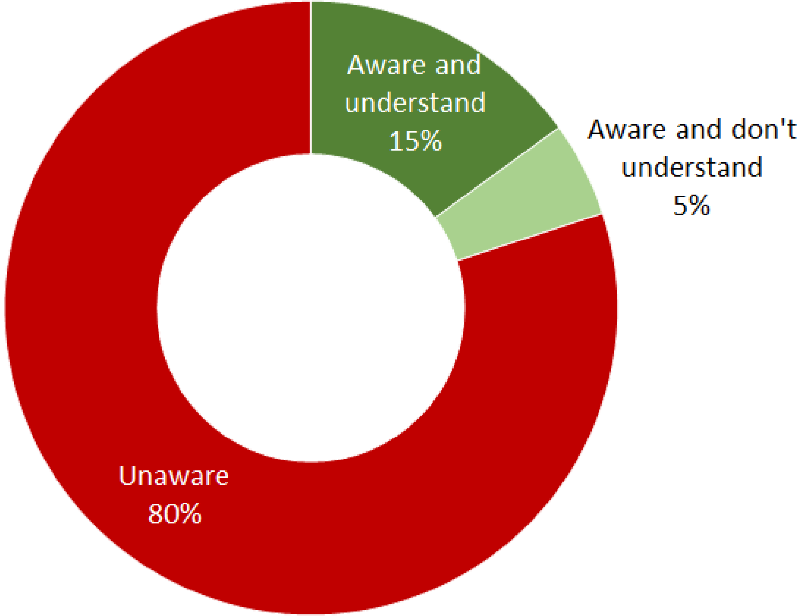
61% understand the principle of the Cap



Which of the following do you think best describes what an energy price cap is? Base: All Participants (3,300)

Informed awareness of the default tariff price cap

15% have heard of the price cap and understand it

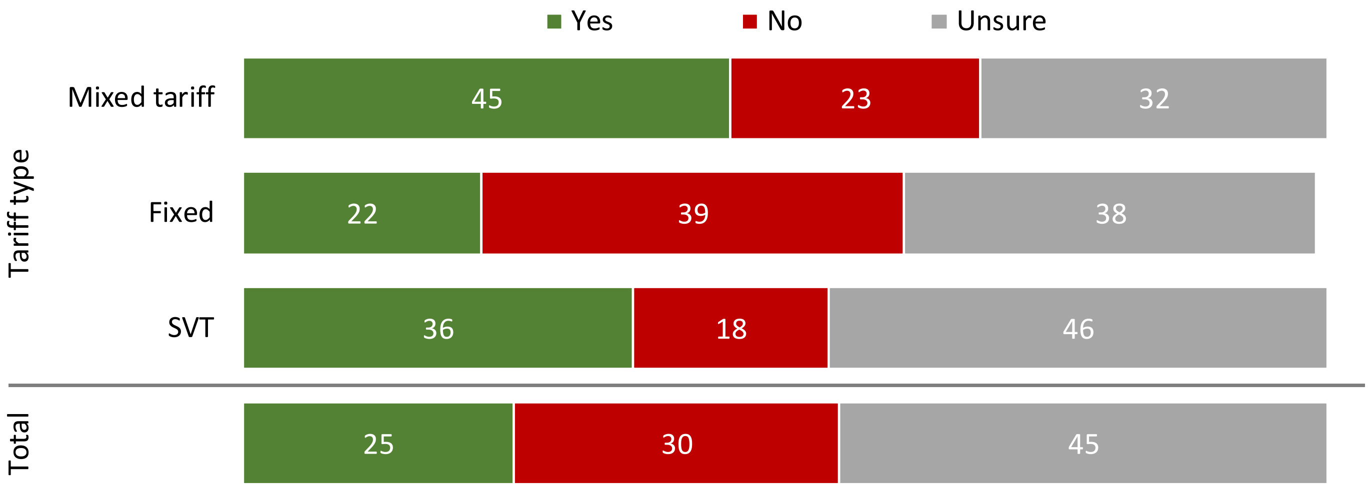


Before today, had you heard about a new energy price cap known as a `Default Tariff Cap'? / Which of the following do you think best describes what an energy price cap is? Base: All Participants (3,300)

- Awareness with understanding is highest among customers:
  - Using Small suppliers (22%)
  - Who have switched supplier or tariff in last 12 months (21%)
  - Of higher social grades: 25% A; 19% B; 15% C; 7% D; 10% E.
  - In Scotland (22%) v England (15%), Wales (8%)
  - Online (16%) v digitally excluded (7%)

Perceived relevance of default tariff price cap

25% feel the cap could apply to them (**36%** for those on a SVT)



The highest perceived applicability of the cap is among consumers

- Who have not switched supplier/ tariff in last 12 months (30%)
- Who are aged 16-34 (39%)

Knowing this, do you think that the default tariff price cap will apply to your energy bills?
Base: All Participants (3,300)

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Annexes

Abbreviations/terms used in this report

Suppliers:

- Six Largest suppliers = British Gas, EDF, E.On, nPower, SSE and Scottish Power
- Medium Tier suppliers = Bulb, Co-operative Energy, First Utility, Green Star, Octopus Energy, Ovo, Utilita, Utility Warehouse
- Small Tier suppliers = all other suppliers

Tariffs:

- 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

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

Other:

- PCW = Price Comparison Website

Accent

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