

ENERGY MARKET INVESTIGATION

Notice of intention to conduct a customer survey

1. On 24 July 2014 the CMA published an issues statement which set out a number of hypotheses relevant to our investigation into the energy market in Great Britain. On 25 July 2014 it also published a notice explaining that it was considering engaging a market research agency to carry out research as part of its investigation and inviting parties to comment on agencies approached within this context by the CMA. Further to that notice, the CMA has appointed a market research agency, GfK NOP Ltd, of Ludgate House, 245 Blackfriars Road, London SE1 9UL (www.gfk.com) (GfK), to conduct a survey of domestic customers of energy suppliers in Great Britain.
2. The contract under which the CMA has engaged GfK includes the requirements that GfK's work for the CMA will be tightly controlled and segregated from any existing client business GfK currently has relevant to the energy sector and that GfK will not take on new clients in the sector for a specified length of time without the agreement of the CMA.
3. Our intention is to carry out a quantitative sample survey of customers. The outline design for this research is described below, and we invite parties to comment on the design.
4. We would welcome comments by **9 September 2014**. To submit comments, please email Will Fletcher, Project Officer, at EnergyMarket@cma.gsi.gov.uk or write to him at:

Energy Market Investigation
Competition and Markets Authority
Victoria House
Southampton Row
London
WC1B 4AD

5. We also intend to consult interested parties on the draft survey questionnaire. This will be published on the CMA website in early September. In accordance with the tight timetable which is necessary for this work, there will be a short period for comment.

Research objectives

6. This survey will inform our work on the fourth theory of harm set out in our issues statement: that energy suppliers face weak incentives to compete on price and non-price factors in retail markets, due in particular to inactive customers, supplier behaviour and/or regulatory interventions. In particular, this survey will be used to understand the searching and switching behaviour of domestic customers, the drivers of this behaviour and how these behaviours and drivers vary across customers, regions and suppliers.

Methodology

7. The survey will comprise approximately 7,000 telephone interviews with domestic customers of energy suppliers in Great Britain. Interviews will take about 20 minutes on average. The sample of individuals to be contacted will be drawn from a list constructed from information the CMA has requested from the following energy suppliers:

Centrica (British Gas)
Co-operative Energy
E-ON
EDF
First Utility
Iberdrola (Scottish Power)
OVO Energy
RWE Power
Scottish and Southern Electric
The Utility Warehouse

8. An advance communication will be sent out to individuals in the sample explaining the purpose of the survey, who will be conducting it, and how their contact details have been obtained. This letter will also give confidentiality assurances and provide the recipient with an opportunity to opt out of the survey.

4 September 2014