

Appendix 8.1: CMA domestic customer survey results

Contents

	<i>Page</i>
Key findings.....	1
Introduction	16
Customer activity and engagement.....	16
Gains from switching	34
Drivers of engagement.....	50
Reasons for non-engagement.....	57
Capabilities, confidence and experience	63
Differences between respondents on fixed and standard variable tariffs	87
Comparison of results across England, Scotland and Wales	96
Respondents with incumbent and independent suppliers	98
Trust.....	103
Further analysis.....	108
Annex A: Further detail on associations between attitudes and characteristics	111
Annex B: CMA background and commentary on the survey	115
Annex C: Notes on data and analysis	127

Key findings

1. The survey aims to understand levels of domestic customer activity (eg the incidence of searching, supplier switching and changes of tariff), drivers of behaviour (eg important factors in choosing suppliers, reasons for non-engagement, triggers for shopping around), outcomes of decisions (eg are savings made after switches) and how these varied by respondent attitudes, levels of confidence and demographics. This is informed by a view that outcomes for retail energy customers (eg the gains available from switching and whether customers make good decisions when they switch or shop around) are influenced by customer activity and engagement which, in turn may be influenced by attitudes, preferences, demographics, the capability and confidence with which customers can engage in the retail energy markets and past engagement and activity.
2. The survey was designed to be representative of all domestic mains gas and mains electricity customers. Customer records were provided by the parties, and from these a sample was drawn, with oversampling of smaller regions and smaller suppliers. A questionnaire was developed in consultation between GfK NOP Ltd and the CMA, and this was tested in cognitive

interviewing and a pilot survey before a final questionnaire was agreed. Telephone interviews, averaging 20 minutes each, were conducted with 6,999 customers. Data were weighted to correct for differential probabilities of selection and to mitigate for differential non-response.

3. Below we report what we consider to be the key findings.¹

Customer activity and engagement

4. The survey provided information in relation to a number of measures of customer activity and engagement. Of all respondents:
- (a) 89% are aware it is possible to switch supplier, 81% are aware it is possible to change payment method, 76% are aware it is possible to change tariff and 64% are aware it is possible to do all three;
 - (b) 66% have considered switching supplier;²
 - (c) 40% have shopped around at least once to see what other suppliers have to offer, with 36% doing so in the last three years;³
 - (d) 44% switched supplier at least once,⁴ with 25% switching in the past three years and 13% switching in the last year;
 - (e) 28% have made an active decision to change tariff with their existing supplier;⁵ and
 - (f) 45% are likely to consider switching supplier in the next three years.
5. Additionally:
- (a) 34% have never considered switching supplier⁶ (corollary of 4(b));
 - (b) 60% have never shopped around, did not think it was possible to switch supplier, or did not know if they have shopped around (corollary of 4(c));

¹ We report in the text only results that are statistically significant and material. See also p128 for further discussion.

² Specifically, this 66% includes all those who either said they had 'ever switched to a different energy supplier' (question E2E), 'ever shopped around to see what other energy suppliers have to offer' (E2D) or said no to these questions but said they had '...considered switching to another energy supplier' (E13).

³ Note that more respondents have ever switched than have ever shopped around. A customer can switch supplier without shopping around. For example, a customer who switches following a sales pitch at their doorstep may have never shopped around.

⁴ See p124 for discussion of the comparability of this result with results in other similar surveys.

⁵ Respondents were asked if they had ever made an active decision to change to a different tariff with their existing supplier (question E2B).

⁶ Includes those who have never switched supplier (or did not know it was possible, or did not know if they had switched supplier) and those who have never shopped around.

- (c) 56% have never switched supplier, did not think it was possible to or did not know if they have switched supplier (corollary of 4(d));
 - (d) 72% have never switched tariff with their existing supplier, did not think it was possible, or did not know if they have (corollary of 4(e));
 - (e) 49% have never switched tariff with their existing supplier (or did not think it was possible, or did not know if they switched) and never considered switching tariff with their existing supplier;
 - (f) 44% have never switched supplier and never switched tariff with their existing supplier;⁷
 - (g) 42% are unlikely to consider switching supplier in the next three years; and
 - (h) 22% of respondents have never switched supplier, never switched tariff with their existing supplier and are unlikely to consider switching in the next three years.⁸
6. We look at how on four measures (ie considered switching supplier in the past, shopped around in the last three years, switched supplier in the last three years, and likelihood of considering switching in the next three years), the level of engagement varied with respondents' demographic characteristics, attitudes, features of their energy supply and preferences for particular attributes in suppliers.
7. We find respondents with certain characteristics are more likely to have never considered switching supplier and are less likely to have shopped around in the last three years, switched supplier in the last three years or to consider switching in the next three years. In particular:
- (a) those with any of the following characteristics – have household incomes under £18,000 a year, are living in rented social housing, have no qualifications,⁹ are aged 65 and over, have a disability,¹⁰ or on the Priority Services Register (PSR);

⁷ Includes those who did not know these were possible and those who did not know if they had carried out these actions.

⁸ Includes those who did not know these were possible and those who did not know if they had carried out these actions.

⁹ This includes all those who report not to have any of the following: degree or equivalent, A levels or equivalent, GCSEs or equivalent, any other kind of qualification.

¹⁰ By disabled, we mean those who answered yes to question K3B, which asked 'Do you have any long-term physical, sensory or mental impairment which limits your daily activities or the work you can do?'.

- (b) those with any of the following attitudes: do not take an active interest in their energy, think there are no real price differences between suppliers, think switching is a hassle, or worry switching would go wrong; and
 - (c) those whose supplier/s is/are the incumbent electricity supplier and/or British Gas.
- 8. The proportion of respondents in certain groups (defined by demographics, attitudes or choices) who have switched supplier in the last three years is typically between 15 and 35% against an average of 25% for all respondents. The scale of this range (relative to average level of engagement) is similar for other measures of engagement, with the exception of respondents who switched tariffs with their existing supplier for whom there is a weaker association with these characteristics.
- 9. We find the set of characteristics listed in paragraph 7 are also generally consistently associated with differences in other key variables and question responses such as being on an SVT, not being a customer of an independent supplier, not having internet access and lower confidence in using PCWs. However, the strength of these associations varies. Overall, the differences could typically be described as moderate, but in some cases the association is not material.
- 10. Prepayment customers are not more or less likely to have switched supplier in the last three years compared with all respondents. However, there is a higher rate of switching in the last three years among those on direct debit (30%) compared to those who prepay (22%). The difference in switching rate in the last year between those on direct debit (15%) and those who prepay (12%) is not statistically significant. On other measures of engagement those who prepay are less engaged. They are less likely to have shopped around (25% compared with 37% of all respondents), switched tariff with their existing supplier (16% compared with 29% of all respondents), to consider switching supplier in the next three years (31% compared with 46% of all respondents) and more likely to have not considered switching supplier in the past (45% compared with 33% of all respondents).
- 11. We find that the respondents who are least likely to consider switching supplier in the next three years are those who have been with a current supplier for ten or more years, are with an incumbent supplier or British Gas, or with separate suppliers for their energy.

Gains from switching

12. We used the model developed for the 'gains from switching' analysis to estimate the gains from switching available for survey respondents. We used the same scenarios as the main gains from switching analysis. We find that the estimated gains by scenario in this analysis are broadly consistent with those derived from the gains from switching analysis.¹¹
13. For those who can gain from switching, the gains available ranged from an average of £49, or 4% of bills, in scenario 3a (which allows bill-payers to change supplier but not payment type, tariff type or contract length) to £183, or 16% of bills, in scenario 5 (which allows bill-payers to change all of these, unless they are prepayment customers in which case they cannot change their payment method).
14. There were differences in the gains available by supplier. For example, in scenario 3b and 5, customers of Ovo Energy and First Utility had less gains available to them than customers of other suppliers.
15. Under scenario 5, which is the least restrictive, for 52% of respondents the gains available from switching exceeded the amount they said they required to consider switching. Under scenarios 3a and 3b, the savings required exceeded the gains available for the vast majority of respondents.
16. There were material differences in the average gains available depending on respondents' tariff type (higher gains for those with SVTs) and payment type (highest for those who pay by credit and lowest for those who prepay, with direct debit in the middle) in scenarios where respondents can change the payment and tariff types. Gains were lower for respondents who have recently switched, but only substantially so under scenario 5, which is likely to reflect the fact that recent switchers were more likely to be on fixed-rate tariffs and pay by direct debit compared with non-switchers. Under scenario 5, we find average gains (for those who can gain from switching) of 17% of their bill for those who have not considered switching or never switched compared with 11% for those who switched in the last year. However, under scenario 3b, the average gains available (for those who can gain from switching) for those who have never considered switching is about 9% compared with about 7% for those who switched in the last year.

¹¹ For more detail see pp34 & 120.

17. We found no material variation in gains by: demographics; level of capability and confidence in searching and switching; attitudes toward energy and more generally as a consumer; levels of trust; and drivers of choice.

Drivers of engagement and reasons for non-engagement

Engagement

18. We find that price is, by far, the most important driver of choice of energy supplier with 81% of respondents identifying cost/tariff/price/rate factors as important to them, followed by 50% of respondents identifying good quality service. The following groups are more likely to give price as a driver of choice of supplier, those who:
- (a) have shopped around in the last year (93% of respondents), switched in the last year (also 93%), and are likely to consider switching in the next three years;
 - (b) are younger (eg 88% for those aged 18 to 44 compared with 72% for those aged 65 and over), have higher levels of qualifications (88% for those with a degree compared with 66% for those with no qualifications), and are owner-occupiers or private renters;
 - (c) have internet access and have used a PCW to switch in other markets;
 - (d) trust neither their own nor other suppliers; and
 - (e) have been with their supplier(s) for shorter periods, are on a fixed-rate tariff or pay by direct debit.
19. We also asked respondents how important pre-specified supplier attributes are to them. The following attributes were most frequently considered essential:
- (a) 32% rated good customer service essential;
 - (b) 29% rated simple/easy to understand tariffs essential;
 - (c) 28% rated cheap tariff rate essential;
 - (d) 23% rated payments based on actuals not estimated usage essential; and
 - (e) 20% rated tariffs tailored to their energy usage or circumstances essential.

20. Other attributes identified as essential but by fewer respondents are: large supplier/established brand (9%); range of other services available such as boiler maintenance (8%); and supplier provides smart meters (7%).¹²
21. We asked respondents who had shopped around in the last three years what prompted them to do so. 47% identified cost/tariff-related factors, with 20% citing 'existing tariff expensive' and 13% the 'amount expected to save/looking to save money'. 22% of respondents cited 'nothing specific/just curious'.
22. We also asked those who had switched supplier in the last three years what made them go ahead and switch. The most frequently cited reasons (by 83%) for switching were related to cost/tariff (for example, 73% mentioned 'cheaper tariff').

Non-engagement

23. We asked respondents: who said they had shopped around in the last three years but not switched supplier; who had never considered switching supplier; who had never considered switching tariff; and who were unlikely to consider switching supplier in the next three years, what was stopping them from being more engaged.
24. Across these questions, 'existing tariff satisfactory' is the most commonly cited reason (by around 40% of respondents). The following respondent groups were more likely to say this (across at least two of the measures of engagement examined), those who:
 - (a) are aged 65 and over;
 - (b) have no qualifications;
 - (c) have no internet access;
 - (d) are confident using a PCW to get the right energy deal; trust their own supplier(s) (eg of those asked why they never considered switching to a different supplier, 48% of those who trust their own supplier identified 'existing tariff satisfactory' compared with 14% of those who trust neither their own nor other suppliers); and

¹² The first two of these were considered essential by a higher percentage of respondents who have: not switched in other markets and are unlikely to consider switching energy supplier in the next three years; are aged 65+; have no qualifications; are social renters; are on the PSR; have no internet access; trust their own supplier(s); or are prepayment customers. However, no more than 20% of respondents in any of these categories found either of these attributes to be essential.

- (e) pay by direct debit compared with by credit.
25. Reasons relating to the 'quality/reliability of existing supplier' were cited by 12% to 20% of respondents as reasons for not switching supplier or not considering doing so.
26. Reasons relating to the searching and switching process (eg 'too much effort/can't be bothered') were mentioned by between 10 and 20% of respondents for measures associated with switching supplier.

Capabilities, confidence and experience

Respondents experience of shopping around and switching

27. Those respondents who had shopped around or switched in the last three years were asked about their experience.
28. 67% of those who shopped around in the last three years found the process of shopping around to be easy.
29. 24% found the task to be either fairly or very difficult. Of these:
- (a) 85% found it difficult to make comparisons between suppliers;
 - (b) 74% found it difficult to understand the options available to them;
 - (c) 42% found it difficult to find out information about other suppliers; and
 - (d) 31% found it difficult to find out information about their own supplier.
30. All respondents who had switched in the last three years were asked how easy the process was and what, if any, difficulties they encountered:
- (a) 83% said it was easy and 65% did not encounter any difficulties with the switch (33% encountered one or more difficulties¹³); and
 - (b) the main difficulty encountered with switching was delays to the process, cited by 11%.
31. Of those who switched in the past three years, 52% were more satisfied with their new supplier than their previous supplier, 37% said there was no difference, 6% were less satisfied and 6% did not know. 59% of those who switched for reasons associated with cost said that they had realised the saving they expected from switching, 16% did not, and the rest did not know

¹³ 2% did not know if they encountered any difficulties.

or thought it was too early to tell. 76% of those who switched for reasons associated with customer service said they had actually achieved better customer service and 17% said there was no difference.

32. By contrast to the experience of those who shopped around or switched, 66% of those who did not shop around or switch in the last three years agreed that 'switching is a hassle I do not have time' and 57% agreed 'I worry things will go wrong if I switch'.¹⁴

Confidence

33. The majority of respondents said that they:
- (a) would find it easy to find the right energy deal (58%);¹⁵
 - (b) are confident they would make the right switching decision (70%);¹⁶ and
 - (c) are confident they are on the right energy deal (63%).¹⁷
34. Generally, it is the more active and engaged respondents who are more likely to be confident making the right switching decision and more likely to find it easy to find the right energy deal.
35. We also find that the following proportions of respondents are not confident that they are on the right deal:
- (a) 68% of respondents who have considered switching supplier but never shopped around or switched.
 - (b) 24% of respondents who have never considered switching supplier.
 - (c) 29% of respondents who have switched tariff with their existing supplier.
 - (d) 39% of respondents who have switched externally in the last one to three years.
 - (e) 48% of respondents who are likely to consider switching supplier in the next three years.

¹⁴ Overall, 56% of all respondents agreed that 'switching is a hassle I do not have time' and 50% agreed that 'I worry things will go wrong if I switch'. The equivalent figures for those who have shopped around or switched in the last three years are 40% and 37% respectively.

¹⁵ Asked to all respondents except those who did not think it was possible to change supplier, tariff and payment method.

¹⁶ Asked to all respondents except those who did not think it was possible to change supplier, tariff and payment method.

¹⁷ Asked to all respondents.

36. We find that the following respondents are more likely to lack confidence in the three areas listed at paragraph 33:
- (a) those who distrust their own energy supplier, distrust other energy companies and/or distrust their own and other energy companies; and
 - (b) those who are not confident using the internet and/or not confident using PCWs.

Internet access and confidence using the internet

37. The internet and PCWs are routes to switching and facilitate searching by providing access to relevant information.
38. 70% of respondents said that they are confident in using the internet to search for information about suppliers in general, 17% that they have no access to the internet, and 12% that they lack confidence in using the internet.
39. The respondents who are less engaged in the energy markets are more likely to be among those who have no access to the internet or lack confidence in using the internet. In particular:
- (a) 21% of respondents who have never switched supplier do not have internet access compared with 6% of respondents who switched supplier in the last year and 8% who switched in the last one to three years; and
 - (b) 13% of respondents who have never switched supplier are not confident using the internet compared with 6% of respondents who switched supplier in the last year.
40. We find that respondents who do not have internet access, are not confident using the internet and/or are not confident using PCWs, are more likely to lack confidence in making the right switching decision and are more likely to find it difficult to find the right energy deal.

Use of PCWs and confidence using PCWs

41. 62% of respondents who switched supplier in the last three years used a PCW for searching the last time they switched, and of those respondents 53% made the switch via a PCW. The use of PCWs in the energy markets is at a similar level to that in other markets.
42. We asked respondents about their confidence using PCWs. 55% are confident that they would be able to get the right energy deal using a PCW. Of

the remaining respondents, 27% are not confident and 17% have no internet access.

43. Respondents who said that they are not confident using PCWs gave the following reasons:
 - (a) 43% did not trust or believe PCWs;
 - (b) 26% said the information was too complex and they were not sure what would be the right deal; and
 - (c) 16% had never used a PCW and would not know what to do.
44. The use of PCWs to search and confidence using them in the energy markets are associated with greater confidence in searching for and switching energy supplier. We find that of those who are confident using PCWs:
 - (a) 73% would find it easy to find the right energy deal for them compared with 33% of those who are not confident using PCWs; and
 - (b) 86% are confident they would be able to make the right switching decision compared with 46% of those who are not confident using PCWs.
45. Respondents who are confident using PCWs are also more likely to: a) take an active interest in their energy usage and expenditure, b) think there are real differences in the prices suppliers charge, c) disagree switching is a hassle they do not have time for and d) not worry switching supplier would go wrong. For example, 49% of respondents confident using PCWs do not worry switching supplier would go wrong compared with 28% among respondents not confident using PCWs.

Search times

46. Respondents most frequently spend 1 to 4 hours searching for information about their energy usage and current tariff, and the same amount of time searching for information about other suppliers and comparing this to their own supplier. Those who spend more time searching are less confident using PCWs.

Respondents' ability to identify their tariff type

47. Respondents were asked if they were on a fixed-rate tariff for one or both fuels. We assessed whether their answer was consistent with data provided by suppliers. We find that 84% of those on fixed-rate tariffs (from supplier data) gave an answer consistent with supplier data, whereas only 44% of

those on variable-rate tariffs did so. Overall 54% gave an answer consistent with the supplier data.¹⁸

Respondents on standard variable tariffs, with an incumbent supplier, with an independent supplier, who prepay for one or more fuels

Respondents on standard variable tariffs

48. The customer records provided by suppliers (including the four largest independents) show that 68% of respondents have an SVT, or SVTs, and 27% have fixed-rate, fixed-term tariffs, with the remainder having either a mix of tariffs or other types of tariff (eg capped). There is substantial variation across suppliers, with Ovo Energy and First Utility having the lowest proportion of dual fuel customers on an SVT. We find that 78% of those respondents who have never switched supplier and 79% of those who have never switched tariff with their existing supplier are on an SVT. The proportion of respondents on an SVT is lower among those who: are more active; have switched supplier in recent years (eg 37% for those who switched supplier in the last year); and have ever changed tariff (60%).
49. There is also a lower rate of SVT usage among those who are likely to consider switching in the next three years (63%) compared with those who are unlikely to do so (75%).
50. Differences in terms of demographics, attitudes, capability and confidence, and choice drivers were less pronounced than differences by engagement and activity. Across these characteristics, the proportion of respondents on an SVT was generally between 60 and 80%. The proportion on an SVT is higher among those: in rented, particularly social rented, housing; with low household incomes; with no qualifications; and who have more negative attitudes towards energy. The proportion on an SVT is lower among those: on the PSR; those who are aged 65 or older (they account for a disproportionately large share of those on the PSR); pay by direct debit compared with other payment types have joined their supplier in the last year.

Respondents with regional electricity incumbents or British Gas

51. We find that 55% of respondents are with an incumbent supplier (for at least one fuel). These respondents are:

¹⁸ Note, 'do not know' answers, of which there were 18%, are included with those not identifying their tariff correctly.

- (a) less likely to have been active and engaged, and in particular less likely to:
 - (i) have considered switching (43% have never considered switching compared with 22% of those not with an incumbent);
 - (ii) have shopped around (68% have never shopped around compared with 48% of those not with an incumbent);
 - (iii) have ever switched energy supplier (69% have never switched supplier compared with 41% of those not with an incumbent); and
 - (iv) have switched in other markets or consider switching in the next three years (50% are unlikely to consider switching in the next three years compared with 32%); and
- (b) more likely not to pay by direct debit (54% pay by direct debit compared with 70% of those not with an incumbent); to be on an SVT; to have been with their supplier(s) for ten years or more; to have higher gas tariff comparison rates (TCR)¹⁹.

Respondents with independent suppliers

52. We find that 7.5% of respondents are with an independent supplier (ie not one of the Six Large Energy Firms) for one or both fuels and that they are substantially more likely to:
- (a) have considered switching, shopped around, ever switched, switched in other markets, or consider switching in the next three years (62% are likely to consider switching in the next three years compared with 43% of those not with an independent supplier);
 - (b) own a property (with a mortgage), have a degree-level qualification, have higher household income, be younger, but less likely to be registered on the PSR or to identify themselves as being a carer, have a disability and/or be a single parent/guardian;
 - (c) be confident in making the right decisions (85% are confident they would make the right decision if they wanted to switch compared with 69% of those not with an independent supplier), in finding the right deals and in using the internet and PCWs; and

¹⁹ This is a measure used by Ofgem, which is the average cost per kWh (including standing charges and discounts) at a representative consumption level. It allows an easier comparison of prices across suppliers.

- (d) be on a fixed-rate tariff (52% compared with 25% of those not with an independent supplier), have been with their supplier for less than a year, pay by direct debit, and have lower TCRs.

Respondents who prepay for one or more fuels

53. Overall 16% of all respondents prepay for either gas or electricity or both. There are clear patterns between respondents' demographics and their likelihood of falling into this category. We find the proportion is highest among those respondents:

- (a) aged 18 to 35 (23%);
- (b) with household incomes below £18,000 (32%);
- (c) whose highest qualification is a GSCE (24%) or below (23%);
- (d) living in rented social housing (47%);
- (e) who are single parents/guardians (36%);
- (f) who are disabled (29%);
- (g) that fall into more than one of the following categories: disabled, single parent/guardians or carers (34%); and
- (h) who are on the Warm Home Discount Scheme (35%).

54. We find the proportion is lowest among those respondents:

- (a) aged 65 and over (7%);
- (b) with household incomes over £36,000 (5%);
- (c) educated to at least degree level (7%); and
- (d) who own their home outright (3%) or have a mortgage (8%).

Trust

55. We find that respondents have a more positive view of their own energy supplier than other energy companies or other comparators. In particular:

- (a) 62% trust their own supplier, 21% neither trust nor distrust their own supplier, and 16% distrust their own supplier.

- (b) 27% trust other suppliers, 34% neither trust nor distrust other suppliers, and 26% do not trust other energy suppliers. 13% did not know whether or not they trusted other suppliers.
56. We have not found consistent evidence to suggest that those with higher levels of trust in their own and other suppliers are more active and engaged. On the contrary, we find that those who trust their own suppliers are less likely to have considered switching in the past or to consider switching supplier in the next three years. We find those who trust their own suppliers are more confident they are on the right deal for them, more confident in their ability to shop around and switch suppliers, and more likely to cite satisfaction with their existing tariff as a reason for not engaging in the energy markets.
57. Neither our survey nor other studies by Ofgem or DECC suggest levels of trust in their energy suppliers are low in absolute terms or compared with other sectors. However, respondents to the Ofgem and DECC surveys appeared relatively less trustful that suppliers would provide them with a fair deal/price or alert them to the best tariff for them.

Comparison of results across England, Scotland and Wales

58. We found some moderate differences between England, Scotland and Wales. Compared with respondents in England:
- (a) those in Scotland and/or Wales are less likely to have engaged in the energy markets (eg 65% of respondents in Wales have never shopped around compared with 58% in England; 63% of respondents in Scotland have never switched supplier compared with 55% in England; in both Scotland and Wales, 49% of respondents said they were unlikely to consider switching in the next three years compared with 40% in England);
 - (b) those in Wales are more likely to trust their own energy supplier, to be satisfied with their supplier, to be prepayment customers, and to have higher TCRs for electricity; and
 - (c) those in Scotland and in Wales are more likely to recommend their supplier to others, more likely to be with an incumbent supplier and less likely to be on a fixed-rate tariff.
59. We find few material, consistent differences between nations in results on: drivers of engagement and non-engagement; capability and confidence in searching and switching and attitudes.

Introduction

- 60. This appendix sets out the key results from the CMA survey of domestic energy customers in Great Britain. We focus on customer activity and engagement; gains from switching for survey respondents; drivers of engagement and non-engagement; respondents' capability, confidence and experience as energy customers; differences between those on standard variable and fixed-rate tariffs; comparing results across England, Wales and Scotland; respondents with incumbent or independent suppliers and trust.
- 61. This survey was carried out by GfK NOP on behalf of the CMA and this appendix includes some of its findings as well as our own analysis of the data.
- 62. Technical information in relation to the survey and questionnaire design; the conduct of the survey and the robustness of the results are provided in Annex B. In summary, it is the CMA's view that the customer survey was undertaken to a high standard and that the results can be used to make inferences about the conduct, preferences and attitudes of domestic energy customers in Great Britain.

Customer activity and engagement

Key findings

- 63. We find that:
 - (a) 89% of respondents think that it is possible to switch energy supplier;
 - (b) 34% of respondents have never considered switching supplier or did not think it was possible to switch;
 - (c) 40% have shopped around at least once to see what other suppliers have to offer,²⁰ with 36% of respondents having done so in the last three years;
 - (d) 44% of respondents switched supplier at least once,²¹ with 25% switching supplier in the last three years and 13% switching in the last year;
 - (e) 29% of respondents have made an active decision to switch tariffs with their existing supplier at least once; and

²⁰ Note that more respondents have ever switched than have ever shopped around. A customer can switch supplier without shopping around. For example, a customer who switches following a sales pitch at their doorstep may have never shopped around.

²¹ See p124 for discussion of the comparability of this result with results in other similar surveys.

- (f) 45% of respondents are likely to consider switching supplier in the next three years.
64. We find that the respondents who are more likely to have never considered switching supplier and less likely to have shopped around in the last three years, switched supplier in the last three years or to consider switching supplier in the next three years are:
- (a) those with any of the following characteristics – household incomes under £18,000 a year, living in rented social housing, no qualifications, aged 65 and over, have a disability, and on the PSR;
 - (b) those with any of the following attitudes – do not take an active interest in their energy, think there are no real price differences between suppliers, think switching is a hassle, or worry switching would go wrong; and
 - (c) those whose supplier(s) is (are) the incumbent electricity supplier and/or British Gas.
65. We find no material association between the trust a respondent has in their own or other suppliers and whether they have switched supplier in the last three years. However, we find that those who distrust their own supplier are more likely to consider switching supplier in the next three years. For example, 68% of respondents who said they distrust their own energy company are likely to consider switching supplier in the in the next three years, compared with 46% of all respondents.
66. Prepayment customers are not more or less likely to have switched supplier in the last three years compared with all respondents. However, there is a higher rate of switching in the last three years among those on direct debit (30%) compared to those who prepay (22%). The difference in switching rate in the last year between those on direct debit (15%) and those who prepay (12%) is not statistically significant. On other measures of engagement those who prepay are less engaged. They are less likely to have shopped around (25% compared with 37% of all respondents), switched tariff with their existing supplier (16% compared with 29% of all respondents), to consider switching supplier in the next three years (31% compared with 46% of all respondents), and more likely to have not considered switching supplier in the past (45% compared with 33% of all respondents).
67. We find that the respondents who are least likely to consider switching supplier in the next three years are those: who have been with a current supplier for ten years or more; who are with an incumbent supplier or British Gas; and with separate suppliers for their energy.

Measures of engagement

Table 1: Switching supplier

	<i>Respondents (%)</i>
Switched: last year	13
Switched: one to three years ago	12
Switched: last three years	25
Switched: three years ago or more/do not know when	19
Switched: ever	44
Never switched	56
Never switched and had never considered it or think it is not possible	34

Source: CMA analysis of survey data.

Notes:

1. Base = 6,999.

2. Derived from responses to questions E1, E2, E13 and E30.

68. We find that:

- (a) 44% of respondents have switched supplier at least once;²²
- (b) 25% have switched in the past three years;
- (c) 13% have switched in the past year;
- (d) 56% have never switched supplier;²³ and
- (e) 34% have never switched and never considered switching supplier.

69. Additionally, 66% have either switched supplier, shopped around to compare suppliers or considered switching supplier.

Table 2: Switching tariff with existing supplier

	<i>Respondents (%)</i>
Ever switched tariff with existing supplier	28
Never switched tariff with existing supplier	72
Never switched tariff with existing supplier and had never considered it or not aware it was possible	49

Source: CMA analysis of survey data.

Notes:

1. Base = 6,999.

2. Derived from responses to questions E1, E2, and E3.

70. We find that:

- (a) 28% of respondents have made an active decision to switch tariff with their existing supplier at least once; and

²² See p124 for discussion of the comparability of this result with results in other similar surveys.

²³ This includes those who did not think it was possible to switch supplier or did not know if they had.

(b) 49% have never done so and never considered switching tariff.²⁴

Table 3: If respondents ever switched supplier or made an active decision to switch tariff with existing supplier

<i>Ever switched</i>	<i>Respondents (%)</i>
Both	16
Supplier only	28
Tariff only (with existing supplier)	13
Neither/not aware/don't know	44
Total	100

Source: CMA analysis of survey data.

Notes:

1. Base = 6,999.

2. Based on responses to E1, E2, E3, and E13.

3. Respondents were asked if they had ever made an active decision to change to a different tariff with their existing supplier (E2b) and if they had ever switched to a different energy supplier (E2e). Respondents who did not think it was possible to switch tariff or supplier were not asked the respective questions. Those who did not think it was possible or did not know if they had switched supplier or tariff were regarded as not having done so. A relatively low number of respondents did not think it was possible or did not know if they had switched supplier or tariff.

71. We find that:

- (a) 16% of respondents have switched both their supplier and their tariff with their existing supplier;
- (b) 28% have switched their energy supplier but never switched their tariff with their existing supplier;
- (c) 13% have switched tariff with their existing supplier but never switched supplier; and
- (d) 44% have never switched their supplier and never switched tariff with their existing supplier.²⁵

Table 4: If respondents ever switched supplier or tariff with existing supplier split by tariff

<i>Ever switched</i>	<i>%</i>	
	<i>Fixed-rate tariff</i>	<i>Standard variable tariff</i>
Both	26	11
Supplier only	32	27
Tariff only (with existing supplier)	19	10
Neither/not aware/don't know	23	52
Total	100	100

Source: CMA analysis of survey and supplier data.

Note: Base=6680. Tariffs based on supplier data. Respondents with a mix of tariff types or other tariffs (eg capped) have been excluded from this table. See Annex C, paragraph 13(b)(i) for details on how respondents were classified as having fixed tariffs or SVTs.

²⁴ Includes those who did not think it was possible to do either.

²⁵ Includes those who did not know these were possible and those who did not know if they had carried out these actions. The equivalent estimate from the Ofgem RMR baseline survey is 36%. In that survey a higher share of respondents had ever switched supplier (60%), but a slightly lower percentage (24%) had ever switched tariff. Ofgem noted that a proportion of respondents to the RMR survey said they did not think it was possible to switch, but when asked whether they had switched they said yes. The CMA survey does not allow for this possibility.

72. Table 4 provides the same results separately for respondents on fixed-term tariffs and SVTs. We find a higher number of respondents with fixed-rate tariffs have ever switched tariff, supplier or both.²⁶

Table 5: Awareness

	<i>Respondents thought (%)</i>		
	<i>Possible</i>	<i>Not possible</i>	<i>Do not know</i>
Change supplier	89	6	4
Change payment method	81	5	14
Change tariff	76	7	16
Change all three	64		

Source: CMA analysis of survey data.

Notes:

1. Base = 6,999.

2. Derived from response to question E1.

73. We find that:

- (a) 89% of respondents think it is possible to change supplier;
- (b) 81% think it is possible to change payment method (but 74% for those who prepay for gas or electricity);
- (c) 76% think it is possible to change tariff; and
- (d) 64% think it is possible to change all three.

Table 6: Likelihood of considering switching in next three years

	<i>Respondents (%)</i>
Very likely	23
Fairly likely	22
Neither	11
Fairly unlikely	18
Very unlikely	24
Do not know	3

Source: CMA analysis of survey data.

Notes:

1. Base = 6,949.

2. Based on responses to question F1.

74. We find that:

- (a) 45% of respondents are likely to consider switching in the next three years;
- (b) 11% are neither likely nor unlikely; and
- (c) 42% are unlikely to consider switching.

²⁶ We note that 23% of respondents on fixed-rate tariffs report to have never switched supplier or tariff with their existing supplier. See p120 for further discussion.

75. Additionally:

- (a) 28% of respondents have never switched supplier and are unlikely to consider switching supplier in the next three years;
- (b) 22% of respondents have never switched supplier, never switched tariff with their existing supplier and are unlikely to consider switching in the next three years; and
- (c) 21% of respondents have never considered switching and are unlikely to consider switching in the next three years.

Table 7: Shopping around

	<i>Respondents (%)</i>
Shopped around: last year	28
Shopped around: one to three years ago	8
Shopped around: last three years	36
Shopped around: three years ago or more/do not know when	4
Shopped around: ever	40
Never shopped around/did not think it was possible to switch	60

Source: CMA analysis of survey data.

Notes:

1. Base = 6,999.

2. Based on responses to questions E1, E2 and E17.

76. We find that:

- (a) 40% of respondents have ever shopped around to see what other energy suppliers have to offer;
- (b) 36% have done so in the past three years; and
- (c) 28% have done so in the past year.

77. 43% of respondents have never shopped around to compare suppliers and never switched supplier.

Table 8: Approaches by own or other suppliers

	<i>Respondents (%)</i>
Approached by own supplier suggesting they change to a different tariff in the last year	31
Approached by another supplier suggesting they switch in the last year	27
Approached by other supplier suggesting they switch ever	43

Source: CMA analysis of survey data.

Notes:

1. Base = 6,999.

2. Based on responses to question E2.

78. We find that:

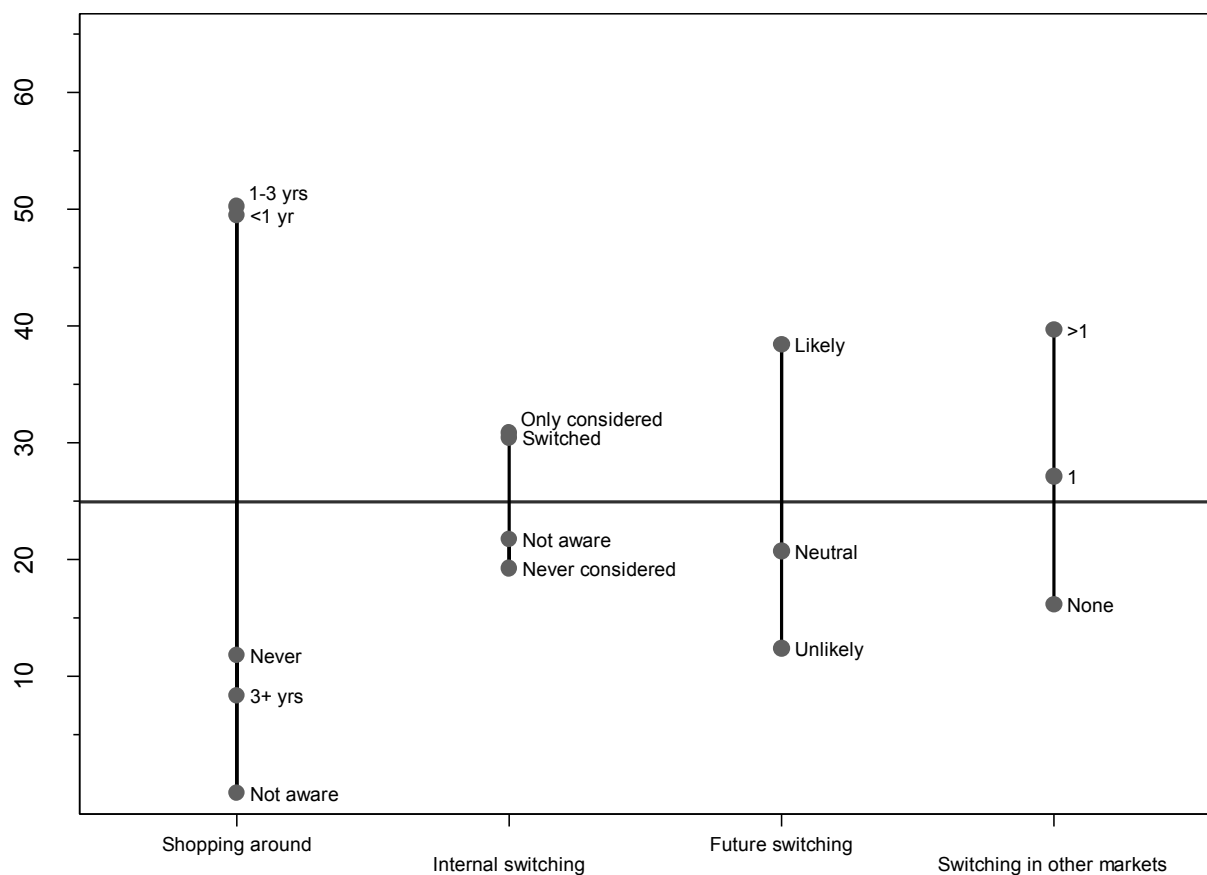
- (a) 31% of respondents have been approached by their own supplier about changing tariff in the past year;
- (b) 27% have been approached by a different supplier to their own suggesting they switch in the last year; and
- (c) 43% have ever been approached by a different supplier suggesting they switch.

79. In the remainder of this section we present results for the levels of switching (supplier) in the last three years by different groups of respondents defined by their behaviour, demographics, attitudes and supply characteristics. The same patterns generally hold for the following measures of engagement: considered switching supplier, shopped around in the last three years, and likelihood to consider switching in the next three years. We also see similar patterns when we look at switching tariff with their existing supplier, but the differences between groups of respondents on this measure of engagement are less pronounced. Other key differences are highlighted where relevant.

Level of engagement

80. Figure 1 shows for those respondents who have shopped around, switched tariff with their existing supplier, expect to consider switching in the next three years and have switched in other markets, the proportion who have also switched energy supplier in the last three years.

Figure 1: Proportion of supplier switching in the last three years by other forms of customer activity



Source: CMA analysis of survey data.

Notes:

1. Derived from responses to questions E1, E2, E3, E17, E30, F1 and I1. Those who were unable to respond to relevant questions (ie answered 'do not know') have been excluded.
2. Base = shopping around 6,912, internal switching 6,852, future switching 6,744, switching in other markets 6,999.

81. We find that:

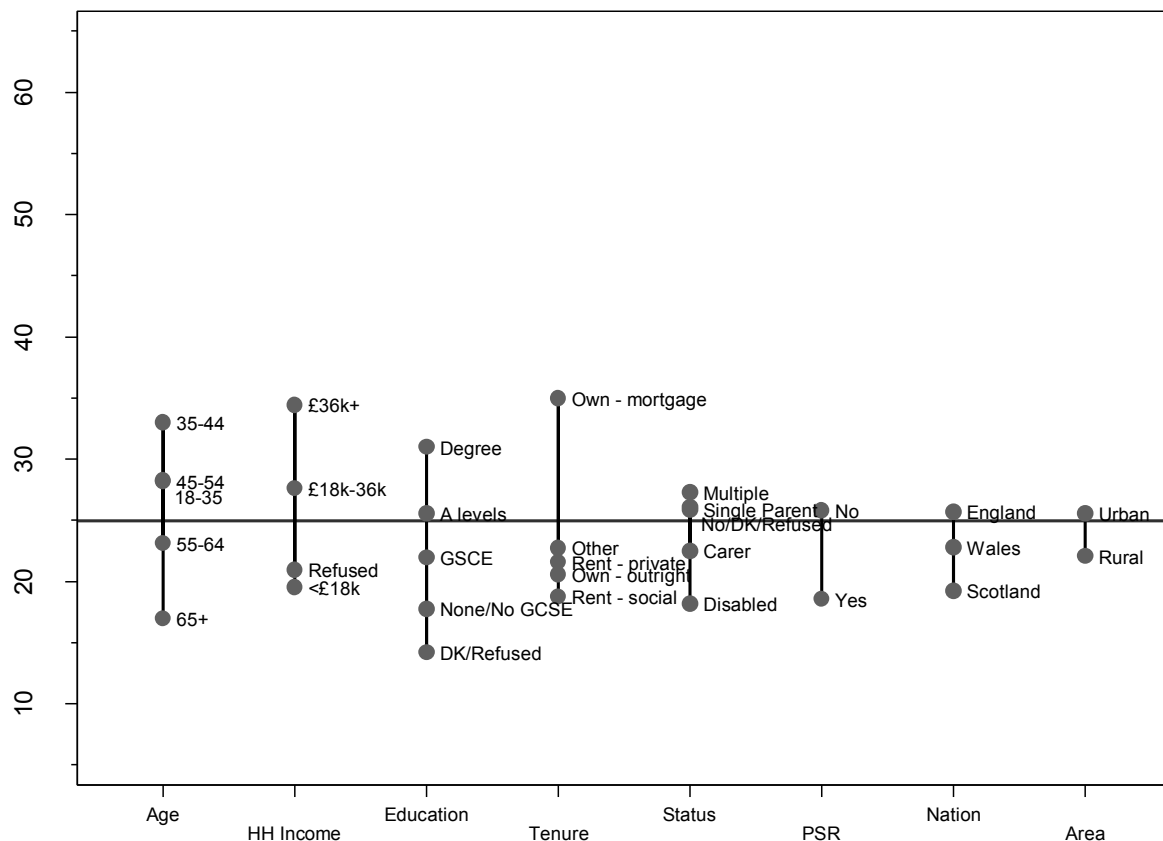
- (a) 51% of respondents who shopped around in the last three years have switched supplier in the last three years;
- (b) respondents who are likely to consider switching in the next three years are more likely to have switched supplier in the last three years. 39% of respondents who are likely to consider switching in the next three years have switched supplier in the last three years, compared with 13% of respondents who are unlikely to consider switching in the next three years; and
- (c) respondents who have switched supplier in other markets are more likely to have switched energy supplier in the last three years. 40% of respondents who have switched in more than one other market have

switched energy supplier in the last three years, compared with 17% for those who have not switched in another market.

Demographics

82. Figure 2 shows the proportion of respondents who switched supplier in the last three years by certain demographic and household characteristics.

Figure 2: Proportion of supplier switching in the last three years by demographic and household characteristics



Source: CMA analysis of survey and supplier data.

Notes:

1. Derived from responses to questions K1, K3, K4, K5, K6 and records provided by supplier. PSR indicates whether respondent is on the PSR. Those who were unable to respond to relevant questions (ie answered 'do not know') have been excluded.
2. 'DK' indicates responded who answered with 'Don't Know' to the relevant surveys question
3. Base = age 6,901, income 6,999, education 6,665, tenure 6,999, status 6,999, PSR 6,990, nation 6,999, area 6,976.

83. We find that the groups of respondents who are least likely to have switched supplier in the last three years are those with any of the following characteristics: household incomes under £18,000 a year; living in rented social housing; without qualifications; aged 65 and over; with a disability or on the PSR. For example, 35% of those whose household incomes were above £36,000 had switched supplier in the last three years, compared to 20% of those whose household incomes were below £18,000. 32% of those with

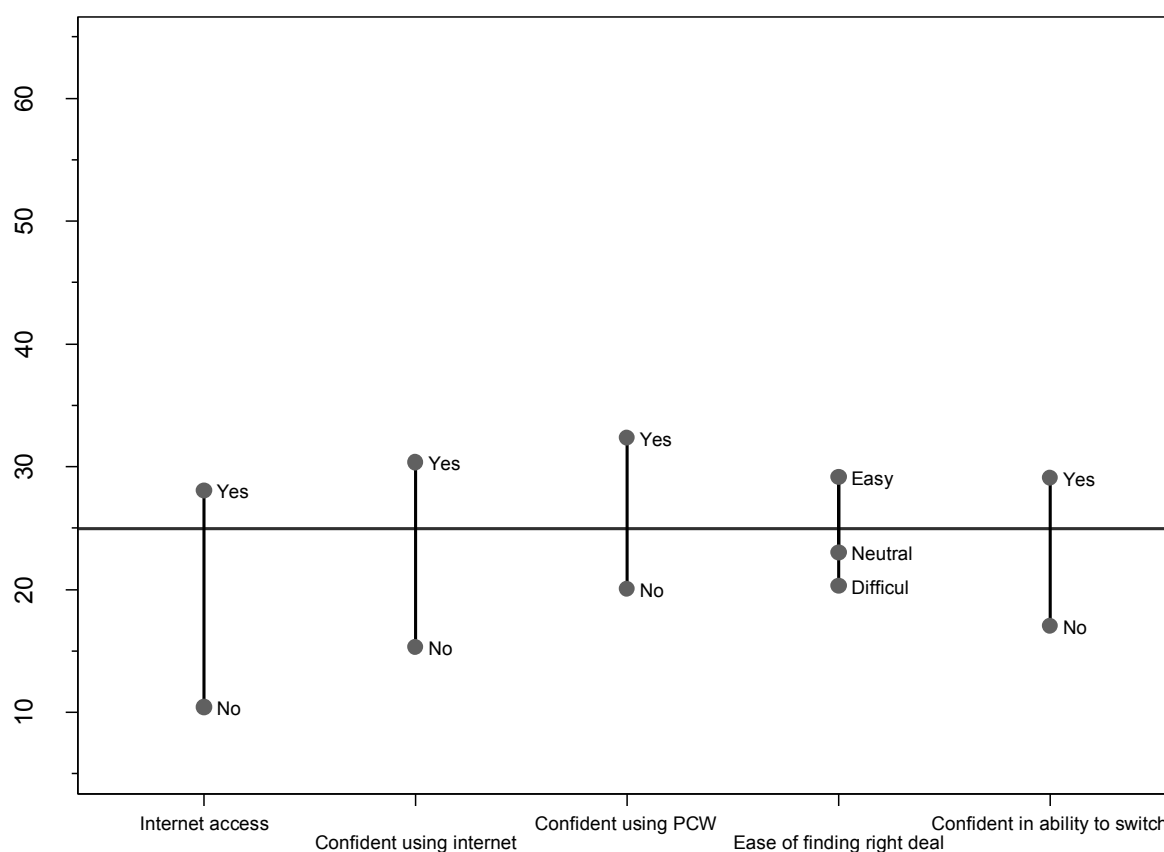
degree level qualifications had switched in the last three years compared to 18% of those with no qualifications.

84. Respondents with these characteristics are also more likely to have never considered switching and are less likely to have shopped around in the last three years, and are less likely to consider switching in the next three years.
85. We find respondents aged 65 and over, those with a disability and/or those on the PSR are no more or less likely to have switched tariff with their existing supplier compared with all respondents.

Capability

86. Figure 3 shows the proportion of respondents who have switched supplier in the last three years by measures of their ability and confidence in searching and switching.

Figure 3: Proportion of supplier switching by capability and confidence measures



Source: CMA analysis of survey data.

Notes:

1. Derived from responses to questions H1, H2, H3, F3 and F4. Those who were unable to respond to relevant questions (ie answered 'do not know') have been excluded from the two rightmost bars. Those who do not know if they have internet access, are confident internet users, or PCW users have been classified as not having internet access and not being confident respectively.

2. Base = internet access 6,999, confident using internet 5,927, confident using PCW 5,867, ease of finding right deal 6,702, confident in ability to switch 6,828.

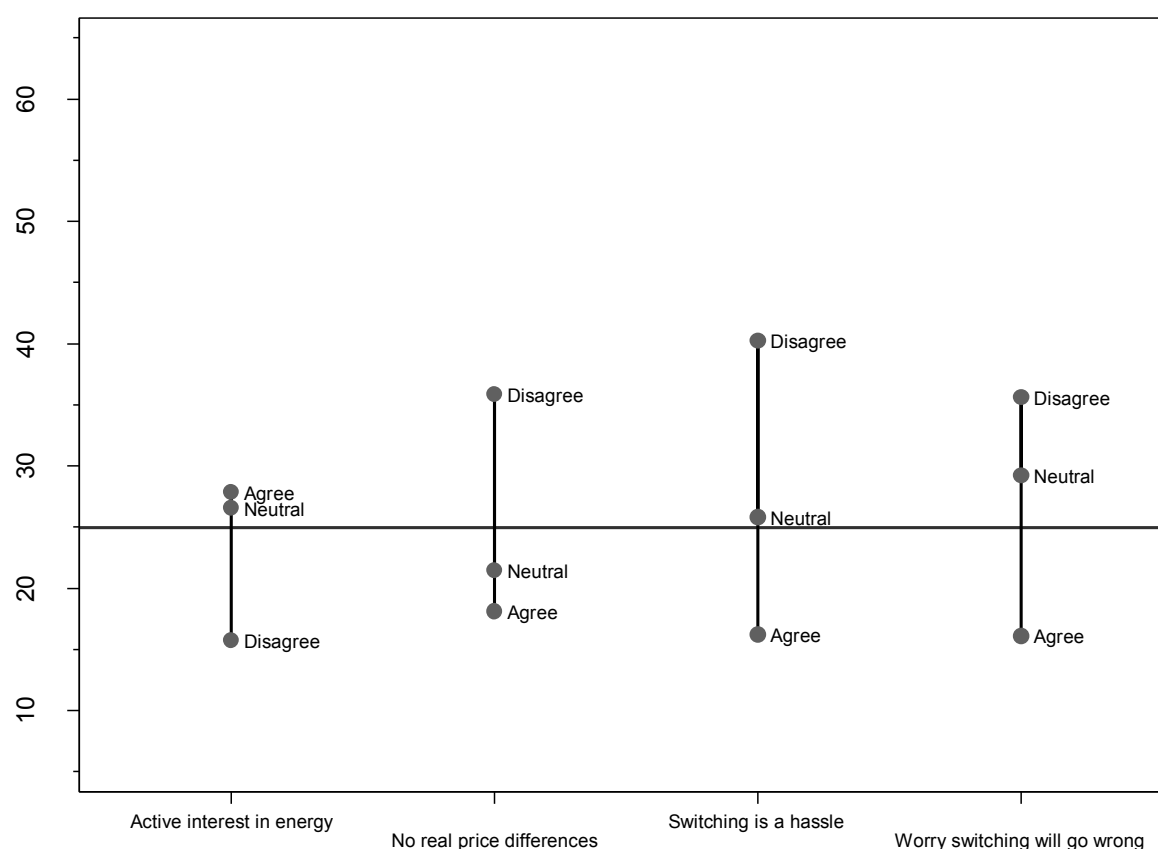
87. We find that the respondents who are least likely to have switched supplier in the last three years are those:

- (a) with no internet access – 11% of respondents with no internet had switched supplier in the last three years compared with 29% of respondents with internet access;
- (b) who are not confident using the internet; and
- (c) who are not confident in their ability to make the right switching decision.

Energy related attitudes

88. Figure 4 shows the proportion of respondents who have switched supplier in the last three years by their attitudes towards energy.

Figure 4: Proportion of supplier switching in the last three years by attitudes towards energy



Source: CMA analysis of survey data.

Notes:

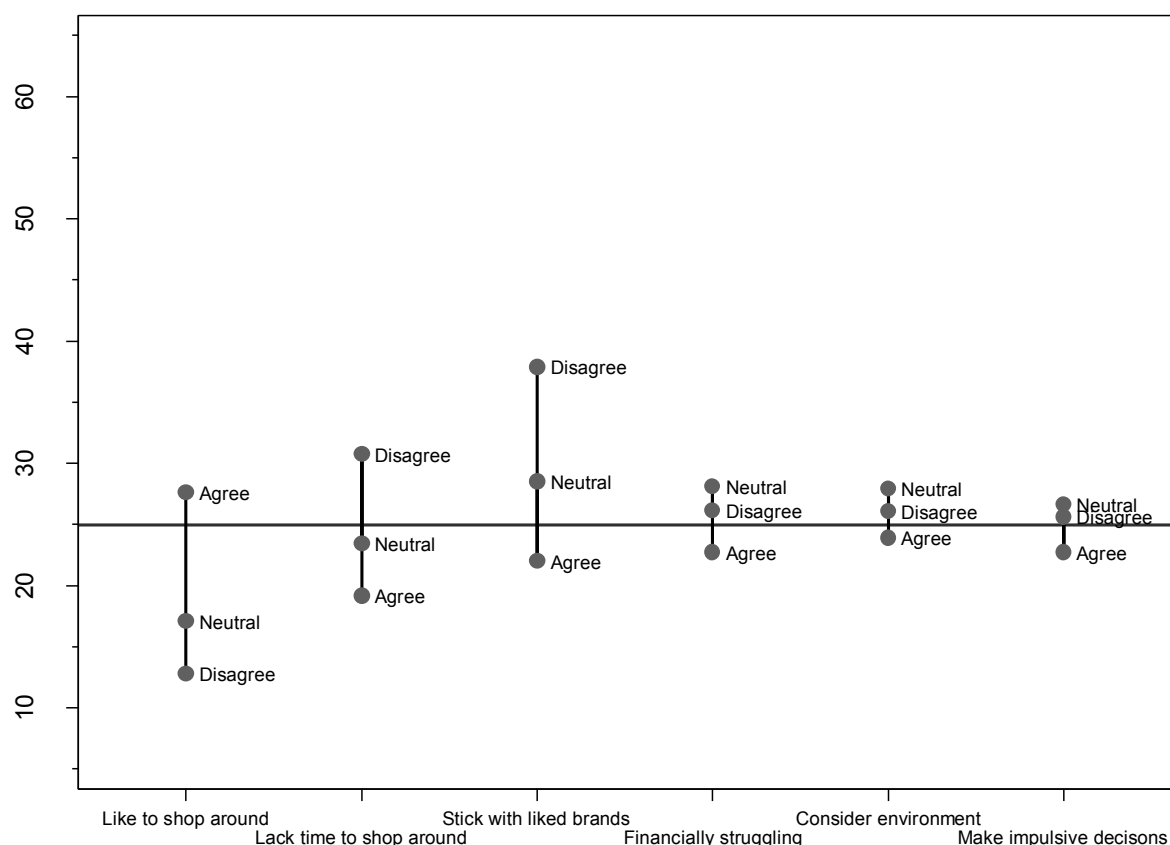
1. Derived from responses to question G1. Those who were unable to respond to relevant questions (ie answered 'do not know') have been excluded.
2. Base = active interest in energy 6,881, no real price differences 6,625, switching is a hassle 6,911, worry switching will go wrong 6,912.

89. Unsurprisingly, we find that respondents are less likely to have switched supplier in the last three years if:
- (a) they disagree that they take an active interest in their energy usage and expenditure;
 - (b) they agree there are no real price differences between suppliers;
 - (c) they agree switching is a hassle; and
 - (d) they agree they worry that switching supplier would go wrong.
90. There are quite substantial differences by attitudes towards energy. For example, 17% of respondents who think switching is a hassle have switched supplier in the last three years compared with 41% of respondents who do not think it is a hassle.
91. We also find that respondents with these attitudes are more likely to have never considered switching supplier, are less likely to have shopped around in the last three years, and are likely to consider switching in the next three years.

General attitudes

92. Figure 5 shows the proportion of respondents who have switched supplier in the last three years by their attitudes in a number of specific areas (hereafter referred to as general attitudes).

Figure 5: Proportion of supplier switching in the last three years by general attitudes



Source: CMA analysis of survey data.

Notes:

1. Derived from responses to question J1. Those who were unable to respond to relevant questions (ie answered 'do not know') have been excluded.

2. Base = like to shop around 6,962, lack time to shop around 6,909, stick with liked brand 6,950, financially struggling 6,877, consider environment 6,917, make impulsive decisions 6,937.

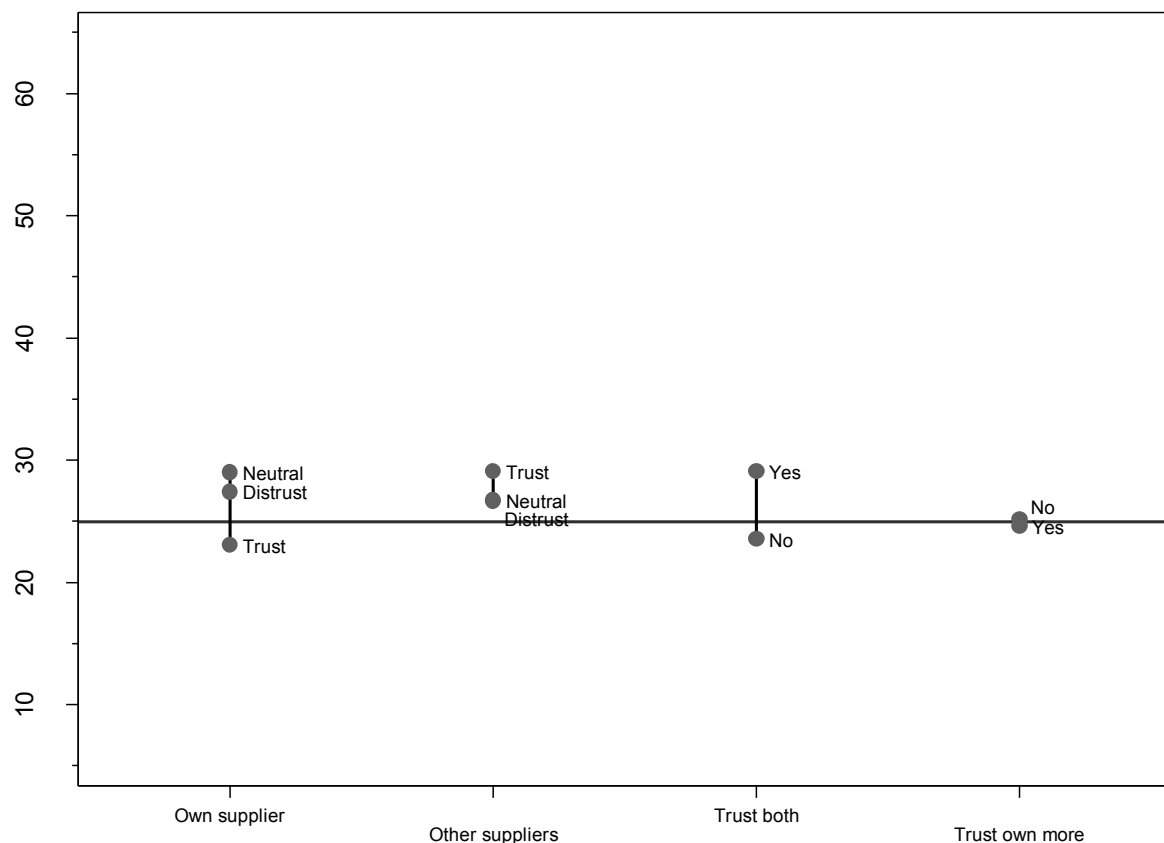
93. We find that the respondents who are least likely to have switched energy supplier in the last three years are those who said that: they did not always like to shop around for the best deal; they did not have time to shop around for the very best deals; or they tended to stick with brands they liked.

Trust

94. Figure 6 shows the proportion of respondents who have switched supplier in the last three years by different measures of trust. We find no material association between trust and this measure of engagement.²⁷

²⁷ There is a statistically significant but minor difference in the switching rate in the last three years between those who trust both their own energy company and other energy companies (30%) and those who trust neither their own energy company nor other energy companies (24%).

Figure 6: Proportion of supplier switching in the last three years by trust in energy companies



Source: CMA analysis of survey data.

Notes:

1. Derived from responses to questions I4a and I4b. Those who were unable to answer the questions have been excluded from the two leftmost bars.

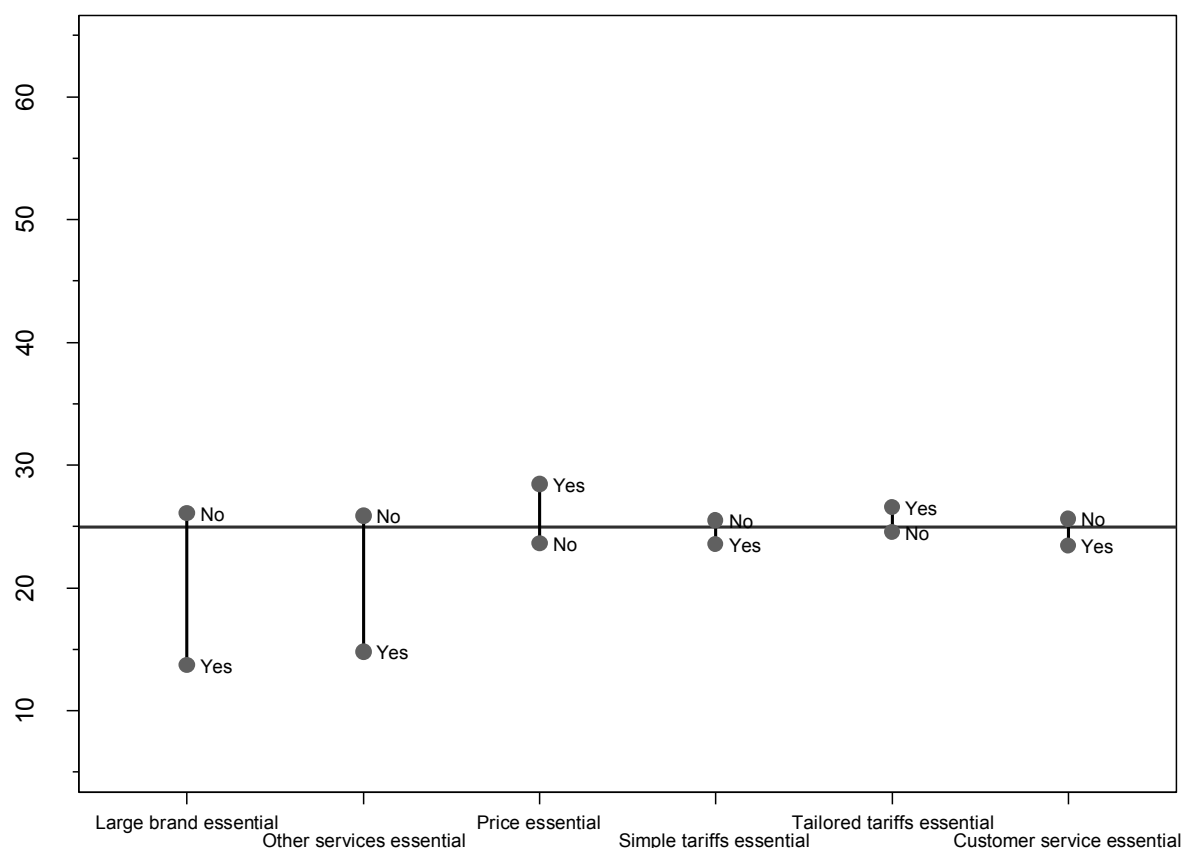
2. Base = own supplier 6,917, other suppliers 6,171, trust both 6,999, trust own more 6,999.

95. However, we find an association between a respondents' trust in their own supplier and their likelihood of switching supplier in the next three years. In particular:
- (a) 68% of those who distrust their own energy company are likely to consider switching supplier in the next three years, compared with 46% of all respondents, and 36% of those who trust their own energy company; and
 - (b) 32% of those who trust their own supplier more than other suppliers said that they are likely to consider switching supplier in the next three years, compared with 46% of all respondents.

Drivers of choice of supplier

96. Figure 7 shows the proportion of respondents who have switched supplier in the last three years against factors considered essential in choosing a supplier.

Figure 7: Proportion of supplier switching in the last three years by factors considered essential in choosing a supplier



Source: CMA analysis of survey data.

Notes:

1. Derived from responses to question D2. Those who were unable to respond to relevant questions (ie answered 'do not know') have been excluded.

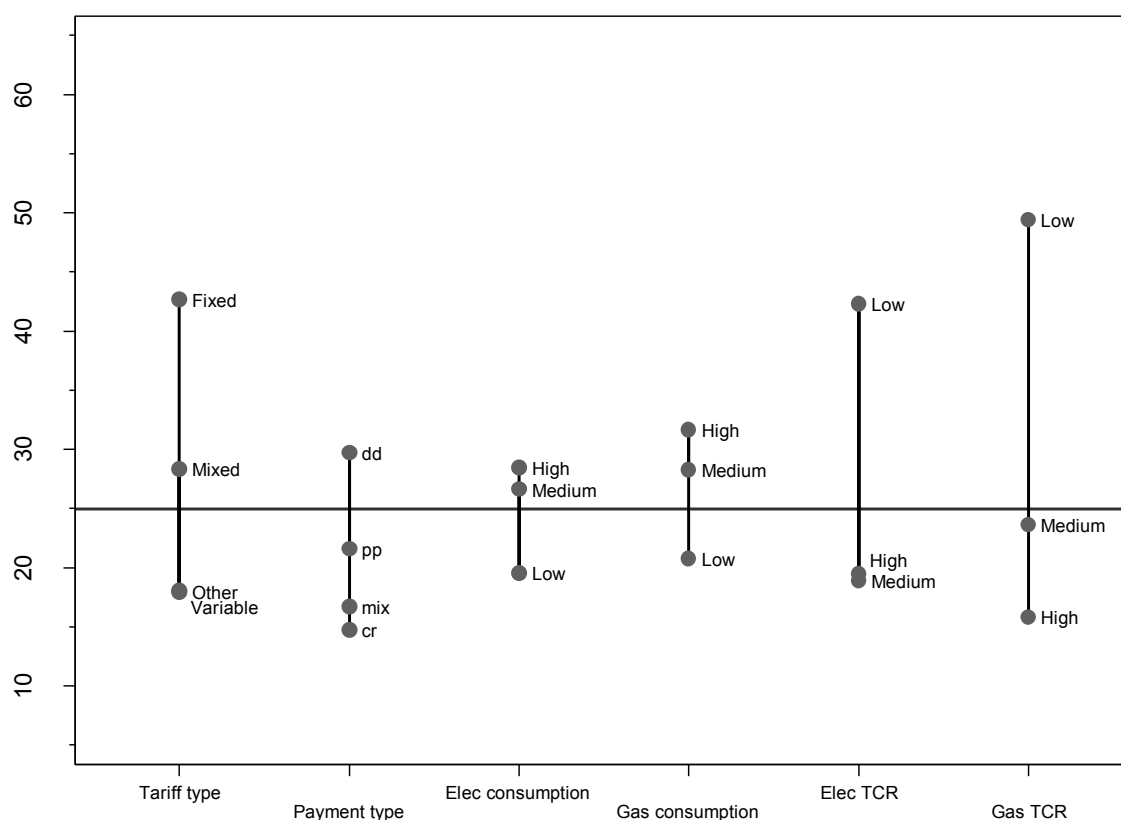
2. Base = large brand essential 6,999, other services essential 6,999, price essential 6,999, simple tariffs essential 6,999, tailored tariffs essential 6,999, customer service essential 6,999.

97. We find that respondents who identified a large supplier/established brand and/or the range of other services as essential to their choice of supplier are less likely to have switched supplier in the last three years.

Supply characteristics

98. Figure 8 shows the proportion of respondents who have switched supplier in the last three years by certain supply characteristics.

Figure 8: Proportion of supplier switching in the last three years by supply characteristics I



Source: CMA analysis of survey and supplier data.

Notes:

1. Derived from data provided by suppliers. See Annex C, paragraph 13 for detail on variable creation. Those who were unable to respond to relevant questions (ie answered 'do not know') have been excluded.

2. Base = tariff type 6,977, payment type 6,984, elec consumption 6,621, gas consumption 6,066, electricity TCR 6,014, gas TCR 5,978.

99. We find that the respondents who are more likely to have switched supplier in the last three years are:

- (a) those on fixed-term tariffs;
- (b) those paying by direct debit; and
- (c) those with low TCRs.

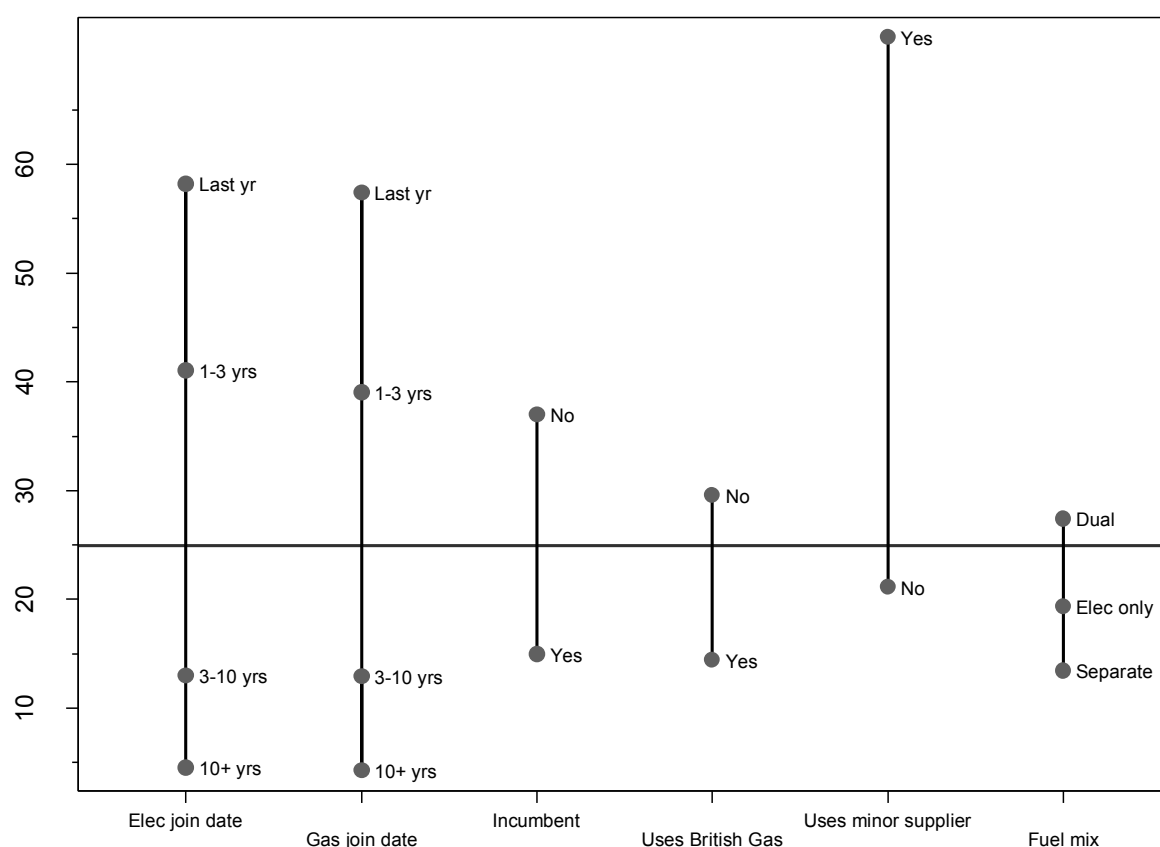
100. Prepayment customers are not more or less likely to have switched supplier in the last three years compared with all respondents. However, there is a higher rate of switching in the last three years among those on direct debit (30%) compared to those who prepay (22%). The difference in switching rate in the last year between those on direct debit (15%) and those who prepay (12%) is not statistically significant. On other measures of engagement those who prepay are less engaged. They are less likely to have shopped around (25% compared with 37% of all respondents), switched tariff with their existing supplier (16% compared with 29% of all respondents), to consider switching

supplier in the next three years (31% compared with 46% of all respondents), and more likely to have not considered switching supplier in the past (45% compared with 33% of all respondents).

101. 7% of those on credit have switched in the last year (compared with 13% of all respondents). 15% of those on credit have switched in the last three years (compared with 25% of all respondents) 46% are either not aware it possible to switch or have never considered switching (compared with 34% of all respondents). 52% of those on credit are unlikely to consider switching in the next three years (compared with 42% all respondents).

102. Figure 9 shows the proportion of respondents who have switched supplier in the last three years by certain supplier characteristics.

Figure 9: Proportion of supplier switching in the last three years by supplier characteristics II



Source: CMA analysis of survey and supplier data.

Notes:

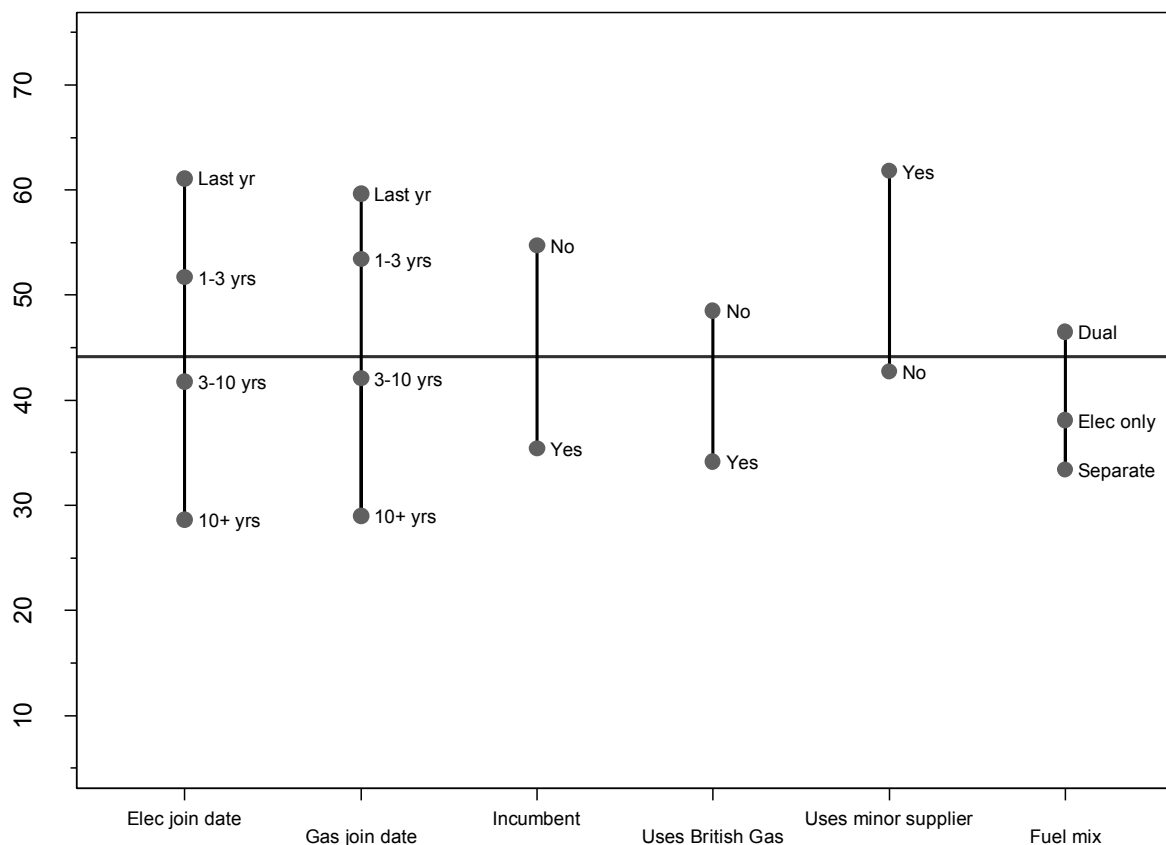
1. Derived from data provided by suppliers. See Annex C, paragraph 13 for detail on variable creation. Those who were unable to respond to relevant questions (ie answered 'do not know') have been excluded.
2. Minor supplier refers to respondents who use an independent supplier for one or more fuels.
3. Base = electricity join date 6,640, gas join date 6,071, incumbent 6,999, uses British Gas 6,999, uses independent supplier 6,999, fuel mix 6,996.

103. We find that the respondents who are least likely to have switched supplier in the last three years are:

- (a) Those with an incumbent provider. These respondents are also more likely to have never considered switching, and are less likely to have shopped around or more likely to consider switching in the next three years. However, they are not more or less likely to have switched tariff with their existing supplier.
- (b) Those not with an independent supplier compared with those with an independent supplier.
- (c) Respondents with separate suppliers for their gas and electricity and electricity only respondents.

104. Figure 10 shows the proportion of respondents who said they are likely to consider switching supplier in the next three years by the same supplier characteristics.

Figure 10: Proportion of those likely to consider switching supplier in the next three years by supplier characteristics



Source: CMA analysis of survey and supplier data.

Notes:

1. Derived from data provided by suppliers. See Annex C, paragraph 13 for further detail on derived variables. Those who were unable to respond to relevant questions (ie answered 'do not know') have been excluded.

2. Base = electricity join date 6,640, gas join date 6,071, incumbent 6,999, uses British Gas 6,999, uses independent supplier 6,999, fuel mix 6,996.

105. Generally, the supplier characteristics of respondents associated with being less likely to have switched supplier in the last three years are the same as those associated with being less likely to consider switching supplier in the next three years.
106. We find that the respondents who are least likely to consider switching supplier in the next three years are those:
- (a) who have been with a current supplier for ten years or more;
 - (b) who are with an incumbent supplier or British Gas; and
 - (c) with separate suppliers for their energy.

Gains from switching

107. This section provides results for our analysis of the gains available from switching for survey respondents. The same methodology is used for the 'gains from switching' analysis in Appendix 7.4: Analysis of the potential gains from switching but with some modifications.²⁸
108. In presenting results we focus on: the results for dual fuel customers (as the larger number of respondents in this category allows for more detailed sub-group analysis); gains available as a percentage of current bills (rather than gains available in pounds) to control for difference in consumption; and on scenarios 3b and 5.

Key findings

109. We find that the estimated gains by scenario in this analysis are broadly consistent with those derived from 'gains from switching' analysis.
110. The gains available vary substantially by scenario. For those who can gain from switching, the gains available ranged from an average of £49, or 4% of bills, in scenario 3a (which allows bill payers to change supplier but not payment type, tariff type or contract length) to £183, or 16% of bills, in scenario 5 (which allows bill payers to change all of these, unless they are

²⁸ The modifications were generally related to using data regarding survey respondents rather than representative customers as inputs to the analysis. For example, the analysis estimates the gains available by combining Q2 2014 (June) price data from the gains from switching model with customer data collected from suppliers in October 2014. The analysis therefore effectively assumes respondents were on the same tariff with the same supplier in June and October 2014. Further detail is provided at Annex B, paragraph 31 onward. See also Appendix 7.4: Analysis of the potential gains from switching for further detail on the gains from switching analysis.

prepayment customers in which case they cannot change their payment method).

111. There were differences in the gains available by supplier. For example, in scenarios 3b and 5, customers of Ovo Energy and [X] have less gains available to them than customers of other suppliers.
112. Under scenario 5, which is the least restrictive, for 52% of respondents the gains available from switching exceeded the amount they said they required to consider switching. Under scenarios 3a and 3b, the savings required exceeded the gains available for the vast majority of respondents.
113. There are material differences in the average gains available depending on respondents' tariff type (higher gains for those on SVTs) and payment type (highest for those who pay by credit and lowest for those who prepay, with direct debit in the middle) in scenarios where respondents can change the payment or tariff types. Gains are lower for respondents who have recently switched, but only substantially so under scenario 5 which is likely to reflect that recent switchers are more likely to be on fixed-rate tariffs and pay by direct debit compared with non-switchers. We find average gains (for those who can gain from switching) of 17% of their bill for those who have not considered switching or never switched compared with 11% for those who switched in the last year, under scenario 5. However, under scenario 3b, the average gains available (for those who can gain from switching) for those who have never considered switching is about 9% compared with about 7% for those who switched in the last year.
114. Although there are differences in gains according to levels of activity and engagement, we find no material variation in gains by: demographics; level of capability and confidence in searching and switching; attitudes toward energy and more generally as a consumer; levels of trust; and drivers of choice.

Gains by scenario

115. Table 9 summarises the potential gains for dual fuel customers.²⁹ For example, under scenario 3b, 90% of respondents could have gained by switching. Under scenario 3b, of those respondents who could have gained from switching, the average (mean) gain was £81, or 8% of bills, and 50% of respondents who could have gained from switching could have saved more than £71, or 6% of their bill.

²⁹ Only respondents who received both fuels from the same supplier are analysed in this section.

Table 9: Dual fuel – gains available for those with positive gains from switching

Scenario	Positive gains (%)	Mean (£)	Median (£)	Mean (% bill)	Median (% bill)
1	68	91	67	7	6
2	75	108	90	8	8
3a	79	49	35	4	3
3b	92	85	74	8	6
4a	90	137	118	11	11
4b	97	162	143	14	14
5	97	183	169	16	16

Source: CMA analysis of supplier and survey data.

Notes:

1. Base = 4,586.
2. Gains are only shown for those who have positive gains available from switching.
3. Figures have been rounded.

Gains by supplier

116. Table 10 provides results by supplier.

Table 10: Gains by supplier (dual fuel respondents) I

	Scenario 1		Scenario 3b		Scenario 5	
	Positive gains (%)	Mean gains (% bill) – those who can gain	Positive gains (%)	Mean gains (% bill) – those who can gain	Positive gains (%)	Mean gains (% bill) – those who can gain
Ovo Energy	[X]	[X]	[X]	[X]	[X]	[X]
First Utility	[X]	[X]	[X]	[X]	[X]	[X]
Utility Warehouse	[X]	[X]	[X]	[X]	[X]	[X]
Co-op Energy	[X]	[X]	[X]	[X]	[X]	[X]
EDF Energy	[X]	[X]	[X]	[X]	[X]	[X]
Scottish Power	[X]	[X]	[X]	[X]	[X]	[X]
SSE	[X]	[X]	[X]	[X]	[X]	[X]
E.ON	[X]	[X]	[X]	[X]	[X]	[X]
British Gas	[X]	[X]	[X]	[X]	[X]	[X]
RWE npower	[X]	[X]	[X]	[X]	[X]	[X]

Source: CMA analysis of supplier and survey data.

Notes:

1. The reported mean gains % bill is only for those customers who could have gained from switching only. It does not include customers who could not gain by switching supplier.
2. Data sorted by Scenario 3b mean gains (% bill) - those who could gain.
3. [X]

117. Under, scenario 3b:

- (a) a smaller proportion of [X] and Ovo Energy customers could have gained from switching and the average gains are lower, for those who could have gained from switching, compared with the Six Large Energy Firms; and

118. The pattern of the results under scenario 5 is similar to that under scenario 3b.

119. Under scenario 1 the estimated gains reflect, by supplier, differences between the more expensive and the cheapest tariffs and the proportion of respondents subscribing to more expensive tariffs. We note that Utility Warehouse has a more complex tariff structure that involves bundling with other products and so is less comparable with other providers.

Table 11 Gains by supplier (dual fuel respondents) II

	Scenario 3b			Scenario 5		
	Positive gains (%)	Mean gains (% bill) – those who can gain	Mean gains (% bill) – all respondents	Positive gains (%)	Mean gains (% bill) – those who can gain	Mean gains (% bill) – all respondents
Ovo Energy	[X]	[X]	[X]	[X]	[X]	[X]
First Utility	[X]	[X]	[X]	[X]	[X]	[X]
Utility Warehouse	[X]	[X]	[X]	[X]	[X]	[X]
Co-op Energy	[X]	[X]	[X]	[X]	[X]	[X]
EDF Energy	[X]	[X]	[X]	[X]	[X]	[X]
Scottish Power	[X]	[X]	[X]	[X]	[X]	[X]
SSE	[X]	[X]	[X]	[X]	[X]	[X]
E.ON	[X]	[X]	[X]	[X]	[X]	[X]
British Gas	[X]	[X]	[X]	[X]	[X]	[X]
RWE	[X]	[X]	[X]	[X]	[X]	[X]

Source: CMA analysis of supplier and survey data.

Notes:

1. The reported mean gains (% bill) in the second and forth columns is only for those respondents who could have gained from switching only. It does not include respondents who could not gain by switching supplier. The reported mean gains in the third and sixth columns is for both those who could gain from switching and those who cannot.

2. In each row, the percentages in third and sixth columns are the product of the figures in the preceding two columns (rounded to the nearest percent).

3. Data sorted by S3b mean gains (% bill) – those who could gain.

4. [X].

120. Table 11 provides the same information as Table 10 for scenarios 3b and 5.

In addition, in the third and fifth columns it also provides the mean gains for both those respondents who can and cannot gain from switching.

Respondents who cannot gain from switching have their gains from switching set to zero.

Gains available compared with savings required to switch

121. We asked respondents how much they would need to expect to save to consider switching. The results are set out in Table 12 for the 75% of respondents who could answer this question. The median value was £120.³⁰

Table 12: Minimum savings needed to encourage respondents to switch supplier

Annual savings	Share (%)	Cumulative (%)
£0	1	1
£1–49	6	7
£50–99	18	25
£100–149	31	57
£150–199	5	62
£200–249	19	81
£250+	19	100

Source: CMA analysis of survey data.

Note: Drawn from question F5 which asks, 'What would be the minimum amount of money you would have to save to encourage you to switch your (... fuel type) supplier? Just approximately'. 25% of respondents were not able to provide a response to this question. Base=5198 excluding those who responded 'do not know'. For further discussion of variable F5 see Annex B, paragraph 25.

³⁰ The mean value was £220. This indicates some customers responded with very large amounts (ie the distribution has a positive skew). Note this differs from the figures reported in the GfK NOP report. See Annex B, paragraph 25.

122. Table 13 shows the percentage of dual fuel customers under scenarios 3a, 3b and 5 for whom the gains available from switching exceeded the required gains from switching.

Table 13: Minimum savings needed to encourage respondents to switch supplier

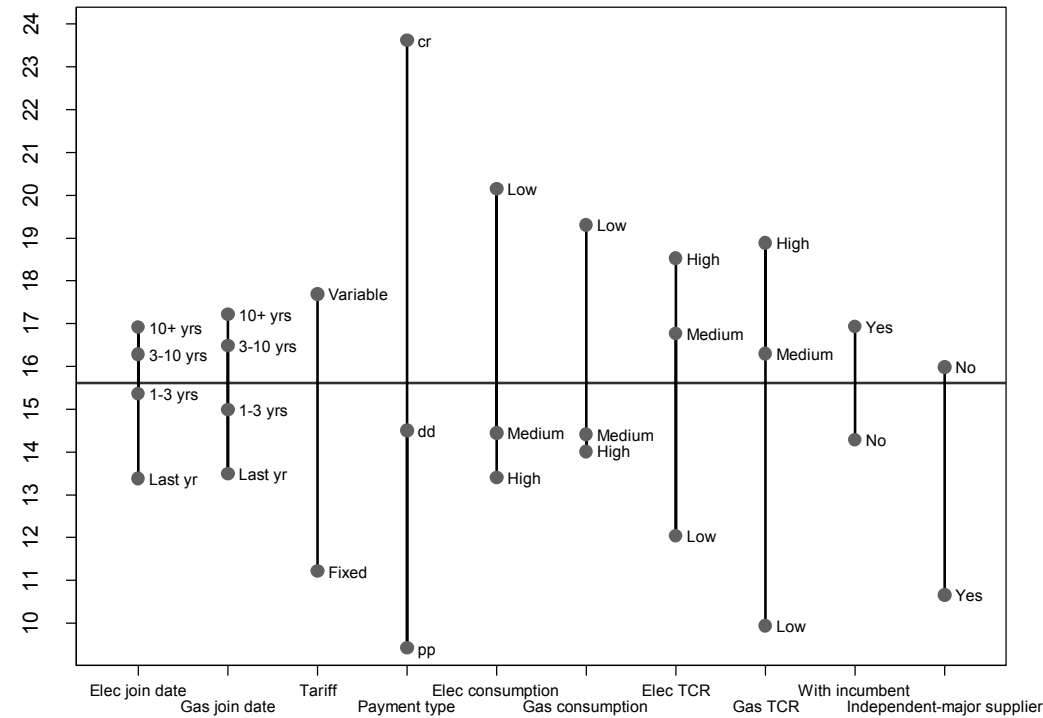
Scenario	Respondents for whom the gains available exceed the savings required to switch supplier (%)
3a	9
3b	23
5	52

Source: CMA analysis of survey and supplier.
Note: Base =3426 (S3a), 3426 (s3b), 3519 (s5).

Gains by supply characteristics

123. Figure 11 shows the average gains available from switching as a percentage of bills (for those who could have gained from switching) by supply characteristics under scenario 5.

Figure 11: Scenario 5 – Supply characteristics (dual fuel customers with gains available from switching as a percentage of bills)



Source: CMA analysis of supplier and survey data.
Notes:
1. See also notes for Figure 8 and Figure 9.
2. Bases = 4,366, 4,366, 4,219, 4,344, 4,369, 4,369, 4,227, 4,352, 4,369, 4,369.

124. We find that:

(a) Average gains of 11% of bill for respondents on a fixed-rate tariff type compared with 18% for those on SVTs.

- (b) Average gains of 24% of bill for respondents paying by credit compared with 15% on bill for respondents paying by direct debit. This difference is likely to reflect both discounts available for paying by direct debit and the higher proportion of direct debit respondents on a fixed-term tariff.
 - (c) Average gains of 9% of bill for prepay respondents.
 - (d) Gains available as percentage of bill are higher for those who have low levels of consumption.³¹ This is consistent with results that low levels of consumption are associated with being less likely to be on a fixed-rate tariff, more likely to prepay, and being disproportionately from the 18 to 35 age group.
 - (e) Average gains of 11% of bill for respondents who use the independent suppliers compared with 16% of bill for respondents who exclusively use the Six Large Energy Firms.
 - (f) Average gains of 17% of bill for respondents who have been with their supplier for more than ten years compared with about 13% of bill for those who joined in the last year. Respondents who have been with their supplier longer are less likely to be on a fixed-term tariff and more likely to pay by credit.
125. Table 14 shows the average gains available as a percentage of bill, for those who could have gained from switching, under scenario 5 by whether they are with an incumbent supplier and tariff type. We find that for:
- (a) respondents on fixed-term tariffs, the gains available are larger for those who are with an incumbent supplier compared with those who are not; and
 - (b) respondents on an SVT, there is no difference in the average gains between those using incumbent and non-incumbent suppliers.

³¹ When absolute gains, rather than gains as percentage of bills, are considered then unsurprisingly gains available to the customers with high consumption levels exceed those of customers with medium or low consumption.

Table 14: Average gains available as a percentage of bills for dual fuel customers who could have gained from switching under scenario 5 by tariff type and whether with an incumbent

	<i>% of bills</i>			
	<i>Not with an incumbent</i>	<i>Electricity</i>	<i>Gas</i>	<i>Overall</i>
Fixed	9	13	14	11
Variable	17	18	18	18
Overall	14	16	17	

Source: CMA analysis of supplier and survey data.
Notes: Base = 4,219.

126. Table 15 shows the average gains available as a percentage of bills, for those who could have gained from switching, under scenario 5 by tariff type and payment type. For both those who pay by direct debit and credit, the gains available are greater for respondents on an SVT compared with those on a fixed-rate tariff. The equivalent comparison is less meaningful for prepayment customers as very few prepayment customers have fixed-rate tariffs.

Table 15: Average gains available as a percentage of bills for dual fuel customers who could have gained from switching under scenario 5 by incumbency status and tariff type

	<i>% of bills</i>			
	<i>Direct debit</i>	<i>Credit</i>	<i>Prepay</i>	<i>Overall</i>
Fixed	10	20	8*	11
Variable	17	24	10	18
Overall	15	24	9	

Source: CMA analysis of supplier and survey data.

Notes:

1. Base = 4,195.

*small sub-sample.

127. Table 16 and Table 17 show the same information as Table 14 and Table 15 but in absolute terms rather than as a percentage of bills.

Table 16: Average gains available for dual fuel customers who could have gained from switching under scenario 5 by tariff type and payment type

	<i>£</i>			
	<i>Not with an incumbent</i>	<i>Electricity</i>	<i>Gas</i>	<i>Overall</i>
Fixed	111	144	150	126
Variable	215	207	206	210
Overall	166	184	193	

Source: CMA analysis of supplier and survey data.

Notes: Base = 4,219.

Table 17: Average gains available for dual fuel customers who could have gained from switching under scenario 5 by tariff type and payment type

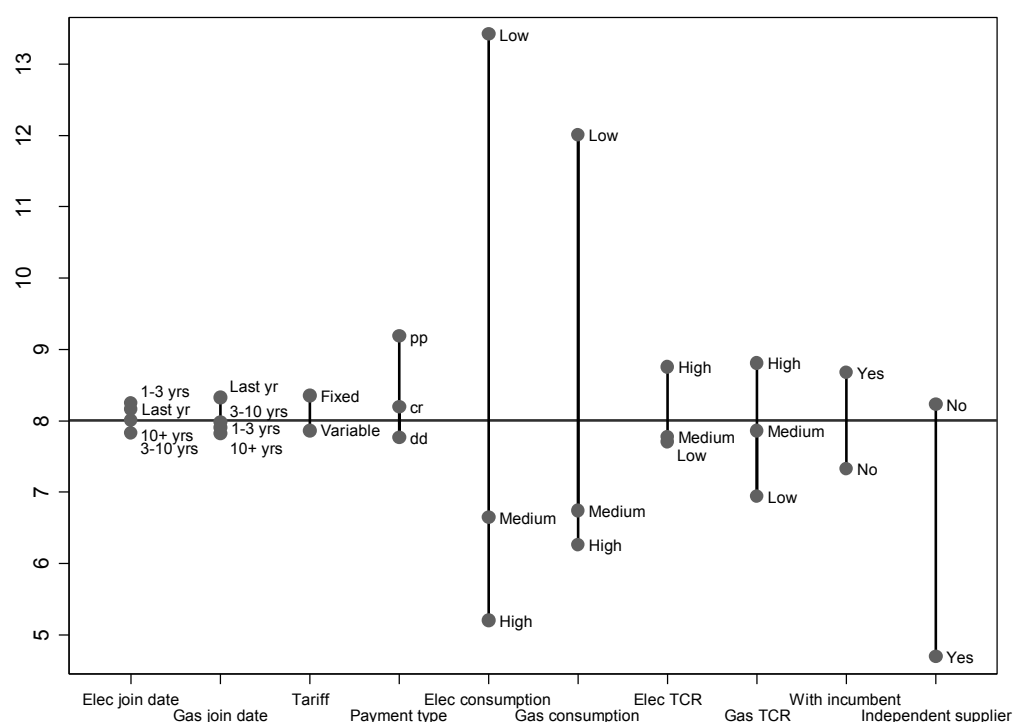
	£			
	<i>Direct debit</i>	<i>Credit</i>	<i>Prepay</i>	<i>Overall</i>
Fixed	117	231	85	126
Variable	222	263	75	210
Overall	173	256	74	

Source: CMA analysis of supplier and survey data.

Notes: Base = 4,195.

128. Figure 12 shows equivalent information to Figure 11 but for scenario 3b. Like Figure 11 available gains vary by consumption level and if a respondent is with an independent supplier. For other variables, the variation in gains is substantially lower under scenario 3b.

Figure 12: Scenario 3b – Supply characteristics (dual fuel customers with gains available from switching)



Source: CMA analysis of supplier and survey data.

Notes:

1. See also notes for Figure 8 and Figure 9.

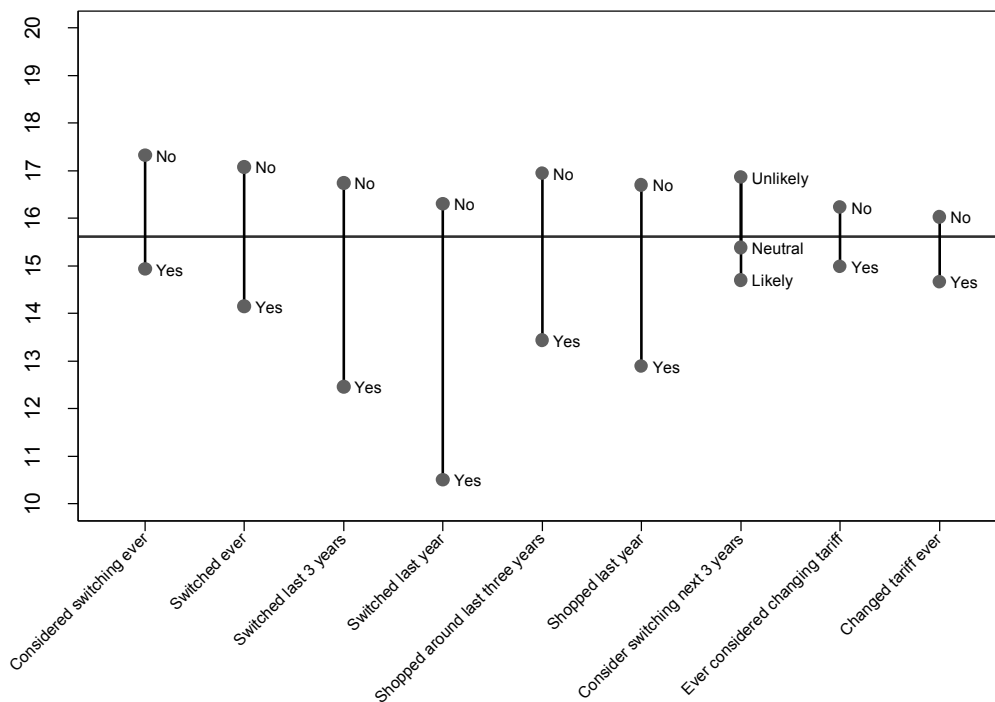
2. Bases = 3,866, 3,866, 3,851, 3,844, 3,868, 3,868, 3,795, 3,854, 3,868, 3,868.

3. The scale differs from the previous chart.

Gains by activity variables – descriptive statistics

129. Figure 13 shows average gains available from switching as a percentage of bill, for those who could have gained from switching and receive both gas and electricity from the same supplier, by measures of activity and engagement under scenario 5.

Figure 13: Scenario 5 – Activity (dual fuel customers with gains available from switching)



Source: CMA analysis of supplier and survey data.

Notes:

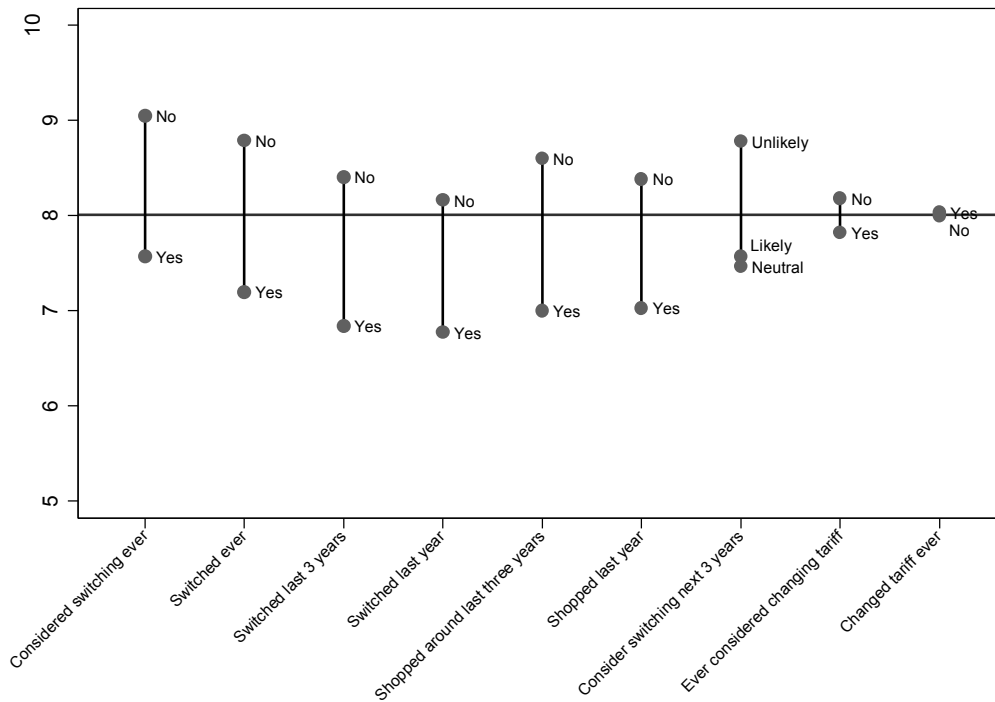
1. See notes for Figure 31.
2. Base = 4,369 for all except consider switching in next three years (4,225).

130. We find average gains (for those who can gain from switching) of 17% of their bill for those who have not considered switching or never switched compared with average gains of 12% for those who have switched in the last three years and 11% for those who switched in the last year, under scenario 5.
131. We found that when those who prepay for either fuel or are on the PSR are excluded, the average gains available for those who could have gained under scenario 5 are 19% for those who have never considered switching³² and 15% for those who have considered switching supplier. There is no significant difference in the average gains available for those who gain under scenario 5 by their responses to C1 which asked respondents about their satisfaction with their current gas and electricity supplier.
132. Figure 14 shows equivalent information for scenario 3b. Although there are some statistically significant differences, the overall range of variation is small compared with scenario 5. For example, under scenario 3b the average gains available (for those who can gain from switching) for those who have never

³² Includes those who did not think it was possible to switch supplier or did not know if they had considered switching supplier.

switched is about 9% as a percentage of their bill and about 7% for those who switched in the last year.

Figure 14: Scenario 3b – Activity (dual fuel customers with gains available from switching)



Source: CMA analysis of supplier and survey data.

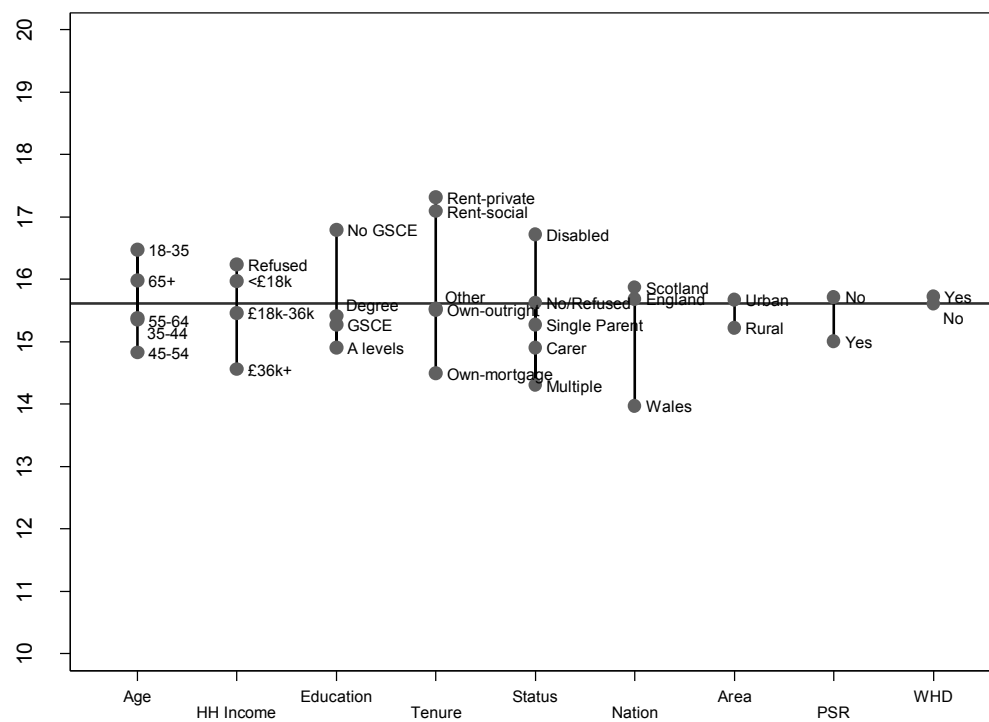
Notes:

1. See notes for Figure 31.
2. Base= 3,868 for all except consider switching in next three years (3,742).

Gains by demographics

133. Figure 15 and Figure 16 show the gains available from switching as a percentage of bill, for those who could have gained from switching, by demographics for scenarios 5 and 3b respectively. Figure 17 is the same as Figure 15 except that respondents who prepay for either fuel have been excluded.

Figure 15: Scenario 5 – Demographics (dual fuel customers with gains available from switching)



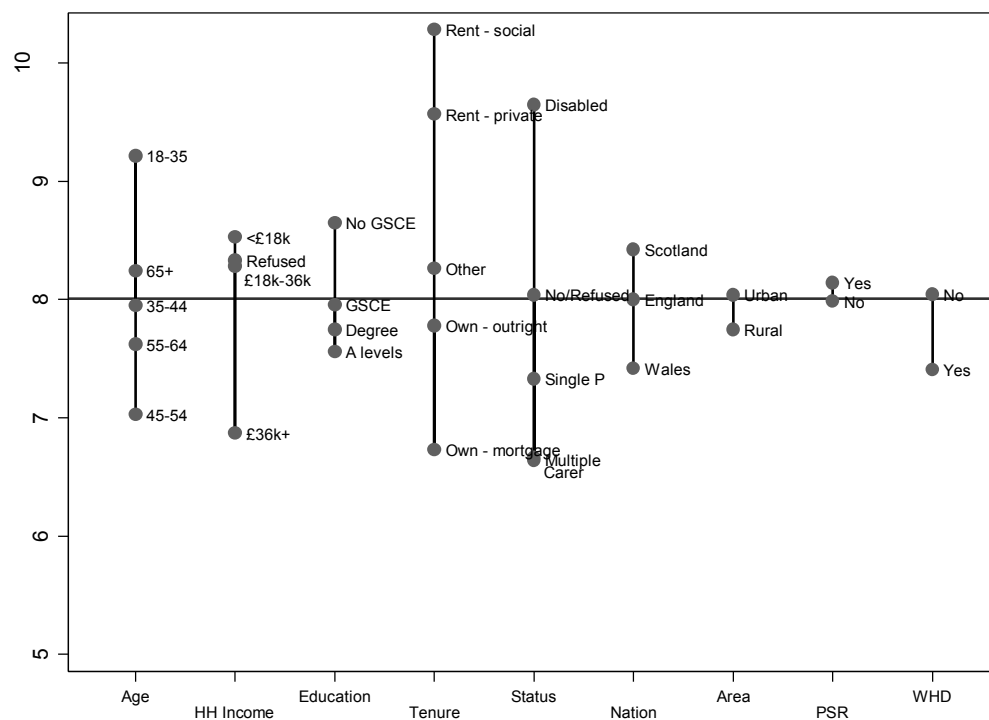
Source: CMA analysis of supplier and survey data.

Notes:

1. See note in Figure 2.

2. Bases = 4,308, 4,369, 4,168, 4,369, 4,369, 4,369, 4,366, 4,369, 4,369.

Figure 16: Scenario 3b – Demographics (dual fuel customers with gains available from switching)



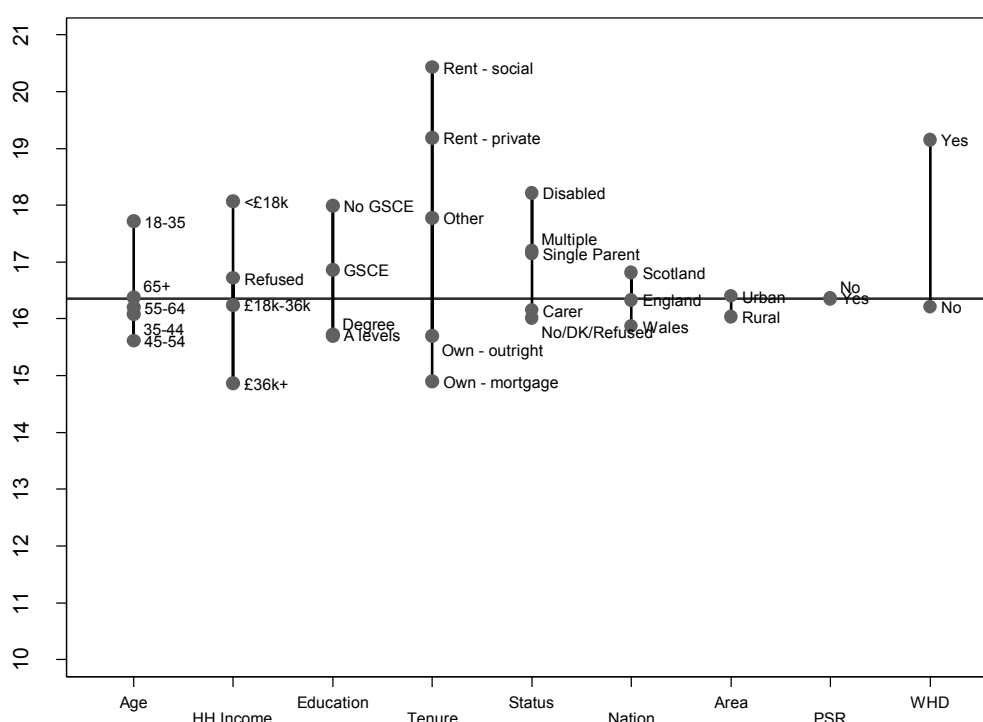
Source: CMA analysis of supplier and survey data.

Notes:

1. See note in Figure 2.
2. Bases = 3,820, 3,868, 3,691, 3,868, 3,868, 3,868, 3,865, 3,868, 3,868.

134. Figure 15 and Figure 16 show little variation within demographic categories. The scale of variation is similar across scenarios 3b and 5. The most notable difference is in the average gains between social and private renters (both 17% under scenario 5; both 10% under scenario 3b) compared with those with mortgages (14% under scenario 5; 7% under scenario 3b) and who own their homes outright (16% under scenario 5; 8% under scenario 3b).

Figure 17: Scenario 5 – Demographics (dual fuel customers with gains available from switching), excluding those who prepay for either fuel



Source: CMA analysis of supplier and survey data.

Notes:

1. See note in Figure 2.

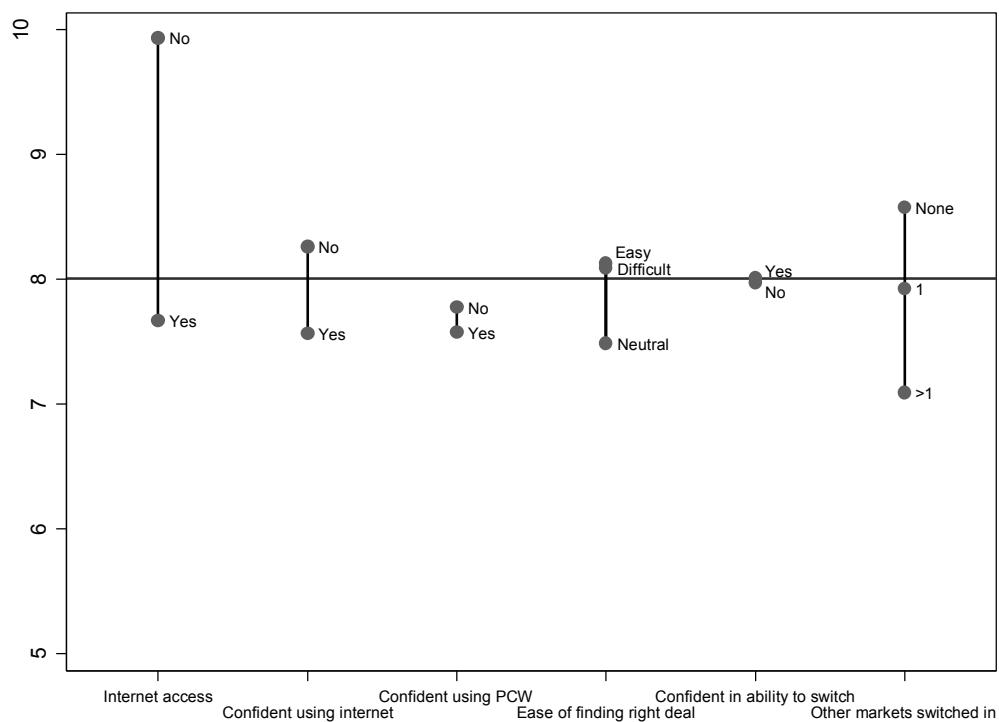
2. Bases = 3,820, 3,868, 3,691, 3,868, 3,868, 3,868, 3,865, 3,868, 3,868.

135. Compared to Figure 15, Figure 17 shows slightly more variation within certain demographic categories. The greatest difference is by tenure type with gains of 20% of the bill for those in social rented housing and 19% of the bill for those in private rented housing, compared with 16% for those who own their homes outright and 15% for those who have a mortgage on their home. There are also small but statistically significant differences between the gains available to those who are on the Warm Home Discount Scheme (19%) compared with those who do not (16%), and those with household incomes over £36,000 (15%) and below £18,000 (18%) a year. Overall, variation by demographic categories in gains under scenario 5 for those who could gain by switching remains limited when those who prepay are excluded.

Gains by capability and confidence, attitude, trust, and choice drivers

136. Figure 18 to Figure 22 show average gains available from switching as a percentage of bill, for those who could have gained from switching, by measures of respondents' ability and confidence in switching, attitudes, trust and choice drivers for scenario 3b. The range of variation is low and the differences are small or statistically insignificant.

Figure 18: Scenario 3b – Capability and confidence (dual fuel customers with gains available from switching)



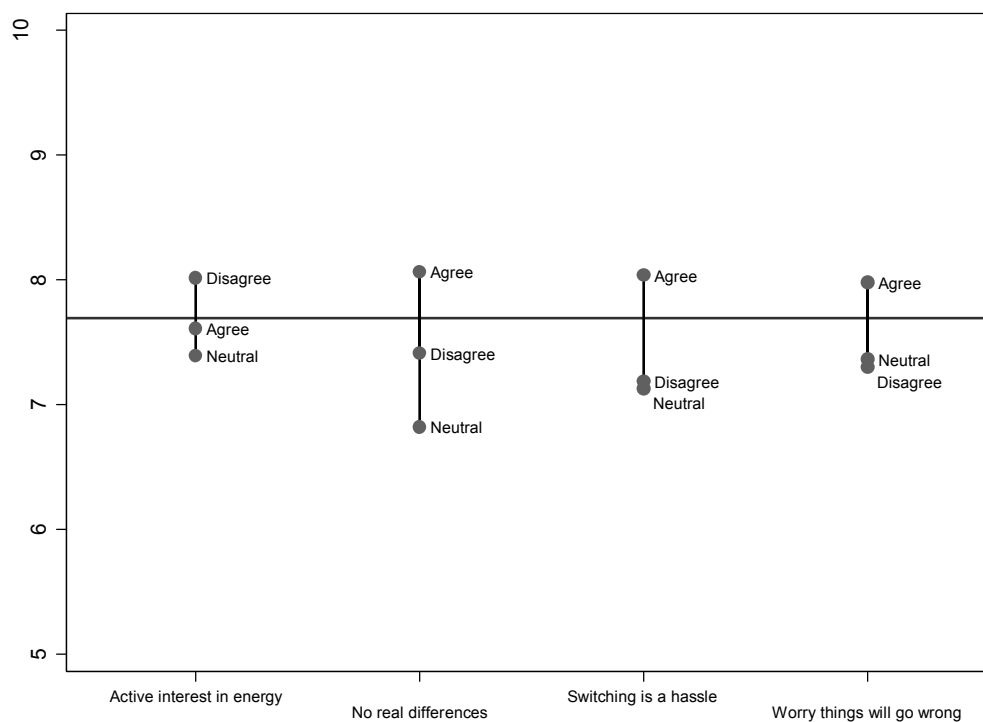
Source: CMA analysis of supplier and survey data.

Notes:

1. See notes in Figure 3.

2. Bases = 3,868, 3,334, 3,300, 3,844, 3,784, 3,868.

Figure 19: Scenario 3b – Attitudes toward energy (dual fuel customers with gains available from switching)

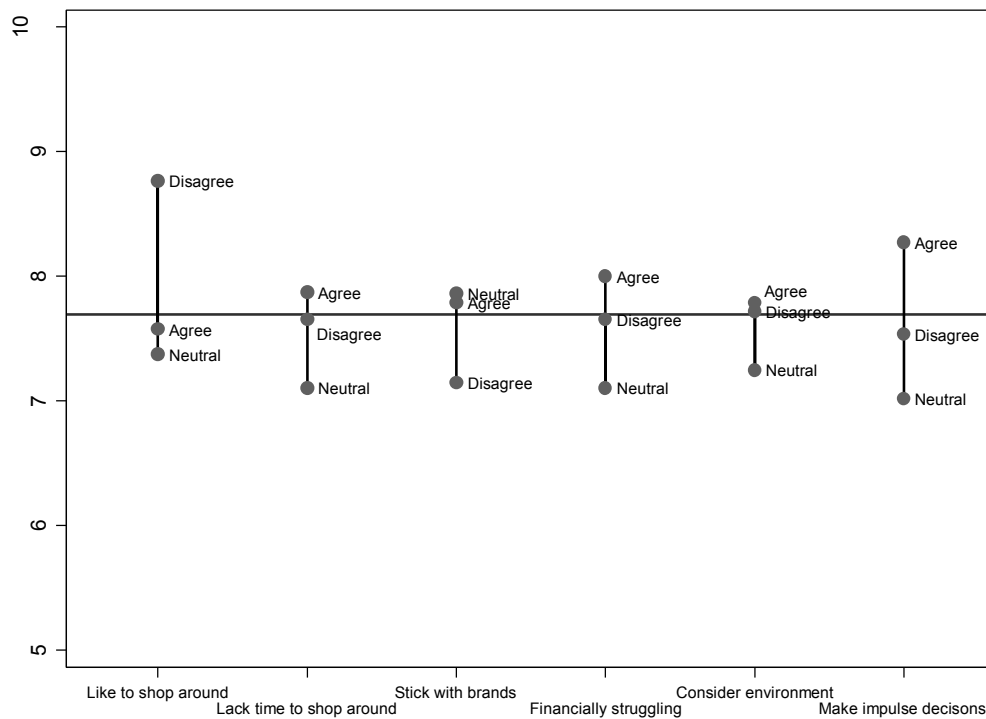


Source: CMA analysis of supplier and survey data.

Notes:

1. See notes in Figure 4.
2. Bases = 3,806, 3,686, 3,823, 3,823.

Figure 20: Scenario 3b – General attitudes as customers (dual fuel customers with gains available from switching)



Source: CMA analysis of supplier and survey data.

Notes:

1. See notes in Figure 5.
2. Bases = 3,850, 3,827, 3,844, 3,801, 3,826, 3,841.

Figure 21: Scenario 3b – Trust (dual fuel customers with gains available from switching)

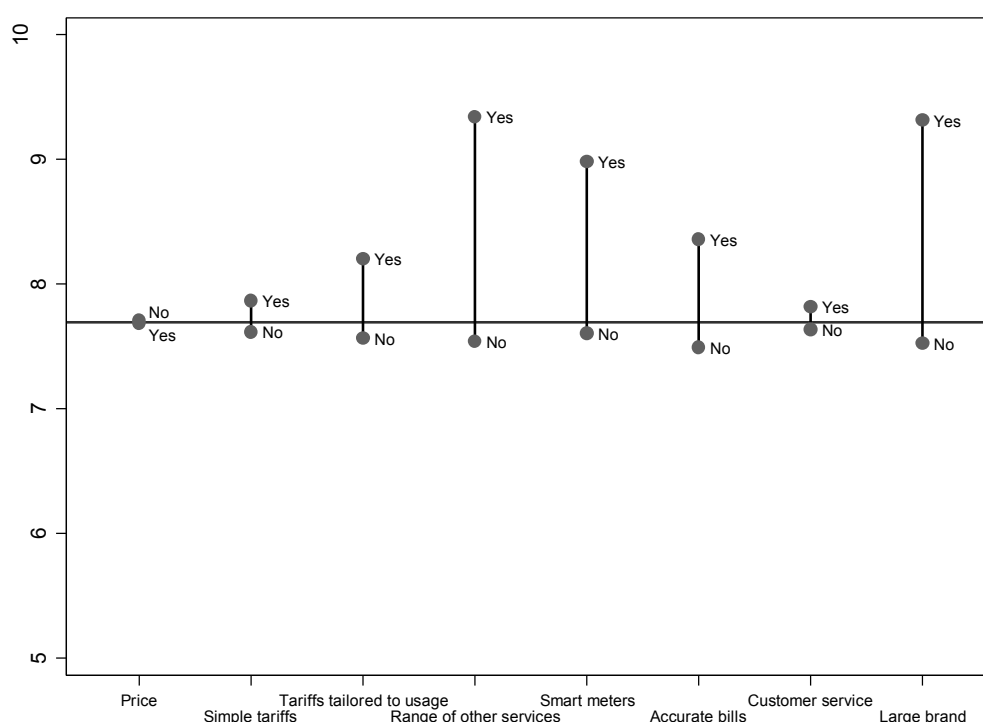


Source: CMA analysis of supplier and survey data.

Notes:

1. See notes in Figure 6.
2. Bases= 3,822, 3,446, 3,868, 3,868, 3,868.

Figure 22: Scenario 3b – Factors considered essential in choosing a supplier (dual fuel customers with gains available from switching)



Source: CMA analysis of supplier and survey data.

Notes:

1. See notes in Figure 7.
2. Base = 3,868 for all bars.

Drivers of engagement

Key findings

137. We asked respondents about their reasons for their choice of energy supplier(s) and, for those who had shopped around or switched supplier, about the factors that caused them to do so.³³
138. We find that price is, by far, the most important driver of choice of energy supplier with 81% of respondents identifying attributes related to cost/tariff/price/rate as important to them, followed by 50% of respondents identifying good quality service.
139. We find that the respondents most likely to have identified price as a driver of choice of supplier are those who:

³³ The analysis in this section is conducted using all responses not just first mentions, and is based on the GfK report and tables unless specified otherwise.

- (a) have shopped around in the last year, switched in the last year, are likely to consider switching supplier in the next three years;
 - (b) are younger, have higher levels of qualifications, are owner-occupiers or private renters;
 - (c) have internet access, have used a PCW to switch in other markets;
 - (d) do not trust their own or other suppliers; and
 - (e) have been with their supplier(s) for shorter periods, are on a fixed-rate tariff, and pay by direct debit.
140. We also asked respondents how important pre-specified supplier attributes were to them. The following attributes were most frequently considered to be essential:
- (a) Good customer service – 32%.
 - (b) Simple/easy to understand tariffs – 29%.
 - (c) Cheap tariff rate – 28%.
 - (d) Payments based on actual, not estimated, usage – 23%.
 - (e) Tariffs tailored to their energy usage or circumstances – 20%.
141. The attributes identified as essential by fewer respondents are: 'large supplier/established brand' (9%); 'range of other services available such as boiler maintenance' (8%); and 'supplier provides smart meters' (7%). The first two of these are more likely to be considered essential by those who:
- (a) have not switched in other markets, and are unlikely to consider switching energy supplier in the next three years;
 - (b) are aged 65 and over, have 'no qualifications', are social renters, and are on the PSR;
 - (c) have no internet access;
 - (d) trust their own supplier(s); and
 - (e) are prepayment customers.
142. We asked respondents who had shopped around in the last three years what had prompted them to do so. The most frequently cited reasons (by 47% of respondents) were related to cost/tariff, but the largest single category of

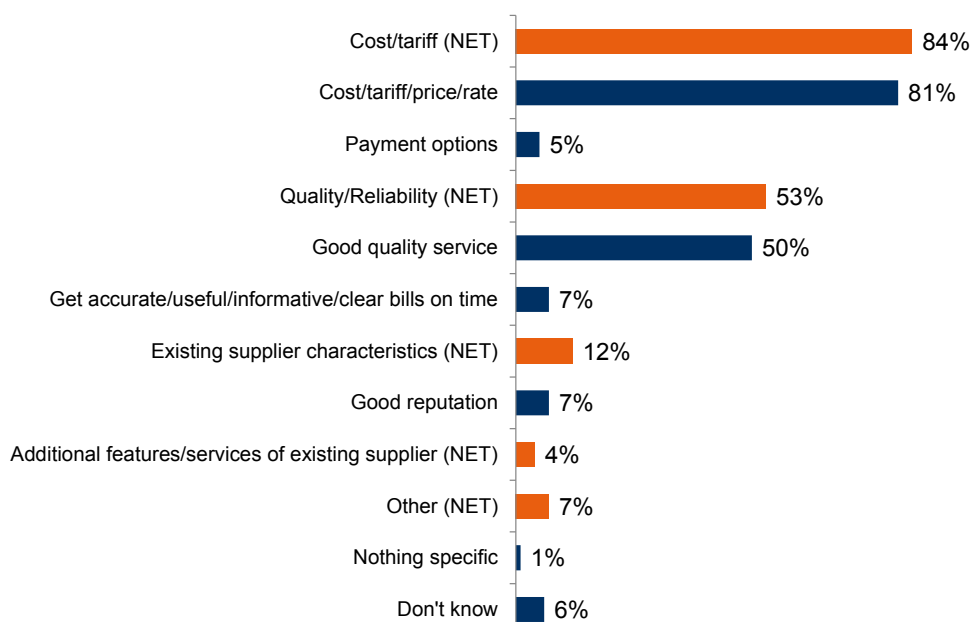
response was ‘nothing specific/just curious’ mentioned by 22% of respondents.

143. We asked respondents who had switched in the last three years why they had done so. The most frequently cited reasons for switching (by 83% of respondents) were related to cost/tariff, mainly associated with price (for example, 73% said ‘cheaper tariff’).

Drivers of choice of supplier

144. We asked all respondents what factors they would take into account when choosing a supplier. The results are set out in Figure 23.³⁴

Figure 23: Factors considered when choosing a supplier – all mentions



Source: GfK report: Figure 30, p34.

Notes:

1. Question D1: ‘When choosing a supplier for mains gas or electricity people take all sorts of things into account. What would be most important to you?’

2. Base = All (6,999).

145. We find that price related factors are, by far, the most important drivers of choice (identified by 81% of respondents) followed by good quality service (identified by 50% of respondents). GfK noted that before probing, only 14% of respondents identified quality/reliability as the first-mentioned attribute.³⁵

³⁴ In the charts from the GfK report, where a category ends in ‘(NET)’ and is shown as an orange bar this includes all those customers mentioning one or more of the sub-categories within that category. If a customer mentions more than one of those sub-categories, they will only count once towards the ‘NET’ figure.

³⁵ GfK report pp33–34.

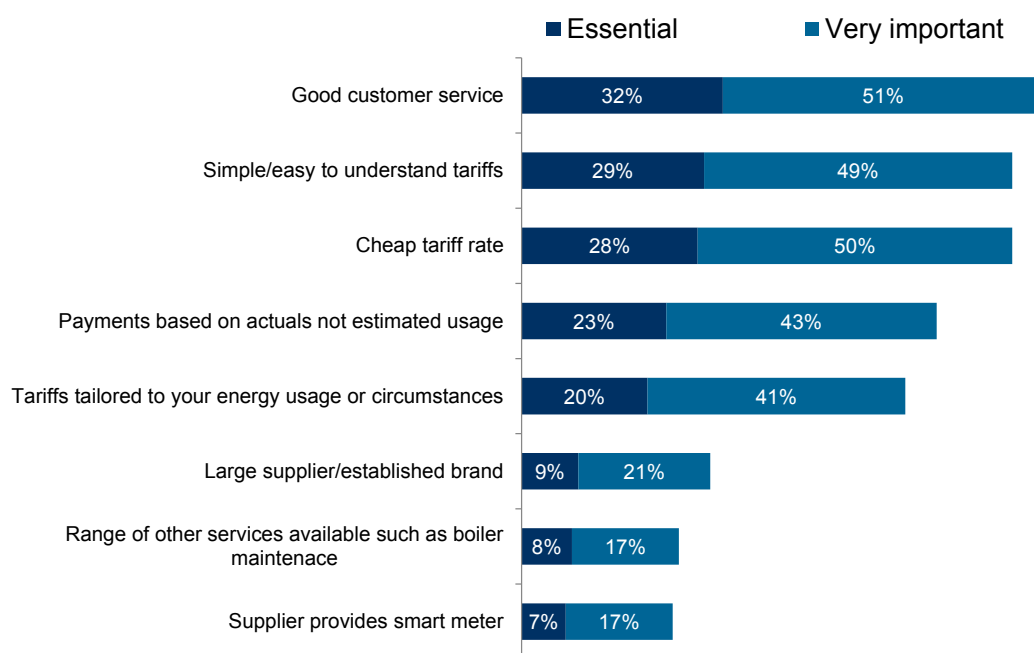
146. Price related factors (81% overall) were identified by:

- (a) 93% of both those who have shopped around in the last year and those who have switched in the last year;
- (b) 91% of those likely to consider switching in the next three years, compared with 70% unlikely to;
- (c) 88% aged 18 to 44 and 83% aged 45 to 64, compared with 72% aged 65 and over;
- (d) 88% of those with a degree, 85% with A levels and 80% with O levels, compared with 66% with no qualifications;
- (e) 83% of both owner-occupiers and private renters, compared with 73% of social renters;
- (f) 86% of those with internet access, compared with 61% of those without;
- (g) 90% of those who have used a PCW to switch in other markets;
- (h) 87% of those who trust neither their own nor other energy suppliers, compared with 78% who trust their own;
- (i) 88% of those on a fixed-rate tariff, compared with 79% of those on an SVT;
- (j) 85% of those paying by direct debit, compared with 76% by credit and 73% by prepayment; and
- (k) 86% of those who have been with their energy supplier for less than three years and 81% for three to ten years, compared with around 75% for ten years or more.

Essential attributes of choice of supplier

147. We asked respondents how important pre-selected factors were in relation to their choice of energy supplier. Figure 24 gives results on the proportion who said that a factor is 'essential' or 'very important'.

Figure 24: Importance of factors when considering a supplier – prompted rating



Source: GfK report: Figure 31, p35.

Notes:

1. Question D2: 'I am going to read out a number of reasons why people choose an energy supplier. For each of these I'd like you to tell me how important it is to you personally?'

2. Base = All (6,999).

148. The following attributes were most frequently considered essential:

- (a) Good customer service – 32%.
- (b) Simple/easy to understand tariffs – 29%.
- (c) Cheap tariff rate – 28%.
- (d) Payments based on actual, not estimated, usage – 23%.
- (e) Tariffs tailored to their energy usage or circumstances – 20%.

149. 'Large supplier/established brand' and 'range of other services available' were considered essential by around 8 to 9% of respondents. They were most likely to be considered essential by those who:

- (a) have not switched in any other markets; are unlikely to consider switching energy supplier in the next three years;
- (b) are aged 65 and over, have no qualifications, are on the PSR, and are social renters compared with owner-occupiers;
- (c) have no internet access;

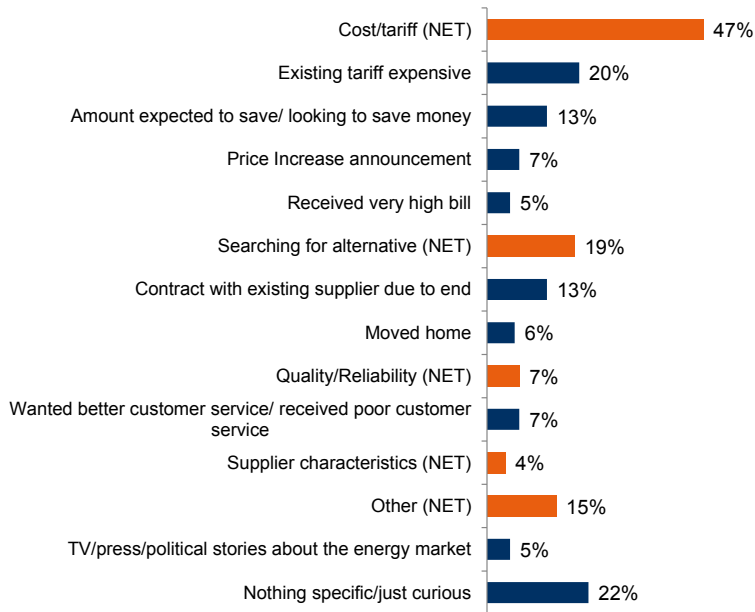
(d) trust their own suppliers compared with those who trust neither their own nor others; and

(e) are prepay customers compared with those paying by direct debit.

Triggers for shopping around

150. We asked respondents who had shopped around in the last three years what prompted them to do so. Figure 25 sets out the results.

Figure 25: Triggers for shopping around within the last three years



Source: GfK report: Figure 33, p37.

Notes:

1. Question E18: 'Thinking just about the last time you shopped around for your gas/electricity, was there anything specifically that prompted you to do so?'
2. Base = All who had shopped around within the last three years (3,023).
3. The chart shows all responses mentioned by 4% or more.

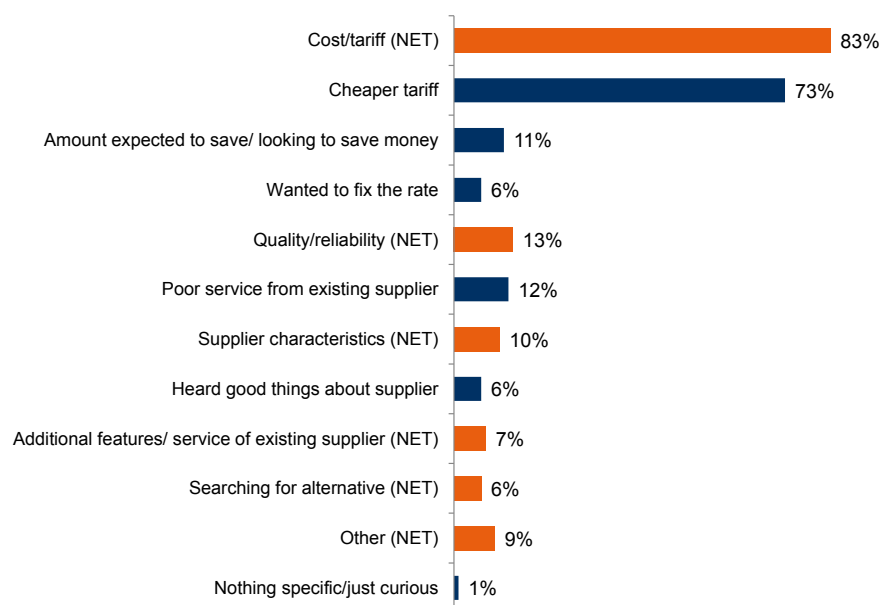
151. We find that 47% of respondents identified cost/tariff related factors, with 20% identifying 'existing tariff expensive' and 13% 'amount expected to save/looking to save money'. Differences between respondent groups mentioning 'existing tariff expensive' are generally less than 10 percentage points.

152. 'Nothing specific/just curious' was the next most frequently mentioned reason with 22% of respondents citing it.

Reasons for switching supplier

153. We asked respondents who had switched supplier in the last three years what made them decide to go ahead and switch. The results are shown in Figure 26.

Figure 26: Reasons for switching supplier within the last three years



Source: GfK report: Figure 34, p38.

Notes:

1. Question E36: 'What made you decide to go ahead and switch supplier?'

2. Base = All who had switched energy supplier within the last three years (2,223).

3. The chart shows all responses mentioned by 5% or more.

154. We find that 83% of respondents cited reasons relating to cost/tariff. 73% mentioned 'cheaper tariff' and 11% 'amount expected to save/looking to save money' as reasons.

155. 'Cheaper tariff' (73% overall) was mentioned by:

- (a) 77% of those who are likely to consider switching in the next three years, compared with 61% of those unlikely to do so;
- (b) 78% of those who have switched in more than one other market, compared with 67% of those who have not switched in any of the markets;
- (c) 76% of owner-occupiers, compared with 58% of social renters and 66% of private renters;
- (d) 74% of those with internet access, compared with 62% without;

- (e) 76% paying by direct debit and 71% by credit, compared with 54% on prepay; and
 - (f) 82% of those falling into the tercile with the lowest gas TCR, compared with 59% of those in the highest.
156. The next most frequently cited reason was 'poor service from existing supplier' – mentioned by 12% of respondents. We find few differences between groups in the proportions mentioning this.

Reasons for non-engagement

Key findings

157. We asked respondents who said they had shopped around in the last three years but not switched supplier; who had never considered switching supplier; who had never considered switching tariff; and those who were unlikely to consider switching supplier in the next three years what was stopping them from being more engaged.^{36,37}
158. Across the different measures, we find 'existing tariff satisfactory' is the most commonly cited reason (by around 40% of respondents) for lack of engagement. The respondent groups most likely to give this reason (across at least two of the measures of engagement examined) are those who:
- (a) are aged 65 and over and have no qualifications;
 - (b) have no internet access;
 - (c) are confident using a PCW to get the right energy deal;
 - (d) trust their own supplier(s); and
 - (e) pay by direct debit compared with by credit.
159. Reasons relating to the 'quality/reliability of exiting supplier' were cited by 12 to 20% of respondents as reasons for not switching supplier or not considering doing so.

³⁶ Respondents could give multiple reasons (and were prompted to do so). The analysis in this section is conducted using all responses not just first mentions and is based on the GfK report and tables unless specified otherwise.

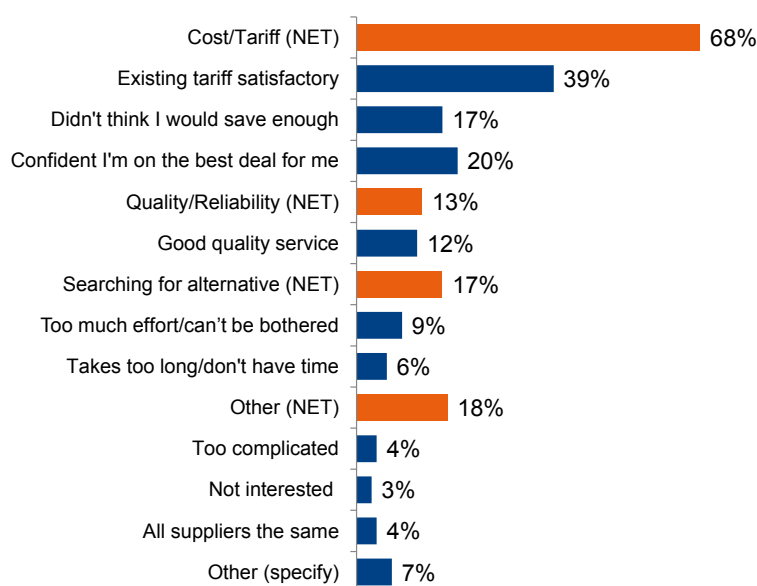
³⁷ In the charts, where a category ends in '(NET)' and is shown as an orange bar this includes all those customers mentioning one or more of the sub-categories within that category. If a customer mentions more than one of those sub-categories, they will only count once towards the 'NET' figure.

160. Reasons relating to the searching and switching process (eg ‘too much effort/can’t be bothered’) were mentioned by between 10 and 20% of respondents for measures associated with switching supplier across these questions.

Shopped around in the last three years but not switched supplier

161. We asked respondents who had shopped around in the last three years, but had not gone on to switch supplier the last time they shopped around why they had decided not to switch. The results are set out in Figure 27.

Figure 27: Reasons why not switched after shopping around



Source: GfK report: Figure 49, p54.

Notes:

1. Question E29: 'Why did you not switch supplier?'
2. Base = All who didn't switch on the last shopping around occasion (1,798).
3. The chart shows all responses mentioned by 3% or more.

162. We find that:³⁸

- (a) 39% are satisfied with their existing tariff, and 20% are confident that they are on the right deal;
- (b) 12% have good quality service from their existing supplier;
- (c) 17% didn't think they would save enough money; and

³⁸ The same customer may mention multiple reasons, so the categories are not mutually exclusive. Where a category ends in '(NET)' and is shown as an orange bar this includes all those customers mentioning one or more of the sub-categories within that broad category. If a customer mentions more than one of those sub-categories, they will only count once towards the 'NET' figure.

(d) 9% said that searching is 'too much effort/can't be bothered' and 6% said searching 'takes too long/do not have time'.

163. 'Existing tariff satisfactory' (39% overall) was mentioned by:

(a) 50% of those who have switched in the last year;

(b) 46% of those unlikely to consider switching in the next three years, compared with 36% likely to;

(c) 48% on the PSR, compared with 38% not on it;

(d) 46% who trust their own supplier, compared with 26% who trust neither their own nor others;

(e) 49% on a fixed-rate tariff, compared with 34% on an SVT; and

(f) 42% paying by direct debit, compared with 33% by credit and 30% on prepayment.

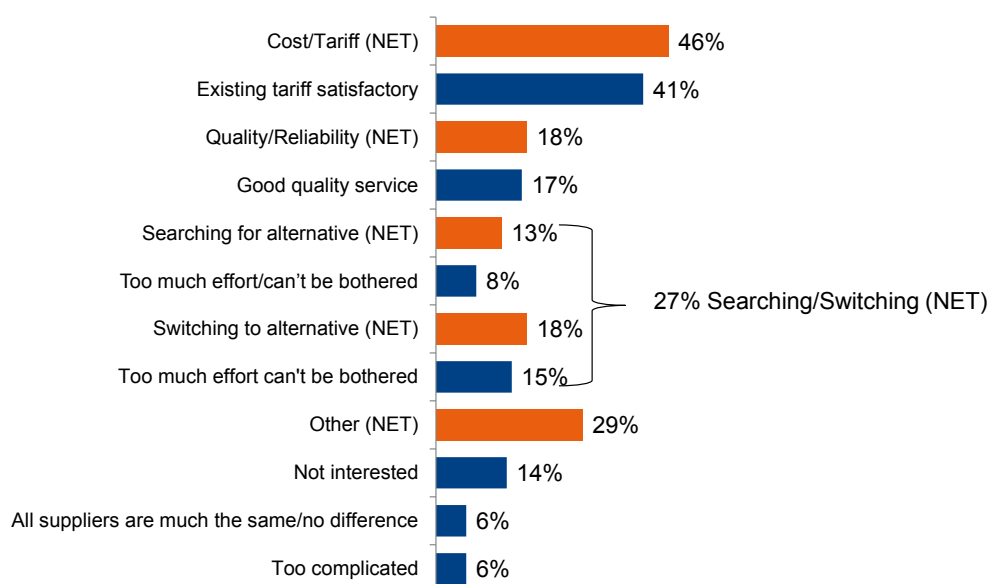
164. We also looked at results for respondents who have ever been approached by another supplier but not switched following that approach. The high-level results are broadly consistent.³⁹

Never considered switching supplier

165. We asked all respondents who were aware that they could switch supplier but had never considered doing so why they hadn't. The results are shown in Figure 28.

³⁹ There is overlap between the customers answering question E11 (supplier approaches) and E29, but E11 also picks up some of those who have not shopped around in the last three years who were not asked E29.

Figure 28: Reasons why never considered switching



Source: GfK report: Figure 37, p42.

Notes:

1. Question E14: 'Why have you never considered switching supplier for your gas/electricity?'

2. Base = All who think it is possible to switch but have never considered switching (1,694).

3. The chart shows all responses mentioned by 5% or more.

166. We find that:

- (a) 41% cite 'existing tariff satisfactory';
- (b) 17% cite 'good quality service from existing supplier';
- (c) 15% and 8% said that switching and searching, respectively, is 'too much effort/can't be bothered'; and
- (d) 14% said they are not interested.

167. 'Existing tariff satisfactory' (41% overall) was mentioned by:

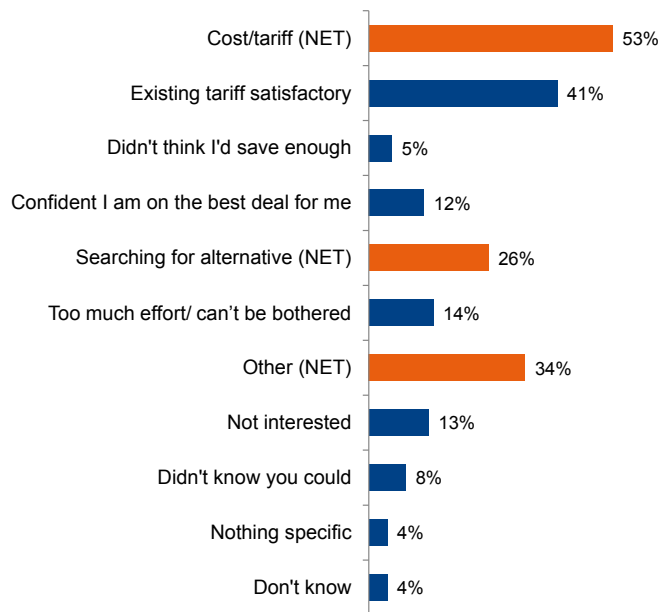
- (a) 46% of those unlikely to consider switching in the next three years, compared with 29% of those likely to;
- (b) 45% of those who have not switched in any other markets, compared with 33% who have switched in more than one;
- (c) 49% of respondents aged 65 and over, compared with 36% aged 18 to 44 and 37% aged 45 to 64;
- (d) 51% of those with no qualifications, compared with 32% of those with a degree;
- (e) 50% of those with no internet access, compared with 37% of those with;

- (f) 41% among those confident using a PCW (to get the right energy deal), compared with 31% among those not confident; and
- (g) 48% of those who trust their own supplier, compared with 14% of those who trust neither their own nor other suppliers.

Never considered changing tariff

168. We asked respondents who had never changed tariff with their existing supplier and had never considered doing so why they hadn't considered it.⁴⁰ The results are shown in Figure 29.

Figure 29: Reasons why never considered to changing tariff



Source: GfK report: Figure 36, p41.

Notes:

1. Question E4: 'Why have you never considered changing tariff?'
2. Base = All who have never considered switching tariff whilst staying with the same supplier (2,758).
3. The chart shows all responses mentioned 4% or more.

169. We find that:

- (a) 53% gave reasons associated with 'cost/tariff', most notably 'existing tariff satisfactory' (41%), 'confident I am on the best deal for me' (12%) and/or 'didn't think I'd save enough' (5%);
- (b) 14% said that searching was 'too much effort/can't be bothered';
- (c) 13% said they were not interested; and

⁴⁰ Question E4, GfK customer survey questionnaire.

(d) 8% were not aware that they could switch tariff.

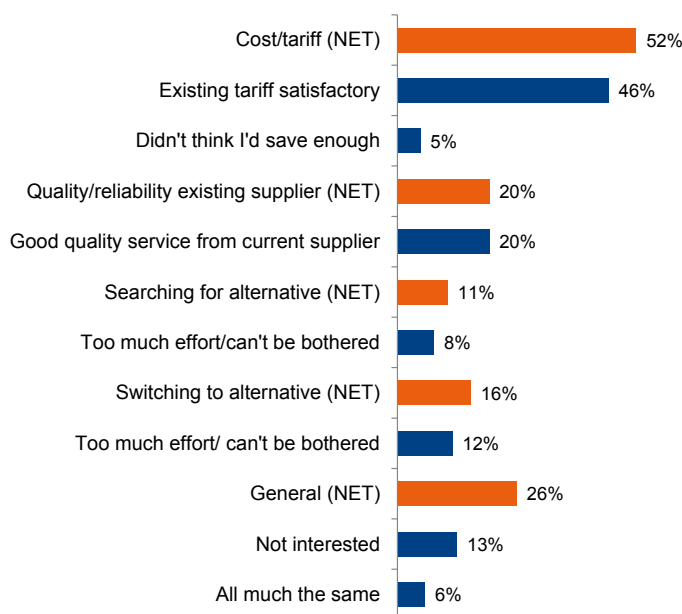
170. 'Existing tariff satisfactory' (41% overall) was mentioned by:

- (a) 50% of respondents aged 65 and over, compared with 37% for both groups aged 18 to 44 and 45 to 64;
- (b) 50% of those with no qualifications, compared with 33% of those with a degree;
- (c) 51% of those with no internet access, compared with 38% who have internet access;
- (d) 42% of those confident using a PCW (to get the right energy deal), compared with 30% of those not confident; and
- (e) 49% of those who trust their own supplier, compared with 22% of those who trust neither their own nor others.

Consideration of switching supplier in the next three years

171. We asked respondents who said they were unlikely to consider switching supplier in the next three years for their reasons.⁴¹ The results are shown in Figure 30.

Figure 30: Reasons why unlikely to consider switching supplier in next three years



Source: GfK, chart not contained in published report.

Notes:

⁴¹ Questions F1 and F2, GfK customer survey questionnaire.

1. Question F2: 'Why are you unlikely to consider switching supplier in the next three years?'
2. Base = All who are unlikely to consider switching supplier in the next three years (2,666).
3. The chart shows all responses mentioned by 5% or more.

172. We find that the high level results are broadly in line with those for the question on why respondents had never considered switching supplier. 46% said 'existing tariff satisfactory'; 20% said 'good quality service from current supplier'; 12% that switching is 'too much effort/can't be bothered' and 13% that they were 'not interested'.
173. 'Existing tariff satisfactory' (46% overall) was mentioned by:
- (a) 53% of those not on the PSR, compared with 45% of those who are;
 - (b) 50% among those confident using a PCW (to get the right energy deal), compared with 41% among those not confident;
 - (c) 50% of those who trust their own supplier, compared with 19% of those who trust neither their own nor other suppliers; and
 - (d) 48% of those paying by direct debit, compared with 37% by credit.

Capabilities, confidence and experience

Introduction

174. We consider that availability of relevant information, ability to access and assess this information, and confidence in switching are all factors central to effective customer engagement in the energy markets. The internet and PCWs are routes to switching and facilitate searching by providing access to relevant information. Using the internet and PCWs is likely to be quicker and easier for customers compared with contacting suppliers directly. We therefore may expect access to the internet and the use of PCWs in particular to reduce search times for customers.
175. In this section we:
- (a) describe respondents experience of shopping around and switching;
 - (b) examine respondents confidence in the energy markets;
 - (c) comment on the ability of respondents to access the internet and their confidence using the internet, and examine differences across certain respondent groups including respondent demographics, attitudes and supply characteristics;

- (d) describe the use of PCWs and confidence using PCWs, and examine differences across certain respondent groups; and
- (e) examine the association between search times and the ability of respondents to access and use the internet and PCWs.

Key findings

Experience of shopping around and switching

176. We find that:

- (a) 67% of those who shopped around in the last three years found the process of shopping around to be very or fairly easy;
- (b) 24% found the task to be either fairly or very difficult. Of these:
 - (i) 85% found it difficult to make comparisons between suppliers;
 - (ii) 74% found it difficult to understand the options available to them;
 - (iii) 42% found it difficult to find out information about other suppliers; and
 - (iv) 31% found it difficult to find out information about their own supplier.

177. Of those respondents who had switched supplier in the last three years:

- (a) 83% said it was easy and 65% did not encounter difficulties with the switch (33% encountered one or more difficulties).
- (b) 11% said they encountered delays with the switching process.
- (c) 52% were more satisfied with their new supplier than their previous supplier, 37% said there was no difference, 6% were less satisfied and 6% did not know.
- (d) 59% of those who had switched to make savings said that they realised the saving they expected from switching. 16% did not realise the savings they expected and the remainder either thought it was too early to tell or did not know. Respondents with no qualifications, living in rented social housing and with household incomes of less than £18,000 a year were more likely to have not made the expected savings; and
- (e) 76% of those who had switched to get better customer service said they had actually achieved this (17% said there was no difference).

178. By contrast to the experience of those who shopped around or switched, 66% of those who had not shopped around or switched in the last three years agreed that 'switching is a hassle, I do not have time' and 57% agreed 'I worry things will go wrong if I switch'.

Customer confidence

179. We find that 63% of all respondents are confident they are on the right energy deal. 58% said they would find it easy to find the right energy deal; and 70% are confident they would make the right switching decision.⁴² 37% are confident on all three measures.
180. We also find that the following proportion of respondents are not confident that they are on the right deal:
- (a) 68% of respondents who have considered switching supplier but never shopped around or switched.
 - (b) 24% of respondents who have never considered switching supplier.
 - (c) 29% of respondents who have switched tariff with their existing supplier.
 - (d) 39% of respondents who have switched externally in the last one to three years; and
 - (e) 48% of respondents who are likely to switch supplier in the next three years.
181. We find a strong association between trust and confidence in being on the right energy deal. In particular, 74% of respondents who distrust their own and other energy suppliers are not confident that they are on the right energy deal.
182. We also find an association between confidence in the ability to find the right deal/make the right switching decision and confidence in using the internet and trust. In particular:
- (a) of those respondents who lack confidence in using the internet, 60% are not confident in making the right switching decision compared with 21% of those who are confident using the internet; and

⁴² These two questions were only answered by those who did not think it was impossible to switch supplier.

- (b) 52% of respondents who distrust their own energy company said they would find it difficult to find the right energy deal compared with 31% of all respondents.

Internet access, engagement and customer confidence

- 183. 70% of respondents are confident in using the internet to search for information about suppliers in general, 17% have no access to the internet, and 12% lack confidence in using the internet.
- 184. Generally, respondents who are less engaged in the energy markets are more likely to be among those who have no access to the internet or lack confidence in using the internet. In particular:
 - (a) 21% of respondents who have never switched supplier do not have internet access compared with 6% of respondents who switched in the last year and 8% who switched in the last one to three years; and
 - (b) 13% of respondents who have never switched supplier are not confident using the internet compared with 6% of respondents who switched in the last year.
- 185. We find that respondents who do not have internet access, are not confident using the internet or are not confident using PCWs are more likely to lack confidence in making the right switching decision and are more likely to find it difficult to find the right energy deal.

Use of PCWs, engagement and confidence

- 186. 62% of respondents who switched supplier in the last three years used a PCW for searching last time they switched, and of those 53% made the switch via a PCW. The use of PCWs in the energy markets is similar to that in other markets.
- 187. 55% of respondents are confident that they would be able to get the right energy deal using a PCW. Of the other respondents, 27% are not confident using PCWs and 17% have no internet access.
- 188. Respondents who said that they are not confident using PCWs gave the following reasons:
 - (a) 43% do not trust or believe PCWs;
 - (b) 26% said the information is too complex and they are not sure what would be the right deal, and

- (c) 16% said they have never used a PCW/do not know what to do.
189. The use of PCWs to search and confidence using them in the energy markets are associated with greater confidence in switching energy supplier. We find that of those who are confident in using PCWs:
- (a) 73% said that they would find it easy to find the right energy deal for them compared with 33% of those who are not confident using PCWs; and
 - (b) 86% are confident they would be able to make the right switching decision compared with 46% of those who are not confident using PCWs.
190. Respondents who are confident using PCWs are also more likely to: (a) take an active interest in their energy usage and expenditure, (b) think there are real differences in the prices suppliers charge, (c) disagree switching is a hassle they do not have time for, and (d) not worry switching supplier would go wrong. 49% of respondents confident using PCWs do not worry switching supplier would go wrong compared with 28% of those not confident using PCWs.

Search times

191. Respondents most frequently spend 1 to 4 hours searching for information about their energy usage and current tariff, and the same amount of time searching for information about other suppliers and comparing this to their own supplier. Those who spend more time searching are less confident using PCWs.

Respondents' ability to identify their tariff type

192. Respondents were asked if they were on a fixed-rate tariff for one or both fuels. We assessed whether their answer was consistent with data provided by suppliers. We find that 84% of those on fixed-rate tariffs (from supplier data) gave an answer consistent with supplier data, whereas only 44% of those on variable-rate tariffs did so. Overall 54% gave an answer consistent with the supplier data.⁴³

Experiences of shopping around

193. All those who had shopped around in the last year three years were asked their view on how easy or difficult the overall process of shopping around was

⁴³ Note, 'do not know' answers, of which there were 18%, are included with those not identifying their tariff correctly.

last time they did so. They were also asked how difficult certain, pre-specified aspects of the process were. The results are provided in Table 18.

Table 18: Ease or difficulty of shopping around

	%					
	<i>Very easy</i>	<i>Fairly easy</i>	<i>Neither</i>	<i>Fairly difficult</i>	<i>Very difficult</i>	<i>Do not know</i>
Overall task of shopping around	19	46	11	18	6	1
Finding information about own	36	43	6	12	3	1
Finding information other	26	51	7	11	3	2
Understanding options available	16	41	11	22	8	2
Making comparisons	17	39	9	24	11	1

Source: CMA analysis of survey data.

Notes:

1. Base = 3,023 (2,054 for finding out information about own supplier, as this question was only asked to those who indicated they had done so).

2. Derived from responses to questions to E25 and E26.

194. We find that of those respondents who shopped around in the last three years: 67% found the task of shopping around to be easy; 24% found it difficult; and 11% found it to be neither easy nor difficult.
195. Also, more respondents found it difficult to make comparisons between suppliers (35%) and understand the options available to them (30%) than found it difficult to find out about their own energy usage (15%) and other suppliers (14%).
196. Table 19 provides the same information for those who found shopping around to be difficult.

Table 19: Ease or difficulty of shopping around for those who found the overall task difficult

	%					
	<i>Very easy</i>	<i>Fairly easy</i>	<i>Neither</i>	<i>Fairly difficult</i>	<i>Very difficult</i>	<i>Do not know</i>
Finding information about own	21	40	7	24	7	0
Finding information other	7	41	10	31	11	1
Understanding options available	2	16	7	47	27	1
Making comparisons	1	9	5	52	33	0

Source: CMA analysis of survey data.

Notes:

1. Base = 609 (470 for finding out information about own supplier, as this question was only asked to those who indicated they had done so).

2. Derived from responses to questions to E25 and E26.

197. We find that of those who found the process of shopping around difficult:
- (a) 85% of these respondents found it difficult to make comparisons between suppliers;
 - (b) 74% found it difficult to understand the options available to them;
 - (c) 42% found it difficult to find out information about other suppliers; and

- (d) 31% found it difficult to find out information about their own supplier.
198. We also find that relative to others who answered the question, those who found the process of shopping around difficult are more likely:
- (a) to distrust their own or other suppliers; and
 - (b) to lack confidence:
 - (i) using the internet;
 - (ii) using PCWs;
 - (iii) that they are on the right deal for them; and
 - (iv) in their ability to make the right decision if they wanted to switch.
199. In addition, respondents who had shopped around in the last three years where asked what, if anything, they disliked about shopping around. Among those who found the task of shopping around difficult,⁴⁴ the following percentages of respondents mentioned the following factors:^{45,46}
- (a) 53% – do not understand/difficult to compare tariffs.
 - (b) 33% – difficult to find information.
 - (c) 23% – takes too long/didn't have time.
 - (d) 22% – too complicated.
 - (e) 10% – too much effort, can't be bothered.
 - (f) 8% – lack of confidence/trust in PCWs.

Experience of switching

200. Respondents who switched supplier in the last three years were asked how easy or difficult it was to switch: 83% said it was easy (50% very easy and 33% fairly easy) and 11% said it was difficult (5% fairly difficult and 5% very difficult). There was little variation between respondent groups in the proportion finding it difficult to switch.⁴⁷

⁴⁴ 609 respondents.

⁴⁵ These were spontaneous responses and multiple responses were allowed.

⁴⁶ This is not an exhaustive list. Other reasons were also mentioned, but these were the most common.

⁴⁷ Less than 10 percentage points.

201. Respondents who switched supplier in the last three years were also asked what difficulties, if any, they encountered with the switch. 65% said that they had not encountered any difficulties with the switch. 33% encountered one or more difficulties.⁴⁸ 11% of those who switched in the last three years said that they had experienced delays in the switching process and 6% reported the previous supplier had delayed the process.
202. Of those respondents who had switched for price reasons:
- (a) 83% were confident at the time of making the switch that they would make savings; and
 - (b) 74% were able to say how much they had expected to save – this was, on average, £174 a year with 20% expecting to save £250 a year or more.
203. Of those respondents who could estimate how much they had expected to save from switching:
- (a) 59% realised the savings they expected;
 - (b) 15% said it was too soon to tell; and
 - (c) 16% have not made the savings they expected (of these, 22% have saved less than expected, 20% are paying more and 49% said switching makes no difference).
204. The respondents more likely to have not made the savings they expected include those with no qualifications (31%), living in rented social housing (26%) and with household incomes under £18,000 a year (25%).
205. Of those respondents who switched to get a better service:
- (a) 86% were confident at the time of making the switch that they would get better service;
 - (b) 76% said that the new supplier delivered better customer service;
 - (c) 17% said there was no difference in the customer service received from their new and old supplier;
 - (d) 3% said the customer service from their new supplier was worse; and
 - (e) 2% said it was too soon to tell.

⁴⁸ 2% did not know if they encountered any difficulties.

206. Of those who switched in the past three years, 52% were more satisfied with their new supplier than their previous supplier, 37% said there was no difference, 6% were less satisfied and 6% did not know.
207. By contrast to the experience of those who shopped around or switched, 66% of those who did not shop around or switch in the last three years agreed that 'switching is a hassle, I do not have time' and 57% agreed 'I worry things will go wrong if I switch'. Overall, 56% of all respondents agreed that 'switching is a hassle, I do not have time' and 50% agreed that 'I worry things will go wrong if I switch'. The equivalent figures for those who have shopped around or switched in the last three years are 40% and 37% respectively.

Customer confidence

208. The survey provides information on three measures of customer confidence:
- (a) How confident a respondent is that they are on the right energy deal when thinking about all possible supplier and tariff options.
 - (b) How easy or difficult they thought it would be to find the right energy deal for them.
 - (c) How confident they were making the right switching decision if they wanted to change energy supplier.
209. The results are set out in Table 20. We find that:
- (a) 63% of all respondents are confident they are on the right energy deal;
 - (b) 58% of respondents who think it is possible or do not know it is possible to switch supplier or change payment method, said that they would find it easy to find the right energy deal; and
 - (c) 70% are confident they would make the right switching decision.
210. We find that 37% of respondents are confident they are on the right energy deal and say they would find it easy to find the right energy deal and are confident making the right switching decision.

Table 20: Measures of customer confidence

<i>Confidence on the right energy deal (%)</i>		<i>Ability to find the right deal (%)</i>		<i>Confidence making the right switching decision (%)</i>	
Confident	63	Easy	58	Confident	70
Not confident	31	Neutral	9	Not confident	28
Do not know	6	Difficult	29	Do not know	2
		Do not know	4		

Source: CMA analysis of survey data.

Notes:

1. Base = confidence on the right energy deal 6,999, ability to find the right deal 6,949, confidence making the right switch decision 6,949.
2. Derived from responses to questions B14, F3 and F4.

211. Table 21, Table 22 and Table 23 show the association between these three measures of confidence. We find that respondents who are confident against one measure tend to be confident against another.

Table 21: Association between confidence on the right deal and ability to find the right deal

<i>Confidence on the right energy deal</i>	<i>Ability to find the right deal</i>	
	<i>Easy</i>	<i>Difficult</i>
Confident	42%	14%
Not confident	13%	14%

Source: CMA analysis of survey data.

Notes:

1. Base = 6,949.
2. Derived from responses to questions B14 and F3.

Table 22: Association between confidence on the right deal and confidence making the right switching decision

<i>Confidence on the right energy deal</i>	<i>Confidence making the right switching decision</i>	
	<i>Confident</i>	<i>Not confident</i>
Confident	49%	13%
Not confident	18%	13%

Source: CMA analysis of survey data

Notes:

1. Base = 6,949.
2. Derived from responses to questions B14 and F4.

Table 23: Association between ability to find the right deal and confidence making the right switching decision

<i>Ability to find the right deal</i>	<i>Confidence making the right switching decision</i>	
	<i>Confident</i>	<i>Not confident</i>
Easy	51%	6%
Difficult	11%	18%

Source: CMA analysis of survey data.

Notes:

1. Base = 6,949.
2. Derived from responses to questions F3 and F4.

Confidence in being on the right energy deal⁴⁹

212. We find that the following proportions of respondents are not confident that they are on the right deal:
- (a) 68% of respondents who have considered switching supplier but never shopped around or switched;
 - (b) 24% of respondents who have never considered switching supplier;
 - (c) 29% of respondents who have switched tariff with their existing supplier;
 - (d) 39% of respondents who have switched externally in the last one to three years; and
 - (e) 48% of respondents who are likely to switch supplier in the next three years.
213. We find a strong association between trust and confidence in being on the right energy deal. We find the following respondents are not confident they are on the right energy deal:
- (a) 74% of those who distrust their own energy company;
 - (b) 44% of those who distrust other energy companies; and
 - (c) 74% of those who distrust their own and other energy suppliers.

Ability to find the right energy deal and make the right switching decision

214. We find that respondents who do not have internet access, are not confident using the internet and/or are not confident using PCWs are more likely to lack confidence in making the right switching decision and are more likely to find it difficult to find the right energy deal. For example, of respondents who lack confidence using the internet:
- (a) 57% said they would find it difficult to find the right energy deal, compared with 24% of those who are confident using the internet; and
 - (b) 60% said that they are not confident in making the right switching decision compared with 21% of those who are confident using the internet.

⁴⁹ Proportion of respondents not confident they are on the right deal by certain demographic groups: 28% who own their home outright compared with 40% who own their home with a mortgage, 42% with degrees compared with 21% with no qualifications, 44% with household income above £36,000 a year compared with 27% with household income under £18,000 a year, 40% aged 18 to 35 compared with 22% aged 65 and over.

215. We also find an association between distrust in energy suppliers and lack of confidence. In particular:
- (a) 52% of respondents who distrust their own energy company said they would find it difficult to find the right energy deal compared with 31% of all respondents;
 - (b) 54% of respondents who distrust their own and other energy companies said they would find it difficult to find the right energy deal compared with 31% of all respondents; and
 - (c) 51% of respondents who distrust their own and other energy companies said that they lacked confidence in making the right switching decision compared with 29% of all respondents.

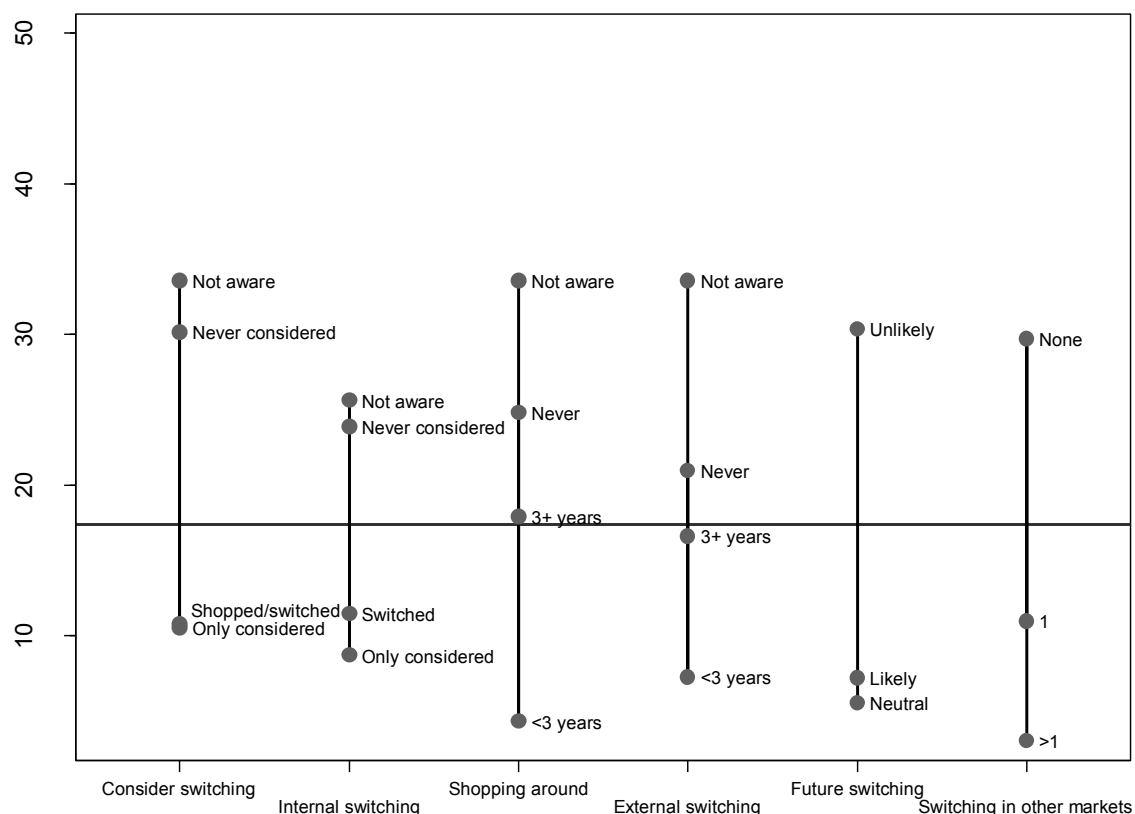
Internet access and customer confidence using the internet

216. 70% of respondents are confident in using the internet to search for information about suppliers in general, 17% have no access to the internet, and 12% lack confidence in using the internet.

The internet and engagement in the energy markets

217. Figure 31 shows the proportion of respondents with no internet access by different measures of customer engagement in the energy sector.

Figure 31: Proportion with no internet access by measures of customer engagement



Source: CMA analysis of survey data.

Notes:

1. Derived from questions E1, E2, E3, E13, E17, E30, F1 and I1.

2. Bases = consider switching 6,986, internal switching 6,852, shopping around 6,912, external switching 6,859, future switching 6,744, switching in other markets 6,999.

218. We find that:

- (a) respondents who have never considered switching supplier or tariff are more likely to have no internet access;
- (b) respondents who have shopped around in the last three years, ever switched tariff with their existing supplier, switched supplier in the last three years and likely to consider switching supplier in the next three years are less likely to have no access to the internet; and
- (c) respondents who have switched in another market are less likely to have no access to the internet.

219. We also find that respondents who are more engaged in the energy markets are more likely to be confident in using the internet, while those less engaged are likely to be less confident.

220. We find that:

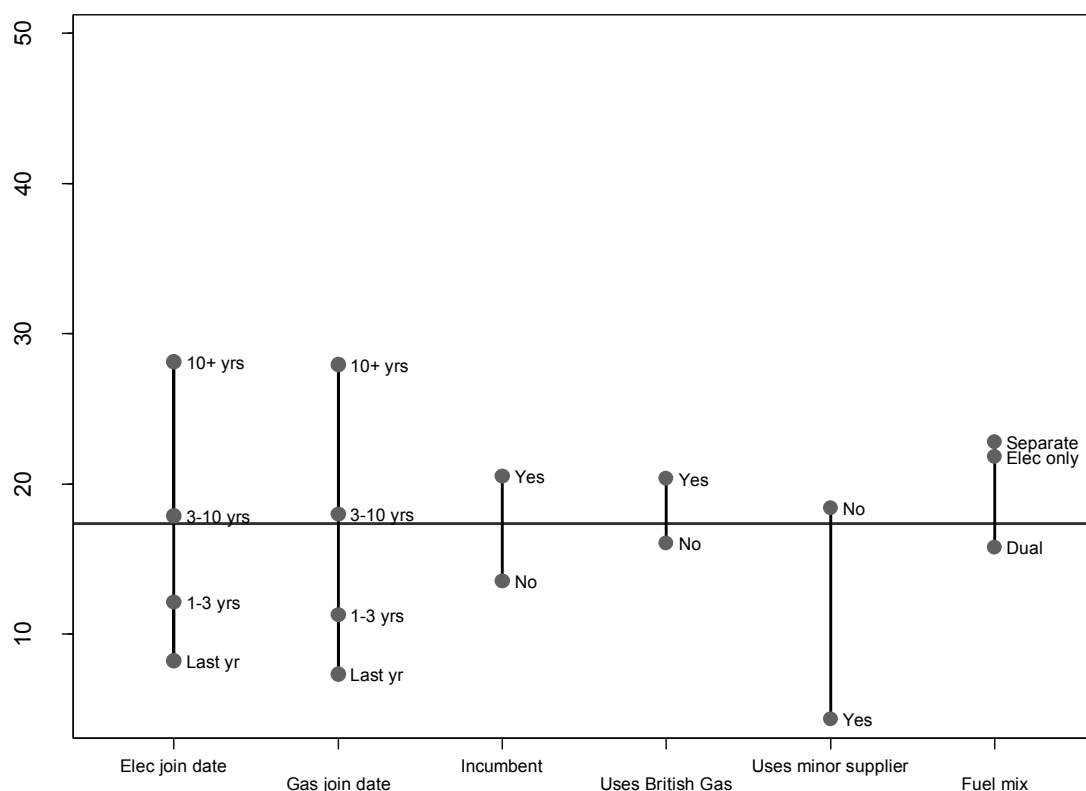
- (a) 64% of respondents who are confident using the internet said that they would find it easy to find the right deal for them compared with 32% who are not confident in using the internet and 51% who have no internet access; and
- (b) 78% of respondents who are confident in using the internet are confident in their ability to make the right decision compared with 40% who lack confidence in using the internet and 56% who have no internet access.

221. We also find that the respondents who are less likely to have internet access and/or are more likely to lack confidence in using the internet, are those who:

- (a) are aged 65 and over, have lower household incomes, are less educated and live in social rented housing; and
- (b) have a disability and are on the PSR.

222. Figure 32 shows the proportion of respondents with no internet access by certain supplier characteristics. We find that nearly 30% of respondents who have been with their electricity or gas supplier for more than ten years do not have internet access.

Figure 32: Proportion with no internet access by supplier characteristics



Source: CMA analysis of survey and supplier data.

Notes:

1. See notes in Figure 9.

2. Bases = electricity join date 6,640, gas join date 6,071, incumbent 6,999, uses independent supplier 6,999, uses British Gas 6,999, fuel mix 6,996.

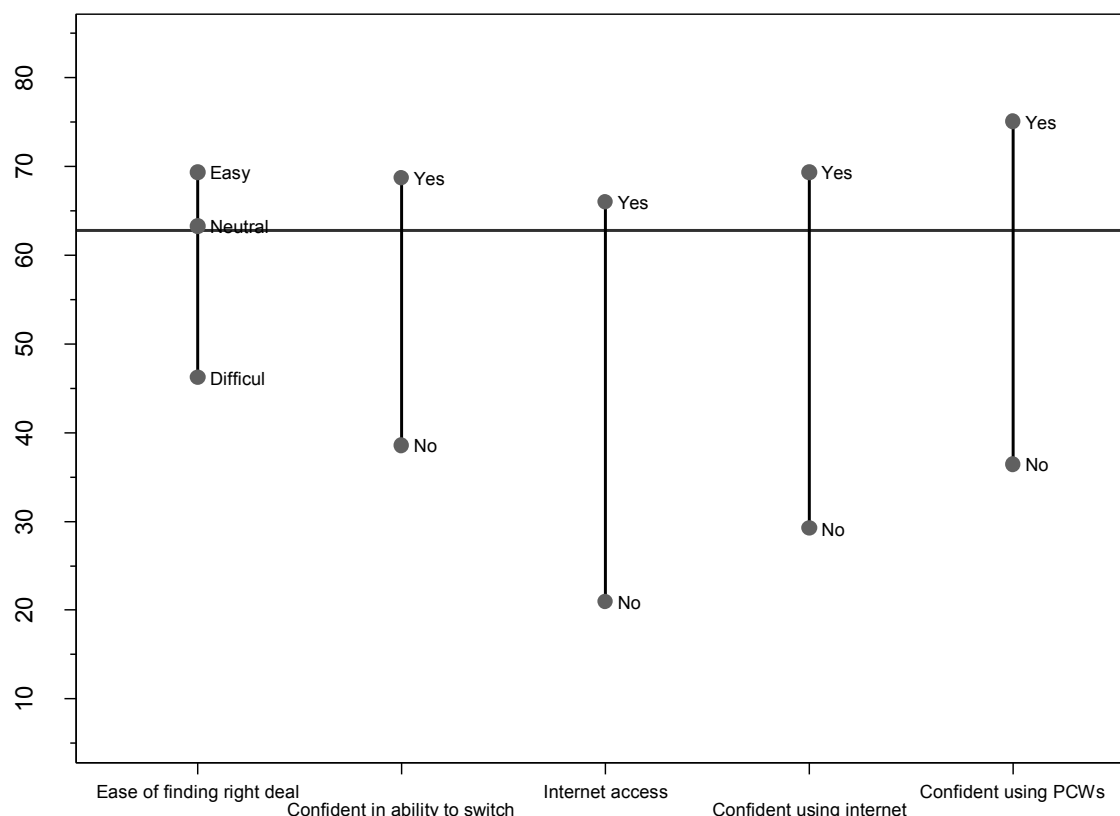
Use of PCWs and customer confidence using PCWs

223. We find that:

- (a) 62% of respondents who switched supplier in the last three years used a PCW to find out information last time they switched, and of those, 53% made the switch via a PCW; and 79% of those who shopped around in the last three years used a PCW;
- (b) the use of PCWs in the energy sector is similar to that in other markets, with 60% of respondents having used a PCW to search for information in another market and 58% having used a PCW to switch supplier; and
- (c) 55% of respondents are confident that they would be able to get the right energy deal using a PCW. Of the other respondents, 27% are not confident and 17% have no internet access.

224. Figure 33 shows how the use of PCWs to search in the energy markets varies by certain measures of customer confidence.

Figure 33: Proportion of PCW use by capability and confidence measures



Source: CMA analysis of survey data.

Notes:

1. See notes in Figure 3.

2. Bases = ease of finding right deal 2,155, confident in ability to switch 2,172, internet access 2,187, confident using internet 2,048, confident using PCW 2,040.

225. We find that respondents who said they would find it easy to find the right energy deal are more likely to have used a PCW to search and are more likely to be confident using PCWs. Of respondents who said they would find it easy to find the right energy deal for them we find:

- (a) 69% used a PCW to search, compared with 46% of respondents who said they would find it difficult to find the right energy deal for them (Figure 33); and
- (b) 70% are confident using PCWs compared with 31% of respondents who said they would find it difficult to find the right energy deal for them.

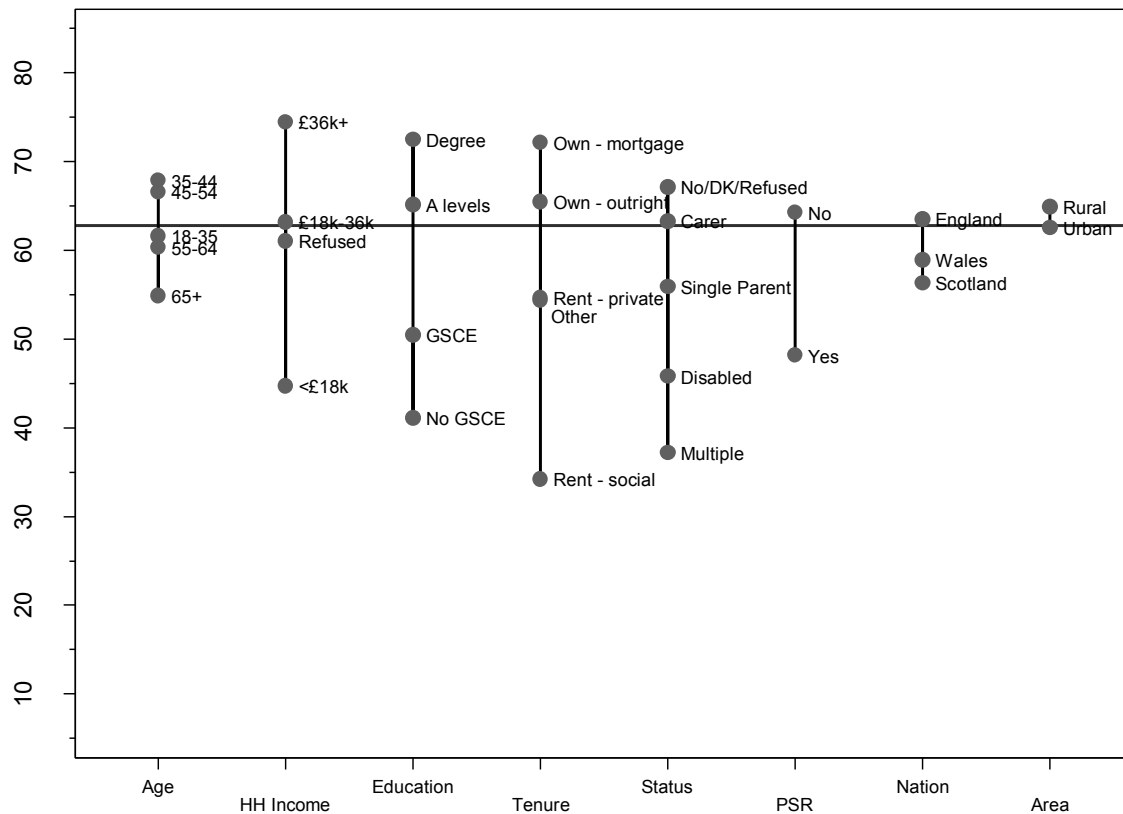
226. We also find respondents who are confident they would be able to make the right decision if they wanted to switch supplier are more likely to have used a PCW to search and are more likely to be confident using PCWs. Of respondents confident they would be able to make the right switching decision:

- (a) 69% used a PCW to search, compared with 39% of respondents who said they are not confident they would be able to make the right switching decision.

Demographics

227. For respondents who switched supplier in the last three years, Figure 34 gives results on the use of PCWs to search by demographic characteristics.

Figure 34: Proportion of PCW use by demographic and household characteristics



Source: CMA analysis of survey and supplier data.

Notes:

1. See notes in Figure 2.

2. Bases = age 2,158, household income 2,187, education 2,105, tenure 2,187, status 2,187, PSR 2,178, nation 2,187, area 2,184.

228. We find that respondents who are less likely to have used a PCW to search for information last time they switched energy suppliers are those:

- (a) with household incomes under £18,000 a year;
- (b) who are educated to GCSE level or lower; and/or
- (c) on the PSR.

229. These respondents are also less likely to have used PCWs to search for information in other markets and are less likely to be confident using PCWs in the energy markets. We also find that 74% of respondents aged 18 to 35 are confident using PCWs compared with 33% of those aged over 65.

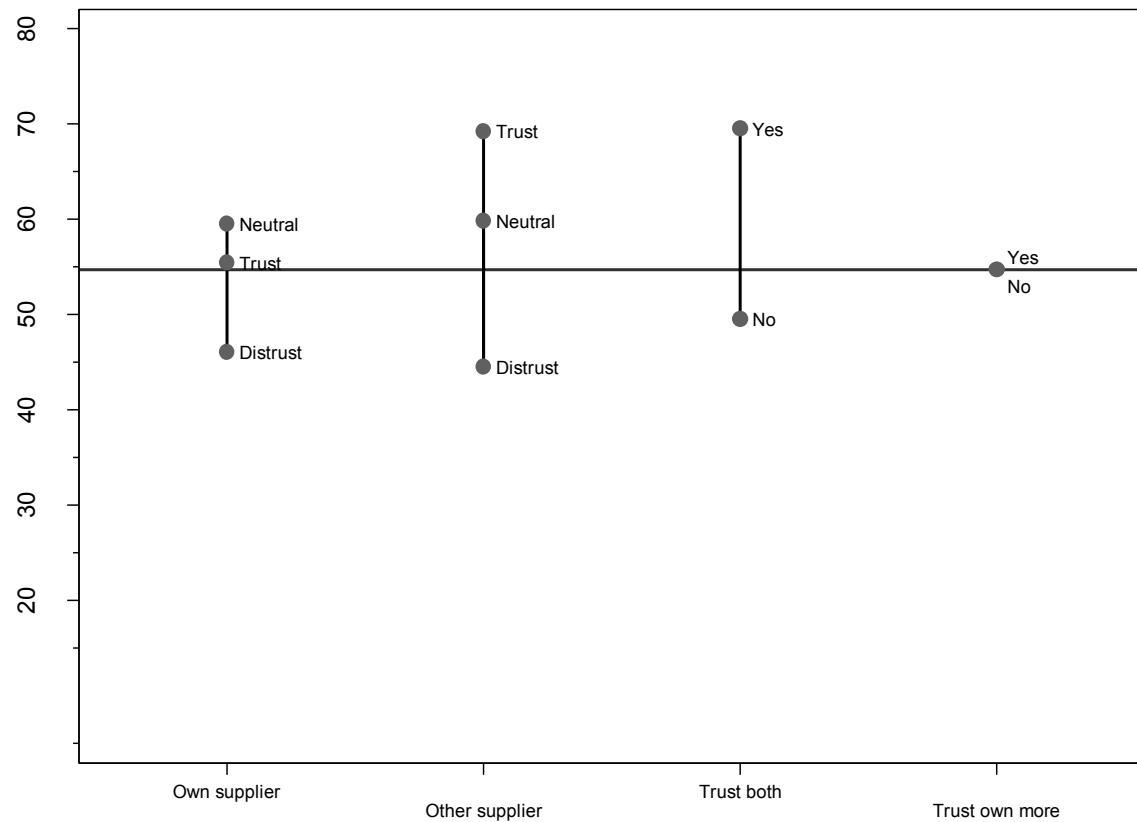
Attitudes

230. Respondents who are confident they would be able to get the right energy deal using a PCW (compared with those who are not) are more likely to:
- (a) take an active interest in their energy usage and expenditure;
 - (b) think there are real price differences between suppliers;
 - (c) disagree switching is a hassle;
 - (d) not worry switching supplier would go wrong;
 - (e) like shopping around for the best deal;
 - (f) have time to shop around (53% of those who are confident using PCWs disagree they do not have time to shop around compared with 39% of those who are not confident using PCWs); and
 - (g) disagree they stick with brands they like.

Trust

231. Figure 35 shows that trust in energy suppliers is associated with confidence using PCWs. In particular, 70% of respondents who trust other energy companies and/or trust their own and other energy companies are confident using PCWs.

Figure 35: Proportion confident using PCWs by trust in energy suppliers



Source: CMA analysis of survey data.

Notes:

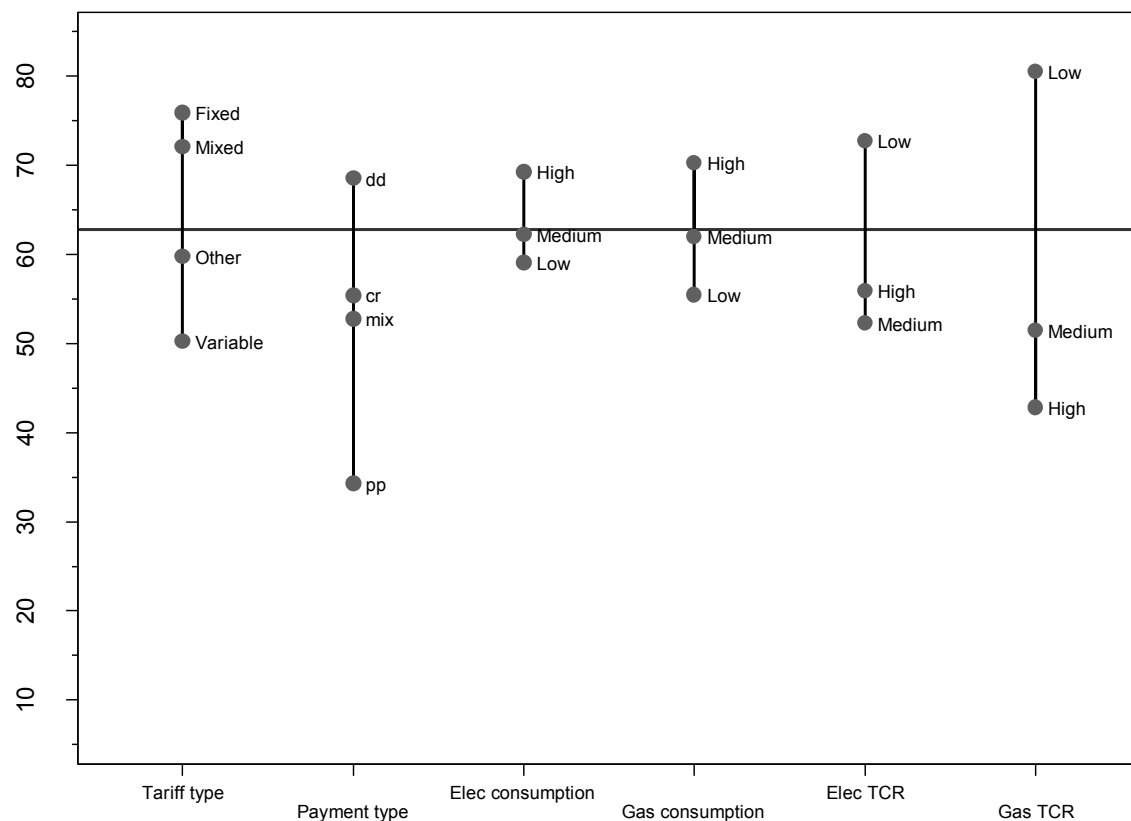
1. See notes in Figure 6.

2. Base = own supplier 6,917, other suppliers 6,171, trust both 6,999, trust own more 6,999.

Supply characteristics

232. For those respondents who had switched in the last three years, Figure 36 shows those who used a PCW to search by various supply characteristics.

Figure 36: Proportion of PCW use by supply characteristics



Source: CMA analysis of survey and supplier data.

Notes:

1. See notes in Figure 8.

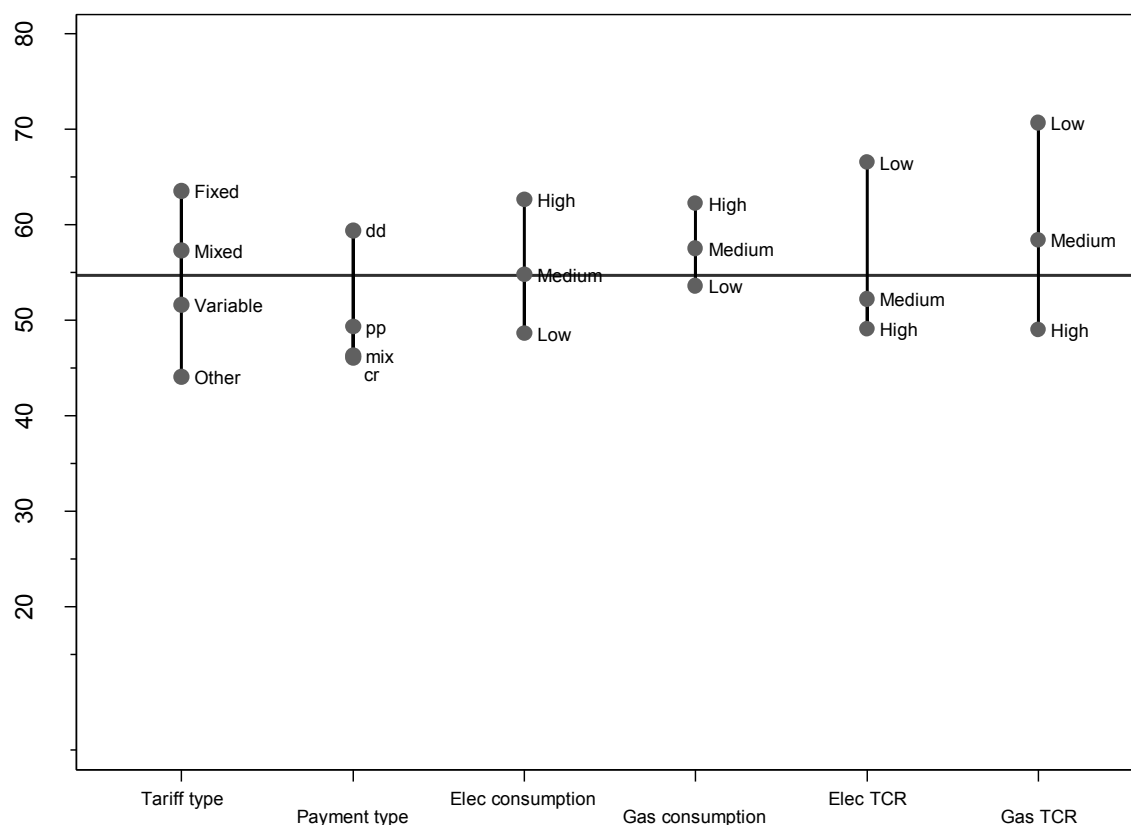
2. Base = tariff type 2,175, payment type 2,177, electricity consumption 2,108, gas consumption 1,982, electricity TCR 1,919, gas TCR 1,936.

233. We find:

- (a) 50% of respondents on SVTs used a PCW compared with 76% on fixed-rate tariffs;
- (b) those paying by direct debit are more likely to use PCWs; and
- (c) those with lower gas TCRs are more likely to use a PCW.

234. Figure 37 shows the proportion of respondents who are confident using PCWs by certain supply characteristics.

Figure 37: Proportion confident using PCWs by supply characteristics



Source: CMA analysis of survey and supplier data.

Notes:

1. See notes in Figure 8.

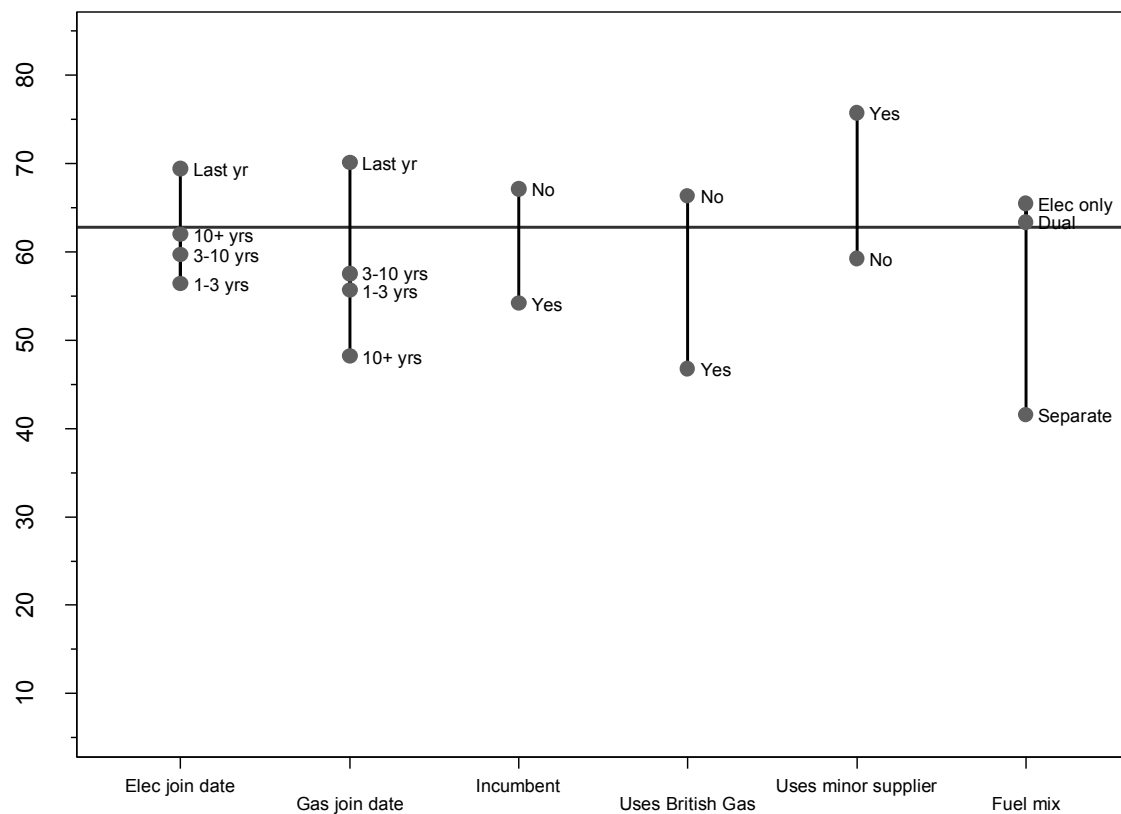
2. Base = tariff type 6,977, payment type 6,984, electricity consumption 6,621, gas consumption 6,066, electricity TCR 6,014, gas TCR 5,978.

235. We find the following respondents are more likely to be confident using PCWs:

- (a) Those on fixed-rate tariffs.
- (b) Paying by direct debit.
- (c) Those with high electricity consumption.
- (d) Those with low electricity TCRs and/or low gas TCRs.

236. Figure 38 and Figure 39 show the proportion of respondents using PCWs to search and confident using PCWs respectively by certain supplier characteristics.

Figure 38: Proportion of PCW use by supplier characteristics



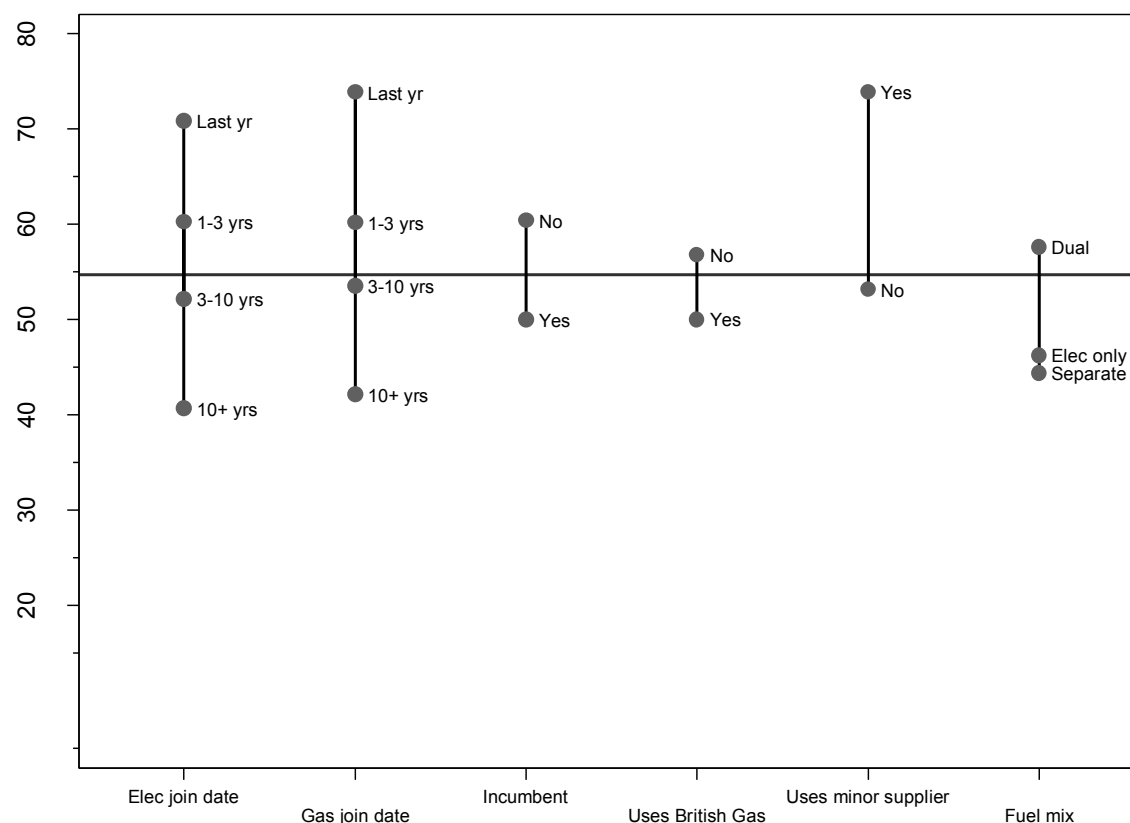
Source: CMA analysis of survey and supplier data.

Notes:

1. See notes in Figure 9.

2. Base = electricity join date 2,115, gas join date 1,981, incumbent 2,187, uses British Gas 2,187, uses independent supplier 2,187, fuel mix 2,187.

Figure 39: Proportion confident using PCWs by supplier characteristics



Source: CMA analysis of survey and supplier data.

Notes:

1. See notes in Figure 9.

2. Base = electricity join date 6,640, gas join date 6,071, incumbent 6,999, uses British Gas 6,999, uses independent supplier 6,999, fuel mix 6,996.

237. We find that:

- (a) over 70% of those who have been with their supplier for less than one year are confident using PCWs compared with 53% (electricity)/54% (gas) of those who have been with the supplier between three and ten years and 41% (electricity)/43% (gas) of those who have been with the supplier for more than ten years;
- (b) those with an incumbent provider or with British Gas are less likely to be confident using PCWs; and
- (c) those with an independent supplier are more likely to use PCWs and are more likely to be confident using PCWs.

Customer search times

Key findings

238. Respondents most frequently spend 1 to 4 hours searching for information about; (a) their energy usage and current tariff and (b) other suppliers and comparing this to their own supplier.
239. Those who spend more time searching are less confident using PCWs.

Customer search times

240. We asked respondents who had searched for information in the last three years, how much time they spent searching for information on usage and current tariff and how long they spent looking for information about other suppliers and comparing this to their own supplier.⁵⁰ Results are in Table 24.

Table 24: Time spent searching for information about energy usage and current tariff and about other suppliers and comparing this to own supplier

<i>Time spent searching for information about usage and current tariff (%)</i>		<i>Time spent searching for information about other suppliers and comparing this to own supplier (%)</i>	
Less than 1 hour	30	Less than 1 hour	39
1 to 4 hours	54	1 to 4 hours	48
More than 4 hours	16	More than 4 hours	13

Source: CMA analysis of survey data.

Notes:

1. Bases = time spent searching for information about usage and current tariff 1,919, time spent searching for information about other suppliers and comparing this to their own supplier 2,754.
2. Derived from responses to questions E23 and E24.

241. We also find that:
- (a) respondents spending more than 4 hours searching for information are less likely to be confident using PCWs, and
 - (b) respondents not confident using PCWs are more likely to spend more than 4 hours searching for information about other suppliers and comparing this to their own supplier, than respondents not confident using PCWs.

Respondents' ability to identify their tariff type

242. Respondents were asked if they were on a fixed-rate tariff for one or both fuels. We assessed whether their answer was consistent with data provided

⁵⁰ Questions about search times were asked of those who had searched for information in the last three years – unweighted base is 1,919 customers for question e23 (excluding those who did not know) and 2,754 for question e24 (excluding those who did not know).

by suppliers. We find that 84% of those on fixed-rate tariffs (from supplier data) gave an answer consistent with supplier data, whereas only 44% of those on variable-rate tariffs did so. Overall 54% gave an answer consistent with the supplier data. Note, 'do not know' answers, of which there were 18%, are included with those not identifying their tariff correctly.

Differences between respondents on fixed and standard variable tariffs

243. This section presents information on the proportion of respondents with SVTs and how this varies across groups defined by demographics and other characteristics.

Key findings

244. The customer records provided by suppliers show that 68% of respondents have an SVT and 27% have fixed-rate, fixed-term tariffs, with the remaining having either a mix of tariffs or other types of tariff (eg capped).
245. We find that 78% of those respondents who have never switched supplier are on an SVT and 79% of those who have never switched tariff are on an SVT. The proportion is lower among those who: are more active; have switched supplier in recent years (eg 37% for those who switched supplier in the last year); and have ever changed tariff (60%). There is also a lower rate of SVT usage among those who are likely to consider switching in the next three years (63%) compared with those who are unlikely to do so (75%).
246. Differences in terms of demographics, attitudes, capability and confidence, and choice drivers are less pronounced. The proportion on an SVT is higher among those: in rented, particularly social rented, housing; with low household incomes; with no qualifications; and who have more negative attitudes towards energy. The proportion on an SVT is lower among those: on the PSR; those who are aged 65 and over (these make-up a disproportionately large share of those on the PSR); pay by direct debit compared with other payment types; and have joined their supplier in the last year. There is substantial variation across suppliers, with Ovo Energy and First Utility having the lowest proportion of dual fuel customers on an SVT.

High level statistics

247. Table 25 summarises data provided by the suppliers. We find that 68% of respondents are on an SVT.

Table 25: Tariff types among survey respondents

	Count	Percentage
SVT ⁵¹	4786	68%
Fixed	1894	27%
Mixed	103	1%
Other	188	3%
Data not available	28	0%
Total	6999	100%

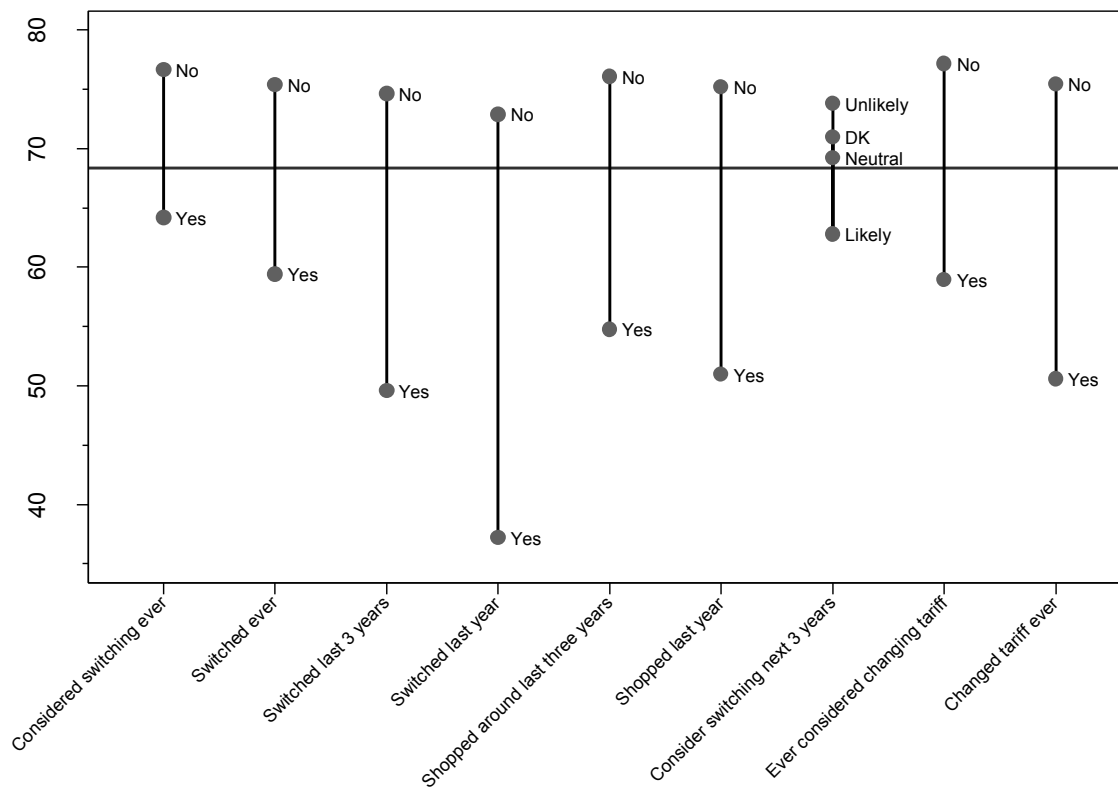
Source: CMA analysis of survey data.

Note: Base = 6,999. This is a count shown is a weighted count. See Annex C, paragraph 13(b)(i) for further detail on how this variable was derived.

Activity

248. Figure 40 shows how the proportion of respondents on an SVT varies over a number of metrics of customer activity.

Figure 40: Rate of SVT usage by customer activity



Source: CMA analysis of survey data.

Note: See notes at Figure 31.

249. We find that the proportion is higher among those who:

⁵¹ This data was collected after the implementation of the RMR reforms and so all variable tariffs were standard variable tariffs.

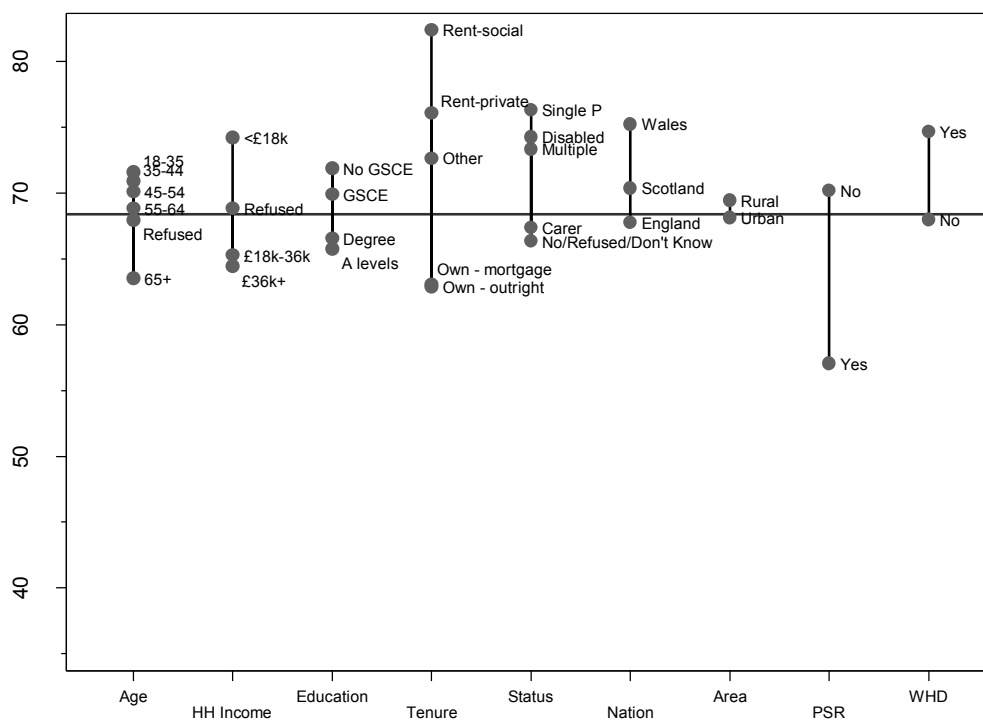
- (a) have never considered switching supplier (78%);
- (b) have never shopped around to compare suppliers (77%);
- (c) have never switched supplier (76%);
- (d) have never considered changing tariff with their existing supplier (75%);
- (e) have never changed tariff with their existing supplier (79%);
- (f) have not switched in the last three years (75%); and
- (g) say they are unlikely to consider switching supplier in the next three years (74%).

250. The lowest rate of SVT usage is among those who have switched in the last year. However, over 35% of these respondents are still on an SVT.

Demographics

251. Figure 41 shows the proportion of respondents on an SVT by demographics.

Figure 41: Proportion of SVT usage by demographic and similar characteristics



Source: CMA analysis of survey data.

Notes:

1. See notes at Figure 2.

2. WHD refers to whether a respondent is on the Warm Home Discount Scheme.

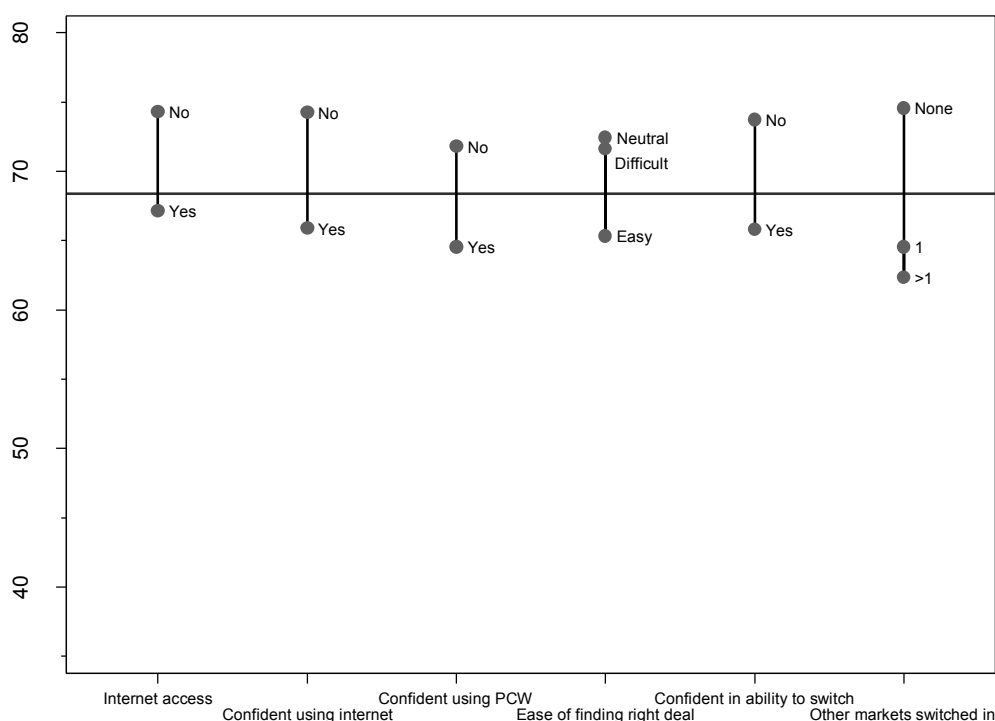
3. Bases (from left to right) = 6,901, 6,999, 6,665, 6,999, 6,999, 6,999, 6,976, 6,990, 6,990.

252. We find that in all groups at least 50% subscribe to an SVT. The proportion is highest among those who:
- (a) live in social (83%) and private rented housing (76%);
 - (b) are without qualifications (73%);
 - (c) have household incomes below £18,000 a year (75%); and
 - (d) are disabled (74%).
253. The proportion is lower among those aged 65 and over (64%) and on the PSR (58%). Those aged over 65 comprise 30% of respondents but 68% of those on the PSR. For those over 65, the rate of SVT usage is 55% among those on the PSR and 68% for those not on the PSR, not significantly different from the average for all respondents.

Capability and confidence

254. Figure 42 shows the proportion of respondents on an SVT by capability and confidence in using the internet and PCWs, and confidence to find the right deal and their ability to switch.

Figure 42: Proportion of SVT usage by capability and confidence



Source: CMA analysis of survey data

Notes:

1. See notes at Figure 3.

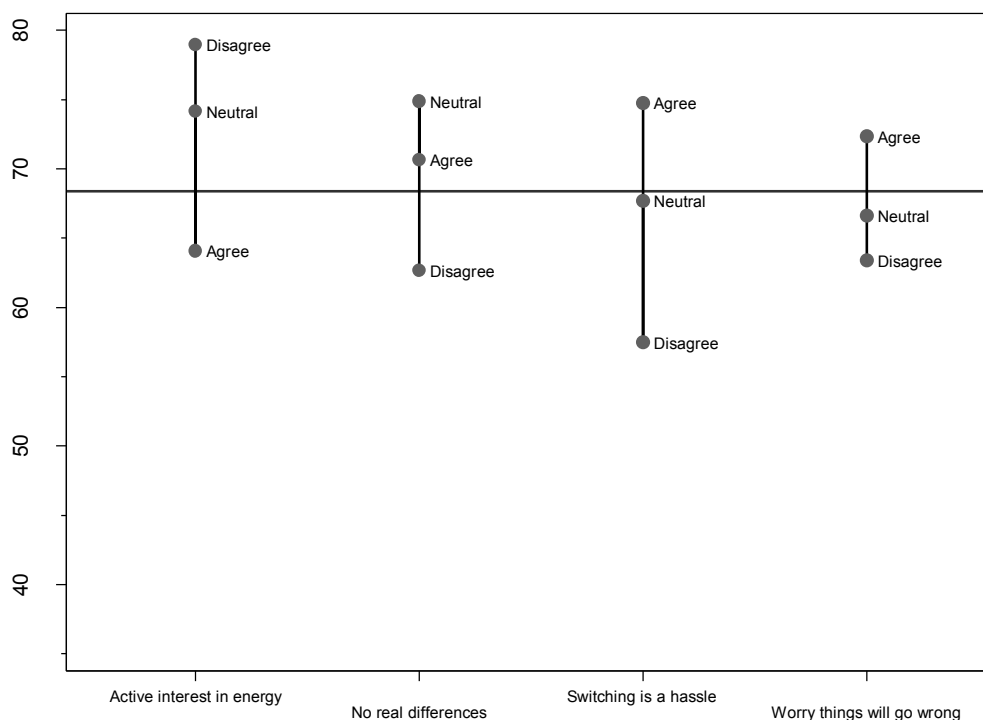
2. Bases (from left to right) = 6,999, 5,927, 5,867, 6,702, 6,828, 6,999.

255. We find that the proportion of respondents on an SVT is modestly higher among those who: do not have internet access; are not confident using the internet or PCWs; say that they would find it difficult to find the right deal for them; are not confident they would make the right decision if they wanted to switch; and among those who have switched in one or more similar markets in the last three years.

Attitudes

256. Figure 43 shows how the proportion of respondents on a SVT vary with attitudes towards energy and Figure 44 with general attitudes.

Figure 43: Proportion of SVT usage by attitudes toward energy



Source: CMA analysis of survey data.

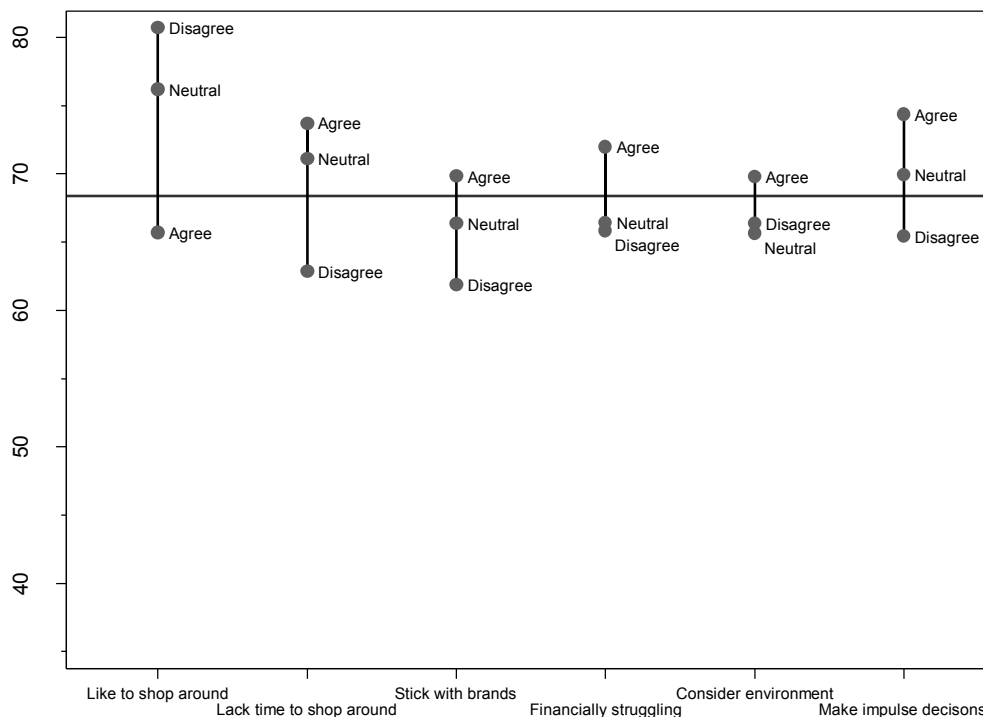
Notes:

1. See notes at Figure 4.

2. Bases (from left to right) = 6,881, 6,625, 6,911, 6,912.

257. We find that the proportions are higher among those who: are less interested in energy; agree there are no real differences in price between suppliers; think switching is a hassle they do not have time for; and worry that things will go wrong if they switch.

Figure 44: Proportion of SVT usage by general attitudes



Source: CMA analysis of survey data.

Notes:

1. See notes at Figure 5.

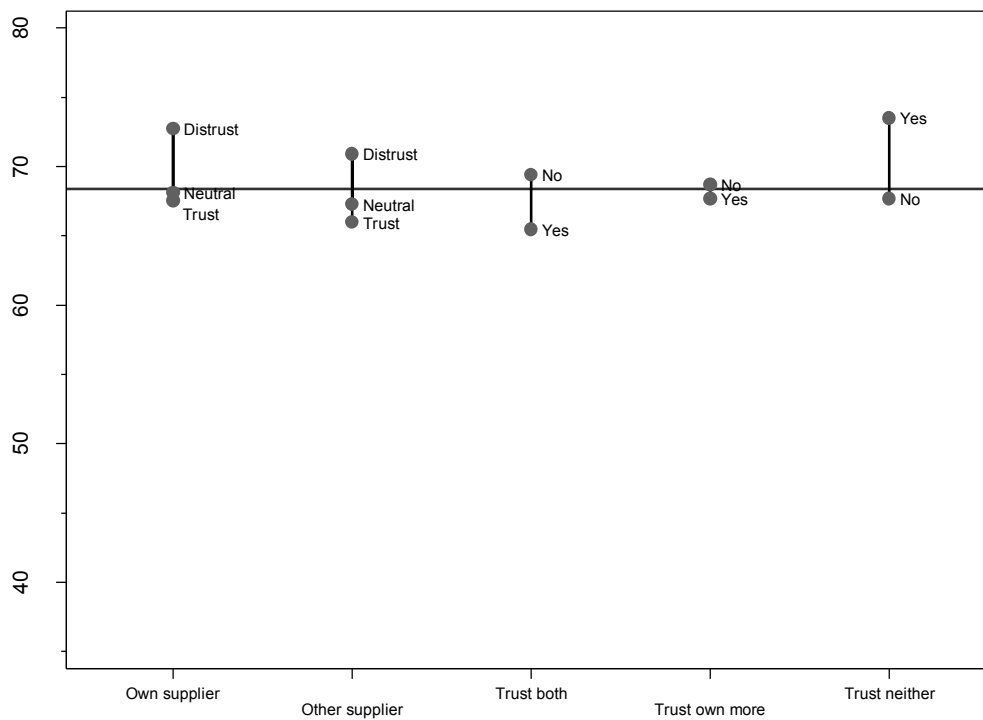
2. Bases (from left to right) = 6,962, 6,909, 6,950, 6,877, 6,917, 6,937.

258. We find that proportions are higher among those who: do not like to shop around for the best deals; agree they do not have time to shop around for the best deals; tend to stick with brands they like; are struggling financially; and tend to make decisions on impulse.

259. Figure 45 shows the proportion on an SVT by trust levels in energy companies. We do not find any material associations.⁵²

⁵² Those who distrust their supplier and both their own and other suppliers have a significantly lower rate of SVT usage in statistical terms, but the size of the difference is not material. .

Figure 45: Proportion of SVT usage by variables related to trust



Source: CMA analysis of survey data.

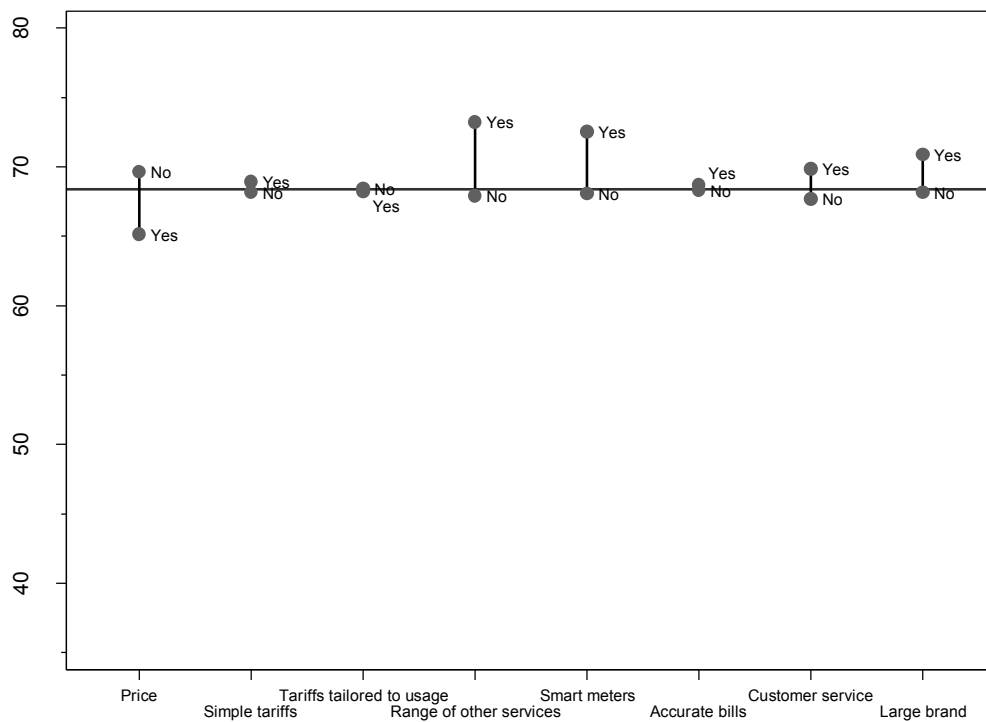
Notes:

1. See notes at Figure 6.

2. Bases (from left to right) = 6,917, 6,171, 6,999, 6,999, 6,999.

260. Figure 46 shows the proportions on an SVT by choice drivers. We do not find any material differences.

Figure 46: Proportion of SVT usage by factors considered essential in choosing a supplier



Source: CMA analysis of survey data.

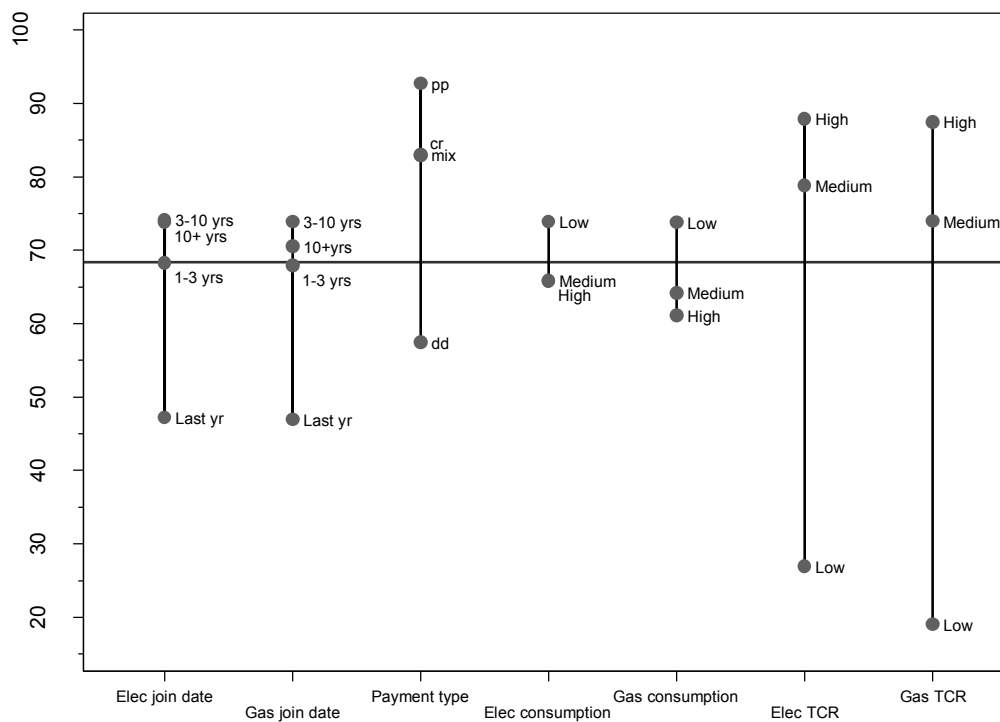
Notes:

1. See notes at Figure 7.
2. Base = 6,999 for all bars.

Supply characteristics

261. Figure 47 shows the proportion of respondents on SVTs against supply characteristics.

Figure 47: Proportion of SVT usage by supply characteristics



Source: CMA analysis of survey and supplier data.

Notes:

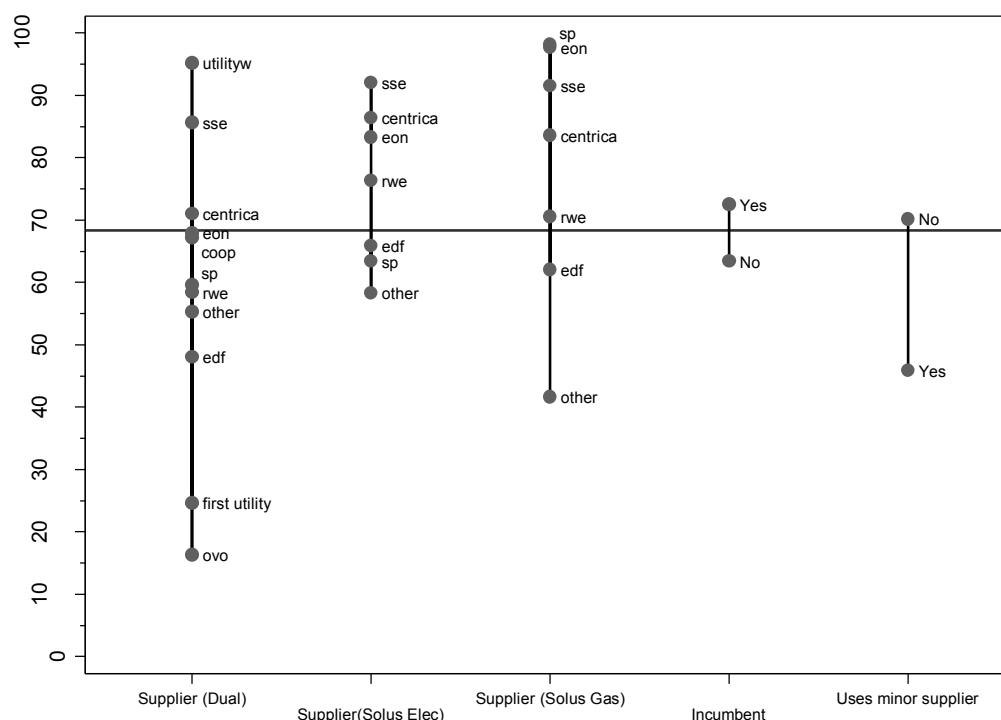
1. See notes at Figure 8 and Figure 9.

2. Bases (from left to right) = 6,640, 6,071, 6,894, 6,621, 6,066, 6,014, 5,978.

262. We find that the proportion is lower among those who: have joined their supplier in the last year; pay by direct debit; and have lower TCRs.

263. Figure 48 shows the proportion of respondents on a standard variable by supplier type.

Figure 48: Proportion of SVT usage by supplier and other supplier characteristics



Source: CMA analysis of survey data.

Notes:

1. Derived from data provided by suppliers and responses to questions to A7 and in section B of the questionnaire.
2. Bases (from left to right) = 5,894, 1,040, 440, 6,999, 6,999.

264. We find that the proportion is lower among those who are not with an incumbent supplier or not with one of the Six Large Energy Firms (for at least one fuel).

Comparison of results across England, Scotland and Wales

265. In this section we comment on how results for Scotland and Wales compare with England.⁵³

Key findings

266. Compared with respondents in England:

- (a) those in Scotland and/or Wales are less likely to have been active and engaged in the energy markets;

⁵³ Survey respondents were classified as being in England, Scotland or Wales based on supplier data provided to GfK. Where we refer to 'respondents in [country]', we note that [country] is where the respondent's energy is supplied.

- (b) respondents in Scotland and in Wales are less likely to be on a fixed-rate tariff but more likely to be with an incumbent supplier and to recommend their supplier to others; and
- (c) those in Wales are more likely to trust their own energy supplier; to be satisfied with their supplier; to be prepayment customers; and to have higher electricity TCRs.

267. We find few material, consistent differences between nations in results on: drivers of engagement and non-engagement; demographics; capability and confidence in searching and switching; and attitudes.

Distribution across England, Scotland and Wales

268. Overall, 86% of respondents have their energy supplied in England, 9% in Scotland and 5% in Wales.

Activity and engagement

269. We find that:

- (a) 40% of respondents in Scotland have never considered switching supplier compared with 33% in England;
- (b) 65% of respondents in Wales have never shopped around compared with 58% in England;
- (c) 63% of respondents in Scotland have never switched supplier compared with 55% in England; and
- (d) in both Scotland and Wales, 49% of respondents said they were unlikely to consider switching supplier in the next three years compared with 40% in England.

Trust and satisfaction⁵⁴

270. We find that:

- (a) in Wales, 71% of respondents trust their own energy supplier compared with 61% in England;

⁵⁴ For satisfaction and recommendation, we look at dual fuel customers only..

- (b) in Wales, 83% of respondents are satisfied with their energy supplier compared with 73% in England and 75% in Scotland (dual fuel customers only); and
- (c) in Scotland and Wales, 61% and 68%, respectively, of respondents would recommend their supplier compared with 56% in England (dual fuel customers only).

Energy supply

271. We find that:

- (a) in both Scotland and Wales, 29% of respondents have been with their electricity supplier for ten years or longer compared with 21% in England;
- (b) in Scotland and Wales, around 20% of respondents are on a fixed-rate tariff compared with 28% in England;
- (c) in Wales, 18% of respondents are prepayment customers compared with 11% in England;
- (d) in Scotland and Wales, 65% and 61%, respectively, of respondents are with an incumbent supplier (for at least one fuel) compared with 53% in England; and
- (e) in Wales, 73% of respondents fall into the 'high' TCR tercile for their electricity compared with 35% in England and 32% in Scotland. For gas, the picture was less marked.

Respondents with incumbent and independent suppliers

Key findings

272. We find that 55% of respondents are with an incumbent supplier (regional electricity incumbent/British Gas) for at least one fuel. These respondents are:
- (a) less likely to have considered switching; shopped around; ever switched supplier; switched in other markets or to consider switching in the next three years;
 - (b) more likely to think that switching is a hassle, and worry that things will go wrong if they switch; and
 - (c) more likely to have been with their supplier for ten years or more; be on an SVT; not pay by direct debit; and have higher TCRs.

273. We find that 7.5% of respondents are with an independent supplier (ie not one of the Six Large Energy Firms) for at least one fuel. These respondents are:
- (a) more likely to have considered switching; shopped around; ever switched supplier; switched in other markets; or to consider switching in the next three years;
 - (b) more likely to own a property (with a mortgage); have a degree-level qualification; be on a higher household income; be younger; but less likely to be registered on the PSR or to identify themselves as being a carer, having a disability and/or being a single parent/guardian;
 - (c) more confident in making the right decision if they switched; in finding/being on the right deals; in using the internet; and in using PCWs; and
 - (d) more likely to have been with their supplier only a short time; be on a fixed-rate tariff; pay by direct debit; and pay lower TCRs for their energy.

Regional electricity incumbents and British Gas

274. We find that 55% of respondents are with an incumbent supplier for at least one fuel.⁵⁵ 24% are with British Gas for their gas, 26% with the regional electricity incumbent for electricity and 5% are with an incumbent supplier for both fuels.
275. We do not find material differences, as a group, between those respondents who are with an incumbent supplier and those who are not in relation to the following: drivers of engagement and reasons for non-engagement; demographics or their confidence and capability in engaging with their energy supply.

Activity and engagement

276. We find that, of those respondents with an incumbent supplier (in each case the comparison is with those not with an incumbent):
- (a) 43% have never considered switching compared with 22%;
 - (b) 68% have never shopped around compared with 48%;
 - (c) 69% have never switched supplier compared with 41%;

⁵⁵ See Annex C for how we define 'with an incumbent supplier'

- (d) 49% have not switched in any other markets in the last three years compared with 35%; and
- (e) 50% are unlikely to consider switching in the next three years compared with 32%.

Attitudes

277. We find that, of those respondents who are with an incumbent supplier (in each case the comparison is with those not with an incumbent):
- (a) 62% said that switching is a hassle compared with 50%; and
 - (b) 56% worry things will go wrong if they switch compared with 42%.

Energy supply

278. We find that, of those respondents who are with an incumbent supplier (in each case the comparison is with those not with an incumbent):
- (a) 34% have been with their electricity supplier for 10 years or more compared with 9%;
 - (b) 26% have been with their gas supplier for 10 years or more compared with 8%;
 - (c) 73% are on an SVT compared with 63%;
 - (d) 54% pay by direct debit compared with 70%; and
 - (e) 63% fall into the highest tercile for gas TCR compared with 22%.

Independent suppliers

279. We find that 7.5% of respondents are with an independent supplier (ie not one of the Six Large Energy Firms) for one or both fuels⁵⁶. 97% of this group are either dual-fuel customers or only use electricity.
280. We do not find material differences, as a group, between those respondents who are with an independent supplier and those who are not in relation to their drivers of engagement and non-engagement.

⁵⁶ See Annex C for more detail.

Activity and engagement

281. We find that, of those respondents who are with an independent supplier (in each case the comparison is with those not with an independent supplier):
- (a) 93% have ever considered switching supplier compared with 64%;
 - (b) 74% have ever shopped around compared with 39%;
 - (c) 83% have ever switched supplier compared with 41%;
 - (d) 37% have switched in more than one other market compared with 18%;
and
 - (e) 62% are likely to consider switching in the next three years compared with 43%.

Demographics

282. We find that, of those respondents who are with an independent supplier (in each case the comparison is with those not with an independent supplier):
- (a) 40% are aged 18 to 44 compared with 35%, while 24% are aged 65 and over compared with 30%;
 - (b) 45% own their property (with a mortgage) compared with 29%;
 - (c) 53% have a degree compared with 38%;
 - (d) 32% report gross household income of £36,000 a year or more compared with 22%;
 - (e) 2% are registered on the PSR compared with 14%; and
 - (f) 22% identify themselves as being a carer, having a disability and/or being a single parent/guardian compared with 31%.

Confidence and capability

283. We find that, of those respondents who are with an independent supplier (in each case the comparison is with those not with an independent supplier):
- (a) 85% are confident they would make the right decision if they wanted to switch supplier compared with 69%;

- (b) 79% are confident they are already on the right deal for them compared with 62%, and 71% said they would find it easy to find the right deal if they wanted to switch in the next three years compared with 57%; and
- (c) of those who have internet access:
 - (i) 90% are confident in using the internet (to search for information about suppliers of products and services generally) compared with 68%; and
 - (ii) 74% are confident they would be able to get the right deal for their energy using a PCW compared with 53%.

Attitudes, trust and satisfaction⁵⁷

284. We find that, of those respondents who are with an independent supplier (in each case the comparison is with those not with an independent supplier):
- (a) 84% said that they take an active interest in their energy compared with 67%;
 - (b) 70% disagree there are 'no real differences between suppliers' compared with 37%;
 - (c) 61% disagree that switching is a hassle compared with 31%; and
 - (d) 63% disagree they 'worry that things will go wrong if they switch' compared with 38%.
285. We find no material differences in relation to levels of trust in energy suppliers or other organisations.
286. We also find that, of those respondents with an independent supplier: 72% said they would recommend their supplier compared with 56% of those not with an independent (dual fuel only).

Energy supply

287. We find that, of those respondents with an independent supplier (in each case the comparison is with those not with an independent supplier):
- (a) 54% have been with their electricity supplier for less than a year compared with 16% (56% compared with 18% for gas);

⁵⁷ For satisfaction and recommendation, we look at dual fuel customers only.

- (b) 52% are on a fixed-rate tariff compared with 25%;
- (c) 86% pay by direct debit compared with 59%; less than 2% are prepayment customers compared with 13%; and
- (d) 55% are in the lowest tercile for electricity TCR compared with 25% (65% compared with 21% for gas).

Trust

288. We find that respondents have a more positive view of their own energy company than other energy companies or other comparators. In particular:
- (a) 62% trust their own supplier, 21% neither trust nor distrust their own supplier and 16% distrust their own supplier; and
 - (b) 27% trust other suppliers, 34% neither trust nor distrust other suppliers and 26% do not trust other energy suppliers. The remaining 13% did not know.
289. We do not find consistent evidence to suggest that those with higher levels of trust in their own and other suppliers are more active and engaged. We find that those who trust their own suppliers are more likely to have not considered switching in the past and less likely to consider switching supplier in the next three years. We also find they are more confident that they are on the right deal for them, more confident in their ability to shop around and switch suppliers, and more likely to cite satisfaction with their existing tariff as a reason for not engaging in the energy markets.
290. Neither the CMA survey nor other studies by Ofgem or DECC suggest levels of trust in their energy are low in absolute terms or compared with other sectors. However, survey respondents appear relatively less trustful that suppliers will provide them with a fair deal or alert them to the best tariff for them.

Table 26: Trust in organisations to treat you in a fair or honest way

	%					
	<i>Trust strongly</i>	<i>Tend to trust</i>	<i>Neither/ nor</i>	<i>Tend to distrust</i>	<i>Distrust strongly</i>	<i>Do not know</i>
Own company/companies	21	41	21	10	6	1
Other energy companies	3	24	34	18	8	13
Local authority	17	39	21	10	10	2
Banks offering current accounts	17	35	24	12	8	4
Car insurance	12	32	21	14	6	14
Mobile phone network providers	12	31	26	15	8	8

Source: CMA analysis of survey data.

Notes:

1. Based on question I4.

2. Base = 6,999.

291. We find that:

- (a) more respondents trust strongly or tend to trust their own energy company than they do other energy companies and other comparators;
- (b) fewer respondents distrust their own energy organisation than they do other energy companies and other comparators; and
- (c) nearly half of the respondents neither trust nor distrust or do not know if they trust other energy companies. The rest of the respondents are close to evenly split between trust and distrusting other energy companies.⁵⁸

292. The following paragraphs collate some of the observations made on trust elsewhere in this appendix.

Engagement

293. Generally, there is no significant difference in switching (in the last year, three years or ever) by trust in own or other suppliers,⁵⁹ but there is an association between a respondents' trust in their own supplier and other metrics of engagement. In particular:

- (a) 68% of those who distrust their own energy company are likely to consider switching their supplier in the next three years, compared with 46% of all respondents;

⁵⁸ There is no statistically significant difference between the proportion of respondents who trust and do not trust other energy suppliers.

⁵⁹ There is a statistically significant but minor difference in the switching rate in the last three years between those who trust both their own energy company and other energy companies (30%) and those who do not trust both their own energy company and other energy companies (24%).

- (b) 32% of those who trust their own supplier more than other suppliers said that they are likely to consider switching supplier in the next three years compared with 46% of all respondents; and
- (c) 34% of those who trust their own energy supplier have never considered switching supplier compared with 22% of those who are neutral towards their supplier and 16% of those who distrust their supplier.

Confidence

294. Trust is positively associated with confidence in being on the right energy deal. Whereas only 33% of all respondents are not confident they are on the right energy deal for them, 74% of those who distrust their own energy company, 44% of respondents who distrust other energy companies and 74% of respondents who distrust their own and other energy suppliers are not confident they are on the right deal.
295. Levels of trust are positively associated with confidence in the respondents' ability to find the right deal, make the right decision if they wanted to switch and confidence in using PCWs. In particular:
- (a) 52% of respondents who distrust their own energy company said they would find it difficult to find the right energy deal compared with 31% of all respondents;
 - (b) 54% of respondents who distrust their own and other energy companies said they would find it difficult to find the right energy deal compared with 31% of all respondents;
 - (c) 51% of respondents who distrust their own and other energy companies are not confident they would make the right switching decision compared with 29% of all respondents; and
 - (d) 70% of respondents who trust their own supplier are confident using PCWs compared to 55% of all respondents.
296. In other sections of the appendix we have found that variables tend to be positively associated with both measures of engagement and variables related to confidence. We note this is not the case for variables related to trust.

Drivers of non-engagement

297. Respondents who have not engaged and cited satisfaction with their existing tariff as a reason are more likely to trust their supplier. In particular:

(a) Of those who never considered switching supplier:

- (i) 48% of those who trust their supplier cited satisfaction with their existing tariff as a reason compared with 14% of those who trust neither their own nor other suppliers;
- (ii) 48% of those who never considered switching supplier, cited satisfaction with their existing tariff compared with 14% of those who trust neither their own nor other suppliers.

(b) Of those who are unlikely to consider switching tariff in the next three years, 50% of those who trust their supplier cited satisfaction with their existing tariff compared with 19% of those who trust neither their own nor other suppliers.

Other surveys

Table 27: Ofgem RMR baseline survey – questions on trust in own supplier

	%					
<i>Trust in own supplier</i>	<i>Trust completely</i>	<i>Tend to trust</i>	<i>Neither/ nor</i>	<i>Tend to distrust</i>	<i>Strongly distrust</i>	<i>Do not know</i>
to treat you fairly in their dealings with you	16	46	21	10	4	3
to provide you with clear and helpful information	18	47	18	10	5	2
to charge you a fair price	14	37	22	15	8	4

Source: Section 4, Retail Market Review Baseline Survey, report prepared for Ofgem by TNS, July 2014.

Table 28: Ofgem RMR baseline survey – questions on trust in organisations

	%					
<i>Trust or distrust the following to be fair in the way they deal with customers or citizens</i>	<i>Trust completely</i>	<i>Tend to trust</i>	<i>Neither/ nor</i>	<i>Tend to distrust</i>	<i>Strongly distrust</i>	<i>Do not know</i>
NHS doctors	32	51	8	6	2	1
Police	21	51	13	8	5	2
Water suppliers	11	52	20	10	4	3
Banks	10	43	17	17	11	2
Landline phone providers	7	44	23	15	6	5
Energy suppliers in general	5	38	26	21	8	2
Mobile phone providers	5	35	25	19	8	8
Insurance companies	4	32	23	24	13	4
Estate agents	2	19	28	21	14	16
Politicians	2	9	19	28	40	2

Source: Section 4, Retail Market Review Baseline Survey, report prepared for Ofgem by TNS, July 2014.

Notes: Base = 6,151.

298. The Ofgem RMR baseline survey asked respondents three questions on trust of their own supplier(s). 62% of respondents trust their supplier to treat them fairly, 65% trust their supplier to provide them with clear and helpful information and 51% trust their supplier to charge them a fair price. The reported levels of trust are consistent with our results.

299. Ofgem also asked respondents to consider how much they trust energy suppliers in general to be fair in the way they deal with customers compared with service providers in other markets or the public sector. This included a wider range of comparators than our own survey. They found energy companies to be at neither the high nor low end of responses.

Table 29: DECC – public attitudes tracker

	%					
<i>Trust in energy supplier to</i>	<i>A lot</i>	<i>A fair amount</i>	<i>Not very much</i>	<i>Not at all</i>	<i>Do not know</i>	<i>Not applicable</i>
Give customers a fair deal	11	43	27	12	4	2
Provide you with a bill which accurately reflects the energy you have used	16	53	18	7	4	2
Provide a breakdown of the components of your bill	16	51	19	7	4	2
Inform you about the best tariff for you	12	41	26	15	3	2
Improve your home to make it more energy efficient, if you paid them to do this	8	42	27	12	7	4
Provide impartial and accurate advice on energy efficiency measures	10	46	25	11	5	2

Source: Q18, Public attitudes tracking survey: wave 12, DECC, February 2015.

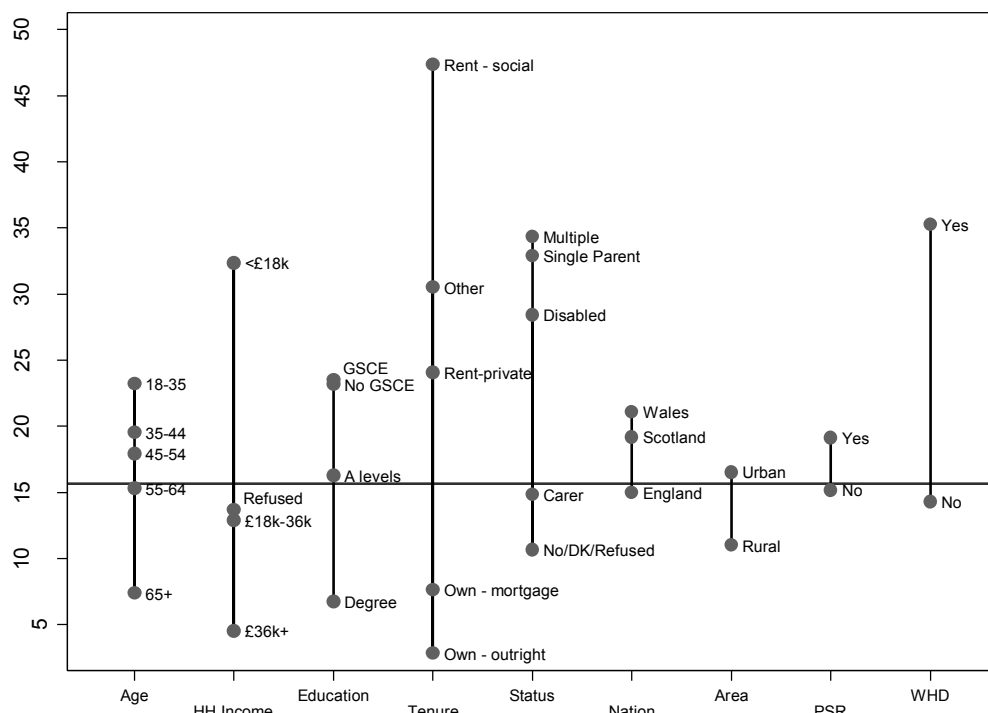
Note: Base = 2,119.

300. DECC asked respondents about how much they trusted their energy supplier in a number of respects. 54% of respondents trusted their supplier to give them a fair deal, 69% trusted their supplier to provide accurate bills, 67% trusted their supplier to provide a breakdown within their bills, 53% trusted their supplier to inform them about the best tariff for them. Again, the reported levels of trust are consistent with our results.
301. In both the Ofgem and DECC surveys, respondents' trust was lowest in their supplier giving them a fair deal or alerting them to the best tariff for them respectively.

Further analysis

Association between demographics and prepayment

Figure 49: Proportion of customers who prepay for at least one fuel by demographics



Source: CMA analysis of survey data.

Notes:

1. Payment type info based on supplier data. See also notes in Figure 2.

2. Base = 6,999 except for age (6,901), education (6,665), area (6,976), PSR (6,990) and Warm Home Discount Scheme (6,990).

302. Figure 49 shows 16% of all respondents prepay for either gas or electricity or both. There are clear patterns between respondents' demographics and their likelihood of falling into this category. We find the proportion is highest among those respondents:

- (a) aged 18 to 35 (23%);
- (b) with household incomes below £18,000 a year (32%);
- (c) whose highest qualification is a GSCE (24%) or below (23%);
- (d) living in rented social housing (47%);

- (e) who are single parents/guardians (36%);⁶⁰
- (f) who are disabled (29%);⁶¹
- (g) that fall into more than one of the following categories: disabled, single parent/guardians or carers (34%); and
- (h) who are on the Warm Home Discount Scheme (35%).

303. We find the proportion is lowest among those respondents:

- (a) aged 65 and over (7%);
- (b) with household incomes over £36,000 a year (5%);
- (c) have been educated to at least degree level (7%); and
- (d) who own their home outright (3%) or have a mortgage (8%).

Associations between attitudes and customer characteristics

304. We asked respondents questions to understand their attitudes towards energy. We find that:

- (a) 70% of respondents said that they take an active interest in their energy usage and expenditure;
- (b) 48% of respondents agree that there are no real price differences between suppliers;
- (c) 57% of respondents agree switching is a hassle they do not have time for; and
- (d) 51% of the respondents agree that they worry switching will go wrong.

305. We also asked questions to discriminate between respondents in terms of their general attitudes towards shopping around, switching and decision making. We find that:

- (a) 80% of respondents like to shop around for the best deal;

⁶⁰ This includes customers who are also either disabled or carers. Figure 49 includes these respondents separately in the 'multiple' category.

⁶¹ This includes customers who are also either single parents/guardians or carers. Figure 49 includes these respondents separately in the 'multiple' category.

- (b) 41% of respondents do not have time to shop around for the very best deals;
 - (c) 76% of respondents agree that they stick with brands they like;
 - (d) 40% of respondents are struggling financially;
 - (e) 62% of respondents consider the effect on the environment when making decisions; and
 - (f) 27% of respondents often make a decision on impulse.
306. We looked at the relationship between demographics and respondent attitudes. We find respondents with certain characteristics who share the same attitudes. In particular respondents with no qualifications, aged 65 and over, with a disability and/or registered on the PSR are also more likely to agree there are no real price differences between suppliers and more likely to agree they worry switching will go wrong. Results supporting these findings are set out in Annex A.
307. We find that these are the same respondents who are more likely to have never considered switching and less likely to have; shopped around in the last three years, switched supplier in the last three years and are less likely to switch in the next three years.

Annex A: Further detail on associations between attitudes and characteristics

Energy related attitudes

1. 70% of respondents agree that they take an active interest in their energy usage and expenditure. We find the following differences:
 - (a) Customers who live in privately rented housing are less likely to agree (62%).
 - (b) 18 to 35 year olds are less likely to agree (61%), while customers aged 65 and over are more likely to agree (74%).
 - (c) Single parents/guardians are less likely to agree (62%).
2. 48% of respondents agree that there are no real price differences between suppliers. We find the following differences:
 - (a) Customers with mortgages are less likely to agree (44%).
 - (b) Customers with degrees (44%) are less likely to agree while customers with no qualifications are more likely to agree (57%).
 - (c) Customers with household incomes above £36,000 a year are less likely to agree (43%).
 - (d) Customers aged 18 to 35 are less likely to agree (39%) while customers aged 55 to 64 and 65 and over are more likely to agree (53% and 55% respectively).
 - (e) Customers with a long-term physical, sensory or mental impairment are more likely to agree (55%).
 - (f) Customers registered on the PSR are more likely to agree (57%).
3. 57% of customers agree switching is a hassle they do not have time for. We find the following differences:
 - (a) Customers with mortgages are less likely to agree (53%)
4. 51% of respondents agree that they worry switching will go wrong. We find the following differences:
 - (a) Customers with mortgages are less likely to agree (45%) and customers who live in social rented housing are more likely to agree (64%).

- (b) Customers with degrees (42%) are less likely to agree while customers educated to GCSE level and customers with no qualifications are more likely to agree (56% and 62% respectively).
- (c) Customers with household incomes under £18,000 a year are more likely to agree (61%), while customers with household incomes above £36,000 a year are less likely to agree (39%).
- (d) Customers aged 65 and over are more likely to agree (56%).
- (e) Customers with a long-term physical, sensory or mental impairment are more likely to agree (62%).
- (f) Customers registered on the PSR are more likely to agree (60%).

General attitudes

5. 80% of respondents agree that they like to shop around for the best deal. We find the following differences:
 - (a) Respondents who own their homes outright are less likely to agree (77%), while respondents with mortgages are more likely to agree (85%).
 - (b) Respondents aged 18 to 44 are more likely to agree (85%), while respondents aged 65 and over are less likely to agree (75%).
 - (c) Respondents with a long-term physical, sensory or mental impairment are less likely to agree (75%).
6. 41% of respondents agree that they do not have time to shop around for the very best deals. We find that respondents with no qualifications are more likely to agree (47%).
7. 76% of respondents agree that they stick with brands they like. We find the following differences:
 - (a) Respondents with no qualifications are more likely to agree (83%).
 - (b) Respondents aged 65 and over are more likely to agree (82%).
8. 40% of respondents agree that they are struggling financially. We find the following differences:
 - (a) Respondents who own their own homes outright (26%) and respondents with mortgages (34%) are less likely to agree, while respondents who live

- in privately rented housing (49%) and social rented housing (68%) are more likely to agree.
- (b) Respondents with degrees are less likely to agree (28%), while respondents educated to GCSE level and with no qualifications are more likely to agree (49%).
 - (c) Respondents with household incomes under £18,000 a year are more likely to agree (64%), while respondents with household incomes above £36,000 a year are less likely to agree (18%).
 - (d) Respondents aged 65 and over are less likely to agree (35%).
 - (e) Respondents with a long-term physical, sensory or mental impairment (59%) and single parents/guardians (54%) are more likely to agree.
 - (f) Respondents registered on the PSR are more likely to agree (50%).
9. 62% of respondents agree that they consider the effect on the environment when making decisions. We find the following differences:
- (a) Respondents who own their own homes outright (66%) are more likely to agree, while respondents with mortgages (57%) are less likely to agree.
 - (b) 18 to 35 year-olds are less likely to agree (51%), while respondents aged 65 and over are more likely to agree (68%).
 - (c) Respondents registered on the PSR are more likely to agree (68%).
10. 27% of respondents agree that they often make a decision on impulse. We find the following differences:
- (a) Respondents who own their own homes outright (21%) and respondents with mortgages (24%) are less likely to agree, while respondents who live in private rented housing (34%) and respondents who live in social rented housing (41%) are more likely to agree.
 - (b) Respondents with degrees are less likely to agree (20%), while respondents with no qualifications are more likely to agree (35%).
 - (c) Respondents with household incomes under £18,000 a year are more likely to agree (39%), while respondents with household incomes of £18,000 to £35,999 a year are less likely to agree (23%).
 - (d) Respondents aged 18 to 35 are more likely to agree (34%).

- (e) Respondents with a long-term physical, sensory or mental impairment (34%) and single parents/guardians (37%) are more likely to agree.

Annex B: CMA background and commentary on the survey

1. In this annex we provide technical information in relation to the following: survey and questionnaire design; the conduct of the survey and the robustness of the results.
2. In summary, the CMA worked closely with GfK NOP Ltd in the design of the survey and questionnaire and monitored the conduct of the survey. The main parties and other parties to the inquiry were given an opportunity to comment on a draft questionnaire and all responses were considered in finalising the questionnaire. It is our view that the customer survey was undertaken to a high standard and that the results, including the results contained within the GfK report and tables,⁶² can be used to make inferences about the conduct, preferences and attitudes of domestic energy customers in Great Britain.

Research objectives

3. The survey was commissioned to inform our understanding of the searching and switching behaviour of domestic customers, the drivers of this behaviour and how these vary across customer groups.
4. A review of relevant existing surveys and literature was conducted in advance of scoping the specific aims of the customer survey, including identifying gaps in the available evidence and areas where we wanted to collect up-to-date evidence, and this informed the research objectives and questionnaire design.

Questionnaire design and development

5. We consider that the process of customers engaging in the energy markets can be typically characterised as having four stages: awareness of being able to switch tariff or supplier; consideration of this; shopping around; and switching tariff or supplier. Customers who start the process can drop out of it at any stage or by-pass a stage, such as switching tariff or supplier without shopping around. The questionnaire is structured with this customer engagement process in mind. We ask about whether respondents have ever: switched tariff (or considered doing so); considered switching supplier; shopped around; switched supplier (including supplier approaches), as well as their consideration of switching in the next three years.
6. For the section of the questionnaire on shopping around and switching, we asked about behaviours over the last three years only. We consider that this

⁶² [GfK NOP customer survey report](#) .

period is short enough to enable respondents to recall the details of their engagement activity with reasonable accuracy, while being long enough to capture respondents who are active in the energy markets.

7. The draft questionnaire went through a process of in-depth cognitive interviews, was piloted and went through a succession of iterations. It was designed to ask clear and unambiguous questions and to cover the key areas of interest but keep the average interview time to 20 minutes. We were closely involved in the questionnaire development throughout.
8. The Six Large Energy Firms, mid-tier suppliers and Ofgem were given an opportunity to comment on a draft questionnaire. Their comments, together with feedback from the cognitive testing and pilot study, were carefully considered and resulted in a number of changes to the questionnaire. Where, following publication of the GfK report and the data room, the main parties have repeated substantive comments on the technical aspects of the survey or made new ones we address these below. The final questionnaire is included within the GfK technical report.⁶³

Statistical design

9. We achieved our target of 7,000 interviews (6,999 interviews were eligible to be included in the survey dataset).⁶⁴ We considered that an achieved sample of this size was required to: (a) ensure the statistical robustness of the results across sub-groups of interest and for questions only asked of subsets of interviewees and (b) keep the risk of missing true differences between groups⁶⁵ to acceptable levels.
10. The population of interest is domestic customers for energy (mains electricity and/or mains gas) in Great Britain. For the purposes of the survey, we sought to interview those who are decision-makers (jointly or solely) for energy supply and usage at their primary residence.
11. We surveyed customers of the Six Large Energy Firms and the four largest independent suppliers in terms of market share (ie Co-op Energy, First Utility, Ovo Energy and Utility Warehouse). Together, these ten companies accounted for about 98% of all retail domestic energy customers at the time the survey was being designed.

⁶³ [GfK NOP technical report](#).

⁶⁴ A total of 7,001 interviews were conducted, but two respondents decided after being interviewed that they did not wish their answers to be kept, so they were removed from the data before analysis.

⁶⁵ Type II errors in statistical terms. Where a Type II error is denoted by β , the power is equal to $1-\beta$ and, other things being equal, the larger the sample size, the greater the power of a statistical test of significance.

12. We asked the suppliers to provide a complete list of all current customers to GfK; this formed the sampling frame used to select the sample. A sample of 105,000 was selected to be reasonably sure that the 7,000 interviews would be achieved, based on anticipated response rates.
13. The sample design used random probability sampling stratified by supplier, region,⁶⁶ and fuel type so that the sample could be considered representative of the population. The strata were over or under sampled relative to the combined sampling frame proportions to ensure that the achieved sample would contain sufficient numbers of respondents in each region and for each of the Six Large Energy Firms and the independent suppliers as a group.

Response rate and weighting⁶⁷

14. The 6,999 interviews represent a response rate of 9.8%; a detailed breakdown of outcomes for the eligible sample is provided in the GfK technical report. Non-response introduces bias if there are differences across possible respondents in both the answers they give (or would give) and their likelihood of responding to the survey. We used non-response weighting (derived from data provided by suppliers) to mitigate for bias introduced in this way and so are confident that our survey results are robust notwithstanding the level of response.
15. The survey results in the GfK report and its published tabulations, and in this appendix are weighted. That is, the number or proportion of respondents reported as giving a particular response is adjusted to take account of:
 - (a) the survey design, which intentionally sampled differentially across the strata as described above; and
 - (b) that the achieved sample was not representative of the population on certain measures.
16. The approach taken to weighting is set out in detail in the GfK technical report.

Supplier data

17. In addition to the customer data from suppliers required for sampling purposes and for contacting potential respondents, we subsequently asked

⁶⁶ The 14 PES regions identifying the historical electricity monopolies.

⁶⁷ For more details, see the [GfK technical report](#).

suppliers to provide further information for the full drawn sample. Details of the data requested at each stage are set out in the GfK technical report.

18. Our analysis benefits from having the supplier data in the following ways:
 - (a) We are able to derive cross-breaks not available from the survey data (such as payment method and level of energy consumption).
 - (b) We are able to use the data to estimate the gains from switching for survey respondents using the methodology developed in the gains from switching work stream.
 - (c) Data for both respondents and non-respondents were used to estimate response propensity and calculate weights to compensate for response bias.
 - (d) We are able to compare stated response to survey questions with supplier data to assess interviewee understanding and/or how well specific questions have worked (see next section below).
19. The specification of the data requests was agreed in consultation with suppliers. We worked closely with GfK and suppliers to ensure the quality of the data provided.

Our view on specific questions/results

20. We consider that the questionnaire worked well overall. Comments on selected questions and results are provided below.

Respondents' ability to correctly recall their tariff type

21. Respondents were asked if they were on a fixed-rate tariff for one or both fuels.⁶⁸ We could test their ability to correctly identify their tariff by combining responses with supplier data.
22. We note that, unlike in the main body of this appendix, here we present the unweighted results as our interest is in the level of consistency between respondent answers and supplier data rather than in an estimate of a population parameter. We find that over 80% of those on fixed-rate tariffs (from supplier data) identified this in response to the question, whereas less than half of those on variable-rate tariffs did so. Overall under 60% gave an

⁶⁸ Question B13 on the GfK questionnaire.

answer consistent with the supplier data ('do not know' answers, of which there were 16%, are included with those not identifying their tariff).

23. The questionnaire describes what is meant by a fixed-rate tariff and interviewers were briefed to clarify in cases where respondents appeared to be confused (for example, between fixed-rate tariffs and fixed direct debit amounts).
24. In the analysis of survey results we used supplier' data for cross-breaks by tariff type.

Minimum savings needed to switch

25. Respondents were asked what would be the minimum amount of money they would have to save to encourage them to switch supplier.⁶⁹ Savings could be provided in £/month or £/year and interviewer checks were built in where answers were higher than a cut-off point of £100/month or £1,200/year. A quarter of respondents were unable to answer the question, which is not surprising for a hypothetical question asking about monetary amounts. For those who did answer, 40% said £200/year or more, with 20% saying £250 and more.
26. Based on the proportion of respondents who did not answer this, we consider that this was a question that respondents struggled with and that results should be treated with some caution.

Household income

27. We also asked about household income, with answers accepted annually, weekly or monthly to help the respondent.⁷⁰ Just over a third of interviewees refused to answer. We also expect, based on experience with other surveys, that those who responded will not necessarily have been able to accurately give the gross income for their household. We therefore assigned respondents to broad income groups plus 'refused/do not know' to reduce the effect of this. Where results are broken down by income group we typically do not exclude the 'refused/do not know' group, as we do not have sufficient information to make an assumption about either their true distribution or that their exclusion would not materially change the results.

⁶⁹ Question F5 on the GfK questionnaire.

⁷⁰ Question K6 on the GfK questionnaire.

Recall on active switching

28. 23% of respondents on fixed-rate tariffs said that they have never switched supplier or made an active decision to change tariff with their existing supplier. This is contrary to an expectation that most customers on fixed-rate tariffs will have either made an active decision to switch tariff with their existing supplier or to switch supplier.
29. We consider that possible explanations for this result are: that these respondents arrived on fixed-rate tariffs by other means (in particular, 31% of respondents said that they had been approached by their existing supplier suggesting they change tariff and respondents might agree a move to fixed-rate tariffs during telephone calls related to other matters); that they are not recalling past behaviour correctly; or that some are taking energy for the first time having joined relatively recently and straight onto a fixed-rate tariff. We note there is a similar result in the Ofgem RMR baseline survey. Specifically, 26% of those who have fixed-rate tariffs have never switched supplier and never switched tariff with their existing supplier. Ofgem said 'self-reported switching levels from surveys are consistently lower than meter point switching data from other sources' and 'consumer recall is one part of the reason for this'.

Satisfaction with supplier(s) and levels of trust

30. For questions relating to satisfaction and trust, we consider that the overall levels reported may reflect a well-known tendency for respondents to provide positive responses to such questions. We consider that differences in responses between respondent groups and associations with engagement and activity more generally are nonetheless of interest. We also asked about respondents' recommendation of their supplier(s), in favour or against, to complement the results for satisfaction and about levels of trust in other energy suppliers and other organisations to provide perspective.

Further detail on linking gains from switching analysis with survey data

31. The gains available to survey respondents from switching payment method, tariff and/or supplier were estimated using the same model developed for the gains from switching work stream. Respondents' own consumption levels rather than those of 'representative' customers were used in the calculations.
32. However, a number of assumptions and adaptations were needed to combine the survey data with the model. In particular:

- (a) combining Q2 2014 (June) prices from the gains model with customer data collected from suppliers in October 2014;⁷¹
 - (b) estimating the split between day and night usage for Economy 7 customers on the basis of supplier-region level estimates provided to the CMA; and
 - (c) customers who are not with one of the Six Large Energy Firms are allowed to switch to any supplier under scenarios in which customers of the Six Large Energy Firms are restricted to their own supplier.
33. Overall we were able to estimate gains available under various scenarios for about 80% of respondents.⁷² A number of respondents were excluded from this analysis to simplify the modelling or because their inclusion in the analysis would make the results less interpretable (eg respondents with smart meters). In particular we excluded respondents:
- (a) with smart meters;
 - (b) with more than two unit rates;
 - (c) with more than one unit rate and those without a multi-rate meter;
 - (d) with non-standard meters;
 - (e) with extremely low or high levels of consumption or expenditure;
 - (f) for whom we have only partial customer records;
 - (g) who have non-standard payment methods or tariffs;
 - (h) who changed provider between when we received customer records from suppliers and when fieldwork was conducted⁷³; and
 - (i) who have a mix of payment methods, contract lengths or tariffs.
34. Note, unlike the main gains from switching analysis, we include customers of Ovo Energy, First Utility, Co-op Energy and Utility Warehouse.

⁷¹ We note that SVT prices did not change in this period, and so most respondents will have faced the same prices in both June and October 2014.

⁷² Includes dual fuel, single fuel electricity and single fuel gas. Only dual fuel is analysed in this appendix.

⁷³ We note E.ON said they have had concerns about the modifications and the validity of assuming that respondents were on the same tariff with the same supplier in June and October 2014. We believe that this assumption is unlikely to materially impact our findings given our exclusion of customers who changed provider. See also footnote 71.

Response to technical issues raised by the parties or their advisers

35. This section addresses comments about the technical robustness of the customer survey made following publication of the GfK report and tables and the additional data made available in the disclosure room held from 9 to 20 March 2015. It does not address comments about the GfK outputs themselves.
36. Comments were received from the following parties and/or their advisers: Centrica; EDF Energy; Ofgem; and RWE npower.

Summary of technical issues raised

37. The comments fall into the following broad categories:
- (a) The survey reflects a narrow view of customer engagement and limits comparability across wider measures; it may not be picking up all types of switches.
 - (b) The framing/wording of certain questions will bias responses or place a high cognitive burden on respondents.
 - (c) Our results are not comparable with other surveys in certain respects.
 - (d) The survey over or under represents certain types of customers.

The survey reflects a narrow view of customer engagement and limits comparability across wider measures; it may not be picking up all types of switches

38. RWE's advisers said that the survey takes a narrow view of switching between tariffs with existing supplier and that the questionnaire design did not allow for capturing wider measures of switching (for example switching tariff and/or switching supplier) over a three-year period. They also said taking the narrow view of switching, focusing only on switching supplier, therefore materially understates the level of real customer engagement in the long term. RWE also noted that there is a question of whether the magnitude of understatement will differ significantly if we consider solely consumer behaviour in the last three years.⁷⁴
39. CMA response: In the survey we asked respondents about their awareness of the ability to switch tariff and/or supplier, and we asked whether they had switched tariff. We gave careful consideration to all comments received on the draft survey design and questionnaire, in light of the objectives of our

⁷⁴ []

research, but did not accept them all. In this appendix we report results across a range of measures of engagement, including switching tariff with existing supplier.

40. Centrica said that supplier-provided data on switching indicated that the survey might not be capturing all types of switches. It suggested, based on the differences seen between survey responses and supplier data on switching, that not capturing switches at house moves could be a factor, as could lack of recall or changes of responsibility for energy bills within the household among those who have lived in their property for five years or more.
41. CMA response: We do not consider that the supplier data on customer joining dates and switching are of adequate quality to justify basing results about levels of switching on these variables. There is considerable inconsistency between suppliers in the completeness and quality and, for internal switching, whether or not they were able to separately identify tariff switches which were proactive on the part of the customer.
42. Our analysis focuses on respondent-reported switching behaviours, while recognising that respondent recall is likely to be less accurate over longer time periods (which is one of the reasons why in the questionnaire we have concentrated on a period of three years for our detailed examination of shopping and switching).

Framing/wording of particular questions

43. RWE said that the survey asked a number of leading questions. For example, 'switching is a hassle I do not have time for' and other attitudinal questions. It went on to say that questions of this type could be subject to/lead to acquiescence bias.
44. CMA response: The wording of the questions on respondent attitudes was carefully considered to enable us to discriminate between respondents in terms of their general attitudes towards shopping around, switching and decision making, taking into account comparability with related surveys and the experience of GfK in this field. We asked open questions on reasons for stated behaviours.
45. RWE said that some survey questions placed an unreasonably high cognitive burden on respondents. It referred, for example, to the question asking if respondents were confident they were on the right deal.
46. The wording of all questions was carefully considered and deliberately chosen to take into account the aims of the research, comparability with related

surveys and the experience of GfK in this field. We recognise that some questions impose a higher cognitive burden on respondents than others, but we sought feedback from the cognitive interviews and pilot survey and do not consider this to be unreasonably high nor that it undermines the value of the results.

Comparability with results from other surveys

47. Ofgem said that, while our results are broadly comparable with other survey evidence such as that commissioned by Ofgem, there were differences, notably:
- (a) reported levels of trust in the energy sector are lower in the CMA survey, and PCW use is higher in the CMA survey; and
 - (b) the CMA survey finds that only 44% of respondents have ever switched, as compared with 60% from the RMR baseline survey. Ofgem also noted that this type of long-term recollection question can be unreliable.
48. CMA response:
- (a) As noted by Ofgem, there are differences between the surveys. In particular: in the way questions are worded; in the timescales used for asking about some respondents' behaviours and the survey design and weighting. It is therefore not expected that the results will be entirely comparable.
 - (b) The results from the 2014 Ofgem tracking survey for those who have ever switched supplier are close to the CMA figure of 44% (42% say they have ever switched gas supplier and 39% electricity supplier). Also that over a shorter period, the percentage switching supplier is similar for the Ofgem RMR baseline survey (at 14%) and the CMA survey (13%).

The survey over or under represents certain types of customers

49. RWE said that some customers who were relatively more likely to have engaged with the energy markets appeared to be under-represented among the respondents who were interviewed and the weighting methodology had not sufficiently compensated for this under-inclusion. It specifically suggested that higher income households appeared to be under-represented and that according to the survey evidence, higher income households appeared to be more engaged in the energy markets. It said there was therefore a risk that estimated levels of switching would be below the true level of switching.

50. CMA response: We consider that our survey was designed and weighted to be representative of the population of interest; details are provided in the GfK technical report and were made available in the data room. We considered but rejected using income as a variable in the post-stratification weighting as: (a) it is only available for the survey respondents; and (b) about a third of respondents declined to answer the income question.
51. RWE's own analysis does not take this level of missing income data into account. Re-working its figures under, for example, an assumption that those who have not provided household income are distributed across the categories similarly to those who have provided household income results in 23% of survey respondents with a household income of £50,000 a year or more (rather than the 15% RWE calculated). This result is broadly comparable with the figure of 26% RWE attributes to ONS statistics for households with income of £48,000 a year or more.⁷⁵ The respondent weights by income groups are similarly impacted, such that the weight assigned to the £50,000 or more group, for example, is no longer less than 1 on the re-worked figures. RWE had calculated this weight without re-distributing households that have not provided income data and found that it was less than one. We do not consider that RWE's analysis is sufficiently robust to substantiate its suggestion that customers who are relatively more likely to have engaged with the energy markets are under-represented.
52. EDF Energy said that it was not clear how GfK defined vulnerability and that, while the share of respondents in the sample defined as being vulnerable for EDF Energy was between 7 and 10%, consistent with its own survey results, those for other suppliers, most notably [X], seemed particularly high.
53. CMA response: We assume EDF Energy are referring to the GfK table cross-break 'vulnerability indicator', this is defined in the GfK technical report and comes directly from the supplier data, namely the indicator = one if any of the 21 electricity or 51 gas defined vulnerabilities (sent to the suppliers at the time of the data requests) is present on a customer record. We agree that, from the GfK tables, the results for [X] are higher against this indicator than, for example, EDF Energy, however, we do not use this measure of vulnerability in our analysis here as we recognise that suppliers apply their own methods for flagging customers as vulnerable and we do not expect comparable estimates between suppliers.

⁷⁵ This is not to say that we necessarily consider distributing those who have not provided income in this way is a valid approach, nor that we would expect the weighted income distribution of our population to necessarily be similar to the underlying distribution from which RWE quotes the statistic of 26%.

54. EDF Energy said that the sample had a very large share of direct debit customers (73%), which was higher than expected, or was indicated from the gains from switching analysis. It queried some aspects of the survey methodology, such as calling people through the day, the effects of which it suggested were uncertain (in terms of the share of various types of customers picked up during the day).
55. CMA response: We use the weighted results for which the proportion of respondents paying by direct debit is 61%, broadly in line with CMA calculations from other data collected for the investigation. Payment type was not chosen as a variable by which to stratify the sample, but as the sample was selected randomly from the entire customer lists and payment type was one of the variables incorporated into the propensity to respond model from which post-stratification non-response weights were derived, we expect the respondent group to be acceptably representative. Details of the survey methodology and weighting are provided in the GfK technical report.

Annex C: Notes on data and analysis⁷⁶

Data subjects

1. Our population of interest is those customers for domestic mains electricity and/or mains gas in Great Britain who are decision-makers (singly or jointly) for their energy supply and usage. While we may use the term ‘customers’ in the context of the population about which we are making inferences, those who were actually interviewed are generally referred to as ‘respondents’ and where comparisons are made between sub-groups, or results are presented for subsets, these are sub-groups/subsets of the survey respondents.

Statistical treatment of results

2. Weights are assigned to respondents as detailed in the GfK technical report. All results quoted and analysed in this paper are for estimates which have the full set of design and non-response weights applied, unless otherwise specified.
3. Where base numbers are presented, these are the unweighted numbers of respondents asked a question or falling into a sub-group. Where results are presented for questions asked only of subsets of respondents or comparisons are made between sub-groups, we present results that are based on sufficient responses for us to draw robust conclusions; as a guide, generally speaking this is where there are at least 100 respondents in the unweighted base (for a subset or for each sub-group).
4. The results reported in this appendix are based on analysis conducted by GfK NOP and the CMA. We derive some results directly from the GfK tables and its report, and use the estimates and results of significance tests based on weighted data contained within these. CMA’s own analysis was conducted using statistical software that allowed us to weight results appropriately and account for the structure of the survey data (eg stratification) in our analysis.
5. For statistical tests of significance, we consider p values of ≤ 0.05 to indicate significant results and we have used two-sided tests throughout. Overall associations between response categories and sub-groups according to another variable are assessed using chi-squared tests of significance (for example testing whether there is a significant association between whether respondents say they have switched supplier in the last three years and their age group). Where significant associations are present, statistically significant

⁷⁶ See also [GfK NOP Technical Report](#).

differences in proportions between individual groups are identified from the 95% confidence intervals around the weighted point estimates, with non-overlapping confidence intervals indicating statistically significant differences.

6. We do not use a finite population correction for our calculation of confidence intervals, as the population of energy customers we used as a sampling frame from which to select a random probability sample is very large compared with the size of our sample and so the sampling fraction is low. It is generally suggested that a finite population correction is only necessary where the sampling fraction is higher than about 5%.
7. For differences between groups, we comment on results that are statistically significant using the above definitions.

Materiality of results

8. Only results that are considered to be material are included in our analysis. Where differences between groups are of interest, this criteria is in addition to the differences being statistically significant. Materiality may be variously determined by (a combination of):
 - (a) Size: of an estimate or of a difference between groups. For example, only 2% of respondents giving a particular answer may not be of interest in itself, or a difference of less than about 10 percentage points between sub-groups may not always be worthy of note.
 - (b) Context: we have made judgements about results we include based on the purpose of our wider analysis and the topic being examined.
 - (c) Consistency: we may only include results where consistent patterns are seen across different aspects of our analysis.
 - (d) Relevance to the investigation.

Definitions

9. Please see the GfK NOP technical report for definitions of the variables supplied in the dataset provided by GfK NOP.
10. We note that all variable tariffs referred to in the survey and analysis of survey data are standard variable tariffs.

Treatment of ‘do not know’ responses and missing values

11. We have made judgments about excluding ‘do not know’ responses and/or missing values from our analysis. Generally, when percentages of these are low, the results of the analysis are clearer to interpret and not substantively different when they are excluded. Where this applies, the results apply to those respondents who were able to answer a question, rather than all those who were asked the question. There are situations, however, where the level of ‘do not know’ responses and/or missing values is of interest in itself and where their exclusion would be inappropriate or misleading.

Data cleaning and variables derived from original dataset

12. We cleaned the dataset provided to us by GfK. Only a small proportion of respondents’ data were edited or excluded by this cleaning. The cleaning included:
 - (a) removing a small number of outliers (eg negative values) from the supplier records on variables relating to consumption, expenditure, and dates; and
 - (b) identifying and correcting inconsistencies in respondents’ fuel mix⁷⁷ and in their suppliers, based on responses to the survey and data provided by suppliers.
13. We have derived variables based on the existing variables in the dataset provided by GfK NOP.
 - (a) This included the following types of variables:
 - (i) Categorical variables based on sets of binary indicator variables.⁷⁸
 - (ii) Indicator variables based on scaled response variables and categorical variables.⁷⁹
 - (iii) Categorical variables with a reduced number of categories compared with the original variable.⁸⁰ This included compressing scaled

⁷⁷ For example: electricity only, same supplier for gas and electricity, gas and electricity but separate suppliers.

⁷⁸ For example, a categorical variable denoting whether a respondent has a fixed, variable or other type of tariff for gas.

⁷⁹ For example, a binary indicator of whether respondents found cheap tariffs to be essential in choosing an energy provider.

⁸⁰ For example, reducing the number of age categories to three.

response variables by combining the top two and bottom two points on the scale.⁸¹

- (iv) Creating variables that included only those who were able to provide an answer to a certain questions.⁸²
- (v) Other adjustments to variables provided by GFK.
- (vi) Combinations of the above.⁸³

(b) In particular, we note the following about variables we have derived:

- (i) To reduce the volume of information to be presented, we have combined the data for electricity and gas tariffs into a single categorical variable. Respondents are classified as having 'variable' tariffs if the unit rate and standing charge could vary over time and as 'fixed' if the tariff guarantees a fixed price until a defined end date. 'Other' refers to capped and other non-standard tariff types and respondents are classified as 'unknown' if data are not available. Suppliers provided records relating to both gas and electricity for their dual fuel customers, but if a respondent is supplied with only one fuel by a supplier, we have not matched respondent records across suppliers. Therefore we only have records for a single fuel type for respondents who have different gas and electricity suppliers. Dual fuel respondents are classified as having a variable, fixed or other tariff if they have that tariff type for both fuels and 'mixed' if they have different tariff types for gas and electricity. Where we hold a respondent's data for just gas or just electricity, the type is classified as either fixed, variable or other. The low proportion of respondents with 'mixed' tariffs suggests that combining the electricity and gas data is unlikely to have materially impacted the results.
- (ii) We have, similarly, created a variable for payment type. The categories are direct debit, credit, prepayment, mix, other (which includes fuel direct) and unknown. Note, when we refer to prepayment customers we are referring to those whose payment method is prepayment rather than those who have a prepayment

⁸¹ For example, reducing the four point scale for confidence (very confident, fairly confident, not very confident, not confident at all) into a two point scale (confident, not confident).

⁸² For example, excluding respondents who were not able to provide an answer to a question rather than categorising them as 'do not know'.

⁸³ For example, combining information on region, supplier, and fuel mix to create an indicator of whether respondents use regional incumbents for electricity or British Gas for gas; creating an indicator of whether respondents are confident using the internet, not confident using the internet, do not have internet access, or do not know if they are confident based on response to questions H1 and H2).

meter. However, in nearly all cases, those whose payment type is prepayment have a prepayment meter (and vice versa).

- (iii) Where data are available, respondents are categorised as having high, medium or low (i) TCR (ii) expenditure (iii) energy consumption for gas and for electricity. For consumption, we have used the low and high levels set out in Ofgem's decision on typical domestic consumption values⁸⁴ as thresholds for low and high consumption. For TCRs and expenditure, each category of low, medium and high contains approximately a third of respondents.
- (iv) We created an indicator variable identifying if a respondent is with an incumbent supplier (electricity incumbent and/or British Gas) for one or both fuels. A dual-fuel customer can, by definition, only be with the incumbent for either electricity or gas; only a small minority of others are with the incumbent for both fuels (a subset of those with two separate suppliers). Respondents who are currently dual-fuel may have been with an incumbent at the time when they became dual fuel customers and have stayed with that supplier.
- (v) Similarly, we have created an indicator variable identifying if a respondent is with a supplier other than one of the Six Large Energy Firms for one or both fuels. Numbers of respondents surveyed who use one of the independent suppliers are relatively few overall and include some who have two separate suppliers for their fuels, one of which may still be with one of the Six Large Energy Firms. On a weighted basis, 7.5% of respondents are with an independent supplier (ie not one of the Six Large Energy Firms) for one or both fuels and 97% of this group are either dual-fuel customers or only use electricity.
- (vi) The GFK NOP customer survey report classified those who did not know how long ago they had switched as having switched in the last three years. We have not counted these respondents in this category, but have included them in a category: 'more than three years ago/do not know when'.
- (vii) We have used an adjusted version of the variable used by GFK NOP for question F5. Our version excludes respondents who replied 'don't know' rather than assigning them a minimum amount of £0.

⁸⁴ Ofgem (2013), [Decision: New typical domestic consumption values](#).

(viii) 2% of respondents to E44 were not coded into any of the categories.
They were recorded as not having encountered any difficulties.