Llais Defnyddwyr Cymru
Gwarchod Buddiannau Defnyddwyr

Consumer Focus Wales
Wales' Consumer Champion

Switched off:

consumer views on energy switching in Wales

About Consumer Focus Wales

Consumer Focus Wales is a statutory organisation campaigning for a fair deal for consumers.

Part of Consumer Focus, our structure reflects the devolved nature of the UK.

Consumer Focus Wales looks at issues that affect consumers in Wales, while at the same time feeding into and drawing on work done at a GB, UK and European level.

In advocating for consumers we aim to influence change and shape policy to better reflect the needs of consumers. We do this in an informed way owing to the evidence we gather through research and our unique knowledge of consumer issues.

We have a specific focus on vulnerable consumers, particularly those on low incomes, people with disabilities, people living in rural areas and older people. In addition, we also seek to identify where other consumers may be disproportionately disadvantaged by an issue or policy.

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Executive summary

This report examines the extent to which consumers in Wales are engaging with the energy market[1]. It is based on research commissioned by Consumer Focus Wales in November 2011.

During these times of fluctuating energy prices, with the predicted long term trend being upwards, it is more critical than ever that people have a better understanding of how to get the best energy deal for their needs and circumstances. Equally it is critical that the market works well for consumers. Since competition was opened up in the late 1990s the regulator Ofgem has stated that consumer switching is what drives a competitive energy market. Market structure and the number of new entrants play significant roles in effective competition. However, Ofgem argues that higher levels of consumer engagement – in terms of the proportion of people engaging with the market and the frequency with which they do so – place greater competitive pressures on suppliers to retain existing customers and gain new ones by reducing costs or improving customer service. Low levels of engagement reduce that competitive pressure. Ofgem's recent reviews of the energy market in both 2008 and 2011 also found that suppliers generally make higher profits from consumers who don't switch.

Stimulating regular consumer engagement in the market is therefore seen as a key component for increasing competition between energy suppliers which should ultimately benefit consumers. As more and more people in Wales are struggling to pay their energy bills, we believe the focus should be on ensuring all consumers are getting the best energy deals for their circumstances.

This may mean regularly changing their energy supplier, or it could also mean frequently moving to a different tariff or more appropriate tariff with the same supplier. This should be in addition to ensuring people are accessing any support they may be entitled to (including financial support for energy efficiency measures).

Frequency of switching

Our research found that the proportion of consumers regularly engaging with the energy market remains low in Wales. Around two-fifths of consumers have switched (around 40 per cent) but haven't done so recently. Our evidence shows this has largely been the result of people consolidating their energy supplies by switching to dual fuel deals with one of the previous incumbent[2] suppliers, most notably SSE (operating under the SWALEC brand in Wales) and British Gas. Both companies have actively encouraged existing electricity or gas customers to switch to a dual fuel contract. The two companies currently dominate the market in Wales. ScottishPower, the incumbent electricity supplier in North Wales[3], appears to have been less successful in this approach.

[1] Either through switching or understanding the market and making an informed decision not to switch

[2] Incumbent is the term used to describe any of the former monopoly suppliers (14 electricity companies and British Gas) before the market was opened to competition

[3] Previously operating in the region as Manweb

Looking at each end of the scale, around one in eight consumers in Wales (12 per cent) describe themselves as regular switchers ie they switch supplier every year/two years. This is largely comparable with Ofgem's estimates for the rest of Great Britain (GB). Many of these proactive consumers are currently with suppliers other than the former incumbent suppliers and they tend to be in the middle age bands; on higher incomes; regularly use the internet; and predominantly research the market using price comparison sites. Most people who've switched after using this approach said the expected savings on their energy bills had been realised. They are also more likely to switch in the future.

Not surprisingly saving money is the main reason why people have switched suppliers. Consumers who've switched in reaction to face-to-face sales or telesales processes especially those who've switched on the doorstep, are less likely to have realised savings. This is likely to be due to people feeling pressured to buy without having all the relevant information available. Suppliers' best deals are also not often available on the doorstep. For this very reason, Consumer Focus recently called for a three month moratorium on cold call doorstep sales while alternative approaches are explored. By December 2011 four of the 'Big Six' suppliers had announced they will be stopping this type of marketing activity permanently, (SSE/SWALEC[4], British Gas, ScottishPower and npower). EDF Energy has put a temporary halt to such sales. Only E.ON's position remains unchanged.

Disengaged consumers

One of the key findings of our research was the high proportion of consumers in Wales who have never switched their energy supplier (46 per cent). The majority of whom show no inclination to do so in the future ie they are 'permanently disengaged' from the market. These consumers tend to be younger, on lower incomes, and never use the internet. The two main reasons for never switching are because they are happy with their current supplier or they believe it's too much hassle to switch.

These results are notably different from Ofgem's estimations for the whole of GB[5]. The proportions of those who have never switched are fairly comparable – the regulator estimates the GB average to be around 40-60 per cent. However, a far lower proportion of disengaged consumers in Wales were likely to switch in the future (just 3 per cent compared to a British average of 20-30 per cent). This indicates that encouraging more consumers in Wales to engage with the energy market could be an even greater challenge.

4 On 1 October 2011 Scottish and Southern Energy changed their name to SSE. For the purposes of this report SSE has been frequently referred to as SSE/SWALEC

5 'The Retail Market Review – Findings and initial proposals', Ofgem (March 2011), p29

Factors that impact on switching levels

Supporting the findings of recent Ofgem research[6] we found a strong correlation between internet use and the frequency of energy switching. Regular internet users are much more likely to be regular switchers. Programmes to encourage internet take-up among some groups of consumers, most notably those on lower incomes, may therefore help to encourage more active engagement in the energy market.

There is also a strong correlation between the likelihood of switching in the next 12 months and the extent to which people had switched previously.

This report also includes a brief analysis of current dual fuel price data for medium gas and electricity users in South and North Wales. The findings confirm that even for those who remain on a supplier's standard tariff savings could be made by switching supplier and/or payment method. The biggest savings are available to people who pay quarterly by cash or cheque and who've never switched before.

Saving money is the predominant reason why people have switched supplier however a whole range of factors can determine why people remain with the same supplier. These include customer knowledge and awareness of the market; the perceived value in switching suppliers and ease/confidence in doing so; levels of customer service/company performance; ability to access and understand information on prices/tariffs in order to make an informed choice; and brand/company loyalty (a particular factor in Wales and Scotland).

Low engagement levels will need to be tackled if more consumers are going to benefit from competition in the energy supply sector. Improving consumers understanding of the market will no doubt help, but information alone will not necessarily result in greater action. There are also likely to be a range of other social, cognitive and behavioural factors which influence consumers' decision making processes and engagement.

Behavioural economics theory can therefore go some way to gaining a better understanding of consumer behaviour in the energy market and is being increasingly considered by both the regulator Ofgem and the UK Government. We would urge further exploration of these issues when designing switching campaigns.

Protection for vulnerable consumers

Ultimately encouraging consumers to engage more frequently in the energy market should lead to many more people being able to find the best deal for their energy needs. However, over the coming years as energy costs continue to fluctuate, and additional non-consumption costs are added to consumer bills (eg the recovery of costs associated with environmental and social obligations), switching alone is unlikely to be enough to help some of the most vulnerable consumers afford to heat their homes adequately, particularly over the winter months. Equally important is ensuring energy companies, as well as the Welsh and UK Governments are providing the right support for the most vulnerable.

[6] Customer Engagement with the Energy Market – Tracking Survey: Report prepared for Ofgem', Ipsos Mori (January 2011)

Recommendations

In light of our findings we make the following recommendations.

Ofgem should:

- ensure the structure of all electricity and gas tariffs is made easier for consumers to understand. Proposals to move to a tariff structure composed of a single unit price and a set standing charge for standard tariffs are welcome but could go further
- place a greater onus on suppliers to justify their reasons for launching new tariffs or new versions of existing tariffs
- ensure consumers paying via prepayment meters or quarterly by cash/cheque are paying a fair price and that the additional cost to serve is justified and regularly reviewed
- ensure greater standardisation of bills and annual statements, including the use of common language and definitions, to enable consumers to understand their energy use more easily
- require suppliers to inform consumers when conducting face-to-face sales or telesales that they may offer cheaper tariff offers elsewhere, for example online or by contacting the company directly[7]

Ofgem, suppliers & UK Government should:

- consider the application of behavioural economics when designing and implementing switching campaigns, particularly among vulnerable groups

All energy suppliers should:

- follow the lead of SSE, British Gas, npower and ScottishPower, by calling a permanent end to cold call doorstep energy sales
- explore new alternatives to face-to-face sales approaches, with a recommendation that in the future they move to a system of pre-arranged appointments
- demonstrate they have clear strategies in place to help people in the most severe fuel poverty, including better take-up of social tariffs (where applicable[8]) and the Warm Home Discount[9]

Welsh Government should:

- ensure energy efficiency schemes Nest and Arbed are effectively integrated with UK-wide support programmes, prioritising and targeting severe fuel poor households as a matter of social justice
- ensure the provision of tariff, money and debt advice remains a key requirement of their Fuel Poverty Scheme, Nest
- ensure the Communities 2.0 project is reaching all digitally excluded groups (such as older people and those on lower incomes) and seek to extend the project outside the existing Convergence Areas to increase digital inclusion across the whole of Wales

7 In November 2011 Consumer Focus sent an open letter to Ofgem highlighting our concerns about how suppliers construct, market and sell tariffs. A copy of the letter can be found on our website **http://bit.ly/w9Mbd6**

8 Three of the big six suppliers (namely British Gas, SSE and ScottishPower) have closed their social tariffs to new applicants

9 The Warm Home Discount is a new scheme funded by energy suppliers. It came into force on 1 April 2011 and will provide approx £1.13 billion in direct and indirect financial support to vulnerable energy consumers over the next four years. It replaces social tariffs and voluntary arrangements previously offered by energy suppliers

Wales Co-operative Centre should:

- ensure the Communities 2.0 project includes specific sessions on how people could save money on their energy bills by using the internet. For example by switching to an online tariff or switching energy provider using an accredited price comparison website

Money Advice Service and Citizens Advice Cymru should:

- ensure the provision of energy tariff and switching advice is integrated into the delivery of the face-to-face Money Advice Service in Wales, particularly when discussing budgeting or benefit entitlements

Citizens Advice Cymru, Ofgem and energy suppliers should:

- explore different ways of encouraging non-internet users to engage with the energy market as part of the Energy Best Deal Campaign. This could include:
  - providing more hands-on support in switching tariff or energy provider, talking someone through the process
  - formalising the use of peer educators who regularly switch provider to encourage others to turn the knowledge they have gained into action
- target support available under the Energy Best Deal scheme to off-gas communities as electricity-only customers are currently less likely to switch than those connected to the mains gas network
- ensure future evaluations of the Energy Best Deal scheme include separate analysis for England, Wales and Scotland to allow more meaningful comparisons across nations
- undertake more follow-up evaluation of impact, for example six months after people have taken part in an Energy Best Deal session, to see if people have become more engaged in the energy market as a consequence

Other community based advice providers (including Housing Associations) should:

- explore opportunities to integrate the provision of energy tariff and switching advice into their own advice work, by either offering support directly or by making appropriate referrals to specialist providers, such as the Energy Best Deal scheme

UK Government should:

- mandate the extension of the Warm Home Discount to all those eligible for cold weather payments plus families in receipt of Child Tax Credit with an income below £16,190 to ensure fairness and equality across all suppliers

Banks, building societies and credit unions who provide current account facilities should:

- explore alternative arrangements for electronic payments to alleviate some of the fears many low-income consumers associate with Direct Debit payments (eg a facility which allows outward payments and regular inward payments to be synchronised, enabling the account holder to set the frequency and level of payments in agreement with their utility provider)

Introduction

Consumer Focus Wales is the statutory organisation campaigning for a fair deal for energy consumers in Wales. We make sure that the interests of consumers are represented at the heart of major policy and practical decisions with regards to energy issues, with a particular focus on vulnerable consumers.

As part of our energy work, Consumer Focus produces weekly updated factsheets[10] showing gas and electricity prices for the largest energy suppliers for each area of GB. We also accredit internet price comparison services under the Consumer Focus Confidence Code. This scheme is designed to make the switching process easier and more reliable for consumers.

Consumers across GB have been able to choose which company supplies mains gas and electricity to their home for over a decade. During the 1990s the energy supply market was gradually opened to competition. By the end of May 1999 all gas and electricity consumers were able to switch from the national provider (British Gas) or their local public electricity supplier (SWALEC in South Wales and Manweb in North Wales), to another provider. This also meant that companies which previously were only able to supply electricity were also able to supply gas and vice versa.

The structure of the energy supply market has changed considerably since that time. Many of the original incumbent suppliers have merged and new entrants have also come into the market. There are currently 18 energy companies supplying domestic consumers across GB however the market is dominated by the 'Big Six' suppliers – British Gas; EDF Energy; E.ON UK; RWE npower; ScottishPower, and SSE, which in South Wales has retained the SWALEC brand. In the domestic energy sector the combined market share of the Big Six is over 99.5 per cent[11].

Over the last decade Consumer Focus and one of our predecessor organisations, energywatch, have been monitoring the functioning of the energy supply market. For a number of years we have been concerned that competition is not delivering fair benefits to all consumers and that there are fundamental problems in the way the market is working. These concerns have resulted in the regulator Ofgem undertaking two major market reviews during the last three years – the Energy Supply Probe in 2008 and more recently the Retail Market Review (RMR). Following the latter, detailed proposals for reforms to the domestic energy market were published for consultation in December 2011.

[10] **http://bit.ly/xys9af**

[11] 'The Retail Market Review – Findings and initial proposals: Supplementary appendices', p49, Ofgem (March 2011)

Both reviews covered a range of issues which may be affecting the effectiveness of competition in the sector. These included market structure, the relationship between retail and wholesale energy prices, barriers to entry, and company behaviour. One of the main areas of investigation was the extent to which consumers are actively engaging with the energy market and what more can be done to promote further engagement so the benefits of competition for consumers are realised.

The regulator argues that high switching rates – both in terms of the proportion of people engaging with the market and the frequency with which they do so – places greater competitive pressures on suppliers to retain existing customers and win new ones. Low levels of consumer engagement are likely to weaken that competitive pressure. Both Ofgem reviews found evidence that suppliers are generally making higher profit margins from customers who don't switch or who have only switched once to a dual fuel deal.

Its latest Supply Market Report[12] found margins for a typical standard tariff, dual fuel customer are approximately £105 per customer for the year from December 2011 (a £20 reduction from their October report) – such margins are expected to decline further over the next six months to £85 per customer although many uncertainties remain, not least wholesale energy costs, which could affect this figure.

In 2008, consumer switching rates for gas and electricity in GB were said to be the highest for any sizeable competitive energy market in the world, although stark differences were evident between different consumer groups[13]. More recent research commissioned by the regulator[14] shows that across GB the incidence of switching energy supplier is showing some signs of longer term decline, although switching levels still remain some of the highest in Europe. For example gas switching is down five percentage points since 2008 (from 20 per cent to 15 per cent). Likewise, electricity switching is down five points since 2007 (from 22 per cent to 17 per cent).

[12] 'Electricity and Gas Supply Market Report', Ofgem, 19 December 2011

[13] 'Energy Supply Probe – Initial Findings Report, Ofgem (October 2008)'

[14] 'Customer Engagement with the Energy Market – Tracking Survey', Ipsos Mori (28 January 2011)

It is in this context that Consumer Focus Wales decided to undertake quantitative research into the switching behaviours of consumers in Wales. A total of 1,008 face-to-face interviews were completed with a representative sample of adults aged 16 and over, as part of the Beaufort Research Quarterly Wales Omnibus Survey. Fieldwork took place between 18 and 27 November 2011[15]. Only those people solely/jointly responsible for paying the household electricity and gas bills were interviewed giving a total of 823 interviews.

The research included identifying the factors that are driving people to switch, or conversely identifying the factors that are preventing more consumers from engaging with the market. Both Ofgem reviews have highlighted that the prevalence of so-called 'sticky consumers' ie consumers who don't switch[16], is higher in Wales and Scotland, particularly among electricity consumers in South Wales where loyalty to the SWALEC brand remains high[17].

This report also comes at a time of rising energy bills which is an ever-growing concern for many households across Wales. When our research was conducted all of the price increases announced by the Big Six suppliers during the summer of 2011 had come into effect. Customers of four of the main suppliers – ScottishPower; British Gas; SSE/SWALEC and E.ON – have seen proportional increases for both types of fuel into double digits. Customers of both npower and EDF Energy (the last of the Big Six to raise prices) have seen gas prices increase by double digits and electricity prices increased by a single digit percentage (7.2 per cent and 4.5 per cent respectively).

The Centre of Sustainable Energy, working with Consumer Focus, has estimated these price increases will push another 93,000 households in Wales into fuel poverty this winter ie they will be spending more than 10 per cent of their income on keeping their homes warm. This brings the total number of fuel poor households in Wales to 425,000 (34 per cent), the majority of whom are vulnerable. The problem is not only getting wider it's also getting deeper. Around one in five fuel poor households in Wales are living in severe fuel poverty, spending £1 in every £5 to adequately heat their homes.

[15] Full details of the research methodology can be found in Appendix 1

[16] In its initial RMR report Ofgem defines 'sticky consumers' as those that choose not to switch, cannot switch due to their circumstances or are put off switching due to other features of the market such as tariff complexity'

[17] The Retail Market Review – Findings and initial proposals: Supplementary appendices', p12, Ofgem (March 2011)

The evidence Ofgem has gathered suggests that many sticky consumers are likely to be vulnerable consumers eg those on a low or fixed income[18]. Consumers in this category are likely to benefit the most from savings that could be realised from active engagement in the energy market, which is even more critical at a time of rising energy costs.

Our report therefore specifically looks at how different consumer groups in Wales are currently engaging with the energy market.

[18] 'The Retail Market Review – Findings and initial proposals: Supplementary appendices', p28, Ofgem (March 2011)

Main findings

Domestic electricity market

Key statistics:

- 46 per cent of homes in Wales have their electricity supplied by SSE/SWALEC
- SSE/SWALEC is the main electricity supplier in every area apart from North Wales, where 31 per cent of homes are supplied by ScottishPower
- British Gas supplies electricity to 22 per cent of homes – similar to the British average (25 per cent)
- British Gas also supplies electricity to 30 per cent of homes in North Wales
- 53 per cent of households pay their electricity bill by Direct Debit; 22 per cent use a prepayment meter (PPM) and 18 per cent pay quarterly by cash or cheque

Our research found the former electricity incumbent in South Wales, SSE/SWALEC has a significant customer base across Wales. Over two fifths of households (46 per cent) said SSE/SWALEC supplied electricity to their home.

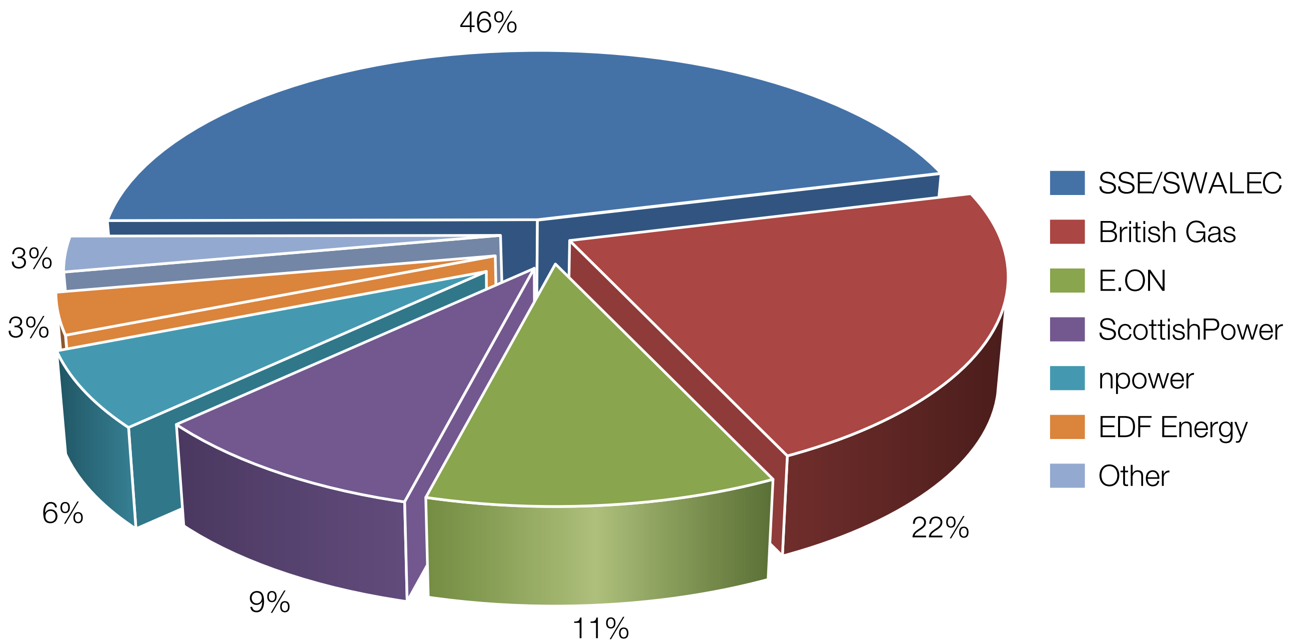
ScottishPower, the other electricity incumbent in North Wales, has a far smaller customer base supplying electricity to only one in 10 homes across Wales (9 per cent).

The findings also show how British Gas, the former gas incumbent, has attracted electricity customers across the country, with just over one in five homes (22 per cent) currently having their electricity supplied by the company. The third most frequently stated electricity supplier was E.ON (11 per cent).

A full breakdown across all suppliers is given in Figure 1 overleaf. The three companies with the biggest market share in the domestic electricity market in Wales, is similar to the situation across Great Britain, with British Gas having the largest market share (25 per cent), followed by SSE (20 per cent) and E.ON (17 per cent)[19].

[19] Source = Big Six Suppliers/Ofgem analysis August 2010

Figure 1 Which company supplies electricity to your home?



Source: Consumer Focus Wales: Base = 824 respondents

On examining the regional breakdown[20] for both of the former incumbent electricity suppliers and British Gas, Table 1 shows that SSE/SWALEC is the most popular electricity supplier in every region of Wales apart from North Wales.

As ScottishPower is the former electricity incumbent in North Wales it is not surprising that almost a third of respondents in the area said the company supplies their home with electricity (31 per cent). However, an almost equal proportion of homes are supplied by British Gas (30 per cent). Generally British Gas is the second most popular electricity supplier across all regions of Wales apart from the Valleys where 14 per cent have their electricity supplied by British Gas and 18 per cent are supplied by E.ON.

[20] Regions are based on groupings of local authority areas. A full breakdown can be found in Appendix 1

Table 1 Proportion of households having their electricity supplied by one of the former electricity or gas incumbents (%)

Region:	Energy supplier		
	SSE/SWALEC	ScottishPower	British Gas
North Wales	8%	31%	30%
Mid/West Wales	69%	2%	11%
West South Wales	59%	1%	24%
The Valleys	52%	3%	14%
Cardiff/SE Wales	49%	4%	25%
Total	46%	9%	22%

Source: Consumer Focus Wales: Base = 824 respondents

Looking at the results in more detail, particularly for SSE/SWALEC, there was some variation across age bands and social grade indicating certain groups may be more likely to have switched away from one of the former electricity incumbents than others.

Over half of people aged 65 and over (52 per cent), and a similar proportion of those from social grade DE[21], ie those on a lower income, (55 per cent) said their electricity is supplied by SSE/SWALEC. However fewer 35-54 year olds (41 per cent) and those from social grade AB, ie those on a higher income, (31 per cent) stated SSE/SWALEC as their electricity supplier. Higher proportions of both these groups identified a company other than the former incumbent electricity/gas suppliers as their electricity provider (29 per cent and 32 per cent respectively).

Although the electricity distribution areas and the regional boundaries used in our research vary, the dominance of SSE/SWALEC in supplying electricity to homes in South Wales is shown by the latest figures from the Department for Energy and Climate Change (DECC)[22]. Almost two-thirds of homes (63 per cent) in the former SWALEC region are supplied by their 'home supplier[23]' ie SSE/SWALEC. This is significantly higher than the average proportion of homes across Great Britain who are currently supplied by their former home electricity supplier (40 per cent).

There is only one other area where a higher proportion of consumers are supplied by their home electricity supplier and that is Northern Scotland (68 per cent). An area formally supplied by Scottish Hydro which is also now part of SSE.

[21] Definitions of each social grade can be found in Appendix 1

[22] Quarterly energy prices: September 2011, DECC

[23] Home supplier refers to the former public electricity suppliers within their own distribution areas. Non-home suppliers are new entrant suppliers and the former electricity suppliers outside of their own areas.

SSE also supplies over half of electricity customers in the Southern region (52 per cent)[24], another of their former home areas, which is a higher proportion than all other areas of England. Recent analysis by Ofgem[25] confirms that incumbent electricity suppliers have the competitive advantage over other suppliers for customers in their former home regions. SSE appears to have been particularly successful in this regard. The fact that the company has chosen to retain the former home supplier branding in each of these locations may go some way to explain their success. However, as their overall customer base across GB has grown over the last four years, from 7.75 million to 9.65 million customers[26], this suggests there are a number of factors that are likely to have contributed to this dominant position, including competitive pricing and a focus on customer service. This issue is explored further later in the report.

In contrast, the situation in North Wales with regards to switching electricity supplier is more reflective of the situation across GB. According to the latest DECC statistics almost two-fifths of households in North Wales and Merseyside[27] (39 per cent) are supplied by their home electricity supplier, formerly Manweb now trading as ScottishPower.

Our own research reflects this, with both ScottishPower and British Gas having an almost equal proportion of electricity customers in North Wales.

Paying for electricity

According to our research more than half of households in Wales (53 per cent) pay their electricity bill by Direct Debit, over a fifth (22 per cent) are on a PPM and just under a fifth (18 per cent) pay quarterly by cash or cheque.

For electricity, industry averages across the UK show around 51 per cent of households pay by Direct Debit, 27 per cent pay quarterly by cash/cheque and 15 per cent use a PPM[28]. Our findings therefore show an above average proportion of people using a PPM which may reflect the economic circumstances of many households in Wales. PPMs are generally used by suppliers as an alternative to disconnection and are routinely fitted to recover outstanding bills.

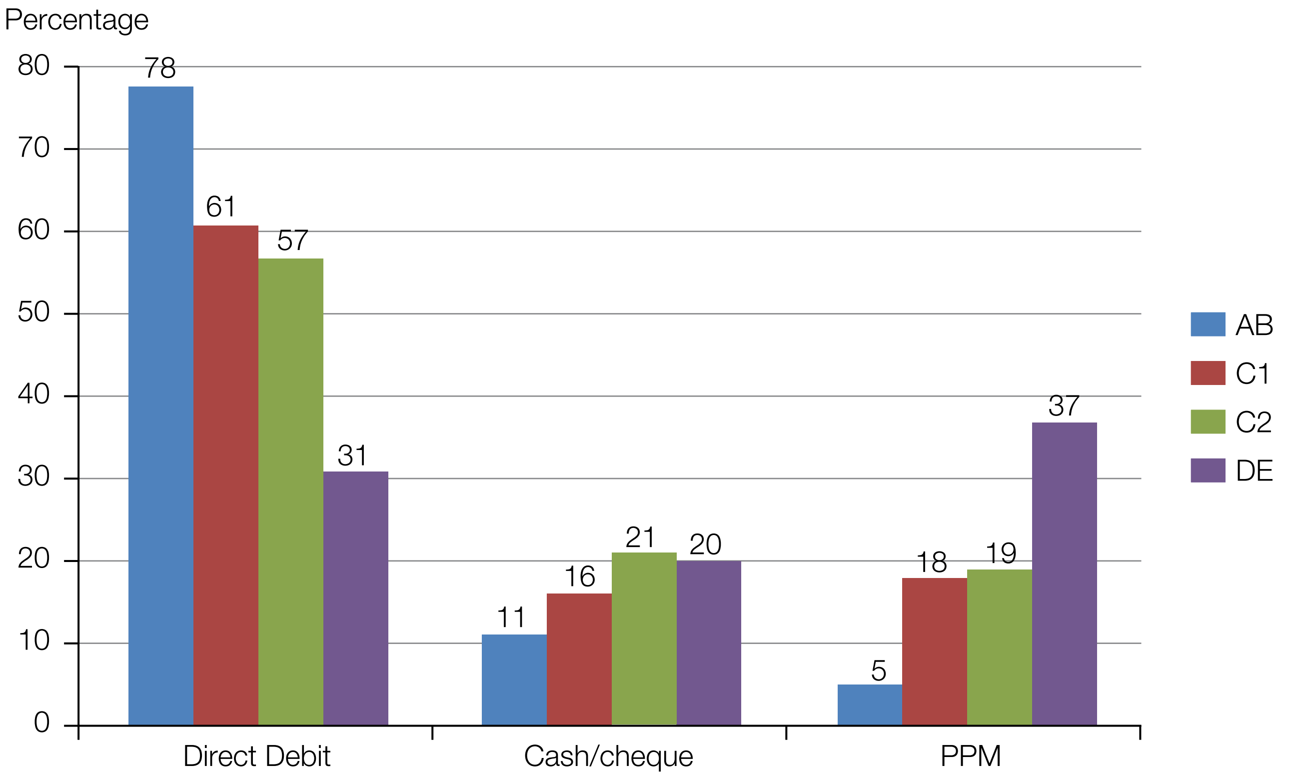
Recent research by Consumer Focus also found households with PPMs were typically living in rented accommodation[29], therefore many people may also move into a property which already has a PPM installed.

Our research reflected this. Over a third of people from social grade DE (37 per cent) said they used a PPM to pay for their electricity (compared to just 5 per cent of ABs).

[24] Op cit 22
[25] The Retail Market Review – Findings and initial proposals: Supplementary appendices', Ofgem (March 2011
[26] SSE Annual Report 2011 (pg 43)
[27] The distribution area of the former public electricity supplier Manweb included North Wales and Merseyside therefore DECC figures are not available for North Wales alone

[28] Monitoring company performance – quarterly reporting, Ofgem (September 2010)
[29] Cutting back, cutting down, cutting off, Consumer Focus (July 2010)

Figure 2 Payment method for electricity by social grade (%)



Source: Consumer Focus Wales: Base = 824 respondents

While information on household tenure was not gathered as part of this research, the fact that almost half those aged 16-34 said they use a PPM (48 per cent) is likely to reflect the fact many are living in rented accommodation. In contrast just 11 per cent of those aged 55 and over said they paid for their electricity using a PPM.

Paying by Direct Debit was most popular among those aged 35 and over (58 per cent) and ABC1 households (67 per cent). Although 59 per cent of people aged 55 and over paid their electricity bills by Direct Debit around a quarter (23 per cent) of this age group paid their bills quarterly by cash or cheque, indicating a greater preference for this type of payment among older people compared to other age groups.

Domestic gas market

Key statistics:

- 36 per cent of on-grid homes in Wales have their gas supplied by SSE/SWALEC, with above average proportions in West South and Mid/West Wales
- British Gas supplies gas to 34 per cent of on-grid homes compared to a British average of 43 per cent
- ScottishPower supplies gas to 21 per cent of on-grid homes in North Wales
- 55 per cent of households pay their gas bill by Direct Debit; 20 per cent use a PPM and 15 per cent pay quarterly by cash or cheque

A significant proportion of Welsh homes are not connected to the mains gas network – at 16 per cent, Wales has the highest proportion of off-grid households in Great Britain.

Before the gas market was opened up to full competition in May 1998 British Gas was the monopoly supplier for mains gas across GB and the company remains a major supplier for mains gas across Wales.

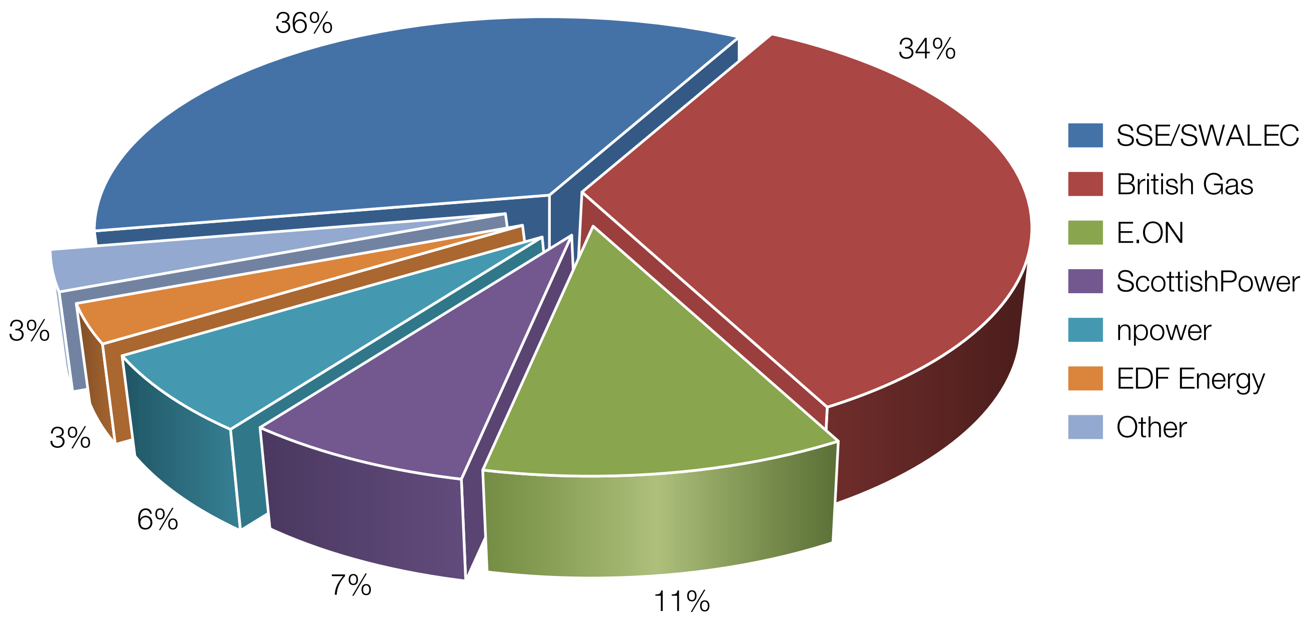
According to DECC statistics, Wales has the third highest switching rate away from the incumbent gas supplier in GB (behind the Northern and Southern regions[30]). More than six out of 10 households (62 per cent) no longer have their mains gas supplied by British Gas compared to a British average of 57 per cent[31].

Our latest research confirms this, of those households connected to the mains gas network, just over a third (34 per cent) said that British Gas supplied mains gas to their home. However a similar proportion (36 per cent) currently has their gas supplied by SSE/SWALEC. E.ON, was the third most frequently named gas supplier, supplying just over one in 10 households (11 per cent).

A full breakdown across all suppliers is given in Figure 3 overleaf. For comparison, across GB British Gas has the largest market share of the domestic gas market (43 per cent) followed by SSE (17 per cent) and E.ON (13 per cent)[32].

[30] DECC analysis uses regions based on the twelve local distribution zones of Transco
[31] DECC quarterly energy prices September 2011
[32] Op cit 19

Figure 3 Which company supplies mains gas to your home?



Source: Consumer Focus Wales: Base = 668 respondents

These results reaffirm the dominance of SSE/SWALEC and British Gas in both the gas and electricity markets in Wales and is likely to be largely attributed to people switching to dual fuel deals with either company. This is discussed further in the next section.

In terms of regional variations, Table 2 shows an above average proportion of households in West South Wales (57 per cent) and Mid/West Wales (45 per cent) have their mains gas supplied by SSE/SWALEC. As higher proportions of households in these areas also have their electricity provided by the company, this indicates these areas may have been specifically targeted in the marketing of dual fuel deals.

Similarly over one fifth of households in North Wales (21 per cent) have their gas supplied by ScottishPower. In contrast the proportion of homes which have their gas supplied by British Gas was generally consistent across all regions.

Table 2 Proportion of households having their gas supplied by one of the former electricity or gas incumbents (%)

Region:	Energy supplier		
	SSE/SWALEC	ScottishPower	British Gas
North Wales	8%	21%	37%
Mid/West Wales[33]	45%	4%	29%
West South Wales	57%	1%	27%
The Valleys	37%	3%	34%
Cardiff/SE Wales	39%	4%	38%
Total	36%	7%	34%

Source: Consumer Focus Wales: Base = 668 respondents

As with electricity, there was some variation across age bands and social grade with regards to which company supplied gas to the household. Younger people aged 16-34 and those from social grade DE were more likely to say SSE/SWALEC supplied gas to their home (43 per cent of both groups). This may indicate these groups have been more attracted to switching to dual fuel deals with one of the former incumbent suppliers.

In contrast, as with electricity, higher proportions of people from social grade AB and those in middle-age bands (35-54 years) stated that their gas was supplied by a company other than the former incumbent electricity/gas suppliers (32 per cent and 29 per cent respectively).

[33] As only 39 per cent of households in Mid/West Wales who took part in our survey were connected to the gas grid (sample size = 59) this result should be treated as indicative rather than definitive

Paying for gas

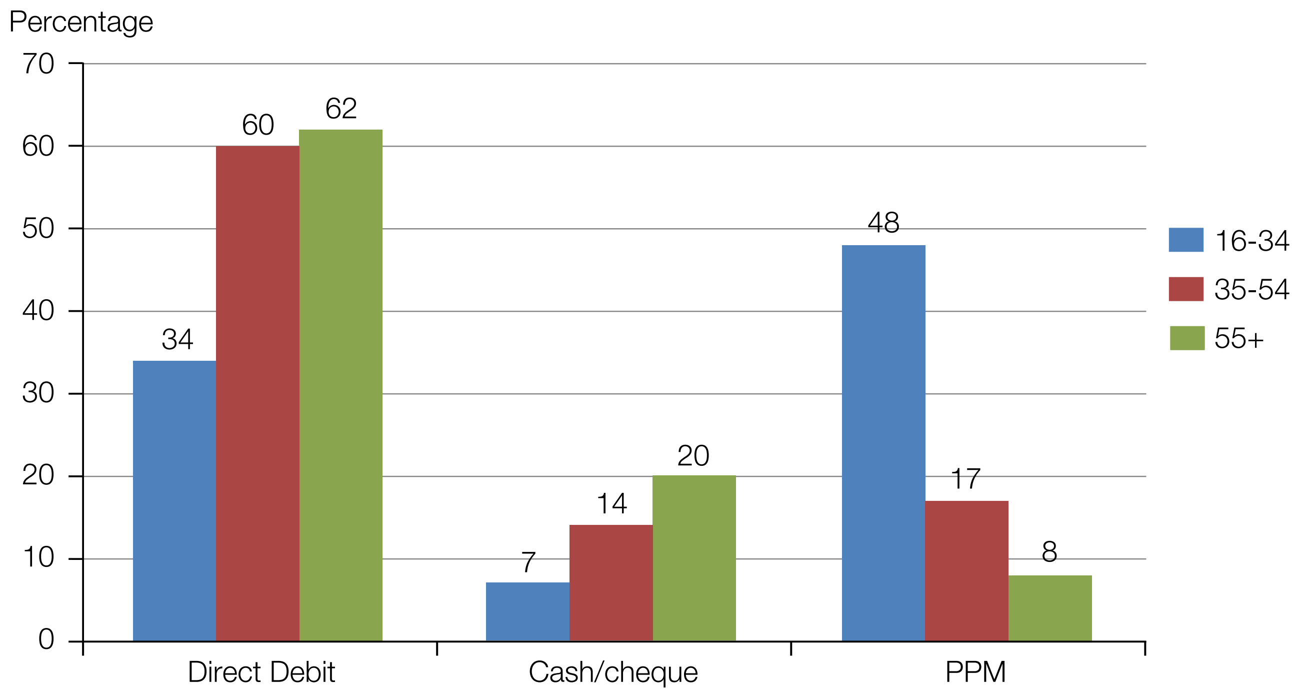
The way people in our survey paid for their gas reflected the way they pay for their electricity. Over half of households pay by Direct Debit (55 per cent), one in five use a PPM (20 per cent) and around one in seven pay quarterly by cash or cheque (15 per cent).

Once again these figures differ from industry averages for gas payments – which show 54 per cent of households pay by Direct Debit, 27 per cent pay quarterly and 12 per cent use a PPM[34].

As with electricity, PPMs were more common methods for gas payment among younger and lower income households, used by nearly half of 16-34 year olds (48 per cent) and a third of DEs (33 per cent). Direct Debits were more likely to be used by those aged 35 and over (61 per cent) and ABC1 households (67 per cent), while paying quarterly by cash/cheque was more popular among the over 55s than other age groups (20 per cent), as shown in Figure 4.

Our findings also indicate that people who pay their electricity and/or gas bills quarterly by cash or cheque, or those who use a PPM, are among the least active when it comes to switching. The latest energy switching figures from DECC show this is the case across GB[35].

Figure 4 Payment method for gas by age band (%)



Source: Consumer Focus Wales: Base = 668 respondents

[34] Monitoring company performance – quarterly reporting, Ofgem (September 2010)

[35] Op cit 31

The factors that influence switching behaviour are explored in more detail in the next section of this report. A review of tariffs by Consumer Focus has found that generally the options and potential savings people gain from switching can be much more limited if you choose to pay your energy bills by quarterly bill or PPM as opposed to Direct Debit. As Direct Debit is a much more secure and cheaper payment method for companies to administer it is not surprising that many utility companies, not just energy suppliers, use various incentives to encourage their customers to pay this way.

However previous research by Consumer Focus Wales[36] highlighted the preference of many people on lower incomes to manage their budgets in cash. Maintaining control over their finances was the critical factor and many felt this control was lost when you paid for things using Direct Debit. The fear of payments going out unexpectedly and the potential of being charged for an unauthorised overdraft put many people off using them.

The majority of people who manage on a cash budget are aware that they often pay more for their energy than those who pay by Direct Debit however the advantages of using cash are felt to outweigh the extra cost. This situation is likely to continue unless an alternative means of paying bills electronically, more suitable to the needs of those who manage their budgets weekly, is developed.

Previous research undertaken by Consumer Focus[37] tested an alternative electronic bill payment feature that would give low-income consumers greater control of their bank account. The concept is based on outward payments being synchronised with the receipt of regular inward payments. The account holder would be able to set the frequency and level of payments in agreement with their utility provider. Payments would only be made if sufficient funds to cover the outgoing were present in the account. Unlike Direct Debit no fee is incurred if the payment cannot be made due to insufficient funds. This would leave the account holder only liable to their utility provider. The research found a clear preference among most low-income consumers for an account which included such a facility.

[36] 'Cost of cash', Consumer Focus Wales (November 2009)

[37] 'Opportunity knocks: providing alternative banking solutions for low-income consumers at the Post Office', Consumer Focus (January 2010)

Frequency of switching

Key statistics:

- Over two-fifths of households (43 per cent) in Wales have never switched their electricity and/or gas supplier and show no inclination to do so in the future
- Younger people, those from social grade DE and people who never use the internet were more likely to have never switched supplier
- Around two-fifths of households have switched either their electricity or gas provider at some time but not recently, mostly to dual fuel deals with one of the former incumbents
- Around one in eight (12 per cent) describe themselves as regular switchers, comparable to the British average
- One in 10 households (9 per cent) have switched their electricity or gas tariff during the last year but have remained with the same supplier, similar to the British average

Since competition in the gas and electricity markets first opened up, suppliers' main marketing activity has focused on encouraging existing customers to switch to dual fuel deals ie supplying gas to existing electricity customers and vice versa. As a result the former home electricity supplier in each region has been the main challenger to British Gas for gas customers in their area.

Likewise as the former national provider British Gas has been the main challenger for electricity customers in each of the former electricity regions.

This is certainly supported by the findings of our research. Almost two-thirds of SSE/SWALEC electricity customers connected to the mains gas network also currently have their gas supplied by the company (63 per cent). Likewise over half of ScottishPower electricity customers have their mains gas supplied by ScottishPower (56 per cent).

On examining the findings for the former national gas provider, over seven out of 10 British Gas customers who have their gas supplied by the company currently have their electricity supplied by British Gas (70 per cent).

In terms of the frequency of switching, only around one in 10 electricity customers (11 per cent) and one in eight gas customers (13 per cent) said they regularly switch their supplier ie at least once every year/two years. This appears to be comparable to the rest of GB where between 10 and 20 per cent of consumers are thought to be 'active' switchers[38].

More commonly our findings appear to show that if someone has switched supplier, most likely to a dual fuel deal, in many cases they haven't switched again.

[38] 'The Retail Market Review – Findings and initial proposals', Ofgem (March 2011), p29

Around one in five households in our survey said they had switched supplier in the past but haven't done so in the last few years (18 per cent for electricity; 20 per cent for gas), and slightly more said they have only ever switched supplier once (22 per cent for electricity; 23 per cent for gas).

Our research also shows there are a high proportion of 'permanently disengaged'[39] consumers in Wales. Almost half of all households (49 per cent) said they have never switched their electricity supplier, while over two-fifths (43 per cent) of those connected to the mains gas network said they have never switched their gas supplier.

Our earlier results stated 34 per cent of people currently have their gas supplied by British Gas, the former gas incumbent. As almost 10 per cent more people have indicated they have never switched gas supplier any discrepancy can partly be accounted for by people moving into properties where the previous occupant had already switched.

Categorisation of switching behaviour

As part of their recent RMR Ofgem has suggested consumers can be categorised by their switching behaviour into five different consumer groups. Table 3 below compares the findings of our research with Ofgem estimates of the proportions of consumers across GB who fit into each category[40].

Table 3 Categorisation of consumer groups by switching behaviour (across gas and electricity)

Category:	Ofgem (estimated % across GB)	CFW research (estimated %)	Response:
Proactive & reactive – likely to have switched supplier in the last year	10-20%	11-13%	Regularly switch supplier ie at least once every year/two years.
Passive – have switched in the past but not recently. Most likely to a dual fuel deal	20-30%	40-43%	Have switched in the past but not in last few years or have only switched once. Most likely to a dual fuel deal.
Disengaged – report never to have switched but don't rule out doing so in the future	20-30%	3%	Have never switched but don't rule out doing so in the future.
Permanently disengaged – report never to have switched and are unlikely to switch in the future	20-30%	40-46%	Have never switched and are unlikely to switch in the future.

Source: Ofgem and Consumer Focus Wales

[39] See table 3 for a list of Ofgem definitions.

[40] Due to the differences in how each category has been defined in both instances this comparison should be treated as indicative rather than definitive.

While there are similarities between our research and the Ofgem estimates, particularly in terms of the proportion of active consumers, there are also some notable differences. One of the key discrepancies relates to the proportion of people who are described as 'disengaged'. Ofgem estimates between 40 and 60 per cent of consumers across GB are 'sticky' or disengaged from the energy market, however according to its research around half of these may be open to switching in the future.

Our own findings show a far greater proportion of consumers in Wales are permanently disengaged and there is a greater reluctance among disengaged consumers to consider switching in the future. The proportion of passive consumers in Wales is also higher than the estimated GB average. The regulator has noted their concern that the number of 'passive' consumers across GB is growing[41].

In terms of electricity, our research found 16-34 year olds, those from social grade DE, and those who never use the internet were more likely to have never switched their electricity supplier (61 per cent; 56 per cent and 57 per cent respectively).

For gas although the proportion of younger people who had never switched gas supplier was similar to that for electricity (63 per cent), the proportion of DEs and non-internet users who had never switched their gas provider was about 10 per cent less than for electricity. This indicates more people in these groups may have switched to a dual fuel deal with their former electricity incumbent.

On examining regional variations people living in Mid/West Wales and the Valleys were more likely to say they had never switched their electricity provider (65 per cent and 56 per cent respectively). Reflecting the greater migration away from ScottishPower (the former electricity incumbent in the area) the proportion of people in North Wales who had never switched electricity supplier was far fewer at 30 per cent.

Mid/West Wales[42] also had the highest proportion of households who'd never switched their gas provider (57 per cent), followed by Cardiff/South East Wales (52 per cent). However in the Valleys region significantly fewer people had never switched their gas provider (45 per cent) compared to the proportion who had never switched their electricity provider. The region also had the highest proportion of people who said they'd switched gas provider once (33 per cent). This again highlights the number of households in the area who are likely to have switched to a dual fuel deal with their former electricity incumbent. North Wales was the region with the most gas switchers, only around one in four (23 per cent) had never switched their gas provider.

[41] Op cit 38 (pg 30)

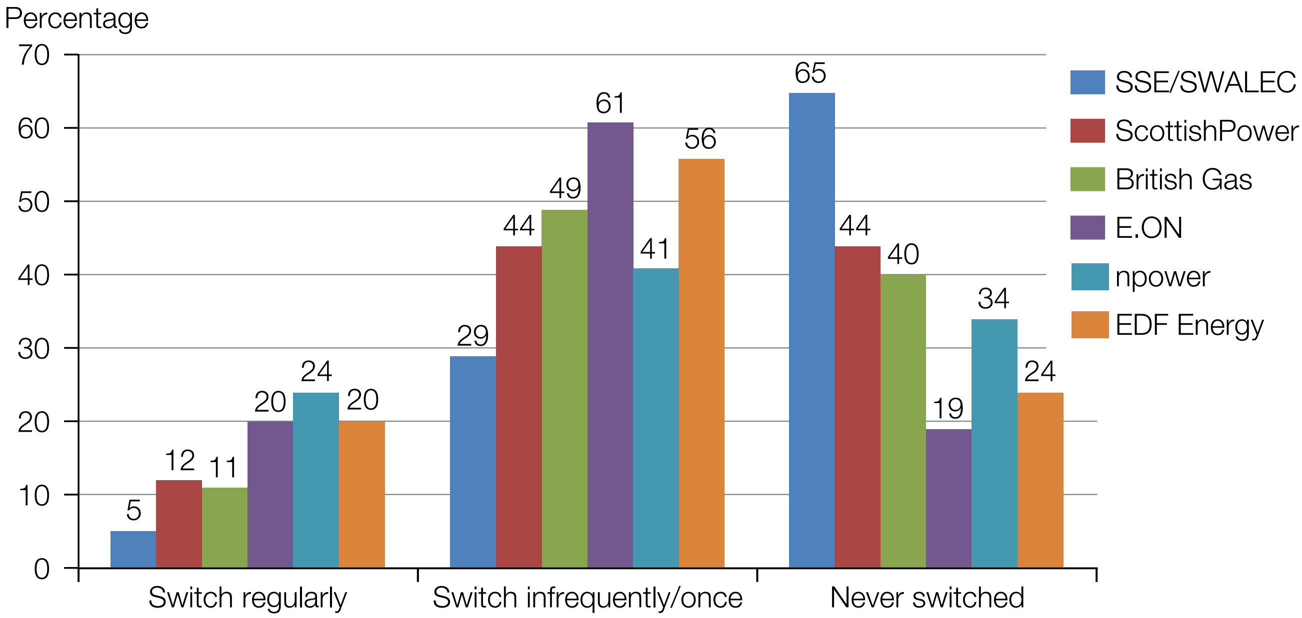
[42] Op cit 33

Switching behaviour across suppliers

We would expect active switchers to shop around for a better deal and also for suppliers to compete for customers in areas away from their former monopoly regions by offering competitive prices. As a result regular switchers are more likely to be with suppliers other than the former incumbents in Wales. This is certainly borne out by our findings[43]. As Figure 5 shows above average proportions of current npower, EDF Energy and E.ON electricity customers describe themselves as regular switchers (24 per cent; 20 per cent and 20 per cent respectively).

Conversely customers of the former electricity and gas incumbents show a tendency to switch less often. Almost half of British Gas electricity customers (49 per cent) reported switching their electricity infrequently, with over a quarter (28 per cent) saying they've only switched their electricity provider once. This reiterates previous findings that most of these are likely to be British Gas dual fuel customers.

Figure 5 Frequency of electricity switching by current electricity provider (%)



Source: Consumer Focus Wales: Base = 824 respondents

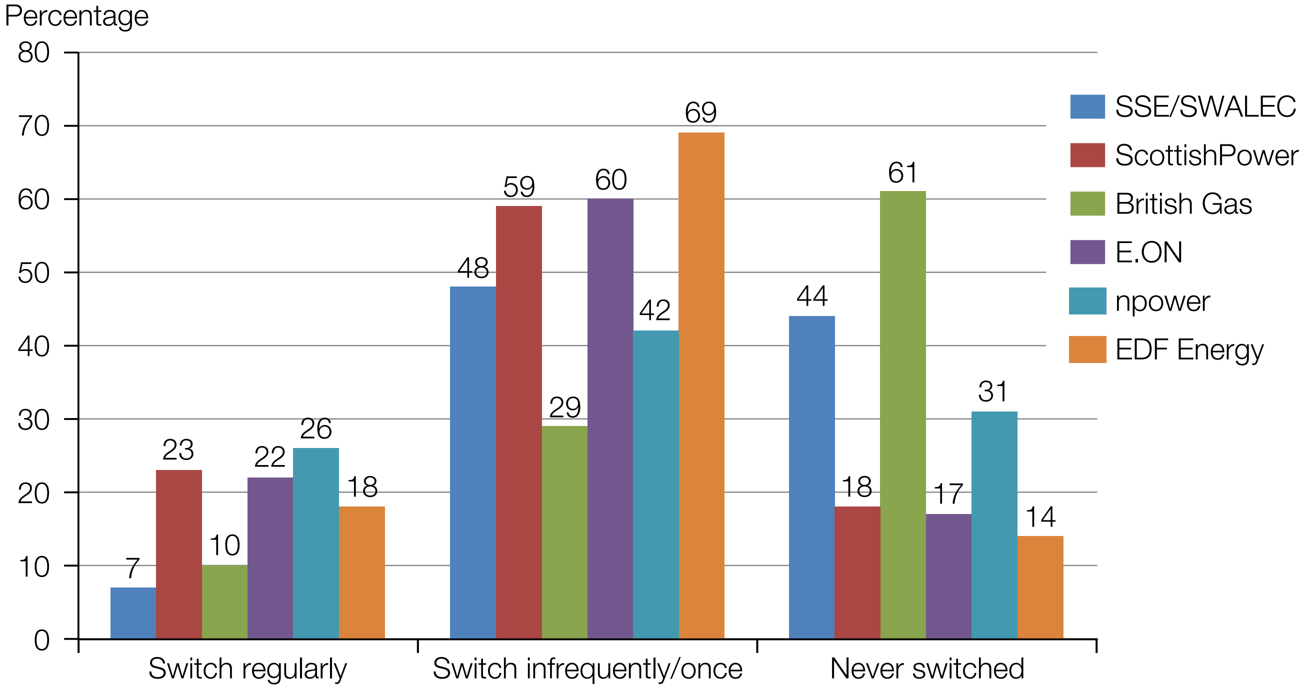
[43] Due to the small sample sizes for EDF and npower electricity customers, and EDF, npower and ScottishPower gas customers these results should be treated as indicative rather than definitive

Our research also confirms how SSE/SWALEC in particular has retained a significant proportion of electricity customers in Wales. Almost two thirds of SSE/SWALEC electricity customers (65 per cent) reported they have never switched their electricity supplier. This compares to 44 per cent of ScottishPower electricity customers.

Consumers off the mains gas network are not able to benefit from dual fuel deals although they could still make savings on their electricity bills by regularly switching their provider or tariff. However the results of our research show electricity-only households are less likely to be regular switchers than those who are connected to the gas grid.

Over two-thirds of those not connected to mains gas said they have never switched their electricity supplier (69 per cent). This compares to 44 per cent of those who are connected. Likewise, just 5 per cent of off-grid households said they switched their electricity supplier regularly, compared to 12 per cent of those connected to the gas network.

Figure 6 Frequency of gas switching by current gas provider (%)



Source: Consumer Focus Wales: Base = 668 respondents

Specific reasons for the differences in electricity switching between on and off-grid households were not explored in this research. It may be that as the majority of off-grid homes in Wales use other fuels to heat their homes such as domestic heating oil, liquefied petroleum gas (LPG) or solid fuel, electricity costs are less of a concern. However for the 17 per cent of households who do use electricity as their main heating source[44], there may be value in promoting the advantages of switching.

On the previous page, Figure 6 shows the gas switching frequency breakdown for individual suppliers. Once again the figures confirm the position of the former national provider British Gas – 61 per cent of their current gas customers state they have never switched their gas provider.

They also highlight how the former electricity incumbent in South Wales, SSE/SWALEC has gained gas customers. These customers have then tended to remain with them. Nearly half of SSE/SWALEC gas customers (48 per cent) said they switch their gas provider infrequently, with 30 per cent only having switched once.

Interestingly gas switching rates for ScottishPower (the other electricity incumbent) were more comparable with non-home suppliers[45]. As we have seen for electricity, gas customers of non-incumbent companies – EDF Energy, npower and E.ON – appear to be the most active switchers ie they switch gas provider at least every year/two years.

Once again this reflects the fact that these consumers are more likely to shop around for their energy needs and also the different marketing and/or pricing strategies employed by these companies in Wales in order to gain more customers. Although overall market shares for all three, in particular the former two, EDF Energy and npower, remain low.

Instances where customers of non-incumbent electricity and gas suppliers have said they have never switched are likely to be where people have moved into properties that were already supplied by these providers.

On examining our results for gas and electricity across all of the Big Six it was evident that SSE/SWALEC customers appear the least active, with significantly below average proportions describing themselves as regular switchers (5 per cent of electricity customers and 7 per cent of gas customers). This issue is explored further later in this report.

[44] Off-gas consumers – information on households without mains gas heating, Consumer Focus (October 2011). This report uses data from the Welsh Government's Living in Wales Survey 2008

[45] Op cit 43

Switching tariffs with existing suppliers

Consumer Focus has been concerned about the complexity of the tariff structure within the energy market for some time[46]. Energy tariffs are often structured in ways that can make it difficult for consumers to understand key terms and conditions associated with the tariff including pricing policies and discount structures.

The proliferation of tariffs available often only serves to confuse people – according to Ofgem since 2008 the total number of available tariffs (on-line and off-line) has increased by over 70 per cent[47] to around 400 tariffs. Both of these issues can deter people from engaging with the energy market and lead them to make poor switching decisions.

Our research found just one in 10 respondents (9 per cent) had switched their electricity or gas tariff in the last 12 months but had remained with the same supplier. This is comparable to the GB average. According to the most recent research from Ofgem[48] one in 10 households across GB (10 per cent) had switched their electricity tariff during 2010, while staying with the same supplier, and one in eight households (12 per cent) had switched their gas tariff.

Once again younger people (16-34 year olds), C2DE households and non-internet users were the least likely to have switched tariffs (around 4-5 per cent for each group). While AB households and 35-44 year olds were slightly more likely to have changed tariffs but remained with the same supplier (15 per cent and 13 per cent respectively).

Following their recent Retail Market Review Ofgem is proposing to simplify the structure of energy tariffs with the hope it will make it easier for consumers to compare prices and choose a better deal[49].

[46] Consumer Focus sent an open letter to Ofgem regarding these concerns in December 2010. An updated letter was also sent in November 2011

[47] Op cit 25 (p22)

[48] Op cit 6

[49] 'The Retail Market Review: Domestic Proposals', Ofgem (1 December 2011)

Reasons for switching or not switching

Key statistics:

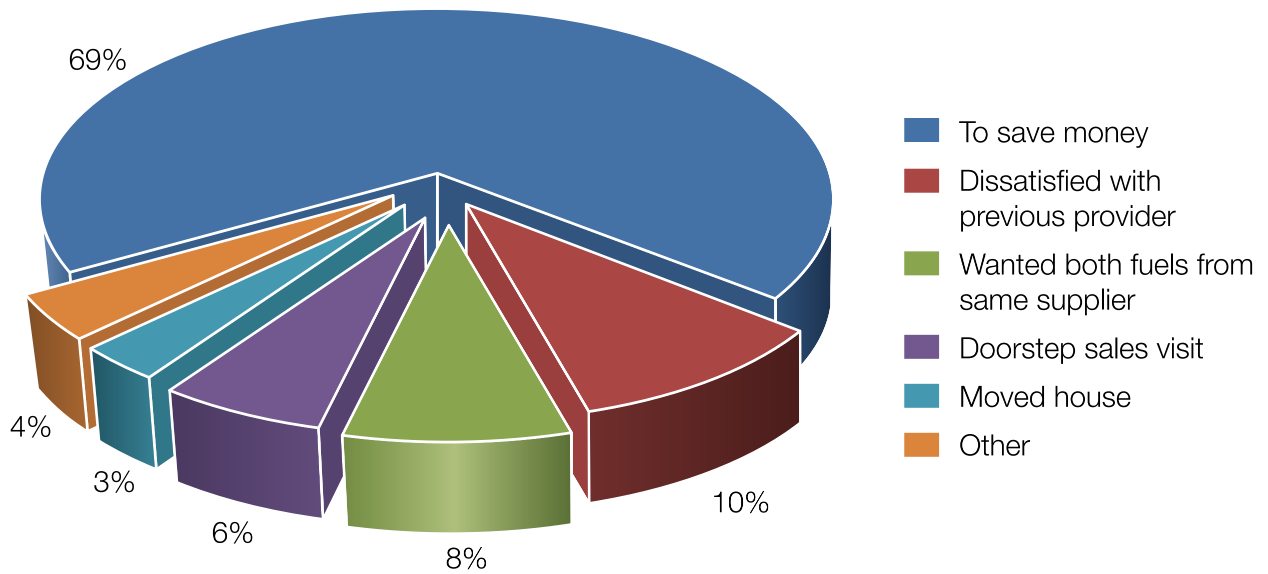
- 69 per cent of switchers had switched to save money
- 33 per cent of switchers had taken advice from a sales person at the door before switching, while 30 per cent had used a price comparison website
- 30 per cent of switchers did not believe they had made any savings on their energy bills after switching
- 47 per cent of those who had switched following a doorstep sales visit thought they had saved money, compared to 76 per cent of those who had used a price comparison site
- There is a strong correlation between internet usage and the frequency of switching
- 59 per cent of people who had never switched said this was because they were happy with their current supplier

Unsurprisingly the overwhelming reason why people had switched their electricity or gas supplier was to reduce energy costs. Over two-thirds of switchers in our survey (69 per cent) stated they had done so to save money.

One in 10 households (10 per cent) had switched because they were dissatisfied with their previous provider. Eight per cent had switched because they wanted both fuels with the same provider, with above average proportions of households living in the Valleys (16 per cent) and Cardiff/South East Wales (17 per cent) saying this was their main reason for switching.

As Figure 7 shows just 6 per cent of switchers said their main reason for switching was due to a doorstep sales visit.

Figure 7 Main reason for switching supplier



Source: Consumer Focus Wales: Base = 452 respondents

Researching the market

While it might not have been their main reason for switching supplier, the role doorstep sales calls can have in the switching decision process became more evident when people were asked what research they had carried out before deciding to switch. Figure 8 shows taking advice from a sales person at the door was the most popular source of information. A third of switchers in Wales (33 per cent) had used this approach. This was significantly higher among C2DE households (41 per cent), people aged 55-64 (40 per cent), and non-internet users (44 per cent).

Higher proportions of switchers living in West South Wales and the Valleys had also taken advice from a doorstep sales person, indicating communities in these areas may have been specifically targeted by energy companies.

These findings are unsurprising as direct sales approaches such as doorstep selling have historically been one of the main ways for energy companies to attract new customers. Without access to other sales channels, such as the internet, certain groups such as older people and those on lower incomes are more likely to be receptive to direct marketing techniques.

This is also reflected in the latest Ofgem research which found doorstep sales were the principal method for some groups, such as people aged 65 and over, those from social grade E and those without internet access, to find out about deals on offer before they had switched[50].

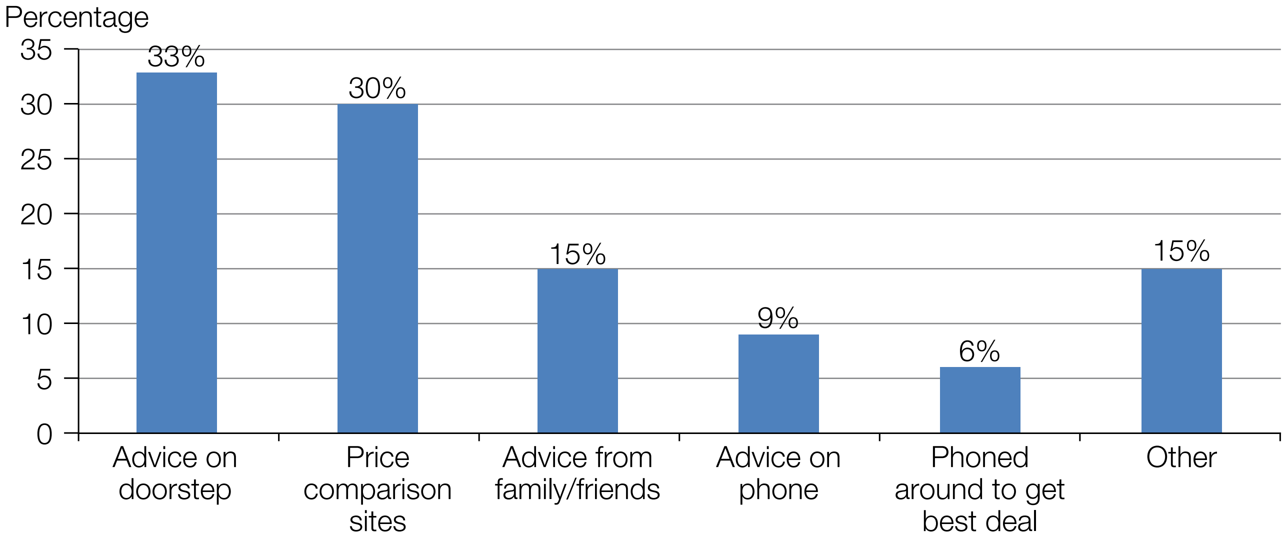
On comparing the findings across different suppliers, the proportion of SSE/SWALEC electricity and gas customers who had taken advice from a doorstep sales person before switching was significantly higher than for most other suppliers (44 per cent of electricity customers and 48 per cent of gas customers), including the other incumbent suppliers in Wales. The proportion of ScottishPower customers who had switched after a doorstep sales visit was more reflective of the average, while only around a quarter (24 per cent) of British Gas customers had switched following a doorstep sales visit.

Among customers of the Big Six companies who are non-home suppliers, ie E.ON, EDF Energy and npower, it was the latter's customers who are more likely to have taken switching advice on the doorstep (around two in five npower customers).

These results appear to indicate this has been a particular sales approach used by SSE/SWALEC and npower since competition was opened up to attract dual fuel and/or new customers in Wales.

[50] Op cit 6

Figure 8 What research did you carry out before deciding to switch supplier? (Multiple response)



Source: Consumer Focus Wales: Base = 452 respondents

For many years there have been growing concerns that within the energy market the doorstep sales process is failing consumers. Evidence has shown that hundreds of thousands of people have ended up paying more for their energy after switching supplier on the doorstep. Recent Consumer Focus research[51] found almost three-quarters of people in Wales (73 per cent) have a negative view of doorstep selling by energy companies. Over a third of people in Wales (37 per cent) felt most under pressure to buy during the doorstep sales process.

As a result of these concerns, in July last year Consumer Focus called for a three-month moratorium on un-solicited doorstep sales by energy companies[52]. Suppliers were urged to explore alternatives, with a recommendation that they move to a system of pre-booked appointments in the future. If suppliers were unwilling to change their practices after this period we recommended Ofgem should consider an outright ban on cold call doorstep sales.

Following our campaign at the time of writing SSE/SWALEC, British Gas, npower and ScottishPower had all announced they would be permanently stopping this type of marketing, while EDF Energy had suspended all doorstep cold calling.

[51] 'The end of the road: energy consumers' experiences with doorstep sellers', Consumer Focus , July 2011. Based on results of TNS CAPI Omnibus Survey conducted in May 2011. 1,878 interviews across GB (103 interviews in Wales) about views on doorstep sales with a particular focus on the energy sector.

[52] Ibid

Only E.ON's position remains unchanged. Among the newer, smaller entrants to the market both Co-operative Energy and Ebico fully support an end to cold calling. Although as this approach can be very resource intensive, it is unlikely many smaller suppliers could afford to market this way.

In addition to taking advice from a sales person on the doorstep Figure 8 highlights the popularity of price comparison websites as an information source. Three in 10 switchers in Wales use them (30 per cent). Such sites are particularly popular among those aged 54 and under (39 per cent), ABC1 households (42 per cent), and those who use the internet every day (46 per cent), but significantly less popular amongst those aged 65 and over (11 per cent), those from social grade DE (14 per cent) and those with a long-term illness or disability (15 per cent). This is likely to be explained by the fact that higher proportions of these groups said they never use the internet (71 per cent; 45 per cent and 55 per cent respectively). They were also used less by switchers living in West South Wales and the Valleys.

Price comparison sites had generally been used by more current E.ON and npower electricity and gas customers, showing that having access to and using resources such as this enables people to more easily compare deals across all energy companies.

In contrast very few people who had switched had phoned around to get a better deal. This may be because people are unaware of this option, the time needed may not be seen to be worth the effort, or they may be concerned about the price of calls if ringing from a mobile phone – the 'free minutes' included in many mobile price plans generally do not apply to 0800/0845 numbers (which are often used by suppliers). They are also more likely to be charged at a premium rate if called from a mobile. Wales has the highest proportion of people who report living in a mobile-only household (19 per cent)[53].

Realisation of savings after switching

As saving money was the biggest driver for people to switch their gas and electricity provider it was perhaps worrying to see that three out of 10 switchers (30 per cent) did not believe they had made any savings on their energy bills after switching.

The perceived realisation of any savings varied across the different information channels people had used prior to switching. Those who had switched in reaction to direct sales techniques were less likely to believe they had made any savings. This further highlights the problems associated with this type of marketing. Our research found almost half of those who had taken advice from a sales person at the door thought they had saved money (47 per cent). Likewise a similar proportion of those who had taken advice from a sales person on the phone (49 per cent)[54] felt they had made any savings.

[53] 'Communications Market Report: Wales', Ofcom (August 2011)

[54] Due to the small sample size for this category these results should be treated as indicative rather than definitive

As already mentioned evidence shows that many people who switch after taking advice from a salesperson at the door end up switching to a more expensive deal. Consumers may also be unaware that companies rarely offer their cheapest tariffs in face-to-face sales. Up until recently such deals have tended to be reserved for on-line sales, whether that's via price comparison sites or a suppliers own website. However there are signs that some companies are starting to change their policies – at the end of October 2011 SSE announced an end to online only tariffs[55]. We would like to see other suppliers follow this lead.

In order to reduce the incidence of poor switching decisions and improve the overall direct sales process, Consumer Focus believes there should be a new requirement on all face-to-face sales or telesales practices for suppliers to set out the range of tariffs they offer regardless of the sales channel used. If this is not possible then consumers should be notified that the company may have better offers available elsewhere[56].

As part of their latest RMR proposals Ofgem is proposing to introduce a standardised Tariff Information Label to help consumers compare a number of key features among different tariffs.

The UK Government also recently reached an agreement with energy companies to provide a cheaper tariff signpost message on the front page of consumer bills, encouraging people to call their supplier or visit a website to see if they could be saving money on their energy bills. This agreement has currently been reached on a voluntary basis however there are provisions within the Energy Act 2011 (which gained Royal Assent in October 2011) for the Government to require suppliers to provide this information to their customers. Over the next few months companies have also agreed to write to their standard tariff customers, who pay by cash or cheque, to let them know if they can offer them a cheaper deal.

In contrast to those who had switched following direct sales approaches, over three-quarters of those who had referred to a price comparison website (76 per cent) believed they had made savings on their energy bills as a consequence of switching. People who had taken the advice of friends or family were also more likely to have realised savings (71 per cent). Of all those who had realised savings, around one in seven (15 per cent) said the level of savings were much better than expected, while nearly half (47 per cent) said they were slightly better than expected.

[55] **http://bbc.in/AbiCZ7**
[56] Op cit 51

Internet use and switching

Throughout this report our findings highlight a strong correlation between internet usage in Wales and both the frequency of switching and the satisfaction with the process. This situation is apparent across GB, as Ofgem's latest analysis of customer engagement with the energy market found *'those without internet access .. remain among the least likely to switch supplier and contrast significantly with those who have internet access'*[57].

As we have seen the main benefits for energy consumers of having access to the internet are two-fold. Not only does it make it easier for people to shop around for the best energy deals, but also energy companies tend to offer some of their cheapest deals to their on-line customers.

In Wales it is encouraging to see that home internet connections and usage continues to rise. According to the latest Ofcom statistics[58] broadband take-up in Wales has increased by seven percentage points in the past year to 71 per cent of households. This is the largest year-on-year increase recorded across the UK's nations, although it still remains just below the UK average (74 per cent).

However, take-up varies significantly across different consumer groups and is significantly lower among those groups who are least likely to be regular energy switchers. For example, only around half of those from social grade DE (55 per cent) have broadband.

[57] 'Customer Engagement with the Energy Market – Tracking Survey: Report prepared for Ofgem', Ipsos Mori (January 2011)

[58] 'The Communications Market 2011 (August)', Ofcom

Reasons for not switching

According to our latest research almost half of households in Wales have never switched their electricity or mains gas supplier. Most of these respondents (59 per cent) said this was because they are happy with their current provider, while almost one in five (19 per cent) felt it was too much hassle to change.

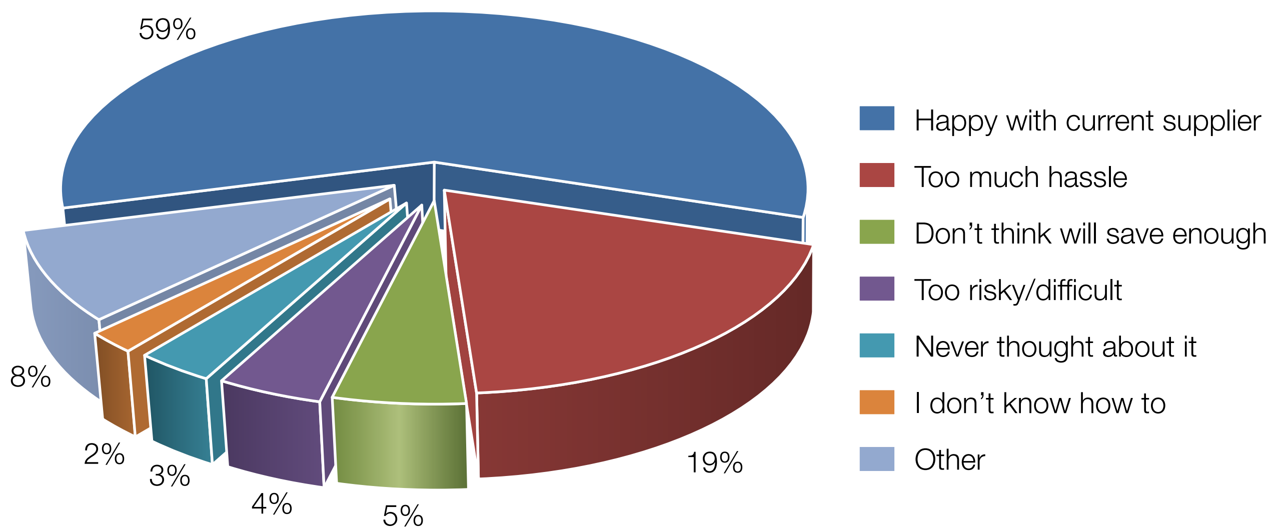
Very few people stated they didn't know how to switch or they felt it was too risky or difficult. A full breakdown is given in Figure 9 overleaf.

Ofgem research across GB supports these findings[59]. The three most frequently cited reasons why people haven't switched energy supplier are that they are happy with their current supplier; people believe switching is a hassle; and that there's not much difference between suppliers to make switching worthwhile.

In the next section of this report we further examine some of the factors that can affect consumer engagement (or lack of) in the energy market.

[59] Op cit 57

Figure 9 Main reason for not switching supplier



Source: Consumer Focus Wales: Base = 372 respondents

Factors affecting switching behaviour

Beyond price there are many inter-relating factors which are likely to affect a consumer's decision-making process with regards to who supplies gas and electricity to their home and hence switching behaviour.

This includes:

- customer knowledge and awareness of the market
- the perceived value in switching suppliers and ease/confidence in doing so
- levels of customer service/company performance
- ability to access and understand information on prices/tariffs in order to make an informed choice
- the marketing activity by individual companies
- brand/company loyalty
- and a range of other social, cognitive and behavioural factors which influence consumers' decision making

Many of these are well-documented and are each likely to impact on consumer switching behaviour in Wales.

As mentioned earlier in this report tariff complexity has been a growing concern of Consumer Focus over the last couple of years and is often cited as a significant deterrent to greater consumer engagement with the energy market.

Ofgem's detailed proposals for reducing tariff complexity were published for consultation in December 2011[60]. These include:

- each supplier only having one standard tariff per payment method per fuel
- Ofgem setting a standardised element for all standard tariffs
- all other tariffs must be fixed term with no automatic contract rollovers – prices and terms and conditions would be guaranteed for the duration of the contract
- there will be no restrictions on the number of fixed term tariffs companies can provide

Consumer Focus believes the proposals aimed at tackling tariff complexity are ambitious and have real merit but they also carry significant risks. We are concerned that there could be significant unintended consequences, particularly relating to the costs of migration eg moving people from a wide range of tariffs to a much narrower range of tariffs. If a low level of consumer engagement is still an issue, the majority of consumers could potentially remain on more uncompetitive standard products.

We believe much of the success of the proposals is linked to delivering behavioural change, which is a very complex and challenging process. Access to better information is a prerequisite for consumer understanding but will not necessarily result in action.

[60] 'The Retail Market Review: Domestic Proposals', Ofgem (1 December 2011)

We note that Ofgem continues to use insights from behavioural economics to help identify consumer 'biases' that may be relevant in the GB energy market[61] and would urge that work continues in this area, beyond reducing tariff complexity.

Looking at specific factors which may also be influencing the dominance of particular companies in Wales, specifically SSE/SWALEC in South Wales, Ofgem noted in their original Probe findings in 2008 that many consumers in Wales (and Scotland) reported a degree of loyalty to the company they perceived as their 'national supplier' ie SWALEC[62]. SSE has continued to market their brand as SWALEC in the South Wales region (and similarly Scottish Hydro in Scotland) therefore this is likely to affect consumers' perceptions of the company.

Research undertaken by Consumer Focus Wales[63] last year also confirms this perception. Almost half of SSE/SWALEC electricity customers (46 per cent) described their electricity supplier as 'a Welsh company'. A further one in six customers (16 per cent) described their supplier as 'the Electricity Board', highlighting a limited understanding of the liberalisation of the energy supply market among some consumers.

In addition SSE/SWALEC has consistently topped the rankings for customer service/complaints handling. Since December 2010 Consumer Focus has been publishing quarterly energy complaints league tables[64]. As shown in Table 4, up until September 2011 SSE outperformed the rest of the Big Six suppliers in having the least number of customer complaints.

British Gas and npower have recently undergone investigations by the regulator Ofgem into how they were dealing with customer complaints. Both have been found in breach of regulations on complaint handling standards and have been fined £2.5 million and £2 million respectively in recent months. Since the start of the investigations each company has taken action to improve their complaints handling systems. For British Gas in particular this is reflected in our league tables, with the company achieving a four star rating in each quarter of 2011.

SSE is the only supplier to have achieved the top five star rating. Complaints across the industry rose on average by just over a quarter (26 per cent) between July and September 2011. This was at the same time as energy price rises were announced and most had started to take effect.

61 'What can behavioural economics say about GB energy consumers?' Ofgem (March 2011)

62 'Energy Supply Probe – Initial Findings Report', Ofgem (October 2008), pg 56

63 Opinion Research Services (ORS) Monthly Telephone Omnibus Survey. 1,007 interviews conducted during September 2010

64 Consumer Focus has created a proxy for performance based on the number of consumers that have contacted an independent organisation for advice or support with an energy problem. The companies are ranked on the number of customer contacts to Consumer Direct, Consumer Focus and the Energy Ombudsman in relation to their market share during the last quarter. Different types of complaint are weighted to reflect the seriousness of the complaint and the time and effort spent by the consumer to get their problem resolved

Table 4 Consumer Focus Energy Complaints League Table

Supplier	Rating				
	July - Sept 2010	Oct - Dec 2010	Jan - Mar 2011	Apr - Jun 2011	July - Sept 2011
SSE	4****	4****	4****	5*****	5*****
British Gas	3***	3***	4****	4****	4****
E.ON	3***	2**	3***	4****	3***
ScottishPower	2**	2**	2**	3***	3***
npower	2**	1*	2**	3***	2**
EDF Energy[65]	2**	2**	2**	1*	0

Analysis of price comparison data in Wales

The results of our research have shown how the incumbent electricity and gas providers remain significant players in the energy market in Wales, in particular SSE/SWALEC and British Gas.

As saving money is the predominant reason why people switch energy suppliers in this section we examine the latest price comparison data for all of the Big Six suppliers in both the former SWALEC region of South Wales and the former Manweb region of North Wales (which also includes Merseyside and Cheshire).

In spite of the fact that there are currently a whole range of different tariffs available according to Ofgem around three-quarters of customers are estimated to be on their supplier's standard tariff. Our research has also shown how the majority of switchers in Wales have switched to a dual fuel deal with one of the former incumbent suppliers.

Therefore the data used in Tables 5a and 5b looks at dual fuel standard rate price variations for medium gas and electricity users[66] across all payment methods.

Prices given were current on 19 December 2011. This is after all the price rises announced in the summer of 2011 had taken effect.

[65] EDF Energy's increase in complaints is likely to be largely due to the implementation of a new billing system

[66] All bill calculations are based on annual consumption of 3,300 kWh (medium user) for standard rate electricity and 16.500 kWh (medium user) for standard rate gas. All prices shown include VAT at 5 per cent

Table 5a Current dual fuel price comparison data in the former SWALEC region of South Wales (19 December 2011) (host electricity supplier now SSE)

Supplier	Payment method		
	Direct debit:	Quarterly by cash/ cheque:	PPM:
SSE/SWALEC	£1,231	£1,298	£1,297
British Gas	£1,240	£1,307	N/A[67]
EDF Energy	£1,177	£1,252	£1,252
npower	£1,203	£1,297	£1,302
E.ON	£1,195	£1,299	£1,300
ScottishPower	£1,231	£1,418	£1,317

Source: Data compiled for Consumer Focus by www.energylinx.co.uk

Table 5a shows among the Big Six suppliers there is currently a £63 difference between the cheapest (EDF Energy) and most expensive (British Gas) prices paid by dual fuel medium users in South Wales who pay by Direct Debit.

These results only cover the Big Six suppliers. The Consumer Focus price comparison tool allows us to compare prices across all suppliers. Using the following pricing criteria (ie dual fuel, standard rate tariff; medium user; Direct Debit) EDF Energy still remain the cheapest supplier in the South Wales region (£1,177 a year)[68].

[67] N/A = no available tariff for this supplier or payment type
[68] As at 19 December 2011

Table 5b Current dual fuel price comparison data in the former MANWEB region of North Wales (19 December 2011) (host electricity supplier now ScottishPower)

Supplier	Payment method		
	Direct debit:	Quarterly by cash/ cheque:	PPM:
SSE/SWALEC	£1,219	£1,285	£1,285
British Gas	£1,235	£1,302	N/A[69]
EDF Energy	£1,179	£1,255	£1,255
Npower	£1,202	£1,296	£1,306
E.ON	£1,210	£1,315	£1,315
ScottishPower	£1,242	£1,419	£1,283

Source: Data compiled for Consumer Focus by www.energylinx.co.uk

A similar examination of the data for North Wales in Table 5b also shows a difference of £63 between the cheapest of the Big Six suppliers (EDF Energy) and the most expensive supplier (ScottishPower) for dual fuel medium users in North Wales who pay by Direct Debit.

However, using the Consumer Focus price comparison tool, we found one of the new entrants to the energy market, Co-operative Energy, is actually the cheapest supplier in North Wales, based on the pricing criteria used for South Wales (£1,172 a year)[70].

The data in both tables also shows how by switching payment method, from paying quarterly by cash/cheque to Direct Debit, people could reduce their energy bills by an average of £99 a year in South Wales and £103 a year in North Wales.

Following the latest price increases each of the tables above shows that the three suppliers who announced price rises first ie ScottishPower, British Gas and SSE are currently the most expensive suppliers in both regions. EDF Energy was the last of the Big Six to put up prices which is likely to have given them a competitive advantage over other suppliers. A similar pattern is evident across Great Britain.

Our research has shown there remain large numbers of households in Wales who have never switched supplier. For those living in South Wales this means their electricity will still be provided by SSE/SWALEC and their gas provided by British Gas. Likewise in North Wales, people who haven't switched will still have their electricity provided by ScottishPower, and again their gas provided by British Gas.

69 Op cit 67
70 Op cit 68

Table 5c Customer in South Wales (standard rate tariff; medium user)

Current suppliers	Electricity only (SSE/SWALEC)	£523
	Gas only (British Gas)	£785
	Total:	***£1,308***
New supplier	Dual fuel (EDF Energy)	£1,252
	Saving (paying by cash or cheque)	***£56***
	Dual fuel (EDF Energy)	£1,177
	Saving (paying by Direct Debit)	***£131***

Table 5d Customer in North Wales (standard rate tariff; medium user)

Current suppliers	Electricity only (ScottishPower)	£580
	Gas only (British Gas)	£792
	Total:	***£1,372***
New supplier	Dual fuel (EDF Energy)	£1,255
	Saving (paying by cash or cheque)	***£117***
	Dual fuel (Co-operative Energy)	£1,172
	Saving (paying by Direct Debit)	***£200***

Tables 5c and 5d provide an indication of potential savings those who have never switched could make were they to change supplier and also change to a dual fuel deal with the new supplier. Significant savings can also be made by switching payment method therefore the examples provided also allow for someone changing from paying quarterly by cash/cheque to Direct Debit.

The above analysis confirms that by not engaging with the energy market many consumers in Wales are missing out on cheaper energy deals. Additional savings could also be found by switching away from a supplier's standard rate tariff.

The final section of our report examines the extent people in Wales are willing or able to shop around for a better energy deal in the future.

Likelihood of switching in the future

Key statistics:

- Only one in eight people (13 per cent) said it's likely they will change their electricity or gas supplier in the next 12 months, rising to 21 per cent of those who had switched before
- Slightly higher proportions of people aged 54 and under, those living in North Wales and daily internet users said they were likely to switch during the next year
- 67 per cent of people said it was not at all likely they would switch in the foreseeable future
- 94 per cent of those who have never switched supplier said they were also unlikely to switch in the coming year

At the time of our survey (late November 2011) the price increases announced by all of the Big Six energy suppliers during the summer had come into effect

In spite of the price rises only around one in eight people (13 per cent) said it is likely they will change their electricity or gas supplier in the next 12 months. This generally correlates with the proportion of people in Wales who describe themselves as regular switchers. It would therefore appear that energy price increases have had very little impact on switching behaviour in Wales.

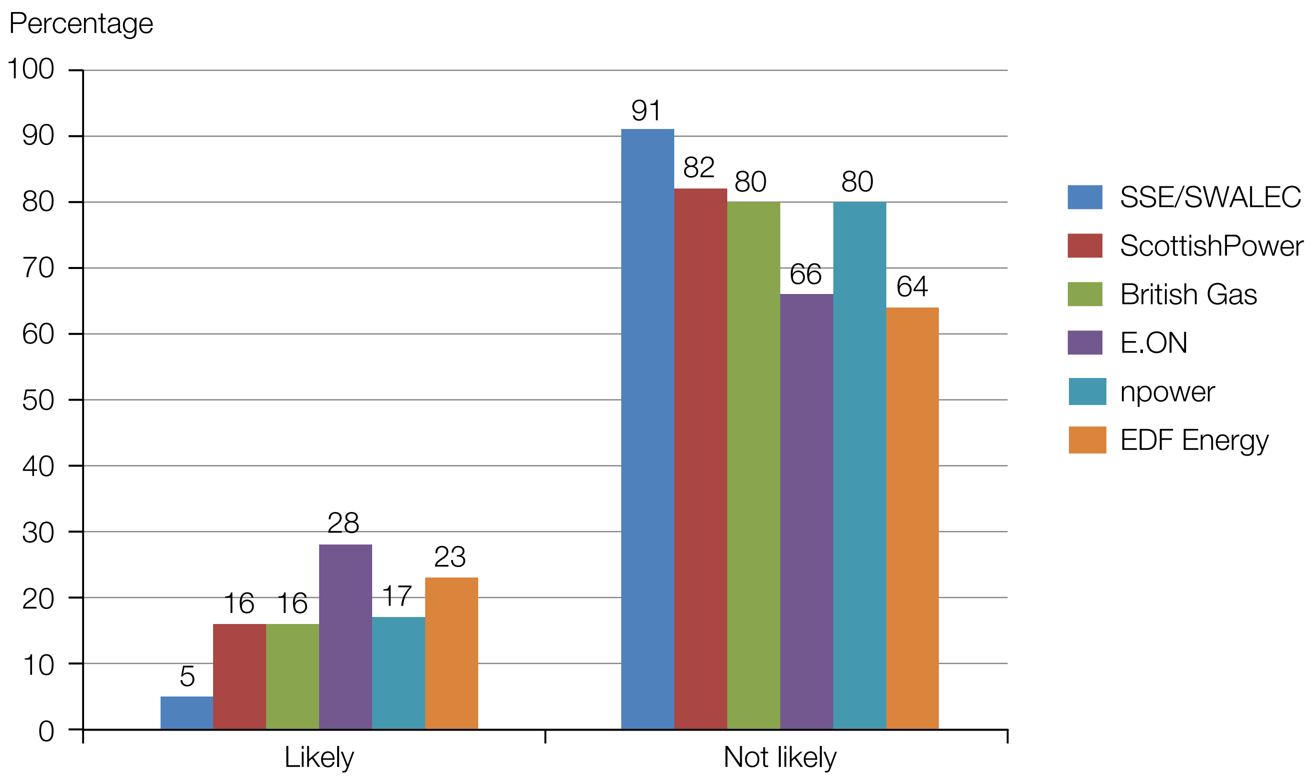
In contrast 82 per cent of respondents said they were unlikely to switch their energy provider over the next year, with two thirds of respondents (67 per cent) saying it was not at all likely that they would switch in the foreseeable future.

On examining the results for customers of individual suppliers (as shown in Figures 10a and 10b)[71], it was noticeable that higher proportions of EDF Energy and E.ON electricity and gas customers said they were likely to switch during the next year (between 23 to 33 per cent). The fact that customers of these companies are more likely to be regular switchers is the most probable explanation for this.

Confirming their dominance in Wales almost eight out of 10 SSE/SWALEC electricity and gas customers (79 per cent) said they were not at all likely to switch supplier over the next 12 months.

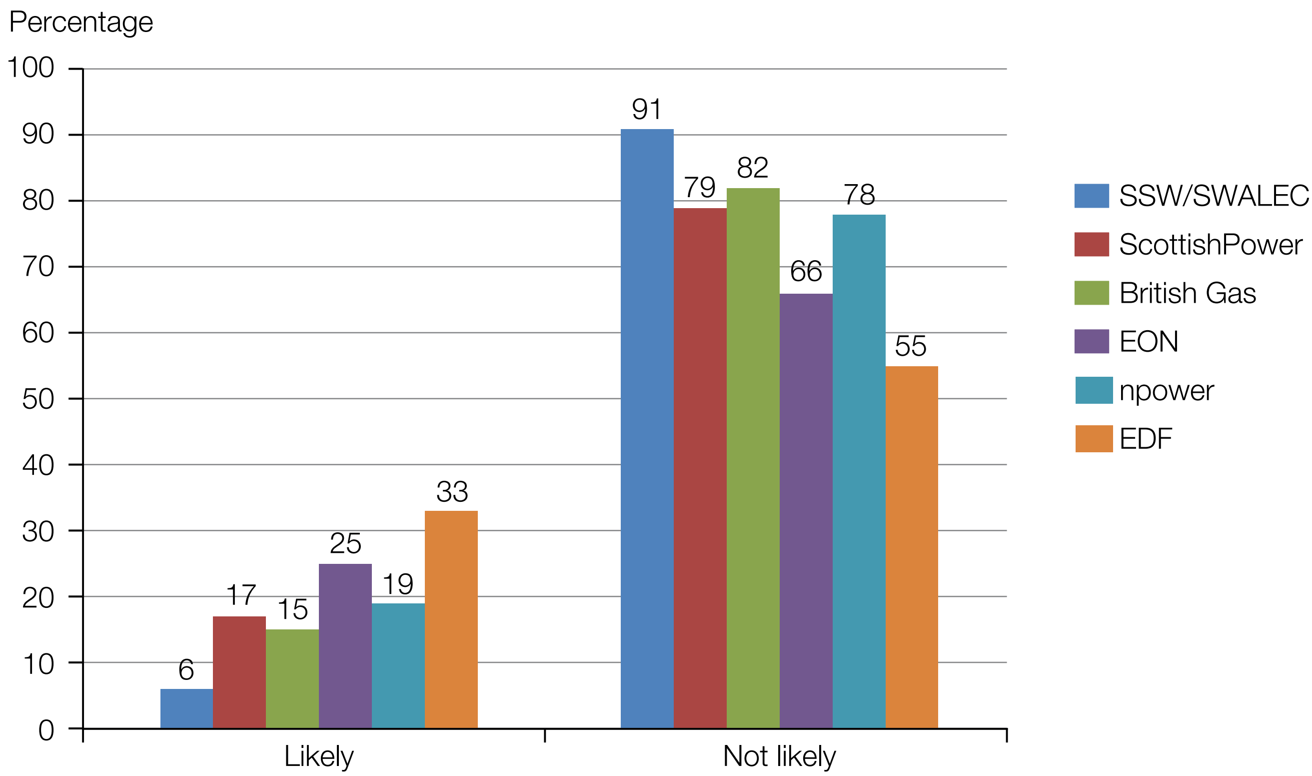
[71] Due to the small sample sizes for EDF and npower electricity customers, and EDF, npower and ScottishPower gas customers these results should be treated as indicative rather than definitive

Figure 10a Likelihood of switching in next 12 months by current electricity provider (%)



Source: Consumer Focus Wales: Base = 824 respondents

Figure 10b Likelihood of switching in next 12 months by current gas provider (%)



Source: Consumer Focus Wales: Base = 668 respondents

In terms of the profile of likely switchers, slightly higher proportions of people aged 54 and under (17 per cent), those living in North Wales (22 per cent) and those who use the internet every day (17 per cent) said they'd be likely to switch during the next year. While those least likely to be considering switching included people aged 65 and over and non-internet users (both 92 per cent).

There was also a strong correlation between the likelihood of switching supplier within the next 12 months and the extent to which people had switched previously. Around a fifth of switchers (21 per cent) said they were likely to switch their electricity or gas supplier again during the next 12 months. While the majority of those who had never switched supplier said they were unlikely to switch in the coming year (94 per cent).

It would therefore appear that there is a long way to go to encourage more consumers in Wales to become more actively engaged in the energy market, particularly among those on a lower income, younger and older people, and non-internet users. Switching support should therefore specifically target these groups.

Currently one of the main programmes of direct face-to-face support on energy switching is through the Energy Best Deal (EBD) campaign. Citizens Advice has been running the EBD scheme in England and Wales, with support from Ofgem and major energy companies, since 2008. Delivery of the programme in Scotland is also being supported by our colleagues in Consumer Focus Scotland.

The campaign is mainly targeted at vulnerable groups and those at risk of fuel poverty, as well as front-line staff who work with these groups. It is primarily designed to increase confidence in shopping around for energy, helping people to save money on their bills or helping them to know where to get help if they are struggling to pay their energy bills. A number of organisations across Wales have been involved in delivering the programme to frontline advisers and consumers.

The latest evaluation for the 2011 EBD programme in Wales, which ran from January to May 2011, estimates that each front-line worker will advise around 13 clients, potentially bringing the number of consumers helped in Wales to around 2,000[72].

[72] Energy Best Deal Evaluation Report 2011, Centre for Sustainable Energy (October 2011)

The evaluation also found 80 per cent of consumers said they would definitely or probably do something as a result of the session. The most popular intended action was contacting their energy supplier (58 per cent), followed by looking at other suppliers' prices (49 per cent) and telling friends and family (48 per cent).

The programme appears to have been successful in improving the confidence of participants to engage with the energy market or in passing on information to others. However, there is little evidence on the extent people are acting on their intentions and actually switching to a better deal (moving to another supplier or tariff). Work is needed to understand consumer behaviour in this regard to help improve the longer term outcomes from the campaign.

Our research has highlighted the large proportion of consumers in Wales who are still not engaging with the energy market. As the EBD campaign is only able to reach a small proportion of consumers it is worthwhile exploring what else can be done to target more consumers.

Consumer Focus is currently investigating the potential of collective switching and how this could be applied to utility markets, including energy. Under this approach consumers would have the option of registering with an intermediary service. Using the group's combined buying power the intermediary would then work on their behalf to secure a more competitive energy deal than each member of the group would have been able to achieve individually. The supplier who makes the best offer would benefit by people switching en masse to their company. Consumer Focus will be developing this work further in 2012.

Conclusion

Our findings highlight that currently consumer engagement with the energy market remains low in Wales.

The proportion of regular switchers is comparable to Ofgem research for the rest of GB, both in terms of those who change supplier on a frequent basis or those who have switched tariff but remained with the same supplier. However, far more consumers in Wales who have never switched show no inclination to do so in the future, indicating the challenge of encouraging more consumers to engage in the energy market could be even greater in Wales.

Most of those who had switched reported doing this infrequently or only once. Our evidence shows this has largely been the result of switching to dual fuel deals with one of the previous incumbent suppliers, most notably SSE/SWALEC and British Gas, who dominate the market in Wales.

There are likely to be many inter-relating factors why both companies appear to have been so successful in retaining good market shares in Wales since the energy market was opened up to competition over a decade ago – both companies also have the largest domestic market shares in GB. Our research does seem to support the fact that loyalty to the SWALEC brand, and it's perceived 'Welshness', remains relatively high and this may go some way to explain the company's strong position in Mid and South Wales.

We have also seen how the way people engage with the market has a big influence on their switching behaviour. The correlation between internet usage and proactive engagement is strong. People who have used this approach are also much more likely to believe they have realised savings on their bills, indicating the level of information available through the internet enables people to make more informed decisions.

In contrast those who've switched in reaction to direct sales approaches, particularly doorstep sales, are much less likely to think they have made any savings on their energy bills as a consequence. Clearly if people are to be encouraged to engage more in the market and their trust in energy companies is to improve issues such as this need to be addressed. This could be achieved by improving information at the point of sale and allowing people more time to consider the options before making a decision to switch.

If managed effectively Ofgem's proposals to simplify the tariff structure should hopefully not only make it easier for consumers to compare deals across suppliers but also to compare tariffs with the same supplier. Supporting people to switch tariff without changing supplier could be an important first step in encouraging more active engagement in the wider energy market.

We also know that improving information provision is not a pre-requisite for action from consumers. Supporting behaviour change is a challenging process which is likely to need a multi-layered approach and greater understanding of the factors that determine why people behave in the way they do.

At a time of ever-increasing energy prices and pending energy market reform following Ofgem's recent Retail Market Review, we believe there are opportunities to capitalise on this situation and target more hands-on switching support at particular groups who would benefit most from changing their supplier or tariff but do not currently have access to the internet. This includes those on lower incomes, younger and older people, and others who are living in fuel poverty.

However switching alone is unlikely to be enough to help some of the most vulnerable consumer groups afford to heat their homes adequately, particularly over the winter months. Equally important is ensuring energy companies, as well as the Welsh and UK Governments are providing the right support for the most vulnerable.

Appendix 1 – Research methodology

Beaufort Omnibus Survey

Fieldwork was subcontracted to Beaufort Research Ltd of Cardiff using their quarterly Wales Omnibus survey.

The Omnibus survey is designed to be representative of the adult population resident in Wales aged 16 and over. The unit of sampling is Lower Super Output Area (LSOA) and 69 interviewing points throughout Wales are selected with probability proportional to resident population, after stratification by local authority and social grade.

Within each sampling point, interlocking demographic quota controls of age and social class within sex are employed for the selection of respondents.

Quotas are set to reflect the individual demographic profile of each selected point. A fresh sample of interviewing locations and individuals are selected for each survey and no more than one person per household is interviewed.

Interviews are conducted face to face in the homes of respondents utilising CAPI (Computer Aided Personal Interviewing) technology. Beaufort's experienced fieldworkers are used with postal and telephone back-checking in accordance with ISO 20252.

Fieldwork for the November 2011 survey was conducted between 18 and 27 November 2011. A total of 1,008 interviews were completed and subsequently analysed, with 823 completed among those who are solely or jointly responsible for paying the household's electricity and/or gas bills.

Regions used in presenting data comprised of groups of unitary authority as listed overleaf.

Definition of region

Region:	Unitary authorities:
North Wales	Wrexham, Flintshire, Denbighshire, Conwy, Anglesey, Gwynedd.
Mid West Wales	Powys, Ceredigion, Carmarthenshire, Pembrokeshire.
West South Wales	Swansea, Neath & Port Talbot, Bridgend.
Cardiff & South East Wales	Cardiff, Vale of Glamorgan, Torfaen, Monmouthshire, Newport.
Valleys	Caerphilly, Merthyr, Blaenau Gwent, Rhondda Cynon Taf.

Definition of social grades

The grades detailed below are the social class definitions used by the Institute of Practitioners in Advertising, and are standard on all surveys carried out by Beaufort Research Ltd.

A	Upper middle class	Higher managerial, administrative or professional
B	Middle class	Intermediate managerial, administrative or professional
C1	Lower middle class	Supervisor or clerical and junior managerial, administrative or professional
C2	Skilled working class	Skilled manual workers
D	Working class	Semi-skilled and unskilled manual workers
E	Those at the lowest levels of subsistence	State pensioners, etc, with no other earnings

Appendix 2 – Help available

CHECK if there's a cheaper way to pay

If you pay by cash or cheque your supplier will be writing to you this winter but you don't have to wait for their letter to find out if you could be saving money. You can contact your energy supplier on the phone numbers below to ask them what the cheapest deal is that they can offer you.

You can also find out whether you are eligible for extra financial help if you are on a low income or additional support from the suppliers' **Priority Services Register**.

British Gas – Tel: 0800 048 0202

EDF Energy – Tel: 0800 096 9000

E.ON – Tel: 0845 059 9905

npower – Tel: 0845 070 4851 (monthly Direct Debit) 0845 070 4850 (cash, cheque or quarterly Direct Debit customers) 0845 070 4853 (pre-payment meter customer)

SSE – Tel: 0845 7444 555 (SSE and Southern Electric) 0845 300 2141 (Scottish Hydro) 0800 052 5252 (SWALEC) 0845 073 3030 (Atlantic)

ScottishPower – Tel: 0845 270 0700

Co-operative Energy Tel: 0800 954 0693

Ebico – Tel: 0800 458 7689

Ecotricity – Tel: 0845 555 7100 (domestic customers)

First Utility – Tel: 0845 215 5000

Good Energy – Tel: 0845 601 1410

Green Energy – Tel: 0800 783 8851

LoCO2 Energy Tel: 0845 074 3601

Ovo – Tel: 0800 5999 440 or 01285 771 800

Spark Energy – Tel: 0845 034 7474

Utilita – Tel: 0845 450 4357

Utility Warehouse – Tel: 0844 815 7777

SWITCH to a cheaper energy firm

Switching sites can help you find the best gas and electricity rates for you. Make sure you use a switching service accredited by **Consumer Focus' confidence code** to guarantee you get independent, accurate and up-to-date information to help you get the best deal. There are 13 accredited sites, nine of which also have a telephone service:

BeatthatQuote.com – 0845 652 1546

Confused.com

Energy Helpline – 0800 074 0745

Energylinx – 0800 849 7077

Fuelswitch

Moneysupermarket.com – 0845 345 1296

Simply switch – 08000 111 395

switchelectricandgas.com

TheEnergyShop.com – 0845 330 7247

UK Power – 0800 093 2447

Unravelit

Uswitch – 0800 404 7908

Which? Switch – 01992 822867

The **Energy Best Deal** scheme, run by Citizens Advice and Ofgem, offers face-to-face advice sessions, which help people to shop around and switch, reduce their bills, and get help if they are falling behind on payments. Extra advice is also available online through six new **help films**.

INSULATE your home and save energy

Energy customers in Wales can call the Welsh Government's **Nest Scheme** on freephone 0800 512 012 (or 0300 456 2655 from mobiles). It offers advice on saving energy, and can tell you whether you could be entitled to extra cash to help make ends meet and if you qualify for free or low cost home improvements, to help make your home warmer.

You can also speak directly to your energy firm about the free or discounted insulation and other energy efficiency measures they may be able to offer you under the **CERT** scheme (until the end of 2012).

The contact details for each supplier are below.

British Gas – 0800 980 8177
E.ON – 0800 479 0162
EDF Energy – 0800 096 9966
npower – 0800 02 22 20
ScottishPower – 0845 601 7836
SSE – 0800 072 7201

If you are having trouble paying, or are worried about paying, your winter energy bills you can also contact your local Citizens Advice Bureaux or the **Home Heat Helpline** on 0800 336699.