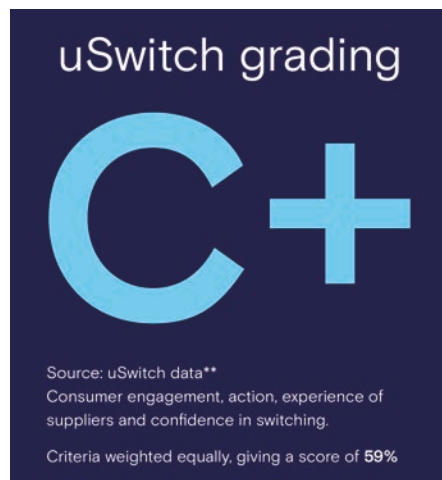


The retail energy market – delivering a better deal for consumers?



At the end of 2018 the UK retail energy market was delivering positive outcomes for the majority of domestic energy customers. However, certain groups of customers, such as those on standard variable tariffs and those working fewer than eight hours per week, were engaging less and had a less positive experience, underscoring that the market was not serving all customers as well as it could.

This is the conclusion of the first uSwitch Retail Energy Market Tracker. By measuring consumer sentiment across four criteria – engagement with bills, action to reduce bills, experience of suppliers and confidence in switching, the

tracker shows to what extent the energy market is working in consumers' best interests. In this first edition, uSwitch is awarding the market a grade C+.

A majority of consumers were engaged and taking some level of action regarding their bills, building on 2017's record switching levels. Despite energy prices rising across all types of tariff, and several suppliers exiting the market, household experiences of suppliers and confidence in the switching process were more positive than negative.

Future waves of the uSwitch Retail Energy Market Tracker will be published quarterly to help inform debate and regulatory decisions as the market evolves during a period of significant change. We will continue to assess market trends, consumer experiences of interacting with suppliers and their willingness and confidence to pursue switching.

Retail energy market 2017-2018

£74 per year
AVERAGE PRICE RISE

In 2018 there were 56 SVT price rises from 32 suppliers, averaging 7.4%

- ↑8% Average Big Six SVT (£1,131 – £1,221)*
- ↑14% Average cost of all tariffs (£1,012 – £1,154)*
- ↑15% Number of tariffs (185 – 213)*
- ↑12% Cost of cheapest tariff (£820 – £921)*
- ↑12% Rate of consumers switching supplier‡
- ↓7% Number of suppliers (74 – 69)*

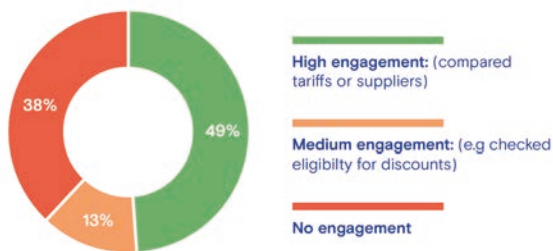
*uSwitch data 24/10/17 – 24/10/18

‡ Ofgem State of the retail energy market 2017 & 2018

**Research on 5,007 UK energy bill customers conducted by Opinium between 19-29 October 2018, weighted to be nationally representative.

Consumer attitudes

Consumer engagement



Energy consumers were asked about specific engagement with their energy supplier over the past 12 months, and allocated a 0-5 weighting based on how they engaged. 5 is highly engaged. 1-4 is somewhat engaged. 0 is no engagement.

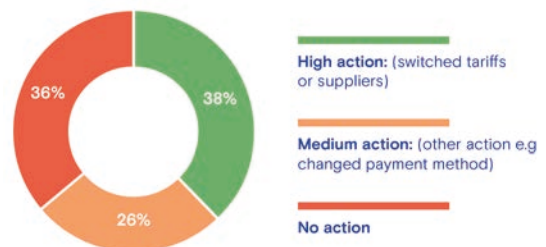
Consumer engagement with energy bills was reasonably high: three fifths (62%) of customers engaged with their bills in some way during the last year. But a significant proportion – 38% – did not.

Older groups aged 55+ (43%), along with those working less than eight hours per week (49%) did not consider their bills at all. 38% of households on Standard Variable Tariffs (SVTs), and 67% of those who didn't know what tariff they were on, did not think about their bills. Conversely, over 60% of consumers on tariffs they chose themselves did explore ways to pay less.

Consumer action broadly mirrored engagement levels. 64% of households took some action in the past 12 months linked to the amount they pay for energy.

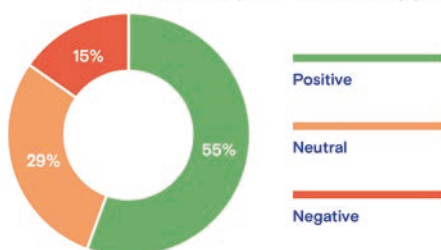
As expected, households on fixed tariffs were the most likely to have switched (56%). And despite thinking least about their bills, those aged 55+ were more likely to switch (43%) than any other age group.

Consumer action



Energy consumers were asked if they took specific actions to reduce their energy bill over the past 12 months, and allocated a 0-5 weighting based on the actions they took. 5 indicates high action. 1-4 indicates medium activity. 0 indicates no action.

Consumer experience of suppliers



Energy consumers were asked to rate their energy supplier on a range of issues from 0-10, scored from 'extremely dissatisfied' (0-2), 7-10 was weighted as a positive experience, 5-6 as neutral, and 0-4 as negative.

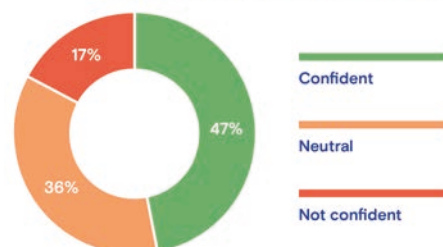
Experience of suppliers: considering a range of interactions and factors, including customer service, communication, trust and overall satisfaction, more than half (55%) feel positive about their energy supplier and what they offer, and only 15% feel negatively.

18% of consumers were dissatisfied with value for money and 35% were dissatisfied with incentives and rewards offered. Households were happier with accuracy of bills (65% satisfied) and easy account management (66% satisfied).

Confidence in switching: almost half (47%) of bill payers felt confident in a range of factors linked to the process and benefits of switching. These include being able to find a cheaper deal, ease of comparing tariffs and the process being straightforward.

Only 17% were not confident overall. Households had least confidence in finding better customer service (29%), but were most confident they would have plenty of suppliers to choose from (65%).

Consumer confidence in switching



Energy consumers were asked to rate their level of confidence if they switched supplier in the next month on a range of issues about the process and benefits of switching, scored from 'extremely confident' (5) to 'not confident at all' (1). 4-5 was weighted as confident towards switching, 3 as neutral, 1-2 as not confident.

For further information please contact

richard.neudegg@uswitch.com or imogen.buxton@uswitch.com