

## **Utility Bills Too Confusing for the Netflix Generation: 35% of Brits under 35 think energy bills are a subscription service**

- New research shows common energy confusion, as 35% of Brits under 35 think their energy billing works like a subscription service
- Common utility bill terms such as 'Kwh' and 'tariff' are among those least understood by Brits.
- Energy topped the list of most confusing bills for Brits, beating out council tax, water and credit card bills
- Green energy company Bulb, has created a simple and easy to understand glossary to help the nation understand their bills

**10 September 2021:** 35% of Brits under 35 think that their energy billing works in the same way as subscription services, like Netflix.

New research from [Bulb](#), the green energy company, also reveals that a quarter of Brits under 35 still turn to their parents for help understanding their energy bills and many don't understand common utility bill terms.

Over half (52%) of all Brits said that they'd like more resources from their energy supplier in order to understand their energy bills. When thinking about bills they pay, energy topped the list of most confusing, followed by council tax and water bills.

Overall, 17% of Brits revealed that they have never checked their energy meters and one in ten Brits have never checked whether or not they're on the best tariff for their needs.

The language of energy bills also proves a problem for Brits, with 23% admitting that they don't understand common terms such as "*Calorific Value (CV)*" and "*tariff*" (19%). And despite "*Kwh*" (*kilowatt hours*) being key to their spending, 19% of those surveyed - which equates to nearly 13m adults - didn't understand the term.

### **Top ten least understood utility bill terms:**

1. Calorific Value (CV)
2. Meter point administration number (MPAN)
3. Meter point reference number (MPRN)
4. Kilowatt hour (Kwh)
5. Actual reading
6. Tariff
7. Estimated reading
8. Tariff Comparison Rate (TCR)
9. Fixed rate
10. Dual fuel

**Erin Bullions, VP of Customer Experience at Bulb, said:** 'As the research shows, when it comes to understanding energy bills much of the public is still kept in the dark by their supplier. As a result, people could be spending more money, and using more CO<sub>2</sub>, than they think. That's why at Bulb we champion making energy simpler to understand and manage. We don't use jargon, we always get to the point, and we regularly update our website with advice like our online glossary of terms to help Brits demystify their bills.'

To find out more about understanding energy bills, Bulb has created a helpful [blog post](#) and **a simple glossary** to help the nation get to grips with complicated energy terms:

- **kWh:** This stands for kilowatt hour which is a key unit used by your supplier and included in all your statements. They convert your energy usage into kWh to give you a clear picture of how much you've used.
- **Annual energy usage:** All statements will include an estimated annual usage in kWh for gas and electricity. This gives a clear picture of your energy consumption over a year, and you can use this figure to improve the accuracy of energy quotes that have been based on your address.
- **Balance:** When looking at your balance you will come across two key terms, '*In credit*' which means you have money in your energy account and '*In debit*' which means you owe your supplier money. Some suppliers charge you for your energy 'in arrears'. That means you'll get the bill for the energy you've used at the end of the month. Your account may never be in credit because your supplier will take the exact amount owed.
- **Calorific value:** This is a measure of how potent the gas supplied to your home is, or the 'available heat energy'. This varies from day to day and region to region. Your supplier will source this figure from energy industry data.
- **Energy costs:** This is the largest cost on your energy statement for the gas and electricity you've used and it's based on your meter readings. This is measured in kWh which counts as a 'unit' of energy. The amount you're charged for energy each month is worked out by multiplying your energy use in kWh by your unit rate. The unit rate you're charged depends on your tariff.
- **Fixed tariff :** This means your unit price for gas and electricity will stay the same for the length of your contract. Most suppliers will roll you onto a tariff that could be more expensive once your contract is up. If you decide to switch suppliers in the middle of a fixed-term deal, you'll likely need to pay an exit fee, too.
- **Variable tariff:** A variable rate tariff means that the price you pay for gas and electricity reflects the real cost of wholesale energy. This can go up or down. It is also more flexible as you won't get tied into a contract with your supplier, so you can

normally leave at any time. Some suppliers charge you exit fees, so always check this.

- **Meter units used:** This line shows the number of units measured by your meter during the billing period. Depending on when your gas meter was installed, it'll measure your usage in cubic feet (ft<sup>3</sup>) or cubic metres (m<sup>3</sup>).
- **Standing charges:** A standing charge is a daily fee for keeping your property connected to the energy network. You'll pay a fixed price per day, no matter how much gas or electricity you use. That means you'll have to pay a standing charge even when you're not actively using energy.
- **Personal projection:** This predicts how much you'll spend on gas and electricity over the next 12 months. This includes standing charges and VAT. Your personal projection can be used by your supplier to figure out whether they could offer you a cheaper tariff.
- **Volume conversion factor and metric units:** These two lines convert your meter measurements in cubic feet to cubic metres.
- **Volume correction:** This adjusts the volume of gas to account for the temperature and pressure at your property.

**[ENDS]**

Consumer research of 2000 people was conducted by Censuswide between the dates of 20th- 23rd August.

### **About Bulb**

Bulb is the fastest-growing company in Europe, providing 100% renewable electricity to homes across the UK, France, Spain and Texas and 100% carbon neutral gas in the UK. We're on a mission to help 100 million people lower their bills and their carbon emissions by 2030 so we supply green energy as standard, with fair, transparent pricing, and technology to help our members manage and reduce their energy use. We're the only large energy supplier that's a certified B Corp which means we adhere to rigorous standards around sustainability; showing how business can be a force for good. And when a new member chooses to join Bulb, we donate £2 to the Bulb Foundation, fighting to address the climate crisis.