Findings from 2011 research on attitudes and experience in the domestic electricity market in Ireland

Prepared by The Research Perspective Ltd

On behalf of

CER
Commission for Energy Regulation
An Coimisiún um Rialáil Foinnìmh
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1. Executive Summary

This document reports on the second annual measurement of the retail electricity market in the Republic of Ireland and has been undertaken by The Research Perspective on behalf of the Commission for Energy Regulation (CER). The first measurement published in 2010 was part of a larger scope of measurement which included both business and domestic retail electricity markets across both the Republic of Ireland and Northern Ireland\(^1\). The first measurement was based on a survey of consumers completed one year before the fieldwork for this research. The methodology used for this research is directly comparable to the methodology used for the domestic \(^1\) component of that research in the Republic of Ireland and findings are compared where appropriate. This research also includes new sections reflecting CER’s changing focus in anticipation of the deregulation of the domestic electricity market on the 4\(^{th}\) April 2011. Additional changes include measures of bill clarity, consumer experience of advertising and sales methods adopted by supply companies and complaints handling.

The fieldwork for this research was completed in February 2011 prior to the deregulation of the domestic electricity market. While occurring after the announcement of the Electric Ireland brand, it predated rebranding of customer bills or significant advertising of the new brand. Therefore, this research focuses on the ESB Customer Supply brand experienced by domestic electricity consumers.

Understanding of the Public Electricity Supplier (PES) role and Supply-Networks role difference:

Consumer awareness of the ESB Networks brand has increased and awareness of both ESB Networks and ESB Customer Supply are now at acceptable levels. The understanding of the different roles of the ESB Customer Supply and Networks businesses has also improved with a large increase in the proportion of consumers correctly associating ESB Networks with maintenance and repair of supply roles. However, for a declining but still significant proportion of consumers, switching behaviour may be inhibited due to a concern about reliability of supply and repair service in the case of power failure.

- Awareness of the ESB Networks’ name has increased from 78% in 2010 to 86% in 2011
- Although a majority of domestic consumers understand that ESB Networks is responsible for maintenance of the grid (2011: 71%; 2010: 66%) and repair of power failures (2011: 61%; 2010: 46%), a significant minority of domestic consumers still believe that their electricity supplier is responsible for maintenance of the grid (2011: 22%; 2010: 25%) or for repairing power failures (2011: 24%; 2010: 28%)
- Fewer consumers who had not switched rated concerns around reliability or repair service as an important reason for not switching (2011: 27%; 2010: 45%). However, 14% still rate one or both as primary reasons for not switching

\(^1\) “Findings from 2009/2010 research on residential and business attitudes and experience of the electricity market across the island of Ireland” jointly published by The Commission for Energy Regulation and the Utility regulator in Northern Ireland in 2010
Awareness of competition
The level of awareness of the three main electricity supply companies (ESB Customer Supply, BGE and Airtricity) has reached sufficient levels to support competition with a majority of consumers able to recall two suppliers without prompting.

- 67% of consumers are now able to name at least one other electricity supply company apart from their current supplier;
- Unprompted awareness of Airtricity increased from 57% in 2010 to 74% in 2011; BGE unprompted awareness increased from 69% in 2010 to 72% in 2011;
- When prompted, 96% of consumers recognised Airtricity and BGE as suppliers of electricity

Assessment of electricity supplier advertising and sales methods
Consumer assessment is that advertising from electricity suppliers does not provide information on prices, conditions and potential savings with sufficient clarity. Consequently, a significant proportion of consumers are unclear about how to translate advertised offers into savings on the bill. The sales methods adopted by the unregulated electricity supply businesses are broadly acceptable to most consumers who have been directly contacted by phone or door-to-door. However, among older consumers who have been directly contacted, a quarter do not believe the sales approach and the number of contacts is appropriate with over 10% stating concern about refusing the offer or feeling under unreasonable pressure to sign-up.

- While 71% of consumers agreed that advertising was straightforward, a lower proportion (61%) stated that the advertisements were clear on prices and a lower proportion state that they are clear on the conditions (58%);
- 57% of consumers agree that the advertisements are clear about how to translate advertised savings into savings on their bill with 19% disagreeing;
- Among the 63% of consumers who have been directly contacted by electricity suppliers over the last 12 months in connection with switching, 72% felt the approach and the number of contacts were appropriate;
- Over 70% also understood the offer and terms and conditions and did not feel under pressure to sign-up (although 12% did feel the pressure was unreasonable);
- Among consumers aged over 65 who had been contacted, 24% did not agree that the approach of the sales person and the number of contacts was appropriate;
- 11% of those over 65 who had been contacted disagreed that they did not feel any unreasonable pressure to sign-up and disagreed that they were not concerned if they said no to the sales person.
Switching: The level of switching has remained high with the decision dominated by a desire to reduce bill size. Switching activity remains driven by media advertising rather than referral – with direct contact becoming a more important driver, reflecting increased supplier activity. Switching rates are higher in the younger age groups with increased switching among consumers outside of urban areas and non-natural gas consumers. While FEA (Free Electricity Allowance) recipients are still less likely to switch, switching levels have increased significantly.

- 29% of consumers stated that they had switched during the last 12 months (2010: 26%) with a further 11% reported considering switching during that period (2010: 17%);
- 94% of consumers who switched stated that saving money was an important or primary factor (2010: 87%) compared to 30% who stated unhappiness with the service provided by the previous supplier was an important or primary factor;
- Consumers in the 26-35 age category are most likely to switch (39%) with consumers over 65 least likely to switch (13%);
- 60% of switchers identified TV/radio/newspaper advertising as one of their top three sources of information (2010: 68%), 35% identified direct contact from a supplier as one of the top three source of information about switching (2010: 28%);
- Switching levels amongst FEA consumers increased to 14% in 2011. While still lower than other groups cohorts, this may be age related as many FEA recipients are in the older age categories;

Experience of switching process and benefits delivered: The experience of switching remains very positive, although there is a potential issue emerging with the delivery of the expected saving which may relate to advertising related issues already discussed. Any proposal to require consumers to allow a new supplier to check for arrears with the current supplier should be carefully considered to minimise the potential negative impact on switching levels going forward.

- 97% of switchers found the process easy (2010: 97%) with 94% stating that the changeover process went smoothly (2010: 93%);
- 12% stated that the bill was not reduced by the expected amount (2010: 1%);
- 32% would consider switching again in the next 12 months;
- 38% of consumers would consent to a new supplier checking on arrears with their current supplier. 25% stated that they would not switch if such a check was implemented with 50% stating it would make no difference.
Assessment of electricity bills: The bill is the only communication that every electricity consumer receives from his or her supplier. The consumer relies on the bill to determine if he or she has been correctly charged and in the case of a consumer who has switched to evaluate offers promised by competitors or delivered by his/her current supplier. The bills currently provided by electricity suppliers are acceptable but require further improvement in the areas of clarity and connection between the bill size and electricity used. Additional information on usage history would be acceptable to a majority of consumers. However, more regular bills were not deemed useful by a third of consumers.

- 68% of consumers stated that they understand how the total amount on the bill is calculated, 75% state that the bill is easy to understand, 69% state that the bill makes it easy to understand the electricity used
- 63% of consumers would find a comparison with the previous months usage printed on the bill as useful addition, 61% would find monthly cost and usage figures useful;
- 29% would find more regular bills useful while 34% would find more regular bills not at all useful.

Complaint handling:
A reasonable proportion of consumers know how to lodge a complaint in general and about the possibility of lodging the complaint with CER in particular. Satisfaction with the overall handling of complaints and the time taken by supply companies to handle complaints is low and lower than that achieved by ESB Networks.

- 5% reported having made a complaint over the previous 12 months;
- 68% knew how to lodge a complaint and 45% stated that they were aware of the possibility of complaining to CER;
- 50% were satisfied with both the handling of complaints and the time taken by electricity supply companies to deal with complaints. Satisfaction with ESB Networks complaint handling was higher at 54% and satisfaction with the time taken was also higher at 79% (Note: Sample size is too small to allow reporting of scores at a supplier level).

Vulnerable customers:
Among all consumers, the level of awareness of the procedure for registering of vulnerable consumers was low at 24%.

Interest in prepayment:
Prepayment is of interest to 31% of consumers with higher levels of interest among consumers with current or historic arrears and among younger age groups in general. The benefit of prepayment most commonly identified as important is the avoidance of unexpectedly large bills.

- Among all consumers, 31% stated that they were interested in prepayment. Among consumers currently in arrears, this increases to 47%;
- 50% of 18-25 year olds and 36% of 26-45 are interested in prepayment compared to 19% of those over 65;
- 70% rate avoidance of unexpectedly large bills as an important benefit, among consumers with current or historic arrears 80% rate this as an important benefit.
2. Research background

The research was completed during February 2011 (approximately one year after the fieldwork completed for the 2010 research). As with the 2010 research, this research was undertaken by The Research Perspective, a market and customer research company which specialises in utility and service industries. The Research Perspective has a reputation for delivering insightful research with strong statistical and market research expertise. In the energy sector, The Research Perspective is currently has also been engaged by Sustainable Energy Authority of Ireland (SEAI) to provide market research and experimental design capabilities to the National Smart Meter pilot in the Republic of Ireland.

Market background

In February 2009 the CER welcomed the entry of Bord Gáis Energy (BGE)Supply and Airtricity into the previously uncontested domestic electricity market. In 2010, CER announced the roadmap for deregulation of the domestic electricity market with four criteria established to be:

- At least three suppliers active in the market (with market shares of at least 10% of consumption)
- A total market share by ESB Customer Supply (the regulated universal service provider) of less than 60%
- A switching rate of greater than 10%
- A commitment for the rebranding of ESB supply companies (ESB Customer Supply is the only ESB supply company active in the domestic market) prior to deregulation.

These criteria have been met in March 2011 and deregulation of domestic electricity supply will occur on 4th April 2011. Therefore, this research forms a final benchmark of the regulated market.

It should be noted that as part of the deregulation criteria, ESB Customer Supply and ESB’s other supply companies have been rebranded as Electric Ireland. While this rebranding had been announced prior to the fieldwork undertaken for this research, the full operational and marketing launch had not taken place. Therefore, for the purposes of this research, the ESB Customer Supply brand name is used in place of Electric Ireland.

Purpose of the research

The primary focus of this research was to determine the level, quality and benefits of competition in the domestic electricity market as perceived by the consumer. However, as competition has matured in the market and as the market transitions from *ex ante* to *ex post* regulation, it is also appropriate to measure issues such as bill clarity, understanding of offers, the complaints process and protection of vulnerable consumers.
The research included the following areas:

(i) Attitudes to and understanding of supply services and general awareness of competition;

(ii) Switching and the experience of the switching process (including competitor advertising and offers);

(iii) Knowledge of pricing, understanding of billing

(iv) Consumer interest in dual fuel and prepayment

(v) Awareness and experience of complaint handling processes

(vi) Awareness of procedures for registration of vulnerable customers (defined by a range of criteria including those who rely in electricity supply for the operation of medical equipment in the home, the elderly and the disabled)

Data Collection Methodology

The data collection methodology followed best practise methods and processes executed under the internationally recognised quality standard (ISO MRQSA 20252). The survey consisted of face-to-face interviews in respondents’ home at seventy five sampling points throughout the Republic of Ireland and were conducted by Millward Brown Ireland using HAPI (Hand Assisted Personal Interviewing) system under the supervision of The Research Perspective. The sampling methodology matched that used in the previous research to ensure comparability for sections common to both.

The targeted sample size for the 2010 and 2011 surveys was 750 with slightly larger samples achieved each year as shown in Figure 1. The sampling framework was designed to be nationally representative at a household level (respondents were consumers with responsibility for paying the household electricity bill) and the sample size was sufficient to ensure representivity across locations and demographics.

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>2010 survey</th>
<th>2011 survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total completed interviews</td>
<td>783</td>
<td>759</td>
</tr>
</tbody>
</table>

Figure 1: Sample size for the domestic survey

Representivity of the survey

The face-to-face surveying methodology requires careful management to ensure representivity. This was achieved by selecting sufficient and representative sampling points. The 75 sampling locations were randomly selected based upon district electoral divisions. Within each sampling location, interviewers were set strict interlocking quota controls to achieve, calculated on age and class targets within gender. Overall, demographic quota controls were based upon the latest Census / Central Statistics Office population estimates.
Post-fieldwork, the respondent set was validated for representivity across other market specific dimensions such as use of different electricity suppliers or payment methods. This validated respondent data set was determined to be nationally representative at a household level.

3. Consumer awareness and understanding of market structures

Consumer awareness of and understanding of the role of the Public Electricity Supplier (PES)

A number of potential enablers or barriers to competition which relate to the PES were analysed:

- The awareness of the separation of PES from the distribution company. This reflects the degree to which the supply business is regarded as distinct from the other businesses in the public utility;

- The level of awareness of the roles of electricity supply companies (ESB Customer Supply, BGE and Airtricity) vis-a-vis the distribution business (ESB Networks).

An examination of the combination of these three dimensions allows an assessment of the degree to which competition can be successful.

Awareness of business separation between PES and associated distribution business

The transition from sole provider to competitive environment involved the emergence of new distinct entities: Electricity Suppliers. In a pre-competitive market, the consumer does not distinguish between the entities which generate, transmit or supply electricity. In an early competitive market, the identity of the supplier as distinct from the entity responsible for distribution needs to emerge to encourage switching. As the market matures through competition or regulatory intervention, these identities should become distinct and well understood.

An objective of the 2011 research was to determine the degree to which the identities have become distinct and the degree to which the distinct roles are understood

![Figure 2: Awareness of the business names of the PES (ESB Customer Supply and distribution system operator (ESB Networks)](image)
The first level of awareness is the awareness of the PES business name (ESB Customer Supply). This was already recognised by 86% of the respondents of the 2010 research. Figure 2 shows that this figure has increased marginally to 89% in 2011 and represents an excellent level of name recognition. In 2010, ESB Networks achieved a lower level of name recognition at 78%. In 2011, this has improved to 86% and is now close to the ESB Customer Supply name.

These findings suggest that the separate business names are now firmly established in the domestic consumer’s mind. The increased awareness of ESB Networks is particularly important given the launch of Electric Ireland as it reduces the risk of regression towards greater role confusion as the new brand is rolled out.

**Role of Electricity Supply Company**

While the establishment of the distinct PES brand name is one measure of maturity of competition in the market, of greater importance to the encouragement of competition is the correct assignment of roles between supply company and ESB Networks. One of the inhibitors to switching is consumer perception that the switch will require physical disruption (changing of the physical distribution infrastructure) and risk of reduced reliability with the new service provider.

This is of course not unique to electricity and is common across all utilities (such as water, natural gas or telecommunications). Potential areas of concern for consumers considering switching is whether the electricity supply will remain reliable and whether outages will be repaired as effectively after the switch has been completed. This apprehension is based on a misunderstanding of the division of roles between electricity supply and networks businesses.

The research repeated the questions included in the 2010 research where respondents were asked to assign responsibility for a range of roles to the distribution provider and their current supplier and the responses are compared in Figure 3.

<table>
<thead>
<tr>
<th>Role</th>
<th>Domestic</th>
<th>ESB Networks</th>
<th>Current supplier</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible for power failure repair</td>
<td>46%</td>
<td>61%</td>
<td>28%</td>
<td>24%</td>
</tr>
<tr>
<td>Maintenance of grid</td>
<td>56%</td>
<td>71%</td>
<td>25%</td>
<td>22%</td>
</tr>
<tr>
<td>Responsible for Meter Reading</td>
<td>56%</td>
<td>73%</td>
<td>64%</td>
<td>52%</td>
</tr>
<tr>
<td>Responsible for billing and payment</td>
<td>17%</td>
<td>43%</td>
<td>74%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Figure 3: Domestic consumer knowledge of respective roles of supply and distribution businesses

In line with the greater level of awareness of ESB Networks, the level of understanding of the role of ESB Networks has also improved significantly since the 2010 measurement (Figure 3). A majority of
respondents now understand that ESB Networks is responsible for power failure repair (61% in 2011 compared to 46% in 2010) and almost three quarters (71%) understand that ESB Networks is responsible for the maintenance of the network. This improvement is driven by the large decrease in the proportion of respondents who stated that they didn’t know which organisation was responsible (shown in the third section of Figure 3). Note also that a small proportion (2% or less) assigned responsibility to other organisations and this proportion has remained similar in 2011 when compared with 2011.

Although ESB Network’s role is understood by a greater proportion of the market, there remains a significant level of mis-assignment of responsibility to the electricity supplier for both power failure repair and grid maintenance. This mis-assignment occurs with both ESB Customer Supply customers and customers of other suppliers. Another area of potential confusion became more significant with an increased proportion of respondents believing that ESB Networks is responsible for billing and payment. Among customers of ESB Customer Supply, 50% believed that this is the case with only 16% of BGE and 9% of Airtricity customers believed that this is true.

This research concludes that significant levels of role confusion remain on the roles of the supply and distribution companies. The higher level of confusion among ESB Customer Supply’s customers around billing and payment suggests that the increased of awareness of ESB Networks may have actually resulted in increased confusion in this area. Therefore, while there is progress on this issue the research suggests that the rebranding of Electric Ireland remains a significant milestone in the removal of role confusion.

**Perceptions and knowledge of electricity pricing**

In the context of the recent economic environment, media coverage has focused on the price of goods and services in Ireland compared to other EU states. However, most domestic consumers are not able to directly compare electricity prices in their own markets with those prevalent in other markets. Therefore, perceptions of the level of pricing in both markets compared to other EU markets will primarily reflect this media coverage rather than a true assessment. Nevertheless, the assessment does provide another measure of the perceptions of value among consumers.

The results for this question are shown in Figure 4 and highlight the low level of change between the 2011 measurement and 2010 measurement with a large majority (77%) of domestic respondents still believing that prices are higher in this market than elsewhere.
Consumer awareness of pricing is relevant to the development of competition as competing offers are typically expressed in terms of a discount to regulated unit prices. Therefore, respondents were also asked to state the unit cost of electricity from their current supplier and the standing charges included within their bill. As well as assessing the ability of consumers to interpret offered discounts, this also provides insights into their level of engagement with the detail of the electricity bill.

Figure 4: Domestic consumer perception of the relative price of electricity in Ireland compared with prices in other EU markets (excluding respondents who stated “Don’t know” - 2010: 29%; 2011:26%)

Consumer awareness of pricing is relevant to the development of competition as competing offers are typically expressed in terms of a discount to regulated unit prices. Therefore, respondents were also asked to state the unit cost of electricity from their current supplier and the standing charges included within their bill. As well as assessing the ability of consumers to interpret offered discounts, this also provides insights into their level of engagement with the detail of the electricity bill.

Figure 5 shows that 42% of respondents were not able to provide an estimate of the unit cost of electricity with 26% providing an estimate between 10 cent and 16 cent. This range corresponds to prices charged in recent years. Combining the proportion unable to provide any estimate and the proportion giving a significantly inaccurate estimate shows that 74% of consumers do not know the approximate or precise cost of electricity.

Figure 5: Knowledge of the cost of a unit of electricity – the ability to provide an estimate (left) and estimate provided for current price of a unit of electricity (right)
This is in line with qualitative research carried out by The Research Perspective as part of the National Smart Meter pilot \(^2\) which found that domestic consumers focus almost exclusively on the total amount owing and do not engage with concepts such as units.

Given the level of knowledge of the unit price of electricity, it is unsurprising that the level of knowledge of the standing charges applied is similarly low with 50% of respondents were unable to estimate the amount of standing charges on each bill (Figure 3). Among those who provided an estimate, 10% of the respondents significantly over-estimated the charges at over €30 and a further 24% significantly under-estimated the charges at under €20. Combining these totals shows that 84% of consumers do not know the approximate or precise level of standing charges.

**Figure 6: Knowledge of the cost of standing charges – ability to provide an estimate (left) and the estimate provided for current standing charge (expressed as a bi-monthly cost)**

**Perceptions of current levels of competition**

Respondents were asked to rate their level of satisfaction with the existence of competition and satisfaction with the current level of competition. As shown in Figure 7, a majority of respondents are satisfied with the existence of competition (76% are either very satisfied or satisfied) and 67% are satisfied with the level of competition. However, both these scores represent declines on the 2010 scores. This may appear surprising given that there has been an increase in the level of actual competition and an increased level of switching. However, an analysis of the source of this decline determined that the decline was focused in the customer base of one of supplier and therefore may reflect issues specific to this supplier.

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\(^2\) Reports associated with the National Smart Meter pilot are available from the Commission for Energy Regulation web-page (www.cer.ie).
Satisfaction with current electricity supplier

Overall satisfaction with suppliers was recorded to be 84% which represents a 2% decline from the 2010 research. The variation in satisfaction levels between suppliers has decreased with the range between highest and lowest now 4% in 2011 compared to 10% in 2010.

It has been established from analysis of customer switching behaviours in many markets and industries that there is a lack of association between general satisfaction with the current supplier and the decision to switch\(^3\). (Clearly, this does not apply to individuals who have experienced a very negative service experience which is uncommon in the context of the electricity market.) Therefore, the satisfaction scores recorded are good but unlikely to impact on switching levels of patterns going forward.

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\(^3\) For instance, Kon, Martin, “Stop Customer Churn before it starts” Harvard Management Update, Article reprint No. U0407D
Awareness of competition

Awareness of electricity supplier names is a key measure of the level of competition in a market. Furthermore, the criteria for deregulation required that there must be at least three suppliers active in the market (defined in terms of each having at least 10% of the total load supplied). While outside of the formal definition, another relevant assessment of activity is the level of awareness of suppliers among consumers: in a competitive market, consumers should be aware of the full set of potential alternatives in order to allow the fullest range of switching decisions.

In this research, awareness is primarily assessed through unprompted recall where respondents were asked to list any electricity suppliers they were aware of. Unprompted recall reflects top of mind presence in the consumer mind and provides a good estimate of true competitive activity in a market.

Figure 9 shows the level of unprompted recall of each supplier currently active in the domestic electricity market. As expected, ESB or ESB Customer Supply (as PES) is mentioned by almost all respondents. Bord Gais Energy was mentioned by over 70% of respondents which represents a small increase from 2010. Finally, the level of unprompted awareness for Airtricity increased by 17% compared to 2010.

The table in Figure 9 provides the levels of unprompted recall among each supplier’s customer base. It can be clearly seen that within each customer base there is also a high level of awareness of the two other supplier. Analysis of the individual responses showed that over 75% of consumers mentioned at least one alternative to their current supplier. These improvements in unprompted awareness reflect an increased level of competition in the market place.

Prompted awareness reached excellent levels with 96% recognising BGE and Airtricity as businesses which supply electricity to the domestic market (100% also recognise ESB Customer Supply as a domestic electricity supplier). While prompted awareness is a less useful metric, these levels do reflect the increased maturation of the competitive environment.

Figure 9: Unprompted recall of electricity suppliers (left) with breakdown by current supplier (right)
4. Competition: Sources of information and supplier actions

The consumer relies on multiple sources of information to allow him or her to make a decision on switching including both advertising and direct contact. Airtricity and BGE have invested in significant advertising and sales campaigns to attract new customers. It is reasonable to expect Electric Ireland to engage in similar campaigns after deregulation. Therefore, it is useful to understand the relative importance of different sources of information and also to assess consumer reactions to the current advertising and sales campaigns of the two already deregulated electricity suppliers.

Sources of information about switching

The research asked each respondent to identify the top three sources of information about switching that they use, from a list shown during the interview.

![Figure 10: Information about switching - top 3 sources selected by respondents](image)

Figure 10 summarises the responses in 2010 and 2011 and shows that while the overall order of importance of sources has not changed, the relative importance has changed to a degree. In particular, the importance of direct contact has increased with 35% selecting this as a top three source of information (2010: 28%). This may reflect the increased competitor activity when compared to the start of 2010 (when the last survey fieldwork was completed). There has also been a decline in influence of mass media (advertising & programmes /articles) which may reflect a reduction in the actual level of coverage or a decline in impact of the coverage occurring.
Assessment of electricity supplier advertising

All advertisers have certain obligations imposed as part of the code of standards for the advertising, promotional and direct marketing industry overseen by The Advertising Standards Authority of Ireland as part of the self-regulation of that industry. However in the context of the domestic electricity market, there are additional attributes of advertising which are required to support effective and transparent competition. In particular, the consumer needs to be able to assess the supplier’s offer effectively. To determine the degree to which this has been delivered with current advertising, respondents were asked to rate advertisements across a set of metrics which capture clarity and comprehensibility.

<table>
<thead>
<tr>
<th>Consumer assessment of electricity supplier advertisements</th>
<th>+</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising straight forward</td>
<td>71%</td>
<td>11%</td>
</tr>
<tr>
<td>Advertising clear on prices</td>
<td>61%</td>
<td>17%</td>
</tr>
<tr>
<td>Advertising clear on conditions</td>
<td>58%</td>
<td>18%</td>
</tr>
<tr>
<td>Advertising clear on savings</td>
<td>68%</td>
<td>13%</td>
</tr>
<tr>
<td>Clear on how to translate advertised savings into my bill</td>
<td>57%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Figure 11: Consumer assessment of electricity supplier advertisements

The responses from these questions are summarised in Figure 11 and show that the scores are relatively low. While, the statement "Advertising is straight forward" achieves the highest level of agreement (71%), even this score is still low given the fundamental nature of this requirement.

It is therefore concluded that many consumers do not find the current advertising adequate across clarity of prices, conditions and savings offered. This is also reflected in the low proportion (57%) of consumers who state that they are clear on how to translate the savings into the bill.

Assessment of electricity supplier sales contact

Airtricity and Bord Gais Energy have engaged in direct sales campaigns using both telephone contact and door-to-door sales. Both methods of direct selling could be regarded as intrusive by consumers and therefore it is important to assess the acceptability of the approaches taken by the supply companies. This is particularly the case with older consumers who could be vulnerable to such sales techniques.
In this research, 63% of respondents stated that they had been contacted by a representative of an electricity supply company with a phone call or home visit in the previous 12 months. Figure 12 summaries the responses to questions on the sales methods used during these interactions across the entire set of contacted respondents as well as across those respondents over 65.

These scores show that the sales approach is broadly acceptable to most consumers. However, 12% were dissatisfied with the general approach; with similar proportion being dissatisfied with the number of contacts and pressure to sign-up. While this reflects a small proportion of the total population, it does suggest that suppliers should consider additional safe guards to reassure and protect consumers.

Among the over 65 age group who had been contacted by phone or by a home call from a representative of an electricity supply business, there is a lower level of acceptability of the sales methods used and almost a quarter were dissatisfied with the general approach and number of contacts. This is a significant proportion of the group and as with the general population it again suggests that electricity supply businesses should consider their approach to direct selling.

5. Switching and the experience of the switching process

The research in 2011 follows the same structure to that undertaken in 2010 to allow for comparability. In both years the research included an assessment of the experience of switching, the level of interest in switching which has not yet translated into a switch decision and perceptions of the benefits that have been achieved through switching. Finally, reasons for switching and not switching were assessed to determine if there were underlying structural reasons inhibiting switching.

<table>
<thead>
<tr>
<th>Appropriate of call/phone contact</th>
<th>All consumers</th>
<th>Over 65yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approach of sales person</td>
<td>+ 72% - 12%</td>
<td>+ 56% - 24%</td>
</tr>
<tr>
<td>Number of contacts</td>
<td>+ 72% - 12%</td>
<td>+ 59% - 24%</td>
</tr>
<tr>
<td>Understood the deal offered</td>
<td>+ 80% - 6%</td>
<td>+ 61% - 13%</td>
</tr>
<tr>
<td>No unreasonable pressure to sign-up</td>
<td>+ 70% - 12%</td>
<td>+ 69% - 11%</td>
</tr>
<tr>
<td>Understood T&amp;Cs</td>
<td>+ 75% - 8%</td>
<td>+ 60% - 13%</td>
</tr>
<tr>
<td>Not concerned if I said no</td>
<td>+ 72% - 9%</td>
<td>+ 70% - 11%</td>
</tr>
<tr>
<td>Tone of conversation was appropriate</td>
<td>+ 82% - 5%</td>
<td>+ 80% - 11%</td>
</tr>
</tbody>
</table>

Figure 12: Consumer assessment of electricity supplier sales methods

---

4 The level of contact varies greatly across the population: Farmers and those over 65 are least likely to have been contacted in the last 12 months (at 25% and 54% contacted in each group respectively). Contact also varies by location with residents of Dublin most likely to have been contacted (74%) and residents of towns or rural areas least likely to be (45% and 51% respectively).
Switching levels: Actual and potential

The level of switching in the Republic of Ireland is shown in Figure 13 with the percentage of respondents who stated that they considered switching over the previous 12 months also shown. For example, 29% of respondents switched with a further 11% considering switching over the previous 12 months. This is switching or consideration in the twelve months prior to February 2011 and therefore reflects activity in 2010. Similarly, the 2010 figures captured activity in 2009. The cumulative level of switching across two years is closer to the total market share held by the two suppliers who have entered the market (Airtricity and BGE Supply) which is approximately 40%.

Figure 13: 2011 Level of switching and consideration of switching in domestic market (left) with breakdown in switching to and consideration of by supplier (right)

Figure 13 also shows the level of switching by current supplier (this shows the breakdown of switchers by supplier they switched to) and supplier considered by respondents who did not switch.

While the reported level of switching shows a small increase of 3% compared to 2010, there has been a significant change in the destination of that switching with Airtricity now representing 54% of all switching (compared to 8% in 2010). Consideration rates have decline 6% to 11% (partially reflecting the increase in switching rates) and show relatively minor change in the distribution of suppliers considered with Airtricity increasing to 56% from 50%. Therefore, it is clear that the major change since the 2010 research has been the ability of Airtricity to translate consideration into actual switching.
Overall experience of the switching process

The overall experience of the switching process remains very positive at 97% in terms of the ease with which the process itself was completed, as is summarised in Figure 15 and Figure 14.

![Figure 14: Rating of the switching process (left) and the outcomes achieved (right)](image)

The switching process rating recorded improvements in all tracked measures (“knew who to contact”: +5%; “Understood what was required”: +3%; “Understood what was offered by the new supplier”: +3%; “Actual changeover went smoothly”: +1%) and now stands at world class levels.

<table>
<thead>
<tr>
<th>Process</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knew who to contact</td>
<td>81%</td>
<td>86%</td>
</tr>
<tr>
<td>Understood what was required</td>
<td>89%</td>
<td>92%</td>
</tr>
<tr>
<td>Understood what was offered by the new supplier</td>
<td>92%</td>
<td>95%</td>
</tr>
<tr>
<td>Actual changeover went smoothly</td>
<td>93%</td>
<td>94%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outcome</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill reduced by expected amount</td>
<td>78%</td>
<td>72%</td>
</tr>
<tr>
<td>New supplier service satisfactory</td>
<td>82%</td>
<td>92%</td>
</tr>
<tr>
<td>Understood the terms</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

![Figure 15: Assessment of the experience of switching (from very difficult to very easy)](image)

The rating of outcomes did not show the same level of improvements with “Bill reduced by the expected amount” showing a decline of 6% and a more significant increase in the level of disagreement with the statement (corresponding to a 11% increase to 12%). This may reflect the lack of clarity/understanding of the bill calculation as is reported in the section titled “Assessment of electricity supplier advertising”.

The likelihood of future switching among those who already switched in 2010 is shown in Figure 16: 32% of respondents who had switching in 2010 stated that they are likely to consider switching again in the next 12 months while 46% stated that they are unlikely to consider switching. The rate of potential switching is similar across suppliers with BGE customers most likely to consider switching at 46%. The proportions unlikely to consider switching show a greater degree of variation with 71% of consumers who switched to Electric Ireland stating they are unlikely to consider another switch, compared to 50% for Airtricity and 39% for BGE. However, this reflects the small proportion of switchers who are ESB CS customers and the high proportion of these who switched back after a negative switching experience (and hence are unlikely to switch again).
Arrears and switching

Respondents were asked if they currently or previously had arrears on their electricity account. Overall, 2% stated that they currently had arrears while 7% stated that they were sometimes in arrears but not currently. This varied across suppliers with 10% of ESB CS customers, 12% of BGE Supply and 5% of Airtricity customers either with current or previous arrears. It should be noted that this is self-reported and is likely not to match electricity supplier provided estimates of arrears. This discrepancy reflects differences in the definition of arrears used by consumers and by suppliers.

CER regulations do not allow electricity supply companies to discriminate against consumers who are in arrears with another supplier at the time they wish to switch. However, it has been recognised that arrears associated with customers who subsequently switched to another supplier is a problem for electricity supply companies. One approach to addressing this would be to allow the supply company to check with the current supplier on the existence of arrears before accepting a switching consumer. This would require the customer to consent to the new supplier getting information from the current supplier about the existence of arrears.

Figure 17 shows that 55% of respondents stated that they would not consent to such a check if requested by a new electricity supplier and 25% stated that they would not switch if such a check was required. Among respondents who had currently or previously had arrears, this is higher with 35% stating that they would not switch if required to consent to such a check. The percentage who state that the check would not have an impact (60%) provides an estimate of the proportion of the population who would accept the consent requirement if required.
It is clear from these results that the introduction of such a credit check should be carefully considered to minimise the potential negative impact on switching levels going forward. Analysis of switching behaviours, drivers and patterns

Demographic profile of switchers
In 2010, the 35-54 age cohort was most likely to switch. In 2011, switching levels remained higher in this group compared to older groups. However, the level of switching among 26-35 was now higher than any other age cohort at 39%.

In 2010, urban and social grade AB consumers are more likely to switch than consumers in other locations or social grades. In 2011, urban switching remained high at 36%. However, switching among consumers living in villages and small towns increased to 37% in 2011. This reflects an increasing level of switching outside of urban areas.

In 2010, twice as many natural gas customer switched electricity supplier as non-natural gas customers. This relationship remains in the 2011 survey but is less marked with 39% of natural gas customers switching electricity supplier compared to 24% of non-natural gas customers. This also reflects the spread of switching outside of the major urban areas (typically served with natural gas) across the rest of the country.

---

5 The ABC1C2DE classification is widely used in customer and market research. AB social classes correspond to individuals in higher professional and managerial roles. The classification is maintained NRS demographic classification which is managed by the UK Market Research Society (www.mrs.org.uk)
Perceived drivers and inhibitors to switching

To assess the decision process among consumers who have made a switching decision, domestic consumers rated the relative impact/contribution of six potential factors: to save money, to access better service, due to unhappiness with service experience, to use a more environmentally friendly supplier and to support competition in the market place. Figure 19 summarises the scores for the top five factors and shows that the primary factor remains to save money with a score of 94% rating the factor as important or very important in the decision to switch. However, the other factors have all increased in importance suggesting that the latest wave of switchers have broader criteria than the previous switchers captured in the 2010 survey. It should also be noted that the reasons did not vary by company switched to (primarily BGE and Airtricity).

<table>
<thead>
<tr>
<th>Domestic: Reasons for switching electricity supplier</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Save money</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A factor</td>
<td>87%</td>
<td>94%</td>
</tr>
<tr>
<td>Not a factor</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Support competition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A factor</td>
<td>47%</td>
<td>57%</td>
</tr>
<tr>
<td>Not a factor</td>
<td>27%</td>
<td>28%</td>
</tr>
<tr>
<td>Wanted more environmentally friendly generation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A factor</td>
<td>28%</td>
<td>47%</td>
</tr>
<tr>
<td>Not a factor</td>
<td>38%</td>
<td>32%</td>
</tr>
<tr>
<td>Better service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A factor</td>
<td>42%</td>
<td>46%</td>
</tr>
<tr>
<td>Not a factor</td>
<td>29%</td>
<td>31%</td>
</tr>
<tr>
<td>Unhappy with service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A factor</td>
<td>21%</td>
<td>30%</td>
</tr>
<tr>
<td>Not a factor</td>
<td>53%</td>
<td>49%</td>
</tr>
</tbody>
</table>

Figure 19: Importance of drivers among Domestic consumers who have recently switched

In 2010, to determine the reasons why switching has not occurred, respondents who have not switched, were asked to rate 9 potential reasons for not switching (Figure 20). Those were in receipt of the Free Electricity Allowance (FEA) were given two additional reasons specifically associated with that benefit. In 2011, this set of 11 potential reasons was repeated with the addition of 5 new potential reasons associated with the clarity of the competitor’s offers reflecting the transition in regulation.
Most reasons for not switching have decline in importance compared to the 2010 measurement (Figure 20) reflecting a growing acceptance of the switching concept in the market beyond those who have switched already and spreading into the general population. However, the same reasons remain most commonly cited with ‘lack of compelling reason to switch’ and ‘liking for the current service’ rated as a factor by 45% (2010: 46%) and 55% (2010: 54%) respectively.

The importance of concerns about the reliability of supply or responsiveness in the event of a power outage declined most and were cited as important by 22% and 23% of respondents respectively (compared to approximately a third of domestic consumers in 2010). This decline reflects the
increased acceptance of switching already noted and the increased understanding of the roles of the supplier and ESB Networks.

Among the other potential reasons for not switching included in both the 2010 and 2011 measurements, experience of switching for other utilities (such as fixed line or mobile telephone operators) was rated as not a factor in decision to remain with 78% of respondents (2010: 70%). Apathy was identified as a reason for not switching by 9% (2010: 17%) and not a reason by 78% (2010: 60%).

| Domestic: Reasons for not switching electricity supplier – 2011 added reasons |
|---------------------------------------------------------------|-----------------|
| **Options offered are confusing**                           | A factor         | 16%  |
|                                                               | Not a factor     | 61%  |
| **Terms and conditions are confusing**                       | A factor         | 17%  |
|                                                               | Not a factor     | 63%  |
| **It is hard to determine potential savings**                | A factor         | 23%  |
|                                                               | Not a factor     | 63%  |
| **Discount offered is not sufficient**                       | A factor         | 26%  |
|                                                               | Not a factor     | 46%  |
| **Bad experience of electricity switching in the past**      | A factor         | 3%   |
|                                                               | Not a factor     | 85%  |

Figure 21: Importance of drivers among domestic electricity consumers who have not switched in previous 12 months (new reasons tested in 2011)

Additional reasons were added to the 2011 survey to reflect the emerging complexity around packages as well as the potential for previous electricity switching experience to become a barrier to further switching. However, the scores show that confusion over options and T&Cs are not currently acting as a barrier to most non-switchers (Figure 21).

The exception to this is the reason “the discount is not sufficient” which was rated as an important reason by 26% of non-switchers with a significantly higher score among ESB CS customers compared to BGE or Airtricity customers. This is not surprising as consumers who have not switched from ESB Customer Supply to date are more likely to give insufficient discount as a reason given the competitor offers which have not been taken up focus strongly on the price differential between their tariffs and the regulated tariffs offered by ESB Customer Supply.
Analysis of the impact of confusion in electricity supply roles on switching

The objective was to repeat the analysis on the 2010 research which determined the impact on domestic switching levels of the confusion associated with the respective roles of PES (ESB Customer Supply) and ESB Networks. In both 2010 and 2011 surveys, respondents rated each of the factors suggested for not switching on a five point scale which ranged from a ‘primary reason’ to ‘not at all a reason’.

The analyses are directly comparable because:

- While the 2011 survey included additional reasons for not switching these were not included in this analysis to ensure comparability to the 2010 research. Only the common questions were included (the “2010 comparison set”).

- In the deployed survey, the reasons added in 2011 were asked of respondents after the 2010 comparison set and therefore responses to the 2010 comparison set were not impacted by the additional questions.

Of the population of non-switchers (71% of total population including both those who considered switching and those who did not consider switching), 27% (2010: 45%) are impacted by the confusion of roles around reliability and repairs. An analysis of the responses determined that 14% (2010: 22%) of respondents identified one of “Concern about alternative supplier provision of a reliable supply of electricity” or “Concerned about alternative supplier to be as responsive if there is a power outage” as the primary reasons for not switching (summarised in Figure 22). 6% (2010: 14%) of respondents stated both as primary reasons – with 1% (2010: 3%) identifying that these are the only factors in their decision not to switch out of the 2010 comparison set of reasons.
Therefore if the confusion about electricity supplier roles was resolved among the 71% non-switchers it is estimated that:

- 1% would be very likely to switch (2010: 3%)
- 6% would be positively influenced towards switching (2010: 14%)
- 14% would be influenced towards switching (2010: 22%)
- 27% would be impacted in their switching decision process (2010: 45%)

The analysis reinforces the finding that the barriers to switching have declined and this is also true for the factors associated with role confusion. However, there is still a significant proportion of the non-switchers (14%) who rate one or both of the reliability/repairs issue as a primary barrier to switching.

**Switching among FEA recipients**

Switching among recipients of the Free Electricity Allowance (FEA) (which is typically paid to older consumers or recipients of other social welfare payments) rose significantly from 4% to 14%. This suggests an increase in the conversion rate of consideration into actual switching as the proportion that considered but didn’t switch declined from 12% in 2010 to 6% in 2011.

![Figure 23: Proportion of FEA recipients who switched or considered switching in 2010 and 2011](image)

For FEA recipients who are ESB Customer Supply customers, the allowance is applied to their electricity bill prior to issue; with other suppliers, the allowance is paid directly into a bank, post office or credit union account.

While the research found that the level of switching had increased since the 2010 research, it remains lower (at 14% compared to 29%) than among the general population with consideration of switching (at 6% compared to 17%) much lower among recipients of FEA than among the general population. The research sought to see if this difference is due to concerns about switching or experience of switching among other FEA recipients.
Among those FEA recipients who have not switched, the primary reasons for not switching are the same as for the entire set of respondents (shown in Figure 24), although the proportion stating the reasons are higher among FEA recipients than among the entire set of respondents.

FEA recipients who had switched were asked if they understood what was required around FEA and how satisfied they were with the payment of the FEA into their bank or post office account. Responses shown in Figure 25 show that most switchers in receipt of FEA understood what was required and were satisfied with the outcome. However, there were a minority who were not (13%). In addition, 19% of switchers in receipt of FEA subsequently switched back to their original supplier (4% of switcher in the entire respondent set switched back).

Therefore, while it should be stressed that while FEA payment methods cannot be regarded as inhibiting competition overall, the research suggests that the treatment of FEA payments may be a significant issue for a minority of FEA switchers. For these consumers, it is important that continued reassurance about the continuance and payment of FEA is provided to allow them to access the potential benefits of competition.

**Factors influencing future switching**

As well as offering competitive prices, suppliers could also modify the services offered or provide additional information to consumers in order to encourage switching. Alternatively, there is an opportunity for price comparison web-sites to provide their services to electricity consumers.
potentially accredited by CER, as occurs in the UK with accreditation from Consumer Focus\(^6\). In order to assess the potential impact of this on potential switching, respondents who had switched in the previous 12 months (and therefore a population of consumers open to switching) were asked to assess the impact of a range of potential service and information types (Figure 26 and Figure 27).

![Figure 26: Factors influencing future switching](image)

In Figure 26, this is contrasted with the impact of a recommendation from a friend or family member. From these results, it is clear that price savings remain the primary reasons for considering further switching. However, it should be recognised that they may be limited scope for suppliers to offer additional discounts over those currently offered. Of the other options offered, more environmentally friendly generation was regarded as likely to encourage further switching by 56% of respondents (2010: 52%) while better service was only rated as likely to encourage future switching by 34% (2010: 62%) of individuals who had switched in the previous 12 months.

![Figure 27: Impact of additional information on switching likelihood](image)

Figure 27 shows the potential impact of additional information and it can be seen that each receives a similar rating with approximately 50% stating that it would increase their likelihood of switching again.

\(^6\) Consumer Focus is the statutory consumer champion in England, Wales and Scotland
6. Bill clarity

The bill is the only communication that every electricity consumer receives from his or her supplier. The ability of the consumer to interpret the bill correctly impacts on the consumer’s ability to determine if he or she has been correctly charged for electricity used and to determine whether competitor offers are of interest or if price offers of their current supplier are delivered.

Therefore, the consumer perception of key aspects of the bill was included in the 2011 research and is reported both overall and at a supplier level.

**Understand the calculation of the bill**

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Overall</th>
<th>Bill is easy to understand</th>
<th>Makes it easy to understand the electricity used</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Customer Supply</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>BordGáis Energy</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Artricity</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

The overall ratings of the bill by customers can be regarded as acceptable across all suppliers. However, scores for **understanding of the calculation** (68%) and **ease of understanding of the electricity used** (69%) are both lower than should be achievable. This shortfall represents an opportunity for suppliers to enhance their service offering.

Among those with previous or current arrears, the scores for all aspects of the bill are between 15% and 20% lower. However, this may reflect lack of engagement with the bill rather than inherent
difficulty which may have lead to the arrears or socio-economic factors such as social grade or age which do not appear to impact on the scores.

### Consumer rating of potential bill enhancements

<table>
<thead>
<tr>
<th>Enhancement</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compare with previous months usage</td>
<td>63%</td>
</tr>
<tr>
<td>Annual usage figures</td>
<td>57%</td>
</tr>
<tr>
<td>Monthly cost/usage figures</td>
<td>61%</td>
</tr>
<tr>
<td>More frequent bills</td>
<td>29%</td>
</tr>
</tbody>
</table>

Figure 29: Rating of the usefulness of potential enhancements to the information provided on electricity bills

A number of possible enhancements to current electricity bills were also tested including increased frequency of billing and additional information about historic usage (results are shown in Figure 29). The concept of more frequent bills (assessed with the phrase ‘I would prefer to receive bills more frequently’) was the least favoured concept and rated as not at all useful by 34%. However, this may reflect concerns around the requirement for more regular payment as opposed to the potential value of monthly billing in supporting usage reduction. In contrast, the additional information suggestions received majority support with small proportions rating them as not at all useful.

### 7. Complaint handling

CER has a statutory role in dealing with unresolved complaints from consumers about both electricity supply and distribution companies. Therefore, it is appropriate within the context of this research into the domestic electricity market to include an assessment of the prevalence of complaints, the experience of complaint handling and the general awareness of the process for handling complaints.

![Figure 30: Proportion of respondents who lodged a complaint in the previous 12 months and the organisation the complaint was raised with](image-url)
The first challenge when researching the handling of complaints is the definition of a complaint. In the context of this research, the consumer defines what they regard as a complaint and Figure 30 shows that 5% of respondents had reason to complain within the last 12 months. Of these, the majority lodged the complaint first with either the electricity supplier or ESB Networks in line with the official approach. Organisations usually track complaints once they have been formally lodged within an internal process. In particular, issues that are addressed through the usual operation of customer service may be regarded by the customer as a complaint but may never be recorded as such by the supplier. Therefore, it is likely that the internal metrics for numbers of complaints will be lower than the figure of 5% recorded in this research.

<table>
<thead>
<tr>
<th>Complaint topic</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billing and payment</td>
<td>63%</td>
</tr>
<tr>
<td>Reliability of supply/power failures/supply issues</td>
<td>16%</td>
</tr>
<tr>
<td>Late payment or disconnection</td>
<td>3%</td>
</tr>
<tr>
<td>Issue related to switching</td>
<td>3%</td>
</tr>
<tr>
<td>Connection/Modification of supply</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Other</td>
<td>16%</td>
</tr>
</tbody>
</table>

**Figure 31: Classification of complaints raised**

Figure 31 shows the types of complaints raised by respondents with the majority classified as in the area of billing and payment (63% of all complaints). These could include complaints to a supply company or ESB Networks relating to payment for services carried out. Power failures and reliability is the second most common area for complaints at 16%.

<table>
<thead>
<tr>
<th>Awareness of process</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Know how to lodge a complaint</td>
<td>68%</td>
</tr>
<tr>
<td>Aware you can complain to CER</td>
<td>45%</td>
</tr>
</tbody>
</table>

**Figure 32: Awareness of process and first point of complaint**

A majority of consumers claimed to be aware of how to lodge a complaint (68%) with 91% correctly stating understood that the consumer needed to complain first to their supplier or ESB Networks (Figure 32). The score of 91% is an excellent score and will reflect a combination of knowledge of ‘general complaints procedures’ and specific knowledge of the process for electricity related complaints.

While the score of 45% for awareness that a complaint can be made to CER as well is comparatively low, it is reasonable among a general population where 5% have complained.
Satisfaction with both the handling of complaints and the time taken to handle them was low at 50% for electricity suppliers (Figure 33) compared to the scores for ESB Networks at 64% and 79% respectively. Finally, overall satisfaction with the outcome of the complaint process was low at 50%. However, a full assessment of this score would require additional information on the type of complaints lodged and without this the score should be regarded as indicative only.

It should be noted that the number of respondents who had complained to CER and other agencies directly was too small to support reporting of complaint handling scores for these categories.

8. Other topics: Vulnerable customers, prepayment and dual fuel

The research included a number of other topics including:

- Knowledge among the general population of the facility for vulnerable customers who require electricity to power medical equipment, who are disabled or who are elderly to register with electricity suppliers and avail of enhanced service and supply guarantees
- Consumer interest for prepayment options
- Consumer interest in dual fuel among those currently with different suppliers for electricity and natural gas

Vulnerable customers

CER has a statutory responsibility to protect vulnerable customers as part of its broader consumer protection responsibility. Vulnerable customers are defined to be those who rely on electrical life support equipment, who are elderly or who are visually/hearing/mobility impaired. Vulnerable customers must register with their electricity supplier in order to avail of the enhanced service and supply guarantees.

For instance, registration means that consumers who are vulnerable to supply interruption have additional safe-guards against de-energisation inline with their electricity needs. For consumers who have special communication requirements, suppliers and network operators must develop appropriate methods of communications.

24% of respondents were aware of the option of registration of consumers within the specified categories. 3% of respondents stated that they or people they lived with were within the definition of vulnerable. Of this 3%, 63% were aware of registration and of these 47% stated that they were registered. Of those who were eligible and aware of registration but were currently unregistered, most stated that they were not aware that they were eligible to register.
Interest in prepayment options

This research sought to assess whether prepayment as a concept was of interest to domestic electricity consumers and if particular demographic groups were particularly interested. Prepayment as a general payment option is familiar to most consumers through its use in the mobile phone market. In Northern Ireland, prepayment is also a common method of paying for electricity usage with over 34% of domestic consumers using it. However, to date, prepayment as an option for payment of electricity charges in the Republic of Ireland is only available to a very small proportion of households fitted with prepayment meters (“token meters”) and has been associated with poor payment history and debt.

Figure 34 shows that 31% of consumers state an interest in the concept of prepaying for electricity consumption. However, interest in prepayment is highest among those with current or historical payment problems with 47% of those with current arrears interested and 31% of those with an arrears history stating an interest.

The level of interest does extend across all demographic groups including social grade. However, the greatest level of interest is among younger consumers (Figure 35) who are significantly more interested than those in older cohorts. This may reflect the historic association of prepayment with debt or the familiarity of prepayment a method of payment for mobile phones.
When asked to rate potential reasons for their stated interest in prepayment, respondents did not identify any particular reason more often than the others proposed (Figure 36). Among respondents with current or previous arrears, all potential reasons score higher than among the general population with *avoidance of unexpectedly large bills* and *easier to manage money* the most common reasons.

**Interest in dual fuel offers**

Both Airtricity and BGE supply both natural gas and electricity with 40% of respondents using a single supplier for both gas and electricity. In order to determine the level of interest in the concept of dual fuel where a single supplier will provide a single bill for both utilities, the respondents not currently with a single supplier were asked if this was of interest: Of the 61% currently with two suppliers, 30% stated that they were interested in having a single bill from a single supplier with 50% stating that they were not interested.

![Figure 36: Reasons for interest in prepayment (among stating an interest)](image)

<table>
<thead>
<tr>
<th>Overall</th>
<th>Current or previous arrears</th>
</tr>
</thead>
<tbody>
<tr>
<td>Means that I would not get estimated bills any more</td>
<td>32%</td>
</tr>
<tr>
<td>Means that I wouldn’t get unexpectedly large bills</td>
<td>33%</td>
</tr>
<tr>
<td>Makes me more aware of the cost of electricity</td>
<td>34%</td>
</tr>
<tr>
<td>Makes it easier to manage the money spent on electricity</td>
<td>32%</td>
</tr>
</tbody>
</table>

*Important benefit* vs *Primary benefit*
9. Appendix: List of figures

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