



## **CER Press Release - 28<sup>th</sup> April 2011**

### ***CER Consumer Survey Shows Strong Competition in Electricity Market***

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The Commission for Energy Regulation (CER) has today published the results of its second annual electricity retail market consumer survey. This survey was commissioned by the CER in order to understand the attitudes and experiences of domestic (i.e. residential) customers in the Irish retail electricity market. The survey was undertaken in early 2011. The results will be used by the CER to inform its policy-making in the area of competition and consumer protection.

Overall, the CER survey found that electricity customers in Ireland are very aware of the competitive retail marketplace and have switched supplier in very high numbers. Almost 1 in 3 customers surveyed said they switched electricity supplier in 2010, so they would have availed of price discounts. The high switching rate indicates that “value for money” is now paramount for electricity customers in this difficult economic climate. The survey also confirmed that customers continue to have a positive experience of the straightforward supplier switching process.

In particular, the survey found that:

- The level of awareness of the three main electricity retail supply companies - ESB Customer Supply (now ESB Electric Ireland), BGE and Airtricity - has reached sufficient levels to support competition, with a majority of consumers able to recall two suppliers without prompting.
- Over 29% of consumers stated that they had switched electricity supplier during 2010. This tallies well with the reality - since early 2009 over 850,000 customers, about 40% of all electricity customers in Ireland, have switched supplier. This is one of the highest switching rates ever seen in Europe. It shows that the market is delivering real choice for electricity customers, allowing them to avail of new products and price discounts.
- 94% of consumers who switched stated that saving money was an important factor in switching.
- 97% of switchers found the process easy, with a similar percentage stating that the changeover process went smoothly.
- 68% of consumers stated that they understand how the total amount on the electricity bill is calculated and 75% stated that the bill is easy to understand. However, 63% of consumers would find a comparison with the previous months' electricity usage printed on the bill useful, and a similar percentage would find monthly cost comparison figures useful.
- 71% of consumers agreed that electricity advertising was straightforward - 61% stated that the advertisements were clear on prices and 58% stated that they were clear on the conditions.
- 5% of respondents reported having made a complaint over the previous 12 months; while 50% were satisfied with both the handling of complaints and the time taken by electricity supply companies to deal with complaints. It should be noted that any complaints to suppliers which customers are not satisfied with can be referred to the CER for resolution.

- 31% of consumers stated that they were interested in prepayment of their electricity usage. Among consumers currently in arrears, this increases to 47%; 70% of all respondents rated avoidance of unexpectedly large bills as an important benefit of prepayment.

Customer protection in the newly competitive and de-regulated electricity market is of paramount importance and while the survey shows a very positive experience for consumers overall, the CER is taking steps to ensure that this is sustained. Therefore the CER has recently published its decision on a range of new customer initiatives, to include customer education campaigns, the provision of detailed consumption information and tariff comparison facilities to empower all customers to benefit from increased competition.

More generally, customers can find information on how to switch energy supplier through the CER's consumer website at [www.energycustomers.ie](http://www.energycustomers.ie).

Commissioner Dermot Nolan of the CER commented:

*“The Irish electricity retail market has undergone considerable change in the last 2 years and the CER welcomes the sustained positive feedback from domestic consumers on the customer supplier switching experience. The CER will continue to monitor the electricity retail market, through industry reports and consumer feedback in the annual survey, to ensure it is working well and delivering for customers.”*

Ends.

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#### **Notes to Editors:**

- The CER is the independent body responsible for regulating the electricity and natural gas sectors in Ireland. The CER protects customers by working for a safe, secure and sustainable supply of electricity and natural gas, as well as a competitive market which delivers reasonable prices and a good quality service. For further details please see [www.cer.ie](http://www.cer.ie). The CER's consumer website is [www.energycustomers.ie](http://www.energycustomers.ie).
  - Following the development of strong competition in the retail electricity market and the subsequent CER decision to de-regulate the market, since 4<sup>th</sup> April 2011 ESB Electric Ireland has been free to set its own electricity prices for domestic customers, without prior regulatory approval. This means that the electricity market in Ireland is now fully de-regulated.
  - In light of de-regulation and the consumer survey, last week the CER published a paper on Customer Protection in the Deregulated Market. In this paper the CER has decided to implement additional customer protection measures to support customers and encourage their informed engagement with the market. This includes customer education campaigns, the provision of detailed consumption information and tariff comparison facilities to empower all customers to benefit from increased competition
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