



**Under embargo until: 00.01hrs Tuesday 23<sup>rd</sup> April, 2013**

## **LESS THAN SIX IN TEN WOULD CONSIDER SWITCHING TO AN ENERGY SUPPLIER OUTSIDE OF THE BIG SIX**

As more new energy suppliers enter the market<sup>[1]</sup>, new research reveals that their biggest battle may not be with their big six competitors, but with the fear factors that continue to prevent consumers from trying them out:

- **Only 56% of energy customers would switch to a supplier outside of the big six – just 4% more than last year<sup>[2]</sup>**
- **Less than a quarter of consumers (22%) are content to stick with the big six because they are happy<sup>[3]</sup> – fear factors stop many more from moving away**
- **Biggest fears: 31% of consumers would be worried about a smaller supplier going bust, while 25% would be frightened of losing their supply if something went wrong - 21% would not trust a supplier they had not heard of<sup>[3]</sup>**
- **Despite frequently dominating the best buy tables, 17% of consumers don't believe they would get a better deal from a smaller supplier<sup>[3]</sup>**
- **Motivated to move: 75% would consider moving to a smaller supplier for cheaper energy, while a third would move for better customer service (32%)<sup>[4]</sup> – a disenchanted one in ten (12%) would move just to get away from the big six<sup>[4]</sup>.**

Despite widespread discontent with Britain's big six energy suppliers new research by [uSwitch.com](http://uSwitch.com), the independent price comparison and switching service, has found that just 56% of people would switch to a small supplier<sup>[2]</sup>. And even though the number of small suppliers is growing, with well-known household names such as the Co-op swelling their ranks, just 4% more energy customers would consider using one now compared to a year ago<sup>[2]</sup>.

The news adds greater weight to calls for Ofgem to run a concerted consumer education programme to encourage more households to engage in the market. Both Ofgem and the Government are looking to new entrant suppliers to help shake-up the market and to deliver a

better deal for consumers. However, while less than a quarter of consumers (22%) are content to stick with the big six because they are happy with their current supplier<sup>[3]</sup>, fear factors are stopping many more from moving away.

The biggest concern holding consumers back from moving to a smaller supplier is the worry that it could go out of business – almost a third (31%) say this would stop them from switching<sup>[3]</sup>. A quarter (25%) would be frightened of losing their supply if something went wrong, while a fifth (21%) would not trust a supplier they had not heard of<sup>[3]</sup>.

While fears about size and security may be natural, they are also unwarranted. For example, in the event that any energy supplier went out of business, Ofgem, the regulator, would ensure that customers are automatically transferred to another supplier (the supplier of last resort) so they do not lose their supply. This safeguard is in place regardless of the size of the energy company.

Small suppliers are also tarred, at least in part, with the same brush as the big six. Over one in ten (14%) wouldn't bother switching to a smaller supplier because 'it's better the devil you know', while 11% think that all suppliers are the same regardless of size<sup>[3]</sup>. And, despite smaller suppliers frequently dominating the 'best buy' tables in recent years, 17% of consumers wouldn't switch to one because they still don't believe that they would get a better deal<sup>[3]</sup>.

However, the findings also suggest that if the fear factors can be overcome then small suppliers have plenty to play for. Three quarters of consumers (75%) would consider switching outside of the big six to get cheaper energy, while a third would move for better customer service (32%)<sup>[4]</sup>. Over a quarter (27%) would switch to get clearer bills and a fifth (21%) would be tempted if a small supplier offered them a good incentive, such as Nectar points<sup>[4]</sup>.

**Ann Robinson, Director of Consumer Policy at [uSwitch.com](https://www.uswitch.com), says:** "Price hikes, rocketing profits and fines for mis-selling have left consumers feeling disenchanted and fed-up with Britain's big six suppliers. But instead of small suppliers and new entrants mopping up, they have their work cut out for them because they are yet to convince consumers that they really are a safe bet.

"Consumers like what smaller suppliers have to offer, but fears about size and security are holding them back. But many of these fears are completely unfounded and could easily be laid

to rest with the right education and reassurance. This would open up the market, help competition and give consumers far more choice.

“The fact is that smaller suppliers offer competitive prices and a genuine alternative to being with the big six. There is no risk of losing your supply, either while switching or at a later date. If anything happened to your supplier, Ofgem would step in so you would always be guaranteed supply. Consumers cannot continue to be allowed to turn a blind eye to smaller suppliers because of unfounded fears factors – they should really be benefitting from the fact that there are now more options available to them.”

### Energy ‘best buys’:

Supplier	Plan Name	Price
SSE	Discount Energy Bonus October 2014 (with paperless billing)	£1,146
ScottishPower	Online Energy Saver 21	£1,164
Sainsbury's Energy	Online April 2014	£1,165
npower	Online Price Fix June 2014	£1,184
EDF Energy	Blue +Price Promise February 2015	£1,192
Spark Energy	Standard	£1,197
First Utility	iSave v15	£1,199
E.ON	E.ON Energy Discount (with online reward)	£1,209
British Gas	Online Variable May 2014	£1,219

Source: uSwitch.com

Based on a medium user customer using 3,300 kWh of electricity and 16,500 kWh of gas. Correct as at 18/4/2013.

**For more information visit [www.uSwitch.com](http://www.uSwitch.com) or call 0800 093 06 07**

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#### Notes to editors

Research referred to in the notes below was conducted online by YouGov Plc on behalf of uSwitch.com. Fieldwork took place from 13th to 15th February 2013 among 2,624 people with decision making involvement with energy suppliers. Data is weighted.

1. Analysis by uSwitch.com.
2. In response to: ‘Would you consider switching to a smaller energy supplier outside of the Big Six (British Gas, EDF Energy, E.ON, npower, ScottishPower and SSE)?’ 56% said ‘yes’. Last year’s research was conducted online by YouGov Plc on behalf of uSwitch.com. Fieldwork took place from 3rd to 6th February 2012 among 2,014 people with decision making involvement with energy suppliers. Data was weighted.
3. In response to: ‘What would stop you from moving to a smaller supplier outside of the Big Six (British Gas, EDF Energy, E.ON, npower, ScottishPower and SSE)? please tick all that apply.’
4. In response to: ‘What would make you consider switching to a smaller energy supplier outside of the Big Six (British Gas, EDF Energy, E.ON, npower, ScottishPower and SSE)? Please tick all that apply.’

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uSwitch.com is the first comparison website to achieve the Plain English Campaign's Internet Crystal Mark, which is recognised as a standard that a website has clear language, is accessible and easy to use, and has been tested on a sample of its users.

uSwitch.com is dedicated to helping consumers save money whether they have internet access or not. It offers a dedicated call centre, manned by uSwitch customer service representatives, as well as a freepost 'Send us your bill' service, whereby customers can post their latest energy bills with their telephone number to FREEPOST USWITCH, to get a free call back from a dedicated customer services representative. The service is also available via fax, email and post. Consumers should fax 0203 214 8417, email [CustomerServices@uswitch.com](mailto:CustomerServices@uswitch.com) or write to Customer Services, uSwitch.com, Centro 3, 19 Mandela Street, London, NW1 0DU with their postcode and usage details.

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