



Functioning of retail electricity markets for consumers in the EU

A new deal for energy consumers

European Consumer Summit

1 June 2015, Brussels

- The study is commissioned by CHAFEA acting on behalf of the European Commission

Study objectives

- Assess the *performance of the retail electricity market* since the 2009-2010 study
- Investigate if *a well-functioning electricity market* is in place for consumers in the EU and EEA
 - ⇒ Price, choice, comparability, switching, quality and access, innovation and protection of vulnerable consumers
- Examine the extent to which consumers are able to make *informed, rational and empowered choices*
 - ⇒ Do they possess the necessary tools to undertake this behaviour?
 - ⇒ How do consumers behave in the retail electricity market?

Five tasks

- **TASK 1: Stakeholder consultation; regulatory review**
- **TASK 2: Consumer survey (mixed-mode) in EU28, Norway & Iceland**
- **TASK 3: Price/tariff collection and analysis of affordability**
- **TASK 4: Mystery shopping** replicating consumers' experiences
- **TASK 5: Behavioural experiment** examining consumers' behaviour

Consumers' perception about services provided by electricity companies

Choice and comparability from a consumer perspective

Consumers' experience with switching

Consumers' perception about unfair commercial practices

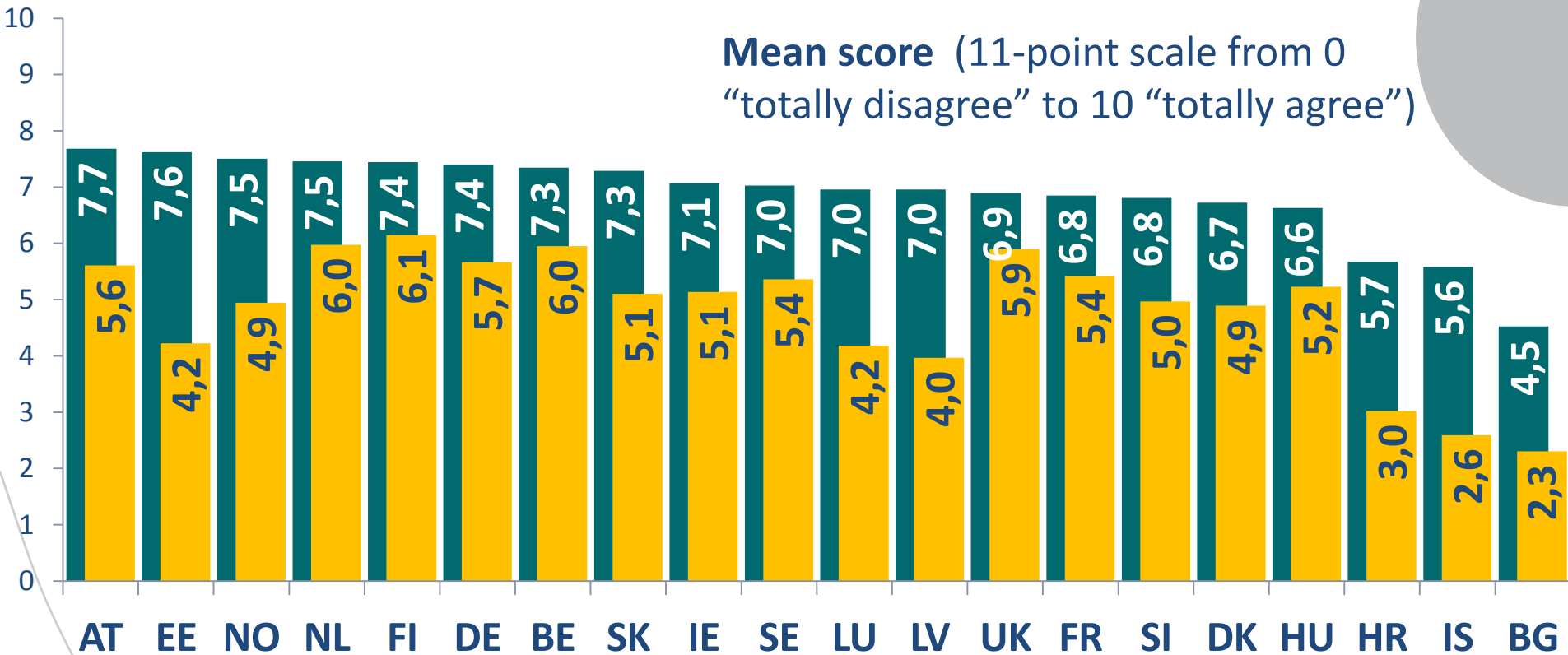
Reported affordability of electricity

Consumers' awareness of policy measures aimed at protecting vulnerable consumers

Consumers' perception about services provided by electricity companies

Respondents' perception about services provided by electricity companies

- My electricity company offers overall a high quality service
- My electricity company provides me with advice on how to reduce my energy consumption



Q2. Please indicate how much you agree or disagree with each of the following statements, using a scale from 0 to 10, where 0 means that you "totally disagree" and 10 means that you "totally agree". **Base: all respondents**

Choice and comparability from a consumer perspective

Drivers of respondents' choice of an electricity company

Mean score (11-point scale from 0 "not at all important" to 10 "very important")

	SI	BG	HU	UK	AT	HR	SK	IE	DE	EE	BE	NL	SE	IS	FI	LU	FR	DK	NO
Tariff price	9.94	9.93	9.92	9.91	9.85	9.83	9.82	9.78	9.72	9.66	9.61	9.32	9.32	9.26	9.24	9.20	9.20	9.07	8.71
Company reliability	9.51	9.58	9.76	9.30	9.96	9.96	9.79	9.38	9.68	9.37	9.05	9.03	9.05	9.54	9.51	9.62	9.11	9.22	9.09
Customer service	8.17	9.53	8.98	8.70	8.91	8.62	9.03	8.85	8.44	8.96	8.79	8.42	8.15	9.09	8.41	8.97	8.53	8.22	8.37
Company reputation	8.11	8.84	8.25	8.39	8.21	8.60	9.01	8.75	8.30	8.71	8.34	8.33	7.70	8.62	8.45	8.37	8.62	7.82	8.27
Green credentials of company	7.68	8.71	8.84	6.76	8.42	8.58	8.01	7.63	7.75	7.45	7.64	7.25	7.02	8.20	7.49	7.98	7.50	7.43	6.91
Customer loyalty scheme	7.14	9.17	8.48	6.74	6.84	8.04	8.21	8.03	6.49	8.13	7.52	6.90	6.58	7.81	6.36	8.70	7.18	6.48	6.78
Recommended by family/friends	8.07	7.58	7.15	6.77	6.70	7.59	8.17	7.61	6.49	6.81	6.73	6.42	6.23	6.68	5.81	7.06	7.05	6.51	6.65

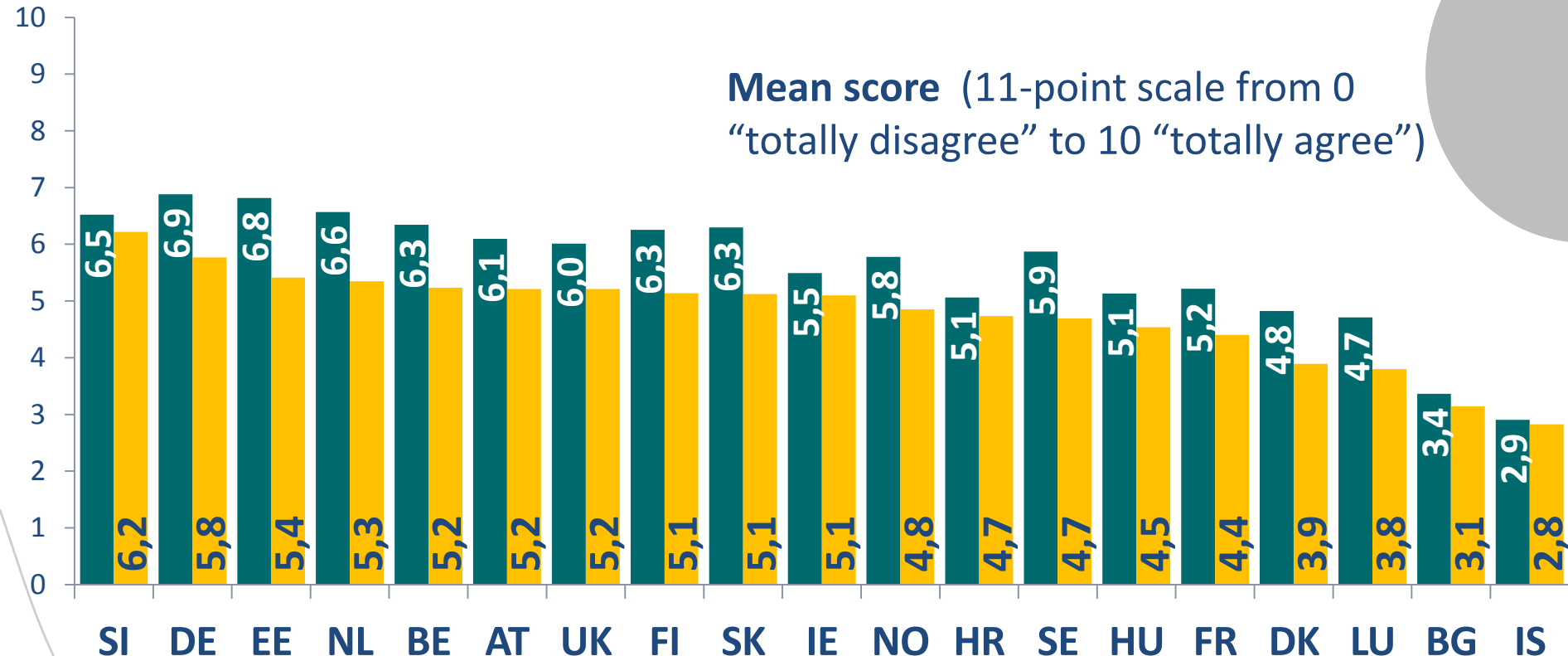
Q22. Various factors influence people's choice for an electricity company. Please indicate how important each of the following elements is to you when choosing an electricity company, using a scale from 0 to 10, where 0 means that it is "not at all important" for you and 10 means that it is "very important" for you.

Base: all respondents

Respondents' views on comparability of electricity products

- It is easy to compare different tariffs offered by my electricity company
- It is easy to compare tariffs from different electricity companies

Mean score (11-point scale from 0 "totally disagree" to 10 "totally agree")

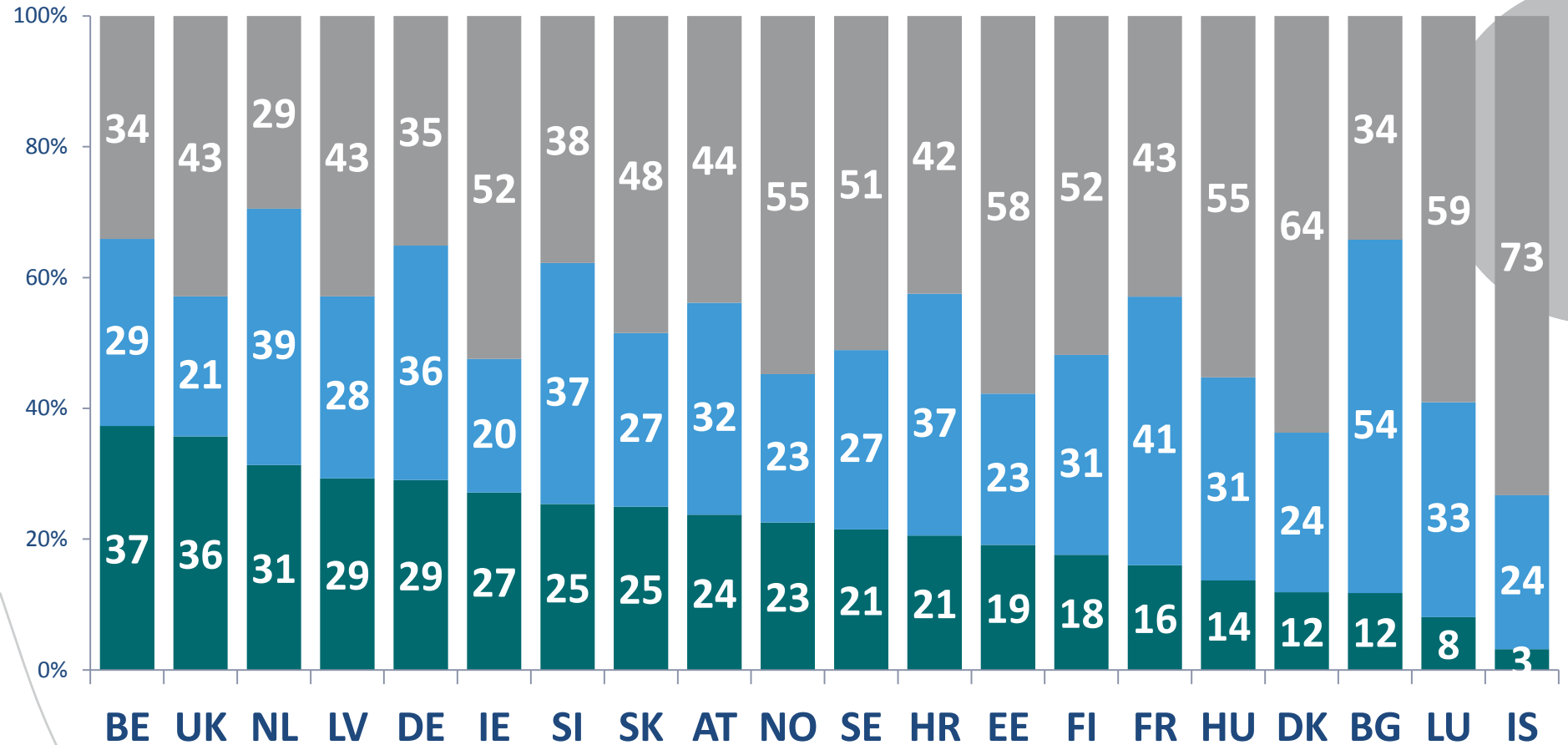


Q17. Please indicate how much you agree or disagree with each of the following statements, using a scale from 0 to 10, where 0 means that you "totally disagree" and 10 means that you "totally agree". Base: all respondents

Consumers' experience with switching

Respondents' perception of whether they are on the cheapest tariff (given their usage and preferences)

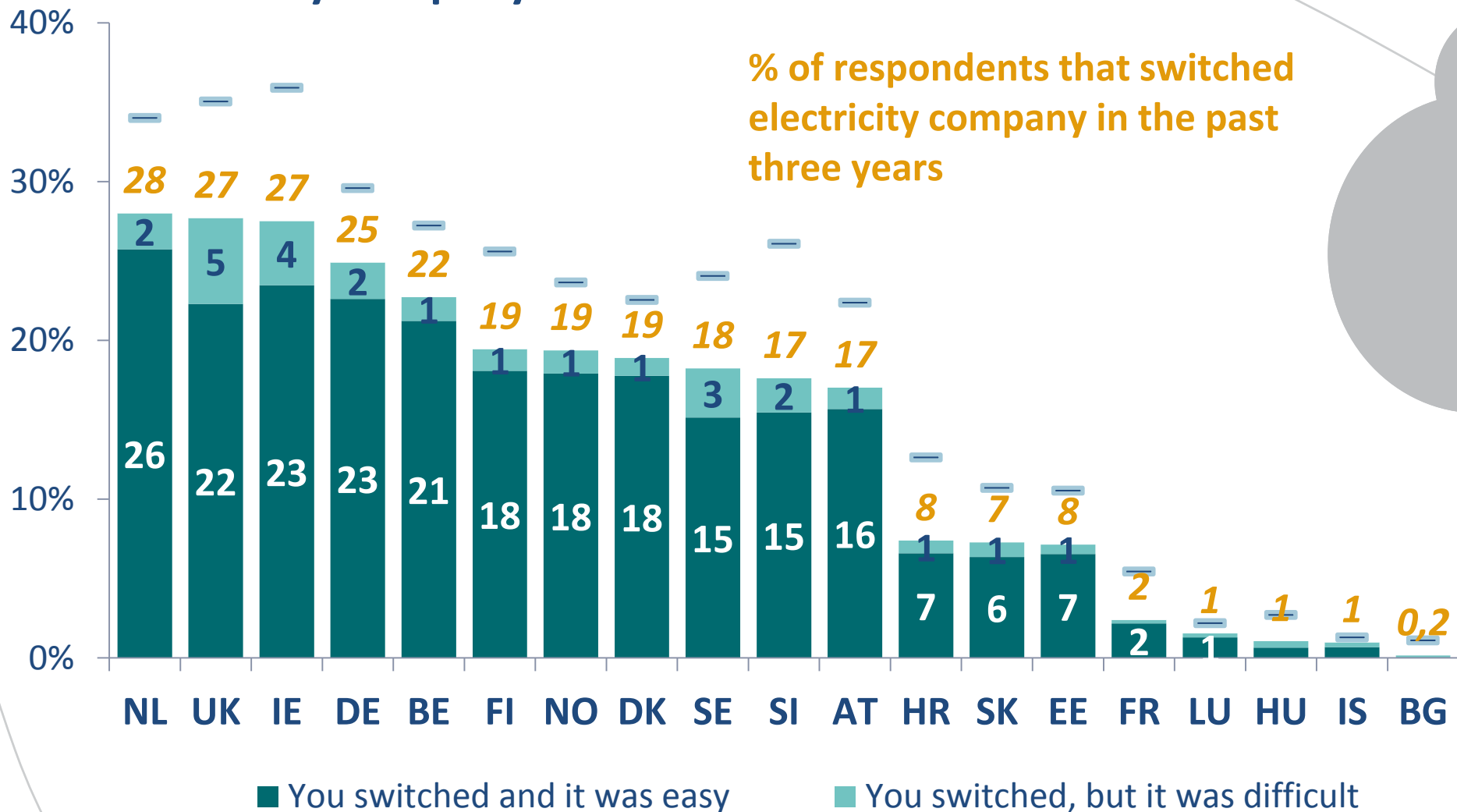
■ % Yes ■ % No ■ % Don't know



Q18. Please indicate whether each of the following statements applies to you or not.

Base: all respondents

Switching rate and respondents' experience when switching electricity company

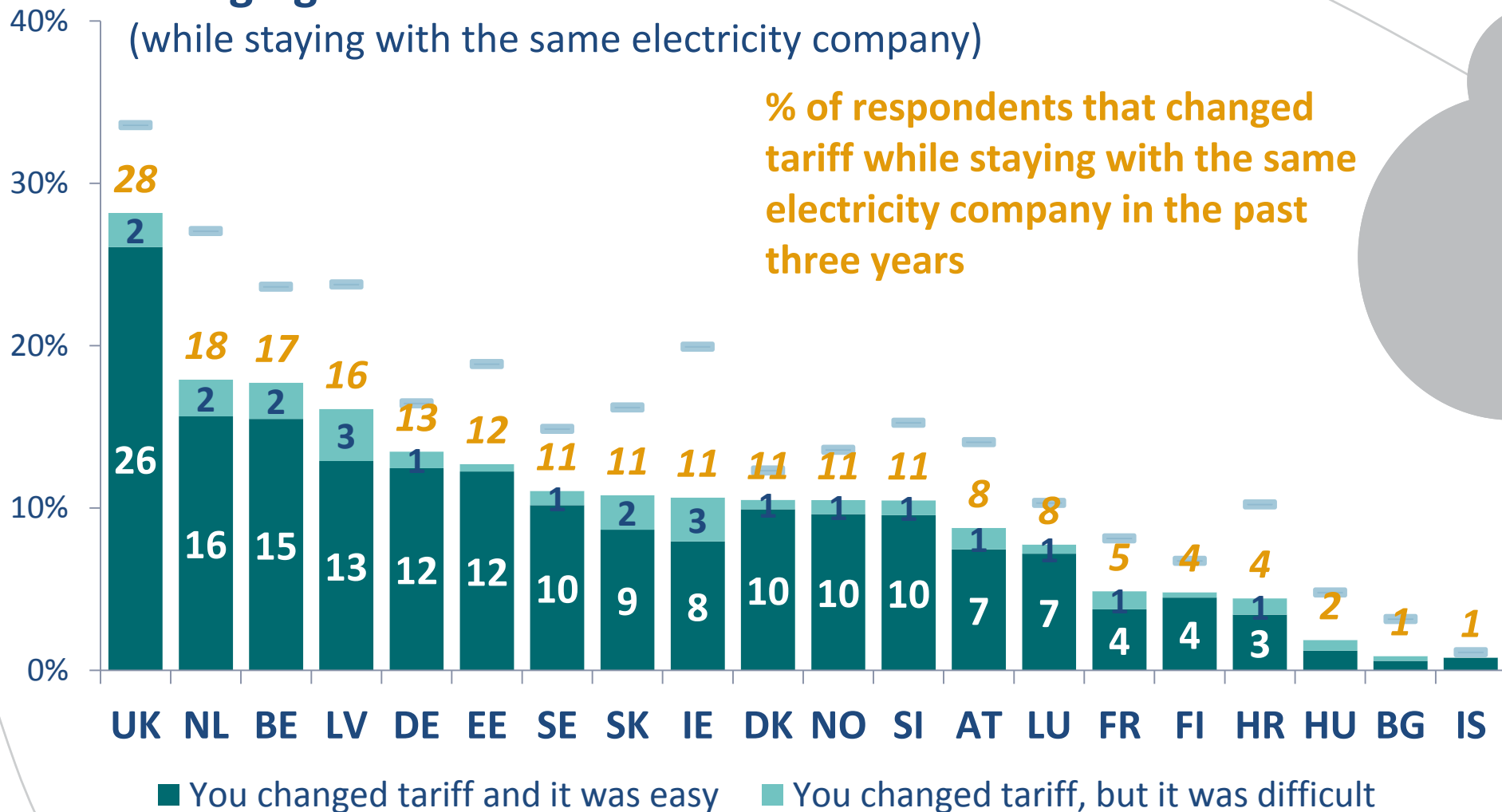


Combined results of Q27 (Have you tried to switch electricity company) and Q28 (Which of the following best reflects your experience with switching) **Base: all respondents**

Rate of tariff changes and respondents' experience when changing tariffs

(while staying with the same electricity company)

% of respondents that changed tariff while staying with the same electricity company in the past three years

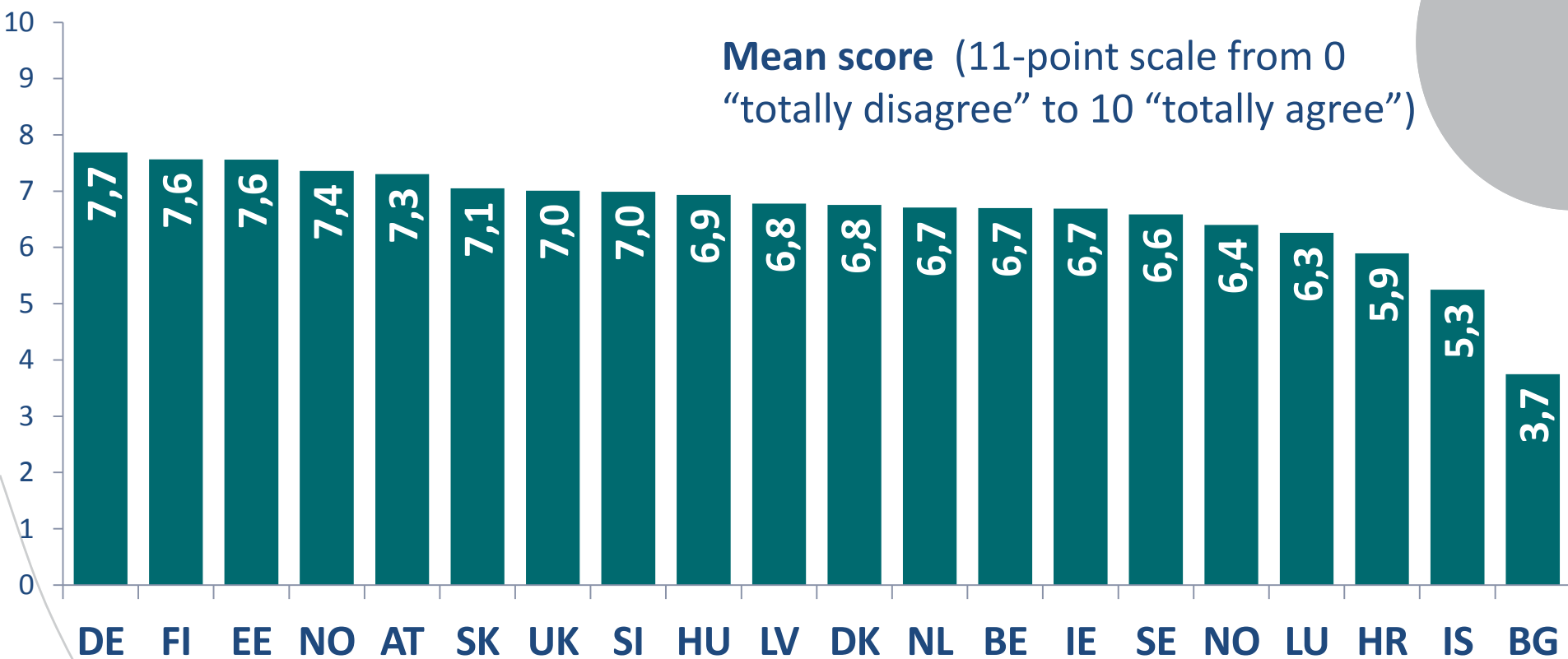


Combined results of Q33 (Have you tried to change your tariff) and Q34 (Which of the following best reflects your experience of trying to switch tariff) **Base: all respondents**

Consumers' perception about unfair commercial practices

Respondents' perception about unfair commercial practices

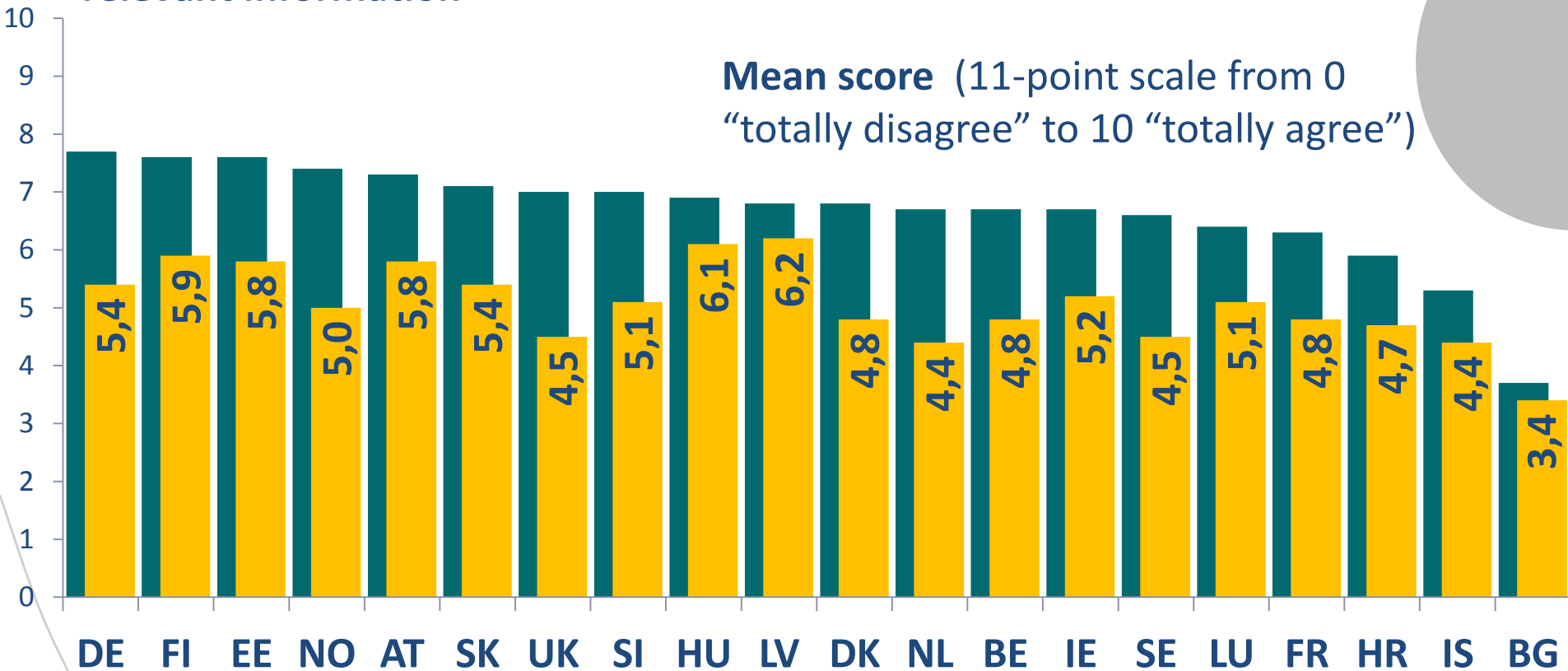
■ Pre-contractual documents from my electricity company did not mislead or omit relevant information



Q5. To what extent do you agree or disagree with the following statements. Please use a scale from 0 to 10, where 0 means that you "totally disagree" and 10 means that you "totally agree". **Base: all respondents**

Respondents' perception about unfair commercial practices

- Pre-contractual documents from my electricity company did not mislead or omit relevant information
- Advertising from electricity companies does not deceive, mislead or omit relevant information

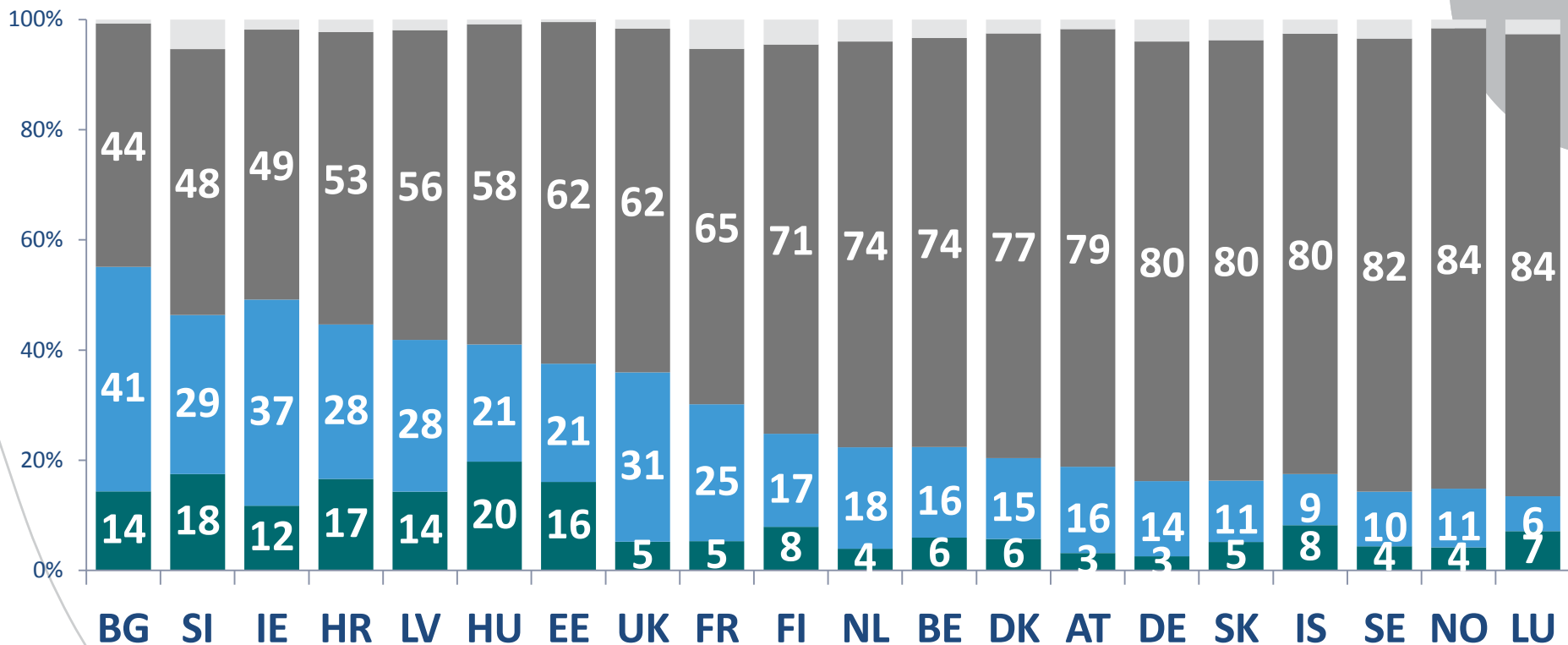


Q5. To what extent do you agree or disagree with the following statements. Please use a scale from 0 to 10, where 0 means that you "totally disagree" and 10 means that you "totally agree". **Base: all respondents**

Reported affordability of electricity

Difficulties to pay electricity bills reported by respondents

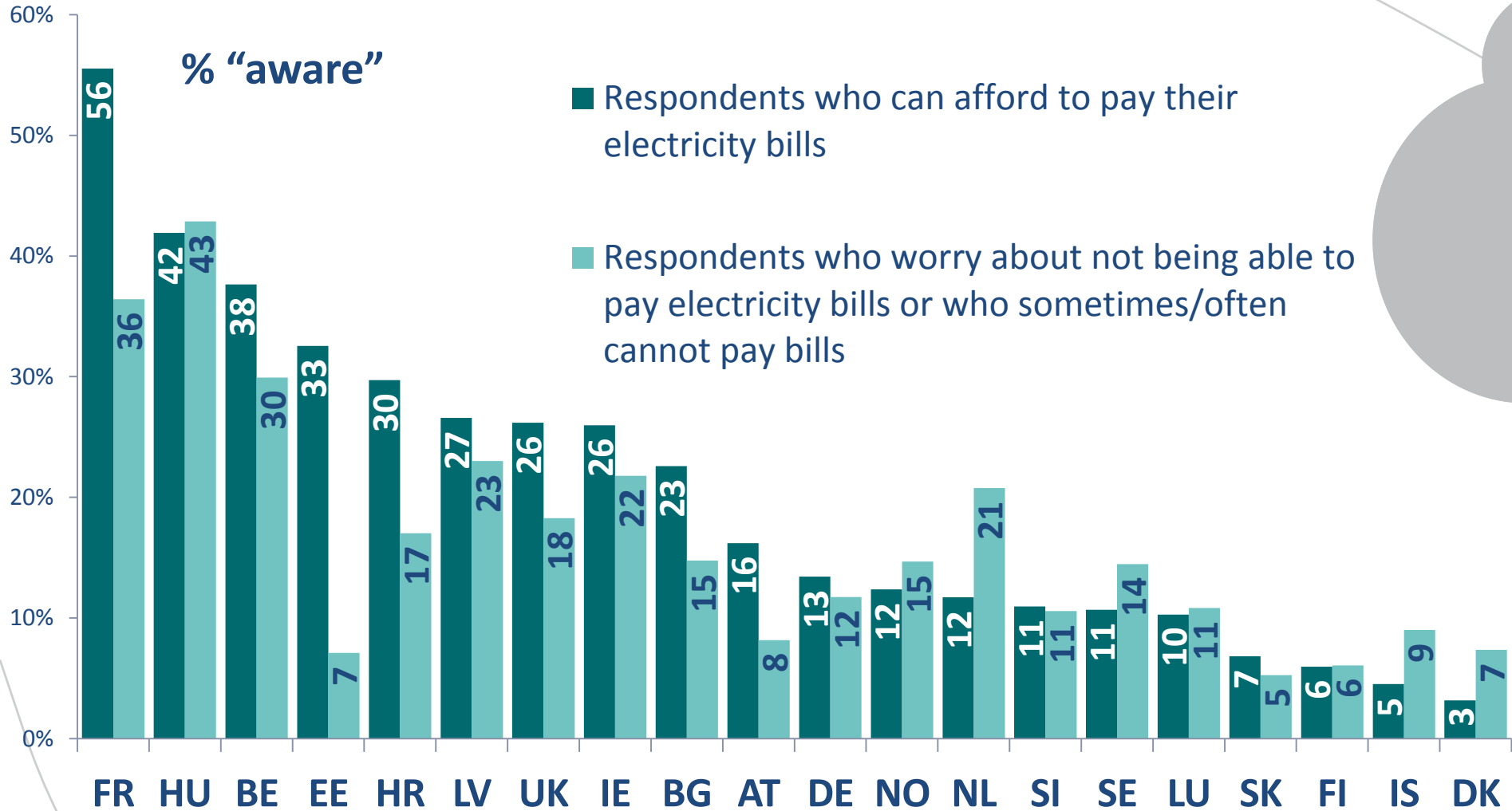
- DK/REF
- You can afford to pay your electricity bills
- You worry about not being able to pay your electricity bills but usually manage to do so
- You sometimes/often cannot pay your electricity bills on time



Q12. Which of the following situations applies to you. Base: all respondents

**Consumers' awareness of
policy measures aimed at
protecting vulnerable
consumers**

Respondents' awareness of policy measures aimed at protecting people with difficulties to pay their energy bills



Q13. Are you aware of any policy measures aimed at protecting people who have difficulties in paying their energy bills? **Base: all respondents**

Thank you!