



Finding the best utility player

In our first ever utilities satisfaction survey, we reveal the best gas and electricity supplier and those to avoid, plus tips on saving money as prices skyrocket

The average yearly household energy bill now stands at almost £1,300. In the summer, the 'big six' suppliers which dominate the market in Britain (for Northern Ireland, see p43) hiked their prices for the second time this year. And increases of 116% on gas prices and 73% on electricity since 2003 have left many families struggling. Indeed, a quarter of Which? members told us they're worried about being able to afford these essential services.

But – apart from the obvious – what do gas and electricity customers get for their money? We surveyed more than 8,600 Which? members to find out. And, what we discovered from our survey won't please most of the big suppliers.

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Our members complained about poor customer service and value for money, inaccurate or unintelligible bills and a lack of communication.

The average customer satisfaction score for energy suppliers was just 47%, making this the lowest performing of all the industries covered by our satisfaction surveys in the past 12 months. But, despite spiralling energy costs, some companies show that it is possible to keep their customers happy.

Utility who?

The best supplier in our survey is Utility Warehouse (see table, opposite). It is the only company to feature in our survey not owned by one of the so-called 'big six'. For more on Utility Warehouse, see 'Best supplier', opposite.

Most of the big six suppliers didn't do that well in our survey. The best of the bunch was Scottish & Southern Energy (SSE), whose overall score of 60% was significantly better than its major rivals.

Poor providers

The worst supplier in our survey is the company currently the subject of inquiries into its billing and sales practice by industry regulator Ofgem – Npower. In our survey, Npower's customers gave the supplier a terrible customer satisfaction score of 32%. For more on why Npower fares so poorly, see 'Worst supplier', opposite.

British Gas, which recently hiked gas prices by a record 35% and electricity by 9%, isn't far above Npower, with a score of just 40%.

Which? member Katie Soonawalla told us that British Gas had failed to note

UTILITY SATISFACTION IN BRIEF

Facts and figures about satisfaction and price rises in the utilities industry



Utility Warehouse top with a score of 72%



Npower bottom with a score of 32%



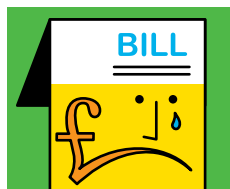
73% increases in electricity prices in five years



116% increases in gas prices in five years



20% had a problem with their supplier in the past year



7% have problems with bills



Average satisfaction score only 47% – the lowest of all industries covered by our satisfaction surveys

that her gas meter had been changed from an old type measuring cubic feet to a new type measuring cubic metres. 'They took £698 from my account for just two summer months worth of gas,' Katie explained. 'It took five months to get a refund.'

Considering British Gas's low standing in our survey and almost 10 years of competition, it seems surprising that the former gas monopoly remains Britain's biggest energy supplier. Thankfully, it's easy to switch supplier if you are one of those dissatisfied by the service – see 'Switch with Which', p42, for more.

Problems, problems...

One in five of you told us that you'd experienced a problem with your supplier during the past 12 months. However, if you are with Npower, then your chances of having had a problem are higher – almost one in three.

The most commonly mentioned problems were either not getting bills or getting bills with errors on them (7% of respondents) – only Utility Warehouse received a good rating for the accuracy of its bills and how easy they were to understand. Suppliers not coming to read your meter (6%), and contacting or resolving queries with your supplier (5%) were other common problems.

Although this means that the majority of you didn't experience any specific problems, we feel the figure is still too high when customers have enough worries about meeting the cost of energy.

Other concerns

We also found that, in the past 12 months, only a third of customers said they'd received any information from their suppliers about saving energy. And only a quarter of all respondents said they had been told about ways to change their billing options, such as managing accounts online, which can be cheaper.

As the price of energy goes up, it is imperative that suppliers take a leading role in ensuring that customers do not waste energy and that they manage their account in the most cost-effective way.

Green suppliers

More than 40% of you told us you were concerned about the environmental impact of your energy use. One way to reduce this is to sign up to a tariff that

BEST SUPPLIER

Utility Warehouse (72%)

Utility Warehouse customers told us that their bills are accurate and easy to understand. They also gave the supplier excellent marks for customer service and the quality of the telephone support service.

Utility Warehouse is a 'discount club', which charges a small membership fee

(starting from £1.76 a month) and provides phone and ISP services, as well as gas and electricity. Instead of sending out quarterly bills, the company sends customers a statement every month covering all services.

The company says its prices are in line with the average cost of direct debit gas and



electricity tariffs in each region, but it doesn't check its prices against dual-fuel or online deals, so it won't be the cheapest around. However, its customers still awarded it full marks for value for money.

OUR RESEARCH

Between May and June 2008, we sent 16,002 members of the Which? online panel a survey about their gas or electricity supplier. We received 8,694 responses – 4,241 for gas and 4,453 for electricity. As all of the suppliers featured supply both gas and electricity, we have combined their scores in the results table.

WORST SUPPLIER

Npower (32%)

Although we think that almost all of the suppliers in our survey could do more to improve their bills' accuracy and ease of understanding, Npower was rated particularly poorly.

The company's customer service received a resounding thumbs-down too, as did the quality of the online and telephone customer support and the ability to deal with customers' queries.

And, as a reflection of such

abysmal customer service across the board, the value for money score was, predictably, also very low.

One of Npower's disgruntled customers is Julia Macphie from Gloucestershire. 'The customer service is a farce,' Julia told us. 'Despite 30-odd phone calls, eight visits by different meter readers and several letters, Npower hasn't sent me a correct bill for nearly two years.'



UTILITY PROVIDER	WHICH? SURVEY PERFORMANCE						SCORE
	BILLING	CUSTOMER SERVICE	ONLINE SUPPORT	TELEPHONE SUPPORT	QUERIES	VALUE FOR MONEY	
UTILITY WAREHOUSE (117)	★★★★★	★★★★★	n/a ^a	★★★★★	n/a ^a	★★★★★	72
SSE ^b (1,869)	★★★★	★★★★★	★★★★	★★★★★	★★★★★	★★★★★	60
SCOTTISHPOWER (1,133)	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★	49
EON (1,635)	★★★★	★★★★	★★★★	★★★★	★★★★	★★	44
EDF ENERGY (891)	★★	★★★★	★★★★	★★★★★	★★★★	★★	43
BRITISH GAS (1,785)	★★	★	★	★	★★	★	40
NPOWER (854)	★	★	★	★	★★	★	32

^a Insufficient number of responses ^b Scottish and Southern (includes Southern Electric, Atlantic, Swalec and Scottish Hydro)

USING THE TABLE

Sample size is in brackets.

Performance

Billing Accuracy and ease of understanding bills.

Online support Ease of use and satisfaction with online services. **Telephone support** Ease of use,

time taken to get through and satisfaction with telephone service. **Queries** Ability to resolve and speed of answering telephone/online queries.

Score

Customer satisfaction Combines satisfaction and likelihood of recommendation.

supplies electricity from a renewable source. There are also some suppliers that deal specifically in green electricity.

We didn't receive enough responses from customers of Ecotricity, Green Energy or Good Energy to rate them individually, but it appears that these suppliers are very popular with those that use them. Around three quarters of customers with a green supplier told us they are very satisfied with the service.

The drawback is that buying electricity from these suppliers is generally more expensive than from 'the big six'. And, as they don't currently sell gas, you'll also miss out on dual-fuel (gas and electricity from a single supplier) discounts.

Just move on

If you're not happy with your supplier, switch. Nine in 10 of you who have done so told us that you found it easy.

According to Ofgem, despite 10 years of competition in the market, around 20% of households still get their gas from British Gas, and electricity from the company that took over the old electricity board in their area. This arrangement could be costing you a fortune.

Switching from this to a dual-fuel tariff and paying by monthly direct debit could save you more than £150 a year. And if paying by direct debit isn't for you, then dual-fuel tariffs that allow you to pay when you receive your bill could save you around £100 a year.

If you go for online bills instead of paper, you could make further savings. The average difference between the cheapest regular (non-online) direct-debit dual-fuel deal and the cheapest online direct-debit dual-fuel deal across the 14 distribution areas is £100 a year.

Online account management is not for everyone, but those who have never switched before could cut their annual bills by around £250 by doing this.

Once you've made this initial switch, however, the savings you can make by switching supplier again are less substantial. The average difference between the cheapest and most expensive of the 'big six' is just £44 over a year for regular direct debit dual fuel and £69 for online direct debit dual fuel – although, as suppliers price differently in each of the 14 regions, the amount you actually save will depend on where you live. See 'Switch with Which?', right, for more on this.

DIRECT DEBIT OR CREDIT?

Direct debit may be the cheapest way to pay, but accounts aren't balancing out

Most Which? members pay their utility bills by monthly direct debit. This means your supplier will calculate how much you spend on energy in a year and divide this up into equal payments.

However, energy use is not equal during the year – you effectively underpay in the winter and overpay in summer. For example, if your annual gas and electricity bill is £1,300 a year then this would be broken down into payments of £108 a month. But as you're likely to use more than £108

worth of energy in the winter and less in the summer then your account will probably show a minus or plus balance depending on the time of year – the idea, according to trade body The Energy Retail Association, is that bills balance out over the year.

We asked those who paid by direct debit to tell us how much your account was in debt or credit at the time of your last bill. Half of all electricity, and 40% of gas customers, said their accounts were in credit. Our survey took place at the end of the colder, darker half of the year (when energy use is higher) and we'd expect to see a debit balance. The fact that so many of you were in credit means your supplier could be asking you to pay more than you need to.

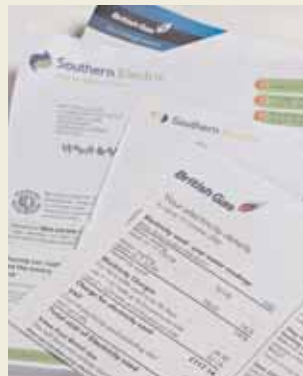
The average amount that these accounts were in credit was £71 for gas and £62 for electricity. Amazingly, 21% of gas and 16% of electricity

customers told us that their accounts were more than £100 in credit, and 6% were more than £200 in credit.



The balance of direct debit accounts is often not even

With 11.7 million electricity customers and 10.5 million gas customers paying by direct debit, we estimate this amounts to a combined overpayment of more than £660m – money that would be better off in our own bank accounts rather than our energy suppliers'. (For more, see 'Paying double for the same energy', right).



Which? says

Our survey reveals that too many suppliers are letting customers down with bills that aren't accurate or easy to understand, direct debits that don't add up (see 'Direct debit or credit?', above), and inadequate customer service.

At a time of high prices, customers want value for money – but this can only be said of two suppliers in our survey.

We want to see energy suppliers do more to help their customers understand and reduce their energy use beyond just offering them different ways to pay and energy-saving light bulbs.

Providing services that help customers save energy and money should improve suppliers' image and increase loyalty – key priorities for any company. But first they need to get the basics right.

Contacts

Consumer Direct
0845 404 0506
www.consumerdirect.gov.uk

Energy Saving Trust
0800 512012
www.energysavingtrust.org.uk

Switch with Which? 0800 533031
www.switchwithwhich.co.uk

Utility Warehouse
0844 815 7777
www.utilitywarehouse.co.uk

SWITCH WITH WHICH?

**Save £233
with Which?**

Switch with
which?

With prices rocketing, it's vital you check whether you can save money by switching supplier. Our free Switch with Which? service (www.switchwithwhich.co.uk) lets you compare prices to ensure you're not paying over the odds. Users saved an average £233 a year per household between October 2007 and April 2008.



PAYING DOUBLE FOR THE SAME ENERGY

Douglas Bell *product manager*

Douglas from Reading discovered that his supplier, Eon, had more than doubled his combined monthly direct debit for gas and electricity from £32 to £66, after he'd gone into debt on his account by £58 over the winter months.

Douglas, who had provided Eon with regular meter readings, explained: 'Eon said it was to cover increases in its prices, but there was no way that its charges had gone up

by more than 100%.' After several letters to Eon, it finally admitted that its system had miscalculated Douglas's energy use and agreed to reduce his direct debit to £39 (for more on direct debit payment, see 'Direct debit or credit?', left).

If you think you're paying too much, contact your supplier and ask it to explain how your direct debit is calculated (see 'Checklist', right, for more money-saving tips.)

Northern Ireland switches on

Competition is coming to NI and soon you could be saving money

In theory, households in Northern Ireland (NI) have been able to switch electricity suppliers since 2007. However, as NI Electricity is still the only supplier, it's impossible.

The NI Authority for Utility Regulation hopes that more

suppliers will be attracted to NI by the formation of the Single Electricity Market (SEM) for NI and the Republic of Ireland last year. All electricity generated in Ireland will now be placed into a 'pool', which suppliers in both countries can buy from.

In a similar way, switching gas suppliers is possible in the Greater Belfast and Larne areas, but Phoenix Energy is the only supplier at the moment. The rest of the country, where gas is supplied by Firms, remains closed to competition. An all-Ireland gas market has also been agreed, which may encourage better competition.



Checklist

Saving money on your gas and electricity

■ **Dual fuel** Getting your gas and electricity from one supplier (known as dual fuel) and paying by monthly direct debit is almost always the cheapest option.

■ **Switch** If you've never changed your supplier, then you could save a significant amount by switching.

■ **Ways to save** Also contact your current supplier to find out if it can offer you any ways to reduce your bill.

■ **We can help** Use www.switchwithwhich.co.uk to find the best deal in your area.

■ **Online** If you go for an online tariff, you'll often get a substantial discount.

■ **Get a cap** Capped tariffs guarantee the price you pay for your energy for a set period of time and give peace of mind for those worried about future price rises. However, they can be expensive (up to 20% more than non-capped tariffs).

■ **Night use** Off-peak electricity tariffs, such as Economy 7 and Economy 10, are best suited to people who use more than 60% of their electricity late at night, such as those who heat

their homes using storage heaters.

■ **Read regularly** Avoid inaccurate estimated bills by reading your meter on a regular basis and providing the readings to your supplier.



■ **Direct debts?** If you pay by direct debit and your account is showing a large credit or debit, then contact your supplier.

■ **EST** Energy efficiency grants are available for improvements to your home. These will save you money and reduce carbon emissions. Contact the Energy Saving Trust (see 'Contacts', opposite).



■ **New body** The gas and electricity watchdog, Energywatch, will be merged into the new national consumer body, Consumer Focus, on 1 October 2008. Consumer Direct will take on the role of providing advice to energy customers. See 'News', p4, in this month's issue, for more details.

