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BAFFLING UTILITY BILLS LEAVE CONSUMERS CONFUSED, BEMUSED AND DEFINITELY NOT AMUSED

Nobody likes household bills, but new research shows consumers have good reason to dread utility bills more than others:

- **Most confusing: energy, home telecoms and water bills confuse consumers most^[1]**
- **Least confusing: banks, council tax departments and credit and store card companies get the thumbs up^[1]**
- **Stark differences: 72% of consumers find bank and building society statements straightforward^[2], but three quarters (75%) of consumers find energy bills confusing to some degree^[1]**
- **Double Dutch: only 39% of people think their energy bills are written in plain English^[3] and only 4 in 10 (40%) find it easy to work out how they are calculated^[4]**
- **uSwitch.com calls for 'horror' household bills to be made simpler, clearer and easier for consumers to understand.**

Consumers are being left confused, badly informed and potentially vulnerable to debt because of the poor quality of some major household bills, according to uSwitch.com, the independent price comparison and switching service. The warning comes after new research revealed stark differences in the standard of bills being issued by different industry sectors. While some are simple and straightforward for people to understand, others are leaving consumers totally confused.

Energy suppliers, water companies and home telephone and broadband providers are responsible for the most confusing household bills^[1]. Of these, energy bills appear to be the most complicated - three quarters (75%) of consumers find them confusing^[1]. Other utility providers are not doing much better either - 59% of consumers find their home

telephone, broadband and DTV bills confusing, matched by those left confused by water bills (59%)^[1].

Worryingly, 68% of consumers find energy bills harder to understand than other household bills^[5]. On average households are spending £1,243 a year on energy bills^[6], but only four in ten consumers (40%) find it easy to work out how their energy company has calculated their bill^[4]. Suppliers also seem to be failing to communicate on a basic level with their customers – only 39% of people think that their energy bills are written in plain English^[3]. Less than half (45%) think that the name of their energy plan is easy to understand^[7].

At the opposite end of the spectrum are banks and building societies, where almost three quarters (72%) of consumers find their bills and statements simple and straightforward to understand^[2]. Personal finance companies generally seem to be issuing customer-friendly information in a format that most people can understand – just 41% of consumers find credit and store card bills confusing^[1].

The findings suggest that the energy industry is lagging behind other sectors in being able to communicate simply and clearly with customers. This could leave consumers disadvantaged as energy bills account for a sizeable chunk of the average annual household budget. Experts also predict that energy bills will quadruple within the next 10 years^[8]. If consumers are to be able to manage this aspect of their budget, and be able to make an informed decision when switching, they need to be able to understand basic information such as their consumption, spend and tariff details.

Ann Robinson, Director of Consumer Policy at uSwitch.com, says: “Nobody likes bills, but they do play a fundamental part in the relationship between a company and its customers. A well-written, clear and concise bill should leave consumers feeling empowered and in control, not bemused. This is why it is so worrying to find that three quarters of us are confused by our energy bills.

“Ofgem has signalled its intention to work with suppliers on improving energy bills. This is a vital piece of work if we are to see well-informed consumers taking full advantage of the competitive energy market. If Ofgem is to succeed in making energy bills **simpler, clearer and easier** then it has to look outside of the energy industry for ideas on best practice. Judging by our research, it could do far worse than look to banks and building

societies, which seem to be leading the way in providing consumers with bills and information they can easily understand.”

‘Horror’ household bills: how they compare*:

	Type of household bill	Confused consumers	Very confused consumers
1	Energy bills	75%	17%
2	Communications – home phone, broadband, DTV	59%	8%
2	Water bills	59%	6%
4	Mortgage statements	57%	9%
5	Mobile phone bills	55%	5%
6	Council tax	54%	6%
7	Credit and store card bills	41%	4%
8	Bank/building society statements	27%	1%

*Based on all respondents with decision-making involvement in household energy bills. Percentages for this question were re-calculated to exclude ‘not applicable’. Percentages of confused consumers exclude those who answered ‘don’t know’ and ‘1 – not confusing at all.’ See note 1 below for further information.

For more information visit www.uSwitch.com or call 0800 093 06 07

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Notes to editors:

Research conducted by YouGov online between 3rd and 8th June, 2009, among 3,015 respondents with decision making responsibility for their household’s energy. Data is weighted and representative of the GB adult population. All notes below referring to ‘the research’ refer to this data, apart from note 5. Note 6 is a uSwitch calculation unrelated to the research.

1. See table in release above, based on the YouGov research. Consumers were asked to rank how confusing their bills are from ‘5 – very confusing’, down to ‘1- not confusing at all’:

5 – Very confusing
 4
 3
 2
 1 – Not confusing at all
 Don’t know
 Not applicable

Rankings exclude consumers who answered ‘not applicable’. Rankings for those who are confused exclude ‘don’t know’ and ‘1- not confusing at all’.

2. From the YouGov research. This stat is based on the 72% of consumers who ranked their bills/statements from banks and building societies as ‘1 – not confusing at all.’
3. According to the YouGov research, in response to: ‘Do you think your energy bills are written in plain English?’ 39% said ‘yes’, 56% said ‘no’ and 5% ‘don’t know’.
4. According to the YouGov research, when asked: ‘How easy or difficult is it for you to work out how your energy company (gas and/or electricity) has arrived at your billing figure?’ 33% said ‘fairly difficult’ while 24% said ‘very

difficult'. 9% said 'very easy' and 31% said 'fairly easy'. The latter two have been added together to make 40% who find it easy. 3% of respondents said 'don't know'.

5. uSwitch.com Consumer Opinion Panel research among 1,952 consumers, Research conducted online 27th April – 8th May. In response to: 'Compared to your other bills (for example credit card, mobile phone, broadband) do you think your gas and/or electricity bills are...' 68% said a little or a lot harder to understand.
6. uSwitch.com calculation: Based on a medium user consuming 3,300kWh electricity and 20,500 kWh gas, on a standard plan, paying on receipt of bill with bill sizes averaged across all regions and all big six suppliers.
7. According to the YouGov research in response to: 'Is the name of your energy tariff/plan easy to understand?' 45% said 'yes', 38% said 'no' and 17% said 'don't know'.
8. See uSwitch.com press release: 'Energy bills to hit almost £5k in ten years time.'

About Us:

uSwitch.com is a free, impartial online and telephone-based comparison and switching service, helping consumers compare prices on gas, electricity, water, heating cover, home telephone, broadband, digital television, mobile phones, personal finance products and car insurance.

Our aim is to help customers take advantage of the best tariffs and services on offer from every supplier. To aid us in this task we have developed a comparison calculator, which evaluates a number of factors including price, location, service and payment method, and advises consumers on the best deal to suit their needs.

The service is also available via fax and post. Fax 020 7233 5933 or write to Customer Services, uSwitch.com, 111 Buckingham Palace Road, London, SW1W 0SR, with your postcode and usage details.

uSwitch.com is not a supplier but acts as an independent advisor, giving consumers an impartial view of what's on offer.