

LCPDelta

Energy Literacy Study

Summary Report

Developing an in-depth understanding of the issues and barriers facing electricity and gas consumers

Utility Regulator

July 2026

Introduction & Methodology

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Introduction

This research on energy literacy was commissioned under the Utility Regulator's Consumer Protection Programme 2024-2029 (CPP24) and carried out by LCP Delta between December 2025 and May 2026.

It was aimed at developing an in-depth understanding of energy literacy issues and barriers facing domestic electricity and gas consumers and how these can be addressed.

It identifies where friction, confusion and disengagement arise and provides an evidence base for practical action by the Utility Regulator and energy companies.

Methodology

This research was designed as a four-phase qualitative study. It enabled us to:



Use the pre-task phase to surface initial perceptions, comprehension of energy bills and levels of confidence in supplier communications.



Facilitate eight focus group discussions that capture shared experiences, compare perspectives and identify common barriers to engagement across 64 participants.



Conduct 15 in-depth interviews to explore individual consumer journeys.



Make recommendations to the Utility Regulator based on the research findings for its consideration

Key findings from focus groups discussions (1/2)

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Section 1 - Engagement with the energy market



- Inherited supplier is most common, unlike informed or active switching.
- Consumer engagement is often reactive rather than proactive.
- Many consumers do not begin from a position of active choice; they start with what is already in place (supplier and tariff) and only switch later if prompted.
- For recent movers, supplier discovery is still accidental. This increases the risk of delay, confusion and incomplete knowledge.

Section 2 - Understanding and interpreting bills



- Bills and annual statements are currently functioning mainly as payment notices, not as tools that build understanding.
- Consumers experienced confusion in interpreting bill jargon and estimated vs actual meter readings.
- Confidence dropped sharply when the bill became more detailed or less familiar.

Key findings from focus groups discussions (2/2)

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Section 3 - Complaints and problem resolution

- Consumers reported frustration in the complaint process (only getting results after switching channel, chasing repeatedly, or refusing to leave the call until their issue was resolved).
- Those who could not resolve a problem with their supplier felt that they had nowhere independent to turn.
- For vulnerable and digitally disengaged consumers, these frustrations were compounded by the lack of extra resources to help them.

Section 4 - Trust, fairness and consumer protection

- Consumers see protection as weak, doubt regulator independence, or do not even know who the regulator is.
- There is a need for the regulator to focus on visibility, simplicity and proactive delivery of protections, not just the policy itself.
- Low trust is driven less by one-off bad incidents and more by the structure of the market as consumers perceive it.

> *I wasn't listened to. It was, I felt like it was the first time that anyone's ever moved house to them...I felt like I knew more than they did, which was a weird feeling of, and I can see why some people would just give up and pay the bill.*

Male – GRP 4 – section 3

Consumer quote on understanding annual statement for prepayment meters

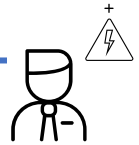
Archetypes for In-depth interviews

Eight consumer archetypes identified from the focus groups

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The Passive Inheritor
Never actively chose a supplier. Accepts whatever arrangement was already in place. Energy works in the background until it doesn't.



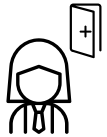
The Anxious Avoider
Knows energy can be a source of financial stress. Copes by avoiding it (unopened letters, no supplier contact). Anxiety shapes every touchpoint.



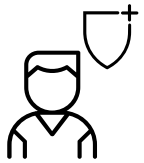
The Event-Driven Switcher
Disengaged until a trigger arrives (a doorstep offer, a price rise, a friend's tip). Acts on headline numbers. Rarely checks if the deal stayed good.



The Engaged but Partially Informed
Reads bills, compares deals, feels confident. But confidence sits on partial understanding until something goes wrong.



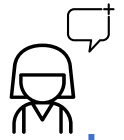
The Digitally Disengaged Consumer
Manages energy entirely offline (by phone, paper bill, or in person) either by necessity or by choice.



The Debt-Experienced Consumer
Has experienced energy debt and that has changed their relationship with the market and compounded the problem.



The Vulnerable Consumer
Eligible for additional support but unaware it exists, never offered it, or put off by stigma. Sits at the intersection of low awareness and unmet need.



The Resigned Non-Participant
Has concluded that engagement does not pay. Switching makes no difference. Complaining achieves nothing. The system is for other people

Key findings from in-depth interviews (1/5)

Consumer journey – Home move (moving in and out)

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Consumers experience a disconnect between the information they expect and the information they receive when moving homes

The overarching feeling within the Home Move journey was that nobody told the consumer what they had to do.

Consumers expect a responsible party (i.e., landlord, supplier, letting agent, previous occupant) to tell them the key details required for taking on an energy supply contract. This includes:

- Who their supplier is
- What tariff they are on
- What they need to do at both sides of a move

Featured archetype :



Passive Inheritor

"...it was winter when we moved in and I felt like I was constantly running to prepay. So I looked on the website to see what the tariffs were, but it was hard to navigate and understand exactly how much you should, what your usage would equate to...because you're using it at different times in the day and you don't know when's off peak, when's on peak, whatever that is...And then you're not sure on what sort of appliances it should be...We should know how much it costs each time."

Female – GRP 2

Consumer quote on how they found out about their tariff/deal when they moved in

Key findings from in-depth interviews (2/5)

Consumer journey – Account Management

Consumers are not proactively managing their own energy accounts. They expect the supplier to be the proactive party in providing notice of important issues and responding when an issue arises.

Account management is not experienced as an active or ongoing task. Instead, it is reactive and limited to doing what is necessary.

Archetypes such as the **Event-Driven Switcher, the Digitally Disengaged Consumer and the Vulnerable Consumer** specifically mentioned wanting more proactive contact from the supplier.

Consumers expect suppliers to monitor accounts, identify emerging issues and intervene early to prevent escalation. This means:

- Providing early prompt for billing errors and rising debts; and efficient resolution process to prevent problems from escalating
- Clearly communicating account status (e.g. “You owe xx amount”)
- Training staff in handling vulnerable consumers.

Featured archetypes :



Key findings from in-depth interviews (3/5)

Consumer journey – Receiving and Interpreting a Bill

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Consumers find bills too complicated and overall are disengaged in fully reading and understanding what their bills mean.

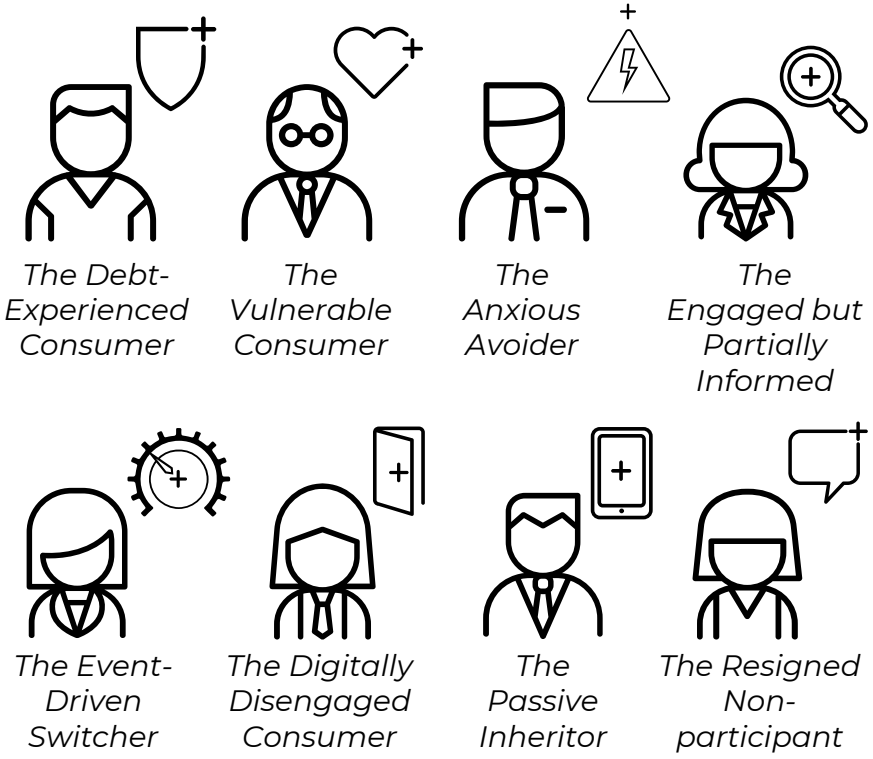
Consumers experiencing information overload and poor signposting drives disengagement. They have limited understanding of pricing, tariffs and energy metrics (e.g. kWh, MPRN, CR) and a weak sense of account control, debt visibility and agency.

Consumers expect bills and statements to clearly surface the things that matter:

- What they owe (e.g. “you owe £50” rather than “account balance = -£50” or “£50 DB”)
- What they are paying
- Whether anything has changed.

They also expect to understand what affects their bill and what they can influence, even if they do not actively manage every detail.

Featured archetypes :



Key findings from in-depth interviews (4/5)

Consumer journey – Switching Supplier or Tariff

Switching is still not front of mind. When it does happen, consumers are driven by headline numbers.

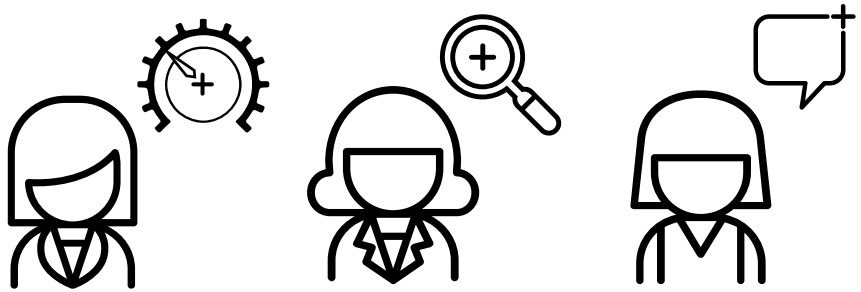
Consumers' decisions to switch are driven by **what is immediately visible and easy to grasp** such as discounts, free credit, or an apparently lower unit rate.

While the switch process was considered smooth by a couple of consumers, the experience that follows frequently damages consumer confidence.

Headline information often feels sufficient, with little appetite to seek out further detail. This means consumers lack understanding of how the new tariff will work in practice.

Consumers expect switching energy supplier or tariff to be straightforward and transparent.

Featured archetypes :



The Event-Driven Switcher

The Engaged but Partially Informed

The Resigned Non-participant

Key findings from in-depth interviews (5/5)

Consumer journey – Trust, fairness and consumer protection

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Consumers expect a fair, transparent system that protects them when things go wrong and with clear routes to support.

- Trust: Trust in energy suppliers is undermined by billing practices that consumers experience as opaque and inaccurate.
- Fairness: Many consumers believe the market is regulated in favour of suppliers rather than customers.
- Consumer Protection: There is a consistent lack of awareness of the Customer Care Register (CCR).

Consumers expect fairness and protection when things go wrong. At a minimum, they assume there will be a clear and accessible complaints process, that an independent body will act in their interests if a supplier fails to do so.

Featured archetypes :



The Debt-Experienced Consumer

The Vulnerable Consumer

The Anxious Avoider

The Engaged but Partially Informed

The Digitally Disengaged Consumer

The Resigned Non-participant

Conclusion & Recommendations

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Conclusion

Low energy literacy is not best understood as a simple knowledge deficit. Consumers are operating in a market where important information is hard to find, difficult to interpret and not always clearly connected to action. Many therefore rely on coping strategies rather than confident understanding.

Across the study, consumers described an energy system that feels reactive rather than protective, informational rather than explanatory and available rather than accessible. This creates a gap between what consumers reasonably expect and what they experience in practice.

This research shows that barriers to engagement fall hardest on those least equipped to navigate them (the vulnerable, digitally disengaged, prepayment customers and those with experience of debt or financial hardship). This makes energy literacy a consumer protection issue, not just a communications one.

Recommendations

The recommendations are designed to support the Utility Regulator's Consumer Protection Programme 2024–2029. They reflect the central findings of this research.

A number of recommendations based on the findings of this research have been made to the Utility Regulator. They include::

1. Target interventions at key moments or high-friction points in the consumer journey.
2. Introduce clearer billing and annual statement standards.
3. Improve the home move journey (moving in and out moments).
4. Strengthen complaint handling and issue ownership.
5. Increase the visibility of consumer protections.
6. Move from reactive to proactive account management.
7. Improve switching communications and post-switch transparency.
8. Improve support for vulnerable, digitally disengaged and prepayment consumers.