Baffling Utility Bills Leave Consumers Confused, Bemused And Definitely Not Amused



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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.

<u>Energy suppliers</u>, water companies and home telephone and broadband providers are responsible for the most confusing household bills. Of these, energy bills appear to be the most complicated - three quarters (75%) of consumers find them confusing. 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%).

Worryingly, 68% of consumers find energy bills harder to understand than other household bills. On average households are spending £1,243 a year on energy bills, but only four in ten consumers (40%) find it easy to work out how their energy company has calculated their bill. 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. Less than half (45%) think that the name of their energy plan is easy to understand.

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. 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.

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. 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 <u>uSwitch.com</u>, 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."

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About uSwitch:

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