

# Testing the better offer notice on energy bills

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Final report from the Behavioural Insights Team



# Executive Summary

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## Background

The AER has been tasked with understanding how best to present customers with information about better energy plan offers available to them. Previous research has identified specific features of messaging that can motivate consumers to become more active participants in the energy market, but there are still outstanding questions about the best way to frame the message, and what other information to include.

## What we did

To understand what features were most likely to engage consumers to consider switching to alternative energy plans, we ran 30 minute semi-structured interviews with 15 energy consumers from across Australia. We also tested 4 different ways to frame the better offer message in an online experiment with 1716 participants. These were:

- **"Could you pay less on another plan?"**
- **"Could you save money on another plan?"**
- **"Could you pay less on another plan?"** (for those already on the best plan)
- **"You're on our best plan for you"** (for those already on the best plan)

## What we found

Qualitative testing found that consumers who were on the best plan thought that the way the headline was framed as a question engendered a sense of curiosity and urgency that might compel them to seek out more information. However, in our quantitative data, we did not find strong evidence for differences in consumer intentions, urgency, comprehension, or trust. As such, none of our tested messages was a clear winner.

We also found that consumers were more likely to be familiar with, and trusting of, the message if it was required by the Australian Government, rather than the AER. Consumers also typically thought that the message should feature more prominently in order to attract attention.

## Recommendations:

- **Make the better offer message as prominent as possible on the bill**
- **Frame messages like a question to engage curiosity**
- **Refer to the Australian Government as the issuing authority (or a combination of both the Government and AER)**
- **Display a government logo or crest to emphasise this**
- **Ensure the Energy Made Easy link is prominently displayed**



# Overview

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1. Background
2. Methodology
3. Key findings
4. Other findings



# 1. Background



# Background to the project

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Enabling consumers to engage in markets and make better decisions is widely considered to be important to a healthy economy. However, it is not always easy to motivate people to act in a way that might be beneficial to themselves. One example of this is in the utilities sector. Consumers here often rely on infrequent trigger points (e.g. moving house) to motivate them to assess different products, and there is often a lack of transparency and consumer understanding that means that people may not be aware that there are better options available to them. To this end the Australian Energy Regulator (AER) has introduced a number of mechanisms to motivate more engagement and energy market participation from consumers.

In particular, *The Independent Review of the Electricity and Gas Retail Markets in Victoria* (the Thwaites Review) contained a recommendation that energy retailers must require “the retailer’s best offer for that customer based on their usage patterns” on a consumer’s energy bill. This practice has now been implemented in Victoria, and is proposed to be broadened to other states. However, there is a possibility that this message is not well understood by consumers, or not motivating enough to spur action.

The Behavioural Insights Team and several other organisations have been researching the best ways to communicate this “best offer” to consumers, in terms of attractiveness, comprehension, preference, trust, and intentions to assess alternative offers. This report provides a summary of this prior research, as well as presenting novel findings from a series of interviews and an online trial. Our recommendations from this research are reported alongside our results.



# Behaviourally informed energy bills and best offers

In 2018 BIT worked with the Essential Services Commission (ESC) to [understand consumer responses to energy bills in Victoria](#). We conducted qualitative user testing, two online experiments and an online survey.

Through qualitative user testing consumers told us they **preferred best offer information that looked more personalised and less like marketing**, and that they **wanted to be put on the best plan automatically**.

In the first randomised controlled trial (RCT), we compared adding a letter to energy bills explaining that the customer was not on the best deal to including this information on the bill only. **Companion letters made no difference to consumers understanding they were not on the best deal** or their intention to switch plans. However, **a letter presenting the best offer as a savings amount improved comprehension** of how much switching to the best offer would save them.

Testing the impact of  
behaviourally  
informed energy bills  
and best offers





## Behaviourally informed energy bills and best offers (continued)

In the second RCT we tested different ways of presenting best offer information by framing the bill headline as a statement or a question, and the offer amount as a saving or a payment. **Framing the saving information as a statement and a payment was most effective at increasing behavioural intention and comprehension.** However, uncertainty remained as to whether the effect was driven by the framing as tested or by a difference in salience (caused by different colour contrasting) between the bills.

**Less than 10% of customers reported switching** in the online survey, a substantially lower rate compared to prior research (AEMO data; [ECA survey](#)). **Consumers reported low trust towards energy retailers**, which appeared to be a driver of inertia in the market. **Consumers were also less willing to switch because they perceived it to be difficult.** They were more likely to consider switching in a scenario in which they could simply click through from an email to switch to the best deal, compared to a scenario where they had to go out and find the best offer themselves.

The key implications for the current research are that **best offer messages have greatest impact when presented in a statement plus payment framing.** However, uncertainty remains as to whether this effect was driven by differences in colour salience between the bills as tested. **Consumer trust towards energy retailers** and **the perceived difficulty of switching also influence switching behaviour.**



# Credit card lending in Australia

In 2018, the Australian Securities and Investments Commission (ASIC) [conducted a review of real account-level data](#) (2012-2017) to evaluate the impact of the 2012 minimum repayment warning reform. This required credit providers to include a *minimum repayment warning* on the front page of a statement. The *minimum repayment warning* is a disclosure on the credit card account statement that compares the total cost and time to pay off the balance through minimum repayments with an alternate repayment which would repay the balance over two years.

The review found **no evidence of a repayment 'spike' following the inclusion of the minimum payment warning**. However, one provider found a decrease in interest charged on outstanding balances at the time the warning was introduced.

The key implication for the current research is that ASIC found **no clear evidence of a positive impact on payment behaviour** by including *minimum repayment warnings* on the front page of a statement. Notably, the behaviour of interest is different in an important way. Increased credit card repayments incur immediate costs for consumers compared to switching energy plans to a better energy deal with financial savings.



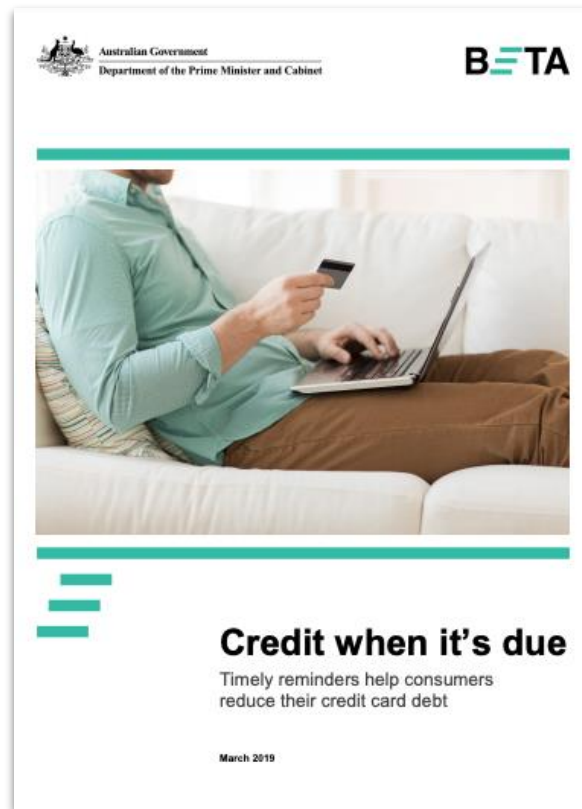




# Timely reminders help consumers reduce credit card debt

In 2019, the Behavioural Economics Team of the Australian Government (BETA) collaborated with Westpac Bank to [conduct a longitudinal RCT on credit card repayment behaviour](#) using real customer data. The purpose of the study was to identify effective ways to encourage higher repayment of credit card debt by comparing behaviourally informed messages across 6 trial arms within two cohorts. The study found that **SMS reminders had an immediate and long-term effect**, and worked better than emails. The specific content or wording of the SMS did not matter and repetition of the SMS had little impact.

The implication for the present research is that the **timeliness and accessibility of SMS reminders drove an increase in the desired behaviour** (credit card repayments).





## Testing comprehension of energy concepts

In 2020, BIT was commissioned by AER and the Australian Competition and Consumer Commission (ACCC) to [conduct qualitative user testing and an online trial](#) to explore consumer comprehension of three energy concepts introduced by the Retail Electricity Pricing Inquiry (REPI) including: the *reference price*; the *unconditional percentage* and the *lowest possible price*.

Through qualitative user testing, we found that **consumer comprehension of specific energy concepts was low**. Lack of trust in the energy market and market conditioning to focus on discounts appeared to be contributing factors. Consumers found **energy ads which mixed dollar figures and percentages confusing**. However, they were still able to accurately select the cheapest offer across several ads.





## Testing comprehension of energy concepts (continued)

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Consumers also told us in interviews that they **trusted the government more than energy companies**. Including 'government' or 'Australian Energy Regulator' in the ads clarified that the *reference price* was not set by the energy company, which increased perceived credibility of the information in the ads. Consumers also noted that including reference to the **'Australian Energy Regulator' increases trust compared to simply stating 'government'**.

The online RCT tested alternative ways of presenting the energy concepts in a 4-arm trial. A **simple descriptive way of presenting information about the concepts was the most effective** at improving both 'in practice' comprehension (selecting the cheapest plan on Energy Made Easy) and objective comprehension. There was **no difference in consumer preference between 'the government' and 'Australian Energy Regulator'**.

The key implication for the current research is that although the quantitative findings found no difference in preference, **there was indicative qualitative evidence that referring to the 'Australian Energy Regulator' (versus 'the government') increases trust in a message**.



# Understanding consumer billing behaviours and Improving energy bills

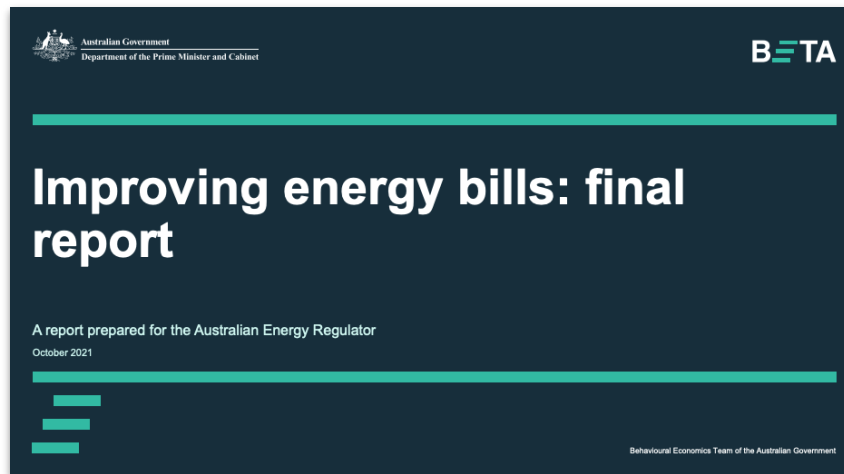
In 2021, BETA partnered with AER to conduct [a literature review, an online survey and 6 RCTs](#) to investigate consumer billing behaviours and preferences.

In the online survey they found that **74% of consumers agreed that they would value having best offer information on their bill** (only 5% disagreed).

In one RCT, they tested the effect of various billing interventions, including the addition of a 'best offer' message (modelled on the Victorian requirements) on behavioural intention to compare or switch energy plans. **Inclusion of a best offer increased intention to compare or switch plans from 7% to 12%.**

In another RCT, they tested the effectiveness of adding a 'best offer' box (modelled on the Victorian requirements) to energy bills on behavioural intention to compare or switch plans. They found that **including a 'best offer' box increased intention to compare or switch plans from 5% to 16%.**

The key implication for the present research is that **best offer messages in this context were effective at increasing behavioural intentions to compare or switch plans.**





# Consumer experiences following energy market reforms

In 2021, Monash University partnered with the Consumer Policy Research Centre to [investigate how financially stressed and vulnerable consumers were faring in the energy market](#) following Victorian energy market reforms. To do this, they conducted 44 in-depth interviews with support workers from 18 community organisations. The interviewees worked in a range of paid or volunteer roles, including as financial counsellors, energy mentors, migrant settlement workers, and case workers.

They found that the **Best Offer reform helped support workers identify clients on disadvantageous offers** and work with them to implement cheaper energy rates. However, many households were not benefiting because **they hadn't noticed the message on their bill**. Low visibility of the best offer message was partly due to digital communication and automatic payment arrangements.

They also found that some **best offer messaging used ambiguous or confusing language for customers** (e.g. "You are on one of our lowest plans") and **distrust in energy companies contributed to uncertainty** that best offer messages were genuine.

When customers did try to take up the best offer, lengthy retailer processes (>30 minutes across several call centre workers) and multiple alternate offers on the bill confused customers, causing distrust and discouraging future market engagement. Many **households were missing out on cheaper rates due to the requirement to opt-in to better offers**. This was especially the case for CALD households with lower confidence to engage with retailers or difficulty understanding the best offer message.

The key implications for the present research are that best offer messages should be [clearly visible, free from ambiguous or confusing language and they should make it easy for consumers to switch plans](#). Also, best offer messages can help [vulnerable consumers find cheaper energy deals](#).

A person is seen from the side, working on a laptop. The laptop screen displays a code editor with various lines of code. The entire image has a strong blue color cast. On the right side, there are several white geometric shapes: a single diamond and a larger cluster of interconnected cubes or hexagons. The title '2. Methodology' is written in white, bold font and is underlined.

## 2. Methodology

## Methodology - Interviews

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To further build on this research, we interviewed 15 energy consumers from across Australia. Interview participants were recruited using the market research recruiting company Alta Research.

The interviews were semi-structured and were approximately 30 minutes in duration. All interviews were conducted via video conferencing.





# Methodology - Interviews

We asked interviewees about their behaviour when it came to reviewing energy bills, researching energy plans, and switching energy plans and providers.

We also showed interviewees a mock energy bill (prototypes of the stimuli used in the online experiment), and solicited their thoughts about these bills when it came to comprehension, trust, and how likely they were to act on the information.

We conducted a thematic analysis by organising key findings, insights and supporting quotes into themes which addressed the primary research questions. We stopped conducting interviews once we reached data saturation, i.e. the point at which no new themes or information were emerging from the interviews.

**EnergyCo**

www.energyco.com.au  
Enquiries and complaints 11 22 33  
Faults and emergencies NetworkCo 12 34 56  
Need help with your energy company? Ombudsman 1800 246 545

Alice Williams  
PO Box 123  
Carlingford NSW 2118

Account number: 351932  
Issue date: 1 April 2021  
For supply at: 13 Bridge Road  
Carlingford NSW 2118  
Meter identifier (NMI): 0123456789

**Your bill**  
**\$158.53**  
Due on 27 April 2021

**Could you save money on another plan?**  
Based on your past usage, our **Super Saver** plan may cost you **up to \$81.45 less** each year than your current plan.  
To switch plans, go to [energyco.com.au](http://energyco.com.au) or call us on 11 22 33.  
This message is required by the Australian Government.

You can also compare plans in your area at [energymadeeasy.gov.au](http://energymadeeasy.gov.au)

**How to pay**

**DIRECT DEBIT**  
Call us on 131 131 to set up a direct debit.

**PAY IN PERSON**  
Pay by cash, EFTPOS or cheque at any Australia Post Office

**MAIL**  
Make your cheque payable to EnergyCo and post to PO Box 412, East Richmond VIC 3121

**BY PHONE**  
Call 138 675 to pay by Visa, Mastercard and Bankcard (up to \$1000 per bill).

**Financial institution for information on BPAY**

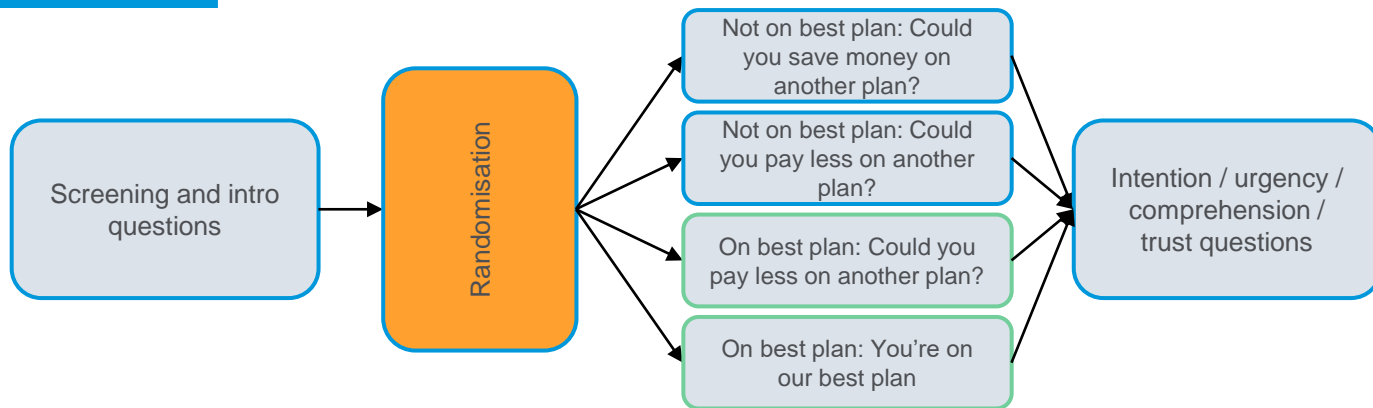
**Call 131 816 to pay by credit card or go to [www.payallbpay.com.au](http://www.payallbpay.com.au) to pay on the internet.**

www.energyco.com.au





# Methodology - Trial process



Alongside the interviews, 1716 participants were recruited via an online panel provider. After providing informed consent and responding to some screening questions, they were randomised into one of four treatment arms. They then saw a corresponding mock energy bill, and were prompted to answer some questions about what they saw. For consistency with prior research, many of the questions and design choices were drawn from previous experiments, particularly BETA's research on improving energy bills for the AER (see p12).

# Methodology - Survey stimuli



**Need help?**

- energyco.com.au 11 22 33
- Enquiries and complaints
- NetworkCo 12 34 56
- Faults and emergencies
- Need help with your energy company? 1800 246 545

Alice Williams  
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Carlingford NSW 2118

Account number: 351932  
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Carlingford NSW 2118  
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Due on  
27 April 2021

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You can compare plans from other providers in your area at [energymadeeasy.gov.au](http://energymadeeasy.gov.au)  
The Australian Government requires us to include this information on your bill.

**How to pay**

**DIRECT DEBIT**  
Call us on 121 121 to set up a direct debit.

**PAY IN PERSON**  
Pay by cash, EFTPOS or cheque at any Australian Post Office.

**BY PHONE**  
Call 138 875 to pay by Visa, Mastercard and Bankcard (up to \$1500 per bill).

**MAIL**  
Make your cheque payable to EnergyCo and post to PO Box 412, East Richmond VIC 3121.

**Biller Code: 3498 Ref No: 351932**  
Contact your participating financial institution for information on BPAY.

**BPAY**

**BY POST**  
Call 131 818 to pay by credit card or go to [www.paybill.gov.au](http://www.paybill.gov.au) to pay on the internet.

T1

Not on best plan: Could you save money?

**Need help?**

- energyco.com.au 11 22 33
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- NetworkCo 12 34 56
- Faults and emergencies
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**Could you pay less on another plan?**  
Based on your past usage, our **Super Saver** plan may cost you **up to \$81.45 less** each year than your current plan.  
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**MAIL**  
Make your cheque payable to EnergyCo and post to PO Box 412, East Richmond VIC 3121.

**Biller Code: 3498 Ref No: 351932**  
Contact your participating financial institution for information on BPAY.

**BPAY**

**BY POST**  
Call 131 818 to pay by credit card or go to [www.paybill.gov.au](http://www.paybill.gov.au) to pay on the internet.

T2

Not on best plan: Could you pay less?

**Need help?**

- energyco.com.au 11 22 33
- Enquiries and complaints
- NetworkCo 12 34 56
- Faults and emergencies
- Need help with your energy company? 1800 246 545

Alice Williams  
PO Box 123  
Carlingford NSW 2118

Account number: 351932  
Issue date: 1 April 2021  
For supply at: 13 Bridge Road  
Carlingford NSW 2118  
National Meter Identifier (NMI): 0123456789

**Amount due**  
**\$158.53**  
Due on  
27 April 2021

**Could you pay less on another plan?**  
Based on your past usage, you are on the best plan we can offer you.  
You can compare plans from other providers in your area at [energymadeeasy.gov.au](http://energymadeeasy.gov.au)  
The Australian Government requires us to include this information on your bill.

**How to pay**

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**PAY IN PERSON**  
Pay by cash, EFTPOS or cheque at any Australian Post Office.

**BY PHONE**  
Call 138 875 to pay by Visa, Mastercard and Bankcard (up to \$1500 per bill).

**MAIL**  
Make your cheque payable to EnergyCo and post to PO Box 412, East Richmond VIC 3121.

**Biller Code: 3498 Ref No: 351932**  
Contact your participating financial institution for information on BPAY.

**BPAY**

**BY POST**  
Call 131 818 to pay by credit card or go to [www.paybill.gov.au](http://www.paybill.gov.au) to pay on the internet.

T3

On best plan: Could you pay less?

**Need help?**

- energyco.com.au 11 22 33
- Enquiries and complaints
- NetworkCo 12 34 56
- Faults and emergencies
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**Amount due**  
**\$158.53**  
Due on  
27 April 2021

**You're on our best plan for you**  
Good news. Based on your past usage, you are on our best plan for you.  
You can compare plans from other providers in your area at [energymadeeasy.gov.au](http://energymadeeasy.gov.au)  
The Australian Government requires us to include this information on your bill.

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Make your cheque payable to EnergyCo and post to PO Box 412, East Richmond VIC 3121.

**Biller Code: 3498 Ref No: 351932**  
Contact your participating financial institution for information on BPAY.

**BPAY**

**BY POST**  
Call 131 818 to pay by credit card or go to [www.paybill.gov.au](http://www.paybill.gov.au) to pay on the internet.

T4

On best plan: You're on our best plan

### 3. Key findings

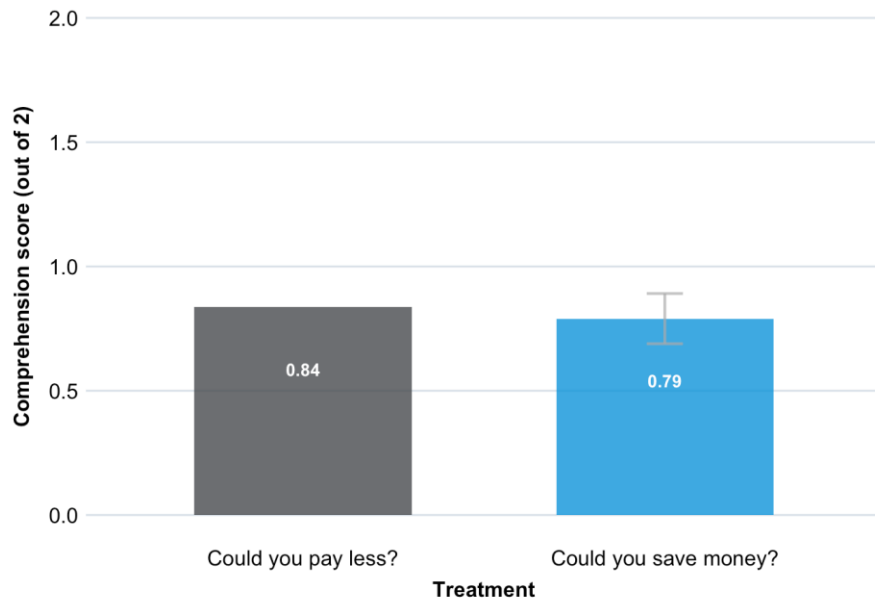


*There were no clear  
differences between “pay  
less” and “save money” for  
those not on the best plan*

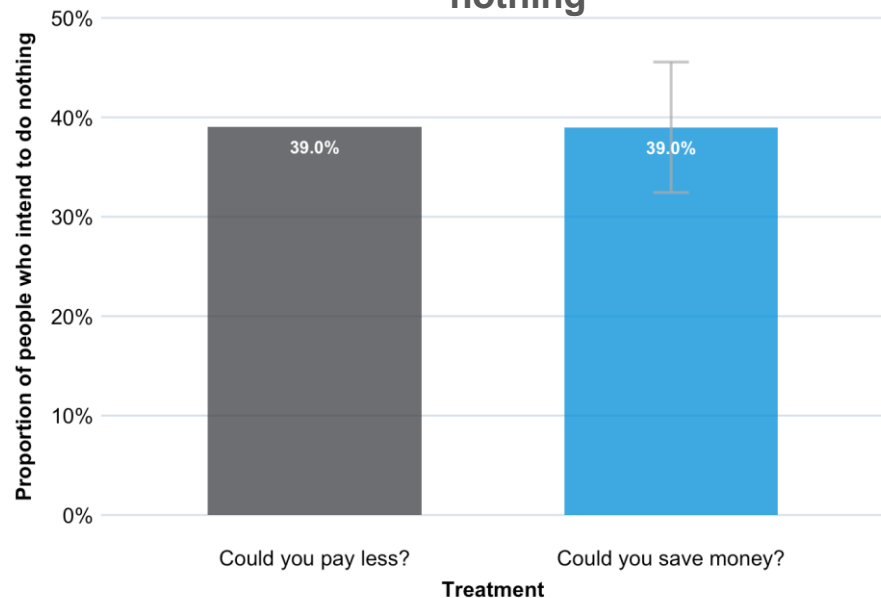


# There was no significant differences in comprehension or intended actions for those not on the best plan

## Comprehension



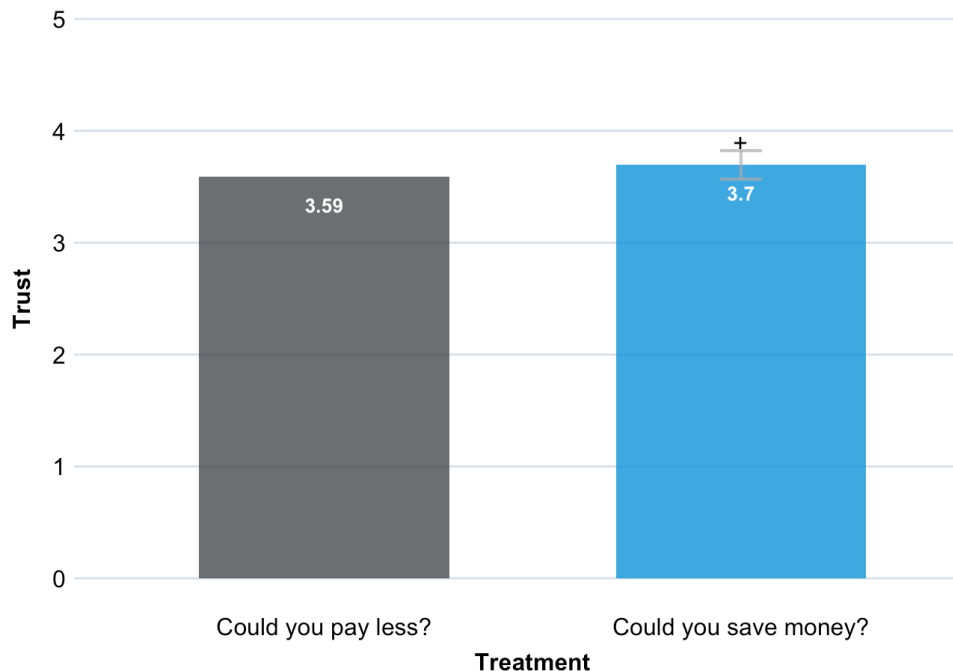
## Intention to do nothing



## There was a small difference in trust for those not on the best plan



For those consumers who were not on the best plan (T1 and T2), there was a small difference in whether they trusted the message, with “could you save money?” leading to slightly higher levels of trust. However, this difference was not statistically significant.



\*Indicates a p-value of  $< 0.1$ . The p-value for this test was  $> 0.1$  after correction for multiple comparisons.



## Qualitative responses suggested a slight preference for “save money”

In general, consumers suggested that both “Could you pay less?” and “Could you save money?” would be similarly effective at prompting them to seek out the better plan.

There were more consumers who favoured “Could you save money?” as a headline, possibly because it felt more personal. However, this was a reflection of consumer’s preferences. As noted, most consumers suggested that both messages would be equally likely to prompt them to switch.

“I think “save money” is better than “pay less”. “Save money” feels more meaningful”

- *Consumer 1*

“The message [‘Could you pay less?'] isn’t as good, because it doesn’t say you can save.”

- *Consumer 7*



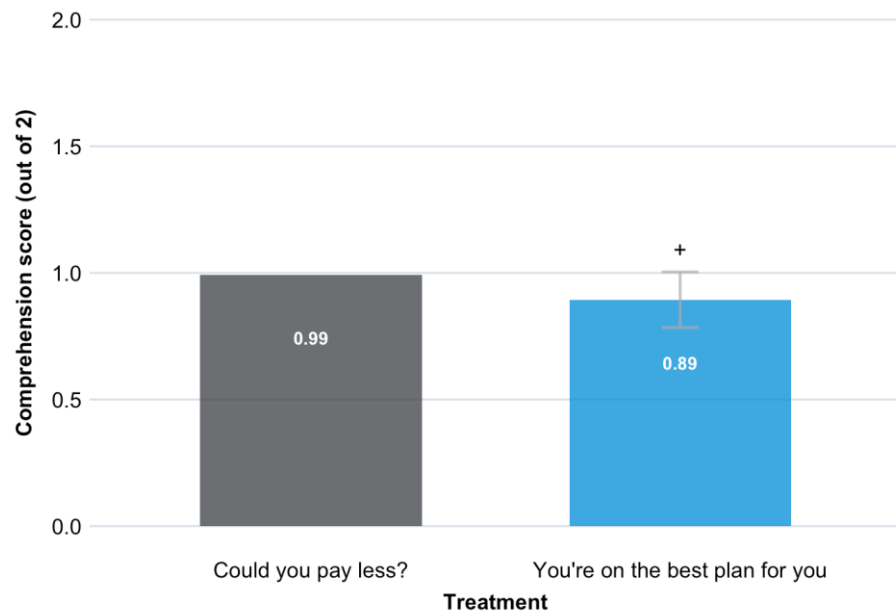
*A question appears to be  
slightly better than a  
statement for those on the  
best plan*



## A question appears slightly better for those who were on the best plan



For those consumers who were on the best plan (T3 and T4), there was a small difference in comprehension, where those who saw the question framing understood the message better. However, this difference was not statistically significant.

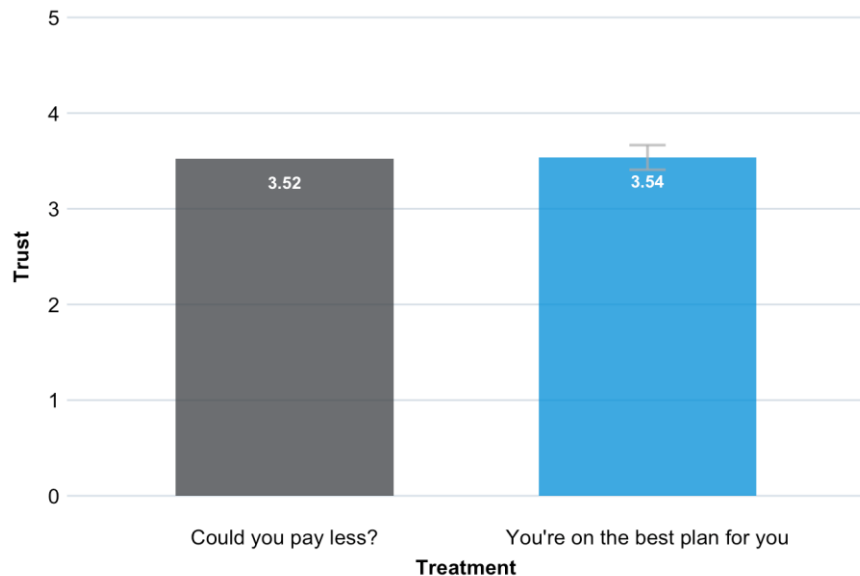


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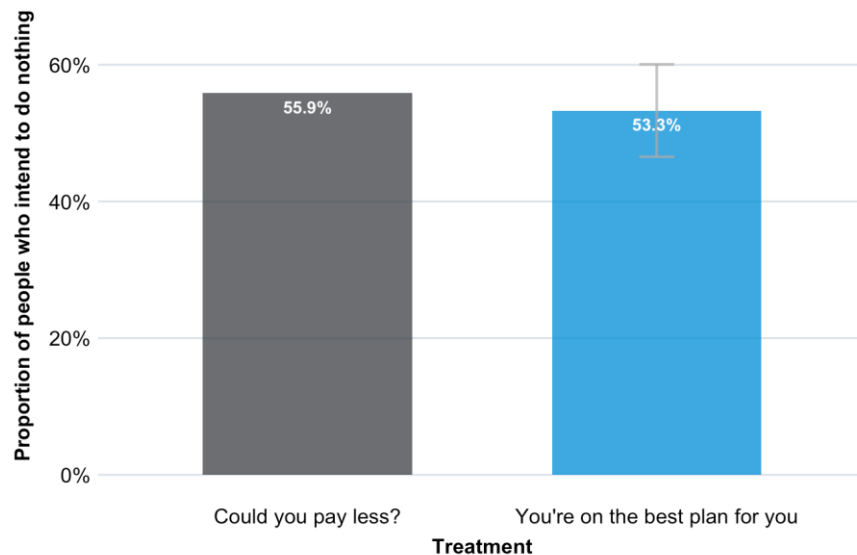


# There were no significant differences in trust or intended actions for those on the best plan

Trust



Intention to do nothing





## For those on the best plan, a statement is more reassuring, but reduces urgency

Consumers generally described the statement framing as being more “reassuring” and comforting, but noted that this meant that there was less urgency to investigate whether they could get a better deal from other providers.

In contrast, a number of consumers noted that the question was more likely to prompt action, as it suggests the possibility of getting a better deal elsewhere more clearly than the statement. Some consumers even noted that the question would prompt them to look at EME out of a sense of curiosity.

“I would probably look at EME, just out of curiosity.”

- *Consumer 3*

“[The question] draws you in and provokes the thought that some work is needed by the customer”

- *Consumer 12*

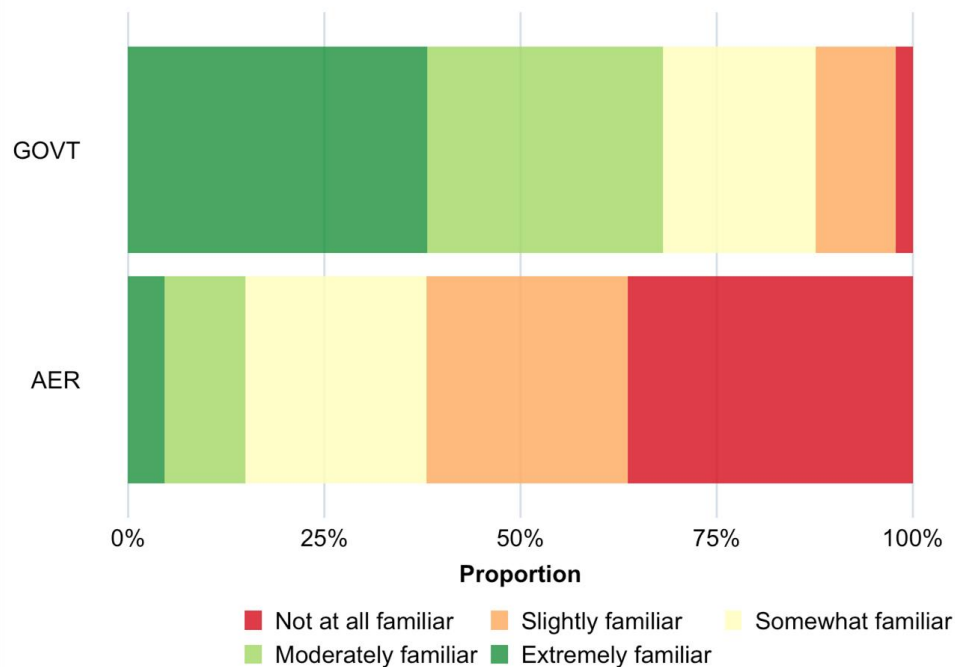


*Consumers are more  
familiar with and trusting of  
the Australian government  
than the AER*



## Consumers were most familiar with the Australian government

As part of our online trial, we asked consumers about their familiarity with a number of different entities, including the Australian government and the AER. Unsurprisingly, most consumers were at least somewhat familiar with the Australian government, whilst in contrast the majority of consumers were either slightly familiar or not at all familiar with the AER.



n = 1716



# The Australian government is more familiar than AER

Consistent with the trial results, our interviews found that consumers were less familiar with the AER compared to the government. However, some consumers preferred the specificity of including an agency that specifically deals with energy.

**Referring to both might appeal to a larger range of consumers.**

"[AER] would raise questions about who they were, whether they were legitimate, and what powers they had"

- Consumer 2

"AER is more amorphous, who is AER? Are they even a government agency?"

- Consumer 12

"[AER] specifically deals with energy... they are more of an authority than the Australian government who dabble in everything"

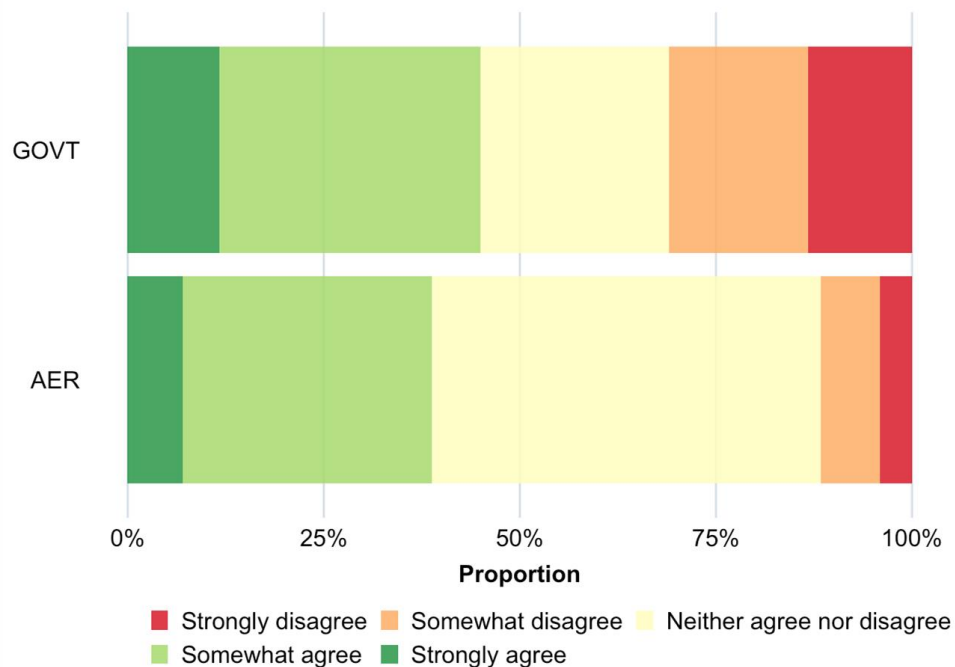
- Consumer 13

# Consumers have mixed responses to how much they trust the Australian government



When it came to trust, there was a more divergent set of responses in the online trial. More consumers trusted the government than the AER, but more consumers also *distrusted* the government more than the AER.

However, this may be driven by two different concepts of “the government”. Those that perceive the government as a general concept (i.e. public services and departments) likely have higher trust than those who perceive the government as a political concept (i.e. ministers and parties).



n = 1716



## A government requirement increases trust

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Through interviews, consumers told us that having a government requirement improved trust and credibility for the savings information in the bill. Some consumers liked that the government was taking action to encourage competition in the energy market.

Notably, after understanding the requirement, many consumers thought this would decrease the level of trust in their own provider.

"The Australian government phrase gives legitimacy."

- *Consumer 4*

"It increases confidence that the information is government sanctioned and not marketing"

- *Consumer 12*

"It improves competition and prevents incumbency. It also keeps the energy companies on their toes" - P12





## However, the government requirement is not immediately salient

Most consumers overlooked the information that noted that the notice was a government or AER requirement on their first read of the bill. **Including a government logo or crest** might draw readers attention to the government requirement of the savings information.

"Someone like me would definitely miss that.... It took me a second to realise what that actually meant. "

- Consumer 11

"A logo might sell me on it and make it instil as much confidence - I think in this case it would need to have the government crest."

- Consumer 4

"It's not that highlighted. And people don't read everyone, so they would miss it."

- Consumer 7



*Consumers somewhat  
understand the basis of  
savings calculations, but  
may be sceptical of the offer*

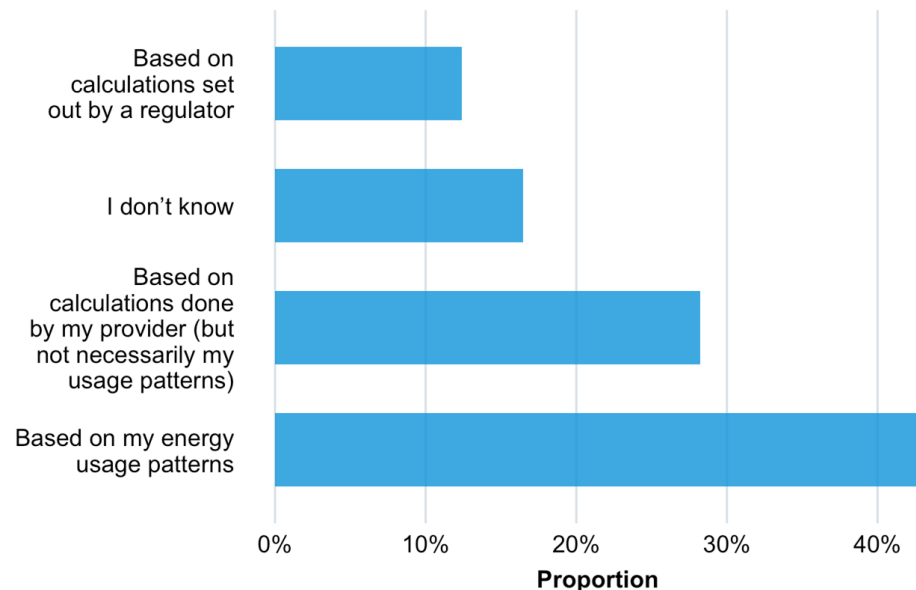
# Consumers understand that the better offer is calculated by their provider



However, close to 30% did not think the calculation necessarily included their personal energy usage patterns.

A little over 16% also did not know how this was calculated.

The energy usage information used to calculate whether I'm on the best not is:



n = 1710



## Some consumers were sceptical of potential savings

In interviews, consumers broadly understood how savings were calculated, however they were at times sceptical about potential savings. For example, they noted that when they actually use comparison sites, they get a different figure.

Interestingly, even where the savings were negligible (e.g. less than \$22), consumers said they would prefer to see the number as it would give them greater confidence and trust in the information.

"I trust that there is the potential to save, but I don't necessarily believe that number... every time I use an aggregator, it's never that number."

- *Consumer 4*

"Without the specific numbers, the information would just feel like marketing."

- *Consumer 2*



*Consumers want the  
Energy Made Easy link to  
be prominent*



## No consensus on position of the EME link

Consumers expressed a mix of preferences for whether the EME link should be located in the same box as the savings information, or in a different box. This appeared to be driven largely by personal preferences.

A consistent theme, however, was that the link needed to stand out in some way. For example, consumers highlighted that if the link was in the same box, then **it should be in bold font**. Similarly, if the link was in another box, **the box should be made more prominent and/or a different colour**.

“Separate is better because your eye is drawn to it more”  
- *Consumer 3*

“[The same box feels congested... it takes a lot to go through.”  
- *Consumer 11*

“Where the link is separate... it might be more of a call to action.” -  
*Consumer 1*



The background image shows a blue-tinted photograph of a spiral-bound notebook. On the left page, there is a flowchart with human icons and handwritten notes including "order", "HR", "employee", "train", "research", and "rating". The right page features a bar chart with four bars of increasing height, a large upward-pointing arrow, and a hand holding a pen at the bottom. A decorative geometric pattern of overlapping cubes is visible in the bottom right corner.

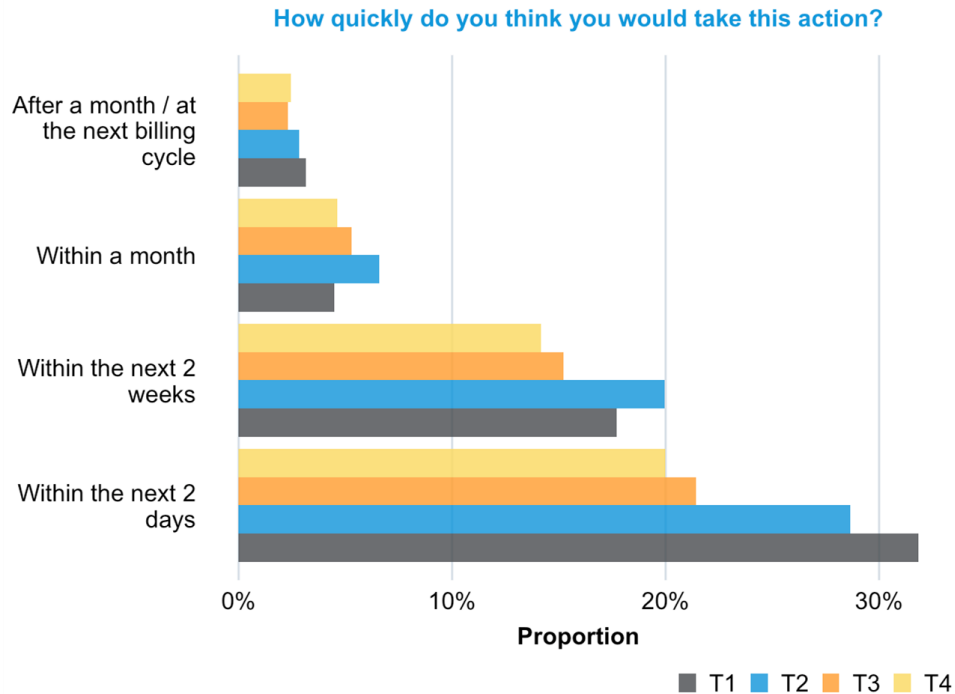
# Other findings

# People intend to act quickly regardless of treatment group



Of those consumers who said they would take some positive action other than paying their bill ( $n = 863$ ), there was no difference in **when** consumers said they would do this, regardless of which message they saw.

However, across treatments, a majority of people who intended to do something, said they would so within the next 2 days.



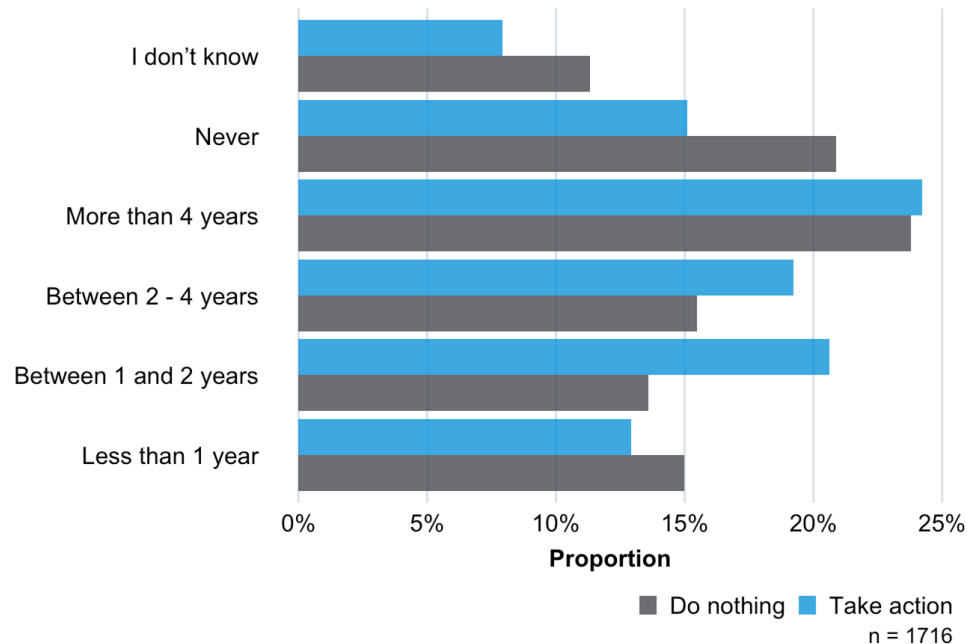




## When consumers had been on the same plan for a while, they were more likely to take positive action

Consumers were more likely to take action to research changing plans or providers if they had not changed plans within the past 1 to 4 years.

When did you last change plans with your current provider?

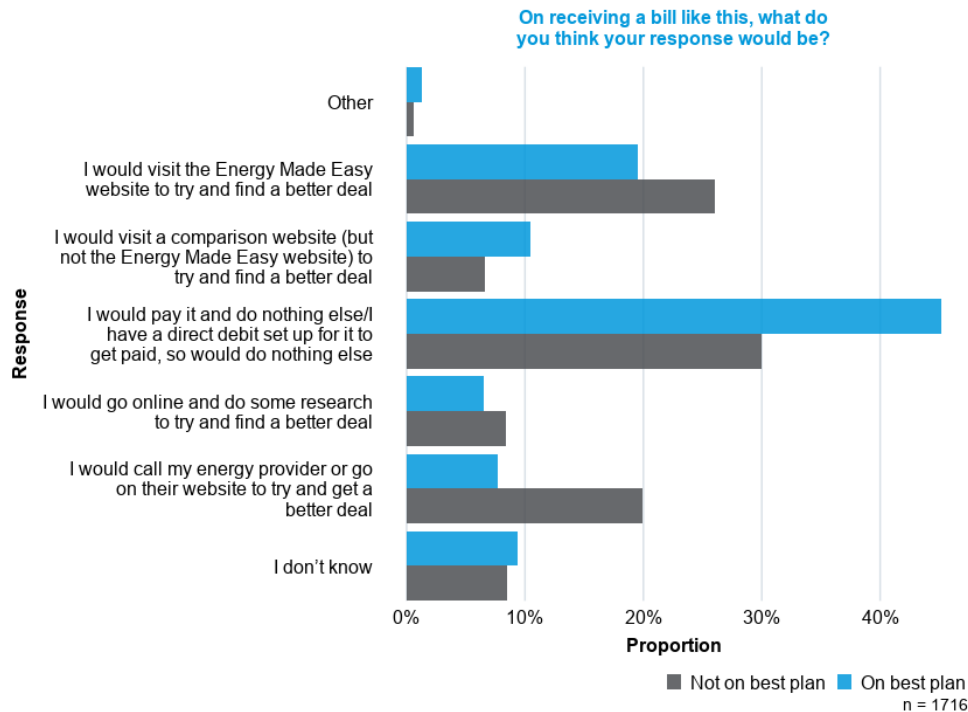




## Of those who intended to take some positive action, most said they would use Energy Made Easy

While EME seemed to be the preferred choice, many people also said that they would call their provider or visit their website.

Notably, of those who nominated EME as their likely choice of action, a majority were those who were not on the best plan, suggesting that EME has relevance even where a consumer could get a better deal with their existing provider.



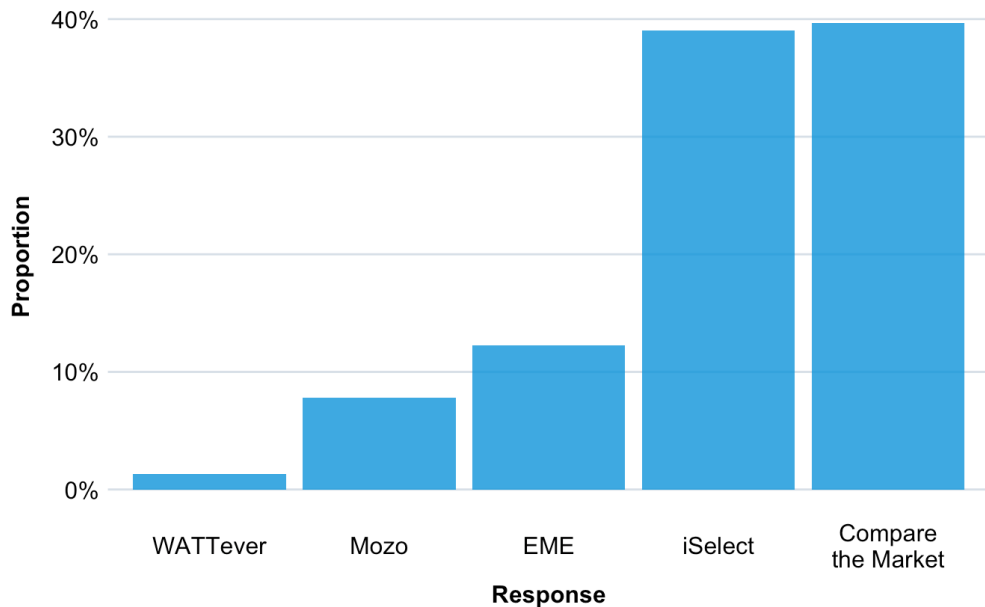
## iSelect and Compare the Market were the most familiar to consumers



Of the energy comparison websites we asked them about, EME was not particularly well known. Around 40% were familiar with iSelect and Compare the Market, in comparison to around 12% for EME.

However, EME did rate higher than other smaller comparison websites such as Mozo and WATTevery.

Which of the following energy comparison websites are you aware of?

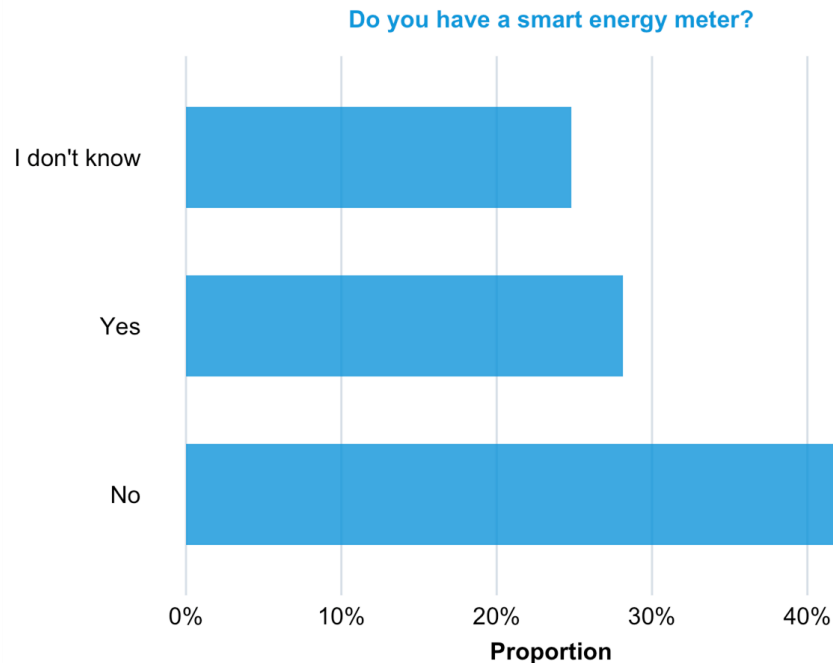


n = 1476

# A plurality of consumers reported not having a smart meter



More than 70% of consumers indicated what type of energy meter they had, with a majority of those reporting that they did not have a smart energy meter.



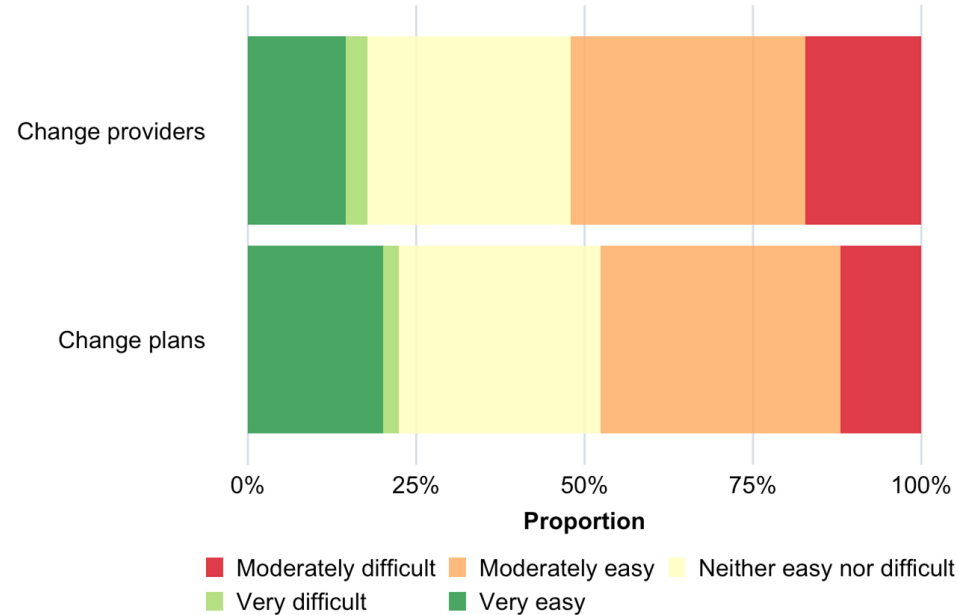
n = 1716

# Consumers think it is easier to change plans than providers



Although changing plans within a provider would intuitively be easier than changing providers entirely, the difference in perceived ease of switching plans vs providers was not very large.

In general, how easy or difficult do you think it is to do the following?



n = 1710

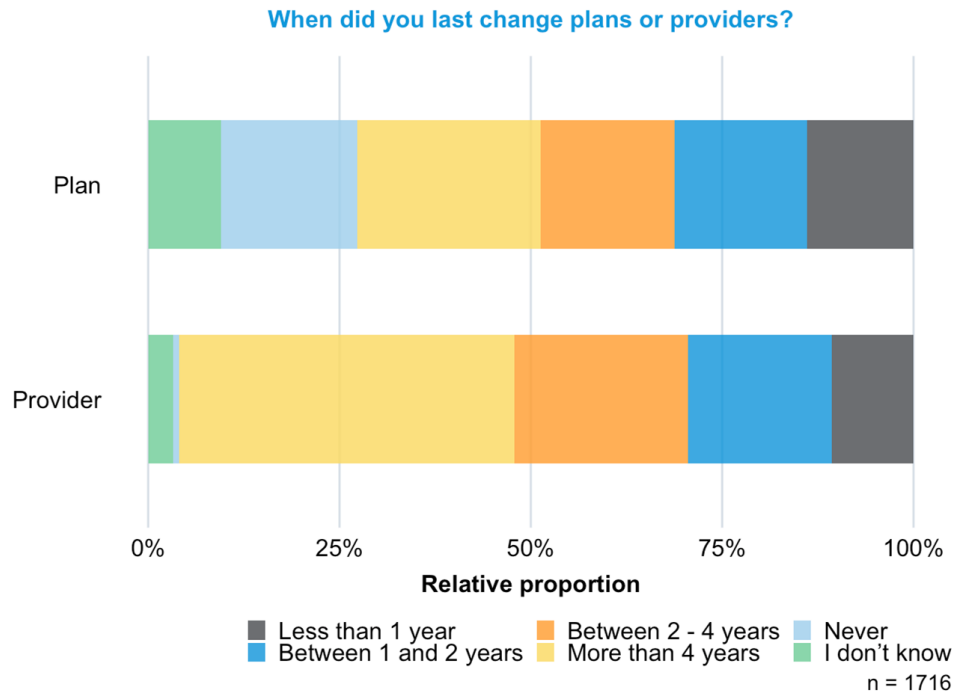


## People were more likely to have changed plans than providers in the short term

When it came to how long it had been since changing plans and providers, consumers had mixed responses.

In general, consumers were more likely to have changed plans recently (within the past two years), than changed providers recently.

However, when looking at the longer term (more than 4 years ago), consumers were more likely to have switched providers than switched plans within providers. This suggests that that there is a sizeable portion of consumers that have been on the same plan with a provider for many years (4+).



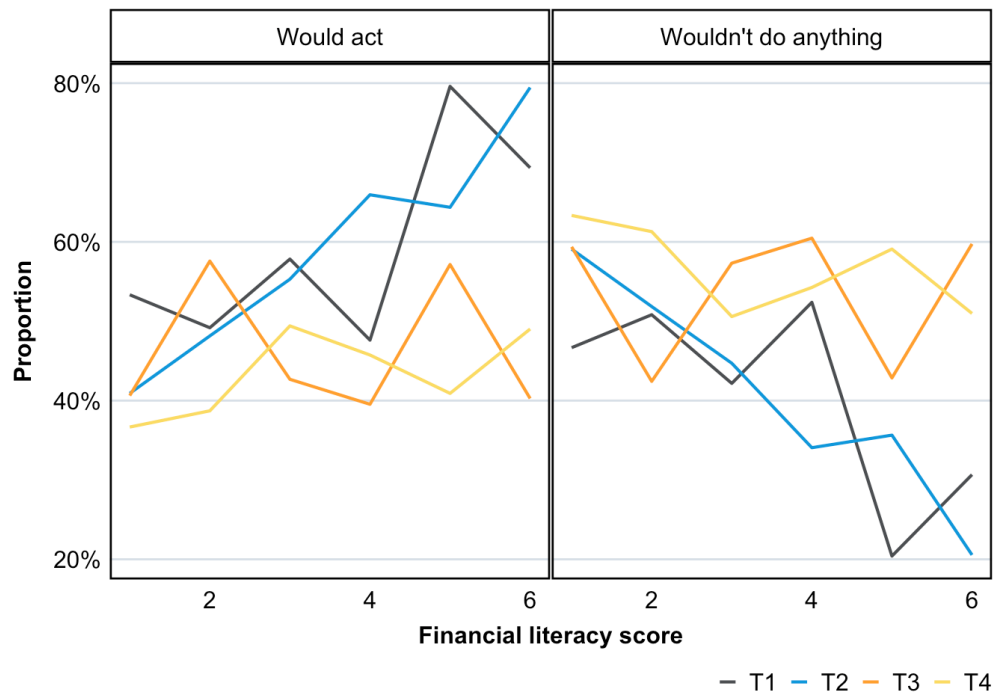


# No subgroups were adversely affected by our treatments

We looked at whether any of our treatments differentially affected specific subgroups. Specifically, we looked at those with:

- Differing levels of financial literacy
- Differing levels of financial hardship
- CALD backgrounds

The only differential effects were that those with higher levels of financial literacy were more likely to respond to the messages.

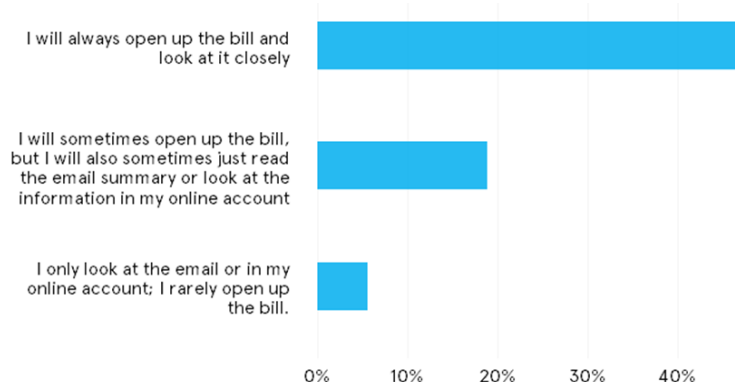


# Many consumers don't actually read bills



Our interviews highlighted that many consumers don't read the actual bill document - a number noted that they often got an email or SMS with the amount owed and due date, which was all they usually looked at (they noted that if the figure was particularly high they might open up the bill itself).

This is consistent with previous research, which found that nearly 20% of consumers would sometimes just read email summaries before paying. Note this means that these consumers will not actually see the warnings on bills - policies may be needed to address consumers such as these.



*Consumer responses to receiving a bill*  
Source: BIT research for ESC Victoria, 2018





# List of appendices

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Appendix 1: Further reading

Appendix 2: Full question list



## Appendix 1: Further reading

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Year	Title	Author	Summary
2018	<a href="#">Testing the impact of behaviourally informed energy bills and best offers</a>	The Behavioural Insights Team	Best offer messages appear to be most effective in driving behavioural intentions when presented in Statement + Payment framing; trust and ease of switching are also important factors
2018	<a href="#">Credit card lending in Australia</a>	Australian Securities and Investments Commission	No clear evidence of a positive impact from minimum repayment warnings, although there is an indicative trend for one provider suggesting it may have had a positive impact among their customer base
2019	<a href="#">Credit when it's due: Timely reminders help consumers reduce their credit card debt</a>	Behavioural Economics Team of the Australian Government	Timeliness and accessibility of the message are the drivers of desired behaviour



# Appendix 1: Further reading

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Year	Title	Author	Summary
2020	<a href="#">Testing comprehension of the reference price</a>	The Behavioural Insights Team	No difference in preference from quantitative data, but indicative qualitative evidence that including a statement from the Australian Energy Regulator (versus 'the government') may increase trust in a message
2021	<a href="#">Improving energy bills</a>	Behavioural Economics Team of the Australian Government	Consumers would likely value having best offer information on their bill; best offer messages are effective at increasing behavioural intentions to compare or switch plans in an experimental setting
2021	<a href="#">Consumer experiences following energy market reforms in Victoria: qualitative research with community support workers</a>	Monash University and the Consumer Policy Research Centre	Lack of visibility and trust are barriers in driving behaviour change through best offer messages; broader systemic factors inhibit the uptake of best offer in Victoria by creating significant switching costs

# Better offer consumer test - survey design

## Survey background

### Treatment overview

All participants will be randomised into one of four arms:

1. Not on best offer - "Could you save more on another plan?"
2. Not on best offer - "Could you pay less on another plan?"
3. On best offer - "Could you pay less on another plan?"
4. On best offer - "You're on our best plan for you"

### Main outcomes and research questions

Note that significance tests will only be conducted for outcomes relating to the first two research questions - all others will be reported descriptively for the whole sample aggregated together.

Research question	Relevant outcome/question
What is the best way of framing the question for those not on the best deal?	Compare T1 and T2 on: [comprehension1] - proportion correct [comprehension2] - proportion correct [lettertrust] - average trust (out of 5) [intention] - proportion selecting "do nothing"
What is the best way of presenting information to those on the best deal already?	Compare T3 and T4 on: [comprehension1] - proportion correct [comprehension2] - proportion correct [lettertrust] - average trust (out of 5) [intention] - proportion selecting "do nothing"
Whose requirement would make consumers trust the information more, the Australian Government or Australian Energy Regulator?	[orgfamiliar] - average scores, aggregate [orgtrust] - average scores, aggregate
Do people understand the basis on which the calculations are made?	[calculation basis] - proportion correct, aggregate
Knowledge of meter type	[meter] - proportion responding to each answer, aggregate
Perceived ease of switching	[ease] average score, aggregated
Awareness of EME website	[awareness] - proportion selecting, compared to other options
Switching history	[tenure] [changeplan] [changeprovider]

## Main survey

### Introduction text

Thank you for taking this survey. Firstly, we'll ask a few questions about you. Then we will present you with a scenario and a short document to read. We'll then ask you some questions about how you found the document, and some follow up questions.

This should take about 10 minutes.

Your participation in this survey is anonymous and voluntary and the information collected will be kept confidential. You do not need to answer any questions you do not want to, and you can close the survey at any point. If you would like to withdraw your data after completion, or if you have any questions, please contact Dr. Bowen Fung at [bowen.fung@bi.team](mailto:bowen.fung@bi.team).

By continuing, I confirm that I have read and understood the information and in particular:

- I understand that my involvement in this research will include completion of a short survey and decision-making task;
- I understand that the scenario posed is plausible but fictional and presented only for the purposes of this research;
- I have had any questions answered to my satisfaction;
- I understand the risks involved;
- I understand that my participation in this research is voluntary;
- I understand that if I have any additional questions I can contact the research team;
- I understand that I am free to withdraw at any time, without explanation;
- I understand that any information I provide will be de-identified prior to publication of results;
- I agree to participate in the project.

*[two buttons - "I consent and agree to continue" to go to the next screen, and "I do not consent" to screenout]*

### Basic demographics and screening

1. What is your gender? *[gender]*
  - Woman [woman]
  - Man [male]
  - Non-binary / gender diverse [nonbi]
  - My gender identity isn't listed [other]
  - I'd prefer not to say [nores]
2. What is your age? *[age]*
  - 18 - 24 [1]
  - 25 - 29 [2]
  - 30 - 34 [3]
  - 35 - 39 [4]
  - 40 - 44 [5]
  - 45 - 49 [6]

- 50 - 54 [7]
  - 55 - 59 [8]
  - 60 - 64 [9]
  - 65+ [10]
3. Which state do you live in? *[state]*
- Australian Capital Territory [1]
  - New South Wales [2]
  - Victoria [3] [-> *screenout*]
  - Queensland [4]
  - South Australia [5]
  - Western Australia [6] [-> *screenout*]
  - Tasmania [7]
  - Northern Territory [8] [-> *screenout*]
  - Other [9] [-> *screenout*]
4. Who is responsible for dealing with energy bills in your household? *[energydecision]*
- Me [1]
  - I share the responsibility with someone else [2]
  - Someone else [3] [-> *screenout*]

#### Additional demographicss of interest

5. Do you rent or own the home you live in? *[housing]*
- I pay rent/board[1]
  - I own the home outright and do not have a mortgage [2]
  - I'm paying a mortgage on the home [3]
  - Other (please specify) [4] *[free text]*
6. What is your highest level of education? *[education]*
- Year 10 or below [1]
  - Year 11 or equivalent [2]
  - Completed high school [3]
  - TAFE/trade certificate or diploma [4]
  - University undergraduate degree [5]
  - University postgraduate degree [6]
7. What is your household annual income before tax? *[income]*
- Less than \$20,000 [1]
  - \$20,000-\$39,999 [2]
  - \$40,000-\$59,999 [3]
  - \$60,000-\$79,999 [4]
  - \$80,000-\$99,999 [5]
  - \$100,000-\$119,999 [6]
  - \$120,000-\$139,999 [7]
  - \$140,000-\$159,999 [8]
  - \$160,000-\$179,999 [9]
  - \$180,000-\$199,999 [10]
  - \$200,000 or more [11]
  - Prefer not to say [12]
8. What is your main language spoken at home? *[language]*
- English [1]

- Mandarin [2]
- Arabic [3]
- Cantonese [4]
- Vietnamese [5]
- Other (please specify) [6] [free text entry]

### Background questions - energy

9. How familiar are you with the following organisations? [orgfamiliar]  
[5 options per org:  
Not at all familiar [1]  
Slightly familiar [2]  
Somewhat familiar [3]  
Moderately familiar [4]  
Extremely familiar [5] ]  
[Randomise order of orgs]
  - Australian Competition and Consumer Commission (ACCC) [accc]
  - Australian Energy Regulator (AER) [aer]
  - Australian Securities and Investments Commission (ASIC) [asic]
  - Australian Government [govt]
  - Clean Energy Regulator [cer]
10. For each of the organisations below, please tell us whether you agree or disagree with the following statement: "This is an organisation I can trust" [orgtrust]  
[5 options per org:  
Strongly disagree [1]  
Somewhat disagree [2]  
Neither agree nor disagree [3]  
Somewhat agree [4]  
Strongly agree [5] ]  
[Randomise order of orgs]
  - Australian Competition and Consumer Commission (ACCC) [accc]
  - Australian Energy Regulator (AER) [aer]
  - Australian Securities and Investments Commission (ASIC) [asic]
  - Australian Government [govt]
  - Clean Energy Regulator [cer]
11. Where do you go for information to help you compare energy plans? [plancompare]  
[checkboxes, can select multiple] [Randomise order]
  - I ask family for recommendations [family]
  - I ask friends or colleagues for recommendations [friends]
  - I look on different providers' websites [provider]
  - I search on comparison websites [comparison]
  - I look for special deals (e.g. points) through other companies [deals]
  - I consider my previous experience with providers [experience]
  - I search on Google [google]
  - Other [other]
  - I don't know / none of the above [dunno]
12. Which of the following energy comparison websites are you aware of? [awareness]  
[checkboxes, can select multiple] [Randomise order]

- iSelect ([www.iselect.com.au](http://www.iselect.com.au)) [iselect]
  - Energy Made Easy ([www.energymadeeasy.gov.au](http://www.energymadeeasy.gov.au)) [eme]
  - Compare the Market ([www.comparethemarket.com.au](http://www.comparethemarket.com.au)) [compare]
  - Mozo ([www.mozo.com.au](http://www.mozo.com.au)) [mozo]
  - Wattever ([www.wattever.com.au](http://www.wattever.com.au)) [wattever]
  - None
13. How long have you been with your current energy provider? [tenure]
- Less than 1 year [1]
  - Between 1 and 2 years [2]
  - Between 2 - 4 years [3]
  - More than 4 years [4]
  - I don't know [5]
14. When did you last change plans with your current energy provider? [changeplan]
- Less than 1 year [1]
  - Between 1 and 2 years [2]
  - Between 2 - 4 years [3]
  - More than 4 years [4]
  - I don't know [5]
  - Never [6]
15. Do you have a smart energy meter? [meter]
- Yes [1]
  - No [2]
  - I don't know [3]
16. How do you usually pay your energy bills? [billpay]
- At the post office [1]
  - Send a cheque [2]
  - BPAY [3]
  - Bank transfer[4]
  - Using an energy provider app or website [5]
  - Direct debit [6]
  - Phone call [7]
  - SMS [8]
  - Centrepay [9]
  - Other / not sure [10]
17. In the last 12 months, did any of the following happen to you because of a shortage of money? Please select all that apply. [hardship] [checkboxes, can select multiple]
- Could not pay electricity, gas or telephone bills on time [bills]
  - Could not pay the mortgage or rent on time [rent]
  - Pawned or sold something [pawned]
  - Went without meals [meals]
  - Was unable to heat or cool my home [heat]
  - Asked for financial help from friends or family [helpfriend]
  - Asked for help from welfare / community organisations [helpwelfare]
  - Used short-term credit (e.g. buy now pay later services) to pay for bills or groceries [bnpl]
  - None of the above [none]



## Main task

*We'd like you to imagine that you have just received your next energy bill from your energy provider, and we're going to show you the first page of it on the next screen. We'll then ask you some questions about it.*

[Show relevant treatment]

[New page]

18. Based on this bill, I am on my provider's best energy plan for me: [comprehension1]
- Yes [1]
  - No [2]
  - I don't know [3]
19. To access my provider's best plan for me: [comprehension2]
- I don't need to do anything; I'm already on the cheapest plan for me [1]
  - I can call my provider or visit their website [2]
  - I have to go to the Energy Made Easy website [3]
  - I don't need to do anything; I will get put on the best deal automatically [4]
  - I don't know [ 5]
  - Something else [ 6] (free text)
20. On receiving a bill like this, what do you think your response would be? [intention]
- I would pay it and do nothing else/I have a direct debit set up for it to get paid, so would do nothing else [1]
  - I would visit the Energy Made Easy website to try and find a better deal [2]
  - I would visit a comparison website (but not the Energy Made Easy website) to try and find a better deal [3]
  - I would call my energy provider or go on their website to try and get a better deal [4]
  - I would go online and do some research to try and find a better deal. [5]
  - I don't know [6]
  - Other [7]
21. [Only for those selecting 2, 3, 4, 5, 7 above] How quickly do you think you would take this action? [ urgency]
- Within the next 2 days [1]
  - Within the next 2 weeks [2]
  - Within a month [3]
  - After a month / at the next billing cycle [4]
  - I'm not sure [5]

[New page]

[Show excerpt of bill with better offer box and EME information, tailored by treatment]

*The next couple of questions relate specifically to this information that you saw on the bill earlier.*

22. Please tell us whether you agree or disagree with the following statement: "I trust this information in the bill" [billtrust]
- Strongly disagree [1]
  - Somewhat disagree [2]

- Neither agree nor disagree [3]
  - Somewhat agree [4]
  - Strongly agree [5]
23. The energy usage information used to calculate whether I'm on the best deal or not is: [calculationbasis]
- Based on my energy usage patterns [1]
  - Based on calculations done by my provider (but not necessarily my usage patterns) [2]
  - Based on calculations set out by a regulator [3]
  - I don't know. [4]
24. In general, how easy or difficult do you think it is to do the following? [ease]
- Switch to a better plan with my current energy provider [easecurrent]
- Switch to a better plan with another energy provider [easeswitch]
- Very easy [1]
  - Moderately easy [2]
  - Neither easy nor difficult [3]
  - Moderately difficult [4]
  - Very difficult [5]

## Financial literacy

25. Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, how much would you be able to buy with the money in this account? [finlit1]
- More than today [1]
  - Exactly the same as today [2]
  - Less than today [3]
26. Buying a single company's shares usually provides a safer return than a managed share fund [finlit2]
- True [1]
  - False [2]
27. In a 15-year mortgage, which of the following options will minimise the total interest paid over the life of the loan? [finlit3]
- Annual payments [1]
  - Semi-annual payments [2]
  - Monthly payments [3]
28. Ignoring the case of default of the issuer, which of the following investment products guarantees the reimbursement of the invested capital? [finlit4]
- Shares [1]
  - Bonds [2]
  - Managed share funds [3]
29. Suppose you put \$100 into a savings account with a guaranteed interest rate of 2% per year. You don't make any further payments into this account and you don't withdraw any money. How much would be in the account at the end of the first year, once the interest payment is made? [finlit5]
- [Free text - correct answer is 102]