



Energy and natural resources sector overview

UK Customer Experience
Excellence report
2024/25



The UK energy and utility sector has faced significant challenges over the past few years, the combination of rising costs, service challenges, environmental issues, and regulatory pressures has contributed to a relative decline in customer satisfaction across the UK energy and utility sectors. This year despite most companies in the sector improving their absolute customer satisfaction scores, in relative terms there has been a decline in rankings, as the improvements were outstripped by improvements in other sectors.

This year only one company 100Green are in the Top 100. An energy supplier who claims to be the only provider of 100% green energy, both electricity and gas. Gas is generated through anaerobic digestion using waste products. The gas is then put into the national grid, just like natural gas, and is certified as green by The Green Gas Certification Scheme.

The sector is increasingly addressing customer experience, 18 out of the 25 energy and water companies in the total index improved their year-on-year score, with digital transformation initiatives focusing on customer engagement and support, aiming to create a seamless and more satisfying experience for customers.



Damage to brand reputation

The frequent media reports of the cost-of-living crisis, high energy prices, sewage pollution, and service failures have led to a decline in public trust in both the energy and water industries. While some companies have been improving customer service, energy and utility companies have generally seen their rankings fall relative to companies in other sectors.

Energy companies, in particular, have faced media accusations of profiteering amid the cost-of-living crisis. Reports of record profits for energy companies during a time of soaring bills have fuelled public anger and the perception that these companies are exploiting the crisis, despite margins in the retail energy sector remaining at very low levels.

Water companies have come under fire for their handling of sewage discharges into rivers and coastal areas. High-profile incidents, such as sewage overflows and the resulting environmental

damage, have led to widespread criticism. Campaigns by environmental groups and media coverage have intensified the negative perception of water utilities. The negative publicity has prompted calls for tougher regulations and more stringent oversight. For example, the energy price cap has been a direct response to concerns about affordability, and there is growing momentum for more robust environmental regulations in the water industry. The new government has indicated that there will be tougher regulations on discharges.

The need to repair damaged reputations means that utility companies will need to make considerable efforts to address the root causes of the negative PR—such as high prices, environmental concerns, and poor service and will have to invest in marketing, customer service improvements, and public relations efforts to rebuild trust and retain customers.



Consumer sentiment in energy and utilities has been dominated in recent years by high bills and the cost of living crisis.

Simon Virley CB, Vice Chair and Head of Energy and Natural Resources for KPMG in the UK



Customer experience improvements

Organisations such as Octopus are leading the way in creating new improved digital experiences for customers. In fact, many utilities are investing in robust online portals and mobile apps that allow customers to manage their accounts, monitor usage, and make payments easily. For example, offering apps that track real-time energy consumption and provide tips for reducing usage.

Chatbots and AI-driven virtual assistants are being deployed to handle routine customer queries, freeing up human agents to focus on more complex issues. This not only speeds up response times but also improves the overall efficiency of customer service operations.

Many utilities are expanding their support channels to include not only phone and email but also live chat, social media, and messaging platforms like WhatsApp. This ensures that customers can reach out for help through their preferred channels, improving accessibility and convenience.

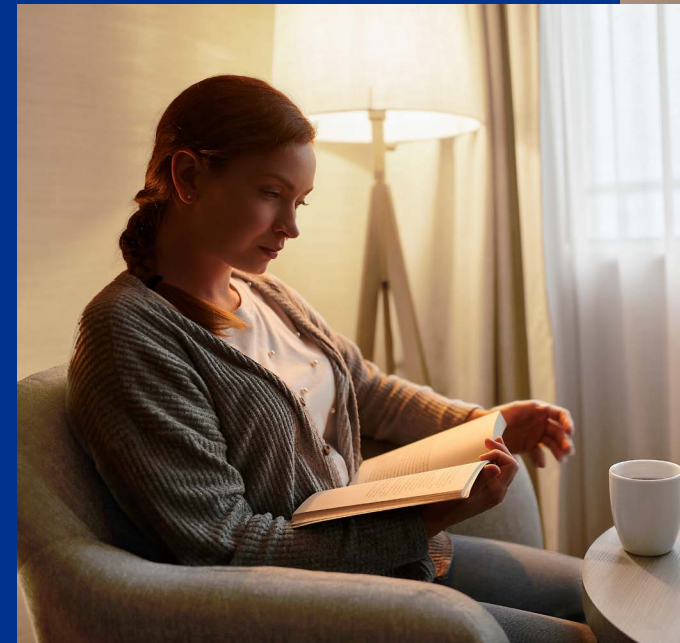
Many are offering programs that help customers improve their energy efficiency, such as smart thermostats, home energy audits, and incentives for energy-saving appliances. These initiatives not only reduce bills but also align with the growing consumer demand for sustainability.

Rising prices and affordability concerns

The UK has experienced a dramatic rise in energy prices, particularly in 2021, 2022 and 2023, driven by global factors such as the war in Ukraine and disruptions in gas supply. Many consumers have faced steep increases in their energy bills, causing financial stress and reducing satisfaction with their utility providers. Ofgem has recently set a price cap this winter of £1717 a rise of £150 above the cap this summer.

The price cap has in effect become the default tariff and has made switching less appealing or beneficial for many consumers, limiting their ability to seek better deals or services.

Although less dramatic than energy, water bills have also seen gradual increases, partly due to rising infrastructure costs and the need for investment in aging systems. This, combined with rising living costs, has made affordability a growing concern for many households.



Service quality and customer support

With many providers suffering with aging systems new platforms (such as Octopus Energy's Kraken Platform) have become a focus for energy companies to relieve increased pressure on customer service departments due to billing issues, complaints, and complex queries, impacting service levels. Long waiting times, unresolved complaints, and difficulty in accessing support have led to frustration among consumers.

Poor communication regarding price changes, service outages, and support options has exacerbated the dissatisfaction. Consumers often feel left in the dark, especially during crises like the energy price surge.

Customer empowerment and expectations

Consumers today expect more from their utility providers, not just in terms of basic service but also in areas like digital engagement, sustainability, and proactive support. While many companies have worked hard to improve services, many feel that the industry has not kept pace with these expectations, leading to a fall in relative rankings compared to other sectors of the economy.

The broader cost-of-living crisis has amplified the impact of rising utility prices, as households are forced to prioritise spending. This financial pressure has increased scrutiny on utility providers and intensified negative perceptions when service quality does not match the rising costs. It has also contributed to a significant increase in arrears as many families struggle to pay their energy bills.

The advent of the smarter energy system and the agile tariff when half hourly settlement arrives in 2025 promises to enable customers to access energy when costs are lowest.

Electric vehicles (EVs) present a significant opportunity for energy companies to expand beyond traditional home energy services and tap into new markets. Allowing energy companies to deepen their relationship with customers by offering comprehensive energy solutions. This can increase customer loyalty and create cross-selling opportunities for other products, such as home batteries or solar panels.



Sustainability and communications

Despite the advances in sustainable energy there is a considerable communications task still to be done to equip the UK consumer with the right information to manage their costs and make informed decisions around their sustainability choices.

KPMG research into consumer awareness of heat pumps, for example, shows half (52%) of UK adults know something about heat pumps but don't have them in their home. A further 37% don't know anything about heat pumps and only 5% have them in their homes, 49% think that heat pumps would require huge changes to their home in order to work. A further 34% think that heat pumps are more effective than gas boilers and a fifth (20%) think they will be forced to replace their boiler with an expensive heat pump.



Towards a brighter future

Several initiatives are being implemented or considered in the UK that could improve customer experience in the energy and water utility sectors, especially in the context of rising prices and environmental concerns. One of the most significant initiatives is the mass home retrofit program.

The UK government has been focusing on retrofitting homes and buildings to improve energy efficiency. This includes initiatives like the Energy Company Obligation (ECO) scheme, which requires energy companies to fund energy efficiency improvements in homes, particularly those of vulnerable and low-income households.

Some local governments and regions are launching their own retrofit programs, targeting both social housing and private homes.

For example, the Greater Manchester Retrofit Accelerator aims to retrofit 60,000 homes by 2027, reducing energy demand and cutting emissions. Retrofitting homes can significantly reduce energy consumption, lowering bills for consumers and improving comfort. This could alleviate some of the financial pressures from rising energy costs and enhance customer satisfaction. If well-implemented, these programs could also lead to a better reputation for utility companies that participate in or support these efforts.



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