

Testing the impact of behaviourally informed energy bills and best offers



THE
BEHAVIOURAL
INSIGHTS TEAM. ◆

Executive Summary

The Behavioural Insights Team (BIT) worked with the Essential Services Commission (ESC) to understand consumer responses to different features of energy bills. BIT conducted user testing and desktop research, then designed behaviourally informed bills to improve comprehension and intentions to act. These were then tested using two online experiments.

In Trial 1 we found:

- There were no significant differences across treatment arms on comprehension about whether respondents were on the best deal, and what they needed to do to get the best deal.
- The treatments also did not have differential impacts across sub-groups such as respondents from culturally and linguistically diverse backgrounds, or those aged 60 and over.

In Trial 2 we found:

- Framing the cheapest offer as a statement and that they were “paying too much” strongly improved comprehension compared to other treatment arms
- The “paying too much” framing led less people to intend to “do nothing” in response to receiving their bill compared to other treatment arms

We also found across both trials that the inclusion of the behaviourally informed features did not introduce any confusion in the total amount to be paid. There were also a range of wider findings on consumer attitudes and views enabled by the user testing and online data collection.

Background to the project

The policy problem

The *Independent Review of the Electricity and Gas Retail Markets in Victoria* (the Thwaites Review) contained a range of recommendations for reforming retail energy markets in Victoria. In particular, Recommendation 3G set out a requirement for retailers to provide, on a customer's bill, "*the retailer's best offer for that customer based on their usage patterns.*"

This is a substantial change, and there are a range of ways that this could be implemented. Moreover, the specific way in which the best offer is made, and how it is presented, will impact how consumers react to it.

There is significant evidence that shows consumers' behavioural biases can drive their behaviour. It is important to understand these behavioural biases, and test possible solutions. This is necessary to ensure that the policy is as effective as possible.

Our approach

For this project, we conducted qualitative user testing and a review of the literature. We then designed documents motivated by the research, and tested their efficacy using two online randomised controlled trials (RCT).

The user testing involved developing drafts of bills and companion letters, and providing them to a range of consumers for their feedback. These were done in individual interviews, and included some consumers from culturally and linguistically diverse backgrounds, as well as a diversity of ages and tenures with their current energy provider.

Taking into account the reactions from consumers interviewed, we then refined the documents before choosing four versions to test in an online trial. To conduct the two trials, we used Predictiv, BIT's online rapid research platform. We screened to ensure that respondents in the online testing were from Victoria, and were either the main or joint energy decision-maker in the household, and collected additional demographic information.

In addition to asking respondents about their understanding of bills and associated documents, we were able to ask about wider energy market issues as well.

Overview

- 1 The trials
- 2 Wider findings
- 3 Caveats and limitations

1 The trials

2 Wider findings

3 Caveats and limitations

Trial 1 – Testing the impact of the best offer

Overview of Trial 1

The first trial involved a total of 2,383 Victorian respondents who were either the main or the joint energy decision-maker. Respondents were shown one of the four versions of the bill – a control version that had just the bill, or one of three treatment arms that included a letter before the bill explaining that the customer was not on the best deal.

Respondents were asked about their understanding of several features of the bill and the letters – these formed the primary outcome measures. We also asked about intended behaviour.

We then asked a series of additional questions about their behaviours and interactions with the energy market.

Finally, respondents answered some basic financial literacy questions and filled out some questions about their demographics. This included aspects such as whether they were in metro Melbourne or based in a rural area, and whether they spoke a language other than English at home.

The full question list is also provided in the attached appendix.

Right: screenshots from the test

[NAME], we could put you on a cheaper plan

Dear [NAME],

We now regularly check if we can offer you a cheaper plan based on your energy usage.* New rules in Victoria require us to do this. Here are two cheaper plans for you.

	Your current plan "Easy Saver Plan"	Our cheapest similar plan "Flexi Saver Plan"	Our cheapest plan "Anytime Saver Plan"
Without discounts	You pay \$1,730 per year	You could save \$406 per year	You could save \$485 per year
With discounts	You pay \$1,557 per year	You could save \$300 per year	You could save \$312 per year

It's easy to switch to a cheaper plan. Simply:

- ✓ call 13 25 71 or email switch@boltenergy.com.au
- ✓ or visit www.boltenergy.com.au

Your account number is 300 033 393 200. You can find details about the plans on the back of this letter, or on our website.

John Smith
Bolt Energy CEO

John Smith

* Based on your usage patterns over the last 12 months.

Your electricity bill 4 Mar 18 – 5 June 18

WE COULD PUT YOU ON A CHEAPER PLAN

On our Anytime Saver Plan you could save:

\$485 each year

To switch plans, call 13 25 71, or go to www.boltenergy.com.au

DUE DATE
5 Jul 18

AMOUNT DUE
\$320.01 if paid by 5 Jul 18
Or
\$365.01 if paid after the due date

YOUR ACCOUNT DETAILS

Account number: 300 033 393 200
Tax invoice: 180 000 686 420
Issue date: 6 Jun 18
Total amount due: See the Account Summary on pg. 2

YOUR ENERGY PLAN
Easy Saver plan ending 24 Oct 18
Your estimated bill over the next 12 months is \$1730.
Benefits available on this energy plan:
Guaranteed usage discount (10%)

YOUR USAGE SUMMARY
Average cost per day \$3.87
Average daily usage 9.05 kWh
Same time last year 8.01 kWh

Need to get in touch

Enquiries & moving address: 13 24 81
7 am - 8 pm local time (Mon - Fri)
9 am - 6 pm local time Sat

Faults & emergencies: 13 12 80
Call Melbourne Power 24 hrs

DIRECT DEBIT
Register online at boltenergy.com.au/myaccount or call 13 24 81 to arrange automatic payment of future accounts*

MAIL
Send this slip with your cheque made payable to: Bolt Energy Holdings Limited, Private Bag 14625 Melbourne, VIC 3001

TELEPHONE & INTERNET BANKING - BPAY
Contact your bank or financial institution to make this payment from your cheque, savings, debit, credit card* or transaction account. More info: www.bpay.com.au

VISA OR MASTERCARD®
Call 1300 856 788 or visit boltenergy.com.au/paynow

IN PERSON
Pay by cash, e-Pass or card* at any Post Office


*Use of MasterCard payments may incur a processing fee of 0.97% (incl GST) of the total payment amount. This will be shown on your next bill. Some exemptions and payment limits may apply. *Payment processing fee of \$2.00 (incl GST) may apply. Bolt Energy Ltd ABN 83 071 052 287

* The energy usage information used to calculate the best deal is:

- Based on calculations set out by a regulator
- Based on calculations done by my provider (but not necessarily using my actual usage)
- Based on my actual current energy usage patterns
- I don't know

Control and treatment arms

Control: bill only



0042
[NAME]
1 SAMPLE ST VIC 3057

Your electricity bill

4 Mar 18 – 5 June 18



WE COULD PUT YOU ON A CHEAPER PLAN

On our Anytime Saver Plan you could save:

\$485 each year

To switch plans, call 13 25 71, or go to www.boltenergy.com.au

DUE DATE	YOUR ACCOUNT DETAILS
5 Jul 18	Account number 300 033 393 200
AMOUNT DUE	Tax invoice
\$320.01 if paid by 5 Jul 18 Or \$365.01 if paid after the due date	180 000 686 420
	Issue date
	8 Jun 18
	Total amount due
	See the Account Summary on pg. 2

YOUR ENERGY PLAN	YOUR USAGE SUMMARY
Easy Saver plan ending 24 Oct 18 Your estimated bill over the next 12 months is \$1730. Benefits available on this energy plan Guaranteed usage discount (10%)	Average cost per day \$3.57 Average daily usage 9.06 kWh Same time last year 9.01 kWh
	  <p>COST PER DAY DAILY USAGE</p>

Need to get in touch

Enquiries & moving address: 13 24 61
7 am - 8 pm local time Mon - Fri
9 am - 6 pm local time Sat

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Call Melbourne Power 24 hrs

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VISA OR MASTERCARD®*
Call 1305 886 783 or visit boltenergy.com.au/paynow

IN PERSON:
Pay by cash, eftpos or card* at any Post Office

* Visa or MasterCard payments may incur a processing fee of 0.97% (incl GST) of the total payment amount. This will be shown on your next bill. Some exemptions and payment limits may apply. * Payment processing fee of \$2.00 (incl GST) may apply. Bolt Energy Ltd ABN 58 071 052 287

ACCOUNT SUMMARY	
Previous activity	
Opening balance	\$290.01
Payments received	\$290.01
Balance carried forward	\$0.00
Your new charges	
Other charges and adjustments (incl GST of \$0.00)	\$0.00
Total electricity charges - incl discounts and rebates (incl GST of \$29.16)	\$320.01
Total amount due (incl net GST charges of \$29.23)	\$320.01

Account number:
300 033 393 200

Tax invoice
481 100 512 011

NEED TO GET IN TOUCH?

Moving address?
Go online boltenergy.com.au/movers (allow 3 business days notice)

Contact us
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My Account login: boltenergy.com.au/myaccount
Call us 13 25 71 (7 am - 9 pm local time Mon - Fri) (9 am - 5 pm local time Sat)
Go online boltenergy.com.au/recontact
Write to us (no payments)
Bolt Energy Customer Contact Centre, GPO Box 2000, VIC 3000

Concessions and rebates
You may be eligible for the Victorian Government Annual Electricity Concession or Off Peak Energy Concession - call us on 13 25 71 for details.

Payment assistance
Payment extensions, special payments, instalment plans and the Utility Relief Grant Scheme are available if you need it - call us on 13 24 61 for details.

National Relay Service
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PAYMENTS RECEIVED	
10 April 18 Credit Card	\$290.01
Total	\$290.01


OTHER CHARGES AND ADJUSTMENTS	
10 April 18 Other charges and adjustments (incl GST of \$0.00)	\$0.00
Total	\$0.00

TOTAL ELECTRICITY CHARGES				
Your site details:				
Supply address 1 SAMPLE ST VIC 3057	National Meter Identifier (NMI) 61021416686			
Meter read Actual	Next billing date 3 months			
Period: 4 Mar 18 - 5 Jun 18 Your rate: General Domestic				
Meter no	Usage type	Previous Read	Current Read	Usage (kWh)
A5335194	Peak	212.43	1027.39	814.959
			Total kWh	814.95

AVERAGE DAILY USAGE	
Here is the average daily electricity usage costs (excluding GST) for your supply address - this doesn't include any discounts and supply charges.	\$3.57 Peak

Important Information

We changed our electricity charges for most Victorian customers on 1 January 2018. You'll see any new charges on this bill. Find out more at boltenergy.com.au/vicpricechange or call us.



Comparing our plans

Use this table to compare our plans in more detail.*

	Your current plan	Our cheapest similar plan	Our cheapest plan
Plan name	Easy Saver Plan	Flexi Saver Plan	Anytime Saver Plan
Estimated annual bill excluding discounts*	\$1,780	\$1,324	\$1,245
Discounts available (including conditions)	Pay on time: 10%	Pay on time: 10%	No discounts
Estimated annual bill assuming all discount conditions are met*	\$1,557	\$1,257	\$1,245
Non-discount benefits available	None	Two platinum movie tickets upon sign up	\$50 online sign up bonus
Tariff type	Flat tariff	Flat tariff	Flat tariff
Rates	Supply: 115.0c/day Consumption: 27.0c/kWh	Supply: 110.0c/day Consumption: 19.0c/kWh	Supply: 115.0c/day Consumption: 17.0c/kWh
Contract period	No contract	No contract	1 year
Fees	Credit/debit card payment: 0.45% Paper bill: \$1.75/bill Cheque dishonour: \$6.50 Reconnection: \$59.52 Disconnection: \$40.11	Credit/debit card payment: 0.45% Paper bill: \$1.75/bill Cheque dishonour: \$6.50 Reconnection: \$59.52 Disconnection: \$40.11	Credit/debit card payment: 0.45% Paper bill: \$1.75/bill Cheque dishonour: \$6.50 Reconnection: \$59.52 Disconnection: \$40.11
Solar feed-in tariff rate	11.3c/kWh	11.3c/kWh	11.3c/kWh
GreenPower option	10% Green Power	20% Green Power	None

Call us now on 13 25 71 or go to www.boltenergy.com.au and quote your account number 300 033 393 200.

Or, visit the independent Victorian Government price comparison website, **Victorian Energy Compare**, to find a new energy retailer <https://compare.switchon.vic.gov.au/>

About you


This is a summary of key information about your electricity use across the past year. It may come in handy when comparing offers.

Item	Your info
Your distributor	Melbourne Power
Average daily usage over the year (kWh)	13.3 kWh
Annual usage (kWh)	4852 kWh
Annual solar export (kWh)	0 kWh
Does your property have 'controlled load'?	No

* Based on your usage patterns over the last 12 months

Treatment 1: "Box – savings amount" letter

BILL HEALTH CHECK




0042
[NAME]
1 SAMPLE ST VIC 3057

[NAME], we could put you on a cheaper plan.


We now regularly check if we can offer you a cheaper plan based on your energy usage.* New rules in Victoria require us to do this. Here are two cheaper plans for you.

The yearly cost of your current plan is	The potential yearly saving on a plan with similar features is	The potential yearly saving on our cheapest plan is
\$1,730	\$406	\$485
or \$1,557 with discounts	or \$300 with discounts	or \$312 with discounts


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Email switch@boltenergy.com.au



Call 13 24 61



Visit www.boltenergy.com.au

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Tariff type	Flat tariff	Flat tariff	Flat tariff
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Contract period	No contract	No contract	1 year
Fees	Credit/debit card payment: 0.45% Paper bills: \$1.75/bill Cheque dishonour: \$6.50 Reconnection: \$39.52 Disconnection: \$40.11	Credit/debit card payment: 0.45% Paper bills: \$1.75/bill Cheque dishonour: \$6.50 Reconnection: \$39.52 Disconnection: \$40.11	Credit/debit card payment: 0.45% Paper bills: \$1.75/bill Cheque dishonour: \$6.50 Reconnection: \$39.52 Disconnection: \$40.11
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4 Mar 18 – 5 June 18


YOUR ACCOUNT DETAILS

Account number
300 033 393 200


Tax invoice
180 000 696 420

Issue date
8 Jun 18

Total amount due
See the Account Summary on pg. 2



\$3.57
COST PER DAY



9.06
kWh
DAILY USAGE

13 12 50
24 hrs

TELEPHONE & INTERNET BANKING - BPAY
Contact your bank or financial institution to make this payment from your cheque, savings, debit, credit card or transaction account. More info: www.bpay.com.au

This will be shown on your next bill. Bolt Energy Ltd ABN 58 071 052 237

Account number:
300 033 393 200

Tax invoice:
481 100 512 011

NEED TO GET IN TOUCH?

Moving address?
Go online
boltenergy.com.au/movers
(allow 3 business days notice)

Contact us
We're happy to help - any questions or complaints:
My Account login:
boltenergy.com.au/myaccount
Call us 13 25 71
(7 am - 9 pm local time Mon - Fri) (9 am - 5 pm local time Sat)
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Write to us (no payments)
Bolt Energy Customer Contact Centre, GPO Box 2000, VIC 3000

Concessions and rebates
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Payment assistance
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National Relay Service
If you have a hearing or speech impairment, contact us through the National Relay Service. For more information, visit www.relayservice.gov.au
Need an interpreter? Call 1300 137 427


Usage (kWh)
814.959
814.95

3.57
Peak

customers on 1
find out more

Note: Final three pages were equivalent to control, with the "comparing our plans" page moved before the bill

Treatment 2: "Table – bill amount" letter



0042
[NAME]
1 SAMPLE ST VIC 3057

[NAME], we could put you on a cheaper plan

Dear [NAME],

We now regularly check if we can offer you a cheaper plan based on your energy usage.* New rules in Victoria require us to do this. Here are two cheaper plans for you.


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John Smith
Bolt Energy CEO



* Based on your usage patterns over the last 12 months



Comparing our plans

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Estimated annual bill assuming all discount conditions are met*	\$1,557	\$1,257	\$1,245
Non-discount benefits available	None	Two platinum movie tickets upon sign up	\$50 online sign up bonus
Tariff type	Flat tariff	Flat tariff	Flat tariff
Rates	Supply: 115.0c/day Consumption: 27.0c/kWh	Supply: 110.0c/day Consumption: 19.0c/kWh	Supply: 115.0c/day Consumption: 17.0c/kWh
Contract period	No contract	No contract	1 year
Fees	Credit/debit card payment: 0.45% Paper bills: \$1.75/bill Cheque dishonour: \$6.50 Reconnection: \$39.52 Disconnection: \$40.11	Credit/debit card payment: 0.45% Paper bills: \$1.75/bill Cheque dishonour: \$6.50 Reconnection: \$39.52 Disconnection: \$40.11	Credit/debit card payment: 0.45% Paper bills: \$1.75/bill Cheque dishonour: \$6.50 Reconnection: \$39.52 Disconnection: \$40.11
Solar feed-in tariff rate	11.3c/kWh	11.3c/kWh	11.3c/kWh
GreenPower option	10% Green Power	20% Green Power	None

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Average daily usage over the year (kWh)	13.3 kWh
Annual usage (kWh)	4852 kWh
Annual solar export (kWh)	0 kWh
Does your property have 'controlled load'?	No

* Based on your usage patterns over the last 12 months



4 Mar 18 – 5 June 18


YOUR ACCOUNT DETAILS

Account number
300 033 393 200


Tax invoice
180 000 696 420

Issue date
8 Jun 18

Total amount due
See the Account Summary on pg. 2



\$3.57
COST PER DAY



9.96
kWh
DAILY USAGE

13 12 80
24 hrs

TELEPHONE & INTERNET BANKING - BPAY®
Contact your bank or financial institution to make this payment from your cheque, savings, debit, credit card or transaction account. More info: www.bpay.com.au

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customers on 1 find out more

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Usage (kWh)
814.959
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3.57
Peak

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Treatment 3: "Table – savings amount" letter



0042
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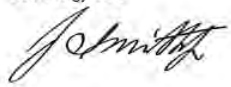
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customers on 1
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Note: Final three pages were equivalent to control, with the "comparing our plans" page moved before the bill

Trial 1 - Results

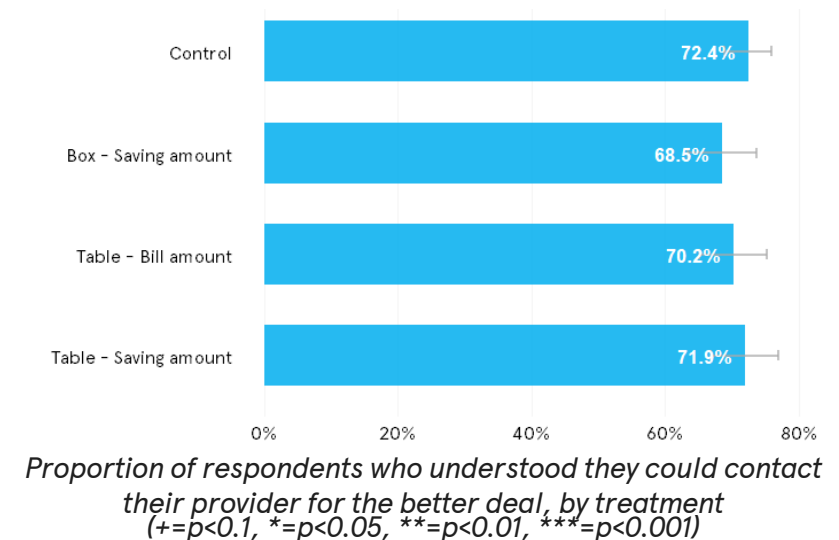
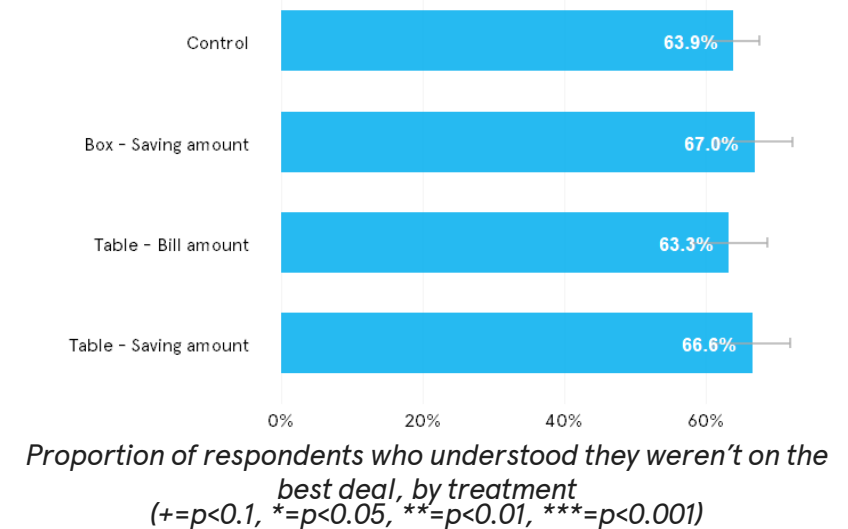
There were no significant differences in comprehension between treatment arms

Across the four treatments, there was fairly high comprehension of the two main questions. That is, a majority of respondents understood they were not on the best energy plan, and a majority recognised they could contact their provider for the better deal.

However, there were no significant differences between the various treatment arms. This suggests that on the key questions of whether consumers understood that they were on the best deal or not, and that they could contact their provider for the best deal, the addition of the letter did not increase understanding relative to the other treatment arms.

Reference questions (see appendix for full question list)

- Question 2
- Question 3

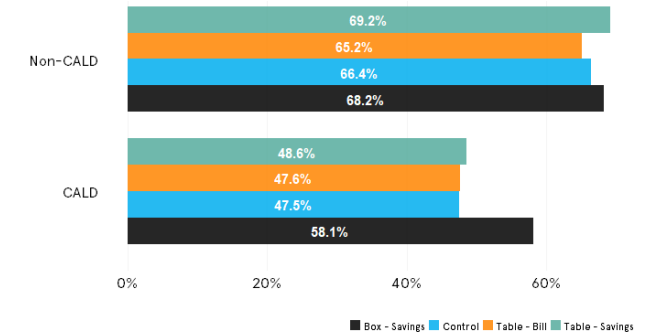


Treatments had similar impacts on comprehension across demographic groups

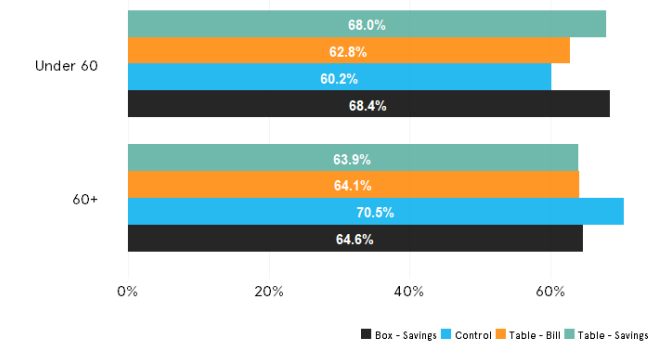
We collected a range of demographic information, but conducting sub-group analysis is difficult due to small sample sizes. Instead, we conducted causal tree analysis – a machine learning technique that seeks to identify potential sub-groups where a treatment has differential effects. We did this for the two primary comprehension questions (understanding of whether or not they were on the best deal, and of how to get the best deal). Note, we are not stating that these results are statistically significant, and caution needs to be taken when interpreting them. However, they provide some potential indications of differential effects.

In general, the treatments did not appear to have significant differential effects on demographic sub-groups. This includes those from culturally and linguistically diverse backgrounds (CALD). There was some variation for rural vs metro, and respondents aged 60 and over. However, as noted above, caution needs to be taken when interpreting these results, given the small sample size of each of the sub-groups.

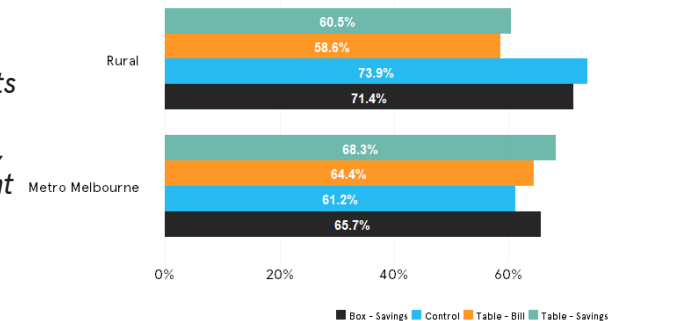
Proportion of respondents who understood they weren't on the best deal, by CALD status and treatment



Proportion of respondents who understood they weren't on the best deal, by age and treatment



Proportion of respondents who understood they weren't on the best deal, by location and treatment



Including the savings figure increases comprehension of additional questions relative to the other treatment arms

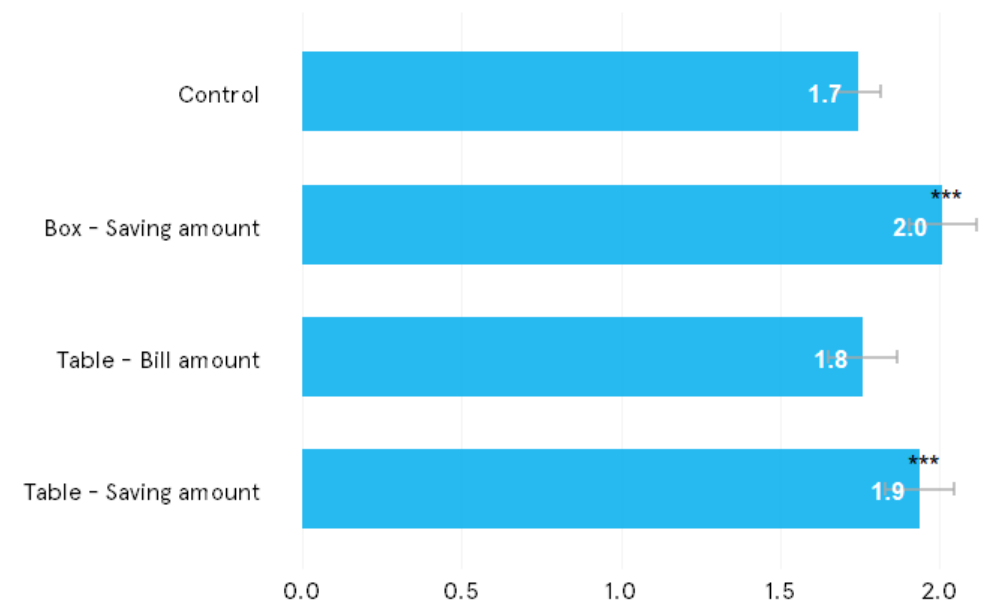
We also asked a set of additional comprehension questions, focusing on an understanding of the basis of the deal (best deal from current provider vs. any provider), the basis of the usage information, and a general understanding of the size of savings. The Box-Savings letter and Table-Savings letter both showed statistically significant increases in comprehension.

This appears to be driven mostly by increased understanding of the approximate savings on offer. Perhaps unsurprisingly, presenting the better offers as a potential saving (rather than the total annual cost) substantially increases the ability of respondents to identify the amount of savings on offer.

Notably, all treatment arms included the savings figure quite prominently on the bill itself. As such, it indicates that there is value in providing the information about the potential savings on a separate letter, as it increases understanding about the quantum of savings on offer.

Reference questions (see appendix for full question list)

- Question 4
- Question 5
- Question 6



Average correct answers (out of 3) to additional comprehension questions, by treatment
(+=p<0.1, *=p<0.05, **=p<0.01, ***=p<0.001)

There were no significant differences in intended behaviour in response to the bills

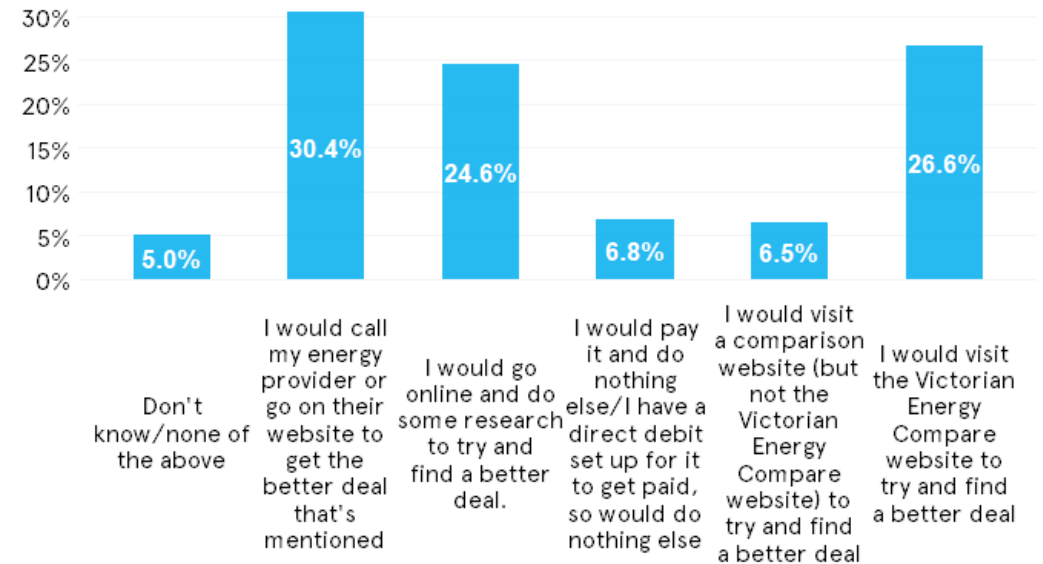
In addition to asking about comprehension, we asked respondents about how they thought they would respond if they received a bill such as this. Note that this only measures intentions, and not actual behaviours.

There were no significant differences in intentions around contacting the provider, using Victorian Energy Compare (VEC), or doing nothing. There were small directional differences, but these were not statistically significant.

Notably, the proportion of respondents stating that they would “do nothing” is very low (less than 10%), and likely understates the true behaviour among the population. Based on field evidence, we would expect that more respondents would not take any action. Or, even if they took some action to ring their provider or do some research online, they would still stay with the same plan

[Reference questions \(see appendix for full question list\)](#)

- Question 7



Reported intentions on receiving the bill, aggregated

Trial 2 – Improving notices on energy bills

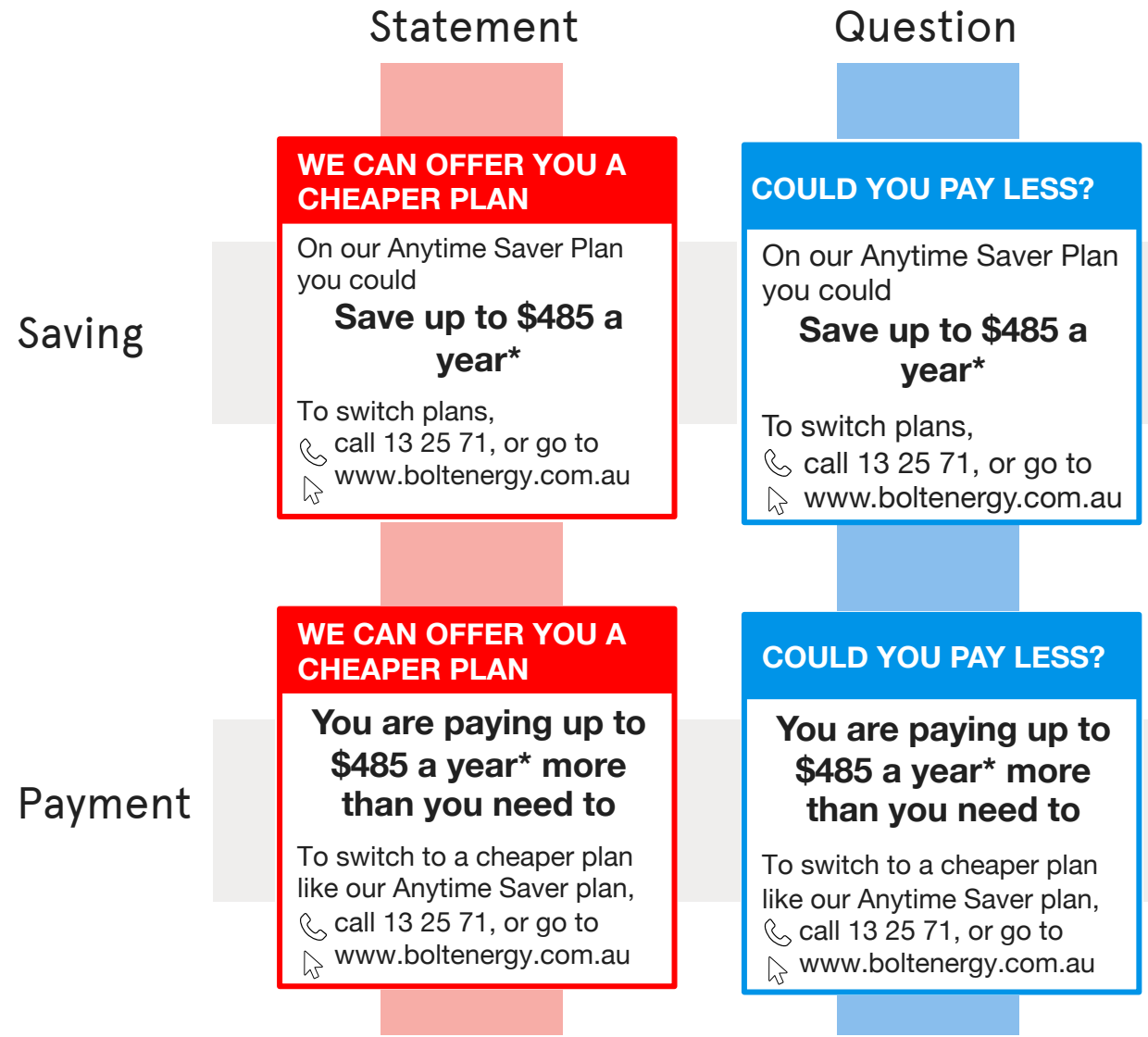
Overview of Trial 2

A total of 2,013 Victorian respondents who were either the main or the joint energy decision-maker were included in the second study.

It used a 2x2 Trial design that combined a headline framed as a *Statement* or *Question*, and the offer amount framed as a *Saving* or a *Payment*. The *Statement* and *Question* conditions also differed in the colour of the call-out box, with the red colour being much more striking against the mostly blue bill. This builds on the first trial, tweaking the design of the control bill, which performed as well as the other designs in the previous trial.


Respondents were shown one of the four versions of the bill, each one featuring a callout box with a different combination of messages. Only the call-out box differed between the conditions. These are shown on the right of the page.

We then asked identical outcome measures to the first trial. This included questions about their understanding of several features of the bill and the letters, their intended behaviour and demographic questions



Treatment arms

Statement + Saving



0042
[NAME]
1 SAMPLE ST VIC 3057

Your electricity bill **4 Mar 18 – 5 June 18**

WE CAN OFFER YOU A CHEAPER PLAN

On our Anytime Saver Plan you could **Save up to \$485 a year***

To switch plans, call 13 25 71, or go to www.boltenergy.com.au

DUE DATE
5 Jul 18

AMOUNT DUE
\$320.01 if paid by 5 Jul 18
Or
\$365.01 if paid after the due date

YOUR ACCOUNT DETAILS

Account number
300 033 393 200

Tax invoice
180 000 596 420

Issue date
8 Jun 18

Total amount due
See the Account Summary on pg. 2

YOUR ENERGY PLAN

Easy Saver plan ending
24 Oct 18

Your estimated bill over the next 12 months is \$1730.

Benefits available on this energy plan


Guaranteed usage discount (10%)

YOUR USAGE SUMMARY

Average cost per day \$3.57

Average daily usage 9.06 kWh

Same time last year 9.01 kWh



Need to get in touch

Enquiries & moving address: 13 24 61
7 am - 9 pm local time Mon - Fri
8 am - 5 pm local time Sat

Faults & emergencies: 13 12 80
Call Melbourne Power 24 hrs

DIRECT DEBIT
Register online at boltenergy.com.au/myaccount or call 13 24 61 to arrange automatic payment of future accounts*

MAIL
Send this slip with your cheque made payable to: Bolt Energy Holdings Limited, Private Bag 14825 Melbourne, Vic 3001

TELEPHONE & INTERNET BANKING - BPAY®
Contact your bank or financial institution to make this payment from your cheque, savings, debit, credit card† or transaction account. More info: www.bpay.com.au

VISA OR MASTERCARD®*
Call 1300 668 783 or visit boltenergy.com.au/paynow

IN PERSON
Pay by cash, eftpos or card† at any Post Office

†Visa or MasterCard payments may incur a processing fee of 0.37% (incl GST) of the total payment amount. This will be shown on your next bill. Some exemptions and payment limits may apply. *Payment processing fee of \$0.00 (incl GST) may apply. Bolt Energy Ltd ABN 33 071 662 267

*Conditions Apply

ACCOUNT SUMMARY

Previous activity	
Opening balance	\$290.01
Payments received	\$290.01
Balance carried forward	\$0.00
Your new charges	
Other charges and adjustments (incl GST of \$0.00)	\$0.00
Total electricity charges - incl discounts and rebates (incl GST of \$29.18)	\$320.01
Total amount due (incl net GST charges of \$29.23)	\$320.01

PAYMENTS RECEIVED

10 April 18 Credit Card	\$290.01
Total	\$290.01

OTHER CHARGES AND ADJUSTMENTS

10 April 18 Other charges and adjustments (incl GST of \$0.00)	\$0.00
Total	\$0.00

TOTAL ELECTRICITY CHARGES

Your site details:

Supply address 1 SAMPLE ST VIC 3057	National Meter Identifier (NMI) 61021416698
Meter read Actual	Next billing date 3 months
Period: 4 Mar 18 – 5 Jun 18	Your rate: General Domestic
Meter no A5935194	Usage type Peak
Previous Read 212.43	Current Read 1027.39
Usage (kWh) 814.959	Total kWh 814.95

AVERAGE DAILY USAGE

Here is the average daily electricity usage costs (excluding GST) for your supply address - this doesn't include any discounts and supply charges.

\$3.57
Peak

Important information

We changed our electricity charges for most Victorian customers on 1 January 2018. You'll see any new charges on this bill. Find out more at boltenergy.com.au/vicpricechange or call us.

Account number:
300 033 393 200

Tax invoice
481 100 512 011

NEED TO GET IN TOUCH?

Moving address?
Go online
boltenergy.com.au/movers
(allow 3 business days notice)

Contact us

We're happy to help - any questions or complaints:
My Account login:
boltenergy.com.au/myaccount
Call us 13 25 71
(7 am - 9 pm local time Mon - Fri) (9 am - 5 pm local time Sat)

Go online
boltenergy.com.au/rescontact
Write to us (no payments)
Bolt Energy Customer Contact Centre, GPO Box 2000, VIC 3000

Concessions and rebates

You may be eligible for the Victorian Government Annual Electricity Concession or Off Peak Energy Concession - call us on 13 25 71 for details.

Payment assistance

Payment extensions, special payments, instalment plans and the Utility Relief Grant Scheme are available if you need it - call us on 13 24 61 for details.

National Relay Service

If you have a hearing or speech impairment, contact us through the National Relay Service. For more information, visit www.relayservice.gov.au
Need an interpreter? Call 1300 137 427

Question + Saving



6242
[NAME]
1 SAMPLE ST VIC 3057

Your electricity bill

4 Mar 18 – 5 June 18

COULD YOU PAY LESS?

On our Anytime Saver Plan you could **Save up to \$485 a year***

To switch plans, call 13 25 71, or go to www.boltenergy.com.au

DUE DATE

5 Jul 18

AMOUNT DUE

\$320.01 if paid by 5 Jul 18
Or
\$365.01 if paid after the due date

YOUR ACCOUNT DETAILS

Account number
300 033 393 200

Tax invoice
180 000 596 420

Issue date
6 Jun 18

Total amount due
See the Account Summary on pg. 2

YOUR ENERGY PLAN

Easy Saver plan ending
24 Oct 18

Your estimated bill over the next 12 months is \$1730.

Benefits available on this energy plan

Guaranteed usage discount (10%)

YOUR USAGE SUMMARY

Average cost per day \$3.57

Average daily usage 9.06 kWh

Same time last year 9.01 kWh



COST PER DAY



DAILY USAGE

Need to get in touch

Enquiries & moving address: 13 24 61
7 am - 9 pm local time Mon - Fri
9 am - 5 pm local time Sat

Faults & emergencies: 13 12 80
Call Melbourne Power 24 hrs

DIRECT DEBIT
Register online at boltenergy.com.au/myaccount or call 13 24 61 to arrange automatic payment of future accounts*

MAIL
Send this slip with your cheque made payable to: Bolt Energy Holdings Limited, Private Bag 14625 Melbourne, Vic 3001

TELEPHONE & INTERNET BANKING - BPAYS
Contact your bank or financial institution to make this payment from your cheque, savings, debit, credit card* or transaction account. More info: www.bpays.com.au

VISA OR MASTERCARD*
Call 1300 658 783 or visit boltenergy.com.au/paynow

IN PERSON*
Pay by cash, eftpos or card* at any Post Office

*Visa or MasterCard payments may incur a processing fee of 0.37% (incl GST) of the total payment amount. This will be shown on your next bill. Some exemptions and payment limits may apply. *Payment processing fee of \$2.00 (incl GST) may apply. Bolt Energy Ltd ABN 33 011 652 267

*Conditions Apply

ACCOUNT SUMMARY

Previous activity	
Opening balance	\$290.01
Payments received	\$290.01
Balance carried forward	\$0.00
Your new charges	
Other charges and adjustments (incl GST of \$0.00)	\$0.00
Total electricity charges - incl discounts and rebates (incl GST of \$29.18)	\$320.01
Total amount due (incl net GST charges of \$29.23)	\$320.01

PAYMENTS RECEIVED

10 April 18 Credit Card	\$290.01
Total	\$290.01

OTHER CHARGES AND ADJUSTMENTS

10 April 18 Other charges and adjustments (incl GST of \$0.00)	\$0.00
Total	\$0.00

TOTAL ELECTRICITY CHARGES

Your site details:

Supply address 1 SAMPLE ST VIC 3057	National Meter Identifier (NMI) 61021416668
Meter read Actual	Next billing date 3 months
Period: 4 Mar 18 – 5 Jun 18 Your rate: General Domestic	
Meter no A5935194	Usage type Peak
Previous Read 212.43	Current Read 1027.39
	Usage (kWh) 814.959
	Total kWh 814.95

AVERAGE DAILY USAGE

Here is the average daily electricity usage costs (excluding GST) for your supply address - this doesn't include any discounts and supply charges.

\$3.57
Peak

Important information

We changed our electricity charges for most Victorian customers on 1 January 2018. You'll see any new charges on this bill. Find out more at boltenergy.com.au/vicpricechange or call us.

Account number:
300 033 393 200

Tax invoice
481 100 512 011

NEED TO GET IN TOUCH?

Moving address?
Go online
boltenergy.com.au/movers
(allow 3 business days notice)

Contact us

We're happy to help - any questions or complaints:
My Account login:
boltenergy.com.au/myaccount
Call us 13 25 71
(7 am - 9 pm local time Mon - Fri) (9 am - 5 pm local time Sat)
Go online
boltenergy.com.au/rescontact
Write to us (no payments)
Bolt Energy Customer Contact Centre, GPO Box 2000, VIC 3000

Concessions and rebates

You may be eligible for the Victorian Government Annual Electricity Concession or Off Peak Energy Concession - call us on 13 25 71 for details.

Payment assistance


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National Relay Service

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Need an interpreter? Call 1300 137 427

Statement + Payment





0042
[NAME]
1 SAMPLE ST VIC 3057

Your electricity bill

4 Mar 18 – 5 June 18

WE CAN OFFER YOU A CHEAPER PLAN

You are paying up to **\$485 a year*** more than you need to

To switch to a cheaper plan like our Anytime Saver plan, call 13 25 71, or go to www.boltenergy.com.au

DUE DATE

5 Jul 18

AMOUNT DUE

\$320.01 if paid by 5 Jul 18
Or
\$365.01 if paid after the due date

YOUR ACCOUNT DETAILS

Account number
300 033 393 200

Tax invoice
180 000 596 420

Issue date
6 Jun 18

Total amount due
See the Account Summary on pg. 2

YOUR ENERGY PLAN

Easy Saver plan ending
24 Oct 18

Your estimated bill over the next 12 months is \$1730.

Benefits available on this energy plan


Guaranteed usage discount (10%)

YOUR USAGE SUMMARY


Average cost per day \$3.57

Average daily usage 9.06 kWh

Same time last year 9.01 kWh



\$3.57
COST PER DAY



9.06
kWh
DAILY USAGE

Need to get in touch

Enquiries & moving address: 13 24 61
7 am - 9 pm local time Mon - Fri
9 am - 5 pm local time Sat

Faults & emergencies: 13 12 80
Call Melbourne Power 24 hrs

DIRECT DEBIT
Register online at boltenergy.com.au/myaccount or call 13 24 61 to arrange automatic payment of future accounts*

MAIL
Send this bill with your cheque made payable to: Bolt Energy Holdings Limited, Private Bag 14826 Melbourne Vic 3001

TELEPHONE & INTERNET BANKING - BPAYS
Contact your bank or financial institution to make this payment from your cheque, savings, debit, credit card* or transaction account. More info: www.bpays.com.au

VISA OR MASTERCARDS*
Call 1300 658 783 or visit boltenergy.com.au/paynow

IN PERSON
Pay by cash, eftpos or card* at any Post Office

*Visa or MasterCard payments may incur a processing fee of 0.37% (incl GST) of the total payment amount. This will be shown on your next bill. Some exemptions and payment limits may apply. **Payment processing fee of \$2.00 (incl GST) may apply. Bolt Energy Ltd ABN 53 071 662 267

*Conditions Apply

ACCOUNT SUMMARY

Previous activity	
Opening balance	\$290.01
Payments received	\$290.01
Balance carried forward	\$0.00
Your new charges	
Other charges and adjustments (incl GST of \$0.00)	\$0.00
Total electricity charges - incl discounts and rebates (incl GST of \$29.23)	\$320.01
Total amount due (incl net GST charges of \$29.23)	\$320.01

PAYMENTS RECEIVED

10 April 18 Credit Card	\$290.01
Total	\$290.01

OTHER CHARGES AND ADJUSTMENTS

10 April 18 Other charges and adjustments (incl GST of \$0.00)	\$0.00
Total	\$0.00

TOTAL ELECTRICITY CHARGES

Your site details:

Supply address 1 SAMPLE ST VIC 3057	National Meter Identifier (NMI) 61021416668	
Meter read Actual	Next billing date 3 months	
Period: 4 Mar 18 – 5 Jun 18 Your rate: General Domestic		
Meter no A5035194	Usage type Peak	
Previous Read 212.43	Current Read 1027.39	Usage (kWh) 814.959
		Total kWh 814.95

AVERAGE DAILY USAGE

Here is the average daily electricity usage costs (excluding GST) for your supply address - this doesn't include any discounts and supply charges.

\$3.57

Peak

ACCOUNT NUMBER:
300 033 393 200

Tax invoice
481 100 512 011

NEED TO GET IN TOUCH?

Moving address?
Go online
boltenergy.com.au/movers
(allow 3 business days notice)

Contact us
We're happy to help - any questions or complaints:
My Account login:
boltenergy.com.au/myaccount
Call us 13 25 71
(7 am - 9 pm local time Mon - Fri) (9 am - 5 pm local time Sat)
Go online
boltenergy.com.au/rescontact
Write to us (no payments)
Bolt Energy Customer Contact Centre, GPO Box 2000, VIC 3000

Concessions and rebates
You may be eligible for the Victorian Government Annual Electricity Concession or Off Peak Energy Concession - call us on 13 25 71 for details.

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National Relay Service
If you have a hearing or speech impairment, contact us through the National Relay Service. For more information, visit www.relayservice.gov.au
Need an interpreter? Call 1300 137 427


Important Information

We changed our electricity charges for most Victorian customers on 1 January 2018. You'll see any new charges on this bill. Find out more at boltenergy.com.au/vicpricechange or call us.

23

© Behavioural Insights Ltd

Question + Payment



0912
[NAME]
1 SAMPLE ST VIC 3057

Your electricity bill **4 Mar 18 – 5 June 18**

COULD YOU PAY LESS?

You are paying up to \$485 a year* more than you need to

To switch to a cheaper plan like our Anytime Saver plan, call 13 25 71, or go to www.boltenergy.com.au

DUE DATE
5 Jul 18

AMOUNT DUE
\$320.01 if paid by 5 Jul 18
Or
\$365.01 if paid after the due date

YOUR ACCOUNT DETAILS

Account number
300 033 393 200

Tax invoice
180 000 596 420

Issue date
6 Jun 18

Total amount due
See the Account Summary on pg. 2

YOUR ENERGY PLAN

Easy Saver plan ending 24 Oct 18

Your estimated bill over the next 12 months is \$1730.

Benefits available on this energy plan


Guaranteed usage discount (10%)

YOUR USAGE SUMMARY

Average cost per day \$3.57

Average daily usage 9.06 kWh

Same time last year 9.01 kWh



Need to get in touch

Enquiries & moving address: 13 24 61
7 am - 9 pm local time Mon - Fri
9 am - 5 pm local time Sat

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*Conditions Apply

ACCOUNT SUMMARY

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Total amount due (incl net GST charges of \$29.23)	\$320.01

PAYMENTS RECEIVED

10 April 18 Credit Card	\$290.01
Total	\$290.01

OTHER CHARGES AND ADJUSTMENTS

10 April 18 Other charges and adjustments (incl GST of \$0.00)	\$0.00
Total	\$0.00

TOTAL ELECTRICITY CHARGES

Your site details:

Supply address 1 SAMPLE ST VIC 3057	National Meter Identifier (NMI) 61021416668
Meter read Actual	Next billing date 3 months
Period: 4 Mar 18 - 5 Jun 18 Your rate: General Domestic	
Meter no A5035194	Usage type Peak
Previous Read 212.43	Current Read 1027.39
	Usage (kWh) 814.959
	Total kWh 814.95

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\$3.57
Peak

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Tax invoice
481 100 512 011

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(allow 3 business days notice)

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Call us 13 25 71
(7 am - 9 pm local time Mon - Fri) (9 am - 5 pm local time Sat)
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Need an interpreter? Call 1300 137 427

Trial 2 - Results

The Statement + Payment framing was the most effective at increasing comprehension

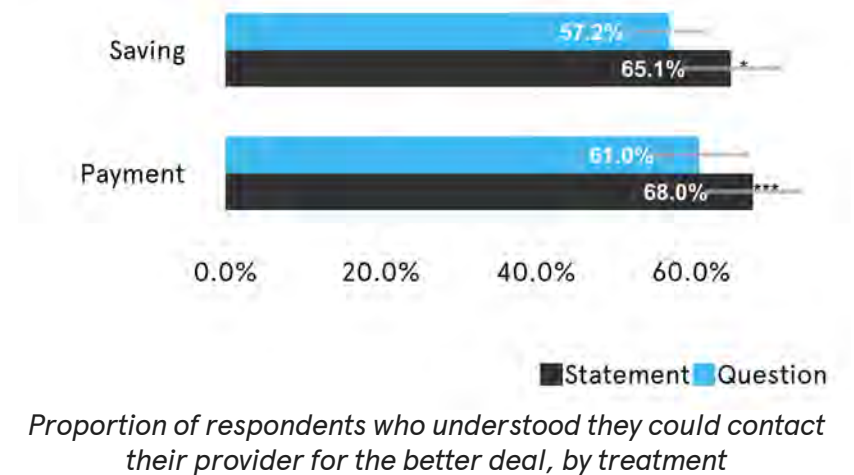
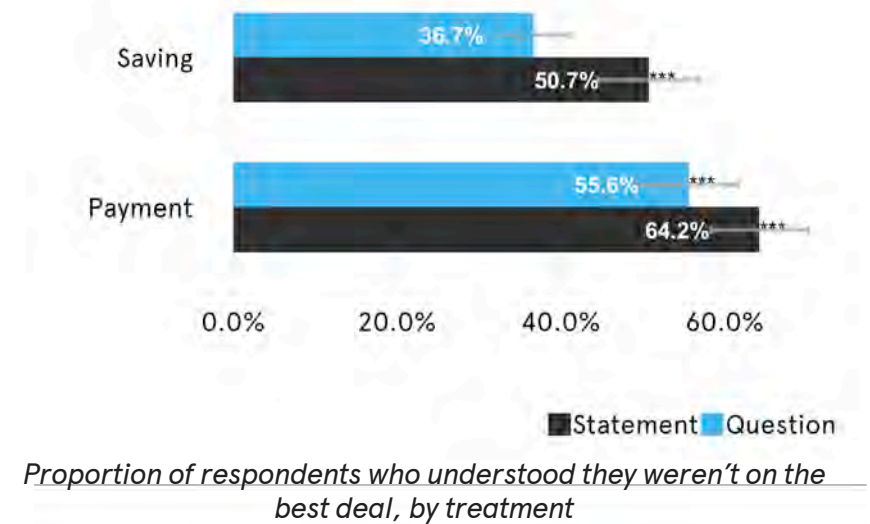
There were large differences in comprehension across the four treatments. In the Question + Saving framing, Under 40% of respondents understood they weren't on the best deal, compared with almost 65% in the Statement + Payment group.

A majority recognised they could contact their provider for the better deal in all conditions, but this ranged from 57% in the Question + Saving condition to 68% in the Statement + Payment question.

Using a statement (vs a question) improved comprehension of whether they were on the best deal by approximately the same magnitude as using a payment frame (vs a saving frame). However for comprehension of whether they could contact the provider, comprehension was improved by using a statement (vs a question).

Reference questions (see appendix for full question list)

- Question 2
- Question 3



(+=p<0.1, *=p<0.05, **=p<0.01, ***=p<0.001)

The payment framing led fewer people to “do nothing”

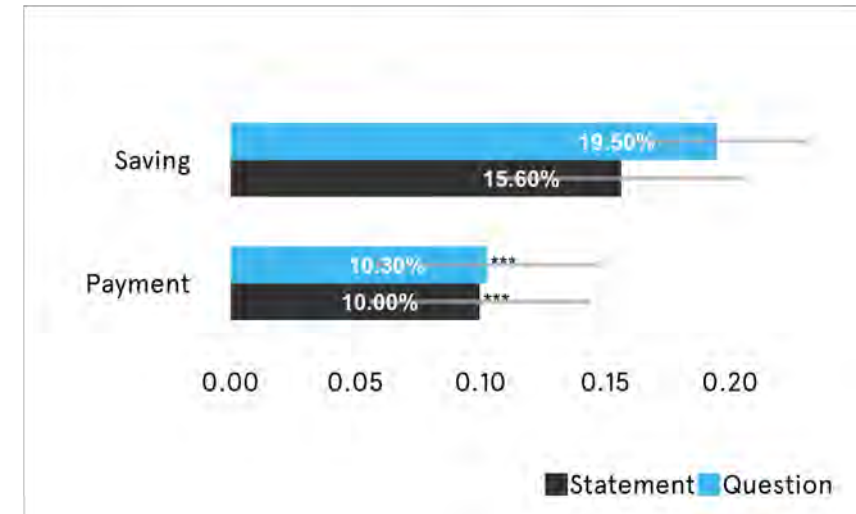
In addition to asking about comprehension, we asked respondents about how they thought they would respond if they received a bill such as this. Note that this only measures intentions, and not actual behaviours.

We see a large and statistically significant reduction in those that say they would “do nothing” in response to receiving this bill. Both conditions with the payment framing having approximately 10% of respondents intend to do no thing, while this is higher for both the Saving framing conditions - approximately 20% for the Question + Saving framing and 15% for Statement + Saving framing.

As noted above, however, caution needs to be taken when interpreting these results, given the small sample size.

Reference questions (see appendix for full question list)

- Question 7



Proportion of respondents who stated they would “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”

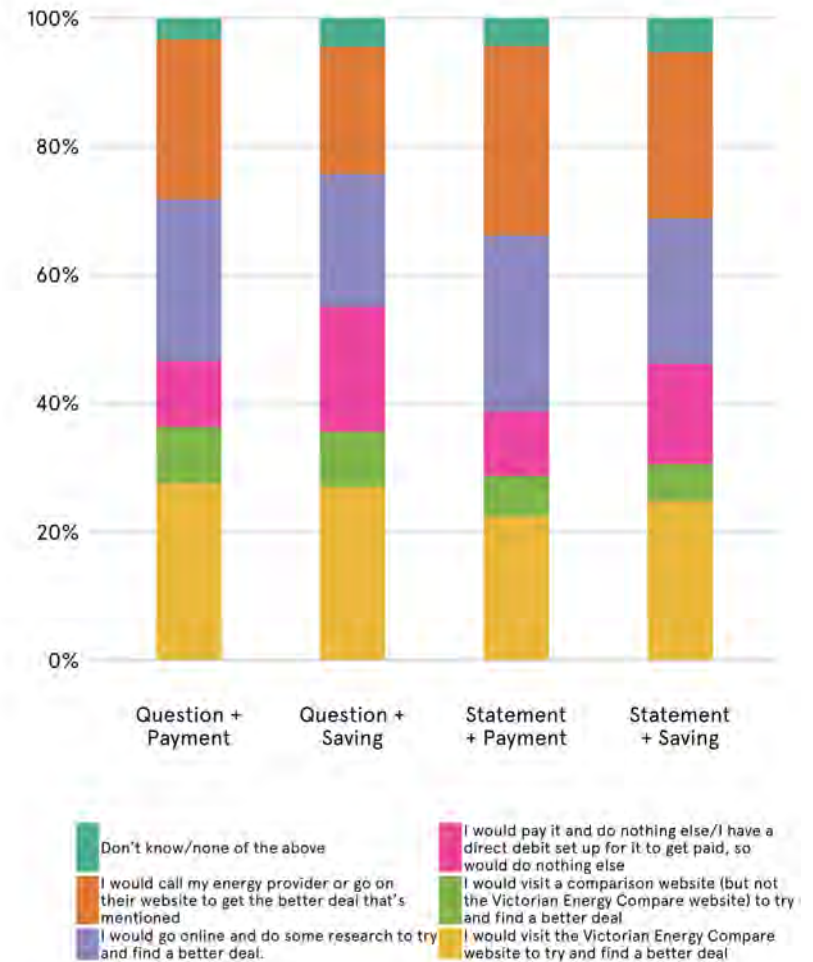
The payment framing led to a relative increase in the intention to do research and contact their provider

Looking more closely at the proportion of respondents intentions after receiving the bill from the previous page, we see that individuals are more likely to respond that they will “do some research to find a better deal” or “call my energy provider” if they received a bill with the payment framing.

This suggests that this framing is creating more active intentions towards their bill and motivating action. However it is unclear why using a comparison website is reduced due to this framing – the comparison website may be seen as less effective or more passive approach to acting on the bill than calling the energy provider directly or conducting their own research.

Reference questions (see appendix for full question list)

- Question 7



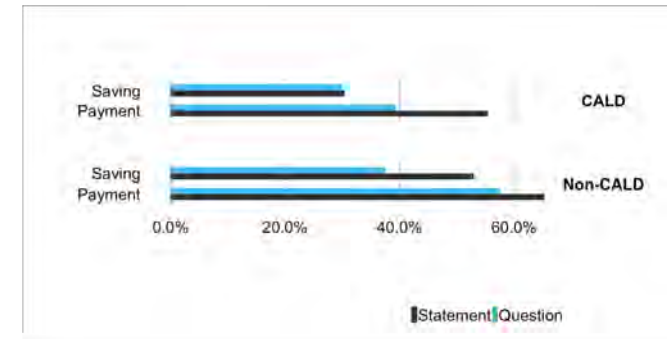
Responses to “On receiving a bill like this, what do you think your response would be?”, comparison between conditions

Treatments had similar impacts on comprehension across demographic groups

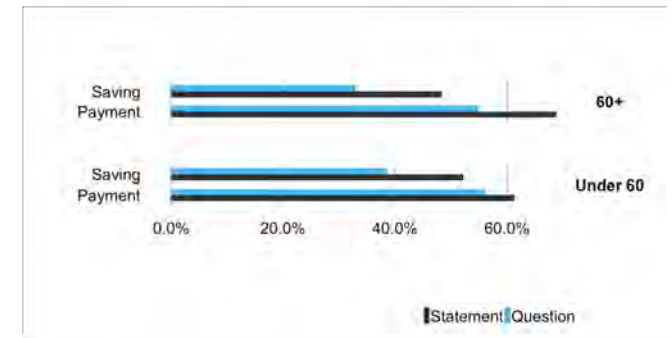
We collected a range of demographic information, but conducting sub-group analysis is difficult due to small sample sizes. We have looked at the differences in averages by both the letter they viewed and the subgroups that were of interest in the first trial, to investigate whether there were meaningful differences in comprehension. We did this for the primary comprehension question, whether they understood they weren't on the best deal.

In general, the treatments did not appear to have significant differential effects on demographic sub-groups. This includes those from culturally and linguistically diverse backgrounds (CALD). There was some variation for rural vs metro, and respondents aged 60 and over. However, as noted above, caution needs to be taken when interpreting these results, given the small sample size of each of the sub-groups.

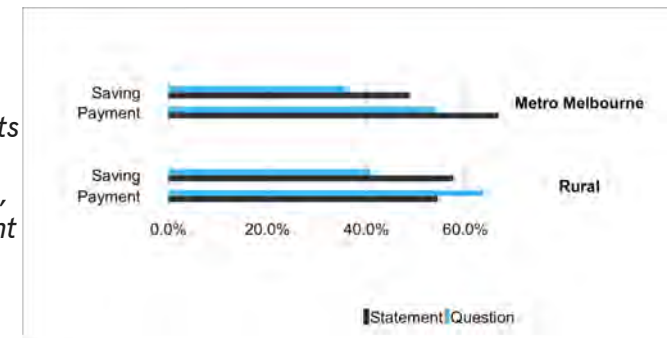
Proportion of respondents who understood they weren't on the best deal, by CALD status and treatment



Proportion of respondents who understood they weren't on the best deal, by age and treatment



Proportion of respondents who understood they weren't on the best deal, by location and treatment



1 What we did

2 Wider findings

3 Caveats and limitations

Wider findings

The new design did not introduce confusion about the amount to be paid

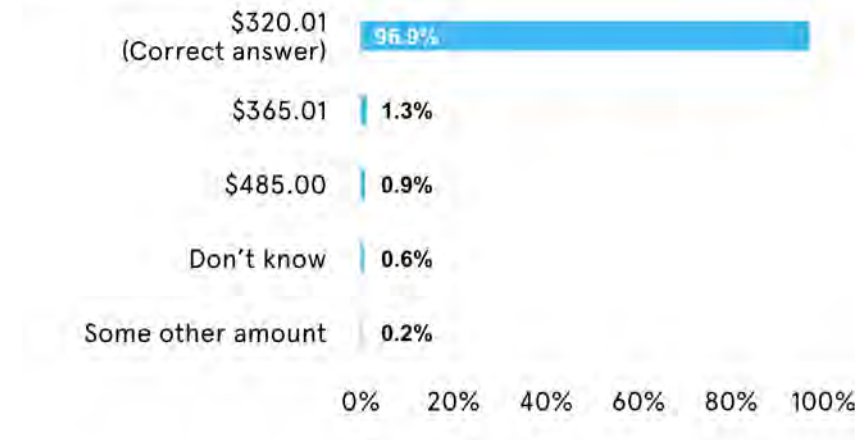
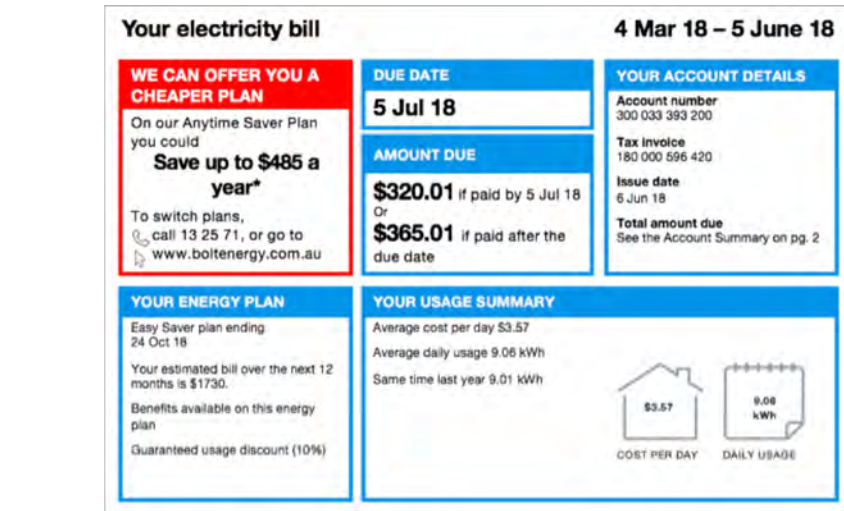
One issue that was raised as a potential complication of implementing Recommendation 3G was the potential for additional figures on the bill to cause confusion for customers. To test this, we provided an excerpt of the bill itself and asked consumers to identify the figure that they had to pay by the due date of 5 July 2018 in both trials.

We included the additional cost per year, as well as including a secondary payment amount for customers who paid after the due date – this was done to reflect the fact that many bills have multiple figures (including multiple payment figures) on the front, all of which might cause confusion.

The overwhelming majority of respondents in both trials were able to correctly identify the correct payment amount. A very small number chose the “saving” amount – but a small number also chose the amount to be paid after the due date. This suggests that the addition of the “saving” amount does not substantially increase confusion.

Reference questions (see appendix for full question list)

- Question 8



Respondent's answers in Trial 2 when asked what they believed the amount to be paid by 5 July 2018 was, aggregated

Consumers are sceptical of retailers

Respondents were asked to imagine a scenario where the retailer would estimate their usage in order to provide them with the best deals. Respondents reported an average trust of retailer calculations as approximately **5.5** (out of 10, with 10 being the highest). This reflects some degree of scepticism of retailer calculations.

More broadly, a number of free text responses from respondents in the online test expressed scepticism that the retailer would be providing honest information about the best deals, which may explain why a substantial proportion of respondents stated they would use the VEC website.

The user testing also revealed that this distrust may also be a driver for the high levels of inertia in the market. One participant stated that they would probably stick with their own retailer because *"it's the devil you know"*. Hence, even though they have a low opinion of their own retailers, many consumers might be wary of switching to another retailer for fear of even worse outcomes.

[Reference questions \(see appendix for full question list\)](#)

- Question 9

Right: quotes from free text sections of the online test

"I don't believe my current or any energy provider has my interests in mind - they are there to make a buck"

"Energy pricing is a confusing web."

"I don't trust energy providers. I would do my own research."

Relatively few consumers report switching

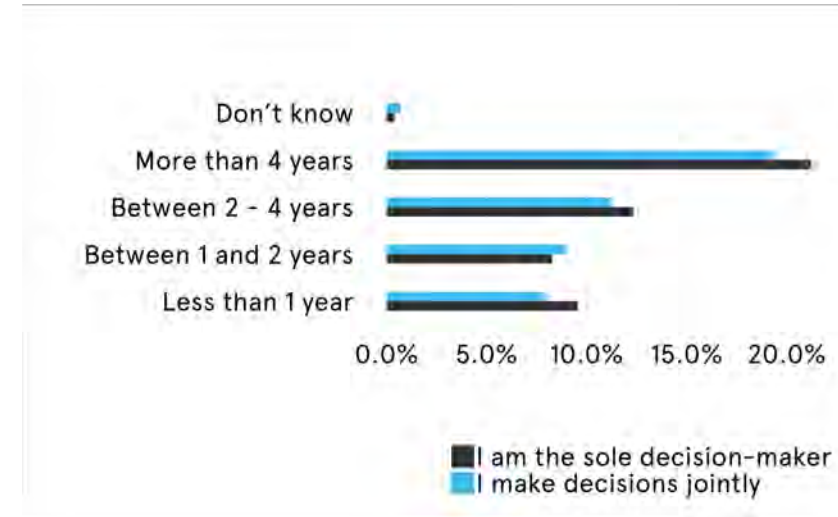
Consistent with previous surveys, more than 90% of respondents report not having switched within the past 12 months in both trials. In addition, continuing with their previous or existing provider is the most common method for choosing the current provider, highlighting the power of inertia.

Note that this conflicts with AEMO data, which indicates a much higher rate of reported switching (closer to 27% switching in the past 12 months in Victoria). There may be several reasons why this is the case. Firstly, some respondents may have mis-remembered (for example, reporting a switch as over 12 months ago, despite it occurring more recently). Secondly, the sample may be skewed towards those less likely to switch.

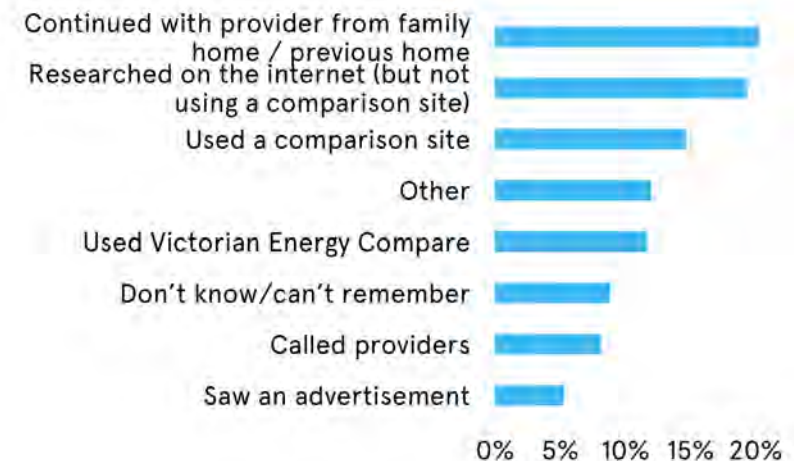
However, a number of respondents reported switching within provider – the total reported switching both within existing providers and externally in the past 12 months is just under one third.

Reference questions (see appendix for full question list)

- Question 14
- Question 15
- Question 16



Reported tenure with current provider, aggregated



Reported method of choosing current provider, aggregated

The vast majority of participants pay online or have a direct debit set up

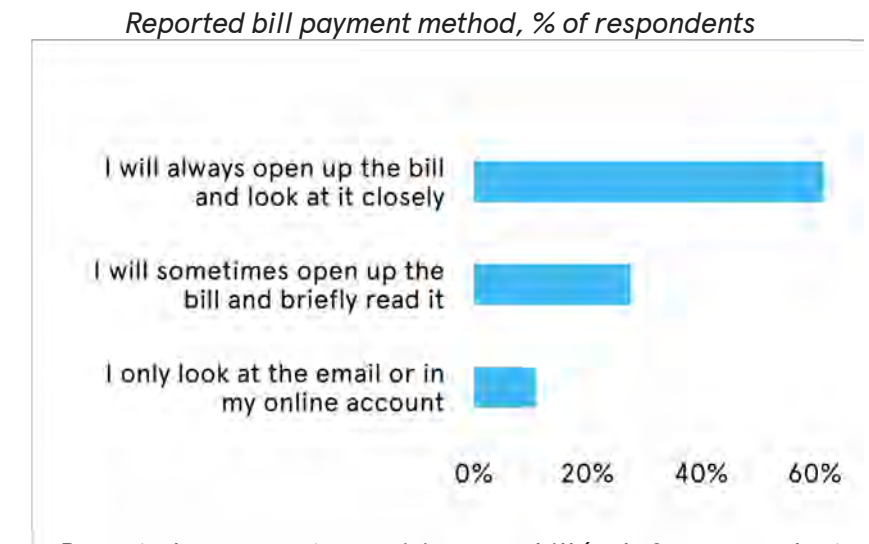
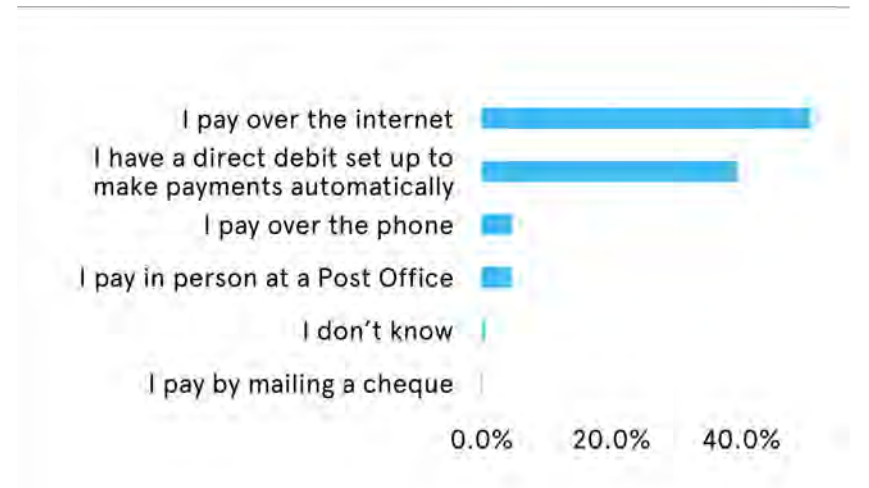
We asked all respondents in both trials how they pay their energy bills. Almost 90% of respondents either pay over the internet or have a direct debit setup, suggesting that paying their electricity bills is a largely automatic and mindless process for most consumers.

This suggests that for most respondents, the only time that they consider their electricity costs would be when they read their bill. Somewhat surprisingly, the majority of respondents who receive their bill electronically report always opening their bill and reading it closely. This suggests that small changes to the bill may be impactful outside of the laboratory setting.

However, the fact that we recruited participants online means that our sample is almost certainly overstating the proportion of those who pay online, and those who use e-billing. By definition, our sample did not include those who are not online. As such these estimates are better viewed as an “upper limit” of the levels of e-billing and online payments/direct debits in the broader community.

Reference questions (see appendix for full question list)

- Question 22
- Question 23



Reported response to receiving an e-bill (only for respondents who stated they receive bills online), aggregated

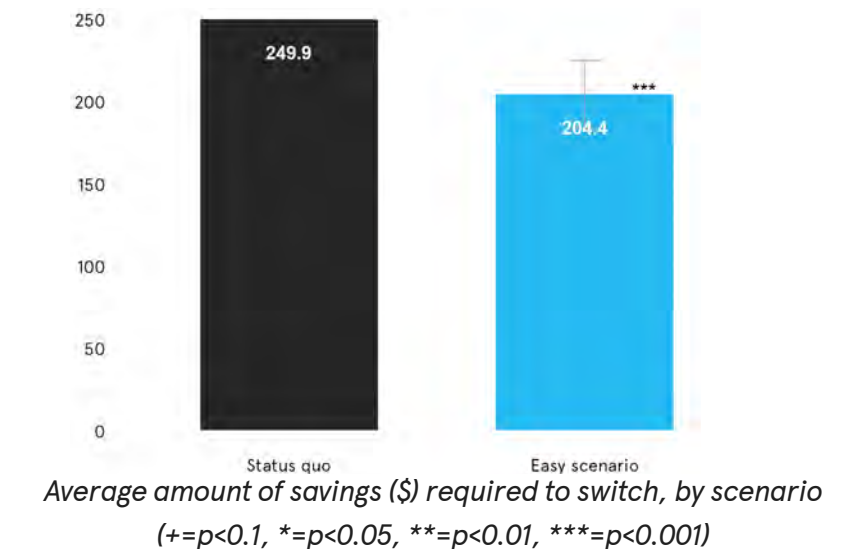
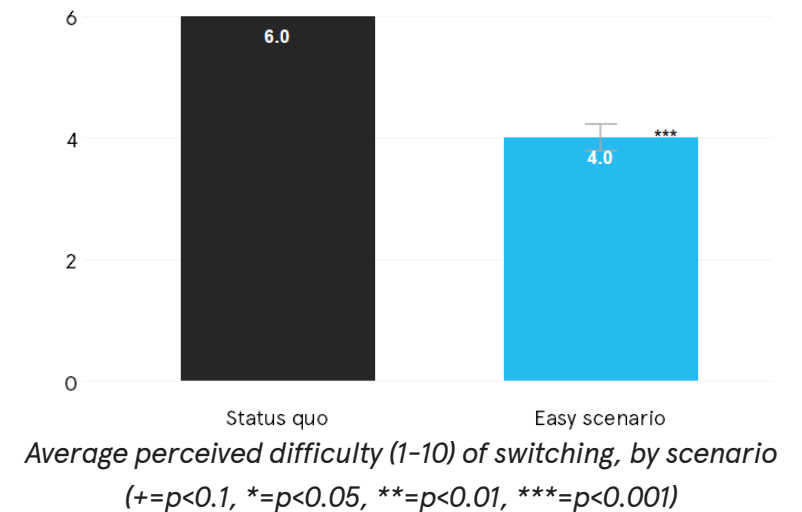
Difficulty of switching affects reported willingness to switch

Respondents were re-randomised after the initial series of questions, and asked to provide their subjective difficulty rating (on a 1 to 10 scale, with 10 being the most difficult) for switching energy plans under either a scenario where they had to go out and find the best deal ("status quo") or a scenario where they had the best deal from their provider emailed to them and could simply click to change ("easy scenario"). They were also asked to state how much they would need to save before they chose to switch under either scenario. As hypothesised, an easier switching process saw an easier perceived difficulty, and a lower potential saving to switch.

While the results are intuitive, they suggest two important features. Firstly, making the process as easy as possible materially impacts how much people are willing to switch (in that consumers state a preference to switch for a lower amount of savings). Secondly, the higher that the savings figure that can be presented to individuals, the more likely people are to state a willingness to switch.

Reference questions (see appendix for full question list)

- Question 12a
- Question 12b



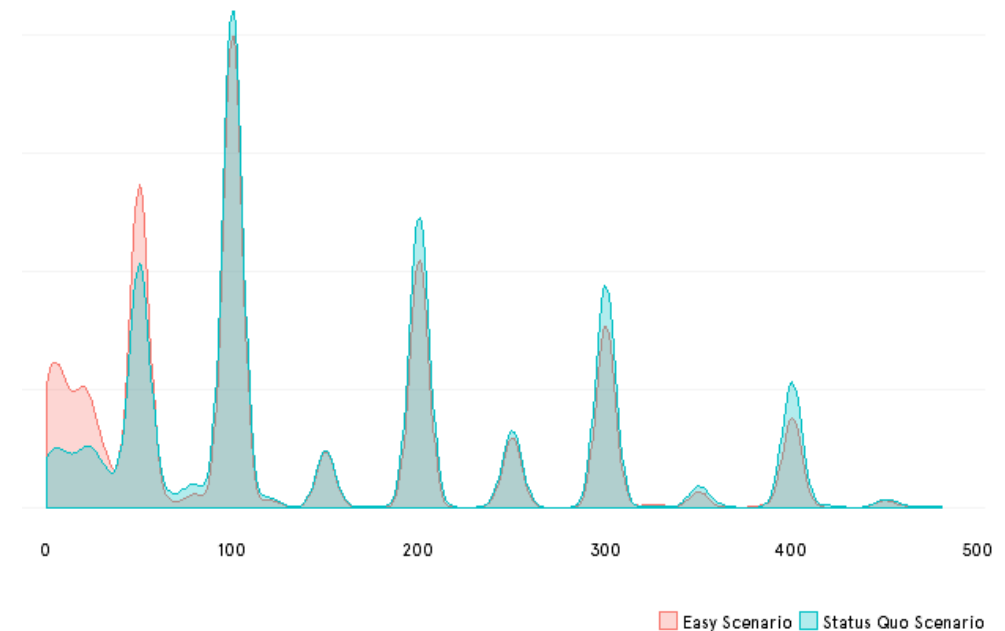
There are clear peaks for the amount of savings required to switch providers

This chart shows an estimated density plot of the amount of savings required to switch under the two scenarios. Note that this is a smoothed estimate of the underlying distribution, and is capped at \$500 (which covers 95% of responses).

The chart shows clear peaks over “round” numbers (i.e., multiples of \$100 or \$50). Importantly, it shows that the easier scenario is much more likely to result in a very low threshold for switching (less than \$50).

Reference questions (see appendix for full question list)

- Question 12a
- Question 12b



Smoothed density estimate of average amount of savings (\$) required to switch, by scenario

User testing revealed people preferred information in a table

Several features of the two letters with tables were highlighted by user testing participants as more appealing. Firstly, participants appreciated the table that laid out the information for them – even though the information was identical across treatments, the presence of the table seemed to give participants confidence.

Secondly, participants expressed a sentiment that these versions looked less like marketing, particularly in contrast to the Box-Savings letters. In particular, participants felt that the letter was a more targeted, personalised offer. The signature at the bottom was cited as a factor in this – participants recognised that this was likely to be automatically generated, but still felt a sense that someone was writing directly to them, rather than a more generic document.

“With the table it feels like it’s giving me more information. Looks more real.”

“I definitely would have read this [table version] with a more open mind than the other one.”

“ Maybe I’m for the old-school, but someone’s ownership (the signature) ... It feels like someone is writing to you.”

User testing revealed people want to be put on the best plan automatically

A key theme that came out of the user testing phase was that overall participants were keen to save money on their electricity and were glad to receive this information. Most participants were able to identify the difference between the cheapest overall and the cheapest plan with similar features.

However, a number of participants stated that they felt a switch should have happened automatically, and that they shouldn't have to contact their retailer to make the switch.

Most participants also suggested that it would act as a prompt for them to either contact their retailer, or do their own research. This suggests that the presentation of this information could have a positive impact on people's switching behaviour.

"Well if it's cheaper you should just give it to me, I shouldn't have to ring you to get the cheapest plan."

"If this is new legislation why aren't you just switching me to another plan. I shouldn't have to do this."

" 'We could have charged you less.' I'm like... what do they actually mean... well why didn't you?"

Right: quotes from user testing

1 The trials

2 Wider findings

3 Caveats and limitations

Framed field experiments will always have limitations

We were testing comprehension, but not actual behaviour

The online test measured comprehension and intentions. Comprehension is most likely a necessary, but not sufficient, precondition for switching providers. We cannot be certain that increases in comprehension will necessarily translate into increased action.

However, the results of the “scenario” testing showed that respondents had some reported threshold for how much they would need to save before taking action. This suggests that there may be benefits to increasing understanding about the potential savings on offer – if consumers have a better understanding and recognise that there are substantial savings on offer, they may be more likely to take action.

Our sample is likely biased towards certain online behaviours

As noted above, it is likely that some reported behaviours – such as the proportion who receive bills online, and the proportion paying online – are overstated relative to the general population.

This is because our survey was conducted entirely online, and therefore would not have included those who are not online.

Hence, some descriptive figures should be considered as “upper limits”, recognising that the true proportions are likely lower than these figures. We have flagged these in the sections above.

We only tested one broad format of bills

There are as many different versions of bills as there are retailers – however, we were only able to test one format. Whilst we have tried to incorporate features from a number of different retailers, it is not possible to create a “universal bill” that reflects every retailers’ practice. Therefore it is possible that there are other formats of bills that may see slightly different results.

However, the finding that there are benefits to understanding of savings amounts from an additional letter is likely to be reflected regardless of the format of the bill. As this represents an additional feature that is not dependent on the format of the bill, we would expect it to apply more widely.

Attachments and appendices

Appendix 1 – Full question list