



## Evidence submitted by the Big Energy Vision

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Submission to Bright Blue's research project on home energy efficiency, May 2016

### Executive Summary

- Low levels of consumer demand must be tackled if we want to increase take up of energy efficiency and we can only do this if we have a detailed understanding of what is driving current inaction
- Our research shows that at the heart of this lack of demand is the fact that people are concerned about high energy bills but believe there's nothing they can do to reduce them. A lack of trust and the arguments they see in politics in the media just compound this
- Energy efficiency is the only long term solution to controlling bills but we need to bring this to life for people by highlighting the practical things they can do to take control of their energy
- This cannot be achieved by one organisation or sector working along, it requires the collaboration of trusted voices to create the conditions for market transformation

**Questions 1 and 2: Why did the Green Deal fail? In particular, what mistakes were made in the design of the finance mechanism and the communication of the scheme? What aspects of the Green Deal scheme should be retained in a future policy?**

1.1 While subsidy based schemes such as CERT and ECO have delivered large numbers of energy efficiency measures to date, we still have the least efficient housing stock in Europe.

At the heart of this lies the fact that consumers put a low priority on energy efficiency. 2011 research conducted by Behaviour Change found that while 66% of households are considering home improvements in the next year only 8% considering any energy efficiency improvements and 2% considering cavity/solid wall insulation. This is backed up by qualitative evidence, such as research we conducted in 2009:

*'There's no pleasure in it is there'*

*'It's important, but there are other things to do that you can see'*

*'It's nebulous whereas a broken window stares at you'*

1.2 In 2012-2013 we conducted a major piece of qualitative and quantitative research to look at these fundamental barriers to demand. In the quantitative phase, conducted by YouGov in February 2013, we found that:

- Gas and electricity bills were the No.1 financial concern (at 36%, followed by mortgage/rent at 15%, petrol at 12% and food at 11%)
- But 63% of people think there is little or nothing they can personally do to reduce their bills
- They believe this issue can only be tackled by the energy companies and govt. with 65% saying the energy companies need to stop making excessive profits from their customers and 48% that the govt. needs to force energy companies to charge less
- By contrast, only 30% said that people need to make their homes more efficient

1.3 In order to drive consumer demand, we need to tackle this macro problem of huge frustration and lack of trust around rising energy bills. The current conversation in media and politics reinforces inaction by making people feel that it's all beyond their control.

The engrained nature of these barriers means that tactical efforts to promote specific products, policies or behaviours risk failure as the context in which they are operating is dominated by a feeling that 'there's nothing I can do and it's beyond my control'. This means that even subsidised or free measures are a hard sell as people do not actively want or see the benefits of them and there has been a complete failure to capitalise on the potential communication opportunity offered by CERT and ECO as these have been delivered entirely under the radar, on a local basis and often using hard sell techniques which have alienated many of the potential beneficiaries.

Before we can change behaviour, we need to change this context and create the conditions for a vibrant, competitive and innovative market to flourish.

1.4 The Big Energy Vision is attempting to radically increase the uptake of household energy efficiency measures and change consumer behaviours in the UK. We consider that it is only by very deliberate concerted and coordinated action by stakeholders from across industry and society that the necessary change will happen. To do so:

- We need to bring together the right mix of credible voices in order to change the conversation and give consumers a more realistic understanding of the problem, in particular that bills will continue to rise, that energy efficiency is the only way for them to regain control and that this is about keeping the lights on too.
- We need to present the whole package of consumer facing policies as a coherent solution, launched with multi-stakeholder support and in the context of a long-term vision that has cross-party support. This needs to include smart meters, which is the single biggest intervention in this space for a generation and yet which is essentially treated as a totally separate issue.
- We need to create a golden thread within communication to simplify, clarify and align messages to consumers, building consistency and trust and facilitating access to the right help.

1.5 When the Green Deal was launched in 2013, there were expectations that it would transform the nation's attitudes to energy use in the home and deliver a massive new market for household retrofits. Greg Barker, Minister for Climate Change at the time, went on record as stating that 14 million homes would be transformed by 2020. The reality far from lived up to the hype.

1.6 Analysis of why demand for the Green Deal has been so much lower than predicted has focused on the role of financial incentives but this is only part of the picture.

Prior to the launch of the Green Deal, our research identified demand as the major barrier, with three specific issues underpinning this:

- Lack of salience. Without significant marketing the Green Deal would suffer from lack of awareness, a failure to seem new or different and an assumption that it's not for me.
- Lack of understanding. The Green Deal was a complex idea requiring a lot of explanation.
- Lack of trust. The Green Deal touched on sensitive areas including the relationship with energy companies and getting work done in your home.

From early on, it was apparent that the Green Deal risked being a niche proposition and for the majority of people it was answering a question they had not asked.

### **Question 5: How can a Green Deal successor scheme be successfully communicated to consumers?**

5.1 In order to create truly mainstream propositions that can overcome the challenges faced by the Green Deal and create the conditions for a large and vibrant energy efficiency market, there needs to be a step-change in consumer engagement. A clear and consistent case for action needs to be made, from a broad range of sources, to simply convey the role people can play in managing their demand for energy and their energy bills. While tackling this systemic barrier to market growth would benefit all serious players, it cannot be addressed by a single organisation or sector. A collaborative, pre-competitive approach is vital, and lacking.

5.2 The Big Energy Vision is a new approach to energy efficiency: it places people first and aims to tackle the root cause of why consumers have not taken up energy efficiency measures or adopted behaviours. At its simplest, it reframes the issue by seeking to empower people to “take control” of their energy use and bills. This is not a short-term communications campaign but a strategic, joined-up five-year effort designed to establish energy control as the logical response to rising bills in the minds of householders.

This has been initiated by industry and civic society and aims to counter the state of frustration, confusion and distrust that currently dominates among consumers, by highlighting positive, practical actions people can take. From smart meters and digital technology, to installing insulation and buying efficient appliances, from washing at 30°C to switching tariffs, the Big Energy Vision will present a coherent picture of the ways in which households can use less, waste less and pay less for energy. A growing partnership of influential organisations including the John Lewis Partnership, Calor, uSwitch, Home Retail Group, TrustMark, Groundwork, Citizens Advice, Willmott Dixon and UKGBC have committed to the project.

5.3 In order to engage consumers and to empower them to recognise that they have a role in controlling their energy bills it will be necessary for the public to receive complementary and reinforcing messages through numerous channels. We are mobilising our network of partners and working together to:

- Highlight existing solutions to control energy bills (through government policy, technology, products, services and behaviour) and incorporate new solutions as they arrive
- Help consumers link solutions together through shared language, signposting and a common narrative under the banner of “energy control”.
- Tackle the current lack of trust by co-ordinating credible organisations and opinion formers to speak consistently in a way that empowers people to take action
- Present an alternative vision to the currently negative debate in the media.

5.4 Our strategy has focused on creating a shared communications approach to promote practical ways for people to take control of their energy bills. Moving away from the tired language of energy efficiency we have developed simple and consistent messaging built around the idea of energy control and **wasting less, using less and paying less** for energy. For the last 12 months, our partners have been embedding and delivering these energy control messages in their advertising, in-store communications and social media engagement reaching millions of UK households.

## About us

The Big Energy Vision, launched in October 2014, is a consumer research inspired approach to empower people to take control of their energy bills. It's a partnership between businesses and charities, working together to offer people a growing range of positive practical actions they can take. From smart meters and digital technology to installing insulation and buying efficient appliances, from washing at 30C to switching tariffs, the Big Energy Vision presents a coherent picture of the ways in which households can use less, waste less and pay less for energy. The initiative is jointly led by non-profits Behaviour Change and Forum For The Future.

We have a vision of:

- Better homes: warm, comfortable, healthy, smart
- Which are cheaper to run with lower energy bills

We will achieve this by creating:

- A new national conversation about energy
- A positive, open minded, informed and confident public, moving people from “I can’t” to “I will do something about my bills”
- A dynamic, vibrant, trusted market for energy control products and services

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For more information, visit [www.energycontrol.co.uk](http://www.energycontrol.co.uk)

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