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Kiwis Ignore Promise of Cheaper Power

Electric Kiwi and Flick Electric Co are joint winners of Canstar Blue's award for Most Satisfied Customers | Electricity Providers

From putting on an extra layer – rather than turning on a heater – to turning off lights and choosing the energy-saving option, Kiwis do want to save on electricity costs in their homes. It's just most of us are ignoring one of the biggest bill-saving options: changing power companies.

In the face of recent legislation aimed at cutting bills and increasing competition in the market, new research by Canstar reveals the extent of our nationwide power-bill apathy.

Throughout Canstar's research, the message was the same: people are worried about their home electricity usage, especially for heating. Nearly 40% of those in the survey said they're worried about their power bills, and an even greater percentage are trying to reduce them:

- 75% are actively trying to reduce their power usage through energy saving appliances
- 50% use blankets and extra clothes to keep warm inside during winter, rather than cranking up the heating

And it's not just thrifty boomers preferring thermals and winter woollies over bill shock. It's the young who are most concerned. While 57% of 18- to 29-year-olds are rugging up in an effort to save on power usage, that number drops to just 40% for the over 70s.

However, despite these concerns, few people are actively seeking out cheaper power. Only just over a third (36%) in Canstar's survey said they'd compared electricity providers over the past year, and just 13% had made a switch.

The Push for Cheaper Power

The set-and-forget mindset of electricity consumers comes on the back of ongoing regulatory changes to the electricity industry. Designed to level the playing field for smaller retailers, the reforms are aimed to promote competition and, as a result, reduce prices and increase customer service levels.

One key recent piece of legislation has been the abolition of "winbacks", which, generally, have favoured the big gentailers, allowing them to use their market dominance to poach back customers who have left to join smaller suppliers.

The importance of such changes is underscored by Canstar's research, which identified two small players in the electricity market as delivering the highest levels of overall satisfaction.

When rated across customer service levels, cost and environmental sustainability, **Flick Electric Co** and **Electric Kiwi** were joint winners of Canstar Blue's award for Most Satisfied Customers | Electricity Providers.

"For Kiwis, electricity is a significant household cost, and a real concern," said Jose George, Canstar New Zealand General Manager. "This feedback has been consistent over the years and, as winter hits and the full economic pain of the COVID-19 pandemic sets in, New Zealanders' worries about power bills are likely to increase.

"The other notable feedback in the survey is how few people switch providers, even if they are unhappy with the cost and service. Again, this has been a consistent trend and perhaps reflects confusion with the market, the different cost structures of electricity usage and what might be best for each individual. We would hope the government reforms will go some way to helping consumers make the best choices for their lifestyles."

Both **Flick Electric Co** and **Electric Kiwi** are newcomers to the market. Both were established in 2014, and have harnessed new smart meters and technology to transfer the power over electricity bills into the hands of the people that pay them: consumers.

In response to winning the award, Electric Kiwi Chief Executive Luke Blincoe said Kiwis were drawn toward "younger, more nimble" companies, such as Electric Kiwi, which offers benefits including its free, off-peak hour of power. "Our focus is on saving Kiwis money and delivering amazing service. We have saved our customers over \$23m so far, and we are just getting started."

He added, "We are very proud to be topping the Canstar Blue charts for satisfaction. Our team works very hard to look after our customers and to deliver great savings, so this type of feedback is very rewarding for us."

Flick Electric Chief Executive, Steve O'Connor, said New Zealanders deserve to be put front and centre by their power company and that's where Flick is challenging the status quo. "We've been fighting for a fairer deal for consumers and putting customers at the centre of everything we do. It's fantastic to see the effort paying off with happy customers. It's exciting too with lots in the pipeline to ensure our Flicksters keep getting exactly what they want and need."

Steve gave a huge thank you to Flick's ever-supportive customers. "Customer satisfaction awards are the most important accolades for our team. We're especially chuffed to be the only electricity retailer to win 5 Stars for both Customer Satisfaction and Value for Money. These are the two things that matter most to people choosing a new power company, so we're proud to stand out."

For further details please visit the Canstar NZ site, [here](#).

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media release



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