

Media Release: Kiwis cutting back on electricity usage

Published: Wednesday, 9 November 2022

Kiwis cutting back on heating and hot showers as cost-of-living crisis bites

3 out of 4 say electricity retailers are failing to provide good value for money - new survey

The cost-of-living crisis has forced some New Zealand households to cut back on heating rooms and taking hot showers according to a Consumer Advocacy Council survey.

And only 1 in 4 rate their electricity retailers as providing good value for money.

“This is a real wake-up call for electricity retailers,” said Council Chair Deborah Hart. “Retailers need to think very carefully about increasing the price of electricity at a time when consumers are so stretched and so many of their customers don’t think they’re getting value for money.”

The Consumer Advocacy Council commissioned Talbot Mills Research to test the concerns of electricity consumers. 1441 people were surveyed between 11 and 24 October.

“Our job is to be a strong voice for consumers, so it’s really important we find out what consumers are thinking when it comes to electricity prices, their power bills and how they’re being treated by electricity retailers,” said Hart.

Consumers were asked about the pressures on their household budget at a time of high inflation. From a list of 9 ordinary household expenses, power bills rated fourth highest in their top concerns - consumers were more worried about food, vehicle running costs, and mortgage and rental payments, but electricity was close behind.

As a result, many people took action to get their power bills down, particularly during the cold winter months.

Around 1 out of 2 consumers were often only heating the room they were in, and around the same number were often putting on extra clothes to stay warm. Over a third of consumers reduced the use of heaters and heat pumps and a quarter frequently turned off heaters altogether. 1 in 4 consumers cut back on showers and other hot water use. Renters tended to take all these steps to reduce their power bills more often than those owning a home.

“The warmer months ahead should help lower costs for consumers,” said Hart. “But the pressures on household budgets are real.”

“Electricity retailers should be really sensitive to the challenges facing their customers, particularly when they can’t pay their power bill.

“That’s why we thought it was a good time to ask consumers how they felt about their electricity retailers. Do they trust their retailer to provide good value for money?

“Overall, people trusted their electricity retailers to provide value for money less than banks, telcos and Kiwisaver providers. Only 1 in 4 consumers believed their power company provided good value for money.

“We advise consumers to find the plan that best suits their budget and the retailer that best looks after them because by shopping around you can often save money. We encourage consumers to talk to their retailer about their plans and use Consumer NZ’s Powerswitch tool to make sure they are on the right plan.”

[Powerswitch\(external link\)](#)

Latest Powerswitch data shows potential savings from switching electricity providers has grown by 24% in the past year, with the median saving now sitting at \$385 a year.

“The most important thing is that electricity is an essential service, and everyone needs to be able to afford to use it. Retailers must remember that.

“Over the coming months we’ll be undertaking more extensive surveys of both consumers and SMEs so we can better understand what worries them. This will help us advocate for the changes needed to ensure electricity is affordable, reliable and sustainable,” said Deborah Hart.

[Talbot Mills online power survey 2022](#)