

'BILL SHOCK' A REALITY FOR 85% OF AUSSIES

More than a third of Australians feeling stress and anxiety about their bills

Australia, January 2021: Eighty-five per cent of Aussies have experienced “bill shock” in the past three months with young billpayers spending up to 40 per cent of their monthly income on services like energy, insurance and internet, while older generations miss out on savings.

The findings from Compare Club’s first Bill Shock Index, a new quarterly analysis of 1,500 billpayers from one of Australia’s largest and fastest-growing comparison and advice service highlights the relationships, pain points and value Australians get from their services.

Electricity prices are sparking the most bill shock, with costs from energy providers coming in significantly higher than anticipated for 40 per cent of people. For 15 per cent of people, their electricity and gas bill was equivalent to the cost of their health insurance.

“Energy costs have been a pain point for consumers this year, especially with increased numbers of Aussies working from home. Customers have reported they are spending between \$100 and \$200 a month on electricity and gas,” said Andrew Davis, CEO of Compare Club.

And while the cost of bills has seen Aussies purposely reduce their spending on eating out, entertainment, retail and beauty, overall findings from the Bill Shock Index revealed that on average, Australians are feeling slightly more positive than negative towards their bills and services, sitting at 5.31 out of 10 overall.

Aussies aged over 55 indexed highest (6.1), 21 per cent more than those aged between 25 and 44 (5.06) and 18-24-year-olds (5.22). Those aged between 45-54 sitting around the overall average.

“The Index highlighted that Aussies aged between 25 and 44 are the most concerned about the cost of living and bills. This is when people are making big life changes and financial decisions – getting married, purchasing a home, having children and raising a family can all be financially stressful,” said Mr Davis.

“We know that big life changes prompt customers to consider changing their providers, so we see a high percentage of consideration in this age group. The more pressing issues are either side of this, particularly people aged 45 and older who are less concerned with their bills, potentially creating a false sense of security about their financial position. “

Australians also reported general concerns about the cost of bills impacting their ability to maintain their lifestyle while more than a third reported feeling stress and anxiety about their bills in the last three months, peaking at over 40% of 25-54 year-olds. Yet many aren’t thinking about specific, actionable things they can do with their household finances to remedy negative sentiment.

Despite 40 per cent of Aussies considering themselves thrifty with their finances, the same proportion had not switched any of their providers in the past three months. Twenty per cent

had not even considered switching. The most-reported provider switches were mobiles plans (11%) internet (10%) and energy (8%).

A further 30 per cent of Aussies aligned with the 'set and forget' approach to their bills, deciding to pick a plan and stick with it. The index revealed that health insurance is seen as the easiest to 'set and forget by consumers', but according to Compare Club analysts, this is one of the easiest places to save money.

"There is almost no value in brand loyalty to any service or insurance provider. The best way to save money on your bills and insurance costs is to regularly question what you're paying for and have providers work to keep you as a customer. On average, households who switch their energy provider could save \$219* a year. For health insurance, it's an average potential saving of \$385**," said Mr Davis.

"Even if you don't always get a significantly better deal, sitting down and reviewing all your plans once a year is a form of financial 'hygiene', and you'll inevitably feel more in control of your finances and avoid that horrible 'bill shock' feeling down the track."

- ENDS -

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**Source: ACCC, Enquiry into the National Electricity Market, September 2020*

***Source: 19,000 health insurance customers serviced in 2019*

Methodology

The January 2021 Bill Shock Index is based on a survey of 1,500 Australians aged 18-55+ conducted via Pollfish between 21st – 26th November 2020.

About the Bill Shock Index

The Bill Shock Index is a quarterly analysis of Australians' relationship with their bills, a barometer of how different demographics are feeling about their finances, the value they are getting from their services and insights into the triggers and motivations for re-evaluating their personal finance choices.

About Compare Club

Compare Club is one of Australia's largest and fastest growing comparison and advice services that helps Australians save money by navigating complicated and important financial decisions, as well as offering brokering and marketing services to a broad range of industries. Compare Club's panel of experts offer bespoke advice to over 1 Million customer enquiries per year on key financial decisions, including health insurance, electricity & gas bills and home loans, and Compare Club is locally owned and employs 200 passionate staff across Sydney, Melbourne, Brisbane and another 50 staff in Indonesia and the Philippines.