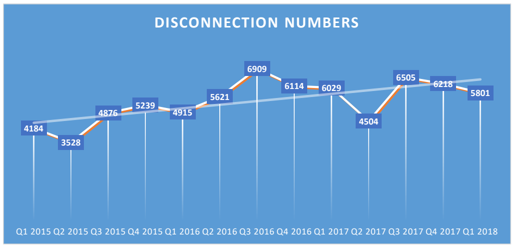
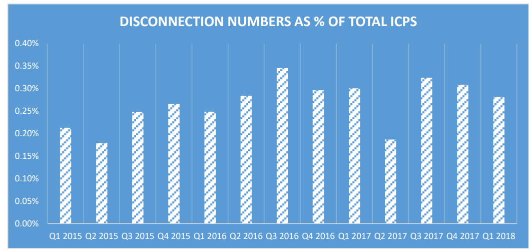
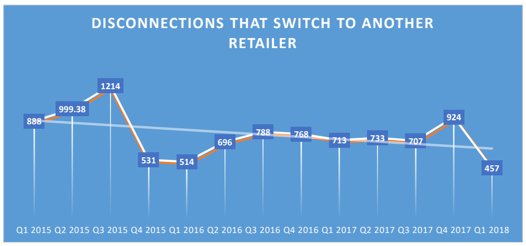
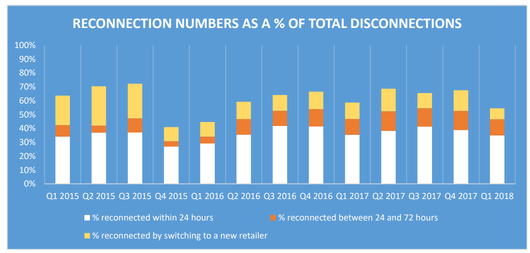
Disconnection Statistics Report

Quarter 1 2018



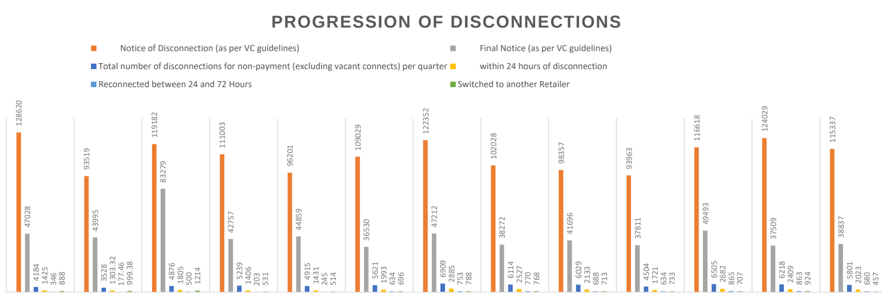


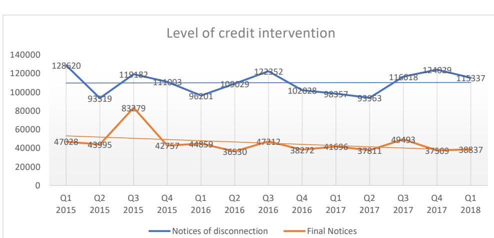


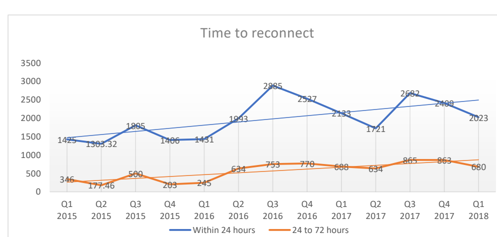


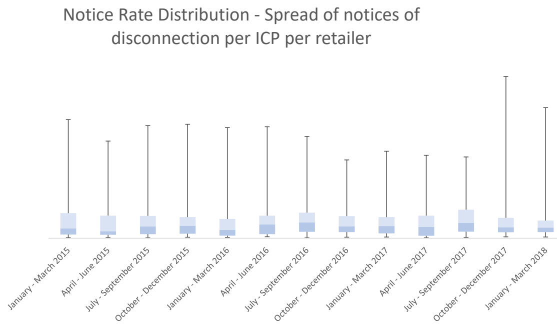
0.28% of total ICPs were disconnected in Q1 2018, whilst this percentatge is lower than the two preceeding quarter years, it is the highest percentage of all Q1 periods since the data was collected. Disconnection for Q1 2018 were 3.8% below Q1 2017 disconnections, however, the overall trend in disconnections since Q1 2015 continues to be upwards. The analysis shows that two retailers have significantly increased disconnections as a % of their total disconnections between Q1 2018 and Q1 2017, several other retailers had reduced, or been at the same level as their Q1 2017 numbers. Reconnections in under 72 hours and within 24 hours for Q1 2018 remain consistent with Q1 2017 levels other than for switches to a new retailer, which is significantly lower than in Q1 2017.

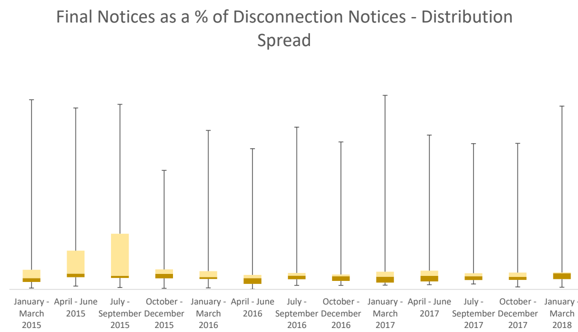
Notices of disconnection in Q1 2018 are higher than those seen in Q1 2016 and Q1 2017 but the final notices are lower than Q1 2016 and level with those in Q1 2017.

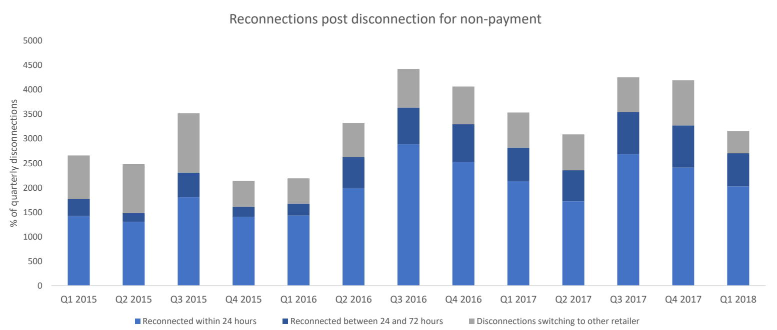












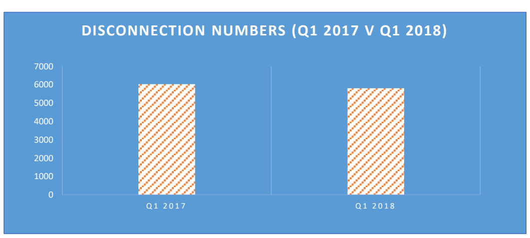
The spread of retailers for both disconnection notices as a % of ICPs and final notices as a % of disconnection notices indicates that a small number of retailers have increased the proportion of their customers that are being issued with disconnection notices. At the same time, most retailers have reduced the number of disconnection notices per ICP and % of final to disconnection notices since 2015. This indicates that a small number of retailers are managing their credit process differently to the rest.

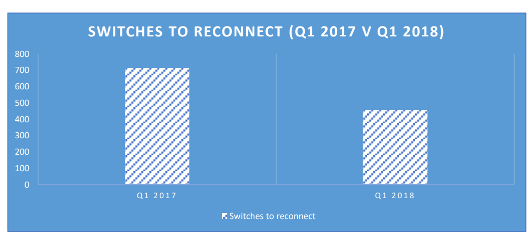
The time to reconnect following disconnection is trending upwards The numbers of customers being reconnected within 24 hours and 72 hours remains higher than it was in 2015. The within 24 hour reconnections indicates that reconnection costs could have been avoided.

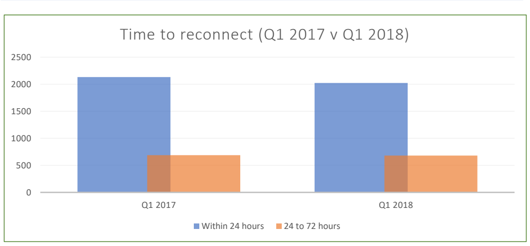
The biggest difference between Q1 2017 and Q1 2018 is that the number of switches to an alternative retailer to reconnect has fallen sharply.

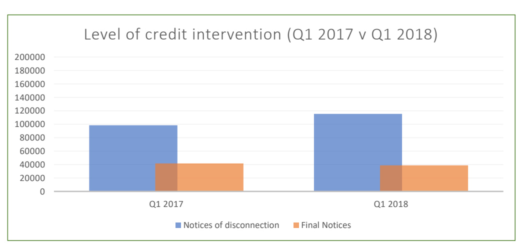
Quarterly comparisons

Q1 2017	Q1 2018









Changes in disconnection numbers by retailer, quarter on quarter

This table shows the movement in quarterly disconnection numbers across retailers. The seasonal effect of reducing disconnections in summer quarter Q4 and increasing disconnections in the winter quarters Q2 and Q3 can be seen for most, but not all retailers.

	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
	Relative Changes in Disconnection Numbers - Quarter on Quarter											
Retailer 1	-41.79%	3%	-1%	-28%	8%	-17%	-22%	40%	2%	12%	-33%	29%
Retailer 2	127.79%	-16%	-37%	15%	188%	12%	-10%	-21%	-18%	43%	-9%	-34%
Retailer 3	1.54%	36%	-11%	-20%	-3%	0%	-26%	-30%	-6%	87%	-14%	-46%
Retailer 4	N/A	32%	-16%	80%	-8%	20%	-2%	4%	-88%	70%	181%	23%
Retailer 5	-20.11%	7%	-22%	-28%	16%	13%	13%	-13%	216%	-6%	-48%	19%
Retailer 6	-45.14%	95%	28%	-18%	-13%	42%	-9%	10%	-32%	51%	-6%	-20%
Retailer 7	-5.24%	12%	-7%	-3%	-2%	-15%	42%	-32%	-12%	19%	79%	74%
Retailer 8	0.00%	100%	-50%	300%	25%	120%	18%	-85%	350%	100%	-39%	82%
Retailer 9	-14.29%	-40%	106%	-49%	-11%	65%	29%	6%	-39%	135%	-52%	58%
Retailer 10	-47.13%	77%	8%	-16%	-22%	35%	-9%	-40%	-20%	24%	-13%	46%
Retailer 11	3.69%	36%	24%	26%	27%	18%	-45%	32%	-8%	75%	-6%	4%

Quarter 1 (January - March) typically sees an decrease in disconnection numbers across most retailers from the previous quarter. However, in Q1 2018 seven retailers showed the reverse with large increases in disconnections above Q4 2017 levels.