

Factsheet 82

Getting the best energy deal

September 2023

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1 The current energy situation

Switching energy supplier or tariff has historically been an easy way to save money on bills. However, the recent energy price rises means there are fewer deals on offer than usual. It may be difficult to find a cheaper deal than your current tariff, or one you can easily switch to. Opting for a fixed-price tariff gives more certainty over bills but, depending on the market, may increase your costs overall.

Please note the remainder of this factsheet is subject to above. You should always seek impartial advice before switching, for example from the Citizens Advice Consumer Helpline or Energy Advice Scotland. If you are struggling with the cost of energy and other essentials, see factsheet 1 *Help with heating costs*. In Wales, see factsheet 1w *Help with heating costs in Wales*. Support includes:

In **England**, a **Household Support Fund**, available through local authorities and offering help with energy bills and other essentials.

In **Scotland**, a **Home Heating Fund** provides help with energy bills.

The energy price cap

The energy price cap provides protection for households by setting a maximum amount that suppliers can charge per unit of energy. It is reviewed

Who 'supplies'

How is the energy market regulated?

The energy market is regulated by the Office of Gas and Electricity Markets (Ofgem). They set conditions that energy suppliers and network operators must meet to be licensed, which cover:

how tariffs should be named and marketed to customers

what information must be given on bills and in other communications

'*priority services*' for customers in vulnerable situations

disconnection and how older or disabled households are treated.

What do recent changes mean for me?

Following an Ofgem investigation into the energy market, various reforms have removed restrictions on the number of tariffs and range of discounts and rewards a supplier can offer. Tariffs may have a simple structure, such as a fixed daily '*standing charge*' (a

5.6 Feed-in tariffs

A feed-in tariff offers guaranteed cash payments to households who produce their own electricity at home using renewable technologies such as solar panels or wind turbines. You are paid for the energy you generate and for any surplus energy you export to the grid.

In **England and Wales**, see the Energy Saving Trust website for more information: www.energysavingtrust.org.uk/renewable-energy/electricity/solar-panels/smart-export-guarantee-and-feed-tariffs

In **Scotland**, call Home Energy Scotland on 0808 808 2282.

6 How to find a deal and switch

The recent energy price rises mean there are fewer tariffs on offer than usual and switching may not save you any money. It is important to seek impartial advice before switching, for example from the Citizens Advice Consumer Helpline. In Scotland, contact Energy Advice Scotland.

Once you have all the required information and want to look for a better deal, find out which companies operate in your area and how much they charge. Six major suppliers of gas and electricity cover most of the UK, but there are various smaller suppliers who may offer a better deal.

Remember you may not have to switch supplier to get a better deal. At least once a year, your supplier must provide you with a '*Cheapest Tariff Message*' identifying its cheapest overall tariff and cheapest similar tariff, and a personalised savings message showing how much you might save by switching. Speak to your supplier if you do not have this information to hand and want to know more.

6.1 Use the internet

A price comparison website (PCW) is a quick way of comparing deals across a range of suppliers. You enter information about where you live, your current tariff and energy use, and the website makes comparisons and provides a list of suitable options.

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Many of the best offers are found online. If you do not have access to a computer, your local library may offer free internet access. If you use a public computer, be careful with

If you enter into an energy contract, the supplier must send you a written copy or confirmation of your agreement within a reasonable period. You should read this carefully to check everything you agreed is included and the deal is appropriate for you. Speak to an adviser immediately if you have any concerns, as you have limited time to cancel.

6.4 Door-to-door sales

Few energy suppliers sell contracts on the doorstep. If a salesperson calls at your home trying to sell gas or electricity, follow these guidelines:

Ask them for **identification** – all salespeople must carry this.

If you are in **any doubt**, check they are who they say they are. Ask which company they are from and get the company telephone number from directory enquiries or the phone book. Do not get it from the caller.

Do not let anyone into your home if you are in any way unsure or unhappy. If you want a friend or family member to be with you, ask the caller to come back at a convenient time.

Although it may be helpful to speak to someone face to face, be wary of a sales agent who arrives unannounced and remember they may only work for one energy supplier, so their advice is not impartial. For more information, see the Age UK information guide *Avoiding scams*. In Scotland, see the Age Scotland guide, *Avoiding scams*.

7 Useful questions to ask suppliers

Questions to think about before you make a decision to switch include:

What payment methods are offered?

Are there special discounts, bundles, or rewards?

Is there a daily standing charge and, if so, what is it? Some tariffs have a very low or no standing charge. This may help if you use very little energy or your property is empty for periods of time, but check whether a low standing charge is balanced by a high unit rate.

Does the tariff have a fixed term? If so, is there an early termination fee?

What are the supplier's policies on debts and disconnection? You may want to find out how suppliers rate for customer satisfaction and service. Some PCWs can tell you this.

Is the supplier signed up to the Warm Home Discount scheme? See section 12.3 for more information.

Has the supplier signed the Energy Switch Guarantee?

7.1 The Energy Switch Guarantee

The trade association Energy UK have developed an '*Energy Switch Guarantee*.' This is a list of switching commitments that participating suppliers agree to adhere to. They are regularly checked for compliance.

The Guarantee is voluntary, so check a supplier's website for the logo or ask them if they have signed up. A full list of participating suppliers is at www.energy-uk.org.uk/our-work/energy-switch-guarantee/

The commitments are:

- 1 All suppliers use the same wires and pipes, so supply is not interrupted.
- 2 The switching service is free.
- 3 The switch takes no more than five working days from the date your new supplier receives your completed application.
- 4 Your new supplier will not need to visit your home to complete the switch unless you agree otherwise.
- 5 Your new supplier arranges the switch, including contacting your current supplier to let them know you are leaving.
- 6 Your new supplier sends details of your new supply agreement for you to check and you have 14 days to change your mind. If you cancel in this time, you stay with your current supplier.
- 7 Your new and current suppliers work together to make sure you are not charged twice for the same energy.
- 8 If there are problems making the switch, your new supplier contacts you as soon as possible and is responsible for putting the matter right.
- 9 Your current supplier sends a final bill no later than six weeks after the switch.
- 10 If your current supplier owes you money, this is refunded no later than 14 days after sending you the final bill.

Some commitments are legal requirements or Ofgem licence conditions so apply to all suppliers, not just those signed up to the Guarantee. For example, the 14-day '*cooling-off period*' is a legal requirement and the obligation to complete a switch within five working days is an Ofgem licence condition.

Picking a supplier who has signed up should give you confidence that switching will be hassle-free and any problems will be resolved promptly.

Compensation for problems with switching

If your new supplier takes longer than five working days to switch you, you are entitled to £30 compensation.

You are also entitled to £30 compensation if your old supplier fails to refund a credit balance within 10 working days of your final bill.

If not compensated within 10 working days, you get a further £30.

If deciding whether to allow your new supplier to start the supply during

12 Frequently asked questions

12.1 Can I switch if I rent my property?

If you are a tenant and directly responsible for paying your energy bills, you have the right to choose your own energy supplier. Your landlord should not unreasonably prevent you from switching. Make sure you check the terms of your tenancy agreement before you switch. If the agreement states your landlord has a preferred supplier, you may need to inform them you are planning to switch or switch back at the end of your tenancy. Ofgem guidance states landlords should make tenants aware of any tie-ins with specific energy suppliers and should provide details of applicable tariffs and prices at the outset.

If your agreement has a clause forbidding you from switching supplier, speak to Citizens Advice Consumer Helpline or a specialist housing organisation like Shelter. Such a clause may contravene consumer protection law, but you must think about your security of tenure and how easily you can be evicted if you try to enforce your rights. For more information in **England**, see factsheet 68, *Preventing evictions*. In **Wales**, see factsheet 68w, *Renting your home in Wales – rights if you are threatened with eviction*. In **Scotland** call the Age Scotland helpline.

Your landlord should not unreasonably restrict your ability to switch payment method, e.g. by replacing a prepayment meter with a credit meter. However, there may be a term in your tenancy agreement requiring you to revert to the original payment method at the end of your tenancy, which could cost you. Before you switch meters, check to see whether your supplier will do this for free.

If your landlord is responsible for paying your bills, for example they pay for your energy and reclaim the money from you, or bills are included in your rent, they have the right to choose the supplier(s). There is a maximum amount they can charge you, called the '*Maximum Resale Price*'. Speak to an adviser if you think you are being charged too much.

12.2 Can I switch if I am in arrears with my gas or electricity?

You may be able to switch supplier if you are in arrears. If you have been in debt for less than 28 days, you can switch. If you have been in debt for more than 28 days, you may be prevented from switching. This is the case even if you wish to switch because of a proposed price increase.

If you are prevented from switching, your supplier must give you information on how you can dispute or resolve this, along with advice on energy efficiency, debt management, and details of any alternative tariffs.

Your supplier cannot prevent you from switching if it is their fault you are

Your supplier cannot prevent you from switching if you are a prepayment customer and have arrears of less than £500 for gas and £500 for electricity. However, your chosen supplier can refuse to accept your application to switch. If they do accept the switch, your debt is transferred to them. This is under the ‘

12.5 I live in a remote area – can I switch?

Some remote parts of the UK are supported by a single energy supplier and there is no option other than to remain with them. However, you can look at other ways of reducing your energy bills, such as ensuring your home is energy efficient.

You might consider alternative sources of energy, for example, green or renewable energy. For information on financial help with installing low carbon heating systems, see factsheet 1 *Help with installing low carbon heating systems, green or*

Useful organisations

Citizens Advice

England or Wales www.citizensadvice.org.uk, Scotland www.cas.org.uk

In England telephone 0800 144 8848

In Wales telephone 0800 702 2020

Energy Saving Trust

www.energysavingtrust.org.uk

Telephone 0808 808 2282 (Scotland only)

Offers independent and impartial advice on saving energy and cutting bills. Their telephone advice service is only available in Scotland, via the Home Energy Scotland helpline (see below). In England and Wales visit www.gov.uk/improve-energy-efficiency

Energy UK

www.energy-uk.org.uk/

Telephone 020 7930 9390

The trade association for the UK energy industry with over 100 members.

GOV.UK

www.gov.uk

Government website with information on the Warm Home Discount scheme and other energy issues.

Home Energy Scotland

Age UK

Age UK provides advice and information for people in later life through our Age UK Advice line, publications and online. Call Age UK Advice to

