



Factsheet 82

Getting the best energy deal

September 2023

About this factsheet

This factsheet looks at how you can get the best deal on your electricity and gas bills by switching tariff or supplier. It explains the different ways to switch, the common types of tariff and how to compare them, and what to do if things go wrong.

Note – the recent rise in energy prices

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2 Introduction

This factsheet explains how to look for the best deal on your energy bills by switching 'tariff' or supplier. Your tariff is the specific deal or plan you are on. If you have never switched or not switched for a while, you may be on your supplier's 'standard variable tariff.' Prior to the current energy situation, this was often the most expensive, but it may currently be the cheapest. Most other tariffs are fixed term, expiring after a year or two but these may be more expensive overall.

Switching may seem like too much hassle or you may not want to leave your current supplier. However, you may not need to change suppliers to get a better deal. Suppliers offer a range of tariffs that may suit you better or work out cheaper. They should tell you at least once a year which tariffs would work out cheaper.

Switching should be simple and take no more than five working days after your cooling off period. Unless you need a new meter, no physical changes should be made to your property and your supply should not be interrupted. If youf1 2 reWnle000082re(BT/-5(a)-3(r)13()JTJETQq0.000008871 0 595.32 841.92 reW*

This allows suppliers to develop deals for specific groups, for example low energy users. However, differences in tariff structure may make it harder to compare deals.

Under Ofgem rules, suppliers must ensure the structure, terms, and conditions of their tariffs are clear. Tariffs must be easily distinguishable from each other and suppliers must have information, services, or tools to enable you to easily compare and select appropriate deals.

This factsheet takes you through the process of comparing deals and switching

4 What information do I need?

4.1 Basic information and where to find it

To get the best deal, you need to make

4.2 Other considerations

How would you like to pay your bill?

Think about how you would like to pay for your energy and how often. Some payment methods are cheaper than others. For example, paying by direct debit is usually cheaper.

Common payment methods are:

On receipt of a bill by cash, cheque or online banking.

Monthly or quarterly by direct debit – this can be a set amount each time or vary according to energy usage. If you pay a set amount, you can overpay or underpay, particularly if the weather is milder or colder than expected or you are on holiday or in hospital. This can mean an unexpected final bill at the end of the year. If your direct debit is variable, you must supply meter readings.

If you pay by fixed direct debit, a new supplier may try to tempt you to switch by offering to beat your current payments. This does not lower the cost of your energy, just the amount paid each month. You may get a larger final bill at the end of the year and any debt accrued can prevent you from switching supplier. Seek advice if you are in this position.

By **prepayment meter** - Prepayment meters topped up with credit have historically been an expensive way to pay. From July 2023, prepayment charges have been aligned with comparable costs paid by direct debit customers. This removes for now the premium previously paid by prepayment customers, pending Ofgem reforms to remove it permanently. Be aware that paying in this way still has some disadvantages. For example, your supply turns off if you run out of credit.

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considering a prepayment meter because you are struggling to pay your bills.

Do you want to switch both electricity and gas?

You may get a better deal if you switch to a single plan for both electricity and gas (known as dual fuel). There are other advantages to this, for example simpler bill payments and hopefully quicker resolution to any problems as there is only one account to query.

Do you want to manage your account online?

You may be able to get a discount on your tariff if you agree to manage your account online. This is usually 5p per kWh. Submitting meter readings, contacting customer service and receiving bills online, although in some cases, you can still receive paper bills if you pay a charge.

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Does your current contract carry an early termination fee?

Check whether you have a fixed-term contract with your existing supplier. If you do, you may face an early termination fee (ETF) if you switch before the end of the contract term, which can offset the benefit of switching.

Your supplier's contract may state that you will have to pay an early termination fee (ETF) if you switch before the end of the contract term.

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.

The Smart Export Guarantee came into force in January 2020, replacing the previous Feed-in tariff scheme. 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.

For some deals, you start the switching process by clicking a link on the website. This means the website contacts the supplier on your behalf to arrange the switch. For others, you must contact the supplier yourself.

It is important to use an impartial website. Some are '*Ofgem accredited*', meaning they have signed up to a v

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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 contact them to ask 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 energy suppliers use the same wires and pipes, therefore your supply will not be interrupted.
- 2 The switching service is free.
- 3 The switch takes no more than 21 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 8 Tm0 gte1 0 595.341.921u0.00000881 0 1 367.03

12 Frequently asked questions

12.1 Can I switch if I rent my property?

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 '*Debt Assignment Protocol*' - speak to an adviser if you want to know more.

If you are in arrears, speak to your supplier to make arrangements to repay them and seek urgent advice if threatened with disconnection.

In **England**, see factsheet 1, *Help with heating costs*, for more information. In **Scotland**, see the Age Scotland guide *Warm and Well*. In **Wales**, see Age Cymru factsheet 1w, *Help with heating costs in Wales*.

Note

If you have been in arrears in the past, a new supplier may refuse to supply you without some financial security in place. For example, you may be asked to put down a deposit. If you have concerns about the type of security requested, ask if there are other options.

12.3 Will switching supplier affect my Warm Home Discount?

If you receive certain means-tested benefits, including Pension Credit Guarantee Credit, you may be entitled to a one-off £150 discount on the cost of your energy called the Warm Home Discount in England and Wales. **Note** Scotland has a separate but similar scheme with slightly different eligibility criteria. Contact Age Scotland for more information.

This is usually applied to your electricity account, but you can ask for it to be applied to a gas account if you are a dual fuel customer. If you use a prepayment meter, you will probably be given a top-up voucher.

Not all energy suppliers participate in the scheme. You need to bear this in mind when switching, as you will lose your discount if you switch to a non-participating supplier. However, the threshold for supplier participation has been reduced to 1,000 or more customers in 2023-24, so this is now less of a risk.

Following changes to the scheme in 2022-23, most eligible households now receive the discount automatically. There are two Core Groups of recipients, '*Core Group 1*' and '*Core Group 2*'. If you claim Pension Credit Guarantee Credit, you continue to receive the discount unless your circumstances change.

If not, you might qualify as a Core Group 2 recipient, subject to satisfying eligibility conditions related to which social security benefits you receive and your energy costs.

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 heating costs*. In Wales, see factsheet 1w, *Help with heating costs in Wales*.

12.6 I live in a park home – can I switch?

If you have your own contract with an energy supplier, you should be able to switch without restriction. However, you should check your pitch agreement first to see if it says anything about informing the site owner or switching back at a later date. Seek advice if the agreement contains any terms prohibiting you from switching.

Most park home residents do not have individual contracts with suppliers and pay the site owner for their energy instead.

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
In Scotland telephone 0800 028 1456

National network of advice centres offering free, confidential, independent advice, face to face or by telephone.

Citizens Advice Consumer Helpline (England and Wales)

www.citizensadvice.org.uk/consumer/get-more-help/if-you-need-more-help-about-a-consumer-issue/
Telephone helpline 0808 223 1133 Mon-Fri 9am-5pm
Welsh telephone helpline 0808 223 1144 Mon-Fri 9am-5pm

Citrus Switch

www.citrusenergy.co.uk/citrus-switch/
Telephone 0800 221 8089 (freephone)

A telephone service designed to make switching energy supplier easy.

Energy Advice Scotland

www.energyadvice.scot/
Telephone 0808 196 8660

Provide advice and information if you have an energy enquiry or want to complain about your supplier or have problems with your energy bills.

Energy Networks Association

www.energynetworks.org/
Telephone 020 4599 7700, for emergencies 0800 111 999 (gas or carbon monoxide leak) or 105 (electricity emergency or power cut)

Industry body for gas and electricity transmission and distribution network operators. Call to find out who your network operator is.

Energy Ombudsman

<https://www.energyombudsman.org/>
Telephone 0330 440 1624

Independent body to resolve disputes between consumers and their energy suppliers.

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

www.homeenergyscotland.org/

Telephone 0808 808 2282

Scottish Government funded advice service that provides information and0 G[wwd)6(e(co)-3(tt)-3(ish)6(Go)7 TJETQq0.0H/F)]TJed adter-3()-3(s)10(tc)-3(u)]TJH/Frgy ScIs

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 find out whether there is a local Age UK near you, and to order free copies of our information guides and factsheets.

Age UK Advice

