

Your Energy Your Money

Additional information for presentation / discussion on saving money on energy bills

Switching sites accredited by the Ofgem Confidence Code (at July 2015)

- www.energyhelpline.com
- www.energylinx.co.uk
- www.moneysupermarket.com
- www.myutilitygenius.co.uk
- www.simplyswitch.com
- www.switchgasandelectric.com
- www.theenergyshop.com
- www.ukower.co.uk
- www.unravelit.com
- www.uswitch.com
- www.runpathdigital.com/gas-electricity/

Economy 7

Economy 7 is a tariff in which you pay less than average for your electricity during set hours at night, when demand across the UK is lowest. However, during the day you will pay more than average. In general, Economy 7 may be cheaper for you if your heating and hot water are electric (not gas), and you use more than 80% of your electricity during the 7 offpeak hours at night.

Most people with Economy 7 will have storage heaters—large heaters that fill up with heat at night (when electricity is cheapest), which is then stored in the heater. This heat is then slowly given off during the day. They will also have a storage tank for hot water, which can be set to heat up overnight. Your meter will show a day and a night reading, and your bill will show the day and night rates.

If you are on an economy 7 tariff, you will want to:

- Find out when the off peak, or cheaper, times are for your usage.
- Ensure that your heaters and water tanks are set to heat up during this time
- Set the output of your heaters, or how much heat is given off, as low as possible to try to ensure it lasts the day
- Run any other appliances you can during the off peak time. Some washing machines, dishwashers, etc have delay timers on them. However, check your tenancy or lease as there may be rules about what appliances you can run at night.
- Ensure your meters are set to the correct times that match your tariff. You may have to check this yourself, however if you think there is an error your company is required to take reasonable steps to ensure the meter is accurate.

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More information can be found at the Centre for Sustainable Energy's leaflet on Economy 7
<https://www.cse.org.uk/advice/advice-and-support/economy-7>

Can I switch if I'm in debt?

If you have debts with your gas or electricity provider, whether or not you can switch depends on a number of things. If you have a prepayment meter, you can switch if you have debts of up to £500 for gas and £500 for electricity. The debts will transfer with you.

If you are not on a prepayment meter and have debts, you may need to clear your debts before you can switch. Contact your provider for more details. However remember, you may still be able to move to a cheaper tariff with the same provider so do ask.

Ways to Pay, further information

Direct Debt

Paying by direct debit means your energy supplier takes a payment directly each month. This is based on an estimate of how much gas or electricity you will use over the year, divided by 12 months. They will usually base the estimate on your past usage, or if this isn't available then on a comparable size house and number of people.

Suppliers don't have to offer the option of paying by direct debit, and may ask to run a credit check first. You may want to check your own credit record before they run the credit check—if you fail their check, it goes against you on your credit record.

Pros: It can be easy to budget, as you know how much you will pay each month. The money comes directly from your account. In addition, direct debit is usually the cheapest way to pay as the supplier may offer a discount for paying this way. You can cancel a direct debit at any time (though you will still need to pay for the energy you use).

Cons: The payments may be based on estimates, as in practice most companies only take a meter reading once a year—meaning you may be using more energy than you think. Once an actual meter reading is taken, you will need to pay more to cover additional usage.

If your income goes up and down, direct debits may be harder to budget for as you need to be sure you have money in the bank each month for your payment. Otherwise you may be charged a penalty by the bank.

Quarterly billing

With quarterly billing you will receive a bill every quarter, or three months, which you will need to pay by a set date.

Pros: You can usually pay your bills a number of ways, such as cash, cheque, standing order, credit or debit card, with a payment cards, or online. You may also be able to pay at a paypoint or similar location. Whilst the bills are paid quarterly, you can set aside money each week or month to budget for this.



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Cons: The bill may be based on an estimate, rather than actual meter reading, which means that you may owe more in the future. Budgeting may be difficult, as if you are only paying every three months, you need to set aside money each week or month for when the bill comes. In addition, if you use more than what you budgeted, you'll need to find the money from elsewhere.

Prepayment Meter

With a prepayment key, or card meter, you pay for your gas or electricity before you use it by topping up a key or card.

Pros: Many people find this helps them to budget, especially if their income is less predictable. It means you know exactly what you are using, and can plan your budget accordingly. If you owe money to the gas or electricity company, it is a simple way to make regular payments to them.

Cons: Often the energy costs more with a prepayment meter, and there may be a standing charge meaning you are charged each day even if you don't use any power. If you run out of credit you'll go into emergency usage, which costs more (and is deducted next time you top up your card). As the amount of power you use will likely fluctuate across the year (most people use more in winter when days are shorter and they need the heating) you may find it hard to budget for the more expensive months. You need to go out to top up the card.

Paying your landlord for utilities

If you rent, your landlord may pay the gas or electricity company directly, and you reimburse the landlord. They may have you reimburse exactly what they are billed. However if you split a flat (such as renting a room), or share a metre, they can estimate what you owe. This will be written into the tenancy agreement—if it is, you are not liable for bills directly with the supplier. There are rules around what they can charge you such as:

- By law, there is a maximum price the landlord can charge for gas and electricity. This is the maximum resale price.
- If what you use is recorded by a meter, they should only charge you for what you used plus your share of a standing charge
- If they estimate what you owe because you share a meter, they should work out the charges proportionately. The landlord must be able to show you how they calculated what you owe