



BILLS ARE RISING (AND WINTER IS HANGING ON) BUT YOU CAN STILL CUT THE COST OF POWER

Five ways you can hit back at the greedy energy giants

By **JO THORNHILL**

ENERGY companies have caused outrage by boosting their profits by a fifth – just as millions of people are struggling to pay big bills brought on by the harsh winter. Suppliers have been able to boost their profits because the prices at which they buy energy have fallen, but these savings have not been passed on to customers.

British Gas and ScottishPower both recently posted bumper annual profits. Although British Gas did cut prices this month, any hopes of an ensuing price war have been crushed. Only one other provider, First Utility, followed suit.

Experts believe that other firms are delaying price cuts until the expensive winter bills have been paid, which means consumers must do as much as they can to cut bills themselves.

Our five-point action plan can help you hit back at the greedy energy companies:

» SWITCH SUPPLIER

THIS should be straightforward and can be done over the phone or online – yet 12 million households have never bothered. The internet has made searching for a cheaper deal easier. Our sister website, thisismoney.co.uk, can help you to make average annual savings of £263. Where a household has never switched before, the savings should be far higher.

'Allow about six weeks for the transfer to complete,' says Mark Todd, managing director at ener-

gyhelpline.com, which powers This is Money's switching facility.

'You should get two weeks' notice of the switch and the date to do your final meter readings. This way you can be sure your final bills are accurate.' There should never be a period when your home is without gas or electricity. People without access to the internet can call energyhelpline.com on 0800 0740745.

» CONSIDER NEWCOMERS

NEW smaller firms, such as OVO and First Utility, are grabbing market share from the big six – British Gas, EDF, Eon, npower, Scottish and Southern and ScottishPower.

First Utility has undercut many of the big players. It is also innovative, offering customers in the Midlands smart-meter technology since last September. Smart meters attach to existing gas and electricity meters to give an exact reading of usage, which is transmitted back to First Utility.

Ken Booth, 79, from Solihull, West Midlands, switched from Eon to First Utility in January last year and has saved almost £300. Ken, a former engineer, whose wife Joy,

79, was a classroom assistant, became fed up with Eon when it raised prices a few years ago.

After searching online Ken switched to a dual-fuel deal with



First Utility. He also has a smart meter so he and Joy know they have accurate bills.

'My direct debit to Eon gradually rose from £50 a month until eventually it was more than £100,' says Ken. 'As pensioners on a fixed income we were keen to reduce outgoings. So far the switch has paid off because we've saved during a particularly cold winter.'

» **SEEK A DUAL-FUEL DEAL**

IF your gas and electricity is supplied by different companies, you can probably save by moving to a dual-fuel package. All companies offer dual-fuel as a standard tariff as opposed to an online-only deal.

According to consumer lobby group Which?, a household in Bristol with average annual gas and electricity consumption (3,300 kWh for electricity and 20,500 kWh for gas) could save £89 a year if they previously had gas with British Gas and electricity with EDF and switched to a dual-fuel deal with ScottishPower. This is even if they continued to pay on receipt of their bill by post.

» **GO ONLINE AND PAY BY DIRECT DEBIT**

THE biggest savings are to be made by people prepared to take a dual-fuel online deal and pay by direct debit. According to thisismoney.co.uk, a household paying its bill quarterly on receipt of a bill will save on average between £200 and £300 a year by switching to an online direct debit tariff.

British Gas has the cheapest online deal for households with average energy consumption, while ScottishPower and EDF are among the best for high users. Npower is competitive for homes with low energy use.

There have been problems with direct debit payments being set too high and companies holding on to customers' overpaid cash.

Following pressure, in particular from Financial Mail, Ofgem has introduced new rules. Suppliers can no longer keep the cash of customers who are in credit without good reason. Customers can also demand a full refund of overpaid money at any time.

» **CONSIDER A FIXED RATE**

ALMOST all energy companies

offer fixed-rate tariffs, which can suit those households that are worried about rising costs and need to budget. Yet Todd says that if energy prices are set to fall it may be worth waiting.

'If you want to fix, it should pay to wait a month to see if providers reduce costs,' he says. 'Consumers coming off existing fixed or capped rate plans will probably be offered new deals by their provider. Remember to shop around and compare the new offer with others in the market before signing up.'

BOOST Help for the vulnerable

PENSIONERS and households on low incomes may be eligible for help with their energy bills.

Energy companies are required by law to provide 'social tariffs' to help their most vulnerable customers. These tariffs must be at least equal to the provider's cheapest deal. There are also State-funded grants and money available from energy providers to help lower-income households make energy-saving improvements to their homes.

One of the best known is Warm Front, which provides grants of up to £3,500 to eligible households in England. Similar schemes operate in Scotland, Wales and Northern Ireland. Money is available for loft insulation, draught-proofing and cavity wall insulation. To find out more, go to warmfront.co.uk or call 0800 316 2805.

The Government's boiler scrappage scheme still has funds available. Households with a G-rated boiler (the oldest and least efficient) can get £400 towards the cost of a new, more efficient model and its installation. For more on this and other energy savings ideas, visit energysavingtrust.org.uk.



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BONUS: Ken Booth saved almost £300 by switching to a dual-fuel First Utility deal
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