

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 has meant that 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.

This factsheet is applicable to England, Wales, and Scotland. If you are in Northern Ireland, please contact Age NI for more information. Contact details can be found at the back of the factsheet.

Contact details for any organisations mentioned in the factsheet can be found in the *Useful organisations* section.

12.3 Will switching supplier affect my Warm Home Discount?	23
12.4 I have a smart meter – can I switch?	25
12.5 I live in a remote area – can I switch?	25
12.6 I live in a park home – can I switch?	25
Useful organisations	27
Age UK	29
Support our work	29

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

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 set amount you pay per day, not linked to your energy use) and a single '*unit rate*' (the amount you pay per unit of energy used), or they may be more complex. For example, they may have a standing charge that applies only on certain days such as weekends.

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 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. You may wish to seek advice from a local advice agency if you find the range of deals on offer confusing.

3 Before you start

It is a good idea to review your overall financial

For information about CWPs, in **England** see factsheet 1, *Help with heating costs*. In **Wales**, see Age Cymru factsheet 1w, *Help with heating costs in Wales*. For information about Winter Heating Payments in **Scotland**, see the

If you cannot find the information you need, contact your supplier. You may want to ask them for your '*Tariff Information Label*', which generally tells you about:

your unit rate or rates (the amount you pay per kWh of energy used),

any standing charge (a fixed amount you have to pay per day, like a service charge),

when the tariff ends if it is a fixed-term plan, and

how much you have to pay to terminate the plan early

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, you can't get a credit.

Speak to an adviser if you want to know more, particularly if you are 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 (by switching 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 usually means submitting meter readings, contacting customer service.

Your supplier cannot charge an early termination fee if you want to switch because they are increasing their prices. They cannot charge an early termination fee if you have been rolled onto a fixed-term tariff as a 'default' at the end of an existing deal, see section 5.2 for more information.

5 How to compare different tariffs

There are different tariff types. Certain types tend to be more expensive, but prices vary between suppliers. You should consider how much energy you use, when you use it, and what your priorities are. For example, do you want a contract without an early termination fee? Do you want greater control over your energy costs? Do you want to contribute to environmental schemes?

5.1 Standard variable tariffs

A standard variable tariff is the supplier's basic tariff. The cost of your energy is not fixed at a certain level, so it goes up and down with the market. The energy price cap applies to almost all standard variable tariffs, meaning there is a maximum amount you pay per unit

www.myutilitygenius.co.uk	Tel: 0203 468 0461
www.quotezone.co.uk	n/a
www.simplyswitch.com	Tel: 0800 011 1395 (free call)
www.switchgasandelectric.com	Tel: 03333 700 600
www.theenergyshop.com	n/a
www.unravelit.com	n/a
www.uswitch.com	n/a

6.3 Over the phone

Some accredited PCWs offer a telephone service. You can contact Citrus Switch, a telephone switching service that promises to show you every energy price currently available. Its advisers can help you compare deals and correspond with suppliers on your behalf.

Alternatively, call individual suppliers for a quote and compare deals yourself. They should give you the information over the phone or send you pricing details. You can find contact details for energy companies online or by calling the Citizens Advice Consumer Helpline or Energy Advice Scotland.

Suppliers must provide Tariff Information Labels free of charge, but these are not personalised and should be used for guidance only. Ensure you are given quotes based on your energy consumption, your preferred payment method, and any discounts you are likely to receive.

You can enter into a contract with a supplier without signing anything. A contract is likely to be made if there is a clear agreement between you and the seller that you want to be supplied with their goods or services.

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.

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

If you were not told about your right to cancel when you entered into the contract, your cooling-off period may be extended.

If you are told within 12 months of the first day of what should have been your cooling-off period, you have 14 days from that point in which to cancel. If you are not told or told at a later stage, your cooling-off period ends 12 months and 14 days after you signed the contract.

If you feel you have been misled or harassed into switching energy supplier, you may have rights to redress, such as the right to unwind your contract within 90 days or claim a discount on past or future payments. Seek advice immediately if you are in this position.

11 Complaints

When entering a new contract, if you find the terms are not as initially agreed, or the service is clearly not suitable for your needs, you should contact your new supplier to complain.

The Citizens Advice website has useful information about making a complaint, including what records you should keep and what to do if you cannot get a response over the telephone or in writing:

www.citizensadvice.org.uk/consumer/energy/energy-supply/complain-about-an-energy-company/complain-to-your-energy-supplier/

If the supplier does not resolve your complaint within eight weeks (six weeks for some suppliers), or if you are unhappy with the action they take, refer the complaint to the Energy Ombudsman.

Mental capacity to agree a contract

If you are concerned that someone has entered into a contract while lacking the mental capacity to do so, seek advice.

Under the *Mental Capacity Act 2005*, a person in England and Wales must pay a 'reasonable' sum for a 'necessary' service, even if they lacked capacity to contract for that service. In Scotland,

For more information in **England and Wales**, see factsheet 22, *Arranging for someone to make decisions on your behalf*.

In **Scotland**, see the Age Scotland guides *Legal options for someone who has lost capacity*, *Help to manage your money and benefits* and *A guide to mental capacity in Scotland*.

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 m hETQq0.000008871 0 595.32 841.92 reW*nBT/F1

12.4 I have a smart meter – can I switch?

The Government aims to offer smart meters to all UK households by 2025. You can switch energy supplier if you have a smart meter installed, but your new supplier might not be able to offer the same 'functions, such as remote meter readings. This is because of technical issues with the smart meter communication network, which should be resolved as the rollout progresses.

Your new supplier must tell you about any potential loss of function before you switch. If you switch suppliers while using a smart meter as a prepayment meter, you should not have to pay if your new supplier needs to replace the meter so you can continue on a prepayment tariff.

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*

Help with heatfit-

Useful organisations

Citizens Advice

England or Wales www.citizensadvice.org.uk,

Scotland www.cas.org.uk

In England telephone 0800 144 8848

Energy Ombudsman

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 and advice on saving energy and reducing energy bills.

The Office of Gas and Electricity Markets (Ofgem)

www.ofgem.gov.uk/
Telephone 020 7901 7295

Regulator for gas and electricity markets, including suppliers and network operators.

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

www.ageuk.org.uk

0800 169 65 65

Lines are open seven days a week from 8.00am to 7.00pm

In Wales contact

Age Cymru Advice

www.agecymru.org.uk

0300 303 4498

In Northern Ireland contact

Age NI

www.ageni.org

0808 808 7575

In Scotland contact

Age

Our publications are available in large print and audio formats

Next update September 2024

The evidence sources used to create this factsheet are available on request.

Contact *resources@ageuk.org.uk*

This factsheet has been prepared by Age UK and contains general advice only, which we hope will be of use to you. Nothing in this factsheet should be construed as the