



## Finding the best energy tariffs and managing your bills

Do you find energy tariffs confusing? If yes, don't worry so do a lot of people.

However, if you haven't changed energy tariff in the past 18 months you are likely to be a poor default or standard variable tariff, and we recommend you look at other tariffs available from your own and other energy suppliers, to see if can you switch tariff and save money.

This document will provides some information about why we recommend switching energy tariffs regularly, recommended ways to find and switch to the best tariffs, advice if you are struggling to pay for energy, and information on discounts and support you may be entitled to from your energy supplier.

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# Overview of Energy Tariffs

## **The Best Domestic Energy Tariffs**

Energy tariffs consist of a daily standing charge, and a unit rate for each kWh of gas or electricity you use. A kWh is the gas or electricity required to run a 1 kW (or 1000 Watt) appliance for an hour. 5% VAT is payable on domestic energy bills.

The best domestic energy tariffs are usually fixed tariffs in which your unit (kWh) energy cost and daily standing charge are fixed for the period of the contract, which is usually one year or 18 months, but sometimes longer. Once your tariff ends unless you proactively change to a new tariff your energy supplier will put you onto a much more expensive default tariff, these are known as standard variable tariffs (SVTs).

If you pay for your gas or electricity by prepayment (card or key) meter, you are likely to pay considerably more than if you would pay for the same usage on a direct debit tariff

## **Energy Price Caps**

Since 2017, OFGEM has regulated price caps on standard variable tariffs and prepayment meter tariffs. Energy price caps limit what energy companies can charge you for each unit of gas and electricity you use.

Price caps are reviewed every 6 months, and can increase or decrease depending upon the wholesale price of gas and electricity and other factors. The published increases and decreases on energy bills are based on average or “typical” energy consumption (12,000 kWh of gas and 2900 kWh of electricity per year). Any corresponding increase or decrease in your actual bill will be based on your actual energy usage.

If you are on a standard variable tariff set at the current price cap you can usually find better energy tariffs by switching to a fixed rate tariff

## **Exit Fees**

Fixed rate energy tariffs often have exit fee, a fee you have to pay if you want to leave the tariff early. These are usually around £30 per fuel type (if you have gas and electricity supplied by the same supplier, the exit fee will be £60). However OFGEM the regulator does not allow energy companies to charge exit fees during the final 7 weeks (49 days) of a fixed tariff. Energy Suppliers should notify you that your tariff is ending about this time. We recommend you start looking for a new tariff once this 7 week period starts. It usually takes a few weeks for a switch to go through, so it is important not to wait until the last week of your tariff, and risk going onto a poor tariff for a few weeks while the switch is processed.

If you are not on a fixed rate tariff there will not be an exit fee if you switch.

## **Do I need to switch energy supplier at the end of my tariff?**

Although many companies which advertise support to help you switch imply you need to change energy supplier, you only actually need to change energy tariff. All energy companies have multiple tariffs. If you are happy with your current supplier, once your current tariff is ending, you can switch to their latest best tariff. Energy companies should provide information about their best tariffs on your energy bills and statements, and you can also phone them to discuss options.

## **Dual Fuel Tariffs**

If you pay for gas and electricity to separate suppliers, you can usually save money by switching to a single supplier for both, these tariffs are called dual fuel tariffs. However, you do not always save this way, especially if you are on a specialist tariff, so it is worth checking all your options

# **Different ways to switch energy tariff**

There are many ways to find and switch to the best energy tariff. We recommend using the following 4 options:

## **1. Price Comparison Website**

There are plenty of companies which advertise they can help find you the best tariffs, and other companies which will switch you automatically without you needing to do anything. Their services are usually free to use because they are funded through commissions from the energy suppliers. To ensure you are switched to the best tariffs for you, as opposed to those which offer the best commissions to the switching provider, we recommend using price comparison sites accredited by the government regulator OFGEM. Some of the sites are web based only, others offer telephone support as well. They are all free to use. When using a price comparison website, if you are asked if you want to see the whole market, always select "Yes".

The current OFGEM accredited price comparison website are:

Energy Helpline	<a href="http://www.energyhelpline.com">www.energyhelpline.com</a>	<b>0800 074 0745</b>
Energylinx	<a href="http://www.energylinx.co.uk">www.energylinx.co.uk</a>	
The Energy Shop	<a href="http://www.theenergyshop.com">www.theenergyshop.com</a>	
Money Supermarket	<a href="http://www.moneysupermarket.com">www.moneysupermarket.com</a>	

My Utility Genius	<a href="http://www.myutilitygenius.co.uk">www.myutilitygenius.co.uk</a>	<b>0203 468 0461</b>
Runpath	<a href="http://www.runpathdigital.com/gas-electricity">www.runpathdigital.com/gas-electricity</a>	
Simply Switch	<a href="http://www.simplyswitch.com">www.simplyswitch.com</a>	<b>0800 011 1395</b>
Switch Gas and Electric	<a href="http://www.switchgasandelectric.com">www.switchgasandelectric.com</a>	<b>03333 700 600</b>
Quotezone	<a href="http://www.quotezone.co.uk">www.quotezone.co.uk</a>	
Unravel it	<a href="http://www.unravelit.com/energy-switching">www.unravelit.com/energy-switching</a>	
Uswitch	<a href="http://www.uswitch.com">www.uswitch.com</a>	<b>0800 6888 557</b>

## 2. Collective or Community Switching Schemes

A very easy way to find and switch to a new energy tariff is through a collective switching scheme, such as the Big London Energy Switch, which was set up by a consortia of London Boroughs, but is now a national scheme.

Collective switching schemes use the collective buying power of people who register to get energy companies to compete to win customers by offering them the lowest gas and electricity prices. Through these scheme energy companies may offer tariffs which are can lower than tariffs available elsewhere.

Schemes have auctions where energy companies are invited to take part and offering the best tariffs to everyone who registered. The energy supplier that offers the lowest tariff wins the auction.

After the auction has closed you will receive an offer with details of the winning tariff, and how it compares with your current tariff. You will have a few weeks to decide whether to accept the offer or not. There are no charges for taking part, whatever your decision.

The Big London Energy Switch has a helpline number to answer queries about your offer and provide support in the unlikely event that you need help with your switch to the new tariff and supplier. Once your switch is completed you will become a direct customer of the winning energy supplier.

The Big London Energy Switch has 3 auctions a year which take place at the same time every year, February, May and October and as you approach the end of the 1 year contract you can register for another auction to switch to another low tariff for the following year.

For more information [www.croydon.gov.uk/energyswitch](http://www.croydon.gov.uk/energyswitch) or phone **0800 048 8112**

## 3. Switching to best tariff offered by your current energy supplier

If you do not wish to leave your current supplier, you can ensure you are always on the best tariff offered by your supplier, switching tariff as your current tariff comes to an end. Energy companies are required to include information about their best tariff on all energy bills and statements. If you cannot find this information on your bill or need support switching, please contact your energy supplier directly.

#### **4. London Power**

If you don't want to switch energy tariff every year, you may want to consider switching to London Power, which is the energy company set up by the Mayor of London and available to all London households. This tariff through Octopus Energy, offers good rates, but unlike most tariffs, when your current tariff ends you will automatically be switched to their best available similar tariff, rather than a high standard variable tariff without you needing to do anything.

Please visit [www.mylondonpower.com](http://www.mylondonpower.com) or call **0808 168 8145** for more information

## **Switching Energy Tariff - FAQs**

### **How long does switching supplier take?**

Although finding a new energy tariff can take less than 30 minutes, the actual switching process may take up to 3 weeks. This is why we recommend commencing the process well before your tariff end date, to avoid being put onto a poor default or standard variable tariff whilst the switch goes through.

When you commence a switch your old and new energy companies will agree a switch date, and will use the meter readings you provide to close your existing account and set up the new one. Using the same meter reading will ensure you do not get charged twice for any gas or electricity. You should receive a welcome pack from your new energy supplier within a week of the switch. Usually you only have to notify the new energy supplier, who will contact your old supplier on your behalf.

If you are switching tariff with the same energy supplier the process will be quicker.

### **I am on a fixed tariff, but my direct debit has gone up**

Monthly direct debit payments are based on your actual and projected usage of gas and electricity, and may go up because of higher usage. The change may be made to avoid you going into debt on your account, because you have used more energy than forecast, or because you have not submitted a recent meter reading, and an estimated reading has been used. When comparing tariffs before switching look at the actual unit rates, and daily

standing charges, rather than the initial direct debit amount proposed by the energy supplier or switching site.

### **I am on a prepayment meter can I switch?**

If you pay for gas and or electricity on a prepayment meter (also known as a card or key meter), you can also save money by switching tariff, but not normally as much as people who pay by direct debit. If you switch your new supplier will send you a new key or card to top up your meter. However, if you have a bank account and are able to manage a monthly direct debit you will save more money by switching your payment method. Please see the section “Switching from a prepayment meter to direct debit” on page 8

### **Will my Smart Meter still work if I change energy supplier?**

There were problems with using the In Home Displays of early Smart Meters when switching energy tariffs, and in some cases the automated readings they provide to your energy supplier. This meant households with these meters had to start providing meter readings again. However, with modern SMETS 2 Smart Meters, this is not the case and your meter should still work after you switch energy provider.

### **Does someone need to come to my home to allow me to switch?**

No, your switch can be processed via the internet or over the phone. However, you do need to provide a meter reading for the switch to go through. The meter reading you provide will be used for billing purposes, by your old and new energy suppliers to close your old account and open your new account

### **Will I receive different gas and electricity if I switch supplier?**

The gas and electricity you receive in your home will be the same whichever energy supplier you are with. However, the gas and electricity your energy supplier purchases from energy generators, and is put into the grid will be different depending upon your supplier.

When you change supplier, there will not be any interruption to your gas and electricity supply.

### **Should I switch to an energy supplier I have never heard of?**

Many new or smaller suppliers offer some of the best tariffs so don't dismiss them because you have not heard of them. However, we recommend checking online reviews to ensure whichever energy supplier you chose offers good customer service.

Please see the section “What if my energy supplier goes bust” on page 13.

### **Will I continue to receive the Warm Homes Discount or support from the Priority Services Register if I switch?**

If you receive additional support from your energy supplier, for example the Warm Homes Discount, or support through the Priority Services Register, it is important to ensure your new supplier offers the same or equivalent support before you switch, and your new supplier is notified you require this discount or support.

### **Can I change Energy Supplier when I am in debt?**

You need to pay off any debt to your existing energy supplier before switching. If this debt is less than 28 days old it will be added your final bill. If you are in debt you may still be able to switch a new tariff with your current supplier.

If you have a prepayment meter, you can switch supplier if your debt is less than £500. The debt will be transferred to the new supplier, and you will need to agree a repayment plan with them.

### **Can I change my mind after I have switching to the new tariff?**

If you change your mind about switching energy tariff within the first 14 days of the tariff, let your new supplier know and the switch can be cancelled. If the 14 day cooling off period you may have to pay exit fees to leave the new tariff.

### **I've just moved into a new home and don't know my gas and electricity suppliers.**

If your landlord or the previous occupier has not left you with information about the energy supplier for your new home, you can contact:

- Electricity Supplier. Contact the London Electricity Distribution Network Operator to find out your electricity provider 0800 029 4285
- Gas supplier. Contact the Meter Number Helpline on 0870 608 1524

It is essential you contact you supplier as soon as possible after you move in and provide them with a meter reading. If you do not provide a reading you may end up paying for gas and electricity used by the previous occupant. If you have a prepayment meter, do not use any cards and keys left by the previous occupier, as they may have debt repayment plans programmed in. Your energy supplier will send you a new card or key for you to top up the meter.

Once you are set up with the supplier, you can switch to a new supplier tariff during the 14 day cooling off period.

After you have moved into a property it is important to submit regular meter readings, otherwise your energy supplier will use the energy use of the previous occupier to provide estimated readings, which may result in you paying higher bills or direct debits than necessary.

## **What are MPANS and MPRNS?**

When registering to switch energy supplier, sometimes you may be asked for your MPAN or MPRN number, this is usually when the address you provide does not correspond exactly with the address on their system.

Your MPAN is the unique identifying number for the electricity meter at your property. Your MPAN is commonly referred to as a "Supply Number" or "S" number, and it can be found on your electricity bill. If you can't locate your "S" number, you should contact your current electricity supplier, who will be able to tell you the number.

Your MPRN is the unique identifying number for the gas meter at your property. Your MPRN is usually a ten digit number (although it can be shorter), commonly referred to as an "M" number, and can be found on your gas bill. If you can't locate your MPRN on your bill, you can call the Meter Number Helpline on 0870 608 1524

## **Switching from a prepayment meter to direct debit**

If you pay for your gas and electricity in advance using a prepayment meter (also known as a key or card meter), you are likely to be on a considerably worse energy tariff than if you have a standard meter and you paid by direct debit. Standard (non-prepayment) meters are known as credit meters

- If you have a bank account and can manage monthly direct debits you may wish to consider switching off prepayment to direct debit.
- Unless you have a Smart Meter, this will involve changing your gas and electricity meter.
- Your energy supplier should not charge you for changing meters, but will probably insist on fitting a new Smart Meter. If your energy supplier charges for a meter, you may wish to switch to another energy supplier who will not charge you.

### **Process for changing meter**

- First contact your energy supplier to find out whether you'll be eligible for a credit meter.
- They will typically run a credit check on you to help them decide whether or not they think you'll be able to make the payments for the energy you use.
- If you pass the credit check, an engineer will be sent round to remove your prepayment meter and install the new one.
- If you rent your property, unless it is specified in your tenancy agreement, you do not require consent from your landlord to request a meter change, however, it is usually best to advise the landlord. Gas and electricity meters in your home are owned by the gas and electricity supply network.



# Managing your accounts and avoiding debt

## Provide regular meter readings

If you pay for your gas and electricity by bill or direct debit, ensure you regularly provide meter readings to your energy supplier to ensure you are charged for the actual energy you use, otherwise they will bill you based on estimated readings, which are likely to be higher than your actual energy consumption. It is important to provide meter readings at least every 2-3 months. These can be provided online through apps or over the phone.

- If you are unable to read your meter, or do not know how to take a reading, it is really important to tell your energy supplier. They may suggest you join the Priority Services Register, allowing them to send meter readers more regularly. They may also be able to move your meter to a more accessible location if appropriate. Please see the section on the Priority Services Register on pages 11 & 12
- Another option is asking for a Smart Meter to be fitted which automatically sends meter readings directly to your energy supplier. The meter comes with an in-home display. This will enable you to see your electricity usage and how much it is costing you.
- If you are moving in to a new home, make sure you take meter readings on the day you move in. Notify the energy supplier for the property that you are the new customer and provide them with the readings from the day you moved in. This will ensure you don't pay for any energy used by the previous occupier, or pick up any debts that they may have owed.

## Are you struggling to pay for your gas and electricity?

If you are struggling to pay for your energy bill/direct debit or top up your prepayment meter, you should contact your energy supplier as soon as possible. Depending upon your circumstances, you may be able to get temporary credit.

If you had a prepayment meter because you're repaying a debt to your supplier, you can ask them to reduce the amount you repay each week.

Contact your energy supplier to discuss the debt and agree a payment plan to pay off the debt in instalments. You'll pay fixed amounts over a set period of time, meaning you'll pay what you can afford. The payment plan will cover what you owe plus an amount for your current gas and electricity usage.

Your energy supplier must take into account:

- **how much you can afford to pay** - give them details about your income and outgoings, debts and personal circumstances
- **how much energy you'll use in future** - they'll estimate this based on your past usage, but give them regular meter readings to make this more accurate

OFGEM, the gas and electricity regulator requires all suppliers to follow standard licence conditions in circumstances where customers are struggling to pay. These include agreeing repayment plans on a case by case basis, and ensuring that all payment plans are affordable. They are not allowed to incentivise staff to try and maximise customer debt payments

Energy companies must work with you to agree a payment plan you can afford. This may involve reviewing any plan previously agreed with them

You can ask for:

- A review of your payments and debt repayments
- Payment breaks or reductions
- More time to pay
- Access to hardship funds
- 'Emergency Credit' if you use a prepay meter and cannot top up.
- Priority Services registration – a free service if you are in a vulnerable situation

It is important to try and avoid falling into debt, and you may not be able to switch to a better energy tariff until any debt is repaid, meaning you are paying a high energy tariff for your current usage on top of your debt.

### Avoid being switched to a prepayment meters to pay off debt

Your energy supplier may try and switch you to a prepayment meter to help recover debt. Paying through a prepayment meter will involve a debt repayment taken off your credit when you top up your card or key.

However, moving onto a prepayment a meter may mean moving onto a higher energy tariff than when paying by direct debit. So you may wish to discuss other options with your supplier to pay back the debt.

Your supplier also has to follow licence conditions set by OFGEM. These rules mean your supplier can't make you move to a prepayment meter if:

- you don't agree that you owe them money, and you've told them this - for example if the debt came from a previous tenant
- they haven't offered you other ways to repay money you owe - for example a repayment plan, or payments through your benefits (Fuel Direct)
- they come to your home to install a prepayment meter without giving you notice - at least 7 working days
- they haven't given you at least 28 days to repay your debt before writing to you to say they want to move you to prepayment
- a prepayment meter is not suitable for you and household for example you or a member of your household:
  - is disabled in a way that makes it hard to get to, read or use the meter
  - have a mental health condition that makes it hard to get to, read or use the meter
  - have an illness that affects your breathing, such as asthma
  - have an illness that's made worse by the cold, such as arthritis
  - use medical equipment that needs electricity - for example a stair lift or dialysis machine
- You cannot always access your meter

Tell your supplier if any of these apply. If they still want to move you to prepayment, you may also wish to seek professional independent advice

### If you can't afford your payment plan

Speak to your energy supplier again if you think they're charging you too much, if your situation changes, or you're struggling to afford the repayments, to try and agree a new repayment plan with them. Their licence conditions require energy suppliers to review repayment plans where bill payers' circumstances change.

If you are struggling you may benefit from independent energy and debt advice. An advisor may be able to help you apply for a grant from a charitable trust to help pay any debt.

## **Additional support available from your energy supplier**

### Warm Homes Discount

The Warm Homes Discount is an annual discount of £140 taken off the electricity bills of low income households every winter

- If you or your partner receive pension guarantee credit you should receive this automatically. This is known as "core group" eligibility. If you do not, please contact your energy supplier
- If you receive a working age means tested benefit, you may be able to apply for the discount under what is known as a "broader group" eligibility. Unfortunately energy suppliers apply different eligibility criteria, and some smaller suppliers do not offer the discount. Please check on your supplier's website or phone them to see if you are eligible and can make an application. Applications normally open in September or October and may only be open for a few weeks. The discounts are allocated on a first come first served basis
- If you pay for electricity by card or key, the discount will be automatically added to your prepayment key or card

From April 2022, the eligibility criteria, and the application processes for the Warm Homes Discount will change so please check for more information nearer the time.

### Priority Services Register

The Priority Services Register is a free service provided by suppliers and network operators. The benefits of joining the Priority Services Registers include:

- **Meter reading services at appropriate intervals.** If nobody living at your property is able to read the meter and there isn't anyone else you can nominate to read the meter on your behalf, your supplier may be able to read it for you.
- **Accessible information.** Account and bill information can be provided in an accessible format, for example in larger print or braille

- **Arrangements to ensure that it's safe and practical for you to use your prepayment meter.** For example moving a prepayment meter if you are unable to access it safely to top it up.
- **Advance notice of planned power cuts.** If you rely medically on your energy supply you can arrange for the company that runs the local energy network (the network operator) to give you advance notice of planned power cuts. For example, when they plan to carry out engineering work.
- **Priority support in an emergency.** This could involve the local network operator providing alternative heating and cooking facilities in the event of a supply interruption.
- **Identification scheme.** This is to reassure you that callers, for example meter readers, are genuine. Suppliers have to provide additional support to help you identify someone acting on behalf of their company. This could include arranging a password or showing an agreed picture card upon visit.
- **Password protection.** Network operators must offer to agree a password with you (or your representative) that can be used by any representative of the company to enable you to identify them.
- **Nominee scheme.** Customers can ask their supplier to send communications (such as account statements or bills) to someone you have nominated who agrees to receive them. For example, this could be a family member, carer or someone you trust.

Each energy supplier and network operator maintains its own register, and there are separate registers for gas and electricity. Please contact your energy supplier(s) to apply. Water companies also run a priority services register

You are eligible if you:

- are of pensionable age
- are disabled or chronically sick
- have a long-term medical condition
- have a hearing or visual impairment or additional communication needs
- are in a vulnerable situation.

A wide range of circumstances could be deemed as a vulnerable situation. Examples include:

- Having certain mental health conditions which impact understanding of a bill.
- Being unable to top up your pre-payment meter due to injury.
- Temporary circumstances, where you might need extra support for a limited amount of time.
- You may also be eligible for priority services from your supplier and/or network operator if you live with a child under five years old.

## What happens if my energy supplier goes bust?

If your energy supplier goes bust, you will continue to receive uninterrupted gas and electricity suppliers

- OFGEM will appoint a new supplier for all the customers of your old supplier, known as the “Supplier of last resort”, and your account will be transferred to this company. The new energy supplier is likely to be one of the larger energy suppliers.
- The transfer may take a few weeks. Your new supplier should then contact you to explain what is happening with your account
- As soon as you are made aware that your old supplier has gone bust, take gas and electricity meter readings, with digital photos if possible. If you have an online account, unless they are emailed to you, download any recent bills/statements before you lose access to their website.
- If you pay by direct debit, there is no need to cancel it straight away. Wait until your new account is set up before you cancel it
- If you are in credit, your money is protected and you'll be paid back. If you were in debt to the old supplier, you'll still have to pay the money back to your new supplier instead
- If you pay by prepayment meter, continue to use the old card or key until you are sent new ones by your new supplier
- The tariff with the new supplier may be higher than the tariff from your old supplier. It is therefore worth checking to see if the appointed supplier has any better tariffs, or if you can find a better tariff by switching supplier. You will not have to pay exit fees in these circumstances. It is best to wait until the appointed supplier contacts you and determines if you are in any credit before attempting to switch supplier.

## Croydon Healthy Homes Partnership

If you are a Croydon resident, who is an owner occupier or rents from a private sector landlord and would like to discuss energy tariff and bill issues with a qualified energy advisor, the Croydon Healthy Homes Partnership may be able to help. Both Croydon Council and Croydon BME Forum have qualified energy advisors who can offer free and independent advice and support about energy tariffs. If you are struggling to afford your energy bill/direct debit or top up a prepayment meter, we recommend speaking to your energy supplier first.

If you are an owner occupier living in a house, Croydon Healthy Homes advisors will be able to advise if you are entitled to grant funding for home energy improvements (wall and loft insulation, renewable heating and solar PV panels).

For more information or to apply for advice, please visit [www.croydon.gov.uk/healthyhomes](http://www.croydon.gov.uk/healthyhomes) or phone Freephone 0800 2922529 (Croydon Council) or 07541 309243 (Croydon BME Forum).

For information about drop in events where you can meet a member of the team please visit: [www.croydon.gov.uk/energyevents](http://www.croydon.gov.uk/energyevents)

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