

Domestic energy report

21 October 2009

Potential savings on annual energy bills by switching

We have looked at what a typical South Wales customer could save by switching supplier.

If the typical customer stayed with the same suppliers, but simply switched to paying by direct debit, they could make a saving of around £56 a year.

If they wished to continue paying quarterly, but are willing to switch supplier, they could make a saving of around £65 a year¹ by moving to a dual fuel deal, buying both fuels from the same company.

However, the biggest saving can be made by moving to an online, dual fuel, direct debit tariff. By doing this, the typical customer could save around £270 a year², which is 21 per cent of their total bill!

Examples of potential savings on annual energy bills by type of switch



Key

To direct debit To new companies To online dual fuel direct debit

Helping people to switch

Helping people switch energy suppliers to a better deal is a good way to assist them in bringing their bills down.

If someone would like to switch, it is a good idea to get the following information together:

- How much they spend each month on energy
- How much energy they use
- The name of their current supplier
- The name of the deal they are on
- Their postcode

There are three ways to find out about prices:

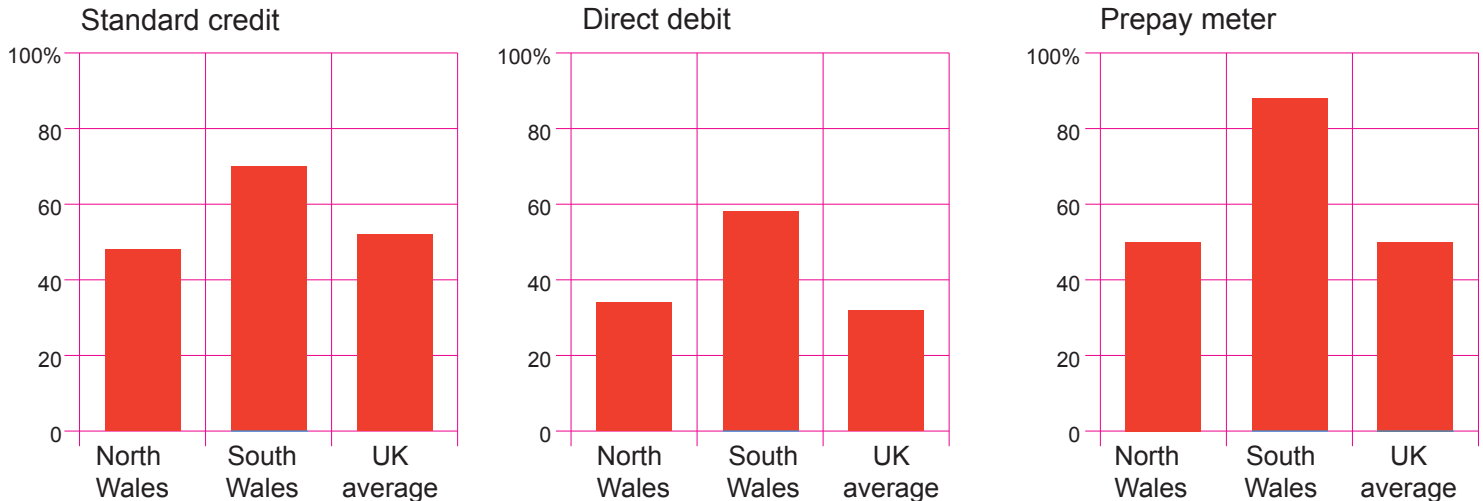
- Use a price comparison service approved by the Consumer Focus' Confidence Code
- Phone around the energy supply companies
- Call Consumer Direct on 08454 040 506 for a pricing factsheet

Source: 'Energy Best Deal', Ofgem, Citizens Advice

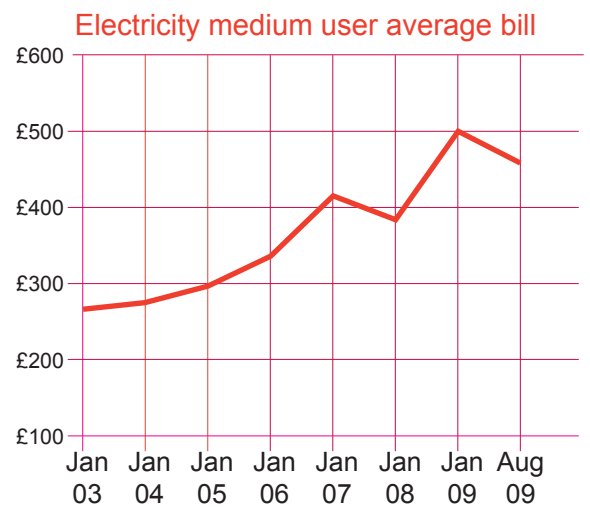
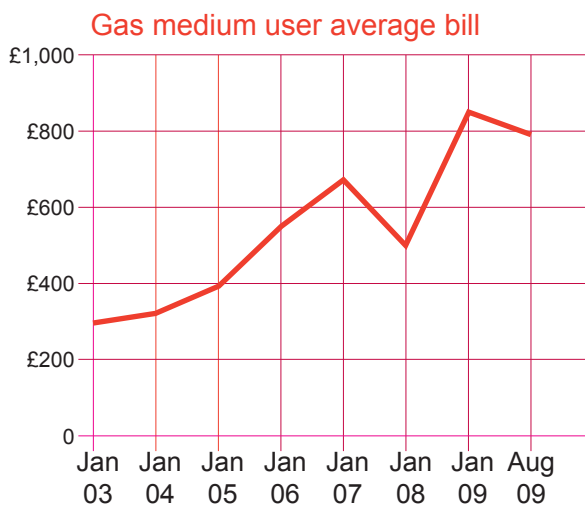
Electricity customers staying with what they know

Electricity customers have been able to switch suppliers to a cheaper deal since 1999. Across Britain, 49 per cent of electricity customers on standard credit terms have taken advantage of this opportunity and are no longer with the original supplier for their area. However the rate is significantly lower in south Wales, where the original supplier is Swalec. Only 30 per cent of standard credit customers and 14 per cent of prepayment meter customers are not with Swalec. Across all payment types, electricity customers in south Wales are more loyal than customers in other parts of Britain.

Percentage of electricity customers with original supplier (eg Swalec or Scottish Power Manweb)



Average fuel bills



Since the start of the year domestic gas and electricity bills have fallen slightly. This follows a very steep rise in 2008 when the average annual bill hit a peak of £821 for gas and £500 for electricity. In the five years to January 2009 annual gas bills in Wales rose by 106 per cent to a peak of £821. During the same time period annual electricity bills rose by 67 per cent to a peak of £500. Since January the gas has fallen to £798 and electricity has fallen to £462.

Consumer Confidence Code

The Consumer Focus Confidence Code ensures that gas and electricity price comparison sites are independent and impartial. Consumers using an accredited site can be 100 per cent confident that they are seeing all tariffs and that the results are completely unbiased.



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Average fuel bills: all prices shown are for Standard Credit and include VAT. Average annual gas consumption level of 20,500kWh and average annual electricity consumption level of 3,300kWh. Current 2009 uses current pricing data. **Source:** Consumer Focus.
Switching: source 'Percentage of domestic electricity customers by region by supplier type', Quarterly Energy Prices, BERR, March 2009. Welsh Energy Bills Compared, see 'Average fuel bills' above.