

Domestic energy report

Your inside guide to the Welsh energy market

14 May 2010

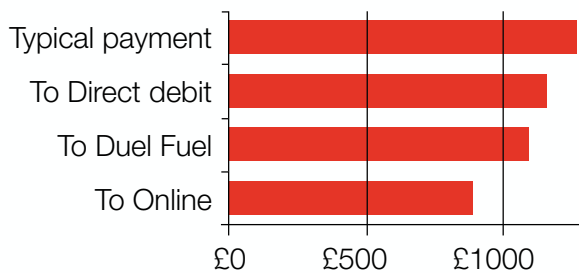
Consumer Focus Wales is the statutory voice of energy consumers. This regular report provides exclusive Welsh information on the cost and provision of mains gas and electricity.

Sizeable savings for switching ⁱ

The domestic energy market in Wales was opened up to full competition in 1999. However, a high proportion of Welsh consumers remain with their original suppliers and are overpaying for their energy.

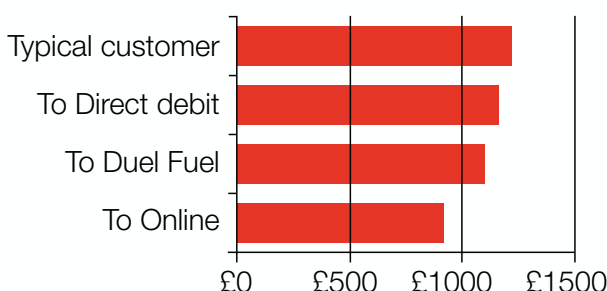
North Wales

A consumer in north Wales who has never switched who uses a medium amount of energy spends **£1,261** on their fuel bills a year. If they switched to direct debit tariffs with their existing supplier they would save **£104** a year. If they switched the cheapest dual fuel deal with one of their existing suppliers they would stop overpaying by **£172** a year. And, if they switched to the cheapest available on-line dual fuel deal they would save as much as **£369** a year.



South Wales

A consumer in south Wales who has never switched who uses a medium amount of energy spends **£1,220** on their fuel bills a year. If they switched to direct debit tariffs with their existing supplier they would save **£57** a year. If they switched the cheapest dual fuel deal with one of their existing suppliers they would stop overpaying by **£119** a year. And, if they switched to the cheapest available on-line dual fuel deal they would save as much as **£303** a year.



ⁱ **North Wales:** Customer who has not switched: British Gas Standard payment by cash or cheque and Scottish Power 'No Standing Charge' payment by cash or cheque. Direct debit with existing suppliers: Gas: to British Gas Standard payment by monthly direct debit and electricity to Scottish Power 'No Standing Charge' pay by monthly DD. To dual fuel with an existing supplier: to BG Standard monthly direct debit. To dual fuel online with a new supplier. To nPower 'Sign Online v.18' or First Utility 'iSave v.3'

South Wales: Customer who has not switched: British Gas Standard payment by cash or cheque and Swalec. 'No Standing Charge' payment by cash or cheque. Direct debit with existing suppliers: Gas: to British Gas Standard payment by monthly direct debit and electricity to Swalec 'No Standing Charge' pay by monthly DD. To dual fuel with an existing supplier: to BG Standard monthly direct debit. To dual fuel online with a new supplier. To nPower 'Sign online v.18'

Bill calculations are based on 3,300 kWh electricity and 20,500 kWh gas.

How to switch

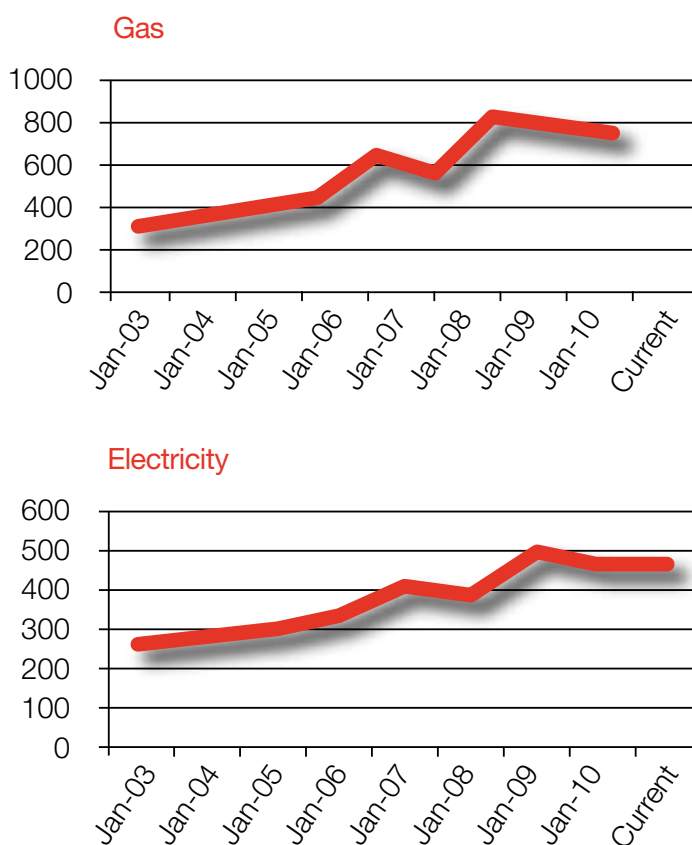
As this report highlights, the typical customer can save up to **£369** on their energy bills. Switching your energy tariffs is a straightforward way to save money on your fuel bill. To help consumers switch, a number of independent price comparison sites and phone lines are available. The Consumer Focus Confidence

Code ensures that these 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. For more details visit <http://www.consumerfocus.org.uk/energy-help-and-advice/confidence-code>

Average energy bills - gas and electricity ⁱⁱ

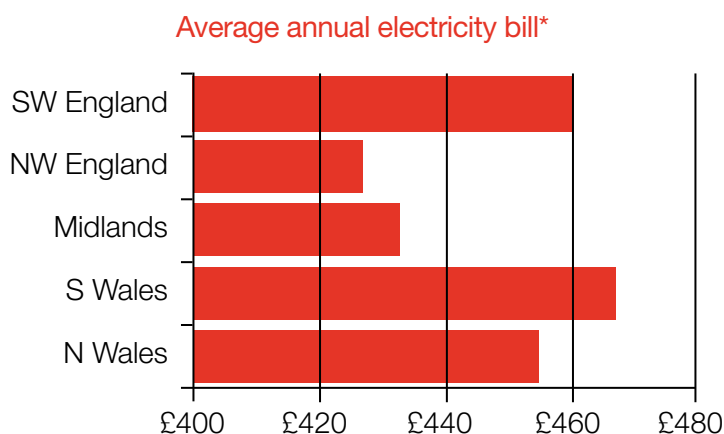
Since January 2009, domestic mains gas bills have fallen slightly. This follows a very steep rise in 2008 when the average annual bill hit a peak of **£821** for gas and **£500** for electricity. In the five years to January 2009 annual gas bills in Wales rose by 106 per cent to a peak of **£821**. During the same time period, annual electricity bills rose by 67 per cent to a peak of **£500**. The average prices for gas and electricity prices have fallen slightly or remain constant in recent months, but remain at historically high levels. Long-term trends suggest a rise in prices.

ⁱⁱ Average fuel bills: all prices are for Standard Credit and include VAT. Average annual gas consumption level of 20,500kWh and average annual electricity consumption level of 3,300 kWh.



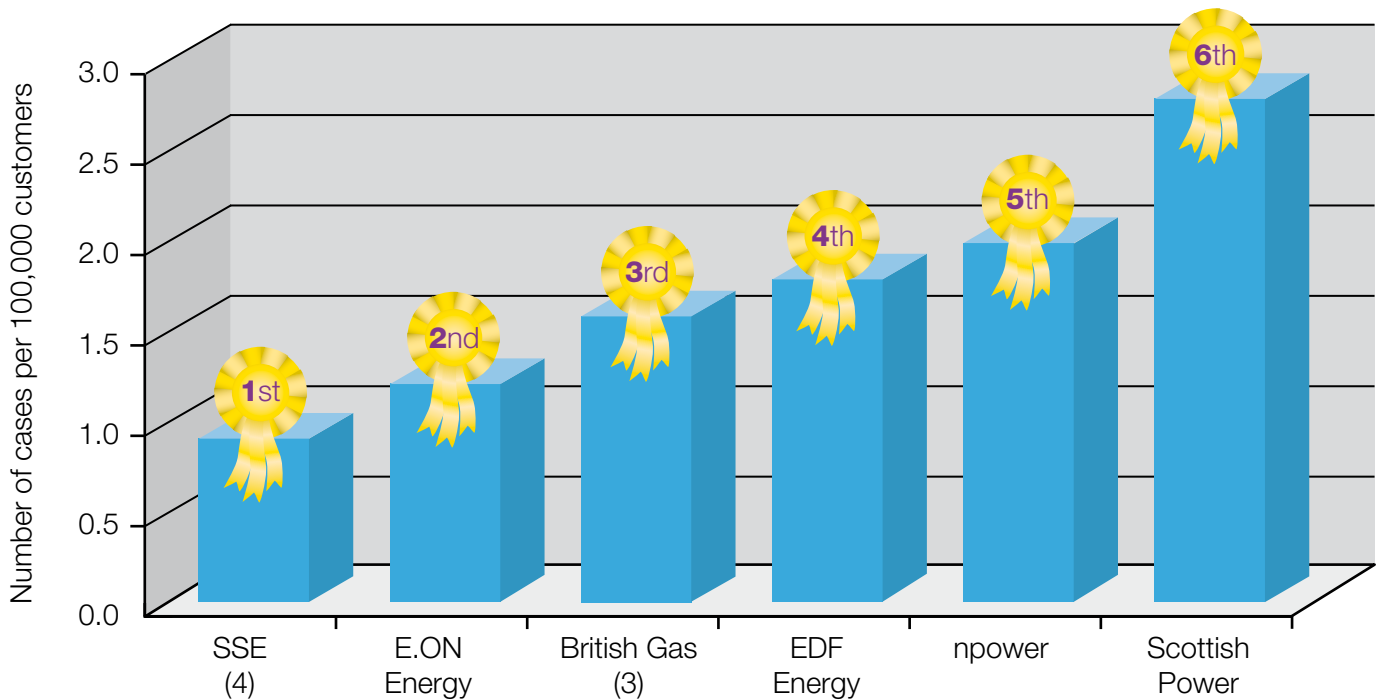
Electricity costs vary by region

Electricity prices vary between different regional markets. The cost of distributing electricity from power stations to homes is an important factor as are the pricing policies of suppliers. The average electricity consumer in south Wales pays **£467** a year compared to an average of **£433** in the English Midlands, a difference of **£34**. The annual average in north Wales is **£455** compared to **£427** in north west England, a difference of **£28**. Consumer Focus Wales will be publishing a report on the cost of electricity in Wales in June.



Consumer Focus performance measure ⁱⁱⁱ

Number of cases received per 100,000 customers per supplier, February 2010



See how the big six energy companies compare in terms of Consumer Focus' relative performance measure. SSE which includes Swalec in South Wales have the best record on Consumer Focus cases and on referrals from Consumer Direct.

ⁱⁱⁱ [1] Consumer Focus has created a proxy for performance. The companies have been ranked on the number of cases received by Consumer Direct that were referred onto the suppliers' dedicated handling teams and the cases referred to Consumer Focus's Extra Help Unit about them in relation to their market share on a three month rolling average basis e.g. Oct = Aug – Oct.
[2] 1st indicates best performing company, 6th indicates worst performing company.
[3] includes Scottish Gas.
[4] includes Atlantic, Scottish Hydro Electric, Southern Electric, SWALEC

Consumer Focus Wales is Wales' consumer champion. In addition to our work on energy, we also empower and represent consumers of postal and financial services, as well as wider consumer issues. More details can be seen at www.consumerfocus-wales.org.uk

Contact us

Consumer Focus Wales, Capital Tower, Greyfriars Road, Cardiff CF10 3AG

For more information please phone 029 2078 7100 or email contact@consumerfocus-wales.org.uk