

Switching energy supplier

About this factsheet

This factsheet looks at the issues involved in switching energy suppliers. It explains how to go about switching so as to get the best deal and save money on your bills, whether you use the internet, telephone, or a door-to-door sales adviser to switch. For information about other measures to help you pay your energy bills see Age UK's Factsheet 1, *Help with heating costs*, or in Wales, Age Cymru Factsheet 1w, *Help with heating costs in Wales*.

The information in this factsheet is correct for the period April 2011 – March 2012 and applies in England and Wales. Different rules may apply in Northern Ireland and Scotland. Readers in these nations should contact their national offices for information specific to where they live – see section 11.

Section 11 also has details of how to order other Age UK or Age Cymru factsheets and information materials and the telephone number for Age UK Advice.

If you need more detailed advice or representation, it is often best to find a local service. Sometimes this is suggested in the text. Age UK Advice can give you contact details for a local Age UK or Age Cymru, or you could contact one of the independent organisations listed in section 10.

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1 Why switch supplier?

According to the gas and electricity regulator Ofgem, you could save up to £100 per year if you switch both gas and electricity suppliers.

The process may seem rather daunting, especially if you have always been with the same supplier – there are over 400 different tariffs available (as at October 2011). However, this does also mean there is likely to be a better deal for your energy if you shop around.

This factsheet will take you through the steps required to compare options and tariffs and explain how to go about switching supplier if you find a better deal.

If you do switch gas or electricity supplier (or both) you will still use the same meters and have the same pipes and cables. All that will change will be the company that sells you your gas and electricity, and sends you your bills.

2 Before you start

Before switching supplier, review your current financial situation. Are you one of the millions of people who don't realise they are entitled to some form of benefit? Around one in three people are not claiming Pension Credit they are entitled to and this money can top up your weekly income to £137.35 if you are single or £209.70 if you have a partner (depending on your circumstances).

You can find out if you are likely to qualify for any benefits by using the benefits calculator on our website (see section 11) or by visiting a local Age UK or Age Cymru or local advice agency. The calculator on our website will guide you through a series of questions and give you an indication of your entitlement to any benefits. It is worth claiming even if you are entitled to a small amount of benefit: a small 'top up' of Pension Credit for example can give you an entitlement to other help such as a Cold Weather Payment to help with the costs of heating your home during particularly cold spells.

For more detailed information about help with the cost of heating your home, see Age UK's Factsheet 1, *Help with heating costs*, or in Wales, Age Cymru Factsheet 1w, *Help with heating costs in Wales*. For information about Pension Credit see Age UK's Factsheet 48, *Pension Credit* (see section 11).

3 Information needed for an accurate comparison

3.1 Basic information

As different suppliers use different methods of charging it can be difficult to know if you are really saving money. It is important that you get an accurate comparison of available tariffs if you are to make an informed decision when considering whether to make the switch. So before shopping around, you will need to gather the basic information listed below:

- name of your current tariff – this will be on your bills
- current payment method
- annual usage – your supplier can provide you with this over the phone
- your postcode.

3.2 Some extra considerations

How you would like to pay your bill?

You will need to think about how you would like to pay your fuel bill, and how often. Common methods include:

- paying weekly or quarterly by cash or cheque
- paying monthly or quarterly by direct debit.

Many suppliers offer a discount for using direct debit, and may also offer further discounts if you opt to manage your accounts online.

Do you want to switch both electricity and gas?

You may get a better deal if you switch both electricity and gas to a new supplier (known as dual-fuel) – this is usually cheaper than buying separately.

Does your current contract carry an 'early termination fee'?

Check with your existing supplier that you are not bound into a fixed-term contract with your current supplier. If you are, you may face an 'early termination fee' as a penalty for leaving your agreement before the end of the term. Such a fee could effectively offset the benefit of switching.

Note: If your supplier varies the terms and conditions of your agreement – with a price increase for example – you have 30 days in which to change suppliers before the new price comes into effect. During this period any early termination fees should be waived.

Can you still switch supplier if you rent your property?

You can still switch suppliers as long as you are responsible for paying the fuel bill. However, you should inform your landlord if you are going to do this. Some tenancy agreements forbid changing energy supplier but under the Office of Fair Trading (OFT) guidance on tenancy agreements (2005) this may be considered an unfair term. Before you take any action, consider what security of tenure you have and how easily you can be evicted. If you have limited security of tenure, for example, if you are an assured shorthold tenant (most tenancies that started on or after 28 February 1997), you may need to think carefully about whether you want to take action against your landlord. For more information see Age UK's Factsheet 68, *Tenants' rights – security of tenure*.

Can you switch supplier if you are in arrears with your gas or electricity?

If you have a fuel debt you may still be able to switch supplier. If you are on a prepayment meter and have arrears of less than £200, it should not prevent you from switching.

However, if you are not on a prepayment meter and you have arrears of any amount, your supplier can prevent you from switching until you have repaid your arrears. If your debt has occurred because of an error your supplier has made they cannot stop you from switching, although you will still have to pay your debt.

If you do have any arrears, speak to your supplier to make arrangements to pay them off, and seek advice straight away if you are threatened with disconnection. Refer to Age UK's Factsheet 1, *Help with heating costs* or in Wales, Age Cymru Factsheet 1w, *Help with heating costs in Wales* for more information (see section 11).

If you live in a remote area

Some remote parts of the UK are supported by a single energy supplier and there is no option other than to remain with that supplier. However, you can look at other ways of reducing your energy bills, such as ensuring your home is energy efficient. See Age UK's Factsheet 1, *Help with heating costs*, or in Wales, Age Cymru Factsheet 1w, *Help with heating costs in Wales* for more information.

4 Shopping around

Once you have all the required information and have decided that you would like to shop around for a better deal, you need to find out which companies operate in your area and how much they charge. Six major suppliers of gas and electricity cover the UK, but smaller regional suppliers may offer a good deal. You can find contact details for energy companies on the Consumer Focus website or by calling Consumer Direct for more information (see section 10).

4.1 Using the internet

The internet is perhaps the easiest way to shop around because once you have entered your information into a website it will make the comparisons for you and present you with a list of suitable options. However, it is important to use an impartial website. Look for the 'Confidence Code' logo, which is a sign that the comparison site has signed up to the Consumer Focus voluntary code of practice; this means that it will offer independent and unbiased comparisons. See section 9 for a list of the online comparison sites that have signed up to the Confidence Code.

Alternatively, the Consumer Focus website has a tool that enables you to compare gas and electricity prices in your area for all energy suppliers.

Note: Don't have the internet?

Many of the best offers can be found online. If you do not have access to a computer at home, consider visiting your local library as public libraries often have free internet access. If you do use a public computer, however, be careful when entering any personal information – don't leave your computer unattended and check that nobody is watching over your shoulder.

4.2 Over the phone

If you don't have access to the internet some of the price comparison companies also offer a telephone service (see section 9). Alternatively, you can call individual suppliers for a quote and compare deals before making any decisions. To do this you will need to find out which companies operate in your area and how much they charge. They should be able to give you this information over the phone or send you pricing details on request.

You can find out energy companies' details on the Consumer Focus website or call Consumer Direct for more information.

4.3 Door-to-door sales

If a sales person calls at your home to try to sell you their gas or electricity supply you should follow these guidelines.

- Ask them for identification – all sales people must carry this.
- If you are still in any doubt, check with their company that they are who they say they are. Get the company number from directory enquiries or the phone book (not from the caller).
- Do not let anyone into your home if you are in any way unsure or unhappy.
- If you want a friend or family member to be with you ask them to come back at a convenient time.

Sales representatives have to abide by certain rules. For example, before you sign up to a new deal the sales person has to give you a written estimate, and where possible a written comparison with your current energy deal. If you decide to switch, your future supplier has to provide you with a copy of the contract, and an explanation of what happens next and your cancellation rights.

Note: Although it may be helpful to speak to someone face to face, be wary of any sales agents who arrive unannounced and remember that they only work for one energy supplier so they will only inform you about deals from that particular supplier. You may not be able to get the best deal from the market if you deal directly and solely with one supplier.

If you do sign up to a contract with a door-to-door sales adviser, you will have a minimum of seven days in which to change your mind and alert the supplier (see section 7).

For further information on your consumer rights contact Consumer Direct (see section 10).

4.4 Useful questions to ask suppliers

You might want to ask the following questions before you make a decision.

- What payment methods are offered? Some payment methods may be cheaper than others. For example, it is usually cheaper to pay your bills by monthly direct debit or over the internet, than by cheque on a quarterly basis.
- Are there any special discounts or schemes? Some suppliers offer special discounts when they supply both gas and electricity to consumers (i.e. dual-fuel).
- Are there any extra or hidden charges? Some suppliers add a standing charge to your bill; others do not but may charge a higher unit price.

- How well do they perform? Consumer Focus has a website page with details of the number of complaints received from consumers about individual suppliers and Consumer Direct should be able to send you a printed version if you do not have access to the internet. Which? also have an annual customer satisfaction rating for each energy supplier (see section 9).
- What are the supplier's policies on debts and disconnection?

4.5 Special tariffs and offers

Some providers have capped or fixed-price tariffs or specialist tariffs aimed at a particular group of qualifying customers (such as older people) and offering special benefits. Be aware, however, that these tariffs may be more expensive than a company's current standard tariff.

You should also be wary of introductory offers – some deals may offer a reduced rate for only the first six months or so as an incentive.

Note: Special offers may not be included in price comparison websites and you should check what is available with individual providers.

5 Types of tariff

When you search for a suitable alternative tariff, you may be perplexed by the sheer range of options available. Although a reputable comparison service can take this into consideration, it is still worth knowing about the basic tariff options and their key features. Below is a general overview.

5.1 Social tariff

Most energy providers offer social tariffs to customers who are having difficulty paying their bills. These tariffs are usually aimed at particular groups of qualifying customers (such as recipients of certain benefits) and are not usually included on price comparison searches.

However social tariffs are gradually being phased out as customers are moved to the Warm Front Discount. (See Age UK's Factsheet 1, *Help with heating costs*, or in Wales, Age Cymru Factsheet 1w, *Help with heating costs in Wales* for more information).

5.2 Standard tariff

A standard tariff is the supplier's basic tariff and is often their most expensive tariff. You will receive quarterly paper bills that can be paid by cash, cheque, credit card or standing order. The plus side is that if you want to switch supplier you will not face an early termination fee.

5.3 Dual-fuel tariff

If you get both gas and electricity from the same supplier you can often benefit from a cheaper dual-fuel tariff..

5.4 Online tariff

Online tariffs are available if you can receive your energy bills by email and give meter readings online. They are often cheaper than standard tariffs because they do not involve any paperwork. Most online tariffs require you to pay by direct debit, although a few accept cheque or cash. A key benefit of this tariff is that you can easily provide regular meter readings so you won't receive 'estimated bills' which can be higher than your actual usage.

5.5 Fixed-price tariff

A fixed-price tariff guarantees that the price you pay per unit of electricity or gas will not change for a set period of time. Fixed-rate tariffs sometimes have a financial penalty if you want to leave before the end of the fixed period. You should also be aware that it is the unit price of gas or electricity that is fixed, not your bill and that will still change depending how much energy you use.

5.6 Capped-price tariff

A capped price tariff offers the guarantee that the price paid per kWh for electricity or gas, will not rise beyond the 'cap' for a set period of time. The price paid for electricity or gas could decrease if a company's standard prices decrease during the period. Your bill will still vary depending on how much fuel is used.

5.7 Economy 7

This type of meter is common for homes that use storage heaters, so although Economy 7 is not a tariff, it is shown here for comparison.

With Economy 7 the bill is split into two parts: you are charged for seven hours of electricity at the 'night rate', which is cheaper – ideal if you use more electricity during the evening – and then the 'day rate' is slightly higher. If you are out and about during the day and not using much electricity then this tariff may be suitable for you. It may not be suitable if you spend a lot of time at home during the day.

If you do not have an Economy 7 meter but wish to switch to this type, you may be charged for a new meter installation.

6 Decided to switch? What next?

Once you have decided to change tariff or supplier, your new supplier will ask you for a meter reading. They will pass it on to your old supplier so that you can be billed for any outstanding money you owe. The process of switching can take up to six weeks, and your new supplier should keep you informed of progress. They should also tell you when to expect your first bill and the date from which they will begin charging you.

During this time you should receive a final bill from your old supplier, which you should settle as soon as possible. If you paid your bills through direct debit you should cancel your direct debit after you have made the final payment.

When you switch to a new supplier, you should keep a record of the following information:

- date you agreed the deal/signed the contract
- details of the deal/tariff agreed
- meter readings on the date of the change
- any letters/emails sent and received between you and the supplier
- contact numbers – including the names of people you have spoken to
- final bill from your old supplier.

6.1 How many times can I switch energy supplier?

You can switch supplier as many times as you like but you are obliged to stay on a tariff for a minimum of 28 days before switching again. You should also be aware of any early termination penalties (see section 3.2 'Some extra considerations').

7 Changed your mind?

When you switch suppliers you should be asked (whether by letter or phone) to confirm that you are happy to proceed with the switchover within the first few days of your decision.

If you do change your mind, you will have a minimum of seven days in which you can cancel any new contract. This is known as a 'cooling off period'. Some suppliers or switching services may offer a longer cooling off period and they must advise you of this when you make the switch.

If you are no longer within your cooling off period and wish to switch back to your previous supplier, you should check the terms of your contract to see whether there is an early termination fee (see section 3.2 'Some extra considerations').

8 Complaints

If, when you enter into a contract, you find that the terms are not what were initially agreed or the new product is clearly not suitable for your needs, you should contact your new supplier to complain.

If the complaint reaches a deadlock or you are not satisfied after following your supplier's complaints procedures you can refer your complaint to the Energy Ombudsman (see section 10).

For more help and information on your rights and making a complaint about an energy supplier see the Consumer Focus website or call Consumer Direct. If you are concerned that you, or a friend or relative, may have entered into a contract while lacking the mental capacity to do so, you should seek advice (see section 11 for details of Age UK Advice). Under some circumstances, a contract may be deemed invalid under the Mental Capacity Act 2005.

For more information on the Mental Capacity Act 2005 please see Age UK's Factsheet 22, *Arranging for someone to make decisions about your finance or welfare*.

9 Supplier comparison companies that carry the Confidence Code

www.beatthatquote.com	Tel: 0800 599 9955 (free call)
www.confused.com	
www.energyhelpline.com	Tel: 0800 074 0745 (free call)
www.energylinx.co.uk	Tel: 0800 849 7077 (free call)
www.fuelswitch.com	
www.moneysupermarket.com	Tel: 0845 345 5708
www.simplyswitch.com	Tel: 0800 011 1395 (free call)
www.switchelectricandgas.com	Tel: 0871 711 7771
www.theenergyshop.com	Tel 0845 330 7247
www.ukpower.co.uk	Tel: 0800 320 2000 (free call)

www.unravelit.com	Tel: 0800 862 0021 (free call)
www.uswitch.com	Tel: 0800 051 5493 (free call)
www.whichswitch.co.uk	Tel: 01992 822867

10 Useful organisations

Consumer Direct

A government helpline that provides information and advice to consumers by telephone and online.

Tel: 0845 4040506

Website: www.consumerdirect.gov.uk

Consumer Focus

Consumer Focus is the statutory consumer champion for England, Wales, Scotland and (for postal consumers) Northern Ireland.

Consumers cannot contact Consumer Focus directly but they can access information on the website. For advice about a problem with an energy company contact Consumer Direct (see above).

Consumer Focus worked with several price comparison sites throughout the UK to agree a voluntary code of practice (the Confidence Code) to ensure that consumers have access to independent and unbiased comparisons of energy suppliers. The Consumer Focus website has a range of tools to help you with this process.

Tel: 020 7799 7900

Website: www.consumerfocus.org.uk

Energy Ombudsman

Independent body set up to resolve disputes between consumers and their energy suppliers. Before you take your complaint to the ombudsman you have to complain to your supplier first by following their complaints procedure.

Tel: 0300 440 1624 or 01925 530263

Website: www.energy-ombudsman.org.uk

Energy Saving Trust

The Energy Saving Trust is a non-profit organisation that offers free and impartial advice on energy efficiency. It provides information on grants and schemes to improve energy efficiency that may be available in the area.

Tel: 0800 512 012

Website: www.energysavingtrust.org.uk

11 Further information from Age UK and Age Cymru

Age UK/Age Cymru Information Materials

Age UK publishes a large number of free Information Guides and Factsheets on a range of subjects including money and benefits, health, social care, consumer issues, end of life, legal, issues employment and equality issues. Age Cymru produces Wales specific versions of some of the Factsheets and Information Guides. You can contact Age Cymru for further information on the materials which differ in Wales.

Whether you need information for yourself, a relative or a client our information guides will help you find the answers you are looking for and useful organisations who may be able to help. You can order as many copies of guides as you need and organisations can place bulk orders.

Our factsheets provide detailed information if you are an adviser or you have a specific problem.

Age UK Advice

Call Age UK Advice free on 0800 169 65 65 if you would like:

- further information about our full range of information products
- to order copies of any of our information materials
- to request information in large print and audio
- expert advice if you cannot find the information you need in this factsheet
- contact details for your nearest local Age UK/Age Cymru.

You can also visit the Age UK website (www.ageuk.org.uk) or Age Cymru website (www.agecymru.org.uk) for further information.

Age UK

Age UK is the new force combining Age Concern and Help the Aged. We provide advice and information for people in later life through our publications, online or by calling Age UK Advice.

Age UK Advice: 0800 169 65 65

Website: www.ageuk.org.uk

In Wales, contact:

Age Cymru: 0800 169 65 65

Website: www.agecymru.org.uk

In Scotland, contact:

Age Scotland: 0845 125 9732

Website: www.agescotland.org.uk

In Northern Ireland, contact:

Age NI: 0808 808 7575

Website: www.ageni.org.uk

Support our work

Age UK is the largest provider of services to older people in the UK after the NHS. We make a difference to the lives of thousands of older people through local resources such as our befriending schemes, day centres and lunch clubs; by distributing free information materials; and taking calls at Age UK Advice on 0800 169 65 65.

If you would like to support our work by making a donation please call Supporter Services on 0800 169 80 80 (8.30 am–5.30 pm) or visit www.ageuk.org.uk/donate

Legal statement

Age UK is a registered charity (number 1128267) and company limited by guarantee (number 6825798). The registered address is Tavis House, 1-6 Tavistock Square, London WC1H 9NA. VAT number: 564559800. Age Concern England (charity number 261794) and Help the Aged (charity number 272786) and their trading and other associated companies merged on 1 April 2009. Together they have formed Age UK, a single charity dedicated to improving the lives of people in later life. Age Concern and Help the Aged are brands of Age UK. The three national Age Concerns in Scotland, Northern Ireland and Wales have also merged with Help the Aged in these nations to form three registered charities: Age Scotland, Age Northern Ireland, Age Cymru.

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