

# Energy costs

Lots of people will have seen the reports about energy shortages and price hikes coming soon and many will be feeling anxious as a result. It's hard enough for many to keep warm through the winter as it is, hopefully this factsheet will be useful and tell you about the steps that you can take to help.

## 1. Why are energy prices increasing?

There's been a worldwide shortage on gas and energy supplies. A cold winter in Europe last year put pressure on supplies and as a result, stored gas levels are much lower than normal.

## 2. How much have prices gone up?

From 1 October, many people will see a rise in their energy costs. With about 15 million UK households facing a 12% rise in energy prices, now is the time to look at our energy suppliers and see how we can reduce our costs.

## 3. Domestic suppliers reserves

In the UK, most big domestic suppliers buy gas months in advance - so they have yet to pass on the price rises of the past few months. Many customers are also on fixed tariffs, so until the contracts run out, bills won't go up.

## 4. Why is the UK affected?

The UK is one of Europe's biggest users of natural gas - 85% of homes use gas central heating and it also generates a third of the country's electricity. Supplies of renewable energy are down this year due least windy summer since 1961.

## 5. Why have some energy suppliers gone bust?

Since wholesale gas prices started to spike, a number of smaller firms have collapsed due to financial pressure. They have been unable to pay higher wholesale prices or get customers on fixed tariffs to share the burden by increasing bills.

## 6. Contact your energy supplier

You may be paying too much for your energy. Many people are on their supplier's standard tariff, which is unlikely to be the best deal. Your supplier will offer a range of tariffs, some



*Pam, 75, who contacted Age UK for advice, said: "I've had really bad periods when I couldn't even open the bills.*

*"I now get Attendance Allowance and Pension Credit. I also get other help, I now don't pay Council Tax anymore – even with a quarter discount off, I was still paying about £1000 a year, which is a huge amount of money. And now I'm 75, I get my free TV licence. Without Age UK, I wouldn't have known about any of that.*

Sources of this fact sheet: Ofgem, Age UK, Thames water, BBC news report

of which may work out cheaper for you. Your bills and other statements should give you some possible cheaper options, or you can call your supplier to ask and let you know about energy grants that you might qualify for.

## 7. Changing your supplier

You may save more money if you switch energy supplier. You can use an Ofgem-accredited price comparison website to help you compare deals across a range of suppliers. Many of these websites have a telephone service you can use if you're not online. or you can ask for help from Age UK Islington.

## 8. If you are in trouble paying your bill?

Contact Age UK Islington about the steps to take, starting with you calling your energy supplier. We can link you to help to find the best energy supplier for you and make sure you're getting any benefits or grants that you're eligible for, or could apply for.

## 9. Thames water - Watersure

Thames water have schemes to help reduce the cost of your bills. This includes low-income households and those with water-dependent medical conditions. Contact: 0800 980 8800.

## 10. Switching Suppliers

There are several price comparison sites you can use to compare and switch suppliers. Ofgem provides full list, but here are a couple of sites you could use:

- > **Energy Helpline:** find out more: <https://bit.ly/2WkhLBs>
- > **Money Supermarket:** find out more: <https://bit.ly/3lXhoWa>

### Getting help and advice with energy costs

#### > Age UK National - Energy Advice

For more info: <https://bit.ly/3zExdFZ>

#### > Ofgem accredited site comparison site and advice

For more info: <https://bit.ly/3lYu1QG>

#### > Thames water – WaterSure - help for low income households

You can download a form or call them on 0800 980 8800. Monday to Friday 8am to 8pm, and Saturday 8am to 6pm.

For more info: <https://bit.ly/2XX0bnF>

#### > Age UK Islington Helpline:

020 7281 6018 (Mon to Fri 9 - 5pm) / [gethelp@ageukislington.org.uk](mailto:gethelp@ageukislington.org.uk) / [info@islingtoncarershub.org](mailto:info@islingtoncarershub.org)

### Did you know?

- > Those on standard tariffs, with typical household levels of energy use, could see an increase of £139 - from £1,138 to £1,277 a year
- > People with pre-payment meters could see an increase of £153 - from £1,156 to £1,309
- > *Warm Home Discount.* If you receive Pension Credit you could be entitled to an extra £140 this winter. If you're eligible, you should automatically receive a letter between October and December.
- > *Winter Fuel Payment.* Most people born before 5 October 1954 are entitled to the Winter Fuel Payment to help with heating costs. This is a tax-free payment of between £100 and £300, speak to your energy supplier
- > *Warmth in Winter Fund.* This helps people stay as warm as possible during the cold weather. Previous funds have been given to help with current or outstanding fuel bills/payments, blankets/bedding, food and heaters. Speak to Age UK Islington