

Factsheet 82

Getting the best energy deal

September 2017

About this factsheet

This factsheet looks at how you can get the best deal on your energy by switching tariff or supplier. This can help you to save money, or keep your home warmer without spending more.

It explains the different ways to switch, the common types of tariff and how to compare them and what to do if things go wrong.

The information in this factsheet is applicable in England, Wales and Scotland. If you are in Northern Ireland, please contact Age NI for their version. Contact details can be found at the back of the factsheet.

Contact details for any organisations mentioned in the factsheet can be found in the Useful organisations section.

Contents

1	Recent developments	4
2	Introduction	4
3	Before you start	7
4	What information do I need?	7
4.1	Basic information and where to find it	7
4.2	Other considerations	8
5	How to compare different tariffs	10
5.1	Standard variable tariffs	10
5.2	Fixed-price tariffs	10
5.3	Capped-price tariffs	11
5.4	Economy 7 tariffs	11
5.5	Green tariffs	11
5.6	Feed-in tariffs	11
6	How to find a deal and switch	12
6.1	Use the internet	12
6.2	Ofgem-accredited websites	13
6.3	Over the phone	13
6.4	Door-to-door sales	14
7	Useful questions to ask suppliers	14
7.1	The Energy Switch Guarantee	14
8	Collective switching	15
9	Decided to switch – what next?	16
10	Changed your mind?	16
11	Complaints	17
12	Frequently asked questions	18
12.1	Can I switch if I rent my property?	18
12.2	Can I switch if I am in arrears with my gas or electricity?	18
12.3	Will switching supplier affect my Warm Home Discount?	19

12.4 I have a smart meter – can I switch?	21
12.5 I live in a remote area – can I switch?	21
12.6 I live in a park home – can I switch?	21
Useful organisations	22
Age UK	23
Support our work	23

1 Recent developments

- If you have a prepayment meter, the price you pay for your energy is now capped. This came into force on 1 April 2017 and is expected to last until the end of 2020, when the smart meter rollout is due to finish. The cap is reviewed every six months and varies for electricity and gas, by meter type and region. Gas and Economy 7 users are expected to make the biggest savings (around £80 per year for a typical household).
- The energy regulator Ofgem have made changes to the number and type of tariffs suppliers can offer. They can now offer as many tariffs as they want, with more complex pricing structures and a broader range of discounts and rewards.
- Ofgem are considering making other changes. They may allow Price Comparison Websites to show a '*partial view*' of the market, meaning not all the available deals, as a default. They propose to change the way your '*personal projection*' is calculated and the rules around what bills, annual statements and price increase notifications must say. They have plans to help vulnerable and disengaged customers, including the option of a '*safeguard*' tariff. These changes are subject to consultation.
- Electricity network operators have introduced a free 105 phone number to call in the event of a power cut. You are put through to your local network operator who can give help and advice.

2 Introduction

This factsheet explains how to look for the best deal on your energy bills by switching '*tariff*' or supplier. Your tariff is the specific deal or plan you are on. If you have never switched or not switched for a while, you may be on your supplier's '*standard variable tariff*'. This is often their most expensive and you may make the biggest savings by switching. Most other tariffs are fixed term, expiring after a year or two.

The savings you make from switching can be substantial. The Government estimates that millions of households could save £200 each year and some could save even more.

Switching may seem like too much hassle or you may not want to leave your current supplier. However, you do not have to change suppliers to get a better deal. Your supplier offers a range of tariffs, some of which may suit you better or work out cheaper. When your supplier sends you bills and other statements, they should tell you which of their tariffs may work out cheaper.

Switching should be a simple process. It should take no more than 21 days including a 14-day '*cooling-off period*'. Unless you need a new meter installed, no physical changes should be made to your property and your energy supply should not be interrupted. If you switch supplier, your new supplier should arrange the switch, including contacting your current supplier to let them know you are leaving

Who 'supplies' my energy?

Your home is connected to a network of pipes and cables that transmit energy from where it is generated. Energy is delivered to your home by a 'network operator' or two different operators if you use both mains gas and electricity. Different network operators cover different geographical areas, so you cannot choose who delivers your energy.

You do not pay energy bills to your network operator. These are paid to your 'energy supplier' and you may have two different suppliers for gas and electricity. Energy suppliers buy gas and electricity and sell it to you. You can choose who supplies your energy, meaning you can shop around for the best deal.

The distinction is important because network operators and energy suppliers have different functions. Contact your gas or electricity network operator if your supply is interrupted and your energy supplier if you want to talk about bills or are threatened with disconnection. Find out who your network operator is by contacting the Energy Networks Association.

Call 105 in a power cut

The electricity network operators have introduced 105, a single, easy-to-remember number you can call in the event of a power cut. It is free to use and you are put through to your local network operator who can give help and advice.

Energy suppliers and network operators have registers of customers who need extra support because they are in a vulnerable situation. This could be because of personal characteristics such as age or disability. It could be because of a temporary problem, such as injury.

If you are on a supplier or network operator's register, you must be offered 'priority services'. Make sure you join all available registers to benefit from the full range of services. See factsheet 1, *Help with heating costs*, for more information. In Scotland, see the Age Scotland guide *Warm and Well*. In Wales, see Age Cymru factsheet 1w, *Help with heating costs in Wales*.

What is an energy 'tariff'?

Suppliers offer different energy deals to customers, known as 'tariffs'. Your tariff determines the price you pay per kilowatt hour (kWh) of energy used. This is the 'unit' used to measure both gas and electricity for bills.

Some tariffs are 'fixed price', meaning the price you pay per unit is fixed for a period of time, typically one or two years. This does not mean your bills are fixed – they vary according to your energy usage.

Some tariffs are '*variable*', meaning the price you pay per unit fluctuates with changes in wholesale energy prices. If a fixed-price plan comes to an end and you do not choose a new one, your supplier must automatically transfer you to their cheapest tariff without a fixed term (an '*evergreen*' or '*standard variable tariff*'). This is unlikely to be the best deal, so try and shop around for a better one.

Some tariffs are '*capped*', meaning the price you pay per unit can go up or down but cannot exceed a certain threshold. Others allow you to pay different amounts at different times of day or on different days. See section 5 for more information about the types of tariff available.

How is the energy market regulated?

The energy market is regulated by the Office of Gas and Electricity Markets (Ofgem). They set conditions that energy suppliers and network operators must meet to be licensed, which cover:

- how tariffs should be named and marketed to customers
- what information must be given on bills and in other communications
- '*priority services*' for customers in vulnerable situations
- disconnection and how older or disabled households are treated.

What do recent changes mean for me?

The energy market has recently been investigated by the Competition and Markets Authority, who found that it is not working properly for customers. In response, Ofgem are carrying out a number of reforms. They have removed restrictions on the number of tariffs and range of discounts and rewards a supplier can offer.

Tariffs may have a simple structure, for example a fixed daily standing charge and a single unit rate, or they may be more complex. For example, they may have a standing charge that applies only on certain days such as weekends.

This allows suppliers to develop deals for specific groups, for example low energy users and certain social groups. However, it means that there may be more tariffs on offer than in previous years. Differences in tariff structure can make it harder to compare deals.

Under Ofgem rules, suppliers must ensure that the structure, terms and conditions of their tariffs are clear. Tariffs must be easily distinguishable from each other and suppliers must have information, services or tools to enable you to easily compare and select appropriate deals.

This factsheet takes you through the process of comparing deals and switching supplier, but you may wish to seek advice from a local advice agency if you find the range of deals on offer confusing.

3 Before you start

It may be a good idea to review your overall financial situation before switching supplier, to make sure you are claiming all the benefits you are entitled to. To find out what you might qualify for, use the Age UK online benefits calculator or visit your local Age UK or Age Cymru for advice or assistance. Contact Age Scotland in Scotland.

It is worth claiming even if you are only entitled to a small amount of benefit, as you may find you are entitled to other allowances or eligible for other forms of assistance as a result.

For example, even a small top up of Pension Credit means you receive a Cold Weather Payment to help with heating costs during very cold spells. Sometimes you qualify for additional help simply because you have '*underlying entitlement*' to a benefit, even if your circumstances mean you do not receive payment.

For information about Cold Weather Payments, see factsheet 1, *Help with heating costs*. In Scotland, see the Age Scotland guide *Benefits Maze*. In Wales, see Age Cymru factsheet 1w, *Help with heating costs in Wales*. For information about Pension Credit see factsheet 48, *Pension Credit*.

4 What information do I need?

4.1 Basic information and where to find it

To get the best deal, you need to make an accurate comparison of the available tariffs based on your own energy usage and personal preferences. Try to gather the following information:

- your postcode
- the name of your supplier
- the name of your current tariff
- whether you are on a dual fuel tariff, meaning you have one plan for gas and electricity from the same supplier
- how you pay your bills, e.g. monthly/quarterly by direct debit, on receipt of the bill or pay-as-you-go ('prepayment')
- whether you have an 'Economy 7' or other 'time of use' meter, meaning you pay different rates for your electricity depending on the time of day
- your '*annual consumption details*' (how much energy you used over the past 12 months, or your supplier's best estimate) or your '*personal projection*' (a personalised estimate of what you can expect to pay over the next 12 months based on your tariff information and previous consumption).

You should be able to find this information on your latest bill or your '*annual statement*'. Citizens Advice have an online tool to help navigate energy bills and find the information you need, see:

www.citizensadvice.org.uk/consumer/energy/energy-supply/problems-with-your-energy-bill/understand-your-energy-bill/

Bills and statements should include information about your supplier's cheapest overall tariff and cheapest similar tariff, with a personalised savings message showing how much you could save by switching. Remember other suppliers may offer better deals, so it is worth shopping around.

If you cannot find the information above on your bill, contact your supplier. You may want to ask your supplier for your '*Tariff Information Label*', which gives information about your tariff.

This includes the unit rate or rates (the amount you pay per kWh of energy used, which may vary at different times), any standing charge (a fixed amount you have to pay per day, like a service charge), when the tariff ends if it is a fixed-price plan and how much you have to pay to terminate the plan early. This information must be on your annual statement.

4.2 Other considerations

How would you like to pay your bill?

Think about how you would like to pay for your energy and how often. Common payment methods are:

- Pay on receipt of a bill by cash or cheque or online banking.
- Pay monthly or quarterly by direct debit – this can be a set amount each time or vary according to energy usage. If you pay a set amount, you may overpay or underpay, particularly if the weather is milder or colder than expected or if you are on holiday or in hospital. If your direct debit is variable, you must supply meter readings.
- Prepayment meter.

Some payment methods are cheaper than others. For example, paying by direct debit is usually cheaper.

Prepayment meters that are topped up with credit have historically been an expensive way to pay. However, a price cap is now placed on prepayment tariffs. This should mean prepayment is more affordable than in the past, particularly for gas and Economy 7 electricity tariffs. Be aware that paying in this way has other disadvantages. For example, your supply turns off if you run out of credit.

Speak to an adviser if you want to know more, particularly if you are considering a prepayment meter as you are struggling to pay your bills.

Note

If you currently pay by fixed direct debit, a new energy supplier may try to tempt you to switch by offering to beat your current direct debit payments. Lowering the amount you pay by direct debit does not lower the cost of energy, just how much you pay each month. You may find you get a larger final bill at the end of the year and any debt you accrue can prevent you from switching supplier.

Seek advice if you are in this position. Unless your contract states otherwise, your supplier must take all reasonable steps to use accurate and up-to-date information when setting your direct debits.

Do you want to switch both electricity and gas?

You may get a better deal if you switch to a single plan for both electricity and gas (known as dual fuel). There are other advantages to this, for example simpler bill payments and hopefully quicker resolution to any problems as there is only one account to query.

Do you want to manage your account online?

You may be able to get a discount on your tariff if you agree to manage your account online. This usually means submitting meter readings, contacting customer service and receiving bills online, although in some cases you can still receive paper bills if you pay a charge.

Some people find it easier to submit regular meter readings online, which means fewer estimated bills that can be higher or lower than actual usage.

Does your current contract carry an early termination fee?

Check with your existing supplier whether you have a fixed-term contract. If you do, you may face an early termination fee as a penalty for cancelling your contract before the end of the term, which can offset the benefit of switching.

Your supplier should not charge this fee if you switch in the weeks before your contract is due to come to an end. This is known as the '*switching window*' and starts 49 days before your contract ends. Your supplier must write to you at least six weeks before the contract ends to tell you about it.

Your supplier cannot charge an early termination fee if you are looking to switch because they are increasing their prices.

5 How to compare different tariffs

There are various types of tariff on offer. Some tend to be more expensive than others, but prices vary between suppliers. You should also consider how much energy you use, when you use it and what your priorities are.

For example, do you want a contract without an early termination fee? Do you want greater control over your energy costs? Do you want to contribute to environmental schemes?

5.1 Standard variable tariffs

A standard variable tariff is the supplier's basic tariff, although it is often the most expensive. The amount you pay can go up or down with the market. Standard variable tariffs are sometimes referred to as 'evergreen' tariffs, as they do not have fixed terms. You should not have to pay an early termination fee.

5.2 Fixed-price tariffs

A fixed-price tariff means the price you pay per unit of electricity or gas does not change for a set period of time (usually one or two years, although longer fixed terms may be available). This does not mean your bills are fixed. They vary according to how much energy you use.

A fixed-price tariff provides you with some stability and certainty over energy costs. You are protected from price rises during the fixed term, but bear in mind you do not benefit from price reductions.

Unless you are in your 'switching window', you are likely to incur an early termination fee if you leave before the end of the fixed period. Your switching window begins 49 days before your plan is due to come to an end. Your supplier must write to you at least six weeks before your plan ends, saying you may now cancel your contract without being charged and reminding you about switching your tariff or supplier.

If you do not switch supplier or expressly agree a new contract with your current supplier, they must roll you onto their cheapest evergreen tariff at the end of your fixed period. This is unlikely to be the best deal, so look at your supplier's other tariffs or shop around for a better offer.

Complain to your supplier if you are not given notice that your fixed term is coming to an end, charged an early termination fee when you switch after receiving such a notice, or rolled onto another fixed-price tariff without your consent. Take your complaint to the Energy Ombudsman if you are unhappy with the outcome.

5.3 Capped-price tariffs

A capped-price tariff guarantees the price paid per kWh will not rise beyond a capped level for a set period of time. The price can decrease if the supplier's standard prices decrease during the period. Your bills continue to vary depending on how much energy is used. If you leave before the end of the set period, you may be charged a termination fee. Check the terms of your contract to see whether this applies.

5.4 Economy 7 tariffs

Economy 7 is a special electricity tariff that allows you to pay different rates during the day or night. You need a multi-rate meter to switch to one of these tariffs. Your bill is split into two parts. You are charged for seven hours of electricity at the '*night rate*', which is cheaper, and the rest at the '*day rate*', which is slightly higher than a standard tariff.

Economy 7 tariffs can save you money if you use storage heaters, because they can charge up at night when your electricity is cheaper. It is not a cheap option for anyone without electric storage heating. There may also be a limited choice of tariffs.

5.5 Green tariffs

Green tariffs contribute to environmental schemes, but this does not guarantee that your energy supply comes directly from renewable sources such as solar/wind energy or hydroelectricity.

5.6 Feed-in tariffs

A feed-in tariff (FIT) offers guaranteed cash payments to households who produce their own electricity at home using renewable technologies such as solar panels or wind turbines. You are paid for the energy you generate and for any surplus energy you export to the grid.

For more information on renewable technologies, see the Energy Saving Trust website.

6 How to find a deal and switch

Once you have all the required information and have decided to look for a better deal, you can find out which companies operate in your area and how much they charge. Six major suppliers of gas and electricity cover the UK, but there are now more than fifty smaller suppliers who may offer a better deal.

Remember you may not have to switch supplier to get a better deal. Your bills and statements should include information about your supplier's cheapest overall tariff and cheapest similar tariff, with a personalised savings message showing how much you could save by switching. Speak to your supplier to find out more.

6.1 Use the internet

Using a Price Comparison Website (PCW) can be the easiest way to compare deals across a range of suppliers. Once you enter your information, the website makes the comparisons for you and provides a list of suitable options.

For some deals, you can start the switching process by clicking a link on the website. This means the website contacts the supplier on your behalf to arrange the switch. For others, you must contact the supplier yourself.

It is important to use an impartial website. Some are '*Ofgem accredited*', meaning they have signed up to a voluntary '*Confidence Code*' and offer independent and unbiased comparisons. Look for the Confidence Code logo or see the list of accredited PCWs below.

Many of the best offers are found online. If you do not have access to a computer, your local library may offer free internet access. If you use a public computer, be careful when entering personal information. Do not leave your computer unattended and check nobody is watching over your shoulder. You may wish to ask a local advice agency about cheap broadband offers, discounted computers, or technology training.

Currently, accredited PCWs must show all available deals, unless they have a filter giving you a choice over what you are shown. You can choose to be shown the '*whole of the market*' or only those deals that you can switch to via the PCW. This is known as a '*partial view*'.

Ofgem are currently consulting on giving PCWs greater flexibility over how they display deals. Under the proposals, PCWs will be able to show a partial view of the market as a default. This would allow PCWs to enter into deals with suppliers and offer tariffs at a discount, but may mean you miss out on other better deals.

For a whole-market comparison, you can use the Citizens Advice price comparison online tool <https://energycompare.citizensadvice.org.uk/>

This tool cannot carry out a switch, but may be the easiest way of comparing all available deals.

6.2 Ofgem-accredited websites

www.energyhelpline.com	Tel: 0800 074 0745 (free call)
www.energylinx.co.uk	Tel: 0800 849 7077 (free call)
www.moneysupermarket.com	Tel: 0800 177 7087 (free call)
www.myutilitygenius.co.uk	Tel: 0203 468 0461
www.quotezone.co.uk	n/a
www.runpathdigital.com	n/a
www.simplyswitch.com	Tel: 0800 011 1395 (free call)
www.switchgasandelectric.com	Tel: 03333 700 600
www.theenergyshop.com	Tel: 01259 220 270
www.unravelit.com	Tel: 033 3344 0031
www.uswitch.com	Tel: 0800 6888 557 (free call)

6.3 Over the phone

Some accredited PCWs offer a telephone service. In Scotland, there is also a telephone service called Citrus Switch. Its advisers can help you to compare deals and correspond with suppliers on your behalf.

Alternatively, you can call individual suppliers for a quote and compare deals yourself. They should give you the information over the phone or send you pricing details. You can find contact details for energy companies online or call the Citizens Advice consumer helpline.

Suppliers must provide Tariff Information Labels free of charge, but these are not personalised and should be used for guidance only. Ensure you are given quotes based on your energy consumption, your preferred payment method and any discounts you are likely to receive.

You can enter into a contract with a supplier without signing anything. A contract is likely to be made if there is a clear agreement between you and the seller that you want to be supplied with their goods or services.

If you enter into an energy contract, the supplier must send you a written copy or confirmation of your agreement within a reasonable period. You should read this carefully to check everything you agreed to is included and the deal is appropriate for you. Speak to an adviser immediately if you have any concerns, as you have limited time to cancel.

6.4 Door-to-door sales

Few energy suppliers sell contracts on the doorstep. If a sales person calls at your home trying to sell gas or electricity, follow these guidelines:

- Ask them for identification – all sales people must carry this.
- If you are in any doubt, check they are who they say they are. Ask which company they are from and get the company telephone number from directory enquiries or the phone book. Do not get it 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 the caller to come back at a convenient time.

Although it may be helpful to speak to someone face to face, be wary of a sales agent who arrives unannounced and remember they may only work for one energy supplier, so their advice is not impartial.

For more information, see the Age UK information guide *Avoiding scams*.

7 Useful questions to ask suppliers

Some questions to think about before you make a decision to switch include:

- What payment methods are offered?
- Are there special discounts, bundles or rewards?
- Is there a daily standing charge and, if so, what is it? Some tariffs have a very low or no standing charge. This may help if you use very little energy or your property is empty for periods of time, but check whether a low standing charge is balanced by a high unit rate.
- What are the supplier's policies on debts and disconnection? You may want to find out how suppliers rate for customer satisfaction and service. Some PCWs can tell you this.
- Is the supplier signed up to the Warm Home Discount scheme? See section 12.3 for more information.
- Has the supplier signed the Energy Switch Guarantee?

7.1 The Energy Switch Guarantee

Energy UK have developed an '*Energy Switch Guarantee*'.

This is a list of switching commitments that participating suppliers agree to adhere to. They are regularly checked for compliance.

The Guarantee is voluntary, so check a supplier's website for the logo or contact them to ask if they have signed up. A full list of participating suppliers is online at www.energyswitchguarantee.com/signatories/

The commitments are:

- 1 All energy suppliers use the same wires and pipes, therefore your supply will not be interrupted.
- 2 The switching service is free.
- 3 The switch takes no more than 21 days from the date your new supplier receives your completed application.
- 4 Your new supplier will not need to visit your home to complete the switch unless you agree otherwise.
- 5 Your new supplier arranges the switch, including contacting your current supplier to let them know you are leaving.
- 6 Your new supplier sends details of your new supply agreement for you to check and you have 14 days to change your mind. If you cancel in this time, you stay with your current supplier.
- 7 Your new and current suppliers work together to make sure you are not charged twice for the same energy.
- 8 If there are problems making the switch, your new supplier contacts you as soon as possible and is responsible for putting the matter right.
- 9 Your current supplier sends you a final bill no later than six weeks after the switch.
- 10 If your current supplier owes you money, they refund this to you no later than 14 days after sending you the final bill.

Some of these commitments are legal requirements or Ofgem licence conditions and apply to all suppliers, not just those who have signed up to the Guarantee. For example, the 14-day '*cooling-off period*' is a legal requirement and the obligation to complete a switch within three weeks is an Ofgem licence condition. However, picking a supplier who has signed up should give you confidence that switching will be hassle-free and any problems will be resolved promptly.

8 Collective switching

If you do not want to shop around for an energy deal, you may wish to try collective switching. This is where a third party organisation, such as a charity or a local authority, negotiates with suppliers on behalf of a large group of customers.

To do this, you must register your interest with a scheme and provide details of how much you pay for gas and electricity.

Check before you register whether you are committing to switch or whether you have an opportunity to reject the deal if you are not happy with it.

After the registration period closes, the information from registered customers is passed to suppliers, who offer their best price to the whole group. There is no guarantee this is the cheapest deal on the market. You may have to shop around to be sure.

For more information about collective switching schemes, contact the Citizens Advice consumer service or speak to your local authority about registering with them.

9 Decided to switch – what next?

If you decide to switch suppliers, your new supplier should set this up for you. They ask for a meter reading to pass to your old supplier so you can be billed for any money you owe. You have to provide your meter reference number, which you can find on your bill. Your new supplier should tell you when to expect your first bill and when they will begin charging you.

You should receive a final bill from your old supplier within six weeks of the date of the switch. You should settle this as soon as possible. If you pay your bills through direct debit, make sure you cancel the instruction.

Keep a record of the following:

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

10 Changed your mind?

If you change your mind about switching energy suppliers, you have a '*cooling-off period*' of 14 calendar days in which to cancel your new contract without giving a reason or incurring an early termination fee.

Your new supplier should not start your supply within the cooling-off period unless you have specifically requested they do so. If they start the supply without you having made this request, you should not have to pay for energy used during the cooling-off period.

If you are deciding whether to ask your new supplier to start the supply during the cooling-off period, ask them what their procedures are if you decide to cancel the switch, i.e. are you returned to your original supplier?

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.

If you were not told about your right to cancel when you entered into the contract, your cooling-off period may be extended. If you are told within 12 months of the first day of what should have been your cooling-off period, you have 14 days from that point in which to cancel. If you are not told or told at a later stage, your cooling-off period ends 12 months and 14 days after you signed the contract.

If you feel you have been misled or harassed into switching energy supplier, you may have rights to redress, such as the right to unwind your contract within 90 days or claim a discount on past or future payments. Seek advice immediately if you are in this position.

11 Complaints

When entering a new contract, if you find the terms are not as initially agreed or the service is clearly not suitable for your needs, you should contact your new supplier to complain.

If the supplier does not resolve your complaint within eight weeks (six weeks for SSE customers) or if you are unhappy with the action they take, refer the complaint to the Energy Ombudsman. Their website has useful tips on how to complain to a supplier:

www.ombudsman-services.org/sectors/energy/raising-a-company-complaint

For information about making a complaint, call Citizens Advice consumer helpline.

If you are concerned that someone has entered into a contract while lacking the mental capacity to do so, seek advice. Under the *Mental Capacity Act 2005*, a person must pay a 'reasonable' sum for a 'necessary' service, even if they lacked capacity to contract for that service. In Scotland, call the Age Scotland helpline for more information as different legislation applies.

For more information in England and Wales, see factsheet 22, *Arranging for someone to make decisions on your behalf*. In Scotland, see the Age Scotland factsheets *Legal options for someone who has lost capacity* and *Ways that you can help someone else to manage their money and benefits* and the Age Scotland guide *A guide to Mental Capacity in Scotland*.

12 Frequently asked questions

12.1 Can I switch if I rent my property?

If you are a tenant and directly responsible for paying your energy bills, you can switch suppliers at any time.

Make sure you check the terms of your tenancy agreement before you switch. If the agreement states your landlord has a preferred supplier, you may have to inform them you are planning to switch or switch back at the end of your tenancy. Ofgem rules state landlords should make their tenants aware of any tie-ins with specific energy suppliers and should provide details of applicable tariffs and prices at the outset.

If there is a clause in your agreement forbidding you from switching supplier, speak to the Citizens Advice consumer service or a specialist housing organisation like Shelter.

Such a clause is against Ofgem rules, but you should think about your security of tenure and how easily you can be evicted when deciding whether to enforce your rights. Your landlord should not unreasonably prevent you from switching. For more information in England and Wales, see factsheet 68, *Tenancy rights – security of tenure*. In Scotland, see Age Scotland factsheet Hou7 *Private tenants' rights*.

Your landlord should not unreasonably restrict your ability to switch payment method, e.g. by replacing a prepayment meter with a credit meter. However, there may be a term in your tenancy agreement requiring you to revert to the original payment method at the end of your tenancy, which could cost you. Before you switch meters, check to see whether your supplier will do so for free.

If your landlord is responsible for paying your bills, for example they pay for your energy and reclaim the money from you, or bills are included in your rent, they have the right to choose the supplier(s). There is a maximum amount they can charge, called the 'Maximum Resale Price'. Speak to an adviser if you think you are being charged too much.

12.2 Can I switch if I am in arrears with my gas or electricity?

You may be able to switch supplier if you are in arrears. If you are on a prepayment meter and have owed money for less than 28 days or have arrears of less than £500 for gas and £500 for electricity, your existing supplier should not prevent you from switching. Your preferred supplier can refuse to accept your application to switch. If they do accept the switch, your debt is transferred to them.

If you are not on a prepayment meter and have been in arrears of any amount for more than 28 days, your supplier can prevent you from switching until you have repaid the debt.

Your supplier cannot prevent you from switching if it is their fault you are in debt, for example if they took an incorrect meter reading. However, you still have to pay back any money you owe.

If you are in debt, your supplier may be able to prevent you from switching even if you wish to do so because you have been notified of a price increase. However, you can switch if you clear the arrears within 30 working days of receiving notice that you would otherwise be prevented from doing so.

If your supplier prevents you from switching due to debt, they must give you information on how you can dispute or resolve this, along with advice on energy efficiency, debt management and details of any alternative tariffs that might be cheaper for you.

If you are in arrears, speak to your supplier to make arrangements to repay them and seek advice immediately if threatened with disconnection.

See factsheet 1, *Help with heating costs*, for more information. In Scotland, see the Age Scotland guide *Warm and Well*. In Wales, see Age Cymru factsheet 1w, *Help with heating costs in Wales*.

Note

If you have been in arrears in the past, a new supplier may refuse to supply you without some sort of financial security in place. For example, you may be asked to put down a deposit. If you have concerns about the type of security requested, ask if there are other options.

12.3 Will switching supplier affect my Warm Home Discount?

If you are in receipt of certain means-tested benefits, including the Guarantee Element of Pension Credit, you may be entitled to a one-off £140 discount on the cost of your energy during the winter months.

This is known as the Warm Home Discount. The discount is usually applied to your electricity account, but you can ask for it to be applied to your gas account if you are a dual fuel customer.

Not all suppliers participate in the Warm Home Discount scheme. The larger companies must, but some smaller ones do not have to. If you are eligible for a discount and switch to a non-participating supplier, this can effectively offset any savings you make on your bills.

Switching to a non-participating supplier does not necessarily mean you will not receive a Warm Home Discount this year. This is because some people receive the discount automatically so long as they are assessed as having met certain conditions on a specific date (the 'qualifying date').

For 2017-18, the qualifying date is 9 July 2017.

The conditions are:

- your electricity supplier is part of the scheme
- your name (or your partner's) is on the bill
- you are entitled to the Guarantee Credit element of Pension Credit.

If you met these conditions on the qualifying date, you should receive a discount between October 2017 and April 2018 even if you switch to a non-participating supplier. Your old supplier should provide the discount, usually by cheque through the post. However, you will not be entitled to a discount in future if you stay with your new supplier.

If you switch from a non-participating to a participating supplier after the qualifying date, you may not receive a discount even though your new supplier is part of the scheme. This is because you would not have fulfilled all of the conditions on the qualifying date.

If you are not eligible because you are not in receipt of Guarantee Credit, or you only switched to a participating supplier after the qualifying date, you may receive a discount as part of your supplier's '*Broader Group*'. You have to apply to your supplier for a Broader Group discount. Contact them for information on their rules and how to apply.

Suppliers set their own Broader Group rules, but they must include certain standard criteria, e.g. being in receipt of income-related Employment and Support Allowance with a pensioner premium. If you meet one of the standard criteria, it should be easier to switch between participating suppliers without losing your discount. However, you should consider the time of year: Broader Group funds are cash limited and suppliers may refuse to accept applications towards the end of the financial year.

Note

The Warm Home Discount scheme will run until at least 2020-21. The Government are considering changing how it is delivered in future. They may scrap the Broader Group and provide automatic discounts to a wider range of people.

The aim is to better target households most at risk of fuel poverty, notably low-income families of working age. However, the Government say they intend to protect the older people who currently benefit.

12.4 I have a smart meter – can I switch?

The Government aims to offer smart meters to all UK households by 2020. The general rollout began in 2015, with most suppliers beginning a full-scale rollout in 2016.

You can switch energy supplier if you have a smart meter installed, but your new supplier might not be able to offer you the same ‘*smart*’ functions (e.g. remote meter readings and being able to see the cost of your energy use in pounds and pence). This is because of technical issues with the smart meter communication network, which should be resolved as the rollout progresses.

Under Ofgem rules, your new supplier must tell you about any potential loss of function before you switch. If you use a smart meter as a prepayment meter and switch suppliers, you should not have to pay if your new supplier needs to replace the meter in order for you to continue on a prepayment tariff.

12.5 I live in a remote area – can I switch?

Some remote parts of the UK are supported by a single energy supplier and there is no option other than to remain with them. However, you can look at other ways of reducing your energy bills, such as ensuring your home is energy efficient. You might consider alternative sources of energy, for example, green or renewable energy.

12.6 I live in a park home – can I switch?

If you have your own contract with an energy supplier, you should be able to switch without restriction. However, you should check your pitch agreement first to see if it says anything about informing the site owner or switching back at a later date. Seek advice if the agreement contains any terms prohibiting you from switching.

Most park home residents do not have individual contracts with suppliers and pay the site owner for their energy instead. If you are in this position, your options are more limited. You may be able to convince the site owner to shop around for a better deal, but this will be at their discretion. You may wish to raise this issue with your site’s residents’ association, if you have one.

However, there is a limit on how much a site owner can charge you for gas or electricity, called the ‘Maximum Resale Price’. This is the amount they paid for the energy plus VAT at the appropriate rate. The site owner can also recover their supplier’s standing charge by dividing it between you and the other residents according to your varying levels of consumption. Speak to an adviser if you think you are being charged too much.

There is no Maximum Resale Price for liquefied petroleum gas (LPG or LP gas) in cylinders or bulk tanks.

Useful organisations

Citizens Advice

England or Wales www.citizensadvice.org.uk, Scotland www.cas.org.uk

In England telephone 0344 411 1444

In Wales telephone 0344 477 2020

In Scotland telephone 0808 800 9060

Citizens Advice Consumer Service Tel. 08454 040506

National network of advice centres offering free, confidential, independent advice, face to face or by telephone.

Citrus Switch

<http://citrusenergy.businesscatalyst.com/index.html>

Telephone 0800 221 8089 (freephone)

A telephone service designed to make switching energy supplier simple and straightforward.

Energy Networks Association

www.energynetworks.org/

Telephone 020 7706 5107, for emergencies 0800 111 999.

Industry body for gas and electricity transmission and distribution network operators. Call to find out who your network operator is.

Energy Ombudsman

www.ombudsman-services.org/energy.html

Telephone 0300 440 1624

Independent body to resolve disputes between consumers and their energy suppliers.

Energy Saving Trust

In England and Wales telephone 0300 123 1234

In Scotland telephone 0808 808 2282

Independent and impartial advice to help save energy and cut energy bills.

GOV.UK

www.gov.uk

The Government website, with information on the Warm Home Discount scheme and other energy issues.

The Office of Gas and Electricity Markets (Ofgem)

www.ofgem.gov.uk/

Telephone 020 7901 7295

Regulator for gas and electricity markets, including suppliers and network operators.

Age UK

Age UK provides advice and information for people in later life through our Age UK Advice line, publications and online. Call Age UK Advice or Age Cymru Advice to find out whether there is a local Age UK near you, and to order free copies of our information guides and factsheets.

Age UK Advice

www.ageuk.org.uk

0800 169 65 65

Lines are open seven days a week from 8.00am to 7.00pm

In Wales contact

Age Cymru Advice

www.agecymru.org.uk

0800 022 3444

In Northern Ireland contact

Age NI

www.ageni.org

0808 808 7575

In Scotland contact

Age Scotland

www.agescotland.org.uk

0800 124 4222

Support our work

We rely on donations from our supporters to provide our guides and factsheets for free. If you would like to help us continue to provide vital services, support, information and advice, please make a donation today by visiting www.ageuk.org.uk/donate or by calling 0800 169 87 87.

Our publications are available in large print and audio formats



Next update September 2018

The evidence sources used to create this factsheet are available on request. Contact resources@ageuk.org.uk

This factsheet has been prepared by Age UK and contains general advice only, which we hope will be of use to you. Nothing in this factsheet should be construed as the giving of specific advice and it should not be relied on as a basis for any decision or action. Neither Age UK nor any of its subsidiary companies or charities accepts any liability arising from its use. We aim to ensure that the information is as up to date and accurate as possible, but please be warned that certain areas are subject to change from time to time. Please note that the inclusion of named agencies, websites, companies, products, services or publications in this factsheet does not constitute a recommendation or endorsement by Age UK or any of its subsidiary companies or charities.

Every effort has been made to ensure that the information contained in this factsheet is correct. However, things do change, so it is always a good idea to seek expert advice on your personal situation.

Age UK is a charitable company limited by guarantee and registered in England and Wales (registered charity number 1128267 and registered company number 6825798). The registered address is Tavis House, 1–6 Tavistock Square, London WC1H 9NA. Age UK and its subsidiary companies and charities form the Age UK Group, dedicated to improving later life.