

Money Matters:

Guide to switching supplier



You could save hundreds on your energy bills by switching energy suppliers

Thinking of changing your energy supplier? Energy bills are the number one worry for consumers, but there are considerable savings to be made by changing to a new deal. The average saving when switching gas and electricity can be up to £234, and if you have never switched before it could be much higher.

The first step is to contact your existing supplier to see if they can offer you a better deal than the one you have now.

Also ask if you are eligible for extra help, such as the warm Homes Discount, which can save you £140 off your energy bills for the winter of 2014-15.

Switching energy suppliers step-by-step

Before switching, check whether you'll incur a fee for cancelling your current energy deal. Exit fees are common with fixed rate tariffs if you switch early. The good news is that all suppliers should now allow you to leave up to 49 days ahead of your tariff's end date without incurring a penalty.

To start switching energy suppliers you will need the following information:

- Your postcode.
- Current gas and electricity supplier, and the name of your tariff (look at your latest bill, or contact your supplier).
- How much you spend (or use in kilowatt hours - kWh) on gas and electricity. You can find this on recent bills or the annual energy statement sent by your supplier. Using how much you use in kilowatt hours, is a far more accurate way, than using how much you spend.
- Your bank details if you decide to switch and want to pay by direct debit.

You can easily compare suppliers by using an online comparison website, but be sure the one you use is accredited. If you need help finding one, check on the Ofgem website, (www.ofgem.gov.uk) for a list of suitable sites.

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Switch and save

Most people can switch energy suppliers – even if you have a prepayment meter with debts of up to £500.

- Suppliers are responsible for managing your switch and it can take up to eight weeks. Your existing supplier will continue to provide your energy until the day of the switch.
- You may not always be able to change your mind when you enter into a new contract so you should always check whether a 'cooling off period' will apply before you sign/agree any contract.
- Be aware that you may be required to pay off any debt to your current supplier before you are allowed to switch. However, if you use a prepayment meter you should be able to switch with a debt of up to £500.
- If you are on a fixed term contract you may be charged a fee if you switch before the contract has expired, so check you have allowed for this cost in any savings.
- Some companies are still using staff to stop you in the street. If you do not want to switch and want time to think about what they have said, **never sign anything. If they are not prepared to give you information in writing there and then, without a signature, walk away.**

Energy switch Q&A:

Q: I'm in debt to my supplier, can I switch?

A: If you're on prepay meters you can if the debt's £500 per fuel or less. If you're on a credit meter, it varies by supplier and payment type. Some companies will want you to pay back the debt before switching, others may let the switch go ahead and let you pay it off afterwards. If you're in credit when you switch, your old provider needs to give you the cash, but this may take several weeks to come through.

Q: Suppliers are all the same, so isn't switching pointless?

A: You're right - in many ways they are the same, even though some new smaller suppliers have launched. Yet switching isn't actually about suppliers. Just like one mobile phone firm has many different tariffs, so do energy suppliers.

Q: How long does it take to get confirmation after switching?

A: You usually get a confirmation email from the comparison site within 24 hours, if you switch online. After that, you'll be sent a welcome pack by your new supplier, containing useful information and contact numbers.

Q: I've switched before. It said I'd save, but my bills weren't lower?

A: While it sounds strange, you may save money, even if your bills go up. If you're saving 10% when all energy prices have increased by 20%, you'll still pay more than you were, but you'll be paying less than if you hadn't switched.

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Q: Will prices keep rising in the long run?

A: With energy firms' efficiency, green energy and investment obligations, prices are predicted to go up at least 30-40% over the next five years, unless there's huge political change.

Q: I've just moved house, how can we compare?

A: as you will not have any consumption figures, some companies offer a movers' service. Simply answer some basic questions about the house, such as size and appliance use, and it'll tell you the likely cheapest provider. However, you must remember that this will not be as accurate as using actual consumption

Q: Isn't switching a big hassle?

A: No. Switch, and you keep the same gas, electricity and pipes. Only service and, crucially, cost changes. Yet admittedly it can take up to two months to switch across.

Q: How do I switch - will the new company contact the old?

A: Yes. There's no need to contact your old provider (unless, perhaps, you are in debt with it and want to discuss how you pay it off).

Q: I only use electricity - can I switch?

A: Yes, use the same websites as a dual fuel comparison, but select electricity only.

Q: Is it true that paying by direct debit is cheapest?

A: Yes, but specifically for *monthly* direct debits, which can be £90 cheaper. Your bill is then estimated, so make sure you do regular meter readings.