

THEME OF THE MONTH MAY 2022

HOW TO SAVE ON YOUR GAS & ELECTRIC

SAVING ON YOUR GAS AND ELECTRIC

The average household spends around £1,277 a year on heating and power, according to Ofgem, the industry regulator. That makes energy one of the biggest annual costs for UK families.

From reviewing your energy tariff to cutting the amount of gas and electricity you use, we have put together some top tips to help you to save money and make your home more comfortable. Some tips take no longer than a few minutes – so you can get started on cutting your energy bill today. Keep reading to find out how making several smaller changes can add up to big annual savings.



HOW MUCH ENERGY DOES THE AVERAGE HOUSEHOLD USE?

The average home now uses 13 electronic appliances (including TVs and laptops). This is a huge difference compared with 1990, when just four appliances were typically used, according to the Energy Consumption in the UK (ECUK) 2017 report.

Despite owning more appliances, we still use roughly the same amount of energy as we did two decades ago, meaning our gadgets have become more energy efficient over time. But, there's still a lot you can do to reduce energy consumption – and save money.

There are a few changes you can make around the home that could help cut down your average electricity usage. This can include using more efficient gadgets and appliances, from energy-saver lightbulbs to A+++ rated dishwashers, as well as replacing old appliances, and avoiding wasted power by switching unused devices off at the plug.

There are also things you can do to save on gas bills, such as upgrading your gas appliances to more efficient models or installing a smart thermostat to help you track usage and have more control over your gas-powered central heating.

MOST EFFECTIVE ENERGY SAVING ACTIVITIES



GET BENEFITS AND GRANTS TO HELP YOU PAY YOUR BILLS

You might be eligible for certain grants and benefits if you:

- Have reached state pension age <u>check your State Pension age</u> on GOV.UK
- Have a disability
- Have no income or a low income
- Have missed payments to your energy supplier

Check if you could get grants and benefits towards your energy bills.



HOW TO SAVE ENERGY

The energy saving tips below give you some tools and tactics that will help you save gas and electricity at home. Estimated figures from the Energy Saving Trust have been included to show the potential energy savings that you could make.

Turn off standby appliances

- Turn appliances off at the plug to save an average of £30 a year.
- Use plug sockets that can be turned on and off via your phone, to make sure you switch unused appliances off. You could use cheaper timer plugs to schedule turning appliances off.

Install a smart thermostat

- Smart thermostats can make your heating more efficient by only warming the rooms you are using.
- They learn how long it takes to heat your home, so they can have it at the right temperature at exactly the right time.
- If you installed room thermostats, programmers and thermostatic radiator valves, you could save around £75 a year.

Turn down your thermostat

- Almost half the money spent on energy bills is absorbed by heating and hot water costs.
- Turning your heating down by just one degree could save up to £80 a year.

Buy efficient appliances

- Throwing out a perfectly good appliance won't save you much money, but when it is time to swap, going for one with a high energy-efficiency rating can be worth the investment.
- An A+++ washing will typically use £65 less energy than an A+ one over an 11year product lifespan.
- A modern, efficient dishwasher will typically cost around £7 less a year to run compared to an older model.
- An A+++ fridge freezer will save around £320 in energy bills over its lifetime compared to an A+ model.

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GETTING THE BEST ENERGY DEAL

Even though energy prices are high at the moment and cheap deals are hard to come by, it's still worth checking you're on the best energy deal for you.

The more you know about the kind of energy tariff and features you're looking for, the more likely you are to find an energy supplier and deal you're happy with.

FIXED & VARIABLE ENERGY TARIFFS: WHICH IS BEST FOR ME?

Variable Tariffs

Often also called 'standard' tariffs, they change price each time your supplier changes its rates. Your supplier's default (or out-of-contract) tariff will usually be variable. So if you have been with your supplier for a while, or didn't switch after your fixed deal ended, it's very likely that you're on its standard variable tariff or default tariff. Default tariffs are subject to a price cap. This is effectively a cap on the price charged for each unit of energy – not a cap on your total bill. The cap is reset by energy regulator Ofgem every six months and increased in April 2022 to its highest-ever rate of £1,971 per year for a typical user (based on Ofgem's calculations). You can leave a variable tariff whenever you like. You're not tied-in with a contract or exit fees.

Fixed Tariffs

These set the rate you pay for each unit of energy you use for a certain period of time (one or two years, for example). This means that you know the price you pay for energy won't rise during the period of your contract. If your energy company raises its prices, you won't be affected – but you won't benefit if its prices drop, either.



HELP IF YOU'RE STRUGGLING TO PAY YOUR ENERGY BILL

Contact your energy supplier as soon as possible if you're finding it hard to pay your gas or electricity bill.

If you miss a payment, your energy supplier won't disconnect your gas and electricity at the moment. But if you don't top-up your prepayment meter, your supply might still stop.

Contact your energy supplier if you're struggling to pay, rather than cancelling your direct debit.

It must work with you to agree a payment plan that you can afford. Options vary between suppliers but you can ask for:

- a review of your payments and debt repayments
- a reduction in your payments or a payment break
- more time to pay
- access to hardship funds.

Try and agree a deal that works for both you and your supplier. You can also ask to be added to the Priority Services register - this offers free help and support if you are in a vulnerable situation.

If you have a prepayment meter and can't top it up, contact your supplier to work out how to keep your energy supply. Options can include:

- emergency credit
- nominating someone to top up for you
- adding a discretionary fund to your account
- sending you a pre-loaded top-up card.

Bear in mind that you'll eventually need to pay back any credit your supplier gives you.

MORE HELP WITH ENERGY BILLS

If you're getting into debt trying to keep up with household bills, see our guide on how to deal with debt for practical advice. Other sources of support include:

- <u>The Citizens Advice Bureau</u> (CAB, 08082231133) can give you free, independent advice on dealing with debt.
- <u>Money Advice Service</u> (0800 138 7777) is a government-backed free money advice source.
- <u>National Debtline</u> (0808 808 4000) offers free advice over the phone to people in England, Scotland and Wales.
- <u>Step Change</u> (0800 138 1111) is a charity that gives advice to help people overcome debt problems.





