

Advisors Toolkit Factsheet No 2.c

Quarterly billing

With this system fuel is used and paid for later – in other words the fuel is supplied on credit.

Quarterly billing allows consumers to pay for fuel after every 3 months. A bill is sent for the fuel which has been used, or is estimated to have been used during the period that has just elapsed. This bill must be paid promptly.

A wide variety of payment options are available, including cheque and Switch/debit card.

Advantages:

- ✓ The customer only has to think about bills when they arrive
- ✓ Always have access to fuel, assuming that the bills are paid
- ✓ Only pay for fuel after it has been used

Disadvantages:

- It may be difficult to budget because of the large difference in winter and summer bills
- Problems can arise with estimated bills if the meter is not read

Things to bear in mind:

- ! It is important to make sure that fuel bills are based on actual, rather than estimated, meter readings to ensure that the consumer is paying enough to cover their ongoing usage
- ! Be aware that the price is usually higher with quarterly bills than with direct debit

This payment method suits

- ✓ Households whose income is regular and stable and which easily accommodates fluctuating bills