

Advisors Toolkit Factsheet No.1.c

Tariffs

There is a range of tariffs available from each energy supplier. Suppliers may also offer 'bundled' products and rewards with tariffs. Bundled products might include things like boiler maintenance cover. Rewards might include things like supermarket shopping points. For example, customers might be offered Nectar points for choosing a particular tariff, for providing regular meter readings or for referring. All tariffs have a standing charge and a single unit rate, however suppliers can set the standing charge at zero if they wish. Dual fuel and online account management discounts are also available and apply uniformly across all tariffs as £/pence per year.

Price comparison websites allow more accurate comparison of the tariffs available. It is best to use sites that have the Ofgem Confidence Code logo. The Ofgem list of approved sites that offer a free comparison and switching service for consumers is below. Many of these sites also offer a telephone service.

www.uswitch.com

www.simplyswitch.com

www.unravelit.com

www.switchgasandelectric.com

www.energylinx.co.uk

www.myutilitygenius.co.uk

www.theenergyshop.com

www.moneysupermarket.com

www.runpathdigital.com

www.energyhelpline.com

www.quotezone.co.uk

Citizens Advice also offers a free, impartial, online, energy comparison service – <https://energycompare.citizensadvice.org.uk/>

To ensure that comparisons are as accurate as possible; customers should have the following information to hand:

- name of current tariff
- details of previous electricity/gas use in kilowatt hours (preferably annual use)

Please note that some customers who have a specific tariff for electric storage heating (often referred to as a 'time of use' or off-peak tariff) may find it difficult to make accurate comparisons because relatively few suppliers are able to offer like-for-like tariffs. Some time of use tariffs are not displayed on comparison sites. However, relevant suppliers must make all their single rate tariffs available to domestic customers on restricted tariffs/meters. This information can be found on Factsheet 1d

Suppliers are required to give all their customers personalised information on the cheapest tariff they offer for them. This information appears on each bill/statement and on a range of other customer communications.

Ofgem requires suppliers to provide personalised estimates – a Personal Projection (PP) - which takes account of a customer's usage to enable them to compare tariffs more accurately when switching.

For more detail see Factsheet 2.a Understanding Fuel Bills and Statements and Factsheet 1.d Switching

Price Caps (default tariffs)

The Domestic Gas and Electricity (Tariff Cap) Act 2018 came into force in July 2018. The Act introduced a temporary tariff cap from January 2019 for all customers on Standard Variable Tariffs (SVTs) and default tariffs. This will be known as the default tariff price cap.

The default tariff price cap differs slightly on the basis of geography, payment method and meter type. It limits how much a supplier can charge those on default tariffs and SVTs per unit of energy.

The cap is currently updated each quarter in January, April, July and October.

Note – those previously protected by earlier price caps were automatically transferred to the default tariff price caps. This means that those using prepayment meters and/or receiving the Warm Home Discount will have a default price cap.

