

# Home Energy Tariffs

A guide to the latest tariffs, with tips to support your energy contract choice this autumn. Save on your gas and electricity bills while supporting your budgeting needs.



## Tariff options

Whether to stick with the tariff you are currently on, switch to something different, or go for a fixed rate? Energy companies have recently been shaking things up, so that choosing an energy tariff has now become more confusing and there are more factors to consider. It is not so easy to work out what will be the most cost-efficient option for your household usage in the coming months, and what will best support the way you prefer to budget and pay your bills. Here is a quick guide and tips about the different tariffs currently available, to help you figure out what's best for you.

## Energy tariff price drop 1st October

From 1st October 2023 energy unit prices are dropping by 7 percent. This is in addition to the 17 percent price drop in July, with the result that energy prices will be 24 percent cheaper from 1st October to end of December 2023 than they were last winter. This is good news for anyone on a

standard variable tariff or prepayment account as your energy bills will be 24 percent cheaper than in the same period of time last year, based on using the same amount of energy. Daily standing charges for gas and electricity will be increasing again on 1st October, but it still means cheaper bills.

## Choosing your energy provider

Currently there is virtually no price competition between energy providers. For a cost-saving contract it's best to focus on what type of tariff will save you the most money and best suits your needs, rather than looking for a provider offering competitive pricing.

## Currently on a fixed tariff?

Before the end of September, recommend that you check out latest standard variable tariff unit price and compare with your existing fixed tariff unit price and seriously consider switching from fixed rate tariff to standard variable tariff. Even if you need to

pay a small fee to break a fixed contract, it's worth calculating this fee when considering the savings you could make by switching.

### **Should I switch to a fixed tariff?**

If you are considering signing up for a fixed tariff contract for the peace of mind of having certainty over what you'll pay each month, make sure you compare latest fixed tariff prices against latest standard variable tariff prices to check you will not be paying an excessive amount extra for that peace of mind.

### **Standard variable tariff**

Energy unit prices are continuing to drop and will be 24 percent cheaper this autumn than in the same period of time last year, based on the same amount of usage. So choosing standard variable is currently a great option for cutting your energy bills, especially once heating goes on later this year.

### **New concept tariffs**

#### **Flexi price tariff**

New hybrid contract that has just been introduced by Scottish Power. Not to be confused with flexible which is another name for standard variable. Put simply, this flexi price essentially combines a fixed unit price for energy usage with a variable price for daily standing charge. Doesn't sound like a good deal while unit prices are dropping and standing charges going up, but Scottish Power have crunched the numbers and managed to offer it at a tempting price.

#### **Time of use tariff**

New type of tariff from some providers, primarily targeting households with an electric car and their own charging point at home, so it can be charged at cheap off-peak times such as during the night. This is not the same as Economy 7 which is a legacy tariff and being phased out. For more information, check out:

[energysavingtrust.org.uk/time of use tariffs, all you need know](http://energysavingtrust.org.uk/time-of-use-tariffs-all-you-need-know)

#### **Choosing prepayment**

- Some providers such as EDF are offering option of choosing a prepayment account. This is a preference for some households because topping up an amount of money in advance provides them

### **Smart meter options**

- Smart meters can be used as prepayment meters, and you have the option of topping up digitally online or using mobile app for convenience.
- The new generation of smart meters can be used with any provider account, so you can switch provider whenever you like and don't have to stick with the provider who installed your meter.

with reassurance that they have put the money aside for energy bills and this helps them budget.

- Energy companies hold onto an amount of your money when you have a credit account, so that there is always a large credit balance. If you switch to a prepayment account, the energy company releases this balance and transfers it to top up your prepayment account. This can often be many hundreds of pounds. If you are finding your budget is tight, check with your provider to see how much surplus credit balance there is. This could be a solution to free up a lot of money to help pay for your winter heating, and may be worthwhile even though prepayment unit price is more expensive.

### **What is the best tariff for me?**

For more advice on the tariff options to help you make a decision, go to:

[moneysavingexpert.com/stick, switch or fix your energy tariff, what are the options?](http://moneysavingexpert.com/stick-switch-or-fix-your-energy-tariff-what-are-the-options?)

#### **Useful links**

[www.moneysavingexpert.com](http://www.moneysavingexpert.com)

[energysavingtrust.org.uk](http://energysavingtrust.org.uk)

[which.co.uk/cutting your energy bills, energy tariffs explained](http://which.co.uk/cutting-your-energy-bills-energy-tariffs-explained)

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