

Home Energy Tariffs

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



Comparing tariffs

Whether to stick with the tariff you are currently on, switch to something different, or go for a fixed rate? Energy companies keep changing their prices and deals, so that choosing an energy tariff has 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, 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 available, to help you figure out what's best for you.

Comparing energy providers

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.

Fixed tariff

Being on a fixed tariff contract gives peace of mind as your bills are protected against price increases during the term of the contract. However, as unit prices have been going up and down considerably in recent times, depending on when you start a contract you could be left paying more than customers on a standard variable tariff. Before signing up for a fixed tariff contract make sure you check you will not be paying an excessive amount extra by comparing current fixed tariff prices against standard variable tariff prices.

Ending a fixed tariff contract early

You may need to pay a small fee to break a fixed contract. Calculate this fee when considering the savings you could make by switching. Before taking on a fixed term contract, check the terms regarding ending the contract early as some energy providers have recently set high penalty payments.

Standard variable tariff

With variable tariff, unit prices and standing charges go up or down every time your energy provider changes the prices. A good option at times when unit prices are falling. Bear in mind that daily standing charges are continuing to increase, so if you don't use a lot of gas and electricity units this increased daily charge can make a noticeable addition to your bills, especially in summer months.

Flexi price tariff

New hybrid contract that has recently 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](https://energysavingtrust.org.uk/time-of-use-tariffs-all-you-need-know)

Choosing prepayment

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

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.

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

Direct debit payments

For advice on choosing the best payment option for you, go to:

[moneysavingexpert.com/direct debit payment options](https://moneysavingexpert.com/direct-debit-payment-options)

Useful links

www.moneysavingexpert.com

energysavingtrust.org.uk

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

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