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# Switch supplier or energy tariff

How to compare and switch energy tariff or supplier when shopping around for a new energy deal.

## How to switch

### Information you need

It's useful to have the following information:

- Your postcode.
- The name of your current supplier.
- The name of your current energy tariff.
- Your annual energy usage or costs.

You can find your tariff, supplier and annual information on a recent energy bill. Log into your online account if you don't get paper bills.

### Find tariffs and suppliers

Use a comparison website or phone different energy suppliers to find out what you can save by switching.

You can ask your supplier if they will match an offer if you find one that's better elsewhere.

### Weigh up your options

Think about things like:

- A supplier's customer service.
- If the offer is the cheapest, environmentally-friendly or flexible to leave without an exit fee.
- If you can get cashback or other free incentives as part of your switch offer.
- If there is a switching guarantee. Some suppliers offer this to help you switch with confidence.

### Confirm your switch

The last step is to confirm your contract and payment method. Paying by Direct Debit usually saves money.

Your new supplier will contact you with a switching date. It can take up to 5 working days to complete a switch, though you can specify a later switch date if you wish.

# Help with switching

## If a switch goes wrong or is unexpected

You could have been wrongly switched if you get an unexpected welcome letter or final energy bill. It's rare this happens. When it does, contact your supplier to tell them. Citizens Advice can help with what you need to do too.

Most switches run smoothly. But if things go wrong, Ofgem's Guaranteed Standards make sure things are put right quickly and you are compensated.

## Compensation

You won't need to do anything if suppliers breach a standard and spot the issue. Compensation is automatic. You can report a claim too.

Suppliers have 10 working days from a breach to pay you. They could owe a further £30 if they don't meet this timeline. Ofgem monitors supplier data to make sure they do this.

If you think an issue isn't fixed or you haven't been compensated, it's best to contact your supplier to tell them. If you aren't happy with their response, make a complaint.

Guaranteed standard	Compensation
Suppliers agree if a switch is valid or <u>Erroneous transfer</u> within 20 working days of you telling either supplier.	£60 (£30 from each supplier)
Suppliers confirm the outcome of their investigation into an <u>Erroneous transfer</u> within 20 working days of you contacting them.	£30 by contacted supplier
Supplier restores connection to previous supplier within 21 working days of agreeing a switch is erroneous.	£30 by former supplier
Supplier refunds money owed on a credit balance within 10 working days of sending a final bill.	£30 by former supplier
Property switched by mistake.	£30 by new supplier
Switch completes within 15 working days.	£30 by new supplier
Supplier sends a final bill within six weeks of a switch.	£30 by former supplier

Suppliers may contact you about making a compensation payment. Always ask for further information before giving your personal details.

You won't get switching compensation if you are a business energy customer or if your supplier has gone bust.

## Switching if you are repaying a debt

You can still switch if you've been in debt to your supplier for less than 28 days. Your old supplier will add any owed amounts to your final bill.

You'll need to repay a debt first if you've owed money for over 28 days. This differs for prepayment meter customers (see below).

Your supplier can't stop you from switching if it's their fault you're in debt.

If you are having money difficulties, see our advice on help if you can't afford your bills.

## Switching if you are repaying a debt with a prepayment meter

You can still switch with debts of up to £500 on gas and £500 on electricity.

The supplier you switch to will take on the debt and you will repay them instead. This happens under a 'Debt Assignment Protocol'. You will agree the terms of your repayment plan in your contract with them. Our rules mean repayment plans must be realistic and affordable for you.

Prepayment meter tariffs are usually more expensive. You may want to ask about the different options available to you, including changing to a standard meter. Most suppliers offer this for free.

If you are having money difficulties, see our advice on help if you can't afford your bills. Our guide on prepayment meter rules could also help.

## Switching if you rent a property

Your rental agreement should say if you, your landlord or letting agent are responsible for energy bills.

Consumer protection law says you must be able to choose your energy supplier if it is your responsibility to pay energy bills.

Your landlord could be responsible for paying energy bills if they:

- pay the supplier directly and reclaim the money from you as a tenant
- include the cost of energy in your rent
- assume responsibility for energy supply between tenancies.

Even then, they should not unreasonably stop you from switching. If they pay, it's worth checking the Citizens Advice guide on what your landlord can charge for your energy too.

It's important to check your rental contract for:

- energy supplier clauses. Letting agents or landlords sometimes tie in preferred suppliers with a 'default supplier clause'. Ask if you can renegotiate it. If you can't, you can still switch if you are responsible for paying energy bills.
- notice and return clauses. These might mean you must first tell your landlord if you plan to switch supplier. You might also have to return supply back to a particular supplier or energy meter (if you changed meters) when your tenancy ends.

If you have a prepayment meter

If you have moved to a property with a prepayment meter, tell the supplier you are a new tenant quickly. This is to make sure you don't take on a former tenant's debt in your prepayment meter charges.

Prepayment meter tariffs usually cost more. You may want to ask about different options, including changing to a smart or standard meter. Most suppliers offer meter change services for free.

If you aren't sure about your current supply details, see [Finding your energy supplier or network operator](#).

# Energy price cap explained

The energy price cap is a limit on the price people pay for their energy. The price cap has been replaced by the Energy Price Guarantee as the cap on consumer energy bills until April 2024.

## What is the energy price cap?

The energy price cap sets a maximum price that energy suppliers can charge consumers for each kilowatt hour (kWh) of energy they use. How much you pay depends on how much energy you use.

The cap is a government protection, calculated by Ofgem. At Ofgem we regulate energy suppliers, but we do not regulate the oil and gas production sector. The cap ensures that the profit energy suppliers make is capped.

The energy price guarantee is a temporary additional measure to protect consumers from the recent significant increases in wholesale gas prices. The guarantee was put in place on 1 October 2022 and will last until April 2024. It means that consumers will pay less for their energy than they would under the price cap.

## Why is there a price cap?

Customers who don't shop around and get stuck on their supplier's basic default energy tariff are disadvantaged in the energy market.

The price cap is applied to customers on a default energy tariff, whether you pay by direct debit, standard credit, prepayment meter, or have an Economy 7 (E7) meter. The cap ensures that prices for customers on default energy tariffs are fair and cost-reflective.

## How is the energy price cap set?

Suppliers can't charge you more for each kilowatt hour (kWh) than the cap we set and we monitor suppliers to make sure their default tariff rates comply.

Here are some examples of the things we include when calculating the price cap:

- Wholesale energy costs. This is the amount suppliers pay for the energy they supply to consumers.
- Network costs. These relate to building and maintaining the energy networks that carry energy to consumers' homes.
- Policy costs. These relate to government schemes to save energy, reduce emissions and promote renewable energy.
- Supplier operating costs
- VAT: 5% tax is added to the level of the tariff.

We calculate the price cap using a typical domestic consumer with medium energy use.

The price cap doesn't cap your total bill, which will change depending on how much energy you use. The way you pay for your energy, where you live, your meter type, as well as your consumption will affect your energy bill.

We update the level every three months to reflect inflation and changes in underlying costs.

## What's happening to fuel bills?

Right now, we're seeing volatile gas prices that are affecting everyone around the world. As a result, the amount suppliers pay to buy energy on the wholesale market has risen sharply.

And because gas is used for electricity generation, this pushes up retail electricity bills as well as retail gas bills.

## What's Ofgem doing?

Part of Ofgem's duty as a regulator is to work for you as a bill payer. Ofgem experts watch the market and work to set a fair price cap that reflects the global situation.

Government is also doing its part rolling out the new energy bills support scheme and the energy price guarantee.

We're also doing other things to help stabilise the market over the longer term to reduce our reliance on gas and help protect customers from similar price shocks in the future.

The energy price cap will continue to be calculated and indicates what default tariff consumers would pay if the Energy Price Guarantee were not in place.

## Energy price guarantee

To help protect consumers, the Government announced the Energy Price Guarantee which came into effect on 1 October 2022.

This will reduce the unit cost of electricity and gas so that households with typical energy use in Great Britain would pay, on average, around £2,500 a year on their energy bill until 31 March 2023 and around £3,000 a year until 31 March 2024. These figures are based on a household with typical consumption on a dual electricity and gas bill paid by direct debit.

The amount you pay will depend on how much energy you use, where you live, how you pay for energy, and your metering arrangement.

### Customer with typical usage, paying by direct debit

The average capped rates for a customer with typical usage paying by direct debit on a default tariff is as follows:

- For Electricity customers will pay £0.34 per kWh with a daily standing charge of £0.46
- For Gas customers will pay £0.10 per kWh with a daily standing charge: £0.28

Rates are averages and will vary by region, payment method and meter type.

## Standing Charges

Average standing charges for customers on default tariffs will remain capped in line with the levels set for the default tariff cap for a typical dual fuel customer paying by direct debit.