

## MONTHLY QE STAFF ADVICE BULLETIN

### ISSUE 5: ENERGY – IMPORTANT QUESTIONS ANSWERED

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### Energy prices are rising ...

**For the last few months, the media has been talking about energy price rises and what may be going to happen. From the start of April, those rises came into effect in earnest and many of you will see this reflected in your bills, or the frequency you have to top-up a pre-payment meter. Why is it happening and what can you do?**

Your gas and electricity bill can be complicated at the best of times, but now it has become one of the biggest and most important areas of spend for your household. Understanding what is happening and what you can do about it is not only going to help you make good decisions for your family, but also help you help people you care for navigate their bills. Here, we’re presenting some plain answers to the top questions our social welfare advisers have been asked about energy recently.

### What is the Energy Price Cap?

**Introduced by the energy regulator Ofgem in 2019, the Energy Price Cap is designed to set a limit on the prices charged by suppliers for the energy you use.**

The price cap limits the amount that an energy supplier can charge for each unit of gas and electricity you use, as well as a maximum daily charge. It is not a limit on what you pay – if you use a lot of energy, you will still have a substantial bill.

The price cap applies if you are on a variable or pre-payment tariff, with a higher cap applying to those who pre-pay. There is also a different cap for those on variable tariffs, depending on whether you pay by monthly direct debit or some other method.

Ofgem changes the price cap every six months, based mainly on the costs faced by suppliers and unfortunately due to various factors outside of our individual control this is rising significantly, so energy providers are able to charge you more. Another price cap change will be announced on 1<sup>st</sup> August, increasing bills even further from October onwards.

## What happens if I can't pay my bills?

**If you're having problems balancing your household budget, a substantial rise in energy prices might force you to make some very difficult decisions. If you find yourself in a position where you can't pay for your energy, what happens?**

If you have a 'credit meter' – the standard meter used to measure your usage for direct debit payments – energy suppliers should no longer disconnect you. However, they do have the right to require you to replace your credit meter with a pre-payment meter.

The new pre-payment meter will not provide energy until you have added credit to it. The meter will 'self-disconnect' until any outstanding debt is paid and credits are added to the meter.

There may be grants available to help you with these emergency energy payments. Contact your team at Citizens Advice Gateshead for more information.

## How can I keep control of my bills?

**As you have probably already discovered, there aren't many options to switch tariffs at the moment – energy is expensive across the board. So what practical things can you do to stop your bills getting out of control?**

1. Make sure that you are getting all of the money that you are entitled to, in terms of welfare benefits. **You can use our [free online benefits calculator](#) to get an estimate of any benefits or tax credits you may be able to claim.** Contact your social welfare advice team at Citizens Advice Gateshead if you need help to make your claim.
2. There are ways you can change your household behaviour to reduce the amount of energy you use. They're small changes but they can add up to a significant impact on your annual energy bill.
  - If you have a Smart meter, use it to learn how you are using energy so that you can make the best decisions on how to reduce your costs.
  - Look around your house for so-called 'vampire devices' – electronics that are usually left on standby, but use electricity constantly. For example, some estimates suggest that having your TV box on standby can cost over £70/year, a laptop charger that is plugged in but not used costs £60/year, leaving your TV on standby costs up to £24/year.
  - Reduce the use of energy-hungry appliances such as washing machines, dishwashers and especially tumble driers, if you can.
  - Be mindful of heating and using your water. Consider washing clothes on a cooler wash, don't wash dishes under a running hot tap and take shorter showers.
  - If you have a thermostat, consider whether you can turn it down by one or two degrees – you might find you don't even notice and you will be saving money.
  - Make sure that doors are closed in unused rooms, and turn off radiators in rooms you're not using.
  - Replace old bulbs with energy efficient ones, and remember to turn them off when you leave the room.

## Keeping warm at home

Your living room is considered '*adequately warm*' when it is between **18-21c**

In places where you are more active (like the kitchen) or use bedding, this can be lower. It's a good idea to think about heating the people in your household rather than focusing on heating the home itself – this could be a cheaper option.

3. Consider if you can make longer term changes to your home to make it more energy efficient.
  - If you are replacing your boiler, make sure you get an energy efficient model
  - If you don't have double (or triple) glazing, think about draught-proofing your windows and doors.
  - If you have a chimney, you can get a chimney draught excluder.
  - Look at the insulation in your home. You may be able to get cavity insulation, or top up any insulation in your loft, pipes and water tank.

## What is the Government's energy discount scheme?

**Earlier this year, the Chancellor announced that everyone will receive a discount on their energy bill.**

The energy discount scheme will give everyone £200 credit on their energy bills in October. This will then need to be repaid from 2023 onwards by having £40 added to energy bills over the next five years. You do not have to claim this discount. It will be applied automatically to your account by your energy supplier.

## What is the Priority Services Register?

**If you're worried about making sure that members of your family, particularly those who are vulnerable to cold, maintain their access to energy services in a crisis, such as a power cut, they may be eligible for the Priority Services Register.**

You can register on the scheme, for free if you are of pensionable age, you're disabled (or chronically ill), have a child under 5, have a long-term medical condition, have a hearing/visual or other communications impairment or live in a vulnerable situation. You can do this by following [Ofgem advice](#) and contacting your energy supplier.

Once you are on the register, your energy supplier can:

- Be asked to send communications and bills to a nominated person
- Move your pre-payment meter to somewhere that can be easily accessed
- Be asked to arrange meter readings at appropriate times and intervals
- Provide billing information in an accessible format, such as large print or braille
- In some circumstances, access free gas safety checks (i.e. on your boiler)
- Get emergency help if you lose your supply, such as bottled water and portable cooking facilities.

## **What happens if my supplier goes out of business?**

**Last year, the headlines were full of energy suppliers going out of business, and stories of people being left in limbo, not understanding their situation.**

If your supplier goes out of business, the Government will appoint something called a Supplier of Last Resort (SOLR), and you will be moved across to them. This can take a few days, and in this time you should take meter readings and take photos of your meter. You will receive a welcome pack from the SOLR and be placed onto a new tariff. You can then switch away from that supplier and there are no exit fees for switching away from the SOLR if you choose to do so once they are in place.

This process should happen seamlessly, but it can be stressful and confusing. If you want to talk it through with someone, your social welfare advice team at Citizens Advice Gateshead can help you understand your options.

*Importantly, if you are in credit with the supplier you were with originally before they went out of business, that credit is protected by Ofgem.*

**If you have other questions about your energy costs, paying your bills, cutting down the amount of energy you use or any other issues, remember for direct access to social welfare advice from your Citizens Advice Gateshead team, email [gestaffswa@citizensadvicegateshead.org.uk](mailto:gestaffswa@citizensadvicegateshead.org.uk) or call 0191 490 4231 and we'll be back in touch with you within 1 working day Monday to Friday.**