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SWITCHING FIGURES HIGHEST FOR FOUR YEARS AS CUSTOMERS VOTE WITH THEIR FEET

- **Large increase in the number of customers switching energy supplier, following price rises**
- **Prices charged for energy vary widely from supplier to supplier**
- **Customers, who have never switched supplier, can save up to £110 – this means across Britain there are around £1 billion of unclaimed energy savings**
- **Changing the way you pay for your bills and taking energy efficiency measures can save even more £££s**

Competition is alive and kicking, says energy regulator Ofgem as new research published today (Wednesday) shows that in March 2006 an extra **200,000** customers responded to price rises by switching their energy supplier.

Ofgem's Chief Executive Alistair Buchanan said: "Ofgem's research shows that recent price rises have seen large numbers of customers vote with their feet and take advantage of the competitive market to change their energy supplier.

"The latest figures show that the number of people switching is the highest it's been for four years. Around **900,000** domestic customers switched in March 2006 alone and they were right to do so, as there are still wide differences in the prices charged by different suppliers. Customers, who have never switched supplier, can save up to **£110**, so across Britain there are unclaimed savings of around **£1 billion**."

"Competition is so vigorous that not only can you change your supplier, but you can also choose from a selection of tariffs. This variety of options means that there are significant savings to be made for all customers, including those on pre-payment meters.

"Our advice to all customers is to be **Energy Smart** while the sun shines and take advantage of the strong competitive energy market to shop around and get the best possible deal on your gas and electricity, so you are ready for the winter. Also don't forget to install energy efficiency measures this summer as they can deliver long-term reductions in your winter fuel bills."

Over the last two years energy prices have risen by over 40 per cent driven by rising wholesale energy costs. This has caused real distress to customers, particularly those on low incomes. However, energy suppliers have responded to Ofgem's calls to do more to help vulnerable customers by offering lower prices and they have also set up the **Home Heat Helpline** on **0800 33 66 99** to provide advice to households on low incomes.

The research published today by Ofgem is part of its role in constantly monitoring the energy markets to ensure there are no barriers to effective competition and that prices are the result of market forces and are not being inflated by anti-competitive practices.

Ends

Notes to editors

1. State of competition

Ofgem today (Wednesday) published a *Domestic Retail Market Report* on the state of domestic competition in the gas and electricity markets on its website. The report provides evidence that healthy competition between residential energy suppliers continues to protect British consumers.

The report presents key indicators that Ofgem has used to assess the state of competition in the supply of energy to households in Great Britain. This report provides information on the level of these indicators up to the end of March 2006 and is an update on the September 2005 DRMR published in February this year.

The report shows that in March 2006:

- 200,000 more customers switched supplier than in March 2005.
- Around 900,000 customers changed their supplier that month. This figure is the highest it has been for four years.

2. Changing supplier

There is no need to contact a salesman to change energy supplier. Just add up how much a year you use for gas and electricity and then phone consumer watchdog **energywatch** on **08459 060708** for free price comparison factsheets or visit their new website at www.energywatch.org.uk for approved online price comparison services. Research shows that 50 per cent of all gas and electricity customers have already switched supplier at least once. Those that have not already switched are likely to benefit most from changing suppliers.

3. Energy efficiency/changing how you pay for bills

Customers can make further savings by changing the way they pay bills. For example, paying by direct debit instead of standard credit will save about **£30-35** a year. Making homes more energy efficient can also save people money: cavity wall insulation, for example, can bring savings of between **£50-100** a year.

Ofgem advises all customers to contact their energy supplier, as it requires that suppliers offer energy efficiency advice and schemes for customers. Over 10 million households have benefited from energy saving measures delivered by suppliers through the government's Energy Efficiency Commitment, which is administered by Ofgem. Advice on how to save energy in the home is also available on the **Energy Saving Trust** website www.est.org.uk and from **energywatch**.

4. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. Ofgem's aim is to bring choice and value to all gas and electricity customers by promoting competition and regulating monopolies. The Authority's powers are provided for under the Gas Act 1986, the Electricity Act 1989 and the Utilities Act 2000.

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