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## BIG PRICE GAP OPENS UP IN THE ENERGY MARKET AS SWITCHING RATES ROCKET

- **A big price gap has opened as two suppliers have not announced any price cuts**
- **EDF Energy customers can save up to £140 by changing to the cheapest supplier and Scottish Power customers up to £122**
- **Switching rates have soared with 100,000 more customers changing supplier in the first two months of 2007 than last year**

New research by energy regulator Ofgem shows that a big price gap has opened up between those suppliers who have announced or implemented price cuts and the two smallest suppliers, who have yet to make any announcement.

Dual fuel customers with EDF Energy could save up to **£140\*** and those with Scottish Power could save up to **£122** if they switched to another supplier. (This excludes customers on a fixed price tariff.)

Customers switched at the highest rate for four years in 2006 with over four million changing supplier. This trend is increasing with over 100,000 more people switching in January and February this year than in 2006.

Ofgem Chief Executive, Alistair Buchanan, said:

“New switching figures published by Ofgem today confirm that Britain’s energy market remains highly competitive. Our research also shows that a big price gap has opened up leaving EDF Energy and Scottish Power customers paying over £100 for remaining loyal.

“Competition is all about customer power – in a market where over **600,000** customers switched in the first two months of this year any supplier that tries to buck the market by not lowering their prices or failing on service risks an exodus of customers.”

Customers need to shop around to get the best deal, as the other four suppliers do not all charge the same prices. Even if a supplier has announced price cuts customers may still be able to get a better deal by switching to a competing supplier.

Other ways Energy Smart customers can save money include:

- using energy more efficiently – energy saving measures, like loft insulation, can knock £££s of your bills
- getting both your gas and electricity from the same supplier as a dual fuel deal
- moving from paying by cheque to Direct Debit can save **£35-40** a year, and
- managing your energy supply online – some of the best deals are now available for online accounts

Customers should also think about what type of deal is right for them. There are a range of new products – green tariffs, online tariffs and fixed and capped rate deals.

**ends**

\* Savings are based on medium consumption (3,300 KWH per annum for electricity and 20,500 KWH per annum for gas) dual fuel direct debit customers.

## Notes to editors:

### 1. Switching figures

Around 80 per cent of people who switch choose a Dual Fuel deal taking both their gas and electricity from a single supplier. However, switching figures count one household moving to a Dual Fuel deal as two switches, one for gas and one for electricity. So while gross switching was in total 1.3 million for January and February, a more accurate figure for the number of households switching supplier is 600,000. The gross switching figures are given below.

	2006	2007	Change	Percentage change
January	571,386	698355	126,969	22.2%
February	551,799	654924	103,125	18.7 %

2. Help is also available for people on **low incomes** through the **Home Heat Helpline** set up by the industry on 0800 33 66 99. This offers help and advice to people on low incomes having difficulties paying for their energy bills.

3. For more information on prices a factsheet "Household energy bills explained" is available from the Press Office section of the Ofgem website [www.ofgem.gov.uk](http://www.ofgem.gov.uk).

### 4. 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 website at visit [www.energywatch.org.uk](http://www.energywatch.org.uk) for approved online price comparison services.

5. 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. The Authority's functions are set out mainly in the Gas Act 1986, the Electricity Act 1989, the Competition Act 1998 and the Utilities Act 2000. In this note, the functions of the Authority under all the relevant Acts are, for simplicity, described as the functions of Ofgem.

### For further press information contact:

**Mark Wiltsher: 020 7901 7006**

**Chris Lock on 020 7901 7225**

**Out of hours contact: 07774 728971 or 07766 511470**