

Energy consumer advice – if you live in Scotland

This version is correct as of April 2024

Introduction

This document has been produced by Advice Direct Scotland, Energy UK, the Department for Energy Security and Net Zero (DESNZ) and Ofgem, the energy regulator.

With continued volatility in the energy market and bills continuing to be unaffordable, many people will need extra support. This document is intended to help front-line advisers answer questions, give the right advice and signpost people to where they can get help.

The questions and topics in this guide are based on input from charities and consumer bodies on the most common questions they are asked. It is not an exhaustive list and contains links and information where further information can be found.

This guide is for **domestic** energy consumers. Non-domestic (business) energy consumers can access advice at

[www.ofgem.gov.uk/information-consumers/energy- advice-](https://www.ofgem.gov.uk/information-consumers/energy-advice-)

[businesses](#)

Non-domestic (business) energy consumers can access the non-domestic guide here:

www.ofgem.gov.uk/publications/energy-non-domestic-consumer-advice-autumnwinter-2022

Information in this guide is correct as of April 2024. Should advice in this guide need updating substantially a new version will be emailed to those that received it directly.

If you did not receive this document directly but would like to receive future versions, please email [\[Stakeholders@ofgem.gov.uk\]](mailto:Stakeholders@ofgem.gov.uk).

How to use this document

There is lots of information in this guide as it covers many areas. Whilst you may use some sections more than others, we suggest you read through the full document at first to familiarise yourself with the topics included.

The first part includes specific guidance for people according to their needs, and signposts to the most relevant information in the document.

The questions and answers that follow are all included in the contents and grouped by topic.

It may be helpful to print out the organisational contact list on the last page, so you have easy access to the main charities'

contact details.

We welcome feedback on this document, and approach. If there are important areas that are not included or topics where further clarity would be helpful, please contact ConsumerVulnerability@ofgem.gov.uk

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10 South Colonnade, Canary Wharf, London, E14 4PU.

This publication is available at www.ofgem.gov.uk. Any enquiries regarding the use and re-use of this information resource should be sent to: psi@nationalarchives.gsi.gov.uk

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Quick help

Important guidance for all consumers:

- Making sure to reduce heat loss in homes, such as using draught excluders, will help to reduce bills.
- Consider installing a smart meter. Smart meters allow you see how much energy is being used in near real time and how much you are spending in pounds and pence. Smart meters enable accurate billing, automatic meter readings and can help encourage good energy habits.
- With high energy bills, people may choose not to heat their homes as much as they need to, in order to save money. **This is known as 'self-rationing' and can be extremely dangerous.**
- If people are struggling to pay their bills, they should access the support outlined in this document:
 - Advise people to first contact their energy supplier if they have concerns around paying energy bills
 - Look into other sources of funding such as the British Gas Energy Trust (you do not need to be with British Gas to apply)
 - Debt advice lines are included in ([section 7](#))
 - Ensure they are receiving the correct benefits as this affects whether they are eligible for other schemes such as Warm Home Discount or Cold Weather Payment ([section 1](#))

- A campaign has been launched to help people with combi boilers save cash by making a single quick change to their boiler settings. This change will not result in any loss of comfort in the home. Find out more at [Money Saving Boiler Challenge](#)

Specific guidance for elderly

consumers:

- Ensure they are receiving the correct benefits as this affects whether they will receive further help such as the Warm Home Discount, Winter Fuel Payment and Cold Weather Payment ([section 1](#))
- Advise them to register on the Priority Services Register if appropriate ([section 2](#))

Specific guidance for people with electrical medical devices

- Advise them to register on the Priority Services Register ([section 2](#)) if appropriate
- If they use an oxygen concentrator, they may also be able to claim money back ([section 1](#))

Specific guidance for people with prepayment meters

- Information on prepayment meters can be found in [section 4](#)
- Customers with prepayment meters also have access to additional help. See [section 1](#)
- Energy use is charged based on the amount you use (unit charge) as well as a fixed charge (standing charge) that is applied daily regardless of if you have used any energy or not ([section 4](#)). It is important that prepayment customers are aware of this, as they may not realise that charges can build up during periods in which they have not used any energy

Specific guidance for people with disabilities

- Advise them to register on the Priority Services Register if appropriate ([section 2](#))
- Queries around Warm Home Discount see [section 1](#)

1. What financial support is available?

Financial support from Government

You can find out what benefits and other financial support people might be able to get here:

Further information on benefits in Scotland is available at www.socialsecurity.gov.scot/benefits

The UK Government is offering help for households. You can see what cost of living support you could be eligible for at costoflivingsupport.campaign.gov.uk/

Information about grants to help to heat your home can be found on GOV.UK at [Get help if you're behind with your energy bills - Citizens Advice](#)

Levelisation

In February 2024 Ofgem announced the energy price cap for Quarter 2 2024 would be £1,690. This is a reduction of £238 from the Quarter 1 2024 price cap of £1,928.

From July 2023 customers on prepayment meters are not paying more for their standing charge compared to direct debit. This support is funded by the government via the Energy Price Guarantee (EPG) through tax-payer funding until 31 March 2024.

From 1 April 2024, this discount on standing charges for prepayment meters will continue through Ofgem's levelisation policy but it will be funded via bill-payers. For more information visit Ofgem's [decision on adjusting standing charges for prepayment customers.](#)

Further support available

The Government provided support to those who needed it the most this winter, including:

- £900 in further cost of living payments, with an extra £150 for those on eligible disability benefits.
- The Winter Fuel Payment providing between £250 - £600 for those individuals born before 25 September 1957.
- The £150 Warm Home Discount for eligible low-income households.

Guidance on getting extra payments to help with the cost of living if you're entitled can be found here

www.gov.uk/guidance/cost-of-living-payment

Warm Home Discount (Scotland)

PLEASE NOTE this information applies to Scotland only.

The Warm Home Discount (WHD) scheme, introduced in 2011, is a scheme aimed at tackling fuel poverty, and it has three different elements: two consumer groups, a Core Group and a Broader Group in Scotland, and a set of Industry Initiatives funded by suppliers.

The scheme places a legal obligation on licensed gas and electricity suppliers to deliver support to eligible persons on low-income and who are at risk of fuel poverty.

Further information on the scheme, including who is eligible for a rebate, is available at www.gov.uk/the-warm-home-discount-scheme.

The scheme for winter 2023 to 2024 has now closed. You may be eligible to get £150 off your electricity bill for winter 2024 to 2025 under the WHD scheme.

If you live in Scotland:

The Core Group and Broader Group in Scotland are provided assistance via a direct rebate of £150, primarily on the electricity account. If you receive both electricity and gas from the same supplier, known as a dual fuel supply, you can request that the rebate be applied to your gas account.

You are eligible under the Core Group if you receive Guarantee Credit element of Pension Credit. Consumers do not need to apply for the Scotland Core Group.

Consumers must apply for the Scotland Broader Group. Scotland WHD Broader Group eligibility criteria are broadly (with some additions/exceptions) based on receipt of following benefits:

- Income Support
- Employment and Support Allowance (IR ESA)
- Income-based Jobseeker's Allowance
- Housing Benefit
- Universal Credit

- Child Tax Credit

Energy suppliers can set additional eligibility criteria, subject to approval by Ofgem. We would advise that you contact your electricity supplier to check if you're eligible and to apply.

They will decide who gets the discount in Scotland. You cannot apply for the discount by contacting the WHD Scheme.

The number of discounts suppliers are required to give is limited. We would advise that you contact them as early as possible and check with them even if you were eligible for a discount last year.

Please see [Final Warm Home Discount Supplier Guidance \(version 1\) - Scotland | Ofgem](#) for more details.

How to get the Discount:

Core Group

For winter 2023/24, if you were in receipt of the Guarantee Credit element of Pension Credit on the qualifying date of 13 August 2023, you will have received a letter between October 2023 and January 2024. The letter would have said if:

- You were eligible for the scheme and will receive your rebate automatically
- You might have been eligible for the scheme, but you needed to give more information

If you were eligible for the scheme under the core group, your

letter will have confirmed that you do not need to do anything. The discount will have been applied automatically.

If you needed to give more information, your letter will have told you to call the helpline by 29 February 2024 to confirm your details.

Broader Group

If you are not eligible under the Core Group but you are on a low income, you must contact your supplier to apply each year. Suppliers can set their own eligibility criteria.

For Core Group queries, the WHD Helpline telephone line has now closed, but you can contact them via letter:

110552 Warm Home Discount Scheme
PO Box 26965
Glasgow
G1 9BW

Please note that although Ofgem encourage suppliers to pay the WHD rebate as early as possible in the winter months, energy suppliers have until 31 March of each scheme year to make all payments to successful applicants and otherwise eligible consumers; these timescales are set out in Ofgem's [Scotland Guidance for Suppliers document](#).

Further support available

You can check what benefits you are entitled to here: [Benefits](#)

[and financial support if you're on a low income - GOV.UK \(www.gov.uk\)](#)

If you would like information on other ways of saving money on energy bills, you could check the [Advice Direct Scotland](#) website. The [Energy Saving Trust](#) website also has advice on saving energy and on eligibility for support. Alternatively, you could contact the Citizens Advice Consumer Service on 0808 223 1133 ask for help and advice.

If you would like information on other ways of saving money on energy bills, you could check the [Advice Direct Scotland](#) website. The [Energy Saving Trust](#) website also has advice on saving energy and on eligibility for support. Alternatively, you could contact Consumer Scotland, and details can be found on their [website](#).

You may also wish to check whether you are eligible to receive assistance through the Affordable Warmth/ECO scheme to make your home warmer and more energy efficient. Please go online at [Find ways to save energy in your home - GOV.UK \(www.gov.uk\)](#) for more information.

Winter Fuel Payment

If you were born before 25 September 1957 you could get between £250 and £600 to help you pay your heating bills. This is known as a 'Winter Fuel Payment'.

The amount you get includes a 'Pensioner Cost of Living

Payment'. This is between £150 and £300. You'll get this extra amount in winter 2023 to 2024. This is in addition to any other Cost of Living Payments you get with your benefit or tax credits.

Visit [Winter Fuel Payment: Overview - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guides/winter-fuel-payment) for further information.

Winter Heating Payment Scotland

Winter Heating Payment is to help people on low-income benefits who might have extra heating needs. It replaces the Cold Weather Payment from the Department for Work and Pensions (DWP) and has the same eligibility requirements.

Unlike the Cold Weather Payment, Winter Heating Payment does not depend on how cold the temperature gets. It is a yearly payment of £50 that's paid automatically.

Visit www.mygov.scot/winter-heating-payment for further information.

Home Energy Scotland

Home Energy Scotland helps people in Scotland create warmer homes, reduce their energy bills, and lower their carbon footprint. Funded by the Scottish Government and managed by Energy Saving Trust, they provide energy saving advice and information on Scottish Government funding and other sources of support.

Advice is available on their website at

www.homeenergyscotland.org/

You can contact them using their [online form](#) or freephone 0808 808 2282.

Warmer Home Scotland

The Scottish Government's Warmer Homes Scotland programme offers funding and support to households struggling to stay warm and keep on top of energy bills.

The programme is accessed by contacting Home Energy Scotland, who will check what support is available. If your household is eligible, we will then make a referral to Warmworks. Warmworks is the managing agent for Warmer Homes Scotland.

To find out more about the qualifying criteria call 0808 808 2282 or use their [contact form](#) if you're unsure about the criteria.

Further details can be found here [Warmer Homes Scotland · Home Energy Scotland](#).

Financial support from your local authority

Council Tax Reduction Scheme

Support is available if you live in a council tax band E – H and you have specific circumstances, including:

- if you are a student (except if you live in a house with

multiple occupation for council tax purposes)

- if you are under 18
- if you have a severe mental impairment
- if you have an annex occupied by a dependent relative

You will receive up to a maximum of 35% off your council tax and water and sewerage bill.

You will need to contact your local council. You can contact your local authority via www.gov.uk/find-local-council.

You can find out what council tax band you are in by entering your postcode into the Government website online at www.saa.gov.uk/.

Scottish Welfare Fund

You might be able to access a crisis grant if you're on a low income and unable to get financial help from any other appropriate source.

Your local council will decide whether to award you a grant based on the priority level of your application and the amount of money left in the council's budget.

Crisis grants can cover a range of different situations, so it's worth applying even if you're not sure that you qualify.

Contact your local council for advice and help on accessing this fund. You can contact your local authority via www.gov.uk/find-local-council

Your council may also be able to offer a range of extra help if you are struggling, such as a council tax reduction.

Section 12 Payments

Section 12 or 'Section Payments' can be paid to a vulnerable person aged 18 or over, and can cover emergencies, debts as well as preventative help to avoid a person's needs becoming greater.

It does not necessarily take the form of a cash payment and in some cases may be vouchers to purchase food, fuel, clothing or furniture, a payment to a third party or could be a loan to cover an emergency situation.

Approach your council for more information on Section 12 payments.

Financial support from energy suppliers

Contact your energy supplier as soon as you can if you are worried about paying your energy bills or think you won't be able to afford them.

Suppliers' enquiry services must be free for customers that are struggling to pay their energy bills and prioritise vulnerable customers who need immediate support, or their representatives acting on their behalf.

Your supplier must take into account your circumstances and situation and offer help. Your supplier must work with you to

agree on a payment plan you can afford based on what is called your 'ability to pay'.

This includes reviewing a plan you have agreed before. You can ask for:

- a review of your payments and debt repayments
- payment breaks (if available) or reductions
- more time to pay
- access to hardship funds if available

Many energy suppliers offer specific grants from trust funds which may be able to support customers in arrears by writing off debt. Speak to your supplier about what they offer. See [appendix](#) for a list of supplier energy trust funds.

British Gas Energy Trust

The British Gas Energy Trust will consider applications for grants from anyone, regardless of who your energy supplier is.

They require you to seek professional money advice first and fund a number of local advice centres across England, Scotland and Wales which specialise in this, or you can try one of the charities in the 'debt charities' [section 7](#) below.

Further information and the online application form is available at britishgasenergytrust.org.uk/who-can-apply/.

Financial support if you have a disability

Child Winter Heating Payment

Child Winter Heating Payment is a benefit from the Scottish Government to help disabled children and young people and their families with increased heating costs over winter.

It's paid once a year. The payment for winter 2023-2024 is £235.70. Payments for winter 2023-2024 began in November 2023.

Children and young people in Scotland can get the assistance if they're **under 19 years old** and get one of the following 'qualifying benefits':

- the highest rate of the care component of Child Disability Payment
- the highest rate of the care component of Disability Living Allowance for children
- the enhanced daily living rate of Personal Independence Payment
- the enhanced rate of the daily living component of Adult Disability Payment. They must be getting this on at least one day in the third full week of September. Eligible children and young people living in Scotland do not need to apply. They'll get their payment automatically. You'll get a letter from Social Security Scotland before they make the payment. Payments are usually made from the

end of November onwards.

Financial support if you use an oxygen concentrator

If you use an oxygen concentrator at home, you can get money back for the electricity it uses.

The company that supplies your concentrator can make payments to your bank account. Contact them to find out how to claim.

Contact:

- [Dolby Vivisol Home Respiratory Care](#) on freephone 0800 917 9840
- [BOC Home Oxygen Service](#) on freephone 0800 136 6030
- [Air Liquide Healthcare](#) on freephone 0800 781 9939
- [Baywater Healthcare](#) on freephone 0800 373 580

Financial support for prepayment meter customers

Bespoke support is available for customers with prepayment meters in addition to what is available for other customers.

Support can often depend on your individual circumstances, so it's important to contact your energy supplier as soon as you can if you are worried about paying your energy bills or think you won't be able to afford them.

If you are in a vulnerable situation, also see [section 2](#) on the

Priority Services Register. [Section 4](#) has more information about prepayment meters and your rights.

Emergency support from your supplier

If you're running out of gas and electricity, your supplier provides an emergency credit facility which you can access automatically via your meter. If this is still insufficient, then you can call your supplier and explain the situation as they are required in certain situations to offer some amount of additional credit to keep you on supply or return you to supply where appropriate.

This can be if you are struggling to pay (Emergency credit), because your top-up points are closed (Friendly-hours credit) or because you are in a vulnerable situation (Additional Support Credit).

In most cases any temporary credit will have to be paid back when you next top up, though you can ask your supplier to spread out the cost in a payment plan, based on what you can afford to pay.

If you are in debt to your supplier and they install a prepayment meter or remotely switch your smart meter to prepay mode without your consent, a new Code of Practice (from April 2023) means they should offer £30 credit (or an equivalent non- disconnection period) to get you started. Like other credits, this will have to be repaid.

From January 2024, EDF, Octopus, Scottish Power, Tru Energy, E.ON, Utility Warehouse and Utilita have met Ofgem's [strict criteria](#) to be able to restart involuntary installations of pre-payment meters. Ofgem's [website](#) is consistently updated when restart activity has commenced, so customers are clear which suppliers have met the restart conditions.

Fuel vouchers

If you can't afford to top up your prepayment meter, you can ask your local council or a food bank for a fuel voucher which may be able to provide one.

This is a code given to you in a letter or in a text message or email, which you can use at a PayPoint shop, Payzone shop or Post Office to add credit to your gas card or electricity key.

You can find your nearest Payzone store at www.storelocator.payzone.co.uk/.

You can find your nearest Paypoint store at consumer.paypoint.com/

You can find your nearest Post Office at www.postoffice.co.uk/branch-finder.

To use your voucher, take the code and instructions with you, and some form of ID – for example, your passport or a bill with your name and address.

You must use your fuel voucher within its validity period. It's

advisable that you check how long your voucher is valid for.

Check your fuel voucher to see when it expires. You might have to use it within 15 days. If you have problems using your voucher, contact the organisation that gave it to you - you should be able to find their contact information on the instructions.

If you have problems with your voucher, check the instructions and contact the organisation you got it from.

If you don't use gas or electricity for your heating, you might be able to get a fuel grant if you:

- rely on oil, liquefied petroleum gas (LPG), coal or wood as your main source of heating
- aren't on the gas grid

You'll need to show that you can't heat your home because you can't afford to buy fuel - or you might not be able to afford it soon.

Support from your Local Authority

Your local council may be able to offer support if you cannot top up your prepayment meter.

They may be able to help you access fuel vouchers, and grants to help you top up your gas or electricity meter.

You can contact your local authority via www.gov.uk/find-local-council

2. What non-financial advice and support is available?

Priority Services Register

The Priority Services Register is a free service to help people who may need additional support. Your energy supplier and network operator offer it - you need to contact them to be put on it or update your details.

You are eligible if you:

- have reached your state pension age
- are disabled or have a long-term medical condition
- are recovering from an injury
- have a hearing or sight condition
- have a mental health condition
- are pregnant
- have young children under 5
- have experienced domestic abuse
- have extra communication needs (such as if you don't speak or read English well)

You might still be able to register for other reasons if your situation isn't listed. For example, if you need short-term support after a stay in hospital.

Examples of help you can get:

- **Advanced notice of planned scheduled power cuts,** and priority support in an emergency, wherever possible
- **Nomination scheme.** You can nominate someone to receive communications and bills from your energy supplier if that would be easier. For example, a family member, carer or someone you trust
- **Help with prepayment meter access.** For example, moving the location of a meter if you can't get to it safely or easily
- **Regular meter reading services.** This can help ensure your bills are accurate if you struggle to read your meter
- Accessible information. For example, account information and bills provided in large print or braille

Further information is available at www.ofgem.gov.uk/getting-extra-help-priority-services-register

Charities and organisations

For help with debt, see [section 7](#).

Citizens Advice Scotland

The Citizens Advice network is Scotland's largest provider of free, impartial and confidential advice. People can get help from their local Citizens Advice Bureau or check advice online at www.citizensadvice.org.uk/scotland

Citizens Advice Scotland offer a 'Money Map' which brings

together a host of online information on how people can boost incomes, reduce costs, and manage their money. Visit www.moneymap.scot for more.

They also provide a council tax savings tool which allows you to check if you are entitled to any council tax reductions, exemptions, and discounts. Visit www.checkmycounciltax.scot/ for more.

Advice Direct Scotland

Advice Direct Scotland provide free, practical, and impartial advice and information on a range of subjects, including energy and debt-related matters. Their online identity is "advice.scot".

They can help with enquiries related to your energy supplier (no matter how complex) and provide assistance in understanding energy bills.

- Visit Energy Advice | Energy Advice | energyadvice.scot
- Call 0808 196 8660 or use their online webchat
- Email them online via Email Us | Energy Advice | energyadvice.scot

Moneyadvice.scot provide free information and support on a wide range of financial and debt issues. They are authorised and regulated by the Financial Conduct Authority.

- Visit Moneyadvice
- Call 0808 196 2316 or use their online webchat

(Monday-Friday, 9am to 5pm)

- Email them online via [Contact – Moneyadvice](#)

Advice Direct Scotland also provide a free benefits checker tool on their website Visit advice.scot/knowledge-centre.

Age Scotland

Age Scotland (part of Age UK) works with and for older people to make a real and positive difference to their wellbeing and quality of life.

Advice on benefits, energy and complaints is available on their website and via the [Age Scotland Advice Line](#) on 0800 12 44 222, open 9am to 5pm, Monday to Friday. The service is open to carers and families of older people too.

If you prefer to speak to someone face-to-face, check online or ask the Advice Line where you can find your local Age Scotland.

Age UK

Age UK works with and for older people to make a real and positive difference to their wellbeing and quality of life.

Advice on benefits, energy and complaints is available on their website and via the Age UK Advice Line www.ageuk.org.uk/services/age-uk-advice-line/

Or call 0800 169 6565, open 8am to 7pm, every day of the year.

If you prefer to speak to someone face-to-face, check online or ask the Advice Line where you can find your local Age UK.

Energy Action Scotland

Energy Action Scotland, the national fuel poverty charity, offer energy advice for householders that are vulnerable or on low incomes. You can find more information about Energy Action Scotland Warm and Safe Homes service at www.nea.org.uk/get-help/.

They also provide a webchat service and provide general advice and multi-lingual information leaflets on managing energy bills on their website.

Samaritans

There is always help if you feel your debts are getting out of control. Samaritans are there to listen and they don't judge or tell you what to do.

Contact Samaritans on 116 123 or email jo@samaritans.org. You can also send a letter in the normal post for free addressed to 'Freepost SAMARITANS LETTERS'.

Samaritans have also created a self-help app which provides support without you having to discuss your feelings with someone else. More information is available at

www.samaritans.org/how-we-can-help/contact-samaritan/

If you would like emotional support in Welsh, there is a Welsh

language line which is free to call on 0808 164 0123. You can also send a letter in Welsh addressed to Freepost

SAMARITANS LETTERS

If you think it's an emergency

If you think your life or someone else's is at risk, you should call 999 or go to A&E if you can.

You can also find a list of urgent mental health services on the Mind website www.mind.org.uk/need-urgent-help/finding-out-what-support-is-out-there/

3. Making your home warmer

The best way to reduce your home heating and energy costs in the long-term is to improve energy efficiency.

You can find recommendations for home improvements that could help you save energy in your home at www.homeenergyscotland.org/.

Energy supplier schemes and grants

You might be able to get help for energy-saving improvements through the Energy Company Obligation (ECO) if your home has an Energy Performance Certificate (EPC) rating of D or below.

You may be eligible for this scheme if:

- you claim certain benefits and live in private housing (for example you own your home or rent from a private landlord)
- you live in social housing

Check online at www.gov.uk/energy-company-obligation, contact your supplier or contact your local authority to find out more.

If you don't know who your supplier is, find them here www.ofgem.gov.uk/information-consumers/energy-advice-households/finding-your-energy-supplier-or-network-operator.

You can contact your local authority via www.gov.uk/find-local-council.

You can check your eligibility for other schemes and grants using Ofgem's [website](#).

Support from your Local Authority

Your local authority may be running its own scheme to help improve the energy efficiency of your home and lower your bills.

Check with your council via www.gov.uk/find-local-council

The Wise Group

The Wise Group delivers free, impartial, and holistic energy advice and mentoring support to help people across the UK to keep warm and well at home and to control their personal

finances.

Find out more at [Tackling fuel poverty with free, impartial energy advice - the Wise Group](#)

Energy Saving Trust

Energy Saving Trust is an independent organisation giving trusted energy information to households right across the UK.

You could save hundreds of pounds on your energy bills by following their simple energy saving hacks, without spending any money. You can find out more information at [How to save money on your energy bills - Energy Saving Trust](#)

They also provide information on heat loss, damp, condensation, radiators, boilers, insulation, solar panels, and heat pumps.

Visit their website energysavingtrust.org.uk or follow them on facebook.com/EnergySavingTrust or instagram.com/energysavingtrust/

If you can reduce your energy use, you can find further hints and tips that could help you save energy in your home at:

- [Save energy at home – Citizen’s Advice Scotland](#)
- [Six ways to keep your heating costs down - Which? News](#)
- [10 Ways To Save On Energy Bills - Which?](#)

- [Energy Saving Tips | How To Reduce Bills | MoneySuperMarket](#)
- [Energy Saving Tips \(moneysavingexpert.com\)](#)

4. Understanding your bill

How are energy bills calculated?

There are two elements which make up the total energy you are charged:

- a standing charge which is a fixed daily rate
- a unit charge for each unit of energy (kWh) that you use

Suppliers decide how they allocate costs between the two but added together they cannot be higher than the price cap, if you are on a price capped tariff.

This explains why standing charges can vary between suppliers and tariffs. If the amount collected through standing charges was reduced then the unit cost would be higher and vice versa.

Why have I received an extra bill?

Unless you have a smart meter or give regular meter readings, suppliers have to estimate your energy use.

If a supplier has previously estimated use, and then receives a meter reading which shows you have used more than estimated, they can issue a bill for the energy you have used.

However, suppliers in most circumstances cannot ask to recover any costs for energy use where that consumption occurred over a year ago and has not been notified before (see the next section).

To help your supplier send you accurate bills:

- try to provide regular meter readings
- tell them when you are moving in or out of a property
- ask to get a smart meter

When should I submit meter readings?

If you don't have a smart meter and are on a default or standard variable tariff it is a good idea to submit meter readings monthly to ensure your bill is accurate.

What about if I receive a bill for energy usage that's for more than a year ago

Contact your supplier and explain that you understand you are protected by the **back billing rules**. This means you should not be charged for any unbilled energy use more than 12 months ago if you have not had an accurate bill (or statement of account) for this before.

This includes some situations where a supplier increases your direct debit because it was set too low.

This does not apply if you have behaved obstructively or unreasonably, preventing accurate billing. This could include:

- blocking meter readings at your property on more than one occasion
- stealing gas or electricity
- giving a false meter read

Speak with your supplier to try and resolve the situation if you believe you have been charged for energy used more than 12 months ago. If your supplier insists on you paying the back-bill, see [section 5](#) below on complaints.

What are standing charges?

Standing charges are charges which need to be paid no matter how much energy you use. These are to cover fixed costs that suppliers have to pay such as the cost of transporting the gas and electricity to your home.

Standing charges are collected by energy suppliers through bills and then passed onto the companies that transport gas and electricity to your home (energy network companies). It's important that PPM customers are aware of standing charges – see below.

Standing charges for electricity meters also include the costs of old suppliers that have failed.

From 1 April 2024, the standing charges for Pre-payment Meters will be reduced to the level of Direct Debit under the price cap. For more information, please see Ofgem's [decision on](#)

[adjusting standing charges for prepayment customers.](#)

Why are standing charges going up?

Standing charges are a daily fixed amount to cover the fixed costs of running the energy system. A maximum amount is set by Ofgem. It varies by region due to the different costs to transport power to where we live.

Increasing global gas prices, the failure of a number of suppliers, and increased costs of maintaining the energy network and transferring some network costs from unit rate to the standing charge have all contributed to the increased standing charge.

It's best to contact your supplier for personalised information on your tariff. That's because different factors also affect how much suppliers charge. This includes where you live, how you pay (prepayment, direct debit or standard credit) and your type of energy meter.

How are direct debit amounts determined?

Energy companies will look at a number of factors including your previous consumption (if you are an existing customer) or expected consumption (based on historic usage information or if this is not available, your property type and how many people live there) and estimate how much they think you will use over the course of the year.

They will take into account the tariff you are on and whether you are in credit or arrears. They will then divide the total amount by 12 for monthly payments, or four for quarterly payments.

Can suppliers take estimated future price rises into account?

No. They must calculate the direct debit on the latest available tariff information.

All customers' direct debit amounts are reviewed periodically taking into account factors including estimated usage, their current tariff, debit/credit balances and recent meter reads.

Why has my direct debit increased?

Direct debits help to smooth payments, so customers pay the same every month regardless of use. This helps people to manage their finances.

Paying for more than you use in summer when your energy use is less helps to cover the winter when energy use is higher, allowing the payment amount to stay the same.

Many people's direct debit amounts have recently increased to reflect the higher cost of energy that retail suppliers are paying. In some instances, people's payment amounts have increased substantially.

A range of factors such as recent tariff changes, high debit

balances or recent meter reads, can drive large adjustments to customer direct debits. So, if you have been underpaying for some time and you submit a meter reading, this could explain why your direct debit amount has increased.

Suppliers are required by Ofgem to ensure direct debit payments are reasonable and to clearly communicate any changes in a way that helps consumers understand their payments.

You can find more information at [If your energy supplier has increased your direct debit payments - Citizens Advice](#)

What happens if I cancel my direct debit payments or refuse to pay?

If you are struggling to pay your bills you should contact your energy supplier in the first instance who may be able to help. There are also links to organisations who can help throughout this guide.

Cancelling direct debits could lead to you getting into debt and in some cases may mean the energy supplier installs a prepayment meter (where safe and reasonably practical and all other means of payment have been exhausted - see [section 4](#)). It may also affect your credit score.

The price cap for other payment methods is higher than the direct debit price cap, so cancelling could also increase your energy bills.

What should I do if my supplier goes out of business?

If your energy supplier goes out of business, your supply will remain uninterrupted.

The failed supplier will either be put in 'Special Administration' or your account will be transferred to a new supplier (known as a "Supplier of Last Resort"). If you do get transferred, the regulator Ofgem will automatically move you within a few weeks.

Don't try to make any changes until your account is moved to a new supplier. You might find it harder to get any money you're owed if you switch before this happens.

Wait for your new supplier to contact you and in the meantime:

- take regular meter readings and a photo of them if you can
- keep any old bills you have – these can help prove your payment history, credit balance or debt
- download any bills from your app if you have an online-only account
- make a note of your account balance – you'll find this on your most recent statement

Your new supplier will write to tell you when your new account has been set up. You should contact your new supplier if you don't hear from them within two weeks.

Your new supplier will also put you on a new tariff, which Ofgem ensures that the new supplier offers the best possible deal available through the supplier of last resort (SoLR) process. You can switch without paying an exit fee if you're not happy with your new supplier or tariff.

For more information visit

[What happens if your energy supplier goes bust | Ofgem](#)

[If your energy supplier has increased your direct debit payments - Citizens Advice](#)

What if I'm being chased for a debt by an administrator?

The administrator will, in almost all circumstances, collect debts for your old supplier. You might get a bill from the administrator instead of your old supplier.

If you were using a prepayment meter to pay off your debt, you might not be able to use the meter to pay the administrator. They'll tell you how to pay.

You might be asked to pay all of your debt back at once. This is because administrators don't have to follow the same payment rules as energy companies.

You should still try to negotiate a payment plan with the administrator. They should consider this even if they do not agree to it. Speak to your new supplier if your debt means

you're struggling to pay your energy bills.

If you get a large bill you didn't expect, you should check it against your old bills and statements. If you're not able to pay, contact the administrator that sent you the bill to discuss your options.

Types of meter

Different types of meters exist which can affect how and when you pay, as well as how much you pay. These include:

- **Credit meter** – where consumers are billed for their energy after they have used it, based on estimates or actual use
- **Prepayment meters** – where customers put credit on their account before using energy rather than receiving bills for their usage
- **Smart meters** – which send regular readings of energy use automatically to your supplier, so you receive bills based on actual use, without having to give readings. Both credit and prepayment meters can be smart

Prepayment meters (PPM)

Prepayment meters allow customers to manage their energy use and finances more closely than waiting for quarterly or monthly bills. However, they aren't suitable for all customers, and it's worth discussing with your supplier if you want to change.

Not everyone will be able to choose a different meter, but keep in mind that if you have a prepayment meter, if you forget or cannot afford to top up there is a risk that you will lose access to heat and power (called "self-disconnection") until you can next credit funds to your meter.

Smart Prepayment

There are significant benefits for consumers on smart prepayment meters, enabling customers to top-up remotely, via online supplier accounts, by app, or by phone, without visiting a shop or needing to reach inaccessible meters, as well as allowing consumers to track their balance easily so they don't unknowingly run out of credit.

The In-Home Display (IHD), which households are offered when they have smart meters installed, gives accurate information about energy consumption in pounds and pence, so consumers can easily understand how to use less and save money on their bills.

The benefits of smart metering to deliver support to prepayment consumers efficiently has been demonstrated via the delivery of the Energy Bills Support Scheme. Unlike those on traditional meters, customers on smart meters in prepayment mode received their entitlement directly, without the need for vouchers.

I have a Radio Teleswitch (RTS) Meter

Radio Teleswitch (RTS) meters are electricity meters which switch between peak and off-peak tariff rates, such as Economy 7 or 10, and may automatically turn your heating or hot water. If you are unaware of what meter type you have, then you should contact your supplier.

The legacy industry-run service that supports RTS meters is being phased out and is planned to end 30 June 2025. You should not lose electricity supply or functionality before this date and Ofgem has set out its expectation that electricity suppliers should ensure that all RTS meter customers have appropriate metering arrangements in place for their customers at least 3-4 months before any end date.

Electricity suppliers are currently contacting customers with RTS meter types to arrange a suitable upgrade of the customer's meter to a smart meter. If you are contacted and refuse to upgrade your meter, then you will likely not have the same functionality as you have now and may be limited in the choice of tariffs, you are able to access.

Ofgem has informed suppliers that they should ensure that their RTS customers have a suitable replacement smart meter installed and that their service is not disrupted ahead of the 2025 shut down date and is monitoring progress in this area closely. Electricity suppliers are contacting their RTS customers to arrange these upgrades, however, you should

make contact with your supplier if you have any questions or concerns.

If your supplier wants to switch you to a prepayment meter without your consent

Energy suppliers agreed to stop force-fitting prepayment meters or switching smart meters to prepayment mode without consent in April 2023. The regulator, Ofgem, has set a number of checks suppliers should meet before they restart this activity. As noted previously, from January 2024, EDF, Octopus, Scottish Power, Tru Energy, E.ON, Utility Warehouse and Utilita have met Ofgem's [strict criteria](#) to be able to restart involuntary installations of pre-payment meters. More information on the rules suppliers should follow from November 2023:

<https://www.ofgem.gov.uk/publications/new-prepayment-meter-rules-extend- protections-vulnerable-people>

<https://www.ofgem.gov.uk/publications/involuntary-prepayment-meter-decision>

Before installing or switching you to a prepayment meter, a supplier must go through a number of checks to ensure that they have taken all reasonable steps to agree a payment plan with you and that a prepayment meter would be safe for your circumstances.

These include:

- Trying to contact you at least 10 times.
- Making a 'site welfare visit' to check your household is suitable for prepayment, this should be video or audio recorded.
- Offering you other ways to repay the money you owe
- Giving you at least 28 days to repay your debt
- Taking into account your ability to pay after asking you about your income and outgoings

They can only switch you to a prepayment meter against your will as a last resort. There are some circumstances where a supplier **should not install** a prepayment meter. Ofgem calls this the 'High Risk' category:

- If the debt isn't yours (for example if the debt came from a previous tenant) or the amount is in genuine dispute.
- If you are in a vulnerable situation, and if doing so would be severely traumatic.
- If you're disabled or ill and your condition makes it difficult for you to use, read or top up the meter, and/or you have a medical dependency on a warm home (for example due to illness such as emphysema, chronic bronchitis, or sickle cell disease).
- If you use a stair lift, dialysis machine, home alarms, refrigerated medicine, or any medical equipment that needs electricity.

- If you are aged 85 or over (from 8 November 2023 this will be expanded to aged 75 or over) and have no other support in the house.
- If you have children aged 2 or under living in the house.
- Someone in your household has a chronic/severe or terminal health condition like cancer.

In addition, there are further circumstances where your supplier should **assess your situation closely** before proceeding with moving you to prepayment, to make sure you won't come to significant harm as a result of going off supply.

Ofgem calls this the 'Medium Risk' category:

- If the household contains children aged under 5 or occupants age 75 and over.
- If there are other serious health conditions present such as Parkinson's, COPD and osteoporosis. These could be neurological, respiratory or affect mobility.
- Serious mental health conditions like clinical depression, or developmental conditions such as dementia or learning difficulties.
- Temporary situations like pregnancy or bereavement.

Both these lists are not exhaustive, and suppliers are expected to judge households individually.

If you don't already have a smart meter, suppliers should try

to install one when moving you to prepayment. This is because smart meters allow suppliers to monitor if you are struggling to top up and offer support if you go off supply.

If your supplier has reason to believe a prepayment meter is no longer safe and reasonably practicable for you, they should consider the following steps:

- changing the position of the meter
- replacing the meter with a specifically adapted one
- making other arrangements to ensure the meter is safe and practical
- agreeing other ways for you to pay your bill

If you believe a prepayment meter isn't right for you based on the above, first speak to your supplier. If you are unsatisfied with the response, you can complain (see [section 5](#)).

Your supplier cannot move you to a prepayment meter without your consent if your outstanding debt is less than £200 per fuel, or if your debt is outstanding less than three months after the bill has been issued, or you are on or moving to a repayment plan.

Your supplier cannot threaten prepayment in order to get you to pay debt back more quickly.

Your supplier must not charge you any costs if you are in a vulnerable situation and this has made it difficult for you to speak to your supplier about paying back debts.

They also must not charge you any costs if this would worsen your existing severe financial vulnerability.

Immediately upon moving you to prepayment against your will, your supplier should offer £30 credit (or an equivalent non-disconnection period) to get you started. Like other credits, this will have to be repaid. You should also be given help and information on how to top up your meter, and your supplier should try to contact you in the first 72 hours to check you can top up.

After having a prepayment meter installed against your will, once you have repaid your debt, your supplier must contact you to look at whether prepayment remains suitable for you.

Please note that this applies to smart meters. Even though a warrant isn't required, all other conditions apply.

5. What are my rights?

If you want to complain

Talk to your supplier - energy suppliers and network operators must have a complaints process that is clearly set out to customers, is adequately resourced, and fit for purpose.

Explain the problem and what you want them to do.

You can complain by email, letter, or telephone. Keep records of contact you have with the company.

You can find company contact details on a recent energy bill.

If you don't know who your supplier is, find them here [www.ofgem.gov.uk/information- consumers/energy-advice- households/finding-your-energy-supplier-or-network- operator](http://www.ofgem.gov.uk/information-consumers/energy-advice-households/finding-your-energy-supplier-or-network-operator).

Get support – energyadvice.scot provide free, practical advice and information on energy-related matters to the citizens of Scotland. Find out more at energyadvice.scot

Take it further - Complain to the Energy Ombudsman if either a supplier exhausts all options to resolve - what is called deadlock or if the complaint reaches 8 weeks old, whichever is the earlier.

Energy companies must contact you to tell you how to do this at eight weeks or when you hit a 'deadlock'. This is when neither of you can reach an agreement.

You can refer a case to the Energy Ombudsman within 12 months of a deadlock letter.

The Energy Ombudsman can make a company correct a problem, apologise, and explain what happened. They can also make a company pay compensation. Its decisions are binding on the energy company.

Contact them on their website at [www.ombudsman- services.org/complain-now](http://www.ombudsman-services.org/complain-now) or call 0330 440 1624 if you have reached deadlock.

Energy companies are obliged to follow a stringent set of rules around how they respond to and escalate complaints. These

rules are there for a reason, energy is an essential service, and it is important that companies treat customers fairly and respond to their concerns or complaints in a timely way.

Actions intended to solely to disrupt the operation of suppliers and consumer and independent bodies like the Ombudsman with unnecessary time-consuming complaints will tie-up staff who are already very busy serving an increasing number of people that need assistance. It will mean that there is less time and resources for energy retail companies to respond to the many customers who genuinely do urgently need help and support, and if additional costs are incurred it could drive up bills for all customers.

If something goes wrong

Energy suppliers must treat you fairly and provide you with a good standard of service. Some services are protected by things called *guaranteed standards*. These include:

- **If you make an appointment for your supplier to visit your home** and they don't come as planned, or they cancel or rearrange with less than one working days' notice, you are entitled to £30 in compensation.
- **If you think your credit meter has a fault**, your supplier has five working days to investigate it. If there is a fault, they should agree a timescale with you to get it fixed. If they don't do this, you are entitled to £30 in compensation.

- **If you think your prepayment meter has a fault**, tell your supplier straight away. They must send someone out to repair or replace the meter within 3 hours on a working day and 4 hours on a non-working day. If they don't take appropriate action within that timeframe, they must pay you £30 compensation.
- **If you have been disconnected from supply**, your supplier should reconnect you within 24 hours if you pay the outstanding debt in full, agree a repayment plan or agree to have a prepayment meter installed. If they don't reconnect you within 24 hours after you've done one of the above, you are entitled to £30 in compensation.
- **If your switch to a new supplier takes longer than 5 working days** (unless a switch is requested for a supply start date longer than the 5 working days), you are entitled to £30 in compensation as per Ofgem's recent update.
- **If you have been switched from one energy supplier to another in error** your supplier needs to investigate this with the other supplier and find out what happened within 20 working days.

If the two suppliers agree you have been wrongly switched, you should be returned to your old supplier within 21 working days. If you contact them about the issue, they should investigate it and let you know the

outcome within 20 working days.

If you've been wrongly switched without a valid contract, you are entitled to £30 in compensation. If your supplier doesn't fix the problem within the timescales above, you are entitled to £30 in compensation.

- **When you switch supplier**, your old supplier needs to send you a final bill within six weeks of the contract end date. If they don't, you are entitled to £30 in compensation.
- **If you're in credit with your old supplier** and you've agreed to a final bill, they have 10 working days to refund you. If they don't, you are entitled to £30 in compensation.

There may be some exceptions which mean you will not receive the £30 compensation.

Network Operator

Your gas or electricity network operator is responsible for the wires and pipes which carry energy to your home. They also fix power cuts and attend reports of gas leaks. This company is not your energy supplier and they can't help with problems inside your home, such as a faulty boiler.

If you have a power cut or smell gas, you should contact your network operator. Use the [Energy Network Association search tool](#) to find your local network operator by postcode.

You might be entitled to compensation if your gas or electricity supply goes off. What you can claim depends on:

- if it is due to planned works
- how long you don't have gas or electricity
- if a network operator has not met standards set by Ofgem, the GB energy regulator.

Network operators are regulated by Ofgem. Ofgem sets service standards network operators must meet. These include rules on how quickly operators must restore supply in normal and severe weather conditions, and compensation consumers get if standards aren't met.

What you can claim:

Compensation for power cuts in normal weather

Network companies have 24 hours to restore your power if more than 5,000 homes are affected by a single fault. If you are without power for 12 hours or more, you can claim:

- £95 as a domestic customer
- £180 as a non-domestic customer.
- You can get a further £40 for each additional 12 hours of being without power, up to a total of £360.

If you are without power more than four times in a year, for at least three hours each time, you can claim an extra:

- £95 as a domestic customer

- £95 as a non-domestic customer.

The year runs from 1 April to 31 March.

Compensation for power cuts in severe weather

When you can claim depends on how Ofgem categorise storms in severe weather. You can claim:

- £85 as a domestic customer
- £85 as a non-domestic customer
- if the power was off for 24 hours (Storm Category 1) or 48 hours (Storm Category 2). Ofgem checks and verifies storm categories.

You can get a further £40 for each additional 6 hours of being without power, up to a total of £2000.

Compensation for gas supply issues

If your gas supply goes off due to planned works, you can claim:

- £20 if your network operator did not give five days' notice.
- at least £40 if your network operator did not give seven days' notice.

For unplanned interruptions, you can claim:

- at least £60 for every 24 hours you are without gas.
- Additional payments and provisions are available for

households on the Priority Services Register. This includes, for example, alternative heating and cooking facilities.

If you are off supply for more than 24 hours you can claim more. The amount will rise depending on how long you are without gas.

How to claim

You need to make compensation claims for supply issues to your network operator within:

- three months for unplanned supply cuts.
- one month for planned supply cuts.
- Make a claim through your local network operator

Your local network operator will notify you of any compensation claims you are due to a supply issue. In the case of a power cut due to normal weather, they will normally send you payment within 10 working days of becoming aware of the failure.

However, in the case of severe weather, they will issue payment as soon as is reasonably practicable and it up to 3 months for the payment to be made.

They will make your payment by cheque or by bank transfer if you provide them with your bank details for them to do so.

6. If you are a tenant

Your rental agreement should say if you, your landlord or your 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 Scotland 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'. You may be able to 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 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

7. If you are in debt

If you get into payment difficulties, there is considerable support available from many organisations.

A good first step is to speak to an independent debt adviser to look at all your options. There is further information available from here: www.citizensadvice.org.uk/scotland/debt-and-money/help-with-debt/ and www.moneyadvice.scot.

The Debt Arrangement Scheme (DAS) is set up by the Scottish Government. It helps you pay back your debts in a manageable way without the threat of court action from the people you owe money to (creditors).

Under DAS you can set up a Debt Payment Programme (DPP). It sets out how much you are able to pay towards your debts each month, and how long you'd be expected to make those payments before the debts were cleared entirely. If you decide to go ahead with a DPP, a money adviser needs to make the application for you.

Further information is available from Scotland's insolvency

service at www.aib.gov.uk/debt/deal-debt/ or from here moneyadvice.scot

You should always contact your energy supplier to discuss your circumstances. Once they have been advised you are in payment difficulty, they must take into account your circumstances and situation and offer help.

Your supplier must make proactive contact with you at the earliest opportunity to identify whether you are in payment difficulty, no later than after:

- Two consecutively missed monthly scheduled payments;
- One missed quarterly scheduled payment; or
- You have informed the supplier that you are unable to make the next scheduled payment.

Your supplier must work with you to agree on a payment plan you can afford based on what is called your 'ability to pay'. They must clearly communicate how much you will regularly repay, how the repayment will be deducted, when the debt will be repaid and what to do if you experience difficulties during the debt repayment arrangement.

Your supplier should also consider pausing repayments for an appropriate period of time as part of your repayment plan and reviewing your repayment place in accordance with your 'ability to pay' at regular intervals before re-instating the scheduled repayments.

Debt charities

There are charities offering free and impartial debt advice:

StepChange, visit www.stepchange.org

National Debtline, visit www.nationaldebtline.org or freephone 0808 808 4000

Money Advice Scotland, visit moneyadvice.scot/

You can also seek advice from your local Citizens Advice Bureau (see section on Citizens Advice Scotland [above](#)).

These charities will try to provide practical advice and support, such as creating a debt management plan and helping you to organise a budget to suit your personal circumstances.

They'll ask questions to understand your situation and recommend solutions.

8. Gas safety

Suppliers can offer free gas safety checks every 12 months. This could make your boiler more efficient, keep bills down and makes sure you and others are safe. You can request a safety check if you get a means-tested benefit, own your own home and either:

- live with a child under five years old
- live alone or with others and have reached state pension

age

- live alone or with others and are disabled or chronically ill
- live with others who have reached state pension age or are disabled, chronically ill or under 18 years old

Landlords are normally responsible for keeping your gas appliances safe if you don't own your own home. Further information about landlord obligations is listed on the [Health and Safety Executive website](#).

9. Information on energy prices

What is the price cap?

The energy price cap sets a limit on the amount that energy suppliers can charge you for your gas and electricity, taking into account both the unit rate and standing charge.

It is not an absolute cap on your bill – your bills may rise and fall, above and below the cap, in line with your energy consumption.

It only applies if you're on a 'standard variable tariff' or 'default tariff', it doesn't apply if you're on a fixed-term deal or a standard variable tariff from certain green energy suppliers. It also doesn't apply if you're classed as a non-domestic (business) customer. A 'green energy tariff' is a tariff that directly supports an environmental cause.

If you're not sure what tariff you're on, check a recent bill or your online energy account, or contact your supplier. If you haven't chosen a new deal in the last year, it's likely you are on a 'default tariff'.

It applies regardless of how you pay – direct debit, credit, or prepayment. It also applies if you have a multi-rate meter (such as Economy 7) and are on a default tariff.

How is the price cap decided?

The level of the price cap is calculated by the energy regulator Ofgem and is based on the costs that energy suppliers face.

The price cap ensures suppliers are only able to charge customers what it costs an efficient supplier to supply customers with energy.

The calculations include:

- wholesale costs - How much suppliers have to pay for gas and electricity (this makes up the vast proportion of your energy bill)
- network costs - The costs of building and maintaining the network.
- operating costs - how much it costs suppliers to deliver billing and metering services
- costs to devise and implement Government environmental and social policy - schemes to save energy, support the fuel poor, tackle climate change and

encourage renewable power like wind and solar, which are recouped from everyone's bills

- VAT at 5%
- headroom allowance to manage uncertainty in supplier costs
- Earnings Before Interest and Tax (EBIT) – a profit allowance to ensure an efficient supplier can earn a sufficient profit to finance its activities
- Payment uplift – accounts for the cost faced by a supplier when supplying energy to consumers based specifically on how they pay for their energy
- Adjustment allowance – allows for additional increases in the cap for unexpected and temporary changes in the costs of supplying energy, for example certain costs associated with the COVID-19 pandemic and gas crisis
- Levelisation allowance (from 1 April 2024), ensuring prepayment customers pay the same standing charge as Direct Debit customers. For more information visit Ofgem's [decision on adjusting standing charges for prepayment customers](#).

Companies cannot afford to supply electricity and gas to their customers for less than they have paid for it, so the cap has to reflect the true cost of energy.

If energy suppliers cannot recover their costs, they will go out of business or choose to leave the market. This will cause

additional disruption and higher bills for everyone because the market has to absorb the costs of taking on customers from the suppliers that exit the market.

How often does the price cap change?

Since October 2022, the price cap will be updated every three months. This is to ensure that it reflects the most up-to-date energy costs.

What are green levies?

The term 'green levies' is sometimes used to refer to environmental and social policy costs.

These include support for pensioners and the most vulnerable consumers to make their homes warmer and more energy efficient, and environmental policies which have helped to reduce the cost of energy from renewable sources.

Specific schemes covered within policy costs include, but not limited to:

- the Warm Home Discount (WHD) which is targeted support to low-income and vulnerable households and people receiving pension credits (see [section 1](#))
- the Energy Company Obligation (ECO) which funds energy efficiency measures like loft or wall insulation, or heating measures and helps to sustainably lower bills for those who need it most (see [section 3](#))

What has impacted the price of gas?

Gas is traded on an international market, so companies that buy and sell gas are subject to global prices. The biggest factor affecting prices has been the significant fall in Russian gas supplies to Europe, which has increased global competition for gas supplies. This has also meant prices are much more volatile, with prices reacting very quickly to global events that could impact supply or demand such as war in the Middle East or forecasts of cold weather. Though prices have fallen significantly from the record highs seen in 2022, they remain higher than historic averages.

How long are high prices going to go on for?

It is too early to say how long higher prices will continue, but they could be with us for a sustained period.

Why does this affect electricity?

Gas is used to generate around 40% of the UK's electricity. Higher gas prices lead to more expensive electricity bills.

Why are prices going up so much when most of our energy does not rely on Russian gas?

Russia has systematically reduced its gas exports to Europe. Countries which are heavily reliant on Russian gas are now looking elsewhere for gas supply, in many instances to countries which supply the UK. This mismatch between reduced supply and heightened demand have pushed up gas prices both in Europe and internationally.

How is the price cap different from a fixed tariff?

The energy price cap covers 'standard variable' or 'default' tariffs. These apply when:

- your fixed-rate deal ends
- you move home (and haven't agreed a new fixed-term or certain exempt green energy tariffs)
- you choose these tariffs
- if your old energy supplier failed and you moved to a new supplier

If you haven't chosen a new deal in the last year, it's likely you are on a 'default tariff' and on the price cap.

A fixed tariff means the rate you pay for energy stays the same for a set period of time (usually 12 months). Your payments may still change over time if your usage changes. You might have to pay an exit fee if you switch supplier or tariff early.

I'm on a green/renewable tariff - why does this affect me?

Gas is still a large proportion of the UK's electricity mix, so the wholesale cost of electricity is strongly affected by the cost of gas.

If you're on a green/renewable tariff, your supplier has committed to match the energy you use with power from

renewable generators on the wholesale market. However, the actual electricity in your home is from the mix that's on the grid.

Your supplier has to purchase power from the grid and what's on there at the time – which can vary depending on the time of day, the month of the year or the weather and the price is currently set by the most expensive method of generation, which is usually gas.

Why can't suppliers absorb the extra costs?

The energy supply sector is currently running at a loss, with most suppliers not making any profit from their domestic customers. This has been the case since before the pandemic.

The current volatility of international gas prices is a once-in-a-generation event. Companies cannot afford to supply electricity and gas to their customers for less than they have paid for it, so the cap must reflect the true cost of energy.

Many energy suppliers failed during the energy crisis because they were unable to cover their costs. This leads to higher bills for all of us because the market has to absorb the costs of taking on customers from the suppliers that exit the market.

Why is the cost different depending on what meter I have?

Some meters are more expensive for suppliers to serve, so the price cap is slightly higher to reflect those increased costs.

From 1 April 2024, the standing charges for pre-payment meters will be reduced to the level of Direct Debit under the price cap. For more information visit Ofgem's decision on adjusting standing charges for prepayment customers.

Why is the cost different depending on what payment method I use?

Some payment methods are more expensive for suppliers to process, so the price cap is slightly higher for certain payment methods.

Why is the cost different depending on where I am in the country?

Energy network charges vary between regions according to rules set by Ofgem. This means that the price you pay reflects how much it costs to transport energy to where you live.

Appendix – list of key organisations and contact details for Scotland

Your local council

Responsible for some Government schemes. May be able to offer support with your bills, and help you access home efficiency upgrades.

Find their contact details via www.gov.uk/find-local-council

Advice Direct Scotland / Advice.scot

Provide free, practical, and impartial advice and information on a range of subjects, including energy and debt-related matters to the citizens of Scotland.

Visit energyadvice.scot/

Freephone 0808 196 8660 or use their [Energy Advice online webchat](#)

Email them online via www.energyadvice.scot/email-us/

Citizens Advice Scotland

Offer advice on energy bills, and someone could take on your case if you are in a vulnerable situation.

Freephone 0800 028 1456 - you'll reach an interactive service which will connect you to your local Citizens Advice Bureau or one of their other advice services.

For their Money Map service visit www.moneymap.scot

Or visit www.citizensadvice.org.uk/scotland/

Which?

Offer advice on energy saving and bills, as well as general money saving tips.

Visit [Cost of living crisis: help, advice and UK news - Which?](#)

The Wise Group

Provide free, impartial energy advice and advocacy support.

Visit www.thewisegroup.co.uk/energy-advice/

Turn2us

Can put you in touch with an advice or advocacy service near you.

Visit advicefinder.turn2us.org.uk/

StepChange

Advice on debt.

Visit www.stepchange.org

National Debtline

Advice on debt.

Visit www.nationaldebtline.org or freephone 0808 808 4000

Age UK

Work to improve older people's wellbeing and quality of life.

Visit www.ageuk.org.uk/ or freephone 0800 678 1602

Christians Against Poverty

Churches across the UK are committed to tackling the causes of poverty in their local area by providing free debt help and community groups.

Visit www.capuk.org

Fuel Bank Foundation

The Fuel Bank Foundation provides emergency financial support through a network of partners. They identify people who cannot afford to pre-pay for their fuel or energy.

Visit www.fuelbankfoundation.org/

Mencap

Mencap's free helpline service offers advice and support for people with a learning disability, and their families and carers.

helpline@mencap.org.uk or 0808 808 1111

Money Advice Scotland

Provide free information and support on a wide range of debt-related issues and are authorised and regulated by the Financial Conduct Authority (FCA).

Visit www.moneyadvice.scot

Call 0808 196 2316 or use their online webchat (Monday–Friday, 9am to 5pm)

Email them online via moneyadvice.scot/contact

National Energy Action

Advice on energy efficiency and fuel poverty.

Visit www.nea.org.uk/get-help/

Fair by Design (part of the Barrow Cadbury Trust)

Fair by Design is dedicated to ending the poverty premium. Our Venture Fund provides capital to help grow innovative ventures that are developing products to make markets fairer.


Visit www.fairbydesign.com

Energy Supplier grants

If you're in debt to your energy supplier, you might be able to get a grant to help pay it off. The following energy suppliers offer grants to their customers.

<https://www.citizensadvice.org.uk/consumer/energy/energy-supply/get-help-paying-your-bills/grants-and-benefits-to-help-you-pay-your-energy-bills/>

Energy Aware Toolkits

These Energy Aware campaign toolkits can be downloaded and shared either on your own premises, or across social media:  [Energy Aware stakeholders toolkit](#)

To access and/or share this toolkit, please use the link provided above only and do not copy the URL into your web browser as this will not work.