Bills, prices and profits

Facts and figures on Britain's energy market, larger supplier prices and profits, energy bills and switching.

What makes up Britain's energy market?

The full rollout of competition in the energy market began in the late 90s.

As of March 2021

49 active suppliers

compete in the domestic energy market

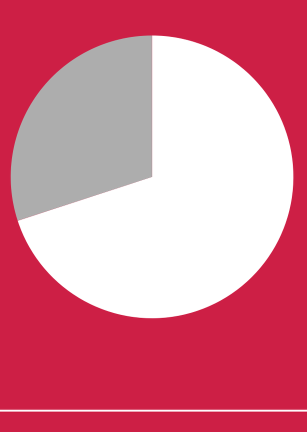
41 provide both gas and electricity | 5 solely supply gas and 3 electricity

Domestic market shares

Gas

30% - other suppliers*

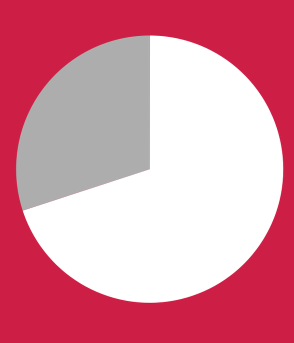
70% - large legacy suppliers*



Electricity

30% - other suppliers

70% - large legacy suppliers



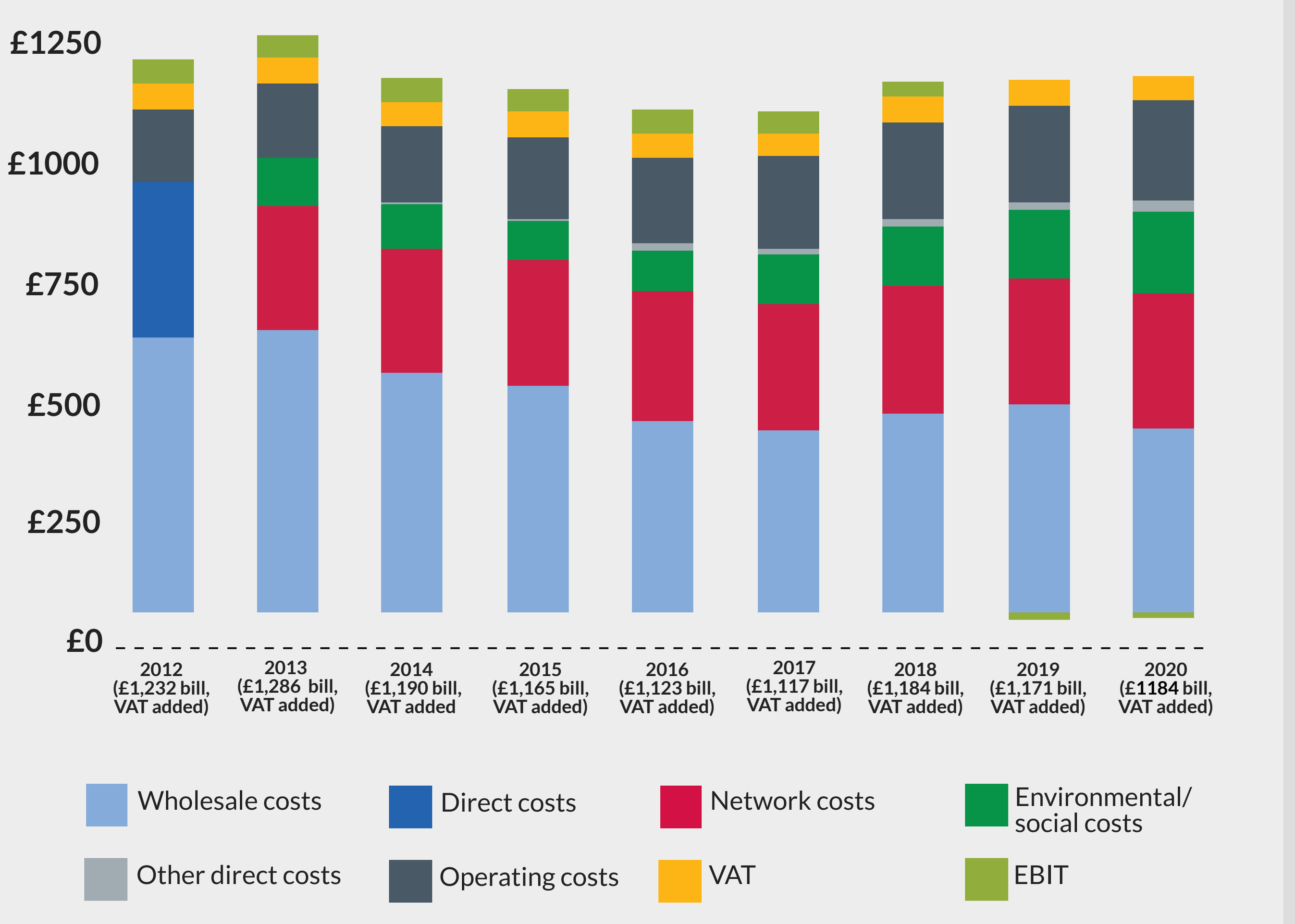
In 2009, we told energy companies they must publish annual statements (CSS) showing separately their revenues, costs and profits for how they generate and supply energy so profits are clearer for consumers.

*Large legacy are: BG OVO E ON EDF npower Scottish Power Other suppliers: all other large medium and small suppliers

Prices and profits of the larger energy suppliers

The latest numbers show:

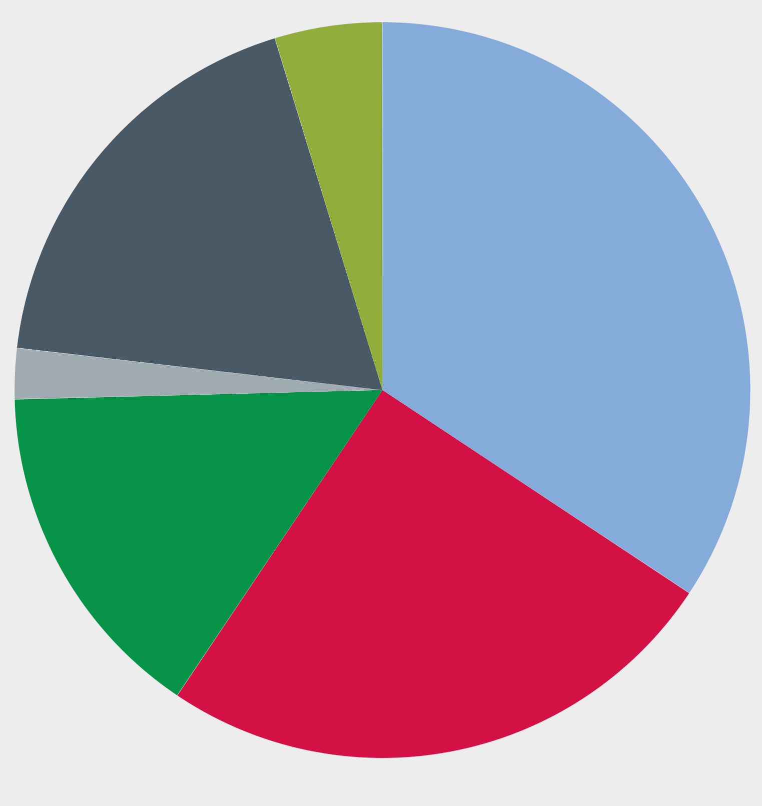
Large suppliers: Domestic dual fuel bill breakdown over time (GB)



Data based on realised costs, as reported by the large legacy suppliers in their annual consolidated segmental statements 2020.

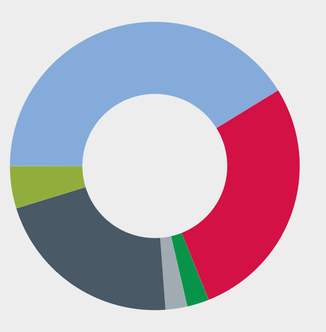
What makes up your energy bill?

Dual fuel bill



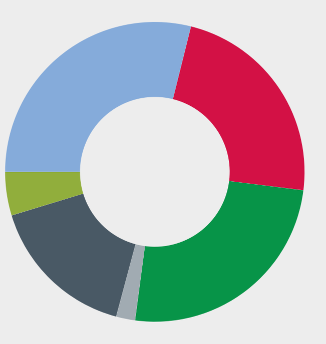
- Wholesale costs (34.63%)
- Network costs (25.35%)
- Environmental/ social obligation costs (15.33%)
- Other direct costs (2.24%)
- Operating costs (18.62%)
- Supplier pre-tax margin (-0.93%)
- VAT (4.76%)

Gas bill



- Wholesale costs (41.40%)
- Network costs (27.86%)
- Environmental/ social obligation costs (2.46%)
- Other direct costs (2.42%)
- Operating costs (21.54%)
- Supplier pre-tax margin (-0.44%)
- VAT (4.76%)

Electricity bill



- Wholesale costs (29.28%)
- Network costs (23.37%)
- Environmental/ social obligation costs (25.48%)
- Other direct costs (2.09%)
- Operating costs (16.34%)
- Supplier pre-tax margin (-1.32%)
- VAT (4.76%)

Data based on realised costs, as reported by the large legacy suppliers in their annual consolidated segmental statements 2020.

Average available tariffs

At July 2021:

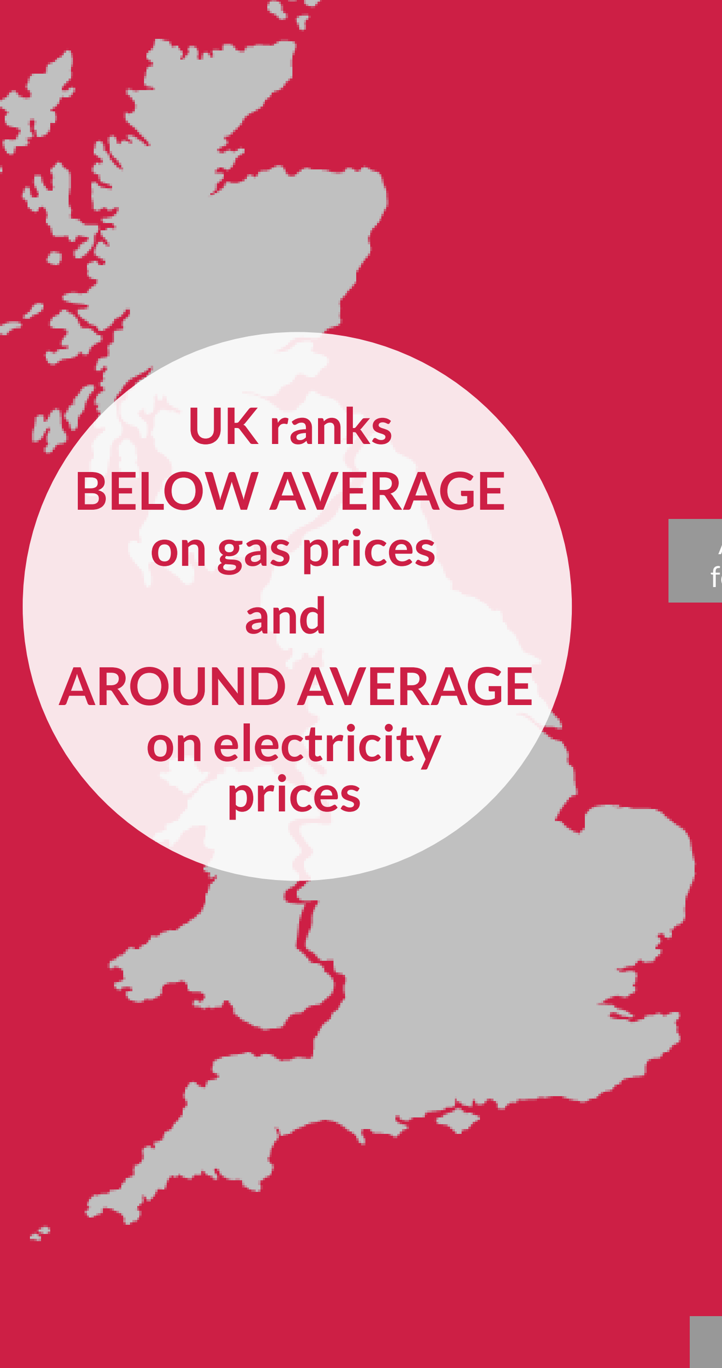
Standard VARIABLE TARIFF
AROUND
£1,138
PER YEAR[1]

compared to

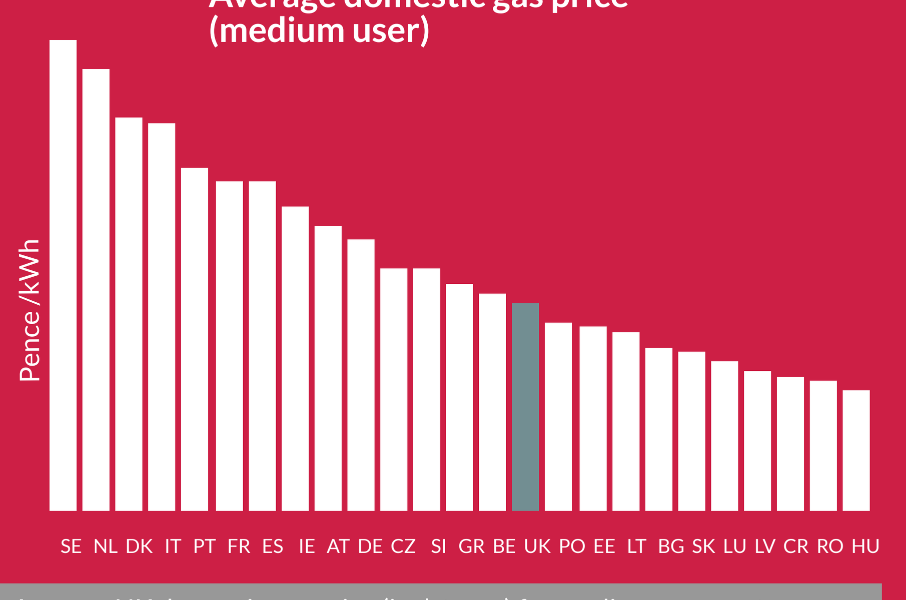
Cheapest TARIFF BASKET
AROUND
£1,015
PER YEAR[2]

1 Based on average of dual fuel, direct debit and available paper tariffs from the large legacy suppliers at August 2021. A price cap applied to these tariffs from January 2019.
2 Based on the simple average of the 10 cheapest tariffs offered by suppliers in the market (one tariff per supplier). Where each tariff is based on the dual fuel average available paperless tariff paid by direct debit with typical domestic consumption values at August 2021.

How do UK prices compare with Europe?

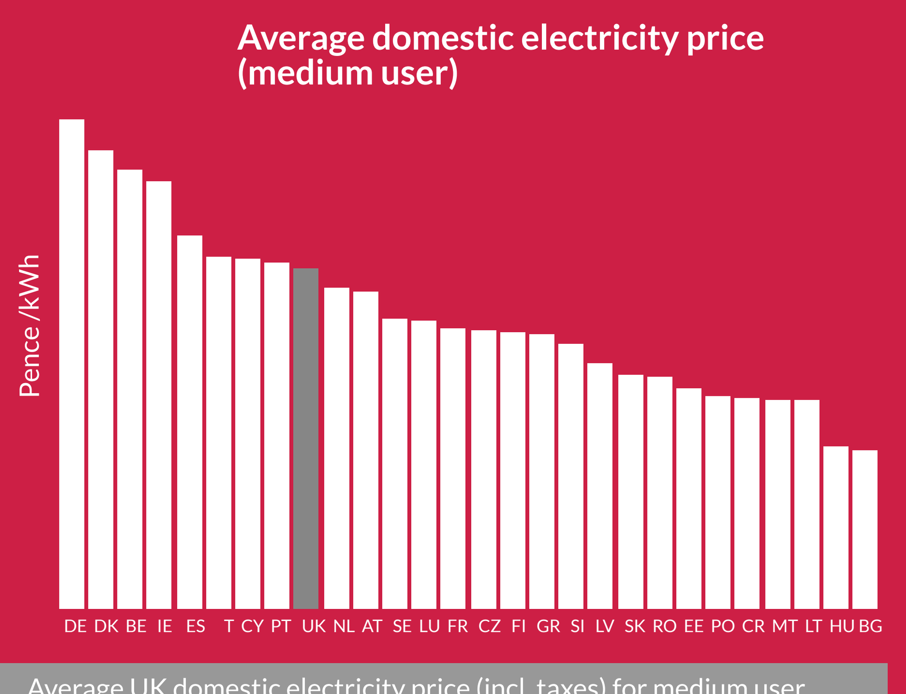


Average domestic gas price (medium user)



Average UK domestic gas price (incl. taxes) for medium user customer for period July to December 2020 is below the median EU price.*

Average domestic electricity price (medium user)



Average UK domestic electricity price (incl. taxes) for medium user customer for period July to December 2020 is above the median EU price.*

*Source: Department for Business Energy & Industrial Strategy

When it comes to energy shopping...

For January - June 2021

1.9 MILLION
Gas customers switched

2.7 MILLION
Electricity customers switched

During this time ... **32% of total switches across both fuels** moved to other suppliers (net gain)

651 THOUSAND
moved from large legacy to other suppliers for gas (net gain)

835 THOUSAND
moved from large legacy to other suppliers for electricity (net gain)

Market structure and share figures from Distribution Network Operator and Xoserve data. Prices and profits of the large energy suppliers from Ofgem Consolidated Segmental Statements. Average available tariffs calculated from EnergyHelpline data. Figures based on dual fuel tariffs paid by direct debit (Typical domestic consumption values as of 1st April 2020: 12,000kWh for gas and 2,900kWh for electricity). Average variable tariffs based on dual fuel direct debit standard variable tariffs available from the large legacy suppliers. UK/Europe price comparison figures from the Department for Business, Energy and Industrial Strategy. Switching figures to other suppliers are calculated taking the gross gains for medium/small suppliers then subtracting the losses to calculate a net gains value. Ofgem switching figures calculated from Network Operator data accounting for total number of meters for fuel type.

Information correct at August 2021

Find out more at www.ofgem.gov.uk/facts-and-figures

ofgem
Making a positive difference for energy consumers