

Britons Should Not 'Sit Back' For Energy Price Cuts

By not taking full advantage of price discounts offered by utility providers, Britons are potentially losing out on millions of pounds, a new set of figures indicate.

July 12, 2007 (FPRC) -- According to research carried out by uSwitch.com, energy firms have so far reduced their bills by an average of £84 per household this year. However, the price comparison website claims that by taking up various discounts on offer consumers could individually save £142 and a national total of £830 million.

Findings from uSwitch.com also indicated that about 20 per cent of households on a dual fuel tariff are currently not paying their bills via direct debit. However, by changing to the payment method it is estimated that consumers could save up to £71 over the course of a year. Meanwhile, it was suggested that opting for the scheme could allow customers to qualify for online energy deals which "opens the door to further savings".

Switching to an online price plan was also said to allow people to access the most competitive deals from providers. However, the price comparison website claimed that such offers "seem to be the best kept secret in the energy market", with only one in eight customers opting for such a deal. Overall, some 12.5 million Britons were said to be losing out this way which could increase pressure on their day-to-day personal finance situation.

Energy manager Geoff Slaughter said: "If consumers hoped the energy price war would result in chunky reductions in household bills then they look set to be sorely disappointed. Prices have only fallen by £84 and, with no further cuts on the near horizon, the best chance that consumers now have of seeing their bills go down is by taking advantage of the discounts being offered by suppliers.

"By moving to dual fuel, paying by direct debit and signing up to an online plan, households can reduce their bills by up to £142. There's no point sitting back and waiting when three simple steps can save people more money than price cuts have so far to date." He added that looking to make use of such discounts are the most effective way for consumers to reduce their bills as price cuts from suppliers have "ground to a halt" with an announcement yet to be made on the £200 in price cuts still to be owed to households after a reduction in wholesale prices.

Meanwhile, about a fifth of households (4.2 million) were said to be "paying over the odds" by choosing to have separate electricity and gas providers. The price comparison company added that by having both sources from the same supplier most consumers will be able to get a discount on their bills, in addition to taking a "great stepping stone" to accessing cheaper online deals.

Earlier this week, Ann Robinson, director of consumer policy for uSwitch.com, warned that utility tariffs could put further pressure on households looking to make personal loans and credit card payments as energy bills are set to increase over the next five years. Her comments come as the National Grid is set to invest some £12 billion maintaining gas networks which in turn could see consumer bills rise by up to £50. As a result she claimed that "over the coming years it will become even more important for people to shop around for the best energy deal for them as a way of trying to keep a lid on household expenses".

Abbi Rouse writes for All About Loans providing you with breaking debt consolidation loans news.

Contact Information

For more information contact Abbi Rouse of All About Loans (<http://www.allaboutloans.co.uk>)
01481 701350

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