

Homeowners 'Must Take Action' Against Energy Bill Increases

A significant number of consumers may find that their finances will come under further pressure, it has been suggested.

January 21, 2008 (FPRC) -- From Friday January 18th, EDF Energy is to increase its standard tariffs for both electricity and gas. Costs for the former are to go up by 7.9 per cent, or an average of 28 pounds, while electric bills are set to increase by 12.9 per cent - the equivalent to 74 pounds. Overall, it is thought that more than half (59 per cent) of the company's 5.5 million customers will be affected. Following on from the increase, the typical dual fuel energy bill will rise by 100 pounds, taking it from 907 pounds to 1,007 pounds.

And although the announcement will mean those patrons of EDF, which is the fifth largest energy company, may witness an increase in their utility bills, it is also possible that pressure on other constraints on their spending will rise. This could lead them to develop problems in meeting demands for payment on areas such as loans, mortgages and credit cards.

Commenting on the decision, Ann Robinson, director of consumer policy at uSwitch, stated that homeowners are once again facing an "inflation busting price hike at face value" without a detailed explanation as to why this has taken place. She said: "This is blatant cashing in on loyalty. All people really want to know is whether they are being treated fairly or not but, with household energy bills heading back up over 1,000 pounds, they cannot afford to hang about waiting for an answer. Consumers must take action now and move to a cheaper energy deal if they want to protect their household from the impact of higher energy bills. By not switching consumers could waste savings of up to 325 pounds."

The price comparison website went on to claim that following the moves, EDF Energy will now be the second most expensive utilities supplier in Britain, coming behind npower, which has also reported a price hike in recent days. Following the recent announcement uSwitch pointed out that it is the latest in a series of increases by the firm. Between 2004 and 2006, the energy company has put up its dual fuel by 73 per cent or 409 pounds. And although it cut its gas prices by ten per cent last year, it was reportedly one of the last firms to do so, as this week's announcement "completely wipes out" the 2007 decrease.

Additionally, it was pointed out that energy costs "soared across the board" during 2006, with prices up by some 277 pounds. However, last year only saw cuts of 101 pounds take place. This is despite wholesale energy expenses going down by 56 per cent during this period of time.

Homeowners worried about their ability to manage their money in the wake of increasing energy bills may wish to take the time to consider getting a debt consolidation loan. In taking out a low-rate loan, borrowers can pay off multiple debts quickly, so leaving them with more disposable income each month. A consolidation loan might be of particular use to men, after a study by Chiltern in October indicated that males who are looking for assistance in managing their debts owe about 20 per cent more in personal loans, store cards and other forms of borrowing than women.

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