

Fuel Bills 'Impacting On Briton's Financial Fortunes'

Increased financial pressure is likely to be felt in many household due to rising fuel bills.

March 23, 2008 (FPRC) -- So claims price comparison site uSwitch, which has stated that many suppliers could be considering upping the cost of their gas and electricity provision over the coming months. The commentator has made its assertions on the same day that Scottish and Southern Energy announced that it was increasing the tariff on its dual fuel bills. While this firm may have held out longer than its rivals before hiking prices, uSwitch predicts that another round of increases could be just around the corner, potentially seeing consumers seek out help in the form of cheap loans.

Wholesale prices to the industry have provided the main impetus driving up consumer fuel costs, according to uSwitch. It estimates that if wholesale values remain at current levels, consumers could see bills rise by up to ten per cent, or an average of 105 pounds. Such added pressure on household finances could see more people struggling to pay off other demands on their wallets, such as credit card bills, existing personal loans repayments and mortgage costs.

Wholesale prices seem not to be the only driving force behind recent surges in gas and electricity prices, however. uSwitch states that the big six energy providers all reported healthy profits this year, but elected to increase costs for their customers nonetheless. Between them, such providers increased the bill burden by 1.5 billion pounds or 15 per cent, averaging out at 136 pounds per household.

The price comparisons site has suggested that heading online to seek out the best energy deals could be a good way of reducing household costs. It asserts that online plans are on average 18 per cent cheaper than their standard counterparts - a saving of 187 pounds - and 20 per cent or 218 pounds cheaper per year than pre-payment meter tariffs.

Tim Wolfenden, head of home services at uSwitch comments: "Consumers cannot afford to breathe a sigh of relief yet - the way the market is looking at the moment, we can expect a second round of energy price hikes which could add up to ten per cent or 105 pounds to household bills. Increases in the cost of gas on the forward market will make further price rises inevitable before the end of the year - the industry has margins to protect and shareholders to satisfy. It will not meet all the cost out of its own pockets and is likely to ask customers to help cover the burden."

Those who are already carrying the weight of mortgage repayments, personal loans and credit card bills on top of meeting the costs of utilities might benefit from a cheap consolidation loan. By combining their debts into one vehicle they may be able to regain control of their personal finance situation.

Debt consolidation could also be a viable option for those concerned about the financial future of the UK in general. At the beginning of last month, the Association of British Insurers stated that around a quarter of UK consumers will find themselves out of work at some point in their lives. With the UK economy on rocky ground, the association suggested that consumers should address their debts as soon as possible to avoid finding themselves in an untenable financial situation.

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