

# Energy users save £1 billion on bills in 2019

- government's energy price cap safeguards 11 million people, often the most vulnerable and elderly, from overpaying on their gas and electricity
- combined saving of as much as £1 billion on energy bills in the first year of the price cap
- new data also shows 4.4 million electricity and 3.6 million gas customers switched supplier in first 9 months of 2019, saving even more

11 million customers have saved as much as £1 billion on their energy bills in 2019, according to new data to mark the first anniversary of the government's energy price cap.

Research has shown that the cap has saved families on default energy tariffs around £75 to £100 on dual fuel bills this year. This comes as the government pledges to build on the success of the price cap and do more to lower energy bills including by investing £9.2 billion in the energy efficiency of homes, schools and hospitals and giving the Competition and Markets Authority (CMA) enhanced powers to tackle consumer rip-offs and bad business practices.

However, with around 60 suppliers now competing in the retail energy market, consumers who switch can still make the biggest savings. Around 4.4 million electricity customers switched supplier in the 9 months to September 2019. Around 3.6 million gas customers switched. Typical households would have saved an average of around £290 on their bills if moving to one of the cheapest deals.

In order to shield those least likely to shop around – including the elderly and most vulnerable – from being charged extra on their dual fuel bills the government introduced the energy price cap on 1 January 2019.

Minister of State for Business, Energy and Clean Growth, Kwasi Kwarteng, said:

Our bold action to ensure all consumers pay a fair price for their energy is making a real difference to the budgets of up to 11 million households and driving increased competition and innovation in the market which will help keep bills down.

Record numbers of customers have also decided to switch suppliers this year saving themselves an average of around £290 on their bills.

Chief Executive of Ofgem Dermot Nolan said:

The price caps give consumers who are on default deals peace of mind that they pay a fair price for their energy. Ofgem set the cap at a level which required suppliers to cut energy bills by around £1 billion.

Consumers can save more money this winter by shopping around for a better deal. While the cap remains in place, Ofgem will continue to work with government and industry to put in place reforms to get the energy market working for more consumers.

Research by the Competition and Markets Authority has shown that consumers had been overpaying the 'Big Six' energy companies some £1.4 billion a year.

The price cap, continuing through 2020, is set by energy watchdog Ofgem, which review it every 6 months to reflect changes in the cost of supplying energy. This ensures those who do not shop around, often elderly and low-income households, are protected from paying over the odds.

The latest ceiling was set by Ofgem at £1,179 per year for a typical dual fuel bill paid by direct debit.