

How to save £520 a year on a £438 energy bill?

Fake Savings

Research

by

TheEnergyShop .COM

www.TheEnergyShop.com

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Tables and Appendices

Table 1 - Test Scenarios

	Test 1	Test 2
Postcode	BL6 7DY	BN2 1AA
Region	Norweb	Seeboard
Gas usage (annual) (kWh)	-	19,000
Electricity usage (annual) (kWh)	4,300 (1935 kWh day / 2365 kWh night) (55% night time)	4,600
Current Tariff Details		
Current Supplier	first:utility	Co-operative Energy
Current Tariff	iSave Fixed v44 March 2016	Fair & Square March 2016
Tariff end date	31 March 2016	31 March 2016
Current payment method	Monthly Direct Debit	Monthly Direct Debit
Current Annual Spend	£437.96	£1,244.99
New tariff details		
New Supplier	extraenergy	places for people energy
New Tariff	Fresh Fixed Price Oct 2017 v1	Together - September 2017 - fixed 32 (paperless billing)
Tariff end date	31 October 2017	30 September 2017
Future payment method	Monthly Direct Debit	Monthly Direct Debit
New Annual Spend	£431.61	£1,048.41
"True" Cash Saving	£6.35	£196.58

Table 2 – Comparison websites - results for Test 1

Site	Ofgem Accredited	Current Bill (£)	New Bill (£)	Saving (£)	Actual saving overstated by
TheEnergyShop.com	Yes	£437.96	£431.61	£6.35	0%
Large Sites					
Confused (b)	No		£431.61	£478.60	7437%
Comparethemarket	No		£432	£520	8089%
Gocompare	No	£952	£432	£520	8089%
Moneysupermarket	Yes		£432	£480	7459%
Uswitch	Yes	£437.95	£431.61	£479.53	7452%
Other sites					
Energyhelpline	Yes		£432	£520	8089%
Energylinx	Yes		£431.61	£478.60	7437%
Myutilitygenius	Yes	£437.95	£431.61	£479.47	7451%
Quotezone	Yes		£432	£481	7475%
Runpathdigital	Yes	£438	£431.60	£478.13	7430%
Simplyswitch	Yes		£431.61	£520.37	8095%
Ukpower	Yes	£912	£432	£480	7459%
Which? (b)	No		£431.61	£478.60	7437%
Average saving (c)					
Mean				£491.87	7646%

Notes

- (a) Not all sites disclose the current bill calculation. Where this is not shown on the results page, or is not immediately obvious where to find it, it is omitted from the table.
- (b) Confused.com and Which? refer to the saving as “Difference”.
- (c) Excludes TheEnergyShop.com
- (d) Sites that are not accredited to the Ofgem Confidence Code are highlighted in grey

Table 3 - Comparison websites - results for Test 2

Site	Ofgem Accredited	Current Bill (£)	New Bill (£)	Saving (£)	Actual Saving overstated by
TheEnergyShop.com	Yes	£1244.99	£1048.41	£196.58	0%
Large Sites					
Confused (b)	No		£1048.49	£524.09	167%
Comparethemarket	No		£1048	£557	183%
Gocompare	No	£1606	£1048	£557	183%
Moneysupermarket	Yes		£1048	£533	171%
Uswitch	Yes	£1244.98	£1048.48	£532.65	171%
Other sites					
Energyhelpline	Yes		£1048	£557	183%
Energylinx	Yes		£1048.49	£524.09	167%
Myutilitygenius	Yes	£1244.99	£1048.48	£532.67	171%
Quotezone			£1048	£533	171%
Runpathdigital	Yes	£1245	£1048.41	£531.75	171%
Simplyswitch	Yes		£1048.49	£533.64	171%
Ukpower	Yes	£1581	£1048	£533	171%
Which? (b)	No		£1048.49	£524.09	167%
Average saving (c)					
Mean				£536.38	173%

Notes

- (a) Not all sites disclose the current bill calculation. Where this is not shown on the results page, or is not immediately obvious where to find it, it is omitted from the table.
- (b) Confused.com and Which? refer to the saving as “Difference”.
- (c) Excludes TheEnergyShop.com
- (d) Sites that are not accredited to the Ofgem Confidence Code are highlighted in grey.

Table 4 – Quantifying the impact

	Basis	Low	Medium	High
Switchers	Per annum	3,000,000	3,000,000	3,000,000
Switchers quoted an inflated fake saving		1,200,000	1,200,000	1,200,000
Switchers affected	%	30	45	60
Switchers affected	Number	360,000	540,000	720,000
Savings exaggerated by...		£100	£150	£200
Overall savings “inflation”	£	£36m	£81m	£144m

APPENDIX A

Table 5 – Current tariff calculations

	units	Test 1	Test 2
Current supplier		first:utility	Co-operative Energy
Current Tariff		iSave Fixed v44 March 201	Fair & Square March 2016
Gas Price		N/A	
Standing charge (p/day)	p / day		21.13
Unit price 1	p / kWh		3.08
Unit 1 threshold (annual)	kWh		-
Unit price 2			-
Discount			None
Electricity Price			
Standing charge (p/day)	p / day	14.07	21.13
Unit price – day	p / kWh	10.06	10.37
Unit price – night		6.792	-
Discount		None	None
Dual Fuel Discount		N/A	None
Current Gas bill		N/A	
Annual standing charge	£		$(21.13 * 365) / 100$ = £77.14
Annual cost of units used	£		$(3.08 * 18,000) / 100$ = £554.40
Gas discount			£0.00
Gas bill (excl VAT)			$£77.14 + £554.40$ = £631.54
Current Electricity bill			
Annual standing charge	£	$(14.07 * 365) / 100$ = £51.36	$(21.13 * 365) / 100$ = £77.14
Annual cost of units used	£	$((10.06 * 1935) + (6.792 * 2365)) / 100$ = £365.74	$(10.37 * 4,600) / 100$ = £477.02
Electricity discount		N/A	£0.00
Electricity bill (excl VAT)		$£51.36 + £365.74$ = £417.10	$£77.14 + £477.02$ = £554.16
Current Dual Fuel Bill (excl VAT)		N/A	$£631.54 + £554.16$ = £1,185.70
Dual Fuel discount		N/A	£0.00
VAT @ 5%		$£417.10 * 0.05$ = £20.85	$£1,185.70 * 0.05$ = £59.29
Current Dual Fuel Bill (incl VAT)		$£417.10 + £20.85$ = £437.95	$£1,185.70 + £59.29$ = £1,244.99

Table 6 – New tariff calculations

	units	Test 1	Test 2
New supplier		extraenergy	places for people energy
Current Tariff		Fresh Fixed Price Oct 2017 v1	Together - September 2017 - fixed 32 (paperless)
Gas Price		N/A	
Standing charge (p/day)	p / day		20.36
Unit price 1	p / kWh		2.3333
Discount			£19.05 paperless discount
Electricity Price			
Standing charge (p/day)	p / day	13.294	23.31
Unit price - day	p / kWh	11.208	10.095
Unit price – night	p / kWh	6.159	
Discount		None	£19.05 paperless discount
Dual Fuel Discount		N/A	£7.14
New Gas bill		N/A	
Annual standing charge	£		$(20.36 * 365) / 100$ = £74.31
Annual cost of units used	£		$(2.3333 * 18,000) / 100$ = £419.99
Gas discount			£19.05
Gas bill (excl VAT)			£74.31 + £419.99 - £19.05 = £475.25
New Electricity bill			
Annual standing charge	£	$(13.294 * 365) / 100$ = £45.82	$(23.31 * 365) / 100$ = £85.08
Annual cost of units used	£	$((11.208 * 1935) + (6.159 * 2365)) / 100$ = £362.54	$(10.095 * 3,200) / 100$ = £464.37
Electricity discount		£0.00	£19.05
Electricity bill (excl VAT)		£45.82 + £362.54 = £411.06	£85.08 + £464.37 - £19.05 = £530.40
New Bill (excl VAT)		N/A	£475.26 + £530.40 = £1,005.66
Dual Fuel discount		N/A	£7.14
VAT @ 5%		£411.06 * 0.05 = £20.55	£998.52 * 0.05 = £49.93
New Bill (incl VAT)		£411.06 + £20.55 = £431.61	£998.52 + £49.93 = £1,048.45

APPENDIX B

MONEYSAVINGEXPERT.COM

Appendix B has been published on the site.

APPENDIX C

Ofgem's definition of Estimated Annual Costs

Estimated Annual Costs means the total amount in pounds sterling (inclusive of value added tax) based on the following calculation (or a mathematical equivalent):

$$\text{Estimated Annual Costs} = \frac{(SC \cdot 365) + (UR \cdot AC) + (B1 \cdot AC) - (D1 \cdot AC)}{100} + (B2) - (D2)$$

Where:

DSCon means a Domestic Supply Contract or Deemed Contract;

SC means:

- (a) In the case of a DSCon with 365 or more days remaining from the date of calculation, the sum of: each Relevant Standing Charge that applies to the DSCon (SC_i), expressed in pence per day, multiplied by the period of time in days for which it will apply (t_i) during the following 365 days, divided by 365;

$$SC = \sum_i \frac{SC_i \cdot t_i}{365}, \quad \text{with } \sum_i t_i = 365$$

- (b) In the case of a DSCon with fewer than 365 days remaining from the date of calculation, the combined total of (i) and (ii), divided by 365:

- (i) the sum of: each Relevant Standing Charge that applies to the DSCon (SC_i^C), expressed in pence per day, multiplied by the period of time in days for which it will apply during the remaining duration of the contract (t_i^C);

- (ii) the sum of: each Relevant Standing Charge that would apply under the Relevant Cheapest Evergreen Tariff for the Domestic Customer (SC_j^{RCE}), expressed in pence per day, multiplied by the period of time in days for which it will apply during the period between the end of the DSCon and the 365th day from the date of the calculation (t_j^{RCE});

$$SC = \sum_i \frac{SC_i^C \cdot t_i^C}{365} + \sum_j \frac{SC_j^{RCE} \cdot t_j^{RCE}}{365}, \quad \text{with } \sum_i t_i^C + \sum_j t_j^{RCE} = 365$$