

Online customers will be the big winners in energy price war

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HOUSEHOLDS paying their energy bills online are cashing in on a price war heating up between the biggest gas and electricity suppliers.

After months of price increases, with energy bills hiked by an average 42 per cent last year, most price cuts announced in recent weeks came into force this week. Now two suppliers have announced further reductions for customers who pay online.

Yesterday British Gas trimmed the average cost of its Websaver 2 online tariff by £11 to £1,034. The cut means the plan is once again the most competitive available, a week after it was undercut by E.on.

Further online rate cuts are expected and, with all of the big suppliers already offering their most competitive prices online, customers able and willing to change their payment habits can make significant savings, said Will Marples, energy expert at comparison website uSwitch.com. "Households only have to take three simple steps to lower energy bills – move to dual fuel, pay by direct debit and sign up to an online plan," Marples explained. "If they ditch their expensive standard plans today and sign up to a competitive online plan they will be quids in."

The average online plan – based on the typical dual fuel customer – is now £1,072 a year, compared with the £1,252 average paid by households on standard plans where bills are paid on receipt.

The most expensive tariff on the market, Scottish Power's standard pay-by-bill plan, is £328 a year higher than the new British Gas rate at £1,362.

The average household paying Scottish Power's rate on receipt of their bill can cut their annual payment to £1,155 just by switching to a monthly direct debit arrangement.

The full article contains 298 words and appears in The Scotsman newspaper.

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