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USWITCH.COM WELCOMES CALL FOR VAT REDUCTION ON GREEN DEAL

A collection of organisations including the [British Property Federation](#), have called for the government to reduce VAT from 20% to 5% on all energy saving measures to be implemented through the Green Deal. This will lead to energy efficient measures becoming far more affordable for consumers. Independent price comparison and switching service [uSwitch.com](#) comments on the proposal:

Ann Robinson, Director of Consumer Policy at [uSwitch.com](#) says: “With consumers struggling to make end meet, reducing the VAT rate on energy efficiency measures would be a win-win for consumers. As Britons teeter on the edge of their finances to accommodate the rising cost of energy bills, the need for consumers to make their homes as energy efficient as possible has never been greater.

“However many people are hesitant to install energy efficiency home improvements, such as insulating their homes or using solar panels, as the initial cost can be off-putting. But cutting VAT to 5%, could save consumers £50 on cavity wall insulation and a massive £1,500 of the cost of solar panels^[1]. This would make larger energy efficiency measures far more appealing in the short term.

“Our statistics show that over 14 million households went without heating at some point last winter to keep energy costs down^[2], and recent energy bill hikes will see almost 7 million households in fuel poverty^[3]. Any measure that can reduce bills and keep Britons warm is worth considering. As well as shopping around to ensure you are on the best tariff, a raft of smaller energy efficiency measures is available on the market, such as radiator boosters, which for a minor investment will make a large difference to your household bills.”

For more information about how to make your home more energy efficient visit

www.uswitch.com/save-energy/

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For more information please contact:

Katherine Cooper, uSwitch.com on 020 7802 2961 or joganly@uswitch.com,

Beth Murray, Lansons Communications on 020 7566 9728 or bethm@lansons.com

Notes to editors

1. Based on uSwitch.com calculations: The average cost of cavity wall insulation is £400 – which includes a VAT rate of 20%. If this rate was 5% the cost would fall to $(400/1.2) \times 1.05 = £349.99$. The average cost of solar panels is £12,000 – which includes a VAT rate of 20%. If the rate was 5% this take the cost down to $(12000/ 1.2) \times 1.05 = 10,500$.
2. Research from the uSwitch.com Consumer Opinion Panel amongst 1,557 respondents between 27th December, 2010 and 3rd January, 2011. In response to: 'How often have you gone without heating this winter so far to keep energy costs down?' 25% said never, 33.3% said occasionally, 20.3% said regularly and 0.9% said always. $33.3\% + 20.3\% + 0.9\% = 54.5\%$ of people who went without heating at some point this winter so far to keep their energy costs down. Assuming that each person represents one household and on the basis of 26 million households in the UK we estimate that 14,170,000 households have gone cold at some point this winter.
3. BERR previously estimated that for every 1% increase in gas and electricity bills, a further 40,000 households are plunged into fuel poverty. Price rises since April 2011 have added 12% onto the average energy bill and therefore pushed an extra 480,000 people into fuel poverty. Total fuel poverty numbers come from research conducted by YouGov on behalf of uSwitch.com. Total sample size was 2,323 adults with bill paying responsibility for their household. Fieldwork was undertaken 12th-15th April 2011. The survey was carried out online. The figures were weighted and representative of all GB adults (aged 18+). The groups identified as in fuel poverty were calculated by cross referencing type of household and social grade (ABC1 classified as middle class, C2DE classified as working class) with net monthly household income and average monthly energy spend. Respondents who answered "Don't Know" or "Prefer not to say" have been excluded from fuel poverty calculations. Fuel poverty calculation = Monthly energy bill divided by net monthly income. Those who were spending 10% or more of their net monthly income on energy bills are classified as being in fuel poverty. The research showed 6.3 million or 24% of all households could be classed as fuel poor.

About us

uSwitch.com is a free, impartial, online and telephone-based comparison and switching service, helping consumers compare prices on gas, electricity, water, heating cover, home telephone, broadband, digital television, mobile phones and personal finance products including mortgages, credit cards, current accounts and insurance. In 2010 uSwitch.com celebrated ten years of saving customers money.

uSwitch.com is the first comparison website to achieve the Plain English Campaign's Internet Crystal Mark, which is recognised as a standard that a website has clear language, is accessible and easy to use, and has been tested on a sample of its users.

uSwitch.com is dedicated to helping consumers save money whether they have internet access or not. It offers a dedicated call centre, manned by uSwitch customer service representatives, as well as a freepost 'Send us your bill' service, whereby customers can post their latest energy bills with their telephone number to FREEPOST USWITCH, to get a free call back from a dedicated customer services representative. The service is also available via fax, email and post. Consumers should fax 0203 214 8417, email CustomerServices@uswitch.com or write to Customer Services, uSwitch.com, Centro 3, 19 Mandela Street, London, NW1 0DU with their postcode and usage details.

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