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ENERGY PRICE RISE MISERY HITS CONSUMERS AGAIN

As ScottishPower announces a second price rise in 9 months^[1], uSwitch.com warns that consumers could now be about to see all the big six suppliers move to inflict a second round of price hikes this year:

- **ScottishPower is putting its prices up by an average of 19% or £124 for gas and 10% or £56 for electricity from 1st August^[1]**
- **Increase will affect around 2.4 million households^[1]**
- **Average household bill for a dual fuel ScottishPower customer will now go up from £1,211 to £1,391 – £180 higher^[2]**
- **In November ScottishPower increased its prices by 2.9% or £20 for gas and 8.5% or £40 for electricity^[1] – in total customers will have now seen their bills shoot up by £239 from an average of £1,152 in April 2010 to £1,391 from 1st August^[2].**

ScottishPower has today announced that it is putting its gas and electricity prices up for the second time in 9 months^[1]. The increase of 19% or £124 for gas and 10% or £56 for electricity comes into effect from 1st August and will hit around 2.4 million households^[1]. It will add an extra £180 on to ScottishPower's average annual standard dual fuel bill, which will increase from £1,211 to £1,391 as a result^[2].

It is the first of the big six suppliers to announce a second general price hike and sends out a clear warning that household energy bills are on the rise again. The first round of hikes only ended this March – suppliers increased their prices by an average of 5.6% or £35 for gas and 6.4% or £28 for electricity, hitting almost 28 million customers and adding an incredible £630 million onto household energy bills^[3]. As a result the average household energy bill hit £1,131 a year^[4].

The move comes only months after Ofgem announced that it had found evidence of energy prices tending to rise in response to wholesale cost increases faster than they fall with decreases. Suppliers also still have the threat of a Competition Commission referral hanging over them^[5].

Further price rises were predicted for later this year following the disaster in Japan and the crisis in Libya, which resulted in an increase in wholesale costs. Unfortunately, ScottishPower's move today could be followed by other suppliers, resulting in households seeing price hikes far sooner than expected.

Ann Robinson, Director of Consumer Policy at uSwitch.com, says: "We are in real danger of seeing a repeat of 2008 when energy bills rocketed by £334 or 41% as a result of consecutive rounds of price hikes^[4]. Suppliers may think this is justified because of the increase in wholesale costs, but Ofgem will need to consider whether these increases are justified or not and act swiftly to protect consumers. Given that Ofgem has found some evidence that suppliers increase their prices more quickly than they drop them, any consumer complaints about price hikes are unlikely to fall on deaf ears.

"The average annual household energy bill from 1st August will now be £1,162, £9 more than when prices were at a peak in January 2009^[4]. The spectre of people being priced out of the energy market is raising its ugly head again. There is no room for complacency and I would urge consumers to act now. There are two key steps to keeping a lid on your energy bills – use less energy by making your home more energy efficient and move to a competitive energy plan so that you pay less for the energy you do use. The difference between the cheapest energy plan in the market and the most expensive is £459^[6] – this is a substantial saving and could make a real difference for those who are worried or struggling with bills."

Average bill sizes:

Supplier	Current bill size	New bill size
British Gas	£1,096	£1,096
EDF Energy	£1,118	£1,118
E.ON	£1,123	£1,123
npower	£1,149	£1,149
SSE	£1,091	£1,091
ScottishPower	£1,211	£1,391
Average	£1,131	£1,162

Source: uSwitch.com

Based on a medium user consuming 3,300kWh electricity and 16,500kWh gas a year on a standard plan paying on receipt of bill with bill sizes averaged across all regions.

For more information visit www.uSwitch.com or call 0800 093 06 07

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Notes to editors:

1. ScottishPower announcement issued today. Previous price increase took effect on 25th November, 2010.
2. Based on a medium user customer using 3,300 kWh of electricity and 16,500 kWh of gas, on a ScottishPower standard Dual Fuel plan, paying quarterly by cash or cheque with bill sizes averaged across all regions. In January 2009 this bill size was £1,201. This dropped to £1,152 in 2010 and will now increase again to £1,391.
3. Customers affected taken from individual supplier announcements as follows: SSE (announcement 29/10/2010) increase to affect around 3.6 million customers, British Gas (announcement 12/11/2010) increase will affect around 8 million customers, ScottishPower (announcement on 19/11/2010) move to affect around 2.5 million customers, nPower (announcement on 10/12/2010) move to affect around 6.2 million customers, E.ON (announcement on 11/01/2011) move to affect around 4.3 million customers. EDF Energy (announcement 3/2/2011) will affect 3.3 million customers. These add up to 27.9 million customers. uSwitch.com estimates 10 million standard plan customers based on 26 million households and Ofgem statistics showing that 7 million customers are on price guarantee plans, 3.5 million are on online tariffs, 3.8 million electricity customers and 2.6 million gas customers are on PPMs. The average increase from 2010/2011 price rises for a customer on a standard plan, based on a medium user profile using 3,300kWh of electricity and 16,500kWh of gas paying on receipt of bill, is £63. Taking this increase over 10 million standard plan customers totals £630 million added to consumer bills.
4. Based on a medium user customer using 3,300 kWh of electricity and 16,500 kWh of gas, on a standard Dual Fuel plan, paying quarterly by cash or cheque with bill sizes averaged across all regions and all big six suppliers.
5. Ofgem: The Retail Market Review – 21st March, 2011.
6. Most expensive energy plan is ScottishPower's standard plan POR (see table in release above) £1,391 a year. Cheapest energy plan is ScottishPower's new plan at £932 a year. Difference between the two plans is £459.

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 and post. Consumers should fax 020 7233 5933 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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