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OVO ENERGY CUTS ITS PRICES - BIG SIX TO FOLLOW SUIT?

Ovo Energy's announcement that it is cutting its prices by 5% or £55 a year^[1] is good news for consumers, says uSwitch.com, the independent price comparison and switching service. The move follows its recent decision not to implement a planned price increase for variable rate customers and rival company Co-operative Energy's announcement that it is cutting its standard dual fuel prices by £35 a year^[2]. However, the Co-op's price cut doesn't come into effect until 1st February while Ovo's is with immediate effect, allowing its customers to feel the benefit sooner.

Tom Lyon, energy expert at uSwitch.com, says: "This is the kind of consumer-friendly move we've come to expect from Ovo. In one fell swoop it has given cash-strapped consumers a lending hand, become the second cheapest energy supplier on the market and laid the gauntlet down to the big six suppliers. The fact that the Co-op had cut its prices could be shrugged off, but now that Ovo has followed suit the big six will be feeling the pressure as all eyes will now be on them.

"The move is another reminder why smaller players are so welcome in the market – they are nimble enough to be able to turn price cuts around far more quickly than the bigger players, making them a good consumer-friendly alternative. No doubt this appeal will have been further enhanced by the fact that Ovo Energy is now the second cheapest supplier on the market with an average annual bill size of £1,061. This offers an average saving of £66 a year compared with being with one of the big six, making Ovo a competitive and viable alternative. Only First:Utility, another small player, is cheaper.

"However, Ovo's price cut does not benefit all of its existing customers – those who are on a variable rate or whose current fixed rate is not up for renewal will not reap the rewards. Also the big six are not completely out of the picture – there are still some very competitive deals out there. But the fact is that prices have rocketed by £224 or 21% this year^[3] and price cuts will take some time to trickle through – households can mitigate the impact by shopping around for a cheaper deal."

Best buy energy deals:

Supplier	Plan Name	Price
First: Utility	iSave Dual Fuel V9	£1,030
Ovo Energy	New Energy Fixed	£1,061
npower	Go Fix 10	£1,078
ScottishPower	Online Energy Saver 17	£1,085
E.ON	SaveOnline 11	£1,106
Co-op Energy	Pioneer	£1,145
British Gas	Online Fixed	£1,150
EDF Energy	Price Protection 2013	£1,165
SSE	Online Standard	£1,179

Source: uSwitch.com

Based on a medium user consuming 3,300 kWh of electricity and 16,500 kWh of gas 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. Taken from Ovo Energy's press release issued for Friday 6th January, 2012.
2. Taken from Co-op press release: <http://www.cooperativeenergy.coop/2011/12/19/co-operative-energy-is-first-energy-supplier-to-cut-prices-this-winter/>
3. See table above for details.

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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