

Clever energy switches produce annual savings

You could be forgiven for thinking that the consumer energy market, with its collection of different gas and electricity suppliers, is beginning to resemble the private health insurance market with all its existing and stand-alone offers and the dizzying number of not very transparent individual usage and standing charges.

A fortnight ago, a new company, Energia, owned by Belfast based Veridian, launched itself on the Irish market, joining Bord Gais Energy, Electric Ireland, SSE Airtricity, PrePay Power and Pinery (the meter-based providers) in the scramble for your business.

Energy – electricity and gas – is one of the essential, big ticket purchases in every Irish household, along with housing costs and grocery bills.

Average bills for a typical three-bedroomed house amount to about €1,179 per annum for electricity. Typical gas use in the same household for heat and cooking, according to Bord Gais, will be about €727 per year or about €120 per bi-monthly bill. (A large four or five bedroom house will use between €1,469 and €1,752 worth of electricity a year, according the energy price comparison website, www.bonkers.ie)

Most of us have a pretty good idea how to reduce our electricity and gas consumption: you turn down the central heating a degree or two and set timers for when it is needed.

You don't leave lights burning in empty rooms or turn off electrical appliances like TVs, stereos and computer equipment overnight.

Energy saving light bulbs, lagging jackets, eco-wash settings and night rates are all sensible way to reduce consumption, and cut your bills by perhaps 10 to 20 per cent depending on how consistent and diligent you are. But shopping around for best rates and tariffs is another way to seriously cut energy costs.

Remarkably, fewer than one in seven Irish households, or just over 266,000 of us bothered to switch energy providers last year, compared to the 470,000 who did in 2010, the year after the ESB monopoly was broken and Bord Gais Energy and Airtricity began offering their gas and electricity services.

The switching fall-off is mostly blamed on consumer inertia and complacency – a mistaken belief that the savings aren't high enough to bother doing annual comparisons.

The switching experts from the comparison sites bonkers.ie and uSwitch.ie couldn't disagree more.

More players have entered the market since 2010; Energia is the latest, but the meter providers PrePay Power and Pinery also offering an interesting product for households that want to monitor and control their usage and stick to their own budget.

An annual switch, claim the experts, will at very least keep you level with the inevitable annual price hikes, and assuming you get the very best deal on the market at the time, a sufficient discount to even keep your bill under the average annual national charge.

I asked Simon Moynihan of bonkers.ie to answer the two most common questions I get from readers about the energy switching process: “The process looks difficult. Where do I start?” and “Is it always better to combine your gas and electricity?”

According to Moynihan, if you want a successful shopping and switching outcome you need to do two or three things before you go onto a comparison website: “One, take out your latest electricity and/or gas bill for your account details.

“Two, take your latest meter readings for the units or kilowatts used, or call your supplier and get this information from them. You don’t have to worry about how much you’ve spent in the last 12 months or anything like that,” he explained.

You then go onto the comparison site and follow the instructions, choosing your existing energy provider – either an electricity and gas combination, or electricity company only or gas company. You then fill in your unit and kilowatt details.

It is your usage level (light, moderate or heavy) that allows the comparison site to find the best tariffs/charges available and that ideally, produces a savings for you. Once you’ve pressed the ‘Compare Prices’ key, the best option – and the potential annual savings – typically €120 per electricity/gas supply – will appear.

Bonkers and uSwitch can then process the switch for you, for which they may receive a small commission. Or you can do it yourself by contacting the new provider.

With Energia’s entrance to the market, and Bord Gais’s latest discount loyalty offer to customers plus €40 cash back at the end of 12 months Moynihan said that Energia or Bord Gais will be hard to beat for customers with average gas/electricity combination usage.

For electricity only switches, Electric Ireland and Bord Gais are the most competitive, he said, (the latter only because of their €40 cash loyalty payment) while gas only users will get the best deal from FloGas (which doesn’t offer electricity).

Meanwhile, Bord Gais’ Tesco Rewards Club points have helped 150,000 customers cut their costs and they remain the only provider that doesn’t tie customers into a 12 month contract.

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