

Energy bills discount to support households this winter

Millions of households across Great Britain will receive non-repayable discounts on their energy bills this winter, as the UK Government today sets out further details of the Energy Bills Support Scheme.

The £400 discount, administered by energy suppliers, will be paid to consumers over six months, with payments starting from October 2022, to ensure households receive financial support throughout the winter months.

Those with a domestic electricity meter point paying for their energy via standard credit, payment card and direct debit will receive an automatic deduction to their bills over the six-month period – totalling £400.

Traditional prepayment meter customers will be provided with Energy Bill discount vouchers from the first week of each month, issued via SMS text, email or post, using the customer's registered contact details. These customers will need to take action to redeem these at their usual top-up point, such as their nearest local PayPoint or Post Office branch.

In all cases, no household should be asked for bank details at any point. Ministers are urging consumers to stay alert of potential scams and report these to the relevant authorities where they are suspected.

Households will see a discount of £66 applied to their energy bills in October and November, rising to £67 each month from December through to March 2023. The non-repayable discount will be provided on a monthly basis, regardless of whether consumers pay monthly, quarterly or have an associated payment card.

This means that where a person's housing circumstances change during the six-month period, such as those leaving or moving home, they will still benefit from the relevant portion of the total £400.

This also applies to students and other tenants renting properties with domestic electricity contracts from landlords where fixed energy costs are included in their rental charges. In these circumstances, landlords who resell energy to their tenants should pass the discounted payments on appropriately, in line with Ofgem rules to protect tenants.

As part of this package, the UK Government is confirming that further funding will be available to provide equivalent support of £400 for energy bills for the 1% of households who will not be reached through the EBSS. This includes those who do not have a domestic electricity meter or a direct relationship with an energy supplier such as park home residents. The government said that an announcement with details on how and when these households can access this support will be made this autumn.

The UK Government said that details set out so far will ensure the scheme is delivered to as many domestic electricity customers as possible over the winter, regardless of which supplier they use or their choice of payment method.

- Direct Debit customers will receive the Energy Bill discount automatically as a deduction to the monthly Direct Debit amount collected, or as a refund to the customer's bank account, following Direct Debit collection during each month of delivery
- standard credit customers and payment card customers will see the Energy Bill discount automatically applied as a credit to standard credit customers' accounts in the first week of each month of EBSS delivery, with the credit appearing as it would if the customer had made a payment
- smart prepayment meter customers will see the Energy Bill discount credited directly to their smart prepayment meters in the first week of each month of delivery
- traditional prepayment meter customers will be provided with redeemable EBSS Energy Bill discount vouchers or Special Action Messages (SAMs) from the first week of each month, issued via SMS text, email or post. Customers will need to redeem these at their usual top-up point.

Steps are also being taken to protect consumers from the risk of fraud, gaming, and non-compliance. Suppliers will be expected to report to government action they are taking to ensure the support has been passed onto consumers, including notifying customers in writing they have received the £400 Energy Bill discount from HM Government, and ensuring it is clearly shown on bills or statements for Direct Debit and credit customers.

Greg Hands, UK Government Energy Minister, said:

“We have set out how the government will deliver discounts to help 29 million households with their energy bills this winter. I encourage families across the country to engage with these plans and, particularly, those customers on traditional prepayment meters who need to take action.”

The Energy Bills Support Scheme forms part of the government's £37 million Cost of Living Support package, providing Help for Households with rising prices, targeted at those most in need.