

Budgeting

Ways to save on utility bills

There are two main ways for people to save money:

- ▶ to increase their income and put money away
- ▶ to look at what they spend and find ways to make savings

If people don't know what they're spending on, they can't try to make savings. This is one of the main reasons to make a budget.

One good area to look at is gas and electricity bills. People can save money just by changing the way they pay their bills, even if they don't

want to change their supplier. Give out the following handouts – these exercises are a good way to get people looking at why they pay their bills the way they do. It will also help them collect the information they need to do a utility bill comparison.

Useful websites

www.uswitch.com

0800 051 5493

www.energyhelpline.com

0800 074 0745

How do you pay for gas and electricity?

Who supplies your gas and electricity?

Bill	Supplier	Don't know
Gas		
Electricity		
Do you use Dual Fuel?	Yes/No/Don't know	

How do you pay? (Please tick the correct box)

	When you get a bill	Weekly at the post office or Paypoint	Prepayment metre	Direct debit	Other
Gas					
Electricity					

Why do you pay this way? (Please write a short answer)

How much do you pay?

	Weekly	Monthly
Gas	£	£
Electricity	£	£

How many people live with you? _____

What type of property do you live in? (Please tick)

- Terraced house
 Semi-detached house
 Detached house
 1st floor flat
 2nd floor flat
 Other _____

What is your postcode? _____

Ways to pay – pros and cons

Payment method	Pros	Cons
When you get a bill	<p>You only pay for what you use.</p> <p>You can check your meter readings to make sure your bill is correct.</p> <p>You have three months to save up for the cost and 28 days to pay from the date of the bill.</p>	<p>It is tempting to spend the money you need to save to pay your bill.</p> <p>Your winter bill will be bigger, so the amount you need to save will change every three months.</p> <p>If you cannot pay the bill, the supplier will decide which payment method you must use to pay your next bill and will add on an extra amount to each bill so you pay back your arrears. This will make it harder to budget in future.</p>
Each week at a post office or bank	<p>It is difficult to get into arrears, as long as you don't miss a payment.</p> <p>Your fuel costs stay the same, so you will know how much to save out of your money each week.</p> <p>If you use less fuel, you build up credit over a year, which can be refunded to you and is a good way to save money.</p>	<p>Missing a payment means you have to pay double next time you are due to pay. This can cause problems for paying other bills.</p> <p>Your bill is estimated, so you may be paying for fuel you are not using, or you could be underpaying and building up a big bill some time in the future.</p>
Prepayment meter	<p>You only pay for what you use.</p> <p>You can choose to put less credit onto the meter and reduce your use if you need money for something else.</p> <p>You will never get into arrears.</p>	<p>You pay more for each unit of electricity or gas than you do with other ways of paying.</p> <p>If you go into 'emergency credit', you have to clear this before you can put any more payments on.</p>
Direct debit	<p>You pay less for each unit of fuel.</p> <p>You pay the same amount each month.</p> <p>At the end of the year, if you have paid for more fuel than you have actually used, you can get some money back or reduce your monthly payment.</p>	<p>You must have a bank account.</p> <p>If the money to make the payment is not in the bank when it is due to be paid, you will have to pay bank charges of around £30 plus the amount you owe for the fuel.</p> <p>You need to remember when the money is due to go out and make sure there is enough in your bank account to cover it.</p>