
Households urged to switch energy deals as bills drop



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UK households are being advised to shop around for fixed-rate energy tariffs, as Ofgem

announced that the average gas and electricity bill will fall by £11 a month starting in July 2025.

The drop, driven by falling international wholesale gas prices, marks the first decrease in a year,

with annual bills for a typical household falling by £129. However, this seasonal relief comes

during the warmer months when energy consumption is lower and prices are not expected to fall

significantly further in 2025.

Ofgem's price cap, reviewed every three months, limits how much energy firms can charge per unit for 21 million households in England, Scotland, and Wales on standard variable tariffs. It does not apply in Northern Ireland, which has a separate energy system.

While the new cap means savings for those on variable rates, Ofgem said fixed-rate deals now offer even better value, with potential annual savings of up to £200. Currently, 35% of households are on fixed deals, a significant rise from 15% a year ago when fewer such offers were available.

Tim Jarvis, Ofgem's Director General of Markets, urged consumers to act: "You don't have to pay the price cap there are better deals out there. Shop around and speak with your current supplier to see what they can offer."

Customers can estimate July savings by reducing their monthly direct debit by around 7%, equivalent to £11 for the average household. Ofgem emphasized that locking into a fixed tariff now can provide payment certainty and protection against future price volatility.