

YOUR **FREE** GUIDE TO **SMARTER** MONEY SAVING

Quids in!

SPRING 2022 / WWW.QUIDSINMAGAZINE.COM

**BILL
BUSTING
ISSUE**



Hillhead
HOUSING ASSOCIATION
Building on progress for a brighter Hillhead

ENERGY SPECIAL

Getting to grips with energy use to cut the cost of running our homes

HOW TO GET
SERIOUS ABOUT
**MAKING
SAVINGS**

EXPERT ADVICE ON: ✓ SPENDING ✓ SAVING ✓ BORROWING ✓ INCOME

WHAT'S BEHIND THE NEWS

Welcome



We Brits are a sturdy bunch, aren't we? We just seem to get on with whatever the world throws at us. Just as we thought the pandemic was

clearing, the new normal seems worse. The energy price cap rises on April 1 and it's those of us on the lowest incomes who feel it most.

The problem is these things hurt. While 'those who can' will keep a stiff upper lip and crack on, the rest of us slowly start to drown. A lifebelt might appear but it could be too late. Prevention is better than cure, and reducing our bills wherever we can is key.

Turning down the thermostat just one degree makes a big difference. But it's one of a number of options, all explored in this special edition of *Quids in!* And if you're inspired, you could see how much more you could shave from your spending with our quick and simple Future-Proof Finance quiz. Visit qimag.uk/FPFQ2022.

"Reducing our bills wherever we can is key"

Jeff Editor
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WHY HAVE ENERGY PRICES SHOT UP?

● We're all feeling the squeeze this year

All of us will have seen reports about rising energy prices and suppliers going bust recently. We'll also be wondering if our own bills are ever going to stop going up.

But why has this crisis happened?

It's because demand for energy is on the rise as countries around the world get back to full speed after the Covid slowdown.

At the same time, supplies of energy are down. A cold winter last year meant we were using more energy than usual so there's pressure on what's left in storage. Gas that's piped from Russia is also in short supply.

Gas is also used to produce about 40 per cent of our electricity in the UK, which is why bills are

rising for both energy sources.

To top it all off, the energy price cap will rise again on 1 April. The price cap, which had already gone up last October, is the maximum price suppliers can charge us per unit of energy on a standard tariff.

For those of us on a prepayment meter the cost for a typical home for a year will rise to £2,017 while those of us paying by Direct Debit will see a typical annual bill rise to £1,971.

The price cap is due to be reviewed again in October 2022 – when it may rise even further.

It means the normal *Quids in!* advice to switch suppliers to get the best deal doesn't apply for now. Even the big

firms for the most

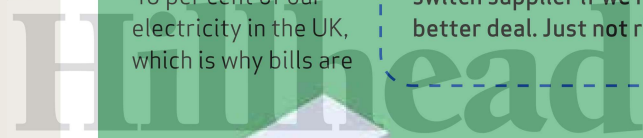
part can no longer give us deals that beat the price cap. So

sitting on the standard tariff is the least bad option for now.

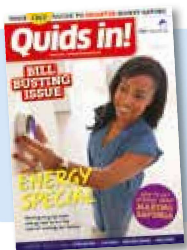
If we're already on a fixed deal then we should sit tight if it means we're paying less than the price cap.

Quids in! says

Although there's no quick fix on the horizon, energy prices won't always stay this high. So we shouldn't forget that the best advice when we're back in normal times is to shop around and switch supplier if we're offered a better deal. Just not right now!



Building on progress for Hillhead



In this issue...
Home front
Which are the greediest appliances? Page 4-5



Cashing in
Time to get smart about managing bills Page 6



Capping bills
25 top tips to make sure we keep a lid on costs Page 8

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Quids in! guides are designed to help people understand and manage their money better. They are published by Clean Slate, a CIC (Community Interest Company) and a social enterprise.

Our purpose

Clean Slate is a social enterprise that helps people on low incomes become better off through money guidance, employment support and digital skills. Staff recruited from the communities we work in offer advice alongside structured training.

Our money skills initiative (*Quids in!*) publishes a magazine, specialist guides, a website and monthly money email.

THERE'S HELP OUT THERE

● Worried about the bills landing on the doormat? Here's what we need to know

The first place to turn if we're struggling with energy bills is our supplier. They have to help us find a way we can pay what we owe.

It's important to make contact – if we don't try to work out an arrangement with our supplier, they may threaten to cut us off.

If we pay by Direct Debit, we should take meter readings on or before 31 March to make sure we don't pay the higher rate for any longer than we have to. If we're on a prepayment meter and can afford to put in a little more than usual we should, effectively stockpiling cheaper energy. There's also extra help, including:

Warm Home Discount Scheme

– £140 off our electricity bill or a £140 prepayment meter voucher. We

could qualify if we get the guarantee part of Pension Credit or are on a low income. One thing to be aware of – if we switched supplier after applying to the scheme, it's up to our new supplier to decide whether we qualify. See qimag.uk/whd for more details.

Winter Fuel Payment – a one-off sum to help us pay for heating over winter for those of us born on or before 26 September 1955. qimag.uk/qiwinterfuel

Council tax discount – This is for those of us in Band A-D homes and it's worth £150. If we're in England and pay our council tax by Direct Debit we'll get the £150 rebate automatically. Otherwise our council will tell us how

"The first place to turn is our energy supplier"

to apply – we need to keep an eye out for the letter. In Wales and Scotland the rebate also applies to those of us in higher bands if we also get a council tax reduction.

Cold Weather Payments – these are paid to us automatically if we get Universal Credit, Pension Credit, Income Support, Income-based Jobseeker's Allowance or Income-based Employment and Support Allowance. We'll receive the payment when the temperature in our area drops to freezing or below for seven days in a row. qimag.uk/qicoldweather



WHAT SHOULD I DO IF MY SUPPLIER GOES BUST?

● Energy firms have been dropping like flies. Here's what it means for customers

First of all, we shouldn't panic. In the UK there's an independent energy regulator known as Ofgem, and it's there to protect us if our supplier goes bust. This means we won't be left without gas or electricity and our previous payments are protected.

Things to remember:

- Ofgem will automatically move us to a new supplier
- We should record our meter readings – take a photo or note it down with the date

- Make a note of our balance and the date of our last bill. Save copies if we have them
- Don't cancel Direct Debits – our new supplier will be in touch to explain what's going to happen
- We'll be placed on a tariff that might be more expensive than we were paying before. We should ask our new supplier if they have a cheaper deal (we're not tied to them either). See Ofgem's website, ofgem.gov.uk, or call them on 020 7901 7295.

"First of all, we shouldn't panic"



WIN £50

JOIN THE CONVERSATION

Got something you want to tell us, or a money-saving tip to share? Each issue there's £50 for the best letter, email or tweet, so include your name and address.

- ✉ **POST** The Editor, *Quids In!*
24 James Street West, Bath, BA1 2BT
- ✉ **EMAIL** editor@quidsinmagazine.com
- 🐦 **TWEET** @quidsinmagazine

HOW TO GET SERIOUS ABOUT ENERGY SAVINGS

Making smarter choices and knowing which appliances are heavy on power can cut our bills even further

As energy prices soar and the new higher price cap on bills has come in, it's a good time to think about how our choices can help us keep a handle on our bills.

At *Quids in!* we've spoken about being savvy about our energy use before, but frankly we can never have too many tips for saving.

It's hard to know which appliances are costing the most to run, but once we understand this a bit more we can make smarter choices around the house.

Frankly, we can never have too many tips for saving money

Keep your cool

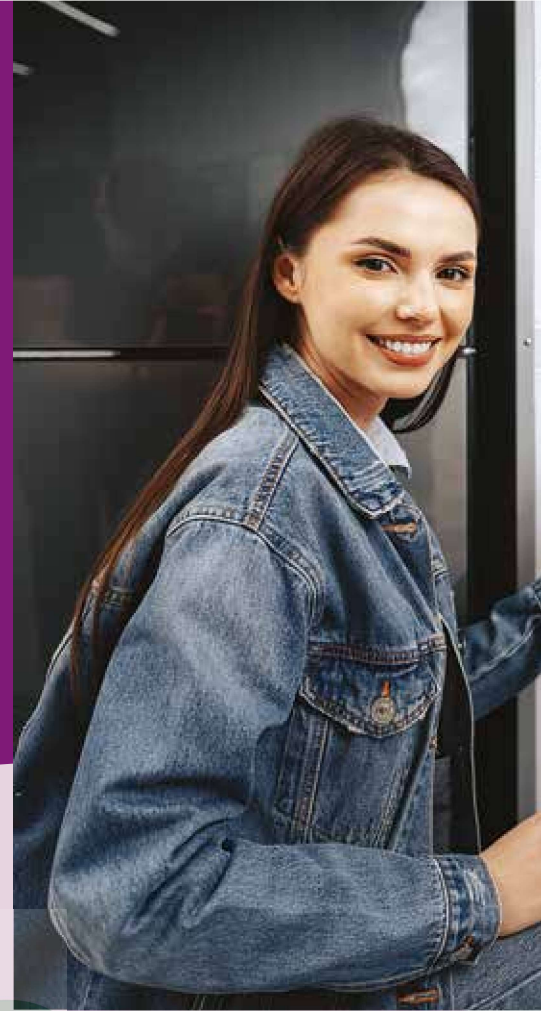
In most homes, the biggest guzzler of energy is the fridge. While we can't exactly switch it off and on all the time, we can avoid leaving the door open for ages (meaning it has to work harder to get back to its correct temperature).

And we can also keep it defrosted – even a small layer of ice build up makes it less efficient.

Overfilling the fridge will also make it use more energy – the air can't circulate

freely and so the fridge will use more energy to compensate.

And not all fridges are created equal – an appliance with an A*** rating uses 80 per cent less energy than a D-rated one. If our fridge is on the old side and we're lucky enough to be offered a newer one or spot a cheap one second-hand we should snap it up if we can!



Smarter washing

Households tend to use their tumble dryer around 150 times a year – at a cost of £1 a go. Even if we have a garden, we're not likely to get much outdoor drying done at this time of year.

So filling the dryer is more efficient than using it with just a few socks in it, and putting clothes through a spin cycle in the washing machine first will cut the length of time we need to use it. Or we can just dry on an airer more often.

We can save even more by making sure our clothes *really* need washing before sticking a load on.

According to a report by the Society of Chemical Industry, we're all washing our clothes too much, harming the planet *and* our wallets. Not only that, the report says it's perfectly fine to wear clothes for three or four days before washing them (apart from underwear!)

Sniffing, sponging and steaming are all ways to cut the cost of laundry, and they'll make our clothes last longer too.





An A*** fridge uses 80 per cent less energy than a D-rated one

Savings on a platter

There are pros and cons if we have a dishwasher. Pro – we will end up using less water (great when we're on a water meter). Con – they use a lot of electricity.

The trick is to use it carefully and only switch it on when it's full. We should look at the programmes and choose one that's under 50 degrees if possible. This should be enough for most cups, glasses and plates, although it may not be hot enough to wash off baked-on grease.

If we're shopping for a new dishwasher, getting one with a good energy rating will save us over the long term even though it may cost more initially. And a full-size machine is more efficient than a slimline or compact one.

Cooking costs

If we have an electric hob in the kitchen, unfortunately it's going to be more expensive to use than a gas one – but there are ways to cook smarter. Choose a pan and a ring that are best suited for what we're heating – too big or too small and we'll be wasting energy.

A slow cooker, if we have one, is the cheapest way to cook everything from soups and stews to cakes.

A 50-degree cycle should be enough for most plates and cups



And finally...

It's not just the big appliances we should be thinking about – author Lynn Beattie, who blogs as Mrs MummyPenny, kept a close eye on her energy use and found her hairdryer was pretty greedy.

So if we can leave our hair to dry naturally once in a while it could really help.

She also limits showers to four minutes and uses a timer to make sure her family sticks to it. Lynn reckons a family of four with a water meter will save £80 a year if everyone cuts one minute off their shower time.

■ For loads more tips on cutting energy bills, see quidsinmagazine.com



BILLS, BILLS, BILLS

We can't choose whether to pay them, but there are things we can do to make them more manageable



When *Quids in!* surveyed tenants about how money issues were affecting them, half (48 per cent) said they were falling behind with bills and one in five (20 per cent) had run up rent arrears. They told us their mental health was under attack so debts like these, and loans or credit cards, have to be addressed. Or better still, avoided.

The best advice, before it's too late, is to keep costs down and ensure there's enough coming in to cover them. Ordinarily, *Quids in!* would be banging the drum for shopping around and switching energy suppliers to save money.

But with the crisis in prices, energy watchers like Martin Lewis of moneysavingexpert.com are now advising

that there are no deals right now that work out cheaper than the price cap on standard and default tariffs (despite the fact this was upped in October).

Canny budgeters know when their Direct Debits go out because, after finding the best deals, they don't want bank charges for going overdrawn. We need to know when all our bills are going to be paid and do whatever we can to ensure there's cash in the bank.

One way to relax about this is to have an account just for bills, which could be a deposit, budgeting or jam jar account. Jam jars are a good way to describe these accounts because we put into them what we need to cover all our charges in a month and only use them for that.

Fill them up as soon as the money comes in and then have the Direct Debits drain the account throughout the month. Whatever's left in the main account is what we have to live on.

LET'S TALK ABOUT ENERGY

Prepayment energy meters are a matter of preference – they can allow us to budget more easily but we probably won't be able to access the best deals, which tend to be offered to those of us who can pay by Direct Debit. But Direct Debits are not for everyone, if they go wrong you can end up paying more in bank charges instead.

Then there are smart meters – these are the next generation of gas and electricity meters and won't cost us anything up front.

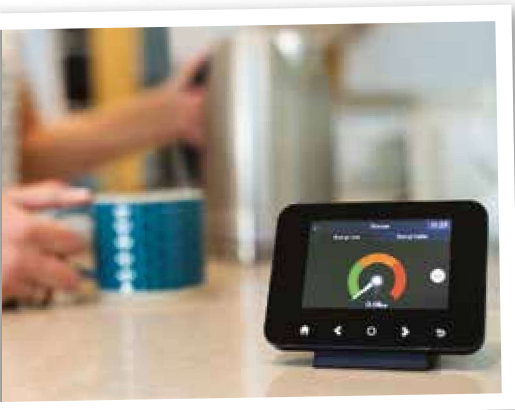
There are some benefits over other meters. We'll get automatic meter readings and so we'll be billed for what we've actually used rather than relying on an estimate.

“There are no deals right now that work out cheaper than the price cap on standard and default tariffs”

But best of all, they show our usage in pounds and pence. We'll get a small gadget called an 'in-home display' that shows how much we're using in real time. So we know exactly how much that load in the tumble dryer has cost us.

Armed with this info, it's a smart idea to put aside a couple of quid when we know we've used a lot of energy around the home. We can put this towards the bill, or maybe we could put away a smaller amount each day, for the same reason.

And knowing which appliances cost most also lets us work out how we could cut bills by deciding what to use and when.



WHAT SHOULD I DO IF I JUST CAN'T PAY?

If we're struggling with energy bills, there's a payment of £200 that we'll all receive from our suppliers in autumn.

It's really a kind of loan, as we'll pay it back at a rate of £40 over the next five years, starting in April 2023.

It'll be paid in October and we don't have to apply for it.

WHAT ELSE CAN WE CLAIM?

The Household Support Fund may still be open to us, depending on which council area we live in. Payments will be made until 31 March.

If we live in England we'll have to go through our council. The amount we'll receive varies between areas.

In Wales, the Welsh Government is making £100 energy payments for eligible households (those on Income Support, Income-based Jobseekers Allowance, Employment and Support Allowance, Universal Credit or Working Tax Credits).

In Scotland, it's the Winter Support Fund. Councils and charities give out grants based on need.

Households in Northern Ireland could be in line for £200 to help with energy bills.

If we get certain benefits we'll get the one-off payment automatically – there's no need for us to apply.

The benefits are Universal Credit, Pension Credit, Income-related Employment and Support Allowance, Income-based Jobseekers Allowance and Income Support. We need to have been claiming in the week of 13-19 December 2021 to be eligible.

HELP IN A CRISIS

Wherever we are, the fund is only due to last until the end of March 2022 – so it's not an unlimited pot.

There are other ways of getting help with our energy bills, such as the Winter Fuel Payment, Cold Weather Payment and the Warm Home Discount (see page 3 for more details).

But if money gets so tight that we're forced to choose between heating and eating then we may be able to get help from a Fuel Bank.

Fuel Banks work on the same idea as food banks and are aimed at people with prepayment energy meters in our homes. These households have been worst hit.

KEEP THE LIGHTS ON

One of the biggest problems with these meters is so-called 'self-disconnection' – when we just can't afford to keep them topped up.

Fuel Banks hand out fuel vouchers to those of us who qualify (each voucher is enough to top up a meter for around two weeks).

First of all, we need to be getting support from a food bank and also facing a fuel crisis.

We should contact Citizens Advice, a social worker, GP or other support organisation who can refer us by giving us a food bank voucher.

When we're picking up our groceries from the food bank, if it's part of the Fuel Bank network we can fill out an application for a fuel voucher too. If we're accepted, we'll be given the fuel voucher alongside our food.

Many Trussell Trust food banks and other support agencies are also part of the scheme. There's a full list of groups that work with Fuel Banks at fuelbankfoundation.org/our-partners/

"Fuel Banks hand out fuel vouchers to those of us who qualify"

Quids in! says:
If we're struggling to top up our prepayment meters or pay our energy bills, we should always make contact with our suppliers ASAP. They can often adjust our payment or refer us on to other schemes and grants that could help.

Gas and electric costs are criminal and with the kettle, for one, being a repeat offender, it's time to lay down the law. For over 13 years, *Quids In!* readers have shared their top tips to beat the bills. How are we gonna eat, if everything goes out on what it takes to run a home?



Only fill the kettle with as much water as you actually need

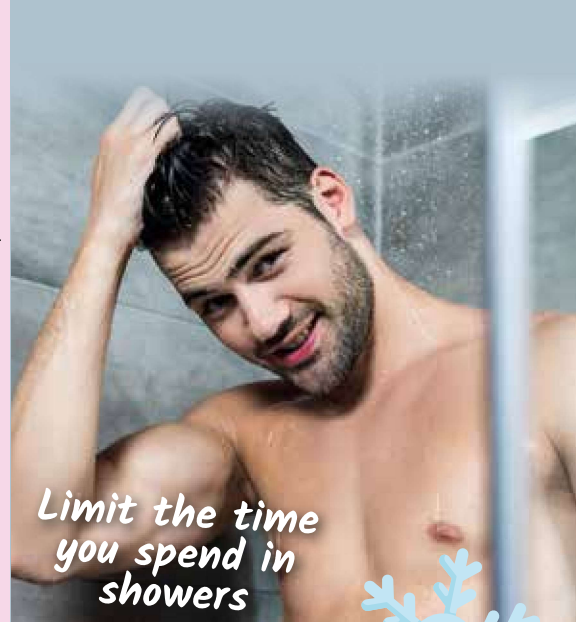
In The Kitchen

- 1 SAVE** power by putting lids on saucepans when cooking and use the right size of cooking ring for your pan
- 2 ONLY** fill the kettle with as much water as you actually need. (It costs 4p a time to boil a full one, so not long before we're saving pounds). Same with boiling vegetables on the hob – only use just enough water to keep your veggies covered
- 3 AVOID** putting hot food in a fridge or a freezer. Let it cool first
- 4 KEEP** your fridge at around 3°C to 5°C and save electricity by regularly defrosting your freezer
- 5 DON'T** leave the fridge or freezer door open longer than you need. Move them away from cookers and direct sunlight where possible
- 6 WHEN** replacing electrical goods look for an 'A' energy rating. Buy only the size you need

Laundry

- 7 USE** a full load in a washing machine. Half loads waste energy. (Even an A-rated machine costs 27p per wash)
- 8 CHOOSE** an economy programme on your washing machine whenever possible
- 9 WASH** your clothes on a lower heat. Most detergents now work well at 30°C or even 20°C

- 10 DRY** your laundry outside instead of using the tumble dryer
- 11 DON'T** dry clothes on radiators. It makes your boiler work harder
- 12 KEEP** filters clean in your tumble dryer, if you have no choice but to use one
- 13 HANG** or fold clothes up after drying them so they will need less ironing. If you're going to iron, they iron more easily when still slightly damp



Limit the time you spend in showers



Heating

CAPPING THE BILLS

25 ways to keep the lid on soaring bills

20 AVOID heating an empty home. Set the heating to come on 30 minutes before getting up or arriving home. Likewise, have it switch off 30 minutes before going to bed or leaving for work

21 TURN your heating down by 1°C, this can cut your energy use by 10 per cent

22 KEEP your radiators clear, don't put anything in front or on top of them

23 CONSIDER putting radiator panels behind radiators fixed to external walls

24 BLOCK all draughts around the house to help stop heat from escaping and use heavy curtains during the winter. Keep them drawn after dark

25 IS your water too hot? Your boiler thermostat should be set at 60C

Put A Plug In It

14 ENERGY saving light bulbs last up to 10 times longer and cost less to run. And of course, remember to turn off the lights when not in use

15 UNPLUG your mobile phone or games console from the socket when it has charged

16 SWITCH appliances (including your TV) off standby

17 SIZE does matter. The smaller the TV, (like most electrical items), the cheaper they are to run

18 NEVER leave taps running, or even dripping

19 LIMIT wash times in the shower to save water (to help the environment) and usage of the boiler (to save on cost). Ten minutes in an electric shower can cost 25p or more

Smart meters can help us watch what we're spending. Literally. They display the usage and the cost as we turn things on.

[Costs are just a guide. See: www.confusedaboutenergy.co.uk]



Your boiler thermostat should be set at 60°C