

# Utility Bill Price Rises January 2025



The UK Government recently announced an increase in the UK Energy Price Cap which is designed to protect consumers from high fuel prices by limiting the amount energy suppliers can charge. With both a surge in global demand and the ongoing impact of the conflict in Ukraine, January's price rises look like only the first step in a further increase in utility bills for everyone with more expected in April 2025

The cap will increase from 1 January 2025 for approximately 22 million customers. Those on default tariffs paying by direct debit will see an increase to £1,738 from £1,717 per year. These are based on an average UK home with average energy usage and are not an upper limit.



	Old Energy Cap limit	New Energy Cap limit
Gas Unit Cost	6.24p	6.34p
Gas Standing Charge	31.65p per day	31.66p per day
Electricity Unit Cost	24.50p per kWh	24.86p per kWh
Electricity Standing Charge	60.99p per day	60.97p per day



The energy price cap does not apply to every energy customer however and only caps the price of the unit and standing charge you are billed - there is no limit on the total bill you can be charged!

## It does apply if:

- **You are on a default energy tariff, regardless of how you pay your bills.**

A default energy tariff, according to Ofgem, is the most basic tariff an energy supplier offers. The most common type is a 'standard variable' tariff. This means the amount you pay is subject to price changes, although your supplier should write to confirm any changes with a notice period. A standard variable tariff can't be higher than the price cap. Energy suppliers have different names for their default tariffs. If you aren't sure what tariff you're on, your energy supplier will be able to tell you.

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The price cap does not apply if:

- You're on a fixed-term energy tariff (i.e. a tariff with a fixed end date).
- Your tariff is exempt from the price cap, for example, some green and special time of use tariffs.

Support mechanisms do exist. Many utility companies offer hardship funds to help customers who find themselves in difficulty with paying their bills so it may be worth contacting your supplier directly to ask what support may be available.

Details of links to the help pages of each main supplier in the UK are listed on our Energy Advice Hub on the Ore Valley website:  
<https://www.orevalleyha.org.uk/page/energy-advice>.

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