Housing Energy Guide for International Students

Introduction to the energy market in Britain

Every student home in the UK has access to electricity, and most also to gas. Those directly responsible for paying energy bills can choose from a range of suppliers when moving into a new place, and switch suppliers at any point.

An energy bill will build up even when the property it covers is empty (e.g. during a holiday) and all appliances (including the likes of a fridge which usually always remains on) are turned off. This is because as well as paying for energy actually used, energy bills include a fixed daily standing charge for maintaining supply, and 5% VAT on top of the total bill. Find out more about this in our Energy Suppliers, Tariffs & Bills guide.

Energy meters

Domestic properties have to have meters for both electricity and gas (if applicable). They are devices which measure the use of electricity or gas by the residence.

Where are my meters?

Meters are often located in places such as in basements, utility rooms under the stairs, in cupboards, and sometimes in a box on the outside wall.

In blocks of flats, meters for all flats are usually centralised in one room, likely on the ground floor. Each should be labelled for the flat it corresponds to. In some cases, flat blocks only have one meter for the whole building and the landlord charges each household a percentage of the overall usage.

Contact your landlord or letting agent if you cannot locate the meters.

Types of meters

By payment type:

- **Credit:** with this type of meter, you pay for energy after you have used it (e.g. by Direct Debit). Present in most homes.
- **Prepayment:** with this type of meter, you 'pay-as-you-go' for energy, adding money to your meter upfront with a top-up card or online. Rarer – about 4 million homes in Britain have them (out of 28.3 million).

By technology:

- **Standard:** old-style meters, display numbers in the form of digits either on a digital display or mileage style ticker. Sometimes they have one or two digits in red at the end which can be ignored when reading the meter. Readings need to be taken and submitted to the energy supplier manually, and are sometimes done by an employee of the supplier. If this is not done, you will likely receive an estimated bill (indicated by an 'E' next to the reading). This type of meter is either a credit or a prepayment meter by design.
- **Smart:** new kind of meters that are currently being rolled out across Britain as part of a government scheme. They can send meter readings to your supplier directly, so your bill should always be accurate without the need to take readings yourself. Smart meters come with in-home displays which you can have in a convenient place in your home and it can show you near real-time usage of energy, both in kWh and in pounds and pence. This type of meter can operate in credit or prepayment setting.

Paying energy bills

If your bills are included in your rental contract

If you pay your landlord for energy as part of your tenancy agreement, you don't have to pay your energy supplier as well. This should be clearly outlined in your contract (which you should have a copy of – ask your landlord if that isn't the case).

The contract is likely to include a cap or limit on your energy use (in kWh or in pounds), and if you exceed that, you will be asked to pay the difference.

If your bills are not included in your rental contract

This is where regular budgeting really comes in, as energy bills will be a recurring expense. You can use the UCAS student budget calculator to see what your monthly utilities costs are likely to be and plan accordingly.

Remember to read your meters as soon as you move in. Make it the first thing you do, before unpacking or doing anything else – you don't want to be paying the previous tenant's bill.

Paying your energy bill by Direct Debit is the most convenient and most common way of doing so (75% of UK household bills are paid this way). It's an automated payment method where you authorise the organisation you want to pay (in this case, your energy provider) to collect money from your account on a specific date. If you pay by Direct Debit, your energy supplier averages your bills throughout the year, so you will be paying for more than you use over the summer, and for less over winter, so that your bills don't change too much between months (provided that nothing significant happens to the energy market causing prices for kWh to rise or fall).

Budgeting for your energy bill

The best way to make sure your part of the energy bill is covered every month is to put money for it aside as soon as you can/as soon as it comes into your account for the month. If needed, this could even be into an easy-access savings account, or a separate 'pot' within your current account if that is an option in your bank. This way there should not be temptation to spend it on something else ahead of time.

Saving money on your energy bill

At the moment (March 2023), switching to a different energy provider won't give you better unit rates. The only way to meaningfully reduce your energy bill is by lowering your usage. Check out our other guides and resources to find tips on how to do so.