Managing Bills in a Shared House

Moving to a student house in the private rented sector can feel like a step into adulthood for many reasons – one of those is that for many this is the first time you need to work out how to tackle the payment and split of various bills (unless you signed a contract with bills included). Water, electricity, gas, broadband – they build up and need to be paid on time and split fairly. But how do you do it?!

Don't panic! We know it can feel very overwhelming, and this is why we have created this guide to managing bills in a shared house, to alleviate some of the stress and show you that the processes are fairly straightforward.

First off – practicalities

There must be a nominated account which your bills come out of, and you need to **agree whose account it will be**. This account must have enough money in it to cover every direct debit when it is due. Does one of your housemates have an account they are not using that could be used for the purposes of bill paying? Or maybe there is someone who likes being organised with their money and account, and would be a reliable one to connect for the bigger bills? Talk this out amongst yourselves!

You could set up a joint account, but be careful – you need to really trust your housemates as this means that everyone would have access to the account and you would be jointly responsible for any potential overdraft debt. Your credit history would also be linked to other account holders – if they are not great on that front, your credit score could take a real hit.

Often students in joint houses agree that different bills will come out of different accounts – e.g. one person pays for water, one for internet, one for energy. If you are the "parent friend", you might prefer to sort all bills out yourself. Regardless of the specific arrangement you decide to go for, make sure that the account the bills are paid from has had the money transferred from all housemates either before the bill is due, or shortly after – **we do not want anyone to be out of pocket!**

Everyone whose name is on each bill is **legally liable to paying it**. If you are not 100% sure whether your housemates are a responsible bunch or not, it is a good idea to put everyone's names on each of the bills – this way you can ensure that you have legal standing in keeping everyone accountable for their fair share. Having your name on utility bills is also useful for building a good credit score, or if you need proof of your residence.

Avoid bill splitting companies

They have hefty fees and their tariffs (i.e. the cost of each electricity or gas unit) can be much more expensive. We have known students whose bills have been significantly more expensive than if they had got their energy directly from an energy supplier. If you do decide to use a bill splitting website, be cautious over their estimated monthly energy costs which can change over the year based on your consumption and result in unexpected monthly outgoings.

It can be a bit stressful to suddenly have to take responsibility for managing all these separate utilities and bills when your rent payment does not include them – but it is a **very useful skill to have** for the future! Sooner or later, you will probably move into a place that you either rent or own which does not have the option of having all bills included in your rent or mortgage, so the sooner you get comfortable sorting these out, the better equipped you will be for life after university. Additionally, paying your bills directly can mean **lower overall spending on home costs** – you will likely avoid overpaying as landlords and agencies generally charge students considerably higher prices than what you would be paying with a direct bill. Bills-included means paying for convenience, not for a good deal.

Your Energy bill

- If your accommodation has a **prepayment meter**, the advice is slightly different. You need to register with the energy company as the new account holder and then you can compare prices to make sure you're on the cheapest prepayment meter tariff.
- You'll need to know how to top up the gas or electric meter key or card (your landlord or agency should be able to advise on this), and then make a plan to top up regularly to avoid running out of energy.
- More information on prepayment meters can be found on USwitch.

For everyone else, **read your meters on the day you move in**, so you don't have to pay for what you did not use.

Find out who your supplier is

- Use Find My Supplier to find out who supplies your gas.
- Contact your local electricity network operator to find out who supplies your electricity.

Once you know who the supplier is, you need to **get in touch with them** to give them the meter readings and to set up an account in your names for the property. You will automatically be put into a 'deemed contract' with them.

After sorting all of that out, **you can change your supplier** if you wish. The energy market is still volatile, so make sure to do your research, and you may have other reasons to want to be with a different supplier – such as choosing greener energy options. To switch, you need to reach out to the new supplier, either online or via phone call – they will do most of the work for you, including telling your old supplier about your decision. When your new supplier gets in touch, **take a meter reading on the day of your switch**, so you don't get charged for energy before the switch and pay double. Finally, you just need to pay your final bill with your old supplier (or get a refund if your account is in credit), and you are all done.

You can also **stay with the same supplier but switch tariff**, e.g. if you would like to be on a green one when that is not the default for your supplier. Most energy suppliers will have a list of energy tariff costs on their website and switching companies can do the comparison for you. You can usually get a quote for a different tariff through the account you already have with your provider.

Being named on the energy bill means that you can **enquire about a smart meter installation** for your home. Smart meters let you know how much energy you are using in near real-time so you can see exactly how much you are spending on energy – and they send your meter readings to your supplier automatically, so you can ensure your bill is always accurate without having to remember to take readings. Even if the bills are not in your name as they are included in your rent, you can talk to your landlord about getting one installed. Find out more about smart meters from Smart Energy GB.

Water bill

As with energy, your property **will already have water in the taps**. **You cannot choose a water/sewerage supplier** – every property in a given area is served by the same company.

Find out who your local water supplier is and get in touch with them to create an account and set up payments.

For properties that do not have water meters, you will not need to take any readings to make sure you are billed correctly (unlike for gas and electricity), as all your water bills will be based on estimates.

For properties that do have meters, especially relevant if you are moving into a relative new build, you should take regular readings.

It should state on your water bill if your property has a water meter, and your water company will be able to tell you where your meter is located if you are unable to find it. You can also request that your water supplier visits your property to take the readings for you if you are unable to locate or access the meter yourself.

Broadband & WiFi

Sometimes, even if your tenancy agreement doesn't include all bills, it will include broadband, as this is easier for landlords to manage long term. So you may not need to worry about this at all – check your contract if you are not sure!

If you do need to set up your broadband yourself, this is the thing to start organising **before you move in**, as it usually takes over a week to get you connected with one of the major providers.

The broadband market is highly competitive, so make sure to **shop around for deals** – there are many online comparison websites available which you can use for free. **Check that your chosen provider covers the area** where your new home is, take into account any additional set-up fees and minimum contract length (if the contract is for 24 months but you only want it for 12, you may need to pay exit fees), and set yourself up online.

There will normally be a working broadband line at the property already, so getting internet access could mean you just need to plug your new router in – but of course you need to have the router already for that, so it is a good idea to either have it delivered to your current address before you move, or arranging delivery in the first couple of days of your tenancy. The broadband supplier may provide a router as part of their package – you can check that before buying one.

Council tax

Full-time college/university students (i.e. those on at least 1-year long courses involving at least 21 hours study per week) are **exempt from paying council tax**. Often student properties are automatically classified as such with the local council and you do not have to do anything at all about council tax in a house of full-time students.

If an issue arises during the year and you get issued a bill, or if you would just prefer to be on the safe side, or if the home you are moving into is not classed as a 'student house', you will need to **apply for an exemption** with your local council. They should have all guidance available on their website, and you can normally apply online. You will need to provide proof of your student status in the form of a student certificate from the university or college you are attending, which you can get from their website. Each student in your home must provide one.

Remember that it is **just full-time students who are exempt** – if you are studying part-time or are on a gap year from your course, you need to pay council tax. If you are the only liable person in the property, you can get a 25% discount on your bill – get in touch with your council to get that sorted.

TV licence

If there's a TV in your property which is used for watching live TV (rather than using it for gaming, DVDs, or on-demand services such as Netflix) or you watch programmes on BBC iPlayer, you need a TV licence to do so legally. Check if you need a licence with TV Licensing's FAQ. You can also pay this bill on the same website.