

1 September 2015

Australians bracing for Winter bill shock this Spring

During Spring, many Australians may be sprung with a nasty surprise – a higher than expected winter energy bill. Increased energy consumption from using heaters, electric blankets and dryers during the colder months means that energy bills for the winter quarter – which usually arrive in early Spring – are often much higher than throughout the rest of the year.

Energy comparison and advice service [iSelect](#) says many customers contact them during spring having experienced 'bill shock' from higher than expected winter bills. In addition, a national Galaxy Research survey commissioned by iSelect in June found that **two-thirds** of respondents said their gas and electricity bills had increased significantly in recent years, with an overwhelming **85 per cent** feeling they currently pay too much for energy¹.

Laura Crowden, spokesperson for iSelect, said gas and electricity bills can vary significantly between winter and the rest of the year depending on how much energy you have been using for heating your home.

The Galaxy survey found that when faced with a higher than expected bill, **10 per cent** of Australians add it to their credit debt, while **13 per cent** will simply pay it late. However only **17 per cent** of Australians are comparing other offers or switching to a different provider.

Laura said customers who receive higher than expected winter energy bills should consider providers and plans that offer better value or more flexible payment options.

"Many providers are now offering customers the ability to pay bills monthly, fortnightly or even weekly. Others are offering what is known as 'bill smoothing' which means providers will estimate your annual energy use and divide it into even monthly installments so you know exactly how much you will need to pay each month, avoiding that dreaded bill shock."

Laura said that while reducing energy use is important, the most effective way to avoid the shock of an unexpectedly high bill is to make sure you are on the best value plan to begin with.

"The bulk of your energy bill is made up of network charges and unfortunately this means that reducing your energy consumption is unlikely to significantly reduce your bill."

Laura recommended customers take the time to understand their current usage patterns and find out how they are currently being charged.

"The best way to save money is to make sure you are on a plan which offers discounted rates and cost effective tariffs suited to your consumption patterns."

Laura said many consumers adopt a 'set-and-forget' mindset when it comes to energy and haven't reviewed their energy contract in years. This means they aren't taking advantage of the variety of discount offers currently available to new customers.

¹ In June 2015 iSelect commissioned a nationally representative consumer research study with Galaxy Research to assess the attitudes of over 1,000 Australians household decision makers towards energy affordability.

"Increasing energy market competition means there are now more providers willing to compete for your business. Many are offering generous introductory rebates and discounts for paying on time or online."

Laura said providers are currently offering up to 35 per cent off for paying on time but customers need to be realistic about their payment habits before signing up for offers like this.

"Pay on time discounts are fantastic if you know you always pay your bill on time but you often forget to pay your bill by the due date then you could end up paying a lot more than you were expecting."

Laura said the range of plans available can deliver greater flexibility but can also be overwhelming.

"There is a huge number of plans out there offering customers a variety of different options such as no-fixed term contracts or peace of mind from guaranteed fixed rates. But it is hard for customers to know which plan is best suited to their long-term needs."

Laura encourages customers to contact an energy comparison expert to discuss their individual needs and find out whether switching to a different plan or provider could save them money or offer greater flexibility.

"Remember to have a copy of your latest bill handy so you can accurately compare prices," said Laura.

iSelect's top tips for finding best energy deal
1. Save money with the right plan – reducing your consumption won't necessarily reduce your bill significantly. The best way to save money is to make sure you are on the best value plan to begin with
2. Flexible payment options – pay your bills weekly, fortnightly or monthly, or sign up for bill smoothing which will divide your annual usage into even monthly installments, avoiding bill shock
3. Be wary of pay on time discounts – paying on time could save you up to 35% but if you often pay your bills late, you could end up paying a lot more than you expected
4. Look out for special offers – increased competition means retailers are offering generous introductory offers or rebates to entice new customers such as credit towards your account
5. No fixed term contracts – these mean you won't be stung with exit fees if you decide to switch to a better offer and are also great for renters who may move more regularly
6. Fixed rates – some providers are offering fixed rate plans which give you the peace of mind of fixing your rates for up to two years with no prices rises guaranteed
7. Shop around – use increased energy competition to your advantage by comparing current offers. Call an energy comparison service like iSelect and make sure you have a copy of your latest bill handy

ENDS

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About iSelect

iSelect is Australia's leading multi-channel comparison service, providing Australian consumers with trusted product comparison and advice on more than 12,500 insurance, energy, personal finance and broadband products from over 85 partner providers. With a household brand that attracts over 7 million unique visitors to its website every year, iSelect now distributes 1 in 5 of all private health insurance policies in Australia. Owing to its digitally enabled and customer-

centric advice model, iSelect continues to grow its market-leading position in health insurance, energy, life insurance and personal finance comparison.