# Energy Prices Drop by 7% in England, Scotland, and Wales Following Ofgem's Price Cap Reduction



Gas and electricity prices have decreased by 7% in England, Scotland, and Wales as of July 1, 2024. This reduction, driven by a lowered Ofgem price cap, has brought the average annual dual-fuel energy bill for households paying by direct debit down by £122, making the new cap £1,568. Households using a typical amount of energy are expected to spend £83 on energy in July, compared to £127 in June.

Ofgem’s price cap, updated quarterly, sets the maximum unit price suppliers can charge for gas and electricity on standard tariffs. For the quarter starting July 1, gas prices are capped at 5.48p per kilowatt-hour (kWh) and electricity at 22.36p per kWh. These changes do not apply to Northern Ireland, which has its own energy market.

Households on standard variable tariffs without smart meters are advised to submit gas and electricity meter readings to their suppliers to ensure accurate billing at the new, lower rates. Failing to submit readings might result in being billed at previous, higher rates based on estimated usage.

Despite this relief, analysts predict a rise in energy prices this October, potentially increasing the average annual bill to £1,723. Fixed tariff deals are recommended by comparison site Uswitch for those seeking price stability, although these come with the risk of not benefiting from any further price drops.

Additionally, prepayment meter customers, who typically have faced higher charges, are now seeing a slight decrease, with a new cap of £1,522. Standing charges, a fixed cost component of energy bills, remain unchanged, drawing criticism for disproportionately affecting low-energy users.

For those struggling with energy bills, financial assistance is available through various government schemes and supplier hardship grants. The energy support scheme for businesses ended in March 2024, but households can still access aid through the Warm Home Discount scheme and the extended Household Support Fund.