

ENERGY SWITCHING

THE FACTS FOR LANDLORDS



This handy factsheet explains to landlords what happens when tenants switch their energy supplier.

NOTHING CHANGES IF RENTERS SWITCH PROVIDER

Don't worry. If your tenant switches, nothing changes. It's the same gas, electricity, meter, pipes and safety. All that changes is the price they pay and the customer service. The exception is switching from a prepay meter to a normal meter – read more about that below.

TENANTS CAN SWITCH IF THEY PAY THE SUPPLIER DIRECTLY

Under energy regulator Ofgem's rules, tenants who pay the supplier directly have a right to switch. Even if there's a default supplier clause in the tenancy agreement (a tie-in with a particular supplier), the rules state the tenant can still switch. If this applies to you, and your tenant wants to switch, you should think carefully about it – the rules say tenants shouldn't be "unreasonably" prevented from switching.

If a tenant pays you for energy (eg, as part of the rent), they've no automatic right to switch.

TENANTS ON PREPAID METERS CAN SWITCH TOO

As long as they pay the supplier directly, tenants using prepay meters have a right to switch. If they move to a cheaper prepay tariff, it shouldn't be a problem for you. Again, it's the same gas, electricity, pipes and safety; it just means your tenants get cheaper bills and a new supplier.

However, if your tenant wants to change a prepay meter to a normal billed meter, your written permission is needed, as this changes the physical environment.

⚡ IT'S THE TENANT THAT'S FIXED, NOT THE PROPERTY

A fixed tariff locks in energy prices for a set time. With a variable tariff, prices can rise. If your tenant has a fixed deal, this shouldn't be a problem for you. Every big six energy supplier has confirmed the following applies to tenants on fixes:

- The property's NOT stuck on a fix. If your tenants move out, they can take the fixed deal with them (this doesn't apply to Scottish Power).
- When your tenants move out, the property moves onto a standard price tariff with the same supplier, whether or not they've taken the fix with them.
- If they can't or don't take the fix with them, they pay any final bill. So don't worry, you won't have to pay exit penalty fees if the tenant cancels. The tenant pays them.

🔥 TENANTS HAVE TO SETTLE FINAL BILLS

If your tenant pays the supplier for energy, they settle final bills when they move, not you. If they pay you for energy, you collect any final amount owed.

When your tenants move out, they give notice to leave, settle the final outstanding amount, then the property moves onto a standard deal.

Your new tenants are then free to switch provider or tariff as normal.

⚡ HOW TO FIND THE CHEAPEST DEAL

If you're switching energy for yourself or your tenants, our MSE Cheap Energy Club at www.moneysavingexpert.com/energyclub finds the cheapest deal for you and gives cashback if you switch. Uniquely, it then monitors your tariff to ensure you know when to move again.