

Energy bills expected to hit £4,200 in January, according to dire new forecast

Energy bills are expected to rise even further this winter than previously forecast, according to the latest from energy consultancy Cornwall Insight.

Bills are now expected to reach approximately £3,582 a year for the average household from October – up from the [£3,359 predicted earlier this month](#). That compares to the price cap last October of £1,277.

From January, the amount is expected to hit £4,266 before continuing to rise in April to £4,427 – the previous forecast was for £3,729 in April.

This October's price cap will be announced by energy regulator Ofgem on 26 August.

Cornwall insight said it had increased its forecast due to the continuing rise in wholesale prices and an expected change in how the energy price cap is calculated.

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Dr Craig Lowrey, principal consultant at Cornwall Insight, described the increase of more than £650 in the January prediction as a “fresh shock”.

“The cost of living crisis was already top of the news agenda as more and more people face fuel poverty, this will only compound the concerns.”

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He said the change in how the price cap is calculated was necessary to prevent suppliers going bust, but added: "Rather than critiquing the methodology of the cap, it may be time to consider the cap's place altogether.

"After all, if it is not controlling consumer prices, and is

damaging suppliers' business models, we must wonder if it is fit for purpose – especially in these times of unprecedented energy market conditions.

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“It is essential that the government use our predictions to spur on a review of the support package being offered to consumers.

“If the £400 was not enough to make a dent in the impact of our previous forecast, it most certainly is not enough now.”

He added: “Right now, the current price cap is not working for consumers, suppliers, or the economy.”

Justina Miltienyte, head of policy at Uswitch.com, said: “Every week brings more bad news about how high the price cap is likely to soar, and these latest suggestions must stir the government to act now before it's too late.

“The energy bill support needs to be urgently reviewed.

“The new predictions will leave a lot of people worried about how they are going to afford their bills this winter and beyond, based on the sky-high predictions through to next October. Households desperately need to know that sufficient

financial support will be provided.

“If you are behind on your bill payments, or your energy account is going into debt, speak to your provider as soon as possible.

“They should be able to help you find a solution, such as working out a more affordable payment plan. You may also find you are eligible for additional support such as hardship funds and other energy help schemes.”