

Energy bills to fall by more than £100 – but predictions say they will rise again

The average annual energy bill will be £506 cheaper than a year ago from July, the sector's regulator has announced.

The [energy price cap](#) – which limits what can be charged per unit of energy – is due to fall from the month after next.

It means the average annual bill will be £1,568 a year, 7% less than at present.

But while the July figure is a reduction, bills are still more expensive than before.

Before the energy price shock, caused primarily by Russia's invasion of Ukraine in February 2022, a standard 12-monthly bill was £1,084.

[Money latest: Energy bills fall – but predictions say they will rise again](#)

So compared with three years ago, energy is costing homes an extra £484.

During the current period from 1 April to 30 June, the energy price cap is [set at £1,690 per year](#) for a typical bill.

Energy regulator Ofgem sets the cap four times a year, with the latest announcement applying from July to September.

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The overall rate of [inflation came down](#) in April – in large part thanks to the current higher cap which came into effect that month and brought prices down for energy users, according to the Office for National Statistics.

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Price cap model faces review

However, many households are in debt to energy providers.

“The fall in the energy price cap reduces bills slightly, but our data tells us millions have fallen into the red or are unable to cover their essential costs every month,” said Dame Clare Moriarty, the chief executive of Citizens Advice.

“People cannot rely on lower energy prices alone to escape the financial issues they’ve been experiencing. That’s why we need better targeted energy bill support for those really struggling to keep the lights on or cook a hot meal.”

More expense to come

Latest forecasts suggest bills will increase again coming into

winter as wholesale gas costs are on the rise.

Respected research firm Cornwall Insight said it expects the fall announced today “may be temporary”.

It predicts a typical bill will increase to £1,762 from October and remain around this level until the end of March.

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