

# power direct

## energy for business

### The Five Cs of Bill Checking

YouGov research found that 60% of people find their energy bills confusing. Indeed, energy suppliers were rated the worst offenders of confusing bills, beating water companies, mortgage lenders, councils and phone providers.<sup>1</sup>

So, how do you know if your bill is right?

Use our handy checklist to get into the habit of reviewing your bills, so you'll know what to look for if something goes wrong.

# 1

#### Contract

It is relatively common for suppliers to apply the wrong rates to bills and you might be surprised at just how many times we uncover this issue. Sometimes, we discover rates have changed mid-billing period as a result of a contract change and it means rates are incorrectly applied across both periods. In addition, discounts for having direct debits can often be omitted.

# 2

#### Continuity

This is about simply checking that the bill continues correctly from the previous bill. You can easily check that the opening read is the same as the closing read from the previous bill, or that the opening balance reflects the information provided about payment since the last bill was produced. This is especially important when you are transferring from one supplier to another.

# 3

#### Consumption

The most common errors we come across relate to consumption information. Whilst you would think that SMART meters or automated meter reading (AMR) devices should have minimised this, it is not always the case. On several occasions over the last twelve months clients have been billed to estimated reads, despite having an AMR device or SMART meter fitted. Equally, we see many occasions on which meter reads are transposed across the time periods, with day being billed as night, and night as day, or, worse, evening and weekends as day units. Since the P272 regulations came into force, more businesses have moved to half-hourly metered. Half-hourly settled meters do tend to provide the most accurate billing information, but they present other issues around the non-energy costs. Many of these will be newly applied to the meter and are included in your energy costs, but are sometimes wrong. These tend to be the most difficult to check. It usually requires a strong knowledge of the contract that has been signed and the level of flexibility that can therefore be applied, as well as the relationship to the consumption information.

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# 4

## Cost

Here you are checking that the actual costs have been correctly attributed and that payment plans have been actioned.

A very common issue we encounter is when direct debit payments have not been applied. It is a simple issue to fix, but in the period before it is spotted, clients can find themselves facing late payment charges, and mounting bills.

And we regularly find errors surrounding the VAT that is charged. Residential care homes are eligible for 5% VAT, but we have supported claims for many clients who have been charged at 20% VAT over a number of years. Sometimes the numbers just don't add up!

# 5

## Calculations

The calculations that are used to derive the figures on your bill are sometimes complex. Since they are mostly computer programmed and will only reflect the information that has been put into the system, you would expect them to be accurate. However, we do come across cases where the calculations are incorrect. Experienced energy consultants will quickly spot where an equation for gas or electricity consumption has been miscalculated.

And sometimes, the simplest of errors can have a significant impact on your bill. Gas meters that are showing as imperial meters on your bill when they are metric will create a bill for nearly three times the amount of energy cost you should be charged!



## How can an energy procurement service add value?

In addition, to the above, there are so many more ways in which an energy bill can be wrong that it is worth reviewing them on a routine basis. For example, a typical error we encounter is when a client's kVA capacity is set at the wrong value. Legislation means that businesses exceeding their capacity can now be penalised by a cost up to three times more than their standard rate. However, when the kVA is set too high for the business's consumption, the rate they pay will be considerably higher than it should be.



Our invoice validation service is a checking and confirmation service focused on identifying any possible discrepancies in energy bills. From ensuring the numbers are based on accurate usage data, to guaranteeing the correct VAT rates are being applied; we deliver £1000s in savings each year to our clients. We are quickly able to right any mistakes, chase any money owed and then have it returned to our clients.

## What our customers say about our invoice validation service

"I am delighted by the value that Power Direct continue to deliver to me. They are tireless in their efforts to ensure bills are correct, which means I can concentrate on the key aspects of running my home, and supporting staff in delivering the best care to our residents."

**Mohammad Sharif - Owner, Orchard Views Care Home**

1. [http://cdn.yougov.com/today\\_uk\\_import/yg-archives-con-uswitch-billingenergy-080411.pdf](http://cdn.yougov.com/today_uk_import/yg-archives-con-uswitch-billingenergy-080411.pdf)

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