

# Outstanding bills

Cut your household spending by nearly £2,000 a year with our top bill-busting tips

**H**ikes in energy prices, mortgage rates and food prices are hitting family budgets. But don't despair – there are plenty of areas where you can save money and ease the strain on your finances.

## Utilities

■ **WATER** Find out whether having a water meter installed could save you money. Water regulator Ofwat says that, generally speaking, single occupiers are most likely to benefit from having a water meter, while large families may be worse off. Check for yourself by using the Consumer Council for Water's (CCW) online calculator at [www.ccwater.org.uk](http://www.ccwater.org.uk), or ask your supplier to help you work out how a meter could affect your charges.

If you already have a meter, you can save money by fixing dripping taps, installing a water-saving device in toilets and taking showers rather than baths. According to the CCW, you save around £25 a year by reducing water waste by 10%.

**SAVING** A single person living in a property with an average rateable value could save around £100 a year by having a meter installed, according to the Consumer Council for Water.

### Lucy Temple

switched to a water meter in 2006 on her mother's suggestion. Her water bills have nearly halved, from £35 a month to £18.



■ **GAS AND ELECTRICITY** If you haven't already done so, use our free service, Switch with Which?, to see if you can save money by switching to a different provider. Phone 0800 533031 or see [www.switchwithwhich.co.uk](http://www.switchwithwhich.co.uk).



You get extra discounts if you pay by direct debit, go for a dual-fuel deal (where you take gas and electricity with the same provider) or opt for an online tariff (where you manage your account online).

According to figures from Switch with Which?, an average dual-fuel user could save around £162 by choosing an online direct debit tariff.

There are grants and offers available to help with energy-saving measures. Go to [www.energysavingtrust.org.uk](http://www.energysavingtrust.org.uk) to find out what schemes are available in your area and how to qualify. You can also do a home energy check on the website, or by calling 0800 512012.

**SAVING** People using the Switch with Which? site have saved an average of £233 a year on their energy bills.

### Ron Atkinson

switched his gas and electricity supplier for the first time last year. He used several comparison websites, then switched from Scottish Power to Atlantic. The move saved him £29 a month, and Ron says he would consider switching again in the future.



## Keeping in touch

■ **HOME PHONE AND INTERNET** If you want broadband as well as

a landline, it's usually cheaper to get them from the same supplier than to buy the services separately. The downside is that our surveys show that overall satisfaction isn't as high with these bundles as it is with the best-performing individual services. See [www.which.co.uk/reviews-ns/phone-bundles](http://www.which.co.uk/reviews-ns/phone-bundles) for more.

**SAVING** If you switched from a BT landline with anytime calls (£15.45) and BT's Total Broadband Option 1 (£15.99, excluding initial promotion period) to a Tiscali Anytime Talk landline and broadband bundle you'd save more than £11 a month – £132 a year.

**MONEY  
SAVED  
£132**

### Bill Barber

switched his phone from BT to TalkTalk a year ago, then six months ago upgraded his deal to include broadband. He was paying between £52 and £57 a month for his phone and dial-up (from AOL) but now pays between £20 and £30 – a saving of at least £264 a year.



Find out if you could save money by having a water meter installed

■ **MOBILE PHONES** If you usually spend more than £20 a month on your calls, you are better off with a contract rather than a pay-as-you-go deal. A good-value alternative is Sim-only. This works like a contract, but you don't get a handset included in the deal and you're tied in for only a month at a time. The monthly fees are lower for the equivalent number of minutes/texts than with a contract.

**SAVING** If you're happy with your handset, consider a Sim-only deal. Research for the May issue of *Which?* showed you can save up to £15 a month – that's £180 a year – on equivalent contract deals.

**MONEY  
SAVED  
£180**

## Mortgage

If you're paying your lender's standard variable rate (SVR), you can save money by switching to a new deal. And if you're coming to the end of a deal (such as a fixed or discounted rate), you should also look to switch – mortgage rates have been increasing, so you may end up paying more than you were before, but this will still be cheaper than moving on to the SVR at the end of your current deal.

**SAVING** Someone switching from a standard variable rate of 7% on a £125,000 repayment mortgage over 20 years could save more than £2,000 over five years – an average of £400 per year – by switching to a five-year fixed-rate mortgage at 6.29%.

## Insurance

■ **CAR INSURANCE** The key to getting a good deal on your car insurance is to shop around each year, as insurers often hike up prices. And don't be afraid to play one insurer off against another to see whether they can match or beat your renewal quote. Try to pay your annual premium in one go, as you'll usually be charged interest – up to 29% in some cases – if you pay monthly. Go to [www.which.co.uk/carinsurance](http://www.which.co.uk/carinsurance) for other tips.

**SAVING** According to our latest Best Buy analysis from April this year, a 56-year-old living in a high-risk area driving a Ford Focus 1.6 Zetec would save more than £550 by choosing a policy from Best Buy Age Concern rather than the worst buy.

### Heinz

#### Grunewald

saved £130 by shopping around for car insurance. 'Last year my Honda Accord was insured with Saga for £426.79 with a protected no claims bonus (NCB). My renewal quote was £507. The adviser admitted that a claim I had made during the year had influenced the renewal premium, despite my protected NCB. I searched around for a better deal and switched to the AA for £377.'



Don't be afraid to play one insurer off against another



**MONEY  
SAVED  
£400**

**MONEY  
SAVED  
£68**

■ **TRAVEL INSURANCE** Travel insurance is an essential part of your foreign holiday budget, but you can save a packet by using a Which? Best Buy.

An annual worldwide policy bought over the phone for a 64-year-old, for example, costs nearly seven times more if you choose the most expensive policy instead of a Best Buy. Generally, you'll get a better deal if you buy online and, if you travel more than two or three times a year, it's cheaper to get an annual policy.

**SAVING** A Best Buy online annual worldwide policy for adults up to age 64 costs £41 from FamilyCare, but £109 from Europ Assistance – a saving of £68.

■ **BUILDINGS AND CONTENTS INSURANCE** As with car insurance, shopping around regularly is the best way to avoid paying more than you have to. Other ways of saving are to go for the highest excess you can afford; to arrange contents and buildings insurance together; to check that you're insured for the right amount; and to avoid paying in

monthly instalments, as some companies charge for this.

**SAVING** You can save a bundle by switching to a Best Buy buildings insurance policy. For example, a 40-year-old living in a low-risk area insuring a house built in 1982, with five years no claims discount, could save £215 by choosing a policy from the Post Office rather than LloydsTSB, according to our most recent house insurance analysis.

### Ken Gower

switched his contents and buildings insurance last year from Zurich to Saga, cutting his bill from £787 to £342. 'I stuck with Zurich for nearly 25 years because I had made a small subsidence claim and my broker recommended staying with them,' Ken told us. 'But rising premiums prompted me to look around for a better deal.'



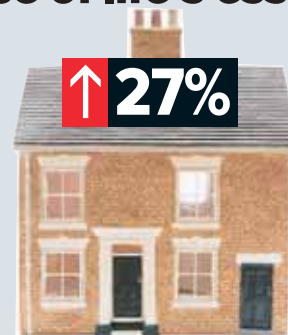
**MONEY  
SAVED  
£215**

**MONEY  
SAVED  
£550**

## The rise and rise of life's essentials

These figures from the retail price index show just how much prices have risen from May 2006 to May 2008

Source: Office of National Statistics



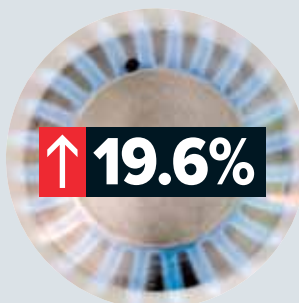
↑ **27%**

**Mortgage interest**



↑ **21%**

**Electricity**



↑ **19.6%**

**Gas**



↑ **16.5%**

**Petrol and oil**



↑ **11.3%**

**Food & catering**