

Energy bills coming down thanks to government action, as Prime Minister vows to bear down on cost of living

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Households across Britain will benefit from cheaper energy bills this spring, thanks to actions taken by the government - putting money in working people's pockets in a major step forward in tackling the cost of living.

- Energy bills set to fall from April, as Ofgem confirms 7% or £117 decrease to the price cap
- Government delivers lower bills thanks to removal of an average £150 of costs off bills, funded by asking the wealthy to pay their fair share at the most recent Budget
- Reduction marks another milestone in the government's delivery on the cost of living - with interest rates and inflation also falling
- Prime Minister welcomes reduction but vows that government is determined to keep acting to end the era of high bills for good

Households across Britain will benefit from cheaper energy bills this spring, thanks to actions taken by the government - putting money in working people's pockets in a major step forward in tackling the cost of living.

Ofgem has confirmed the price cap will fall by 7% from 1 April, driven by the government's action to remove an average of £150 of costs off bills.

This intervention at the Budget - including scrapping the Energy Company Obligation scheme, which was no longer fit for purpose - was only possible due to the choices made to ask the wealthy to pay their fair share, in order to tackle the cost of living for ordinary families.

After energy bills rocketed under the previous government, average energy bills were lower in 2025 than 2024 in real terms - and now will be even lower in the second quarter of 2026.

The independent Resolution Foundation also predicts that the typical energy bill across 2026 will be around £200 lower in real terms than in 2024, subject to factors including wholesale price movements - a sign that working people have seen real bill savings since July 2024.

This marks another major milestone in the government's mission to cut the cost of living for the British people. On top of the Budget's removal of an average £150 of costs off bills, this winter around six million households will have received the £150 Warm Home Discount, following its expansion last year to all eligible households on means-tested benefits.

Government action has also seen the national minimum and living wage increased, free breakfast clubs rolled out, and prescription fees and rail fares frozen - the latter for the first time in 30 years. Inflation has now fallen to a near-year low, following choices made at the Budget.

Prime Minister, Keir Starmer, said:

Energy bills are at the front of everybody's mind, and I know they've been too high for

too long.

I promised to bring bills down and I meant it. And today – because of the actions this government took at the last Budget – the price cap on energy bills has come down by £117.

That means lower energy bills for millions across the country. But I know there is more to do – and my government is pulling every lever to bear down on the cost of living and protect the pound in the pockets of working people.

The Chancellor of the Exchequer Rachel Reeves said:

Cutting the cost of living is this government's number one priority and I know energy bills are one of the biggest concerns, that's why at the Budget I said we would bear down on energy bills.

We are cutting the cost of living, cutting the national debt and creating the conditions for growth and investment in every part of the country. It is the right economic plan to build a stronger and more secure economy.

Energy Secretary Ed Miliband said:

This government is keeping our promise to bring down bills for good because we understand that the affordability crisis is the number one issue for people – and we are determined to act.

Today's fall in bills is only happening because the government acted in the Budget, asking some of the wealthiest in our society to pay their fair share, so we could help fund this bill reduction.

We are determined to go further and end the era of high bills for good, with our clean energy mission to get off the fossil fuel rollercoaster, and by delivering our Warm Homes Plan, the biggest home upgrade scheme in British history.

The change to the energy price cap announced this morning will see bills fall by £117 per year from April for a 'typical' household on a default tariff, as defined by Ofgem – roughly equal to a £10 reduction in monthly bills.

The action the government has taken will particularly benefit households who use more electricity, many of whom are on lower incomes. It will also support those on fixed tariffs, with suppliers confirming they will be passing on the savings to customers who have chosen to fix their rates off the price cap.

In the coming weeks, ministers will also hold a roundtable with all major suppliers to discuss how these savings will be passed on – ensuring all eligible households on domestic contracts are

supported.

The government is taking the long-term action needed to bring bills down for good. Energy bills remain higher than before Russia's invasion of Ukraine, with wholesale gas costs for consumers still 40% higher than their historic levels.

That is what drives the government's mission to make Britain a clean energy superpower, the only way to bring down bills for good – with a record number of renewable projects secured since July 2024, and record investment in new nuclear in a generation to get Britain off the fossil fuel rollercoaster.

The government has also begun to deliver the biggest home upgrade scheme in British history, with £15 billion of investment set to roll out upgrades to up to 5 million homes and lift up to a million households out of fuel poverty by 2030. This plan targets help at low-income families, alongside a universal offer, to ensure that working families can feel the benefits of products that can cut their bills.

Other factors in the price cap reflect investment to strengthen and modernise the electricity network, to power the economy and keep Britain's lights on – reversing decades of neglect and underinvestment in the grid.

Grid investments were planned but not delivered under the previous government, and will protect billpayers in the decades to come. For example, constraint costs would be £5 billion higher if network reinforcements expected by 2030 were not delivered.

Notes to editors:

- The £150 is an average figure across all households, covering those on the price cap, those on other tariffs, and non-dual fuel households including those who use electric heating.
- The savings individual households can expect to make will depend on their energy usage, with more savings for those who use more electricity.
- The typical dual-fuel household as defined by Ofgem in their price cap calculations uses less electricity than the average across all households.
- Households can find out what this means for their type of tariff by visiting gov.uk [https://www.gov.uk/government/news/your-energy-bill-from-april-whats-changing].
- The price cap is the maximum amount energy suppliers can charge consumers on default tariffs for each unit of energy and standing charge. The figure of £1,641 is specifically relevant to those who pay by direct debit. Further detail for standard credit and prepayment meter customers will be set out on Ofgem's website.
- The Resolution Foundation's analysis can be found here, stating on page 1 that across 2026 as a whole, the typical energy bill is now expected to be around £1,645, more than £200 lower, in real terms, than in 2024.
- The Warm Homes Plan can be found here: Warm Homes Plan - GOV.UK

<https://www.gov.uk/government/news/energy-bills-coming-down-thanks-to-government-action-as-prime-minister-vows-to-bear-down-on-cost-of-living>