

You've probably heard that the Energy Price Cap (EPC) is due to rise by another 3.6% on the 1st of October, following a punishing 12.6% rise at the start of July. But did you know that Money Saving Expert (MSE) currently predicts a rise of another 22.9% in January?

The EPC determines how much you can be charged per unit of energy you use, and what the Standing Charge that everyone pays for their connection is. If it rises, your whole energy bill rises. That means that, if MSE's predictions are correct, and if you're on a variable energy tariff, for every £100 you were paying in July you'll be paying £127.30 in January. For a lot of families, that won't be sustainable without serious help.

How does MSE know this?

Several British energy companies - [EDF](#), [E.On Next](#) and [British Gas](#) - release regular predictions of how the Energy Price Cap will rise in future months. Money-Saving Expert calculates its EPC prediction by triangulating between these, though it doesn't say exactly how on its website. It acknowledges that these predictions are often unreliable, because they're based on global events and markets that can change unpredictably. Additionally, the energy companies update their predictions at different times, so MSE's aggregation of the predictions won't always be up-to-date with their latest.

That said, when a particular prediction stays stable for a long time, it's worth paying attention to. It's essentially the energy industry's best guess at what the EPC will be. Currently, MSE's prediction has been in the mid-20s for several weeks.

Why is this happening?

Global energy markets have been more fragile since the beginning of the war in Ukraine, which caused British energy bills to rise dramatically (see below). When the Iran war began and the Strait of Hormuz was closed, markets initially remained confident that a peace deal or a US victory would lead to the opening of the Strait and a return to normal gas flows. This meant that there was less initial volatility than when Russia invaded Ukraine. However, as the conflict has continued, national fossil fuel reserves have been depleted and efforts to restructure supply chains have come under attack. Many [refineries](#) have been running full-tilt without maintenance, which increases the risk of mechanical issues disrupting supply. Basically, the global energy economy had a buffer against disaster, and now that buffer has been largely depleted.

How does this compare to 2022?

After the Russian invasion of Ukraine, the Energy Price Cap rose 53% in April 2022, and would have risen another 80% in October if the government had not intervened, introducing an Energy Price Guarantee that limited the October rise to 27%. The House of Commons briefing ['Gas and electricity prices during the 'energy crisis' and beyond'](#) notes that

'Under the July to September 2026 direct debit price cap the average annual bill for typical gas and electricity consumption is £1,663. This is well below the peak level of £2,106 under the Energy Price Guarantee from October 2022 to June 2023, but still 18% higher than its recent low in July to September 2024.'

If the current EPC predictions are accurate, bills will rise to £2,117 a year in January, but only for one quarter before falling below 2022 levels. Additionally, when adjusted for inflation the £2,106 annual bill average from October 2022-June 2023 is equivalent to £2,481.76 today. Current predictions don't suggest that we'll approach these prices.

That doesn't mean the situation will be less bad, however. The 2022-3 energy affordability crisis left many people in precarious financial situations from which they have never recovered. Citizens Advice [sees](#) 70% more people who are behind on their energy bills than in 2022, with an average total debt 63% higher amongst all our clients. Support services like food banks are [also under increasing strain](#). For many of those people, this could push them deeper into poverty and debt.

What might get better or worse?

Money-Saving Expert predicted reductions in the Energy Price Cap from October earlier this year, which haven't happened. This is because the Middle East crisis has gone on longer and grown more than most analysts expected, and the war in Ukraine has seen a number of attacks on energy infrastructure that are also driving up oil prices on the global market. This could easily continue, pushing a recovery back further. On the other hand, if a peace deal is reached soon or Iran can no longer continue fighting after the US mid-terms, [as Donald Trump has suggested](#), then we might see a faster recovery.

More generally, global energy markets are less resilient than they were, both due to the long-term strain of these wars and the escalating impacts of [climate change](#). That means that the impacts of short-term crises will be affecting a more fragile economy.

Will bills come back down?

Money Saving Expert currently predicts that bills will fall 2.2% in April 2027 and 9.8% in July 2027. However, that still won't wipe out the effects of the predicted January price rise - if these predictions are accurate, bills will be 10.9% above what they'll be as of October 2026. Those further-off predictions are more unreliable, of course, but experts on the energy industry are saying that with uncertainty about global energy markets increasingly normal, we should expect a long-term increase in prices. To quote Reuters analyst Andrew Mills, writing on the oil industry,

'There's a difference between risk — things you can price, like ordinary swings in oil prices — and true uncertainty, where nobody can calculate the odds because nobody can even define the variables. Will the Strait of Hormuz fully reopen? Nobody knows. ... uncertainty itself has become a fundamental in the oil market. Fear is being priced in — as a premium quietly built into everything from grocery costs to hiring decisions to government budgets.'

What can I do?

In the immediate term, you can fix your energy tariffs. Money Saving Expert's [page](#) lists a number of fixed tariffs that provide particularly good value for money, but any fixed rate will protect you from high price rises in the immediate future as the EPC rises. It currently looks unlikely that the EPC will fall below the current rate, although if it does it's worth bearing in mind that you could end up worse off by fixing.

National Citizens Advice also [recommends](#) that people take action to improve the energy-efficiency of their homes, such as blocking draughts or turning down boiler temperatures; and consider switching to a direct debit payment plan and building up credit on their meter to reduce the impacts of a winter in which bills will be expensive.

What can politicians do?

Politicians need to recognise that we're facing a situation with the potential to be worse, in terms of its social impacts, than the 2022-3 energy crisis, due to the greater strain on bill-payers at its outset. That means setting out immediate financial support in the October budget.

The Trades Union Congress has [called](#) for the introduction of social tariffs, with permanent stepped reductions to the bills of low and below-median income households and an 'emergency ratchet' for energy crises which would also effect middle and some higher-income households. The UK energy industry association Energy UK has made the [point](#) that increasing exploitation of North Sea gas reserves 'will not have a direct or material impact on energy prices', because it will be sold at a price dictated by global markets. It has called for the government to introduce 'an enduring social discount regime, offering better targeted support in future years, properly tackling fuel poverty, and reducing the need for emergency initiatives whenever prices spike. ... The objective should be a scheme that makes a meaningful contribution towards reducing fuel poverty by directing support to households facing the greatest affordability pressures, while being capable of adapting to changing energy prices.' They have likewise emphasized the importance of electrification and green energy for UK energy security.

A group of energy researchers and fuel poverty experts writing for the Centre of Energy Poverty at Strathclyde have called for an approach 'Combin[ing] immediate support with structural change' to cut bills in the short term 'through measures such as the Warm Home Discount, debt relief, or better-targeted support, while longer-term retrofit and heating upgrades bring bills down permanently.' [They also emphasize market reforms and the importance of local energy sovereignty under devolved governments.](#)

Ultimately, though, this is an issue where the locus of control lies outside of Britain. A conflict begun by Russia, and another begun by the USA and Israel, are destabilizing national economies around the world, not to mention their immense human cost. To produce a long-term positive impact, the UK government needs to consider what contributions it can make to bringing these wars to a just and peaceful conclusion, and how it can avoid contributing to further disastrous conflicts into the future.