

Four big gas and electricity scams to avoid this winter

Four energy tricks you should watch out for this winter ...

If it looks too good to be true, it usually is.

An especially valid mantra if the 'it' in question involves saving cash on your gas and electricity bill. However, hordes of us fall for energy scams every year. Even worse, one of the newest tricks doing the rounds could cost you a lot more than just your hard-earned pennies.

So here's a look at how to avoid this new scam, as well as other 'classics'.

1. Bogus energy-saving gadgets

It emerged last week that telephone fraudsters have been targeting elderly people by offering them bogus and potentially hazardous energy-saving devices.

The scammers say they are from either the victim's energy supplier or a partner and claim the £99 plug-in gadgets can slash 40% from utility bills. However, in reality the devices deliver no practical savings and could result in fire or even electrocution.

The Trading Standards Institute (TSI) is currently dealing with over 200 complaints about these fake goods.

Thus far, four fraudulent suppliers have been identified: 1 Stop Marketing Solutions, ITC Development Corp, Power Saver and Athico Ltd. However the TSI has said that there could be further bogus companies. Some trading names could also be similar to genuine companies. For example, the Kent based Power-Saver Ltd is not involved in the fraud.

The TIC is advising anybody who has responded to a bogus energy-saving cold call to contact Action Fraud on 0300 123 2040 or www.actionfraud.org.uk or get in touch with Consumer Direct on 0845 4040506. They should also contact their bank to cancel any direct debits and, if a device has been received, dispose of it carefully.

The plugs involved in the scam have a model number SD 001, useful load ratings of 15000 and 19000 watts and are manufactured by MacroPlus, B1208 City Square, Shenzhen, Guangdong, China.

2. Free energy scam sites

While issuing a warning about this new threat, the TIC also advised consumers to be very cautious and critical when handing out personal or financial information, especially if they are targeted by a cold caller.

And indeed, rising gas and electricity rates have encouraged energy scammers to step up their game in an attempt to capitalise on the public's desire to cut their bills. The bogus plug-in gadget is just the latest incarnation of this classic fraud, employed through cold calls.

However, the preferred platform of the modern energy scammer is the web. Yes, the internet is adorned with thousands, if not millions of sites offering devices, techniques and methods to get hold of free energy or drastically cut your usage.

There are some tell-tale signs that can help you pick out a fraudulent site:

Be critical: obviously a degree of sense is needed when looking into energy-saving websites. Take the plug-gadget in question. Why would a device that can trim your energy bill by 40% be retailing for just £99?

You should also be critical of any tiny, relatively unknown sites that seem to offer mass-market and in-demand products.

Ask yourself why this 'company' is still so small and obscure if the deal they're offering is such good value.

Do your research: Check the reputation of the company. Speak to one of the consumer groups I listed above, get onto relevant forums and find out about the experiences of people. You should also check that the company has an actual telephone number and address before parting with any cash.

The webpage: If the retailer's webpage is long, winding and poorly made, and if the copy is badly spelt with sketchy grammar you should be very suspicious.

3. Door-to-door sales

Most energy providers have now stopped all door-to-door sales. In fact, E.ON is the only member of the 'big six' group of utilities providers to persist with doorstep flogging. The move away from this form of sale comes on the back of mounting pressure from consumer groups such as Which? and Consumer Focus.

Back in May, Scottish and Southern Energy became the first major energy firm from the big six to be prosecuted for using dishonest sales techniques. This conviction related to the script used by doorstep salespeople, which overstated the potential savings available to switchers and forced a sale by putting consumers on the back foot. If you're accosted by a slick doorstep salesperson, make sure you have your exact energy plan figures to hand in order to correct any overzealous savings that may be pushed your way.

Alternatively, just ignore door-to-door salespeople altogether and head over to our energy price comparison centre to get a full picture of current tariffs.

4. False free gifts

A further dodgy sales technique employed by energy companies, the bogus free gift is designed to make you think you're getting something for nothing. The aim is to tempt you into a tariff with the offer of a freebie, often an energy monitor, cashback or set of vouchers.

However, the sting is that the deal is only available on the priciest tariffs.

This means that the extra cash you'll pay for your energy will more than outweigh the free gift savings.