

NEWS | ENERGY

UK scraps gas standing charges ahead of Healey's first Budget

On Budget morning, Chancellor John Healey said standing charges on household gas bills will be scrapped. A fuel duty freeze and a tax rise for banks are expected in the speech itself.

By **Manasee Kurlekar** | October 28, 2026



John Healey started his first Budget day by scrapping something Britons have long hated: the gas standing charge.

The fixed costs will move into the per-unit gas price instead, and the government estimates about 60% of households will save an average of £45 a year. Ofgem is expected to bring in the change in 2027 or soon after.

Energy support for households, possibly worth over £1bn, is also expected. Reports say January's planned fuel duty rise will be cancelled, keeping the rate at 52p per litre for a 16th year.

The OBR publishes its economic and fiscal outlook alongside the Budget. and the government says about 60% of households will save around £45 a year. The catch is that Ofgem won't bring the change in until 2027 at the earliest.

More is expected in the speech itself: a fuel duty freeze, possibly over £1 billion in energy bill support, and a higher tax on banks. The message is relief for households now, with the banks paying part of the bill.

Read online: <https://worldbusinesswatch.com/news/16/332/uk-scraps-gas-standing-charges-ahead-of-healeys-first-budget.html>

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