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## **24% INCREASE IN PROFITS ‘COLD COMFORT’ FOR BRITISH GAS CUSTOMERS**

- **British Gas Residential reports 24% increase in year-on-year profits – operating profits up from £598 million to £742 million – it added 267,000 residential energy customer accounts to its books last year<sup>[1]</sup>**
- **The company says that *“average gas consumption increased by 11% and average electricity consumption increased by 2%, reflecting the exceptionally cold weather at the beginning and end of the year”<sup>[1]</sup>***
- **British Gas hiked its prices in December by 7% or £44 for gas and 5.8% or £24 for electricity, pushing its average annual household bill up from £1,030 to £1,097<sup>[2]</sup>**
- **2009/2010 British Gas cut its prices three times, shaving 12.4% or £146 in total off customers’ bills<sup>[2]</sup>**
- **Average annual household bill for a dual fuel British Gas customer is now £1,097 - £276 or 34% higher than its average bill of £821 on the 1<sup>st</sup> January 2008 but still £79 cheaper than its average bill of £1,176 in January 2009<sup>[2]</sup>.**

**Ann Robinson, Director of Consumer Policy at [uSwitch.com](http://uSwitch.com), says:** “Soaring profits will be cold comfort to British Gas customers who were slapped with a price hike at the beginning of the winter and have been feeling the impact ever since. The reality is that over three quarters of consumers (76%) have cut down or rationed their energy usage this winter because of cost – a 7% increase on last year<sup>[3]</sup>. Following this profit announcement, I would urge British Gas to acknowledge the pressure that its customers are under and to ensure that if wholesale prices drop it responds immediately by cutting its prices again.

“Of course there is a case to be made for having strong British companies in a time of such economic uncertainty. And yes, we need suppliers to post healthy profits in light of the huge investment needed in our clapped out energy systems. But, there is also a pressing need for affordable energy in British homes. Whether suppliers have got this balance right, or not, is something that Ofgem now needs to answer as a matter of urgency.

“The important thing for consumers to understand is that they do have a choice – they should look for a better price and a fairer deal, saving up to £458 in the process<sup>[4]</sup>.”

**Current average bill sizes:**

Supplier	Standard Plan by Pay on Receipt of bill	Standard Plan by Monthly Direct Debit	Online Plan by Monthly Direct Debit
British Gas	£1,097	£1,030	£895
EDF Energy	£1,118	£1,051	£916
E.ON	£1,123	£1,033	£906
npower	£1,149	£1,054	£916
SSE	£1,094	£1,039	£929
ScottishPower	£1,211	£1,033	£916
<b>Average</b>	<b>£1,132</b>	<b>£1,040</b>	<b>£913</b>

Source: uSwitch.com

Based on a medium user consuming 16,500 kWh of gas and 3,300 kWh of electricity per year with prices averaged across all regions.

**British Gas average annual household bills:**

Date	Annual Bill Size
1 <sup>st</sup> Jan 2004	£543
1 <sup>st</sup> Jan 2005	£642
1 <sup>st</sup> Jan 2006	£735
1 <sup>st</sup> Jan 2007	£1,002
1 <sup>st</sup> Jan 2008	£821
1 <sup>st</sup> Jan 2009	£1,176
1 <sup>st</sup> Jan 2010	£1,030
Current	£1,097

Source: uSwitch.com

Annual bill sizes based on a medium user profile on a standard plan. Customers using 3,300kWh and 16,500kWh gas, paying on receipt of bill with bill sizes averaged across all regions.

**For more information visit [www.uSwitch.com](http://www.uSwitch.com) or call 0800 093 06 07**

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**For more information please contact:**

Jo Ganly, uSwitch.com on 0207 802 2915 or [joganly@uswitch.com](mailto:joganly@uswitch.com)

Beth Murray, Lansons Communications on 0207 566 9728 or [bethm@lansons.com](mailto:bethm@lansons.com)

Lisa Grando, lansons Communications on 0207 294 3669 or [lisag@lansons.com](mailto:lisag@lansons.com)

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**Notes to editors:**

1. Centrica's results announcement Thursday 24<sup>th</sup> February, 2011.
2. Based on a medium user British Gas standard plan customer using 3,300 kWh of electricity and 16,500 kWh of gas, on a standard Dual Fuel plan, paying on receipt of bill with bill sizes averaged across all regions. Its average bill size in Jan 09 was £1,176. British Gas cut its prices 19<sup>th</sup> Feb, 2009, 7<sup>th</sup> May, 2009, and 4<sup>th</sup> Feb, 2010. Its average bill size fell as a result to £1,030.
3. Research was conducted with the uSwitch.com Consumer Opinion Panel amongst 1,557 respondents between 27<sup>th</sup> December, 2010 and 3<sup>rd</sup> January, 2011. Previous research from last year was also conducted with the uSwitch.com Consumer Opinion

Panel amongst 4,734 respondents between 1<sup>st</sup> March and 5<sup>th</sup> March, 2010. In response to: 'Have you been cutting down or rationing your energy usage this winter because of cost' 76% said 'yes' as compared to 69% in 2010.

4. Between 1st July 2010 and 31st December 2010, at least 10% of people who switched energy supplier with uSwitch.com saved £458 or more.

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uSwitch.com is a free, impartial, online and telephone-based comparison and switching service, helping consumers compare prices on gas, electricity, water, heating cover, home telephone, broadband, digital television, mobile phones and personal finance products including mortgages, credit cards, current accounts and insurance. In 2010 uSwitch.com celebrated ten years of saving customers money.

The service is also available via fax and post. Consumers should fax 020 7233 5933 or write to Customer Services, uSwitch.com, Centro 3, 19 Mandela Street, London, NW1 0DU with their postcode and usage details.

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