



**For immediate release: Thursday 12 January, 2012**

## **BRITISH GAS CUTS PRICES**

- **British Gas is cutting its prices by 5% or £26 for electricity with immediate effect<sup>[1]</sup>**
- **Move will benefit 5.3 million customers<sup>[2]</sup>**
- **Average household bill for a dual fuel British Gas customer will now drop from £1,286 to £1,260 – £230 or 22% higher than its average bill of £1,030 in October 2010<sup>[1]</sup>**
- **British Gas increased prices by £160 or 15% in 2011<sup>[1]</sup>**
- **Overall, suppliers put prices up last year by 21% or £224, adding £2.24 billion onto household energy bills<sup>[3]</sup>.**

The waiting game is over for consumers as Britain's biggest energy supplier, British Gas, has announced that it is cutting its prices. The reductions – 5% or £26 for electricity – come into effect today<sup>[1]</sup>. It means that the average British Gas dual fuel bill will drop from £1,286 to £1,260<sup>[1]</sup>.

It is the second big six supplier to cut prices for customers following EDF Energy's move yesterday. Now that EDF Energy and British Gas have acted, the other big six suppliers will be under pressure to bring their prices down again too, although reductions look unlikely to wipe out the £224 or 21% increase seen by households in the last 18 months<sup>[3]</sup>, especially as neither supplier has cut both their gas and electricity prices.

British Gas increased its prices by 15% or £160 last year<sup>[1]</sup>. Its average household energy bill in October 2010 was £1,030. After today's cuts it will be £1,260 - £230 or 22% higher than just over a year ago<sup>[1]</sup>.

**Ann Robinson, Director of Consumer Policy at [uSwitch.com](http://uSwitch.com), says:** "Now that two of Britain's biggest energy suppliers have moved to cut their prices, the rest of the big six will be feeling the pressure to follow suit. Although British Gas customers will feel the benefit immediately, many will feel disappointed that they won't see their gas bills decrease - especially

with temperatures expected to drop. We hope that this will be just the first cut, and that further reductions will follow.

“However, this cut will go nowhere near cancelling out the £224 or 21% hike in prices in the last 18 months<sup>[3]</sup>. But households can help to mitigate the impact of higher bills by shopping around for a cheaper deal and cutting back on the amount of energy they use by being more energy efficient. Moving to dual fuel, paying by direct debit and signing up to a competitively priced deal will save you up to £420<sup>[4]</sup>, far more than price cuts will give you based on today’s evidence.”

#### Average household energy bills:

Supplier	October 2010	November 2011	After announced price decrease
British Gas	£1,030	£1,286	£1,260
EDF Energy	£1,037	£1,241	£1,203
E.ON	£1,061	£1,293	-
npower	£1,095	£1,282	-
ScottishPower	£1,152	£1,391	-
SSE	£1,038	£1,265	-
<b>Average</b>	<b>£1,069</b>	<b>£1,293</b>	<b>£1,282</b>

Source: uSwitch.com

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

#### Best buy energy deals:

Supplier	Plan Name	Price
<b>First: Utility</b>	iSave Dual Fuel V9	£1,030
<b>Ovo Energy</b>	New Energy Fixed	£1,061
<b>npower</b>	Go Fix 10	£1,078
<b>ScottishPower</b>	Online Energy Saver 17	£1,085
<b>E.ON</b>	SaveOnline 11	£1,106
<b>British Gas</b>	Online Energy	£1,142
<b>Co-op Energy</b>	Pioneer	£1,145
<b>EDF Energy</b>	Price Protection 2013	£1,165
<b>SSE</b>	Online Standard	£1,179

Source: uSwitch.com

Based on a medium user consuming 3,300 kWh of electricity and 16,500 kWh of gas 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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**Notes to editors:**

1. Based on a medium user customer using 3,300 kWh of electricity and 16,500 kWh of gas, on a British Gas standard Dual Fuel plan, paying quarterly by cash or cheque with bill sizes averaged across all regions.
2. British Gas press release issued [12/01/12]
3. Customers affected taken from individual supplier announcements as follows: SSE (announcement 29/10/2010) increase to affect around 3.6 million customers, British Gas (announcement 12/11/2010) increase will affect around 8 million customers, ScottishPower (announcement on 19/11/2010) move to affect around 2.5 million customers, nPower (announcement on 10/12/2010) move to affect around 6.2 million customers, E.ON (announcement on 11/01/2011) move to affect around 4.3 million customers. EDF Energy (announcement 3/2/2011) will affect 3.3 million customers. These add up to 27.9 million customers. uSwitch.com estimates 10 million standard plan customers based on 26 million households and Ofgem statistics showing that 7 million customers are on price guarantee plans, 3.5 million are on online tariffs, 3.8 million electricity customers and 2.6 million gas customers are on PPMs. The average increase from the first wave of price rises for a customer on a standard plan, based on a medium user profile using 3,300kWh of electricity and 16,500kWh of gas paying on receipt of bill, was £63. Taking this increase over 10 million standard plan customers totals £630 million added to consumer bills. On the same basis, the second wave of increases added £1.61 billion to bills.
4. Between 1<sup>st</sup> July, 2011 and 31<sup>st</sup> October, 2011 at least 10% of people who switched energy supplier for both gas and electricity with uSwitch.com saved £420 or more.

**About us**

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.

uSwitch.com is the first comparison website to achieve the Plain English Campaign's Internet Crystal Mark, which is recognised as a standard that a website has clear language, is accessible and easy to use, and has been tested on a sample of its users.

uSwitch.com is dedicated to helping consumers save money whether they have internet access or not. It offers a dedicated call centre, manned by uSwitch customer service representatives, as well as a freepost 'Send us your bill' service, whereby customers can post their latest energy bills with their telephone number to FREEPOST USWITCH, to get a free call back from a dedicated customer services representative. The service is also available via fax, email and post. Consumers should fax 0203 214 8417, email [CustomerServices@uswitch.com](mailto:CustomerServices@uswitch.com) 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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