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SECOND BLOW TO CONSUMERS AS BRITISH GAS INCREASES PRICES

- **British Gas is putting its prices up by an average of 18% or £121 for gas and 16% or £71 for electricity from 18th August^[1]**
- **Average household bill for a dual fuel British Gas customer will now go up from £1,096 to £1,288 – an increase of £192 or 17.5%^[2]**
- **British Gas last increased its prices in December by 6.9% or £43 for gas and 6.7% or £28 for electricity^[1]**
- **In total, British Gas customers will have seen their bills shoot up by £258 or 25% within a year, taking them from £1,030 a year to £1,288^[2].**

Britain's biggest supplier, British Gas, has become the second major energy supplier to announce a second general price increase within a year. It will be increasing its prices by 18% or £121 for gas and 16% or £71 for electricity from 18th August^[1]. It will add an extra £192 on to British Gas' average annual standard dual fuel bill, which will increase from £1,096 to £1,288 as a result^[2].

British Gas last increased its prices in December by 6.9% or £43 for gas and 6.7% or £28 for electricity^[1]. In total, within the space of a year its customers will have seen their bills hiked by £258 or 25%^[2]. This compares with the £239 or 21% increase seen by ScottishPower customers^[3].

Consumers last saw a year of double price hikes in 2008 when energy bills rocketed by £334 or 41% as a result of consecutive rounds of price increases^[4]. The danger with British Gas' move today is that the remaining four major suppliers follow suit in hitting customers' pockets twice in a year. The impact is potentially huge - the first round of hikes which only ended in March hit almost 28 million customers and added £630 million onto household energy bills^[4].

Ann Robinson, Director of Consumer Policy at uSwitch.com, says: “We are straying into deeply worrying ‘double price hike’ territory. It now looks as though households are on track to see their energy bills increase by £182 or 16% this year^[5]. The impact on family budgets will be huge, but it will be particularly hard on those living on fixed incomes and I would urge both suppliers and the Government to start thinking now of how they can provide some support. It may seem a long way ahead, but winter will be coming too quickly for those who cannot afford their fuel bills.

“Last winter over three quarters of people (76%) cut down or rationed their energy use because of cost – a 7% increase on the previous year^[6]. In just five years we have seen energy bills snowball from £660 a year to £1,193 following today’s announcement^[7].

“There is no room for complacency and I would urge consumers to act now. Fixing your energy prices is an option that offers security and peace of mind, especially for those worried about the impact of price hikes on their household budget. But, whatever type of plan you opt for, always make sure you get an independent and impartial comparison based on your own personal circumstances before signing on the dotted line.”

Average bill sizes:

Supplier	Current bill size	New bill size
British Gas	£1,096	£1,288
EDF Energy	£1,118	£1,118
E.ON	£1,123	£1,123
npower	£1,149	£1,149
SSE	£1,091	£1,091
ScottishPower	£1,211	£1,391
Average	£1,131	£1,193

Source: uSwitch.com

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

For more information visit www.uSwitch.com or call 0800 093 06 07

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Notes to editors:

1. British Gas announcement issued today. Previous price increase took effect on 10th December, 2010.
2. 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.

3. Based on a medium user customer using 3,300 kWh of electricity and 16,500 kWh of gas, on a ScottishPower standard Dual Fuel plan, paying quarterly by cash or cheque with bill sizes averaged across all regions. In January 2009 this bill size was £1,201. This dropped to £1,152 in 2010 and will now increase again to £1,391.
4. 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 2010/2011 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, is £63. Taking this increase over 10 million standard plan customers totals £630 million added to consumer bills.
5. Assuming that ScottishPower's and British Gas' hikes are indicative of what consumers can expect from the other suppliers would add 16% or £182 to the current average household energy bill of £1,131.
6. Research was conducted with the uSwitch.com Consumer Opinion Panel amongst 1,557 respondents between 27th December, 2010 and 3rd January, 2011. Previous research from last year was also conducted with the uSwitch.com Consumer Opinion Panel amongst 4,734 respondents between 1st March and 5th 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.
7. Based on a medium user customer using 3,300 kWh of electricity and 16,500 kWh of gas, on a standard Dual Fuel plan, paying quarterly by cash or cheque with bill sizes averaged across all regions and all big six suppliers.

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 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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