

Big Six stranglehold needs to end, says Energy Advice Line

Submitted by: LexisClick

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Ofgem should move urgently to end the Big Six energy companies' stranglehold on UK energy supplies after British Gas reported a £600 million profit, according to the Energy Advice Line.

Opening up the energy supply market to greater competition was the only way households and businesses would ever get a fair deal on electricity and gas prices, the UK's leading price comparison and switching service said.

Julian Morgan, managing director of the Energy Advice Line (<http://www.energyadvice.org.uk>), said Centrica's 11% rise in profits and 6% increase in energy tariffs was further proof that competition in the retail energy market was not working.

"The Big Six effectively have a monopoly on UK energy supplies and domestic and business energy users are paying the price for that," Mr Morgan said.

"Customers will only ever reap the benefits of a competitive energy market if it is truly competitive. At the moment, it's a case of the Big Six suppliers reaping the benefits of a monopoly arrangement.

"The energy regulator needs to move swiftly and decisively to open up the UK's energy market to greater competition. This means making it easier and less financially onerous for new players to enter the supply market.

"Under existing arrangements and in the current economic climate, there is little incentive for new suppliers, particularly smaller ones, to pitch themselves against the Big Six. The regulator needs to address this urgently."

British Gas, owned by Centrica, has benefited from a harsh winter and seen profits soar as customers turned up their heating. At the same time it increased domestic bills for its 16 million UK customers by 6% in November.

The energy giant's standard tariff now stands at £1,326 a year – representing a 159% increase for householders since 2004.

Last week, the energy watchdog Ofgem predicted further energy price rises during the next five years.

British Gas bosses were keen to deny that they were boosting profits on the back of increasing financial hardship for vulnerable people.

But Shadow Energy and Climate Change Secretary, Caroline Flint, said the profit figures showed it was time for a "complete overhaul of our energy market".

"People will not understand why, just a few months ago, British Gas claimed they had no option but to put up their prices when now it looks like they're making huge profits on the back of spiralling bills

for hard-pressed consumers,” she said.

Mr Morgan said the only weapon consumers had in the battle for fairly priced energy supplies were to shop around for the best deal.

“Customers need to compare prices – it’s the only way to make sure they are not paying more than they need to for the electricity and gas supplies,” Mr Morgan said.

“One way to do this is spend a lot of time online trawling the market. The other way is to use an independent and reputable price comparison and switching service like the Energy Advice Line (<http://www.energyadvice.org.uk>).

“We make it easy for customers to find the very best deals that are out there with the press of a few computer keys. And the service is absolutely free.”

The Energy Advice Line is a consumer champion and the UK’s only independent price comparison and switching services exclusively for small and medium-sized businesses. The service enables firms to quickly and simply compare business energy (<http://www.energyadvice.org.uk/l-business-electric-supplier-comparison.php>) and business gas prices, and to switch to the best available deal on the market.

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For further information visit www.energyadvice.org.uk or email Mr Morgan at Julian.Morgan@energyadvice.org.uk