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Wednesday 17 January 2007

OVER FOUR MILLION CUSTOMERS SWITCHED SUPPLIER IN 2006

- **Four million customers changed gas and electricity suppliers in the first ten months of 2006**
- **High switching rates have pushed the market share of some former monopoly suppliers below 50 per cent**
- **Savings of around £150 are still available for those customers who have not yet changed supplier**

Over four million customers voted with their feet by switching their energy supplier last year according to energy regulator Ofgem. Switching numbers for the first ten months of 2006 were 750,000 higher than for the same period in 2005.

Research by Ofgem shows this high level of switching is hitting the market share of some of the former monopoly suppliers. **British Gas'** market share of the household gas market has fallen below **50 per cent** for the first time. In electricity the market share of former regional monopoly suppliers has also fallen below 50 per cent in **Norweb (North West), East Midlands, Northern, Midlands, and Yorkshire.**

Ofgem Chief Executive, Alistair Buchanan, said:

"Energy customers have given expensive suppliers the boot with over four million moving to a cheaper supplier in the first ten months of 2006. This dynamic market is most dramatically illustrated by British Gas seeing their share of the household gas market fall below 50 per cent for the first time. This is clear evidence that Britain has the most competitive energy market in the world and that customers are taking full advantage of this.

"Our competitive energy markets have attracted over £10 billion of investment in gas importation projects which are now beginning to take the heat out of wholesale gas prices.

"While **British Gas** has already indicated that they will be cutting prices this year, Ofgem will be watching all energy suppliers to make sure they compete as wholesale prices fall as hard as they did when prices rose. However, there is no need to wait for prices to fall - customers who have never switched can cut their bills now by around **£150** by getting a better deal for their energy."

Customers who have already switched supplier should still check they are getting a good deal for their energy as their supplier may no longer be offering them the best one. This also applies to customers who are coming to the end of a fixed price deal.

ends

** Savings are based on medium consumption standard credit customers, who have never switched before and remain on a standard tariff, changing both their gas and electricity suppliers.*

Notes to editors:

1. Switching figures between January 2006-October 2006 are 3,964,905 for electricity and 3,253,573 for gas. However, as around 80 per cent of people switching choose a dual fuel deal the figures correspond to approximately **4 million** households.

Market share: British Gas's share of the domestic gas market stood at 48 per cent in October 2006. In East Midlands the former monopoly electricity supplier had 49 per cent of electricity customers in October 2006. These two companies have seen their former monopoly market share fall below 50 per cent since March 2006.

The figures for the other areas in March 2006 were: Norweb 44 per cent, Northern 48 per cent, Midlands 47 per cent, and Yorkshire 49 per cent.

2. For more information on prices a factsheet "Household energy bills explained" is available from the Press Office section of the Ofgem website www.ofgem.gov.uk.

3. Payment method

Customers can also cut their bills by £35-40 by paying for their energy by direct debit. Further cuts can be made by taking steps to reduce your energy consumption by using more efficient light bulbs and appliances and ensuring that your home is properly insulated.

4. Changing supplier

There is no need to contact a salesman to change energy supplier. Just add up how much a year you use for gas and electricity and then phone consumer watchdog **energywatch** on **08459 060708** for free price comparison factsheets or visit their website at visit www.energywatch.org.uk for approved online price comparison services.

5. Home Heat Helpline

The Energy Retail Association, which represents energy suppliers has set up the Home Heat Helpline (0800 33 66 99). It is a free national helpline for vulnerable people having difficulties paying their fuel bills. The Home Heat Helpline offers callers advice on cheaper payment schemes, grants for insulating your home, how to get on to the Priority Services Register for extra services and information on extra government benefits that you may be entitled to. For more information visit www.homeheathelpline.org

6. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. The Authority's functions are set out mainly in the Gas Act 1986, the Electricity Act 1989, the Competition Act 1998 and the Utilities Act 2000. In this note, the functions of the Authority under all the relevant Acts are, for simplicity, described as the functions of Ofgem.

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