

28th November 2014

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Dear Rob

Re: Follow – up to gas prepayment overcharging announcement

Thank you for your letter dated 27th November in relation to the above industry - wide issue.

From the outset, I would like to give you my personal assurance that British Gas is taking its responsibilities for accurately metering and billing its customers very seriously. As such, we are already working closely with the industry and a number of third parties and other partners to ensure that the matter is resolved as quickly as possible.

Furthermore, I can also confirm that:

- we will not wait until the meter fix is delivered before providing refunds to live accounts;
- we will provide refunds to live accounts which will include, (i) a payment for historic overcharging, as well as, (ii) a payment to cover the period until the meter is fixed; and,
- refunds made to our customers will not be net of debt, nor will any credits be used to pay off any existing or outstanding debt.

As previously notified to Ofgem, it is our intention to make all refunds as soon as possible, specifically targeting our most vulnerable customers first.

Therefore, I am pleased to be able to confirm, that having commenced negotiations with a number of key third parties, we will start refunding affected customers on 15th December and will aim to have completed the exercise by 16th January next year.

I hope that you will see from the above both the pace and seriousness we have given this matter. It remains an absolute priority for us to ensure that, until industry fixes are applied, no customer is left out of pocket.

Yours sincerely



Ian Peters