

British Gas boosts support to help cut energy costs

By Daniel Thomas Business reporter, BBC News

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British Gas is to donate 10% of its profits to help customers cope with soaring bills for the "duration of the energy crisis".

Its owner Centrica says the money will go into an existing support fund - trebling help available this winter for the poorest customers.

The firm, which has seen huge profits this year, said thousands of households would get grants of £250-£750.

But this is a fraction of the support needed to tackle the crisis nationally.

Earlier this week, one energy company boss put that cost **closer to £100bn**.

British Gas' offer of support will be based on the company's retail supply profits, which were £98m before tax in the first-half of 2022. It said the initial donation would be £12m.

However, Centrica, which is the parent company of British Gas, reported adjusted operating profits of £1.3bn in the six months to June - up from £262m a year earlier - most of which came from oil and gas drilling.

- **What is the energy price cap and how high will bills go?**

And Paul de Leeuw, director of the RGU Energy Transition Institute at Robert Gordon University in Aberdeen and a former executive at Centrica, British Gas's initial donation would only benefit 0.5% of its 7.5 million customers.

He told BBC Radio 4's Today programme that while it was a helpful gesture, the initial £12m donation amounted to just 1% of Centrica's profits.

"They've got 7.5 million [residential] energy customers in the UK, so if you look at the money that is available, it's probably going to benefit around 40,000 people max so that's 0.5% of their customer base.

"So 99.5% of Centrica and British Gas customers are probably not going to see any benefit from this."

At-a-glance: What British Gas is offering

- British Gas customers in fuel poverty and with **less than £1,000 in savings** are eligible
- A household is considered to be in **fuel poverty** if it has to spend 10% or more of its income on energy
- Eligible customers can apply for a one-off grant through **the British Gas Energy Trust**
- Since its creation last year, British Gas said "thousands" of customers received **average grants of over £550**
- Over a third of the recipients were on disability benefit, **30% were single parents** and 25% had children under five

It comes as the next energy price cap - which limits what suppliers can charge per unit of energy in England, Scotland and Wales - is set to be announced on Friday.

The typical home energy bill is forecast to reach £3,600 a year in October - up from £1,971 currently - with further rises expected for January.

The government has promised a package of help but there have been warnings many people will face hardship without further support.

Energy firms are also under pressure to help after posting soaring profits this year, amid record high energy prices driven by Russia's invasion of Ukraine.