

## UK energy giant offers cash boost to poor families

By EARLE GALE in London | China Daily Global | Updated: 2022-08-26

The United Kingdom's largest energy supplier has vowed to divert 10 percent of profits into a fund to help its poorest customers cope with the fast-rising cost of powering a home.

British Gas, which sells energy to around 12 million domestic and business customers, said it will keep funneling the cash into the British Gas Energy Trust "for the duration of the energy crisis, backdated to the start of 2022".

Chris O'Shea, chief executive of Centrica, the parent company of British Gas, said the support package will be worth 25 million pounds (\$29.6 million) a year and start with an initial 12-million-pound donation.

"As a responsible business, we want to do more to support our customers during this difficult time," he said.

The money will be used to help the supplier's poorest customers — those with less than 1,000 pounds in savings and who spend more than 10 percent of disposable income on fuel. Each qualifying home will receive donations of between 250 pounds and 750 pounds.

The company's move follows rival UK energy giant Scottish Power suggesting all energy bills being effectively frozen for customers for two years, with the government picking up the tab for the cost of more expensive energy customers would otherwise have to pay. The government has, so far, not embraced the idea.

Poverty activists criticized British Gas for offering to divert only 10 percent of profits, with some saying it will do little to help average families struggling to pay heating bills this winter.

Paul de Leeuw, director of the Energy Transition Institute at Robert Gordon University in Aberdeen, said the initial donation from British Gas will only help around 0.5 percent of the company's 7.5 million residential customers.

And he noted that the sum amounts to just 1 percent of parent company Centrica's total 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," he said.

The energy crisis, which was triggered by the Russia-Ukraine conflict and the resulting disruption of oil and gas supply, has seen energy bills quadruple for UK householders in the past year.

The high price of fuel has contributed to rampant inflation, which is likely to rise above 18 percent during the first quarter of 2023.

And the inflation rate has triggered industrial unrest and strikes on a scale not seen for decades, as workers seek pay rises that keep up.

So far, the UK government has promised a 15-billion-pound support package to help offset some of the additional costs people are facing, with one-off payments of 650 pounds directed at the poorest 8 million households, and payments of 400 pounds for everyone else.

But critics have said the support package must be expanded to 100 billion pounds, if people are to be spared serious financial hardship.