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Thursday 19 June

OFGEM CONFIRMS FINANCIAL PENALTIES OF £200,000 ON BRITISH GAS

- **£200,000 financial penalties confirmed**
- **BGT acknowledges it was in breach of licence conditions**
- **Ofgem will clamp down on actions which damage customer confidence**

Financial penalties on British Gas Trading (BGT), totalling £200,000, have been confirmed by energy regulator Ofgem today (Thursday), following wide consultation.

The penalties were initially proposed in April after BGT was found to have incorrectly objected to almost 5,000 direct debit customers switching to another gas or electricity supplier because the company said they were in debt.

Ofgem Chief Executive, Callum McCarthy, said: "This was a clear abuse of the special rules surrounding the position of customers in debt. BGT has acknowledged that it was in breach of its licences by objecting to these people switching their suppliers and has agreed to pay the penalties.

"This decision should send out a clear message to other companies that it is not enough simply to have good intentions as to their obligations. They must follow them in practice. Ofgem will continue to clamp down on any actions which damage customer confidence in gas and electricity competition. Since this investigation was carried out, BGT have responded quickly to ensure that this breach of the rules does not happen again and have tightened their procedures accordingly. This is as it should be."

The investigation by Ofgem was focused on the period between January and July 2002.

ends

Notes to editors:

1. Ofgem is the Office of the Gas and Electricity Markets, regulating the gas and electricity industries in Great Britain. Ofgem's aim is to bring choice and value to all gas and electricity customers by promoting competition and regulating monopolies. Ofgem is governed by the Gas and Electricity Markets Authority. Its powers are provided for under the Gas Act 1986, the Electricity Act 1989 and the Utilities Act 2000.

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