

Preet Kaur Gill MP



HOUSE OF COMMONS
LONDON SW1A 0AA



Sarwjit Sambhi
British Gas
Millstream
Maidenhead Road
Windsor
SL4 5GD

15th January 2020

Dear Sarwjit,

I am writing to you regarding your decision to increase the minimum top-up amount for customers on pay-as-you-go tariffs to £5 as of New Year's Day.

I want to echo the concerns raised by anti-poverty campaigners and charities, that have highlighted the grim impact this could have on some of the most precarious people in society. This decision will invariably mean that many parents and pensioners will have to make a choice between food and fuel; it will mean not being able to cook a hot meal, have a bath or turn the heating on. To implement this in the middle of winter, and what is the most financially challenging time of the year for many people, is the height of social irresponsibility.

Fuel poverty is a huge issue that I believe a company like British Gas should take very seriously. In Birmingham, 16.6% experience fuel poverty compared to the national average of 11.1%. Nationally, that is 2.5 million households that cannot afford to keep themselves warm without pushing themselves into poverty.

I am sure that you are aware that those who use pre-pay meters are already disproportionately on lower incomes and facing financial hardship. This decision disproportionately affects some of our society's worst off. According to the government's own statistics, 20.5% of households on pre-pay electricity meters are fuel poor compared to 8% on direct debit. Yet, as you will know, poverty is expensive, and those who have no security from month to month and rely on the flexibility of top-ups pay over the odds than those on fixed plans.

At the moment, people on low incomes can top up with small sums of sometimes to tide them over until pay day. More than five million homes have pre-payment meters, many of which use the system because they failed to keep up with payments, according to the Money Advice Service. To significantly reduce the flexibility of this system by raising the minimum top-up to £5 will tug a lifeline away from many people on the breadline. Research from Citizens Advice released in 2018 found 140,000 homes, housing 400,000 people, couldn't afford to top up their pre-payment energy meters, leaving them without heat or

Member of Parliament for Birmingham Edgbaston

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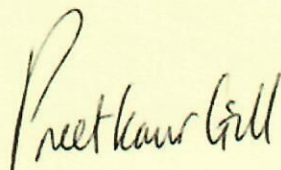
power. 33% of those households have a young child, and half live with someone who has a mental health condition.

The truth is that British Gas does not need to do this, and I therefore urge you to reverse this decision immediately. Your spokespeople cite increased transaction costs, but interchange fees are a minute fraction of any purchase. Frankly, if my local newsagents can afford not to have a minimum spend, a company which last reported profits of £466 million can afford not to.

At the end of the day, this is simply a matter of keeping people safe and warm. I ask that you take your social responsibilities seriously and reverse this decision immediately.

I look forward to your response.

Yours sincerely,

A handwritten signature in black ink that reads "Preet Kaur Gill". The signature is written in a cursive style with a large initial 'P'.

Preet Kaur Gill MP
Member of Parliament for Birmingham, Edgbaston