

BT to 'leave no stone unturned' after upping cost cuts to tackle inflation

The boss of telecoms giant BT has warned over further job cuts and price hikes as the group leaves "no stone unturned" to save an extra £500 million in the face of soaring inflation and energy costs.

Chief executive [Philip Jansen](#) said "inevitably" some roles would be cut, while it will also increase prices for consumers and businesses as it takes group-wide action to cut £3 billion in costs by the end of 2024-25, up from a previous target of £2.5 billion.


He declined to put a number on the job impact and stressed there would be no major restructuring, with the firm instead looking to reduce its overall workforce through normal staff turnover.

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Details of the extra cost savings came as BT revealed an 18% drop in pre-tax profits to £831 million for the six months to September 30, with rising inflation already impacting its bottom line and offsetting a 1% rise in revenues to £10.4 billion.

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The firm said it was facing a £200 million jump in its energy bill this financial year.

Mr Jansen said that “everyone is going to have to share the pain”, including the group’s 100,000-strong workforce and customers.

He said he was “leaving no stone unturned to make sure BT is the most efficient organisation it can be”.

“Inevitably, of course, that means that some jobs will not exist in the future,” he added.

He said that its charges for most households are due to go up by 3.9% on top of inflation next year, while [Openreach](#) customers will also be affected by price hikes linked to inflation.

But he said the group was looking to support struggling customers with the launch of a new mobile phone tariff for low-income households, offering a discounted rate of £12 a month, which adds to its existing broadband and fixed line social tariff.

BT has already cut £1.7 billion in costs since April 2020 and Mr Jansen is leading an overhaul, including slashing the number of offices across the UK from around 400 to about 30, and simplifying customer billing systems and ranges, with the number of consumer tariffs already reduced by more than 30%.

Mr Jansen said: “Given the current high inflationary environment, including significantly increased energy prices, we need to take additional action on our costs to maintain the

cash flow needed to support our network investments.”

But the firm is facing pressure from its workforce in a long-running row over pay, with BT and Openreach employees staging a fresh strike last month.

Members of the Communication Workers Union (CWU), including 999 call handlers, walked out for 24 hours following a wave of stoppages in recent weeks.

Mr Jansen said: “We are trying really hard to move out of the situation so that we’re more in harmony with the workforce.”

[Shares](#) in BT fell more than 7% in early trading on Thursday, despite the firm’s assurances that its financial performance remains on track.

It is guiding for full-year underlying earnings of £7.88 billion on revenues of £20.9 billion.