

Centrica: Cold spring fires British Gas owner back into black

British Gas owner Centrica unveiled a jump in first-half profits today after households jacked up the central heating through the UK's Arctic spring.

The improved performance came despite British Gas suffering a continued exodus of 114,000 customers as a combination of industrial action, Covid-hit customer service and competitors offering cut-price deals saw them flock to rival suppliers.

Centrica's pre-tax profit of £907 million in the six months ended June 30, against a £462 million pre-tax loss in the same period last year, was driven by profits from British Gas Energy, its core domestic business, which rose 121% to £172 million.

Chief executive Chris O'Shea said the performance was "related to the exceptionally cold [weather] compared with an exceptionally warm first half of 2020".

Residential customers of British Gas fell 2% from 6.91 million to 6.8 million during the period, but O'Shea predicted some rival discount suppliers were on the verge of collapse.

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“There are some energy businesses in the UK that must be trading while insolvent. We will undoubtedly see more supplier failures,” he said.

Group revenue rose by 6% to £8.2 billion up from £7.7 billion a year ago.

The company said a restructuring was “on track”, after a 7% cut to its workforce to 19,711.

Net debt fell from £3 billion to £93 million following the sale of its North American Direct Energy business in January.