

Three more energy firms cease trading amid rising gas prices

Energy firm Igloo, along with two others, have confirmed they are ceasing to trade as the record surge in wholesale energy costs continue to take their toll on small suppliers.

Industry regulator Ofgem said the customers of Igloo, Symbio Energy and ENSTROGA would be sheltered through the appointment of a new supplier in due course.

Their demise takes to nine the number of small energy providers to have gone to the wall this month alone.

Sky News revealed a week ago that [Igloo](#), which has 179,000 households on its books, was seeking advice on an insolvency process as the sector grapples the implications of unprecedented rises in raw energy costs.

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Bill Bullen of Utilita Energy suggests one measure to stop firms going under could be 'looking at' the green subsidy format.

The price surge has been blamed on a complex web of factors including high competition for gas across Europe to bolster weak stocks and poor wind power provision.

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Data from industry analytics firm ICIS, released on Tuesday, showed UK wholesale gas price contracts for October delivery were [520% up on the same time last year](#).

Small firms' business models leave them less able to hedge against such increases and they are unable to pass on the hikes, in many cases, because of the energy price cap set by the watchdog currently covering 15 million households.

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Symbio and ENSTROGA had few customers – 48,000 and 6,000 respectively – and Ofgem said those affected by the latest failures would continue to be supplied as normal.

The regulator's director of retail, Neil Lawrence, said: "Ofgem's number one priority is to protect customers. We know this is a worrying time for many people and news of a supplier going out of business can be unsettling.

"I want to reassure customers of ENSTROGA, Igloo Energy and Symbio Energy that they do not need to worry.

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Business Secretary Kwasi Kwarteng has told the Commons that the UK Government will not be bailing out

"Under our safety net we'll make sure your energy supplies continue. If you have credit on your ENSTROGA, Igloo Energy or Symbio Energy account the funds you have paid in are protected and you will not lose the money that is owed to you.

"Ofgem will choose a new supplier for you and while we are doing this our advice is to wait until we appoint a new supplier and do not switch in the meantime.

“You can rely on your energy supply as normal. We will update you when we have chosen a new supplier, who will then get in touch about your tariff.”

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The energy price spike is threatening to add to household bills in the months ahead at a time when many families can least afford them.

The £20 [COVID-19](#) crisis uplift to Universal Credit and furlough support for wages end this week.

Bank of England governor Andrew Bailey warned this week about “hard yards” ahead for the economic recovery.

The rate of inflation is tipped to exceed double the Bank’s target of 2% by the year’s end as wider supply chain disruption, linked to the economy reopening and Brexit, contributes to the price pressures.

[Fears of “stagflation”](#) – a period of stagnant growth at a time of surging inflation – has placed pressure on the value of the pound over the past two days.

Commenting on the latest energy firm failures, Justina Miltienyte of price comparison site Uswitch.com, said: “The difficult wholesale energy market situation brings more bad news every week and now another three suppliers have gone into administration.

“In total, 233,000 more customers will be joining the almost two million who have already been displaced by their energy provider this year and we may not have seen the end to this situation.”