

British Gas Business lets 40,000 customers defer bills

Utility giant British Gas Business recognizes the financial pressure facing consumers and small businesses.

British Gas Business, the market leading small business gas and electricity supplier, is preparing to let up to 40,000 customers defer paying their bills to help them through the recession.

The move reflects the growing financial pressure that small businesses are under and is a recognition by the utility giant that it cannot simply disconnect customers that try to pay late.

Kanat Emiroglu, head of BGB's small and medium-sized enterprise markets, said he was already seeing an increase in the number of previously solid customers trying to delay paying their bills.

"We have seen an increase in disconnections and our calls [to customer centres] are longer and some of our customers are trying to delay payment," he said.

"People are suffering but they are hanging on in there."

He added: "A lot of the issues are caused by customers not being paid by other people."

BGB estimates that as many as 40,000 of its 750,000 small business customers may need assistance and has already agreed extended payment plans and even payment holidays for several hundred.

One such business, Byrnes Fish & Chips in Liverpool owed BGB £9,000 after extending their opening hours without altering their fixed monthly payments.

When BGB demanded the money back through monthly payments that rose from £800 to £1,800, the owners faced ruin.

Barbara Dickson, who runs the family business with her husband David, said that after some initial resistance, BGB proved willing to help them pay back what was owed, writing off £2,000 from the bill, reducing the tariff and agreeing to £800 a month payments.

"They obviously have people who don't want to pay and it's hard [for BGB's staff] to tell the difference," said Mrs Dickson.

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The trick was to get through to the call centre's specialised customer service agents. "When I got to speak to Jim Waldren [the agent] I could not have asked for a better service," she said.

Mr Emiroglu acknowledged that the company was taking a risk by publicly stating that it was willing to help businesses pay their bills.

"Our business objective is to say that every bill is an important bill to pay. Try to pay it on time," he said. "Yes, it's a risk. Everybody could get in the queue. But we don't ignore what is going on in the market and we want to help customers pay on time.

"We are willing to take some hit ourselves and consolidate the information that will help customers through the recession."

Customers have to provide evidence that they remain viable, but Mr Emiroglu said that of businesses already on extended payment plans few were concerned about revealing their finances if it meant securing a better deal.

"We found it quite interesting that people are willing to do that," he said. "The more we know about a customer the more we can calculate the risk and offer the advice."

Most of those agreeing to extended payments also had to commit to become more energy efficient.

"Energy costs are rising a little bit in the future ... and energy costs will be volatile in the UK and some people will take the wrong position," Mr Emiroglu said.

As well as offering to reduce bills temporarily, BGB has also instructed staff on its debt teams to provide information to customers about the grants and loans schemes being set up by the Government in response to the recession.

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