

# press release

**Wednesday 27 June 2011**

**For immediate release**

## **OFGEM FINE FOR BRITISH GAS IS WARNING TO OTHERS, SAYS NFB**

Building contractors' representative The National Federation of Builders (NFB) today welcomed the £2.5 million fine imposed by utilities regulator Ofgem on British Gas for breaching regulations with an inadequate complaints procedure. Ofgem's criticism was particularly directed at British Gas' treatment of micro-businesses and serves as a stark warning to all utility providers to ensure best practice when dealing with customers.

NFB members, many of which are small and medium sized businesses (SMEs) have traditionally faced problems when requesting connections from and dealing with utility companies, and since 2006 the NFB has conducted a survey every two years examining the experiences of its members in the construction industry.

Julia Evans, Chief Executive of the NFB, said: 'We are pleased that Ofgem is demonstrating its commitment to upholding the highest standards among utility providers. Anyone falling short of these standards should rightly be penalised and this fine is a warning to the utility industry to speed up improvements. Difficulties dealing with utilities companies cost the construction industry millions of pounds a year in delays and lost productivity.'

The 2011 NFB Utility Survey, the largest of its kind, is an important piece of research which will help to inform the industry and government about improvements and enhance relationships with providers. The aim is to quantify the cost, both in terms of resources and direct financial loss, of problems in dealing with utilities companies. It will also assess whether there has been any improvement in service within the utilities sector over the past two years.

The current survey is out in the field and the report is expected to be launched in the autumn of 2011. This will highlight the impact of any improvements or need for further change in the industry. In particular, the report will address the outcome of previous recommendations:

- Opening up to increased competition;
- Enforced Service Level Agreements;
- Better education for contractors;
- Single teams dealing with cases from start to finish;
- Named contacts for contractors;
- Fines for poor performance.

Any contractor wishing to share their experiences can complete the survey online at <http://www.surveymonkey.com/s/NFB-utilities-2011>

# press release

During 2006 and 2008, the NFB surveyed its membership along with the members of other trade federations in order to gather exact evidence of the problems caused by the utility network companies. The results showed that there were extensive problems. This work resulted in a major regulatory review in electricity connections, as well as action by Ofwat, the water regulator.

In **2006**, the survey found:

- 85.9% of sites reported experiencing problems when seeking a new connection to the utility networks;
- Over 40% of sites seeking connections to the water and gas networks reported problems;
- Over 60% of sites seeking a new connection to the electricity networks reported problems; and
- For telecoms, under 20% of sites reported problems.
- Causes of problems included poor communication, issues surrounding adherence to agreed programmes, agreement on cost, and the length of time taken in issuing quotations, and agreeing to supply.

For further information please contact the NFB press office on 01293 586664 or email [marketing@builders.org.uk](mailto:marketing@builders.org.uk)