

Are the Big Six energy companies losing their grip on the market?

With around 80% of the UK's households (not to mention scores of businesses) powered by it, mains-supplied natural gas is an integral fuel to the UK's energy mix. The result is continued high demand, and a busy, competitive market for both domestic and commercial mains gas.

What do we mean by the Big Six?

Historically, the lion's share of this market (c.80-90%) has been dominated by a handful of large suppliers known as the Big Six: British Gas, EDF, EON, Npower, SSE and Scottish Power.

How is the energy market changing?

However, recent figures suggest that the popularity of these 'heavyweights' may be waning among UK energy users – so much so, that a record 163,000 customers were reported to have left the Big Six in favour of smaller suppliers in September 2017 alone.

This movement coincided with British Gas hiking its electricity prices by 12.5% that same month. So far, its price rises like these that have helped the company and its five main competitors maintain healthy profit margins, even in spite of losing customers en masse.

But although its profits may appear protected for now, the impact of the Big Six's fall from grace is manifesting itself in a noticeable market shift: one that signals its monopoly could be set to shrink irreversibly. To contextualise, a huge 1.1 million customers switched away from the Big Six in the first three quarters of 2017 – up 18% on the same period the previous year. This trend is allowing smaller competitors to grow their market share to unprecedented levels.

If the 'Big Six exodus' continues at a similar rate throughout 2018 and beyond, established (and growing) small suppliers are likely to continue to tighten their grip on the market – along with new, dynamic challengers that are emerging all the time.

What's the flipside?

Of course, there are two sides to every coin. Although 2017 has been a promising year for energy switching – a practice that has long been deemed the most effective way for customers to ensure they're getting the best deal – some experts have voiced concerns that newly proposed energy legislation could put paid this trend.

Prime Minister Theresa May recently announced plans to fix what she has hailed as a 'broken market' by introducing a proposed cap on energy bills. Likely to take effect in late 2018 or early 2019, this could last for five years. Although it may sound like good news for consumers, research director Robert Buckley at energy expert Cornwall Insight is among those who have reservations.

Essentially, Buckley predicts that the price cap could lull consumers into a false sense of security, making them think that it's 'safe' to stick with their current supplier and creating a slowdown in the switching trend. "I think there's a real risk with any price cap that people who haven't engaged with the market think that they'll be OK not to," he explained.

That said, several of the small suppliers themselves have welcomed the prospect of the cap, as their existing tariffs are already well below any upper limit likely to be set.

What have the challengers got to offer?

For those homes and businesses that are willing to look beyond the Big Six, there is plenty to be gained from testing the water with a smaller challenger firm – and financial savings are just the beginning.

Flogas Britain, for example, is a respected supplier with more than 30 years' experience in the energy industry. As well as providing bespoke off-grid energy solutions such as [liquefied petroleum gas \(LPG\)](#), it specialises in [gas mains for businesses](#) too.

While Flogas prides itself on its highly competitive, fixed mains gas tariffs – which can save businesses switching to the company as much as 30% per year on bills – it offers customers much more than that.

An in-depth understanding of the challenges of running a business (born out of extensive experience working across a broad variety of sectors) means Flogas knows what commercial customers are looking for in an energy supplier. The company has used this insight to build an attractive, whole-package offering designed to make business owners' lives easier, as well as their supply more affordable.

For instance, every Flogas mains gas customer is assigned a personal account manager who is dedicated to ensuring their switch (and everything beyond) runs as smoothly as possible – with no more queuing for international call centres. It is also committed to transparent, easy-to-understand billing, so customers can see exactly what they're spending, and when.

What's more, access to a range of intelligent, user-friendly online reporting tools allows customers to monitor usage and forecast future spend.

What does the future hold?

With so many influencing factors at play, it's difficult to predict the future lay of the land for the energy market. Two things are for sure, though: firstly, consumers are starting to realise that their options aren't limited to the Big Six, and secondly, smaller suppliers are responding with increasingly attractive alternative offerings.