

CMA action frees hundreds of homes from unlawful gas contracts

Press release

Hundreds of customers that buy domestic gas from BDS Fuels will be freed from unlawful exclusivity contracts.



- Over 700 households in the North West of England will now be freed from unlawful terms that locked them into repeat exclusivity contracts and restricted their ability to switch to a new gas provider.

The move by the Competition and Markets Authority (CMA) comes after concerns were raised about customers being automatically locked into new 'exclusivity contracts' for liquified petroleum gas (LPG) – an expensive domestic fuel used for heating and cooking by people who cannot access the UK mains gas grid. Customers were required to pay a £350 fee if they wished to break the contract and change providers. It is unlawful to automatically roll over these exclusivity contracts without customers' explicit agreement.

Having scrutinised BDS Fuels' contracts, the CMA found the firm had unlawfully used a clause that automatically renewed over 700 households' exclusivity contracts without their explicit consent. This meant hundreds of customers in Cumbria, North Lancashire, and North Yorkshire were unable to switch to a new provider – who may have been able to offer them a cheaper or better deal – without paying BDS a fee.

Following the CMA's intervention, BDS has now agreed to:

- Remove unlawful automatic renewal clauses from its LPG contracts
- Inform all existing customers who were automatically signed up to a new exclusivity contract that they can switch supplier with immediate effect and without paying a fee if they choose to
- Refund those customers who paid a fee to be released from their LPG contract early
- Provide information to customers annually that clearly details how they can cancel their contract and switch providers

Adam Land, Senior Director for Remedies, Business, and Financial Analysis at the CMA, said:

We are facing a cost-of-living crisis meaning it's more important than ever that people can shop around and choose the best possible deal for them. If we find evidence of businesses preventing this, we won't hesitate to step in – as we have with BDS Fuels.

The CMA will monitor BDS to make sure it is behaving in accordance with the Order and taking the action promised. Should it fail to do either of these, the CMA could step in and launch enforcement action.

For more information, please see the [CMA's Letter to BDS Fuels](#).

Notes to editors

1. According to BDS Fuels' website, the firm distributes to: Cumbria, North Lancashire, North Yorkshire, and South West Scottish Borders.
2. Liquefied Petroleum Gas is a domestic fuel used for cooking and heating. It is used in homes that are not on the mains gas grid and is stored in tanks on-site.
3. BDS Fuels breached the [Domestic Bulk Liquefied Petroleum Gas Market Investigation Order](#) (put in place by the CMA's predecessor The Competition Commission) in 2 ways, first, by failing to limit the exclusivity period in contracts to 24 months, and second, by failing to provide important information to 757 customers when providing them with contracts.
4. The CMA cannot currently impose financial penalties on businesses for breaches of this kind, but the UK Government has consulted on providing this power in the future. This power would allow the CMA to increase the deterrent effect of its enforcement and make sure businesses take the obligations which the CMA imposes on them seriously for the benefit of UK consumers.
5. All enquiries from journalists should be directed to the CMA press office by email on press@cma.gov.uk or by phone on 020 3738 6460.
6. All enquiries from the general public should be directed to the CMA's General Enquiries team on general.enquiries@cma.gov.uk or 020 3738 6000.

Published 24 May 2022