



JOINT PAY CLAIM FOR 2025/2026 SUBMITTED BY UNISON/GMB TO British Gas

1. INTRODUCTION

This pay claim is submitted by UNISON and GMB on behalf of staff working for **British Gas Customer Experience and Sales**

The claim is set at a level that we believe recognises the following key points:

- British Gas and Centrica, remains a successful and very profitable company. Staff in Customer Experience and Sales are a critical asset to the wider Centrica and British Gas business to maintain customer loyalty in a market where tariffs are capped by the regulator. Staff in this area provide excellent customer experience and drive sales and have significantly contributed to its future potential and maintaining brand loyalty in a challenging market.
- Substantial increases in the cost of living over recent years have significantly reduced the value of staff wages, and whilst inflation is not at the levels seen previously prices are still rising on top of the rises experienced since 2023. The rise in prices facing workers has seen salaries purchase power diminished.
- As we draw to the end of a 3-year deal for a majority of staff in this collective consideration of an appropriate reward is needed to sustain the morale and productivity of staff in their crucial role of delivering high quality services.
- The pay and reward needs to reflect the increased workload and stress placed on staff dealing with more complex queries from customers that do transactional payments online but need to speak to someone when payments go wrong or billing errors occur.
- Average earnings and pay settlements are still above RPI / CPI across the economy, at approximately 4.8% excluding bonuses adding to the problem of competitor pay rates running ahead of those received by British Gas staff over recent years and increasing the likelihood of recruitment and retention problems in the long term unless pay alignment meets the expectations of staff in an economy that looks and feels different to 2022/23.
- A significant number of members surveyed were not able to access the Benefits Plus platform/ All employees should be financially compensated sufficiently to allow them the ability to purchase the Benefits Plus advertised

as part of the BG Centrica reward package. The lowest paid staff in CESC are prevented from accessing benefits offered via salary sacrifice due to the national Living Wage floor. Staff in the lowest pay bands see colleagues that are paid more being able to access rewards that are unobtainable for the lowest paid. This needs to be rectified as part of this pay award.

- The ability for staff to be able to take time away from the pressures faced in the current climate means staff need to be able to purchase additional leave as required.
- Cost of living – taking into account the reduction in government funding and the impact on British Gas employees.
- A significant number of staff felt that last years pay award didn't see them benefit in terms of a consolidated pay uplift with even further erosion to unconsolidated pay that was reduced by 50% in this collective. We do not want to see a repeat of any reduction in unconsolidated payments for staff across the collective.
- Over 80% of members say that in the last 12 months they have seen their household finances deteriorate – with 48% saying that they have deteriorated significantly. Three quarters on members said that they have struggled to make ends meet.
- **80% of staff felt undervalued in terms of remuneration for the roles that they perform across CESC.**

2. SUMMARY OF CLAIM

We are seeking:

- Meaningful pay rise RPI+ 8% on top of the UQ move.
- An increase in the holiday entitlement to ensure that Centrica's terms and conditions remain market leading including recognising the Bank Holiday entitlement for Scotland.
- All staff in the collective should be able to access the full range of Benefits Plus.
- Commitment to become Real Living Wage employer.
- Supportive Flexsa allowance to allow staff to use/purchase benefits. The principle of this was 4% of your salary and the company paid tax on this and it was available for you to purchase annual leave and top up with shopping vouchers.
- Improved energy allowance – The business could consider offering a staff tariff that would encourage staff to be customers.
- Level 7 removed from Merit pot and brought back in line with negotiated pay claims for Level 8. Brought back into collective bargaining agreements. To bring all employees back in line.
- L7 team manager's base pay – implement full review of job and role of the TM in each business unit. (In pay talks 2024 business were happy to say 16% gap between L8 CRA and L7 TM was fine this has now been changed twice since then. We still need the L7 TM pay banding)
- Reward for L8 and L7 (QIP) – increase % available to earn, make this an incentive to earn. – full review of reward 16% is no longer viable.
- 4 day working week – with no loss of pay.

3. FALLING VALUE OF PAY

The table below demonstrates the major fall in living standards suffered by staff over recent years.

Year	British Gas pay increases	Rise in cost of living ¹ (as measured by Retail Prices Index)
2021	2.5%	4.1%
2022	5%	11.6%
2023	3.5%	9.7%

This means that, while a wage keeping pace with the cost of living each year would have risen by 27.4% since 2020, pay in British Gas Customer Experience and Sales has risen by just 11.4%, meaning that the value of staff wages has fallen by 12.5% in just three years and resulting in the cutting of thousands of pounds from the value of staff wages.

Both UNISON and the GMB believe that the Retail Prices Index (RPI) remains the most accurate measure of inflation faced by employees.

¹ Office for National Statistics, Consumer Price Inflation Reference Tables, December 2023

The most widely quoted figure for inflation in the media is the Consumer Prices Index, However, we believe that CPI consistently understates the real level of inflation for the following reasons:

- CPI fails to adequately measure one of the main costs facing most households in the UK – housing. Almost two-thirds of housing in the UK is owner occupied, yet CPI almost entirely excludes the housing costs of people with a mortgage.
- CPI is less targeted on the experiences of the working population than RPI, since CPI covers non-working groups excluded by RPI – most notably pensioner households where 75% of income is derived from state pensions and benefits, the top 4% of households by income and tourists.
- CPI is calculated using a flawed statistical technique that consistently underestimates the actual cost of living rises faced by employees. The statistical arguments are set out exhaustively in the report “Consumer Prices in the UK” by former Treasury economic adviser Dr Mark Courtney.

Staff are experiencing an enormous surge in housing and energy costs - mortgage interest payments are rising by 23%^[1], private rent by 9%^[2] and average household energy costs are forecast to rise by 9% from October 2024^[3].

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- ^[1] Office for National Statistics, UK Consumer Price Inflation, August 2024
- ^[2] Office for National Statistics, Private Rent and House Prices UK, September 2024
- ^[3] Cornwall Insight, Forecast for October Price Cap, August 2024

Furthermore, the last decade and a half has seen enormous jumps in the basic costs shown below^[1].

Expenditure Item	House prices	Bus & coach fares	Electricity	Gas
Price rise 2009 - 23	65%	93%	180%	144%

^[1] Office for National Statistics, UK Consumer Price Inflation Tables, January 2024, for bus /coach, electricity and gas prices, Acadata National Historic Series for house prices

4. Low Pay

The lowest paid are yet again being hardest hit. The National Living Wage will be significantly increased by 6.7% to £ 12.21p per hour. Failing to address low pay further could see the company being forced to uplift salaries in line with government minimum wage policy in April 2025 rather than being seen to reward staff in line with the work that they do. This is further compounded by the exclusion of this group in accessing many of the salary sacrifice benefits offered to British Gas employees.

This reflects just how hard it is to maintain a reasonable standard of living on basic pay.

According to the member surveys conducted by unions this autumn, pay and reward were amongst the top concerns expressed by respondents. Pay and reward pressures are the increasingly dominant reason for worsening wellbeing / mental health. The TU member survey shows that over 80% of respondents rate a substantial consolidated pay rise as their number one priority this year.

5. FALLING BEHIND AVERAGE PAY RATES

The ability of **British Gas** to attract and retain staff in the long term will be damaged if the pay of its staff falls behind the going rate in the labour market.

Promises to raise the bar for staff to the upper quartile must be considered alongside the cost of living pressures that have occurred since the deal was agreed.

Recent vacancy rates across the economy have also been among the highest level recorded in over two decades, providing staff with substantial alternative areas of employment.

6. RECRUITMENT AND RETENTION PRESSURES BUILDING

Job vacancies for the business are prevalent, but our feedback from members suggests that the lack of career progression and constant movement in and out of collectives is creating unrest forcing our British Gas employees to look elsewhere for improved pay, career opportunities, and job security for their household finances.

7. MORALE UNDER THREAT

Working against a background of tight budgets and implementation of several new customer systems, staff have been facing greater workload pressures. The resulting increased stress puts the morale of the workforce at risk and poses a long-term threat to British Gas/ Centrica's ability to provide a consistent quality of service.

- Increasing demand for the service is clear by the outstanding complaints and call volumes.
- Increase in span of knowledge required in the introduction of POD working.
- Reduced career progression at level 8
- Staff are feeling greater stress.
- Staff are suffering with falling morale.
- The impact of these pressures shows themselves in rising sickness absence and increased attrition rates.

8. AFFORDABILITY

The Joint Unions have sought to present a pay claim which we believe to be sustainable even in the present challenging situation.

In 2023, Centrica recorded a pre-tax profit (before exceptional items) of £2.71bn. That was equivalent to a profit of around £131,000 per employee and almost 200 times the cost of a 1% pay rise across the entire workforce. This is all against the background of handing £186m as dividends to shareholders and an 83% increase in the remuneration of the chief executive to £8.231m.

While interim results to June 2024 showed a slight downturn, pre-tax profits before exceptional items still hit £1.055bn and Centrica still felt able to hand a further £142m as well as use £250m for share buyback.

9. CONCLUSION

There can be no doubt that all **British Gas** staff have seen the value of their earnings and overall reward package fall considerably over recent years and evidence suggests that they are also falling behind earnings for comparable jobs.

Combined with these developments, the last year has seen intensified pressures placed on staff at the same time as greater job choices are opening for staff in an improving labour market.

Therefore, this pays claim represents a very reasonable estimate of the reward staff deserve for their dedication, skill and hard work and the minimum improvement in pay needed to maintain workforce morale for delivering consistently high-quality services.