

# If a gas company can be too big to fail why shouldn't t...

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As the [FT has noted](#):

*The UK energy crisis has claimed its biggest victim with Bulb, Britain's seventh-biggest supplier, to enter special administration backed by taxpayer money.*

Bulb has 1.7 million customers. As the FT also noted:

*One government figure acknowledged that taxpayers would end up having to pay hundreds of millions of pounds to support Bulb through the administration and beyond, saying the precise cost "depends on the length of time it remains in this state".*

The [Guardian's analysis is harder hitting](#). They note:

*Government officials and ministers were also taken in by Bulb's seemingly unstoppable success, and as one senior industry source said, and "loved them" because "they came in to challenge the incumbent suppliers and grew at scale".*

As they add, the trouble was:

*Bulb's major strength was its marketing: it excelled at attracting new customers through lucrative referral payments [and green energy claims](#), and managed to secure willing investors by talking up its credentials as a tech startup.*

But Bulb's rivals have long claimed that the company's business model, green credentials and fundraising were all unsustainable because it relied on [greenwashing](#), and "too good to be true" energy prices to help fuel its rapid growth.

Not quite a pyramid selling scheme then, but at least a company motivated solely by growth at all costs, with little regard to the true cost, the claims made and the methods used. As the Guardian also notes, Bulb's actual investment in technology was minimal: this was a free-riding company capable of operating whilst the going was good.

And now the going isn't good and Bulb has failed, to no one's great surprise. Even the

government had anticipated the need for a special arrangement for a failure of this scale as if they too knew that for all the bluster and hype, which they were happy to promote, this was always a 'too good to be true' story.

The result is a stark reality. The upside went to those who promoted this company. The downside is being borne by the state. The market has failed again. The state has to bail it out. But, apparently, and despite that fact, it is always the market that has to be believed in.

The actual truth is that Bulb did not make gas. It just traded it. Bulb's existence did not change the gas coming out of anyone's gas pipe. It just changed the price of it. And Bulb added nothing technical to the market, it would seem. It simply played the markets, as the backgrounds of its founders would suggest was what they always intended since this is where their skills were.

In that case a simple question has to be asked. If a gas company can be too big to fail - and it is now really apparent that this is possible - why shouldn't the supply of domestic gas be nationalised since it is now clear that all the big players in this market are operating with an unstated but nonetheless profoundly implicit state guarantee underpinning the activities? Why in that case don't we just create a state energy company to do the job instead? Call it English Gas if you like - because Scotland and Wales should have their own energy companies - and let's move on. What is the counter-argument?