The scale of support announced for Bulb Energy makes no...

Published: January 15, 2026, 4:25 am

As the FT has noted this morning:

UK ministers will put up £1.7bn of taxpayers' money to continue running the failed energy supplier Bulb while it is managed by administrators on the government's behalf over the winter.

Bulb, which was Britain's seventh-biggest supplier, with 1.6m customers, admitted this week that it was supporting the process of being placed into "special administration", a mechanism to protect customers of a large supplier when it becomes insolvent.

I have already analysed the last available accounts of Bulb. They are not pretty. But, to suggest that they required a capital injection of £1.7bn seems far-fetched, based on what is available on public record.

To put this in context, that level of support amounts to £1062.50 per customer on the basis of the above data, or about half a year's energy bills for each of them given current prices.

If the government imposed price cap is having that much of an impact then that needs to be stated and the implications for the rest of the market must be spelt out as well.

If that price cap is not the cause for this support, then the justification for the number needs to be given. As it is this number makes no sense at all, and it is time ministers said why this is their estimate.

And if support of this scale is required because of the impact of the price cap at a time when wholesale prices remain high, but below their peak, then the obvious implication is that there will be no domestic energy supply companies left in the UK soon because of the losses they must all be sustaining and in that case we face the scenario of a totally failed market rather sooner than I anticipated.

Why does this matter? The reason is that Bulb was 6% of the UK energy market. If the rest of the market needs support at something like the same rate because of the implication of the price cap this might suggest a cost of £28 billion. And that should be enough to wake up any minister.