Warm Home Discount Should Be Extended to Help Britain's Five Million 'Fuel Vulnerable' Households

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- **4.8 million fuel vulnerable households spend 10% or more of their income on energy, including almost 900,000 homes who spend over 15%[1]**
- **Both old and young consumers are affected by the issue of energy affordability: over a third of over-75s (34%) and around a sixth of under-30s (16%) are classed as fuel vulnerable[1]**
- **Of the poorest[2] households, fuel vulnerability affects 1.3 million families, 673,000 homes with disabled residents and 565,000 pensioner households[1]**
- **uSwitch is calling on the Government to urgently extend the Warm Home Discount to all energy suppliers to help reduce the number of fuel vulnerable consumers.**

Nearly one in five British homes are 'fuel vulnerable' – spending more than £1 in every £10 of income on sky-high energy bills[1], according to a new analysis fromuSwitch.com, the independent price comparison and switching service.

The new figures reveal that 4.8 million fuel vulnerable homes spend over 10% of their annual income on energy bills, and 900,000 of these spend in excess of 15% of their income.

The data suggests that the issue of fuel vulnerability affects a much broader section of society than many other definitions of energy affordability. All of the country's poorest[2] households are classed as fuel vulnerable, including 1.3 million families, 565,000 pensioner homes and 673,000 homes with disabled residents. Some 930,000 households with at least one adult in full time employment are also affected.

The figures also show that fuel vulnerability affects both old and young. Over a third (34%) of over-75s and around a sixth (16%) of under-30s spend over 10% of their annual disposable income on energy.

Regionally, the highest proportion of those who are fuel vulnerable are in Wales (24%), followed by the West Midlands (23%) and the East Midlands (22%) – despite the fact that these areas do not all have the lowest average incomes.

uSwitch.com is urgently calling on the Government to extend the Warm Home Discount[3] scheme – which gives a £140 a year discount to eligible consumers – to help more fuel vulnerable households with their energy bills. Despite recent proposals for standardised eligibility criteria, suppliers still have varying rules about who qualifies for the discount. In addition, many small energy providers, who frequently undercut the big six suppliers on price, are not currently included in the scheme.

Ann Robinson, Director of Consumer Policy at uSwitch.comsays: "Energy is a basic human need and it is shocking in this day and age that so many consumers, both young and old, are struggling to pay for it. The figures underline the fact that energy affordability affects a large cross section of society, including working families and disabled people. As a result, many could be suffering ill health by rationing their energy use to cope with sky-high bills.

"Urgent action is needed to help the millions of fuel vulnerable households across Britain. The Government should extend the Warm Home Discount to more consumers who are struggling with energy costs, especially as so many of them don't currently qualify. The scheme should also be extended to all energy suppliers – not just those with over 250,000 customers. The cheapest tariffs are often from newer, smaller providers, and so are out of the reach of those who need them most.

"Energy companies must also continue to do all they can to help fuel vulnerable customers to reduce their bills and offer support for home efficiency improvements."

For more information visit www.uswitch.com or call 0800 093 06 07

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For further information please contact:

Jason Wakeford, uSwitch.com on 0207 148 4662 or jason.wakeford@uSwitch.com

Catherine Barrett, Lansons on 07870 397 524 or catherineb@lansons.com

Tom Pavey-Smith, Lansons on 07917 165 588 or thomasps@lansons.com

Notes to editors

1. Analysis carried out by economic consultancy Europe Economics. Europe Economics constructed indicators of fuel poverty and vulnerability using the latest income and actual pricing data available at the time of its analysis in January/February 2015. This data related to October 2014. The study is based on a model including around 2,700 representative households. In order to estimate the index, three ONS sources were used:

Family Spending 2014. The report sets out average disposable incomes and spending on domestic energy by disposable income decile, age of reference person band and region or country in 2013.

Energy components of the Consumer Price Index. The component for domestic fuels is used to scale up energy spending to October 2014 (the most recent month for which data is available).

Average Weekly Earnings. The index is used to scale up disposable incomes to October 2014. While this assumes that disposable incomes rise in line with average earnings, and does not account for benefits changing at different rates and the effects of the tax system, it should be a reasonable proxy over the relatively short period from the 2013 average to October 2014.

2. The 'poorest homes' refer to those households in the 10th (lowest) income decile according to ONS figures which cover the UK.

3. In Great Britain, the Warm Home Discount requires energy suppliers with more than 250,000 household (not business) customer accounts to help vulnerable customers pay for electricity. Participating suppliers offer the Warm Home Discount to all customers who receive the Guarantee Credit element of Pension Credit (even if they get Savings Credit as well) – but other low-income customers can also apply for the discount through their suppliers. Companies covered by the Warm Home Discount can also choose to provide a rebate to other households in risk of fuel poverty, going beyond the wide-ranging standard criteria. The Warm Home Discount is funded by the participating suppliers.

About us

uSwitch is an online and telephone price comparison and switching service, helping consumers get a better deal on gas, electricity, home phone, broadband, digital television, mobile phones and personal finance products including mortgages, credit cards, current accounts and insurance.

Energy customers have the option to create an account to automatically monitor the market and notify them when they can move to a cheaper tariff - making future comparisons even simpler and faster. Broadband customers can conduct aspeed test to find out how fast their broadband is and to identify the best broadband provider for their postcode.

uSwitch was the first comparison site to achieve the Plain English Campaign's Internet Crystal Mark, recognising that it has clear language, is accessible and easy to use.

uSwitch has a UK contact centre which is manned by energy and broadband experts. The 'Send Us Your Bill' service allows customers to post their latest energy bills to FREEPOST USWITCH in order to receive a free call back to be guided through the comparison process. Alternatively, consumers can email customerservices@uswitch.com with their postcode and usage details. uSwitch's address is Notcutt House, 36 Southwark Bridge Rd, London, SE1 9EU.

uSwitch is backed by LDC, the leading UK mid-market private equity house, and Forward Internet Group Limited, a privately funded collection of internet-based businesses focused on consumer engagement and innovation.

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