

Crisis in the cold

People in Wales at risk of fuel poverty this winter



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Household finances in Wales have been hit hard

Many households in Wales have seen their finances hit hard by the coronavirus crisis. For families who have lost jobs or seen their income reduced, keeping up with day to day costs has become a struggle.

Our [Coronavirus Debts](#) report, estimates that more than 66,000 households in Wales have fallen behind on their energy bills since the start of the pandemic.¹

The coronavirus crisis has contributed to this in a number of ways:

- Living on a reduced income has left some households unable to meet their regular bills for the first time. For others it may have exacerbated existing debts. As a result of this some people risk falling into fuel poverty- unable to afford the energy they need.
- Whilst households might normally use less energy during the summer and autumn months, spending more time at home this year may have increased bills all year long, reducing financial resilience for the winter.²
- For those with inefficient homes, spending more time at home may have further contributed to higher energy bills.

People struggling with energy costs face a difficult choice. Some may decide to cut back or go without heating or using household appliances. People with prepay meters are at risk of self-disconnecting if they can't afford to top up, although new Ofgem rules should mean vulnerable customers are given temporary support if this happens. People on credit meters may fall into debt which they'll need to pay back over a long period, and risk moving to prepayment if they don't keep up with repayments.

People in Wales are having to spend more time at home this winter, so making sure people can afford to stay warm, safe and well, is more important than ever.



74,000 households have gone without heating in order to pay for essentials in the last two years

An estimated **66,000 households** have fallen behind on their energy bills



The coronavirus crisis has left more people with energy debts

We estimate that more than **£10,000,000 of energy debt** has been accrued in Wales since the start of the pandemic.³ More than half of this debt has been as a **direct result of the crisis on people's incomes.**

This is likely to worsen over the colder months. With households spending more time at home this winter, many may face unexpectedly high bills.

Whilst Ofgem has strengthened protections for customers struggling with energy bills this winter, debts accrued now will still be expected to be repaid.⁴ Long-term debt could leave people in Wales in ongoing fuel poverty. For some vulnerable groups, this may mean they are unable to meet their health needs or force them to cut back on other essentials.

Our research shows that **disabled people**, people who **rent their home**, parents **with three or more children** and those **most vulnerable to the coronavirus** are more likely to face energy debt this year.

Disabled people are **four times more likely** to be in energy debt than those who do not have a disability or long-term health condition.



People who rent their home are **three times as likely** to have fallen behind on bills than people who own their home.

Parents with 3 or more children were **more than 3 times as likely** to be in energy debt than those without children.



People who are extremely vulnerable to the coronavirus are **nearly twice as likely** to have fallen behind on energy bills than those who were not high-risk.

Some people will go without heating in order to pay for other essentials

For households with prepay meters, struggling to pay for energy has a more immediate impact. People may be forced into self-rationing or self-disconnection.

In the last two years, approximately **74,000 households in Wales went without heating** in order to pay for other essentials. Many more people may face further financial uncertainty and difficulty this winter, leaving them at risk of falling into fuel poverty.

Self-disconnection (losing energy supply after not topping up a prepayment meter) and self-rationing (when people excessively limit their energy use) is a particular concern during the coronavirus crisis. [Our research](#) shows that it can exacerbate physical and mental health problems.⁵

Elin's story

Elin lives in South Wales with her 3 grandchildren and has multiple long-term health conditions. Normally, Elin is able to top up her prepay meter as needed and manages to get by on the benefits income she receives.

This autumn, a delay with one of her benefits left her with no money to top up her gas and electricity supply, leaving the family without energy for two days. Elin was unable to heat the home or cook warm food for her grandchildren.

Elin contacted a Citizens Advice energy adviser, who checked her eligibility for fuel support. The adviser issued her with a fuel voucher which enabled Elin to top up her energy whilst she waited for her remaining income.

The right help early on helps to avoid long-term difficulty

It is important that people in debt seek support or advice as soon as possible to arrange affordable repayment plans, access available support and maximise their income before falling into further debt.

With the additional risk of the coronavirus to people's health and financial stability, it is crucial that households don't face a choice between having a warm home and feeding their family over the coming months.

Visit our [website](#) to find out more about managing debts and accessing available support.⁶ Call Citizens Advice, through freephone number 0800 702 2020, Monday to Friday, 9am to 5pm or see the [Warmer Wales](#) website⁷ for details on how to contact a specialist energy adviser. Find details for your local Citizens Advice by clicking [here](#).⁸

Our advisers in Wales helped **1800 clients** with fuel debt issues since the start of the pandemic.



Advisers in Wales have helped **4000 clients** with other fuel issues such as applying for extra fuel costs support.

Pete's story

Pete lives with his wife, Stacey, and their young son in rural mid-Wales. Pete is disabled and Stacey has lost work during the coronavirus crisis, making finances tighter than usual. As they live rurally, they rely on oil to heat their home and for hot water. Struggling to make ends meet, Pete has not been able to pay for the last delivery of oil to his property.

In debt with the oil company, Pete was not able to order more oil and didn't know where to turn for help when it ran out. The family went without heating and hot water for three weeks.

Someone pointed Pete in the direction of his local Citizens Advice office. An adviser spoke to him about his options for repaying his debts and referred him to a specialist energy support scheme. Emergency financial support for people using oil is limited, but the adviser was able to identify an emergency grant where Pete could apply for urgently needed financial support.

References

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6. Citizens Advice, <https://www.citizensadvice.org.uk/>
7. Warmer Wales Project: call Citizens Advice Cymru through freephone number Monday to Friday, 9am to 5pm on 0800 702 2020 or by textphone: 18001 0800 144 8884, or visit the [Warmer Wales website](#) at: <https://www.citizensadvice.org.uk/wales/about-us/how-we-provide-advice/advice-partnerships/warmer-wales/> for access to local energy advisers.
8. Citizens Advice, Search for your local Citizens Advice, <https://www.citizensadvice.org.uk/about-us/contact-us/contact-us/search-for-your-local-citizens-advice/>
9. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2086 adults. Fieldwork was undertaken between 22nd October - 2nd November 2020. The survey was carried out online. The figures have been weighted and are representative of all Welsh adults (aged 18+).

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