

"Frankly Terrifying": Energy Crisis Could Drag 26M Brits Into Fuel Poverty

Description

UK: The axing of the energy price guarantee from April next year could lead to almost 11m UK households falling into fuel poverty, campaigners have warned, which is about 26m people.

It means more than one in three British households face the grim prospect of hardship: there are an estimated 28.1m households in the UK. The average household in Britain has 2.36 people.

The End Fuel Poverty Coalition described the outlook as "frankly terrifying" and urged the Government to focus on a new package of support and energy market reforms, alongside investment in home insulation and renewables.

The predicted increase from the current seven million households in fuel poverty to 10.7 million after the Government lifts its guarantee limiting the average household energy bill to $\pounds 2,500$ from April will then fall slightly – but will still leave 10.1 million households in fuel poverty in the winter of 2023/24, the group said.

Protest in London

The figures come as protesters gather in London to ask MPs to back plans for a universal basic energy allowance to meet heating, cooking and lighting needs, part of the 'Energy For All' petition which will be handed to Downing Street on Wednesday with more than 600,000 signatures.

The Warm This Winter campaign called for the immediate suspension of all forced transfers of households onto more expensive pre-payment meters, whether by court warrant or remotely via smart meters.

Ruth London, from Fuel Poverty Action, said: "The outlook is frankly terrifying. It is now all the more essential – and more possible – to win a totally new pricing framework like Energy For All. Finally there is now support for this inside Parliament."

Simon Francis, co-ordinator of the End Fuel Poverty Coalition, said: "The Government may have

brought some stability to the markets, but it has come at the cost of huge instability in households' finances.

"The new Chancellor must work quickly, and with consumer groups and charities, to design a new package of support and energy market reforms that will help those in fuel poverty now and post-April.

"But while the political focus on energy bills may now have shifted to next April, millions of the most vulnerable will be living in cold and damp homes this winter and will need further financial and non-financial support."

Firms urged to prepay customers

Meanwhile, consumer site MoneySavingExpert (MSE) urged some of the biggest energy firms to allow prepay customers with smart meters to use their £400 Government support payment on both electricity and gas, to ensure they can maintain heating this winter.

Prepayment customers with traditional meters can decide where best to use the payments, which come in six monthly instalments between now and March 2023, as they are sent as a voucher they can use to top up their electricity or gas meter. However for those with smart meters, the payment is usually applied to their electricity meter by default, so they have less choice.

Gary Caffell, head of energy at MSE, said: "We appreciate that suppliers have acted fast to deliver the first of these crucial support payments.

"But combined with the wider cost of living crisis – affecting all other areas of people's finances – not allowing customers flexibility to transfer some or all of these payments to gas meters puts these people, many of whom are vulnerable, at a much higher risk of reaching a crisis point in the coming months.

"Some may simply not be able to afford to heat their homes."

By CityAM

Category

- 1. Economy-Business-Fin/Invest
- 2. Main

Date Created 10/25/2022

10/20/2022