

Number of UK households in energy debt increases by 300,000, owing nearly £400 million

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Research published by the consumer web site Uswitch reveals that, as winter's cold weather bites, the number of households already in debt to energy suppliers in the UK rose by 300,000 in the past year.

The outstanding debt owed to power companies in October this year totalled £393 million, an increase of nearly a quarter on the same time last year. It is usually expected that households should be in credit at this time of year, with the expectation that as the colder months ahead arrive, consumers will have the money to pay for higher winter bills.

The debts themselves have been in large part due to increased price hikes from the major power suppliers that have taken place over the last two years, with the six biggest suppliers putting up tariffs twice this year.

Fuel poor households are defined as those households with above average energy costs, with their income falling below the official poverty line after paying for lighting and heating their homes.

Peter Smith, director of policy and research at National Energy Action (NEA), said, "Millions of people are approaching this winter with dread and will face unimaginable situations. Those who are repaying large or growing energy debts don't turn the heating on at all, despite knowing it could badly damage their or their family's health."

The rise in fuel poverty takes place despite the utilities price cap for millions of vulnerable households that started in April 2017.

A study carried out earlier this year by NEA, and the climate change charity E3G, found that up to 3,000 people are dying each year in the UK because they cannot afford to heat their homes, with the UK having the second worst rate of winter deaths in Europe, after

Ireland.

The study found that of the 168,000 winter deaths that have taken place over the previous five years in the UK, nearly 17,000 were a direct result of fuel poverty. A further 36,000 deaths were attributed to conditions related to living in a cold home.

That would mean the number of people dying from cold each year is similar to those dying from prostate and breast cancer.

The researchers pointed to the wider impact of living in cold homes—as well as increased fatalities, the greater demand on health service infrastructure, placing more pressure on GP surgeries and Accident and Emergency departments.

Infants living in cold homes have a 30 percent greater risk of being admitted to hospital or primary care facilities and are three times more likely to suffer from coughing, wheezing or respiratory illnesses.

The government's Annual Fuel Poverty Statistics 2018 shows that the highest level of fuel poverty (19.4 percent) is in households in the private rented sector, compared to 7.7 percent in owner-occupied properties.

The numbers of households in employment that are defined as fuel poor stands at 47.4 percent, and households where the reference person is unemployed are four times more likely to be fuel poor than the national average.

The largest household group in fuel poverty in 2016 was single parent households, at 26.4 percent, 10 percent above any other group.

The problem of fuel poverty is not restricted to towns and cities. According to government figures, 11 percent of those living in households in rural areas of England are fuel poor. This increases to 14 percent for those

living in rural villages, hamlets and isolated dwellings, who are deemed to have a higher level of fuel poverty than those living in semi-rural or urban areas.

Research by National Energy Action and the Campaign to Protect Rural England found that energy efficiency in homes in rural areas is five years behind urban areas, meaning that some people were having to pay up to 55 percent more on fuel.

In response to the rise in rural fuel poverty, the Axewoods Co-Operative was set up. This is a scheme set up to provide free wooden logs in East Devon. It works on a similar basis to a food bank—providing logs from cut-down local trees to residents to burn in open fires and wood burners.

Alan Dyer, chairman of the scheme said, “It’s not aimed at people who might turn up in their Range Rover, load up and say: ‘Thanks very much for the free logs’,” Dyer said. “Fuel poverty is a real problem in rural areas. In the south-west, where wages are low and costs are high, ordinary people are struggling to keep themselves warm. If they have access to a log burner or open fire, the wood we provide could make all the difference”

According to the Citizens Advice Bureaux charity (CAB), Britain's households now owe a staggering £19 billion in debt, with many falling behind with essential bills for the first time. The CAB said missed bill payments had now overtaken credit card repayments for the first time and were considered a major worry by many consumers.

The data was collated from government records and from the CAB’s own records of more than the 690,000 people it helped last year, who were having trouble repaying household bills. The CAB estimate that as much as £18.9 billion is owed to the government and utility companies, including gas, electricity, water bills, and also unpaid taxes and fines.

The utilities companies were owed a total of £3.3 billion by consumers, with water companies owed £2.2 billion and electricity and gas providers being £1.1 billion.

The increased stress and anxiety that individuals and families face when they cannot repay debts can lead to mental health problems, and then to additional borrowing. The CAB said that a third of people in debt are likely to be out of full-time employment, with one in three experiencing problems with their mental

health.

It is an indictment of capitalism that in the 21st century millions of people are worried about putting their heating on, for fear of the bill that will arrive. Heating, lighting and all basic utilities are a requirement of civilised life and a social right, and their provision cannot be dependent on affordability.



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