## **Subject: Letter from the End Fuel Poverty Coalition**

From: Simon Francis <

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Cc: @energysecurity.gov.uk, Energy Security and Net Zero External Affairs @energysecurity.gov.uk>, BEIS Correspondence @energysecurity.gov.uk>, End Fuel Poverty

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## Thu, 11 Jul 2024 17:20:49 +0100

Dear Secretary of State and Minister,

On behalf of the <u>End Fuel Poverty Coalition</u> (which I coordinate), congratulations on your election and subsequent appointments.

The new Government has said we will see change - and that is badly needed.

We know all too well that new ministers have inherited a broken energy system which has prioritised oil and gas company profits while millions of ordinary people have shivered in cold, damp, mouldy homes they cannot afford to heat.

Bringing down bills permanently will take time, but there are actions which can be taken right now to help struggling households stay warm this winter.

Our immediate concern is the silence from all political parties during the election on the issue of energy debt.

Households' combined energy debt has soared by 57% in 12 months according to Ofgem.

One in five (18%) households in energy debt are <u>turning to illegal money lenders</u> to pay for their bills and everyday essentials. Two-thirds (67%) of people in energy debt say it has caused them emotional distress and 42% say it has caused them to eat fewer hot meals in order to cut down on energy use.

Prepayment Meters (PPMs), sold as the solution to energy debt by industry and regulators, trap customers in a lifetime of misery chipping away at debt for years. Levels of emotional distress increase among PPM customers in debt (93%) as do the numbers reducing hot meals (60%). The numbers turning to illegal money lending are also significantly higher for PPM customers (36%).

We desperately need the Government to lead on the introduction of a universal Help to Repay scheme to offer a lifeline to millions of people who are trapped in energy debt through no fault of their own, and to

ban energy companies from selling debts on to debt collectors.

We also need answers from the regulator and industry about what the £1.3m Ofgem has added to consumer bills to help energy firms with the costs of bad debt has been spent on.

We were also encouraged by the new Prime Minister's apparent pledge to <u>Money Saving Expert</u> that the Government would ban the forced installation of prepayment meters for good - we hope that this pledge will be honoured in the Energy Independence Bill.

Our other immediate priorities are to see a more comprehensive warm homes discount for vulnerable households introduced for this winter. This should come alongside a consultation on longer term solutions, such as the <u>social tariff</u> or energy for all approach.

After all, the average household has <u>spent £2,500</u> more on energy bills since April 2021 than it would have done had prices remained stable. Prices are predicted to increase again from 1 October according to expert forecasters, while the head of the energy regulator told MPs in the last Parliament that "when we look further out our best estimate is that prices are going to stay high and volatile over time."

We appreciate that election campaign commitments were made to reduce electricity and gas standing charges to bring down energy bills for everyone. Future Energy Associates <u>have identified</u> how standing charges for every household with electricity and gas connections could plummet from £334.08 a year to £183.02 - a reduction of almost half (£152.06 / 46%).

Finally, we are looking forward to hearing how the Government will maintain ECO funding while also honouring the manifesto commitment to invest heavily in insulating our leaky housing stock so that vulnerable people do not have to spend yet another winter shivering in cold, damp, and often dangerously mouldy homes.

Of course, all this needs to be paid for. But this can be done by putting an end to oil and gas industry profiteering by extending the Windfall Tax. Our updated energy industry profits tracker shows that over £427bn in profits have been generated by 20 firms since the start of the energy bills crisis, up £7bn since the <u>last update in April 2024</u>. An estimated £1,100 per household in profit has been generated by network operators and transmission firms alone.

We appreciate that your diary will be incredibly busy, but we would be happy to arrange an online session for you to meet with members of the End Fuel Poverty Coalition to discuss the issues of concern. Please contact me at

Best wishes, Simon Francis, Coordinator.

## About the Coalition

The End Fuel Poverty Coalition campaigns to influence government and other bodies to take action to end fuel poverty and thereby improve people's health and quality of life as well as seeking to reduce the cost of living, create jobs and negate carbon emissions in the process.

It is a broad coalition of over 70 anti-poverty, environmental and health campaigners, local authorities, trade unions and consumer organisations.

For the latest list of members, visit <u>https://www.endfuelpoverty.org.uk/who-we-are/</u>. The Coalition is part of the wider <u>Warm This Winter campaign</u>.

Contact: info@endfuelpoverty.org.uk

