

FUEL DEBT ADVICE BULLETIN



Campaigning for Warm Homes

Advice & Information from NEA, the national fuel poverty charity

Welcome to the latest Fuel Debt Advice Bulletin

This edition looks at a number of key policy initiatives, practical projects and campaigns to support those householders who struggle to pay their fuel bills and/or live with fuel debt.

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Energy Bills

It is estimated that as many as 7 out of 10 energy consumers are not on the best tariff for their circumstances. In a study carried out by the Institute for Public Policy Research it was found that as many as 5 million homes were being overcharged for energy and, in some cases, households were paying up to £300 a year more than necessary.

The recent announcement of a 'landmark' agreement between 'the Big Six' energy suppliers and the Coalition Government is a welcome move towards lowering energy bills for consumers.

The agreement means that:

- Energy suppliers will write to all customers once a year advising them of the best tariff for their circumstances and how to access that tariff
- Vulnerable customers, specifically those eligible for assistance through the Warm Home Discount, would be contacted twice yearly with this information.
- Customers will also be offered the best tariff if their contract comes to an end and if they contact the supplier at any time

Energy Bill Revolution

Latest Government data estimate that 4.75 million UK households were in fuel poverty in 2010; that is, they are unable to afford to heat their homes to the level required to ensure health and well-being.



The Energy Bill Revolution is a public campaign, supported by an alliance of organisations, calling for warm homes and lower energy bills. The campaign advocates that Government use revenues from carbon taxes to make the UK's homes super-energy efficient. The aim of the campaign is to drive down energy bills, help end fuel poverty, help tackle child poverty, create jobs, improve health and reduce carbon emissions.

The campaign believes if the Government recycled its carbon revenue (European Emissions Trading Scheme & Carbon Floor Price) back to households, it could provide billions of pounds to help insulate the UK's homes. The benefits could include bringing 9 out of 10 households out of fuel poverty, lowering energy bills, cutting carbon emissions and creating employment.

For more information on the Energy Bill Revolution go to: www.energybillrevolution.org

Centres of Excellence

The British Gas Energy Trust (BGET) is funding fuel debt advisors within 14 independent charities across England, Scotland and Wales to provide face-to-face advice and support clients in accessing grants from the Trust. The Trust provides financial assistance to clear fuel arrears, purchase energy efficient white goods and, in exceptional cases, help with funeral costs and bankruptcy fees etc. The service has now been operating for more than six months with the intention of creating Centres of Excellence for fuel debt advice.



Grant awards made to date through the centres are in excess of £129,000 in total and more than 2,000 clients have received advice.

The organisations providing these services are located in areas where fuel poverty and debt problems are prevalent and include Citizens Advice Bureaux, independent advice agencies, Law Centres and social enterprises. All are trusted within their communities, working locally in partnership and running services that complement a specialist fuel debt service. All of the fuel debt advisors have been trained by NEA.

British Gas has supported the development of the service through a specialist phone line for advisors, marketing and promotional information and media support with local events in each area. During April and May, with direct funding from British Gas, NEA provided one-day Fuel Debt training courses free of charge for these agencies. The courses helped raise awareness of

the Trust and promote its priority objectives to tackle the issues of fuel poverty and energy debt, promote better understanding of energy efficiency and enable more people to access support during the current difficult economic climate.

Individual stories illustrate the value of the Trust.

A CAB fuel debt advisor met an elderly client whose daughter had developed a number of illnesses - she had severe diabetes, was blind, had no movement in her lower body and was wheelchair dependent. The client managed to look after her daughter at home until, due to her husband's deteriorating heart condition, her daughter went into a nursing home for care where, sadly, she died.

"My daughter had some money in her bank and we used this to pay the deposit for her funeral. Unfortunately there was a shortfall and we simply did not have the means to pay it back to the funeral directors.

'We applied to the Social Fund but they told us that as we have three other daughters they should pay. But one is disabled, the other is off work sick and our remaining daughter only works part-time as she has three young children. We could not get a loan to pay for the bill as the bank told us we are too old and we have no assets. My husband had further health issues and I was shattered myself looking after him and worrying about how to deal with the funeral payment.

'We went to the Citizens Advice Bureau where they helped us to get back on track. The fuel debt adviser submitted an application to the British Gas Energy Trust on our behalf and we were awarded funding to pay for the funeral.

I wrote to the CAB to say thank you. It felt like all our Christmases had come together, it makes us so grateful, nobody has ever helped us before and it seems surreal."

The Big Switch

Which? and online campaigning organisation, 38 Degrees, worked together on The Big Switch to get a better deal for consumers on energy bills.

The logo for 'Which?' is a red square with the word 'Which?' in white, bold, sans-serif font.

The Big Switch aimed to make it easier for consumers to switch to a better energy deal - and save money on gas and electricity bills.

The theory was that, if enough energy consumers expressed interest in collective switching of supplier, a 'reverse auction' would be held, where energy suppliers were invited to 'bid' on the basis of their lowest offer per unit of gas and electricity. The greater the numbers of consumers

signing up the greater the bargaining power.

In the event, some 280,000 people signed up and the reverse auction took place on the 9th May 2012 with five energy companies involved - Co-operative Energy, EDF Energy, E.ON, First Utility and ScottishPower. The "winner" was announced as Co-operative Energy with EDF Energy a close second.

Which? commented on the winner of the reverse auction: *'The fact that one of the smaller suppliers, Co-operative Energy, was able to win shows that collective switching can help shake up the market for consumers and marks an important step on the road to energy market reform.'*

However concerns were expressed over a number of issues including the exclusion of prepayment customers and the fact that that the winning offer would only be available to 30,000 customers on a first-come, first- served basis. The cap on the number of prospective switchers was applicable where one of the smaller entrants to the competitive market won the auction. The remainder of prospective switchers were then referred to fallback offer from EDF Energy but offer involved a tariff that was already on the market.

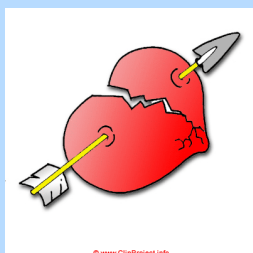
For more information on The Big Switch click on the link: [The Big Switch](#)

A Belated Valentine

The Poetry Society teamed up with the Energy Ombudsman to send an anti-Valentine message written by Matt Harvey to the energy companies.

Chief Ombudsman, Lewis Shand Smith said: 'Each year we handle thousands of complaints from the customers of energy companies and in most of these something has gone wrong with the customer service provided. We're grateful to Matt and the Poetry Society for helping us to get our message across that companies need to do more to woo their customers''

An excerpt from the poem is provided below but for the full, unabridged version click on the link: [Its Not Me It's You](#)



Matt Harvey ***It's not me, it's you***

I admit that it appalled me
that day you first cold-called me
but you charmed me, won me over
told me I would be in clover
and I succumbed to your advances
thought: what the heck, I'll take my chances

I told the Doubting Thomases
that you would keep your promises
you'd said that you would care for me
that you'd always be there for me
oh how very wrong of me
I should have thought more carefully
all that warmth and bonhomie
now seems like such hot air to me

Welfare Reform Bill

It is well understood that fuel poverty results from a combination of three major factors: inadequate heating and insulation standards; high energy prices; and low household income. In the case of low income and associated problems such as fuel debt action to maximise income can be crucial.

However, with measures introduced during 2011 and further measures to be introduced in 2012 under the Welfare Reform Act 2012, there is a fundamental paradox. At a time when income maximisation has never been more important, the range of options to achieve this objective is shrinking. The Welfare Reform Act introduces a number of significant changes to the benefits system, including:

- Restricting Housing Benefit (HB) entitlement for social housing tenants whose accommodation is larger than they need.
- Capping the amount of benefit income that can be claimed by households.
- Abolishing Disability Living Allowance (DLA) and introducing the Personal Independence Payment.
- Limiting the payment of contributory Employment Support Allowance (ESA) to 12 months.
- Increasing the Working Tax Credit (WTC) working hours requirement for working couples from 16 hours to 24 hours.
- Backdating of Working Tax Credit and Child Tax Credit reduced to one month.
- Local Housing Allowance (LHA) rates to be increased in line with the Consumer price Index instead of the "market rents" thereby losing the connection with "actual rents".

The outcome of these reforms is likely to shift many households who had previously just managed to keep their financial situation stable into financial deprivation. Clearly this will have significant implications for fuel-poor households and those on the verge of fuel poverty; NEA will continue to monitor the effects of the Welfare Reforms on the fuel poor and make representations on how any negative impact can be minimised.

Warm Front – Take up

NEA is urging advice agencies in England to encourage take-up of Warm Front grants by eligible clients. Despite the reduced budget of £100 million in the current financial year there are serious concerns that this funding will not be fully utilised, in which case any underspend will be returned to HM Treasury. More rigorous eligibility criteria and limited promotion of Warm Front meant a budget underspend of some £30 million last year meaning that around 12,000 households missed out on assistance to improve heating and insulation standards in their homes,

The Warm Front scheme funds energy efficiency improvements to a maximum value of £3,500 (£6,000 where the property is off the mains gas network) for low-income owner occupiers and private sector tenants in dwellings with poor or moderate energy efficiency standards.

Applications can be made by telephone, by post or online. Initial contact can be made via the freephone number: 0800 316 2805 (Textphone 0800 072 0156).

Alternatively, direct applications can be made online or an application form can be downloaded and submitted to the Warm Front Scheme Manager at:

Carillion Energy Services

Freepost NEA 12054

Newcastle upon Tyne

NE2 1BR

Comprehensive information on the Warm Front scheme is available through the following website:

www.warmfront.co.uk

A Word from our Sponsor.....

£50 for finding elderly and vulnerable customers in need of free insulation



At British Gas, we're making it our mission to ensure that as many vulnerable people as possible benefit from energy efficient homes and are offering free cavity wall and loft insulation to vulnerable households. That's why we're also rewarding people who help spread the word by telling vulnerable friends, family and neighbours about this insulation offer with our 'Share The Warmth' scheme.

Under the scheme you could receive £50 for every individual on qualifying benefits you refer on to British Gas for free insulation. The individuals you inform about the scheme simply need to give details of the person who referred them (you) when they contact British Gas about their insulation.

The money will be paid once the installation has been completed and there is no limit on the number of people that you can refer.

More importantly than that, the vulnerable individuals in each case will not only receive free cavity wall or loft insulation – which can save people up to £135 and £175 respectively on their annual energy bills – but also receive £50 themselves once the installation is completed.

To apply for the offer contact British gas on 0800 084 3863

Reports

NEA monitors all significant fuel poverty-related publications, a selection of which is listed below:

Consumer Focus has published [Get it, together – the case for collective switching in the age of connected consumers](#). A report that argues that a collective approach to switching can improve consumers' experience of the energy, financial services and telecoms markets

[Priced Out](#) - a report on the plight of low-income families and young people living in fuel poverty produced by Barnardo's.

Consumers using electricity, heating oil, liquid petroleum gas (LPG) or solid fuels pay considerably more to heat their homes than those using mains gas in comparable homes. Fuel poverty – even among consumers not on the lowest incomes – is therefore higher among off-gas consumers compared to gas consumers. [Off-Grid Fuels - an investigation of the off-grid energy market](#) is a report produced by Consumer Focus which focuses on consumers of heating oil and LPG – off-grid fuels used by many consumers living in rural areas and often associated with older, detached homes with higher heating requirements. The price of heating oil is also more volatile than other fuels. Heating oil prices increased by more than 50 per cent over the autumn of 2010.

[In From the Cold](#) is a report by the Energy Saving Trust which looks at how fuel poverty in the UK should be tackled through better partnerships and by targeting those who are in most need.

[The True Cost of Energy: How competition and efficiency in the energy supply market impact on consumers' bills](#) is a report from the Institute for Public Policy Research (IPPR) that sets out to establish what impact the lack of effective competition in the energy supply market is having on consumers' energy bills.

NEA Update

NEA's one-day [Fuel Debt Advice Training Course](#) is an ideal introduction for advice workers involved with clients who are in fuel debt, or for the more



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experienced advisor as a structured update. The training course raises awareness and aims to give participants a clearer understanding of the pathways involved in resolving fuel debt.

Details of the courses can be found at <http://nea.org.uk/course-outlines/> or, for further information, contact: lynsey.thompson@nea.org.uk

NEA is pleased to announce that for the fourth year running, DECC is supporting the Fuel Debt Advice Group Meetings held in the North West, South West, Yorkshire, and London & the South East. The meetings, which are for fuel debt advice practitioners and managers, provide valuable opportunities to share experiences; get the latest updates on policies that affect fuel debt; network; and discuss issues relating to the provision of fuel debt advice. Meetings are held twice a year and are free to attend.

Programme planning is currently underway and meeting dates and locations will be published in the next edition of the Fuel Debt Advice Bulletin.

This bulletin was sponsored by



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