



A Wise Group Insight and Impact Report

Fuel Poverty in the UK Tracker 2024

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EXECUTIVE SUMMARY

As the UK's leading relational mentoring social enterprise, every year we meaningfully support over 85,000 households to break the cycle of poverty at home, at work, and in the community.

In this report, we have brought together insight from the millions of meaningful interactions made by our hundreds of professional mentors across the UK, forming clear recommendations to transform lives and create sustainable change.

Comparing this winter to last, we found that sustained hardship resulted in poorer mental and physical health, with families with children becoming more likely to visit foodbanks compared to last year. There is also a growing demand for mentoring support, with households much more likely (65%) to desire support in addition to financial assistance compared to last year (24%).

OF THOSE WHO WERE ELIGIBLE FOR FUEL VOUCHERS:

- ▶ Over 75% of people on prepayment meters said their physical health had been impacted by the cost-of-living Crisis or preferred not to say
- ▶ 30% of families in work had visited a foodbank
- ▶ 82% of people with a disability say their health has deteriorated as a result of high energy prices
- ▶ 81% of single parents said their health had been impacted by the cost-of-living crisis or preferred not to say

ANNITA'S STORY

Annita is a 97-year-old Wise Group customer who we recently started supporting. She lives alone and was unable to manage her energy bills as prices remained high.

Annita was unable to take energy readings in her home due to the inconvenient location of her meter, with her energy debt ballooning to £1800 in six months.

Her mentor said, "Annita has never experienced debt in her whole life. I'm surprised she survived that experience."

Through the relational mentoring approach, Annita's mentor has been able to help turn this situation around. An interpreter who supports Annita said,

"Annita's mentor has been brilliant; he's restored my faith in the world to a degree."

WE RECOMMEND:

- ▶ A Fair Debt Consolidation and Repayment System
- ▶ Integrated Home Energy, Health and Employment Support
- ▶ Dedicated and Impactful Mentoring Support for all households in need
- ▶ An Equitable Model for Energy Prices

WHAT IS RELATIONAL MENTORING?

The Wise Group seeks to transform lives through our Relational Mentoring Approach, supported by our Relational Mentoring Framework.

Relational mentoring is based upon the insight that working with a person across a wide variety of different needs in a professional, evidence-led manner has a compounded impact and delivers more sustainable results. Our Relational Mentoring approach was developed by mentees and mentors building upon 40 years of experience in supporting as many as a million people towards a happier, healthier future.

This approach has been defined as:

"Relational Mentoring helps people identify and overcome multiple challenges through the relationship built with a professional mentor. Progression is evidence-based so that their journey might help inform and inspire the journey of others.

Mentors invest their time, resource, knowledge, and experience into building a compassionate, voluntary relationship whereby they can professionally support a person to support themselves.

Mentors have the belief in the potential, ability, and wholeness of that individual so that they may guide them towards sustainable, positive change."

This approach is tailored to each situation and recorded using our Relational Mentoring Framework, which consists of 15 key areas of need (below) with crisis management, coaching, advocating, listening and mentoring key methods of delivery. These needs, identified and updated as part of a customer's journey, are linked to activities and short-, medium-, and long-term outcomes which can then be used to calculate the social impact of mentoring. The Wise Group is committed to delivering £1.5 billion of Social Impact over the next 5 years.

Through our Relational Mentoring approach, mentors almost unanimously said that they sought to help their mentees as much as they could within their remit, be it with housing issues, mental health problems or other external problems.

"It's so important that we think holistically and look at all the barriers which are preventing them to go into employment and just be realistic. Building up that relationship between each mentor and mentee has a massive impact", Rebecca, Mentor.

The development of Relational Mentoring has helped to maximise the breadth of support offered to an individual, breaking down traditional boundaries between health, employability, energy, and housing support which has often left individuals unable to access the full suite of support required to make a sustainable change.

HOW WINTERS COMPARE

In February, Wise Group mentors spoke to 142 customers about how this winter has been for them. As well as sharing their stories, this group of customers answered ten questions to help us better understand how this winter compares to last.

Last winter, some of the key insights we found through our 2023 Tracker were:

- ▶ 66% of people on prepayment meters said their physical health had been impacted by the cost-of-living Crisis or preferred not to say
- ▶ Nearly 50% of families in work have visited a foodbank
- ▶ Over 80% of people with a disability say their health has deteriorated as a result of energy bills
- ▶ 43% of retired people say they first ration food when bills are tight, compared to 27% of working-age households
- ▶ 80% of single parents said their health had been impacted by the cost-of-living crisis or preferred not to say

As a direct comparison to those figures, this year's tracker found:

- ▶ Over 75% of people on prepayment meters said their physical health had been impacted by the cost-of-living Crisis or preferred not to say
- ▶ 30% of families in work have visited a foodbank
- ▶ 82% of people with a disability say their health has deteriorated as a result of energy bills
- ▶ Energy, internet and food were equally likely (30%) to be the first to ration among retired people, compared to energy (25%), food (20%) and debt (12%) among working age people
- ▶ 81% of single parents said their health had been impacted by the cost-of-living crisis or preferred not to say

From this comparison, a story begins to emerge of hardship remaining at a consistently high level with last winter despite the overall cost of energy coming down. One area, health, has seen a deterioration, possibly the compounded impact of multiple difficult winters.

However, the most dramatic change has been in attitudes towards support. Last year, 76% of respondents said they only required financial support. This year, just 35% of respondents said they only required financial support. This helps tell us that, over multiple tough winters, households are seeking support which will provide a sustainable solution to the crisis they face.

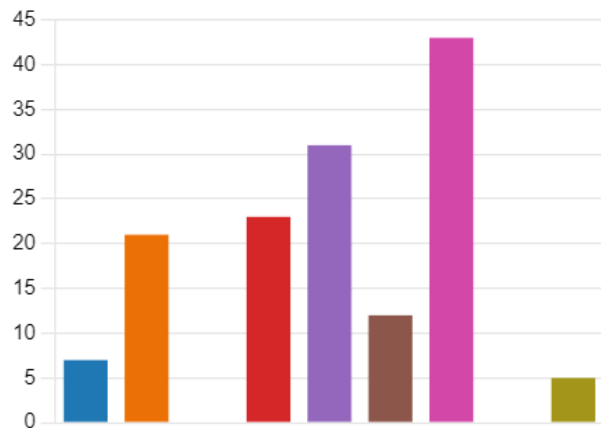
HOW PEOPLE ARE LIVING WITH FUEL POVERTY

With higher energy prices having now been present over multiple winters, thousands of families feel locked into a cycle of fuel poverty which financial aid alone has been unable to break.

Speaking to our 142 customers, all of which were eligible for fuel vouchers, these are some of the key data we gathered.

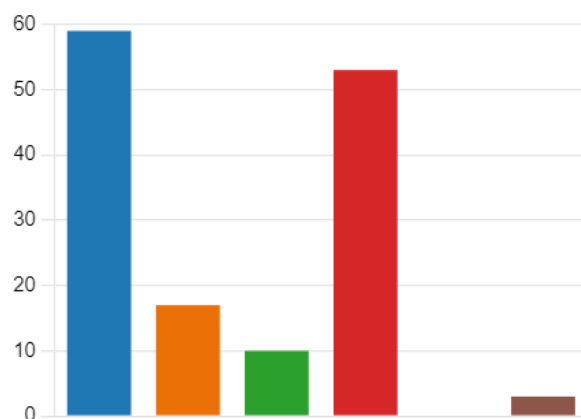
What is your employment status?

● Employed Full Time	7
● Employed Part Time	21
● Self employed	0
● Unemployed (looking for work)	23
● Unemployed (not looking for w...	31
● Retired	12
● Unable to work (of working age)	43
● Student	0
● Other	5



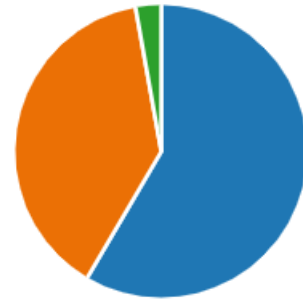
Who lives in your home?

● Single person	59
● Couple no dependent children	17
● Couple with dependent children	10
● Single parent	53
● Student	0
● Other	3



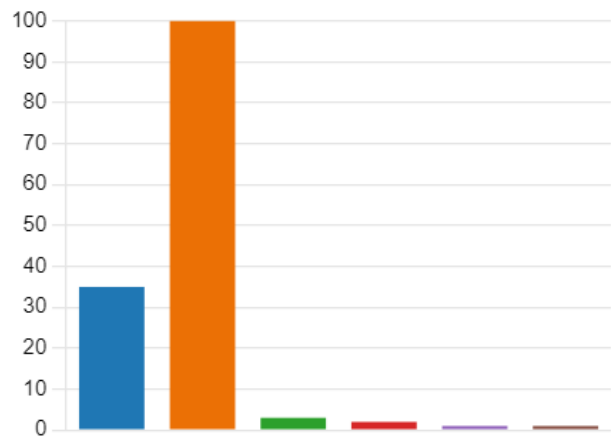
Do you have a disability (including a limiting illness) or a long-term health condition?

● Yes	83
● No	55
● Prefer not to say	4



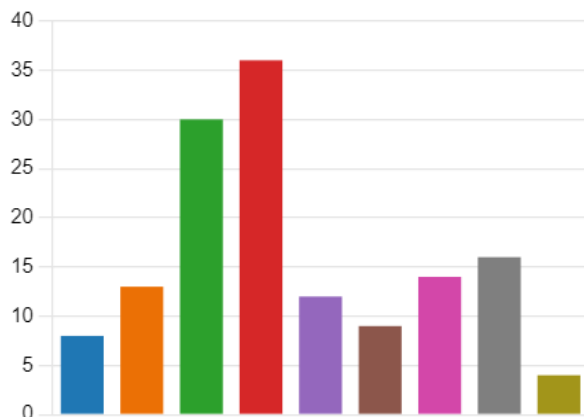
How do you pay for your energy?

● Direct debit/Standing order	35
● Prepayment meter	100
● Quarterly bill	3
● Weekly/monthly payment card	2
● Fuel Direct	1
● Other	1



When you have money worries, what is the first bill to be missed?

● Rent or mortgage	8
● Council tax	13
● Food	30
● Energy	36
● Internet	12
● Mobile phone	9
● Debt	14
● None	16
● Other	4



Has it been necessary for you to visit a foodbank?

● Yes	70
● No	66
● Prefer not to say	6



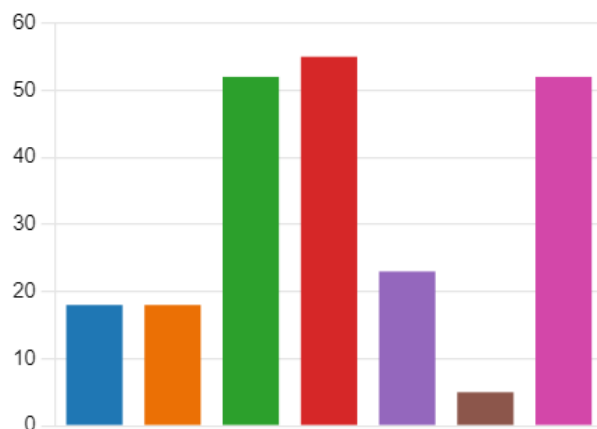
Has dealing with the costs of energy impacted on your mental or physical health?

● Yes	114
● No	25
● Prefer not to say	3



In addition to receiving financial aid, would you benefit from any of the following support?

● Support to improve your skills f...	18
● Support to get fair and meaning...	18
● Finance, benefits and debt advice	52
● Energy advice and support	55
● Support with confidence, health...	23
● Other	5
● I would not benefit from any ot...	52



How likely are you to recommend the Wise Group support that you received?

Promoters	131
Passives	10
Detractors	1



Within this data, it has also been important to consider how various groups have experienced the cost of living crisis differently. In considering the intersection of various answers, we also found that:

- ▶ Out of work households were much more likely (13.3%) to first miss debt repayments compared to working households (3.85%)
- ▶ Those with children (57%) were much more likely to visit a foodbank than those without children (43%)

This data helps demonstrate some of the key groups that are disproportionately impacted by fuel poverty, namely those with a long-term illness or disability, single parents and those on pre-payment meters, as well as how these groups are making ends meet in a prolonged period of crisis.

In particular, we are seeing the choices people are making between heating, eating, and falling into debt, manifest in mental and physical health conditions which will have long lasting consequences for all members of the household.

In stark contrast to previous years, households vulnerable to fuel poverty are seeking alternative means of support to help alleviate and, ideally, end the crisis they face and begin on a path towards sustainable, transformational change.

MENTOR PERSPECTIVES

Every year, our mentors have thousands of meaningful conversations with those who are most in need based upon a trusting, compassionate relationship.

This is how mentors told us people were coping this winter.

"People who are struggling with their bills tend to not turn on their heating. Even those with middle-class jobs, their houses are freezing cold. People feel ashamed about keeping their heating off."

"It is the tipping point for families with children whose mental health is already suffering due to the stress of unmanageable bills. To save money, they turn off their heating, often resulting in mould growing on their walls."

"I've noticed a high number of in-work families struggling with energy debt. People in work are facing 'heat or eat' because their debts are becoming more difficult to pay back due to the rise of energy costs. I think it's getting worse for those in employment, especially for those who do not receive financial support."

The mentors highlight an increasing problem with energy debt this year, with many individuals, including those in employment, struggling with fuel poverty.

"Young people panic about getting bills, they don't know what to do, and they worry about debt that's on them. A lot of young people who've moved out of care and into their first tenancy are struggling as they haven't been taught about how to deal with their energy."

"Elderly people and those with physical and mental disabilities, in many cases, are unable to access their boiler or go outside and check their energy meter. Elderly people who have recently experienced bereavement are often overwhelmed with their energy bills and neglect to find the appropriate support."

"Energy providers will not visit properties with hoarding issues due to access restrictions which is a considerable barrier for those with poor mental health."

"People who experience digital exclusion don't know if they're overspending and struggle to manage their energy bills."

Young people, particularly care leavers, elderly people, and those with physical and mental disabilities, often face fuel poverty due to inadequate support and a gap in knowledge. A lack of digital skills also hampers people's ability to manage energy bills.

A LIFETIME WITHOUT DEBT: A NEW REALITY FOR THE ELDERLY

Annita is a 97-year-old mentee on the HEAT service who lives alone and is unable to manage her energy bills due to physical limitations.

Despite her placement on the priority services register, Annita was unable to take energy readings in her home due to the inconvenient location of her meter. No assistance was provided to her in this regard, resulting in a lack of support from her energy provider. This continued for a period of six months. Consequently, what initially was a £200 debit on her account ballooned into a staggering £1800 of debt. This was a particularly distressing situation for Annita, as she had never previously experienced any form of debt.

"Annita has never experienced debt in her whole life. Her energy provider was just not helpful at all. There was a huge lack of understanding and communication. The lack of support was an absolute disgrace. I'm surprised Annita survived that experience."

"She's on the priority register, I don't understand how the situation was able to get to this stage."

To address her overwhelming debt, Annita was required to pay a monthly sum of £400. The ordeal has taken a severe toll on her mental health and quality of life, which even led her to self-disconnecting from her energy, as described by her interpreter:

"Mentally, she's just shattered. I'm constantly reminding her to keep herself warm. She is absolutely appalled. I can't emphasise how bad this has been for Annita."

Annita recently joined the Wise Group, and her mentor is making a diligent effort to support her and alleviate the financial strain and emotional stress she is under. Already, her mentor has managed to alleviate her debt, and work with relevant authorities to make sure she will not be in that situation again. She was also delighted to know that, through research such as this, her experience might be avoided by others.

Annita's interpreter, who supports her with her hearing, speaks highly of the mentor's efforts, stating,

"Annita's mentor has been brilliant; he's restored my faith in the world to a degree. He's making things easier for Annita."

Annita's case underscores the necessity for comprehensive and empathetic support for vulnerable individuals in managing their energy bills to prevent such distressing situations. It also demands a far better approach across society to identifying individuals who may need relational mentoring support.

RECOMMENDATIONS

Our recommendations are made to be acted upon and are drawn from reports across our insight series. In this report, we identified poor mental health, financial instability, lack of interconnected support, obligations concerning debt, and other cost of living pressures as just some of the issues facing those in need.

A FAIR DEBT CONSOLIDATION AND REPAYMENT SYSTEM

Historic debt was among the most-likely areas people experiencing fuel poverty struggled to keep pace with. A mechanism should be put in place to allow for the consolidation of debts which can be automatically paid off at a rate proportional to income within your pay slip. This will stand to provide a more stable foundation to manage debt beyond the cost-of-living crisis and help facilitate debt write-off where appropriate.

INTEGRATED HOME ENERGY, EMPLOYMENT AND HEALTH SUPPORT

In line with environmental ambitions, all future home energy support initiatives should integrate intensive income maximisation and employment support, renegotiation of debts and support for both mental and physical health. As part of this, a fast stream service for individuals facing fuel poverty to retrofit homes should be established to form a practical means of alleviating multiple crises.

DEDICATED AND IMPACTFUL MENTORING SUPPORT FOR ALL HOUSEHOLDS IN NEED

Those already in work are often closest to escaping the cycle of poverty but can be forgotten when it comes to support around income maximisation, home energy and upskilling. Dedicated services to support those in work to overcome barriers to stability and prosperity will greatly enhance the lives of millions of households, encouraging a sustainable future and alleviating pressure on strained services.

AN EQUITABLE MODEL FOR ENERGY PRICES

As energy prices remain in flux well above pre-covid levels, many households have struggled to adequately heat their homes, leading to poor living conditions, mounting debt, and self-disconnection. An equitable balance must be found in which tariffs are set at levels proportionate to household income, giving households a chance at escaping fuel poverty.

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