



# FUEL CRISIS REPORT 2022

March Ukraine Update



# IN MEMORY OF AUDREY GALLACHER

**On Saturday 22nd January, one of our Trustees, Audrey Gallacher OBE, sadly passed away after a long battle with cancer.**

**As well as being a Trustee of Fuel Bank Foundation, she was also the Deputy Chief Executive and Director of Policy at Energy UK.**

In 2021, she received a very well-deserved OBE for her outstanding contribution to the energy industry.

She was a passionate advocate for consumer rights and a champion for driving up standards that customers should rightfully expect from essential public services.

She was a tireless campaigner, championing the voices of those who were not heard, striving to make the world a fairer place.

As a trustee of Fuel Bank Foundation, Audrey was always supportive, providing encouragement and invaluable strategic insight gleaned from her years of experience across energy, advice and customer advocacy sectors.

We are so grateful for her guidance which has helped Fuel Bank grow from a small idea into a national charity that has now helped over half a million people.

However, what we will remember most about Audrey was her enormous capacity for caring about people, including those helped by the charity and the people she worked with.



She was with us at the start of our Fuel Bank journey, and we will ensure that we carry her spirit with us as we continue the work that she so passionately supported.

Thanks for everything, Audrey.

We'll miss you. From all of us at

*Fuel Bank Foundation*

Fuel Bank Foundation

# INTRODUCTION

**It's hard to believe that, in 2022, some people live without heat, light, and power because they don't have money to top up their prepayment meter. We call this Fuel Crisis.**

Fuel Bank Foundation is the only national charity whose sole focus is to provide immediate, tangible, meaningful and long-lasting help to people living in fuel crisis.

Born from an npower initiative to support households in fuel poverty in 2015, we became an independent registered charity the following year and have now supported over half a million people.

**149**  
partners  
nationwide

**350+**  
Fuel Bank  
centres

**500k**  
people  
supported

Every year the demand for our services increases. But our vision is a UK where everyone has access to energy for heating and eating.

We know that people rarely contact their energy supplier for help, so we work with selected food banks, charities, and advice agencies to identify those households that are genuinely in fuel crisis.

After 6 years, we now have over 149 partners (many of whom are located at the heart of their communities) across the UK. We rely on them to spot the people who are really struggling to cope.

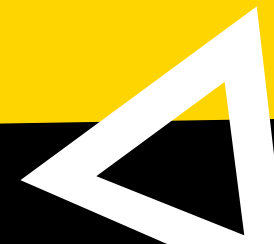
The people who can't afford to top up their prepayment meter because they have no money. The ones who live in cold homes and are unable to cook a hot meal for their family or have a shower before a job interview.

They have fallen through every other safety net, so we provide them with approximately two weeks' worth of fuel to give them some "breathing space".

The current cost-of-living crisis means that many of us are "feeling the squeeze" right now and wondering how we will pay our ever-increasing energy bills.

But the people that we support are regularly living without energy now. They have already made all the savings they can in their household budgets and still don't always have money to top up their prepayment meters. So it is terrifying to think about the impact of the forthcoming price rises on them.

The findings from our research will paint a picture of their lives and give them a voice to tell you their stories.



“  
**LAST WEEK  
I DIDN'T EAT  
FOR 2 DAYS**  
”



## PEOPLE WE SUPPORT



Understanding the people who need our help is key. This allows us to better target the services we provide, and enables us to advocate on their behalf.

### So who do we help?

- We support those people who have to **pay in advance for their energy.**
- This means that they need to frequently 'top up' their electricity and gas meters at their local shop, typically seven times per month.
- Our customers are **more likely than average to be one of the 2 million people who do not have a bank account.** Having no or limited access to additional money reduces the chance of being able to weather any increase in energy costs.
- We also **support households that are not connected to the mains gas network** and have to bulk buy fuel to heat their homes. They will need to pre-pay for it before it is delivered, and this will cost at least several hundred pounds.
- **The people we support have multiple issues that require resolution.** 97% of people we support are referred to us by a partner who is already attempting to address other material issues. Such as:
  - Income Maximisation
  - Debt Triage and Management
  - Food Poverty
  - Energy Efficiency
  - Advice Services



# SNAPSHOT

## In the 12 months before receiving a fuel voucher:

**96%** of people supported were having to make **the choice between heating or eating**

**45%** of people we have supported were **rationing hot water daily**

**14%** of people we have supported were **sacrificing hot food daily**

## After receiving a fuel voucher:

**87%** of people supported reported an **improvement in their physical wellbeing**  
40% in 2018

**88%** of people report an **improvement in mental well-being**  
44% in 2018

There is real fear amongst our client group about what the future will bring:

Households are very concerned about running out of money for energy. Especially where families have children (71% of respondents have children)

**83%** vs **68%**  
homes with kids homes without kids

**49%** of people helped still face **self-disconnection at least weekly**

**37%** of people who accessed our energy advice highlighted that it **made a material difference**

**65%** of people **strongly agree that the removal of the Universal Credit (UC) £20 weekly uplift makes them alarmed**

**78%** of people **strongly agree that talk of rising energy prices makes them alarmed**, greater than any fear about the removal of the UC £20 weekly uplift

**URGENT ACTION IS NEEDED NOW TO STOP AN INCREASE IN THE NUMBER OF PEOPLE IN FUEL CRISIS.**

# THE SITUATION AS IT IS NOW

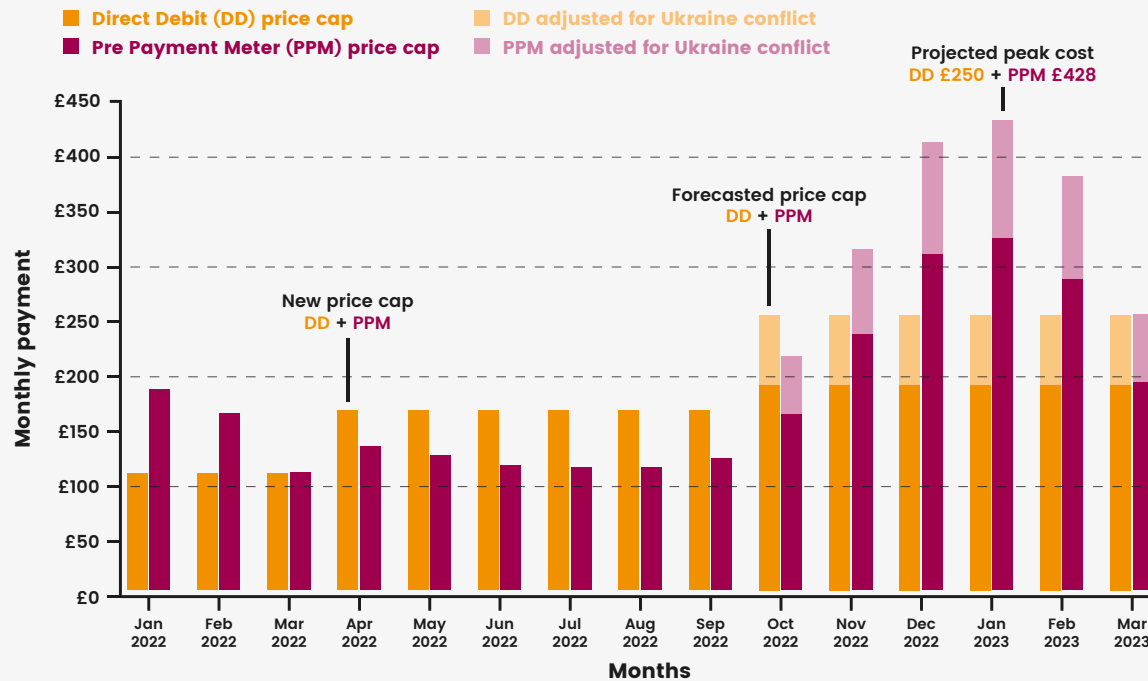
We support those people who have to pay in advance for their energy. This means that we provide a unique perspective on the energy market and the most vulnerable people in society affected by the ongoing fuel crisis.

# 75%

## INCREASE IN PEOPLE NEEDING SUPPORT FROM FUEL BANK

Increase based on figures from 2020

### Forecast average monthly payments



This graph starkly shows the problem felt by people who pre-pay for their energy.

The payments made by the Direct Debit customer are “smoothed” throughout the year and the price increases are relatively small. But for the prepayment customer, the monthly amounts they pay vary massively between summer and winter, as the amount of energy they use goes up. By this winter, the projected price rises mean that they will need to pay £178 per month more than the typical Direct Debit customer.

Our clients do not have room in their budgets to absorb this huge increase, so will have to spend more days each month without heating or hot food.

“  
**I WOULD NOT  
EVER WANT  
MY CHILDREN  
TO KNOW THE  
STRUGGLE.**  
”



## **WIDER POVERTY PROBLEM**

The people we support are also struggling with other issues associated with the increase in the cost of living today:

**74%**

**OF PEOPLE ARE STRUGGLING  
WITH OTHER ESSENTIAL  
HOUSEHOLD BILLS.**

These include:

- Essential household items
- Food/groceries
- Water
- Council tax
- Essential travel
- Housing costs

**WE ESTIMATE THAT FUEL  
BANK FOUNDATION  
PROVIDES SUPPORT TO  
BETWEEN 8-12% OF PEOPLE  
WHO NEED OUR SUPPORT.**

This would mean that between 116k and 170k people are going without hot food 24/7/365. And this is BEFORE costs increase further.

### **Reduction in people claiming free school meals.**

The 24% annual reduction in people who receive free school meals for their children highlights the widening of the population of people we support. Many families do not qualify for support, but are still unable to routinely purchase energy.

# OUR IMPACT

As seen last year, our mental and physical wellbeing are intrinsically connected. Easing financial burden is crucial to providing a moment of relief and security in the midst of toiling on 'survival mode.'



## PHYSICAL WELLBEING

**87% of families supported report an improvement to their physical wellbeing**

Fuel Bank Foundation vouchers enable people to meet daily needs for example: showering, heating and cooking warm food.

This eases physical distress, creates a sense of normality and maintains daily routines.

This has heightened importance for those with physical disabilities, physical and mental illnesses and young children.



## MENTAL WELLBEING

**88% of families supported report an improvement in mental wellbeing**

The mental toll of debt and living costs plays heavily on people's minds.

Many also mention existing struggles with mental health, for example anxiety and depression, which are exacerbated by financial concerns

Receiving financial help from Fuel Bank Foundation helps alleviate pressure and stress, positively impacting mental wellbeing.

"I have mental health issues, and if I didn't have heating, it would affect me. I was in a wheelchair for a year so needed electricity to see things, and move around."

"We could have more heating, more showers, we could have a normal life."

"I suffer arthritis, so I need heat to reduce my pain. It helped with my mental health, and helped with my children, so they were warm. It was a godsend when I found out about it, I needed it then most"

"It was such a relief to know that I was going to be warm and have hot food, I was very glad."



# HOW WE'VE HELPED PEOPLE

“

**IT HELPED ME  
PRIORITISE SORTING  
THE KIDS OUT**

”

“

**I HAVEN'T BEEN THIS  
WARM FOR OVER A  
YEAR AND A HALF**

”

“

**HELPED MY FAMILY KEEP  
WARM AS WE RECOVERED  
FROM COVID**

”

“

**WE WERE SO RELIEVED  
THAT THERE WAS  
SUPPORT OUT THERE**

”

“

**WE WOULDN'T HAVE  
SURVIVED WITHOUT  
THE VOUCHER**

”

“

**ELECTRICITY ALLOWED  
ME TO HAVE A SHOWER  
BEFORE A JOB INTERVIEW**

”

# WE MUST THANK OUR SUPPORTERS

We have 149 partners across GB where you will find our Fuel Bank services. We make sure we are in the places where people in crisis turn, from local debt agencies and foodbanks to national high street charities. This also allows us to deliver services efficiently, and in a targeted way.

We couldn't do what we do without the financial backing of our supporters too.

Many organisations help fund Fuel Banks in their locality or for their clients. And we have been able to expand our reach further over 2021 from the generous support of:

- **National Grid's Warm Homes Fund**  
Administered by Affordable Warmth Solutions
- **E.ON**
- **npower's Vulnerable Customer Support Fund**
- **Energy Savings Trust's Energy Redress Scheme**
- **Scottish Government**



# WHAT ARE OUR REQUESTS?

**Urgent action is needed now to stop an increase in the number of people in fuel crisis.**

**A comprehensive, Government-funded energy efficiency programme to improve UK housing stock is the only long-term, sustainable solution to the issue of affordability as it helps lift people out of fuel poverty permanently. But this will take time.**

**Across the UK, over 6m households are expected to be in fuel poverty following the April 2022 changes to the price cap. Financial support is needed today to mitigate increased energy costs over 2022 and beyond.**

## **This help must be:**

- Big enough to cover the forecast increases in average bills so that the numbers of households in fuel poverty don't grow and to provide more support to those already in fuel poverty.
- Automatic or simple to access. Our clients tend to have a lower-than-average reading age and are already juggling multiple issues. There should be no hurdles to overcome to get hold of the money.
- Well-targeted at those who need it most.

## **We propose:**

- All households who are eligible for the Warm Home Discount should receive support – and not simply those who receive it. In 2020/21, it was estimated that 2 million households who were eligible missed out.
- This money must be ring-fenced for energy – to provide reassurance that families will not go cold this winter, and beyond, and paid throughout periods of high energy consumption to provide continual support.
- Supplemented by additional crisis financial support, to get targeted extra help to those people who need it, urgently.

## **SO, WHO PAYS FOR THIS?**

**We know that energy takes up a higher proportion of poorer households' budgets than more affluent ones. So simply adding additional support costs to the bills paid by all customers will, in turn, increase energy prices further and push more people into fuel poverty.**

Adding the costs of supplier failure to energy bills is also not just and equitable: people who pre-pay for their energy have been less able to take advantage of low prices offered by new suppliers, so shouldn't pay the costs of their failure. We think that these costs should be paid for out of general taxation so that those who can afford to, pay the most.

# CONCLUSIONS

- ➔ **We have seen a 75% increase in demand**
- ➔ **96% of people supported are having to make the choice between heating and eating**
- ➔ **14% are sacrificing hot food daily**

And this is before energy prices increase massively in 2022!

Fuel vouchers are a great help in a crisis but should not be seen as a long-term solution to affordability issues.

The Government needs to urgently offer significant financial help to stop the numbers of fuel poor households increasing.

## FOR MORE INFORMATION

If you would like to know more about Fuel Bank Foundation and its work and how you could support us:

Visit: [fuelbankfoundation.org](https://fuelbankfoundation.org)

Email: [team@fuelbankfoundation.org](mailto:team@fuelbankfoundation.org)

Fuel Bank Foundation is a registered charity in England & Wales (1175049) and Scotland (SC048330)  
Room 10, Wombourne, Civic Centre, Gravel Hill, Wombourne, Staffordshire, WV5 9HA



fbf013/28.01.22