

# Fuel Poverty and Energy Efficiency

## Constituents Guide

February 2019



The National Assembly for Wales is the democratically elected body that represents the interests of Wales and its people, makes laws for Wales, agrees Welsh taxes and holds the Welsh Government to account.

An electronic copy of this document can be found on the National Assembly website: [www.assembly.wales/research](http://www.assembly.wales/research)

Copies of this document can also be obtained in accessible formats including Braille, large print, audio or hard copy from:

**Research Service**  
**National Assembly for Wales**  
**Tŷ Hywel**  
**Cardiff Bay**  
**CF99 1NA**

Tel: **0300 200 6295**  
Email: [Jonathan.Baxter@assembly.wales](mailto:Jonathan.Baxter@assembly.wales)  
Twitter: [@SeneddResearch](https://twitter.com/SeneddResearch)  
Blog: [SeneddResearch.blog](http://SeneddResearch.blog)

© **National Assembly for Wales Commission Copyright 2019**

The text of this document may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not used in a misleading or derogatory context. The material must be acknowledged as copyright of the National Assembly for Wales Commission and the title of the document specified.

# Fuel Poverty and Energy Efficiency

## Constituents Guide

February 2019

---

**Authors:**

Chloe Corbyn & Jonathan Baxter

**Paper Overview:**

This constituency factsheet provides information on sources of funding and advice for constituents struggling with fuel poverty, fuel debt or wishing to make energy efficiency improvements to their homes.



## Contents

<b>Introduction .....</b>	<b>1</b>
<b>Energy bills .....</b>	<b>2</b>
Switching energy tariff.....	2
Energy price caps.....	2
Priority Services Register.....	3
<b>Help to pay energy bills .....</b>	<b>4</b>
Winter Fuel Payments .....	4
Warm Home Discount .....	4
Cold Weather Payments.....	4
<b>Energy debt .....</b>	<b>6</b>
Third party deductions/Fuel Direct.....	6
Energy Supplier Trust Funds .....	7
<b>Improving energy efficiency .....</b>	<b>8</b>
Energy Performance Certificates .....	8
Welsh Government Warm Homes Programme .....	8
Cold calling .....	8
Nest.....	9
Arbed.....	9

<b>Energy Company Obligation.....</b>	<b>10</b>
<b>Help from local authorities.....</b>	<b>11</b>
<b>Properties in the private rented sector .....</b>	<b>12</b>
Tenants may be able to make energy efficiency improvements.....	12
The Domestic Private Rented Property Minimum Standard.....	12
<b>Sources of advice .....</b>	<b>13</b>
Advice for older people:.....	13
Money and debt advice:.....	13
Energy efficiency:.....	13
Energy supplier ECO contacts:.....	14
General advice and information:.....	14

## Introduction

This guide outlines the main sources of funding and advice available to constituents who are struggling to pay their energy bills or who want to improve the energy efficiency of their homes.

Homes which are energy inefficient often have higher fuel costs because they are harder to heat. This increases the likelihood of the householder being in fuel poverty. A household is in fuel poverty if 10% or more of their income is spent on energy costs.

## Energy bills

### Switching energy tariff

One of the simplest ways to save money on energy bills is to switch tariff, either to another tariff offered by the same energy supplier or to tariff from a different supplier. If switching, the new supplier can arrange everything so there is no need to contact the existing supplier. If a constituent does switch supplier, there will be no break in supply of electricity or gas.

Ofgem have accredited a number of price comparison websites so consumers can trust the options and prices they find on them, knowing they are calculated and displayed in a fair and accurate way. Options for switching will depend on the type of meter a constituent has, and there may be penalties (exit fees) for leaving their current energy contract early. Also, not all suppliers offer the Warm Home Discount (discussed below).

*Comparing energy tariffs is difficult without internet access, so constituents without access to the internet at home may want to use a computer in a local library or ask a friend or relative to help.*

### Energy price caps

Ofgem and the UK Government have taken steps to help consumers by capping some energy prices. This affects energy consumers using prepayment meters and consumers on standard variable or default tariffs (a default tariff is one that the consumer hasn't chosen – this could be a standard variable tariff). Consumers who receive the *Warm Home Discount who are on a standard variable tariff, or a default tariff, will be protected by the default tariff price cap. Previously, they were protected by the prepayment price cap.*

*Price caps are automatic, so there is no need to apply for it. Even if a consumer's energy is subject to a price cap, it may still be cheaper to switch supplier or to a better value tariff with the same supplier.*

*These restrictions do not cap the total cost of a bill, because that depends on what a consumer spends, it's just the price of each unit of energy that is capped. The cap is updated every six months. Nothing stops energy suppliers charging less than the price cap. There is further information for constituents on the Ofgem [website](#).*

Ofgem is also developing a database of customers who have been on a standard variable tariff, or a default tariff, for three years or more so that it will be easier for them to switch supplier.

### Priority Services Register

The Priority Services Register (PSR) is a free service provided by suppliers and network operators to customers in need. PSR customers may be able for a range of free services including:

Advance notice of planned power cuts;

- Arrangements to ensure that it's safe and practical for you to use your prepayment meter;
- Help to read your meter.

There are a number of eligibility criteria for signing up to the PSR, and these cover people who:

- are of pensionable age
- are disabled or chronically sick
- have a long-term medical condition
- have a hearing or visual impairment or additional communication needs
- are in a vulnerable situation (this can include a wide range of situations).

Each energy supplier and network operator maintains its own register. Households with children under the age of 5 may also be able to receive priority services. Further information on the PSR is available on the Ofgem [website](#).

## Help to pay energy bills

There are a number of UK Government schemes that can provide extra help with energy bills.

### Winter Fuel Payments

People born on or before 5 November 1953 may be able to receive a Winter Fuel Payment of between £100 and £300. This payment is not means tested and is usually made automatically to eligible people if they get a state pension or another social security benefit. Further information is available from [www.gov.uk/winter-fuel-payment](http://www.gov.uk/winter-fuel-payment) or by calling **0800 731 0160**.

### Warm Home Discount

This is a one-off **annual fuel discount** of **£140** off an electricity bill – the money isn't paid directly to the consumer.

If energy is paid for through a **pre-pay or pay-as-you-go electricity meter** households can arrange an alternative method of payment with their energy supplier, such as a voucher to top-up the meter.

#### There are two ways to qualify for the scheme:

- Being in receipt of the Guaranteed Credit element of the Pension Credit. Eligible consumers should have received a letter telling them how to apply. Contact the *Warm Home Discount Team* for further information on **0800 731 0214**;
- Being on a low income and meeting the individual energy supplier's criteria for the scheme. Contact the energy supplier for further information and to apply. A list of all energy suppliers that are part of the scheme is available on the [Gov.uk](http://Gov.uk) website.

More information is available from [www.gov.uk/the-warm-home-discount-scheme](http://www.gov.uk/the-warm-home-discount-scheme).

### Cold Weather Payments

This is a **payment of £25**, and should be paid automatically to eligible claimants for **every 7 consecutive days** of very cold weather (an average of zero degrees Celsius or less) in their area over the winter period (1 November to 31 March).

Constituents in receipt of the following benefits may receive a Cold Weather Payment:

- Pension Credit;
- Income Support;
- Income-based Jobseekers Allowance;
- Income-related ESA;
- Universal Credit;
- Support for Mortgage Interest.

Constituents receiving Pension Credit and Support for Mortgage Interest will usually get Cold Weather Payments, but for other benefits there are additional eligibility criteria that must be met.

More information is available from [www.gov.uk/cold-weather-payment](http://www.gov.uk/cold-weather-payment).

The Winter Fuel Payment, the Warm Home Discount and the Cold Weather Payment can be claimed alongside each other.

## Energy debt

If constituents cannot make payments and fall into debt their energy supplier an energy company should give them an opportunity pay the debt through a payment plan before disconnection. Ofgem has a **Consumer Vulnerability Strategy** which is currently (January 2019) being updated. The plan currently states that:

Suppliers must take 'all reasonable steps' to ascertain a customer's ability to pay and must take this into account when calculating debt repayment installations or agree debt repayment plans that are affordable for the customer.

Disconnection is only used as a last resort and only seventeen households were disconnected in Great Britain in 2017. Suppliers are **prohibited from disconnecting** customers eligible for the **Priority Services Register** (PSR) during the winter months. Some suppliers have made a **voluntary agreement** not to disconnect vulnerable householders at any time of the year. This is known as the Energy UK Safety Net.

There are a number of different schemes and sources of information available for householders who are in debt with their energy suppliers. Energy suppliers will be able to advise their own customers. Sources of independent advice are listed at the end of this factsheet.

### Third party deductions/Fuel Direct

Constituents may be able to have some of their energy/fuel bills paid directly out of their benefit payments if they are having financial difficulties. To be eligible for this service the constituent must be receiving **one of the following benefits**:

- Universal Credit;
- Income-based Jobseekers Allowance;
- Income-related Employment and Support Allowance;
- Income Support;
- Pension Credit.

To apply, constituents should contact Jobcentre Plus (or their pension centre if they are on Pension Credit).

Further information is available from [www.gov.uk/bills-benefits](http://www.gov.uk/bills-benefits).

## Energy Supplier Trust Funds

Some energy suppliers have Trust Funds that can offer grants to householders experiencing financial hardship to help pay off energy debts. Most funds are only open to the company's own customers.

- Details of trust funds are available on the **Citizens Advice** website.

**Charis Grants** and **Citizens Advice** can provide assistance in completing application forms for these grants.

## Improving energy efficiency

### Energy Performance Certificates

All prospective tenants should be provided with an [Energy Performance Certificate](#) (EPC) of the dwelling they are interested in renting by the landlord or agent. The EPC will detail the energy performance of the property and what steps can be taken to improve it. This will let a prospective tenant know how expensive it will be to heat their new home. An EPC will contain:

- Information about a property's energy use and typical energy costs; and
- Recommendations about how to reduce energy use and save money.

An EPC gives a property an energy efficiency rating from A (most efficient) to G (least efficient) and is valid for 10 years. Homeowners should also be provided with an EPC when they buy a home.

### Welsh Government Warm Homes Programme

The Welsh Government's [Warm Homes Programme](#) provides funding for energy efficiency improvements to low income households and those living in deprived communities across Wales. The programme includes Arbed and Nest.

#### Cold calling

Many constituents contact Assembly Members regarding cold calling from companies claiming to be able to access grant funding, or who claim to be representing the Welsh Government. The Welsh Government's Warm Homes Schemes (Nest and Arbed) do not cold call householders. They do not require any payment from householders and they do not offer loan deals. A constituent with any concerns could contact either the Nest or Arbed schemes or their local trading standards office for further advice.

#### Nest

British Gas is working with the Welsh Government and the Energy Saving Trust to target fuel poor households in Wales.

### Nest offers a range of advice to anyone in Wales on:

- Saving energy and water;
- Money management;
- Making sure you're on the best energy and water tariff;
- Whether you are entitled to any benefits to boost your income.

In addition the most energy inefficient homes may be eligible for **free home energy efficiency improvements**. These improvements can include boilers, central heating systems and insulation.

### In order to be eligible for these improvements a number of requirements must be met:

- The house must be privately owned or rented;
- The house must have an Energy Performance Certificate (EPC) rating of E, F or G; and
- At least one person living in the house must be receiving certain means tested benefit.

More advice on this scheme can be obtained by visiting [www.nestwales.org.uk](http://www.nestwales.org.uk), or calling the Nest freephone number: **0808 808 2244**.

#### Arbed

The latest phase of the Welsh Government's [Warm Homes - Arbed](#) programme, Arbed 3, runs from 2018-2021. The programme is delivered by Arbed am Byth (a joint venture between Everwarm and the Energy Saving Trust). Arbed 3 is only available in certain areas and eligible households will be contacted by the scheme manager. The aim of the scheme is to reduce fuel poverty and give householders advice on how to reduce energy usage and utility bills. Arbed 3 will work in specific geographical areas, and will work with local authorities to identify areas of fuel poverty where the greatest impact can be made. The scheme manager will carry out an assessment on each property and design packages that could consist of one or more measures, such as:

- Cavity wall insulation;
- External wall insulation;
- Loft insulation; and
- Draught proofing.

Arbed 3 is primarily targeted at owner occupied homes. Further information is available by visiting [www.arbedambyth.wales](http://www.arbedambyth.wales) or by calling 03300 414 647.

## Energy Company Obligation

The Energy Company Obligation (ECO) is a UK government scheme to help reduce carbon emissions and tackle fuel poverty. Under ECO the larger and medium sized energy companies fund the installation of energy efficiency measures like loft insulation, wall insulation and heating measures. The ECO scheme commenced in April 2013, but has been amended over time to vary the detail of the scheme. The current scheme, ECO3, commenced on 3 December 2018. ECO3 is entirely focused on supporting low income, vulnerable and fuel poor households.

Each obligated supplier has an overall target based on its share of the domestic energy market in Britain. ECO3 support does not go directly to a household in the form of a payment. It is funded via obligated energy suppliers who liaise with occupiers, landlords and installers in order to identify and implement suitable energy efficiency measures.

Further information about the ECO3 scheme is available on the Ofgem [website](#) and also the UK Government website.

Constituents can contact obligated suppliers directly to access ECO3 funding – it does not need to be the company that supplies them with energy. Contact details for all the obligated energy suppliers are on the Ofgem [website](#).

## Help from local authorities

Many local authorities have schemes to help improve energy efficiency. These may be targeted at specific types of households (such as those living in fuel poverty) or geographic areas (like housing renewal areas). As well as grants, loans (such as *Home Improvement Loans*) may also be available to homeowners and landlords. *The aim of Home Improvement Loans is to ensure that people have a high quality, warm, secure and energy efficient home.*

*Further advice can be obtained from the relevant local authority. Local authority contact details for the Home Improvement Loan scheme are available on the Welsh Government's [website](#).*

Local authorities can also set their own eligibility criteria for help through ECO3, and then refer households to obligated energy suppliers. This is known as flexible eligibility. Constituents should contact their local authority to confirm if their local authority is participating and to enquire about eligibility.

## Properties in the private rented sector

### Tenants may be able to make energy efficiency improvements

Under Regulation 8 of the [Energy Efficiency \(Private Rented Property\) \(England and Wales\) Regulations 2015](#), since 1 April 2016, a tenant in the private rented sector has been able to ask for their landlord's consent to make reasonable energy efficiency improvements. Such a request may not unreasonably be refused by the landlord. However, there are some specific circumstances in which a request for consent to relevant energy efficiency improvements may not be made under the Regulations. This includes situation where the tenant has given notice to the landlord that they intend to leave the property. Further information is available in [guidance](#) published by the UK Government.

### The Domestic Private Rented Property Minimum Standard

Under Regulation 23 of the [Energy Efficiency \(Private Rented Property\) \(England and Wales\) Regulations 2015](#), landlords are prevented from letting sub-standard property unless an exemption applies. A property is sub-standard if the EPC score is below the minimum level of energy efficiency. This minimum efficiency standard has been set at an 'E' EPC rating. The regulations took effect from 1 April 2018, and apply when a new tenancy is granted. From 1 April 2020, the regulations will apply to all privately rented property. However, there are a number of exemptions and exclusions that apply in certain circumstances. This includes where there are no relevant energy efficiency improvements that can be made to the property. If an exemption does apply, then the landlord will need to register this with the [National PRS Exemptions Register](#). Exemptions last for five years, but can be renewed.

The UK Government has issued [guidance on The Domestic Private Rented Property Minimum Standard](#).

## Sources of advice

### Advice for older people:

- **Age Cymru:** Age Cymru offers a free, impartial and confidential advice service by calling **08000 223 444** or emailing [advice@agecymru.org.uk](mailto:advice@agecymru.org.uk);
- **Care and Repair:** Care and Repair helps older people live in safety and comfort in their own homes. Details of local agencies are available from [www.careandrepair.org.uk/en/your-area/](http://www.careandrepair.org.uk/en/your-area/) or by calling **0300 111 3333**;
- **Older Peoples Commissioner for Wales:** The Commissioner's Protection & Scrutiny Casework Team may be able to assist or signpost to a partner organisation. **Telephone 03442 640 670 or [ask@olderpeoplewales.com](mailto:ask@olderpeoplewales.com)**.

### Money and debt advice:

- The **Money Advice Service** can provide free and impartial money advice on **0800 138 0555 (Welsh)** or **0800 138 7777 (English)**. It also has information on its [website](#);
- The **National Debt line** can provide advice on managing fuel debt with other personal debts and with energy suppliers. More information is available through the website: [www.nationaldebtline.org](http://www.nationaldebtline.org) or by calling **0808 808 4000**;
- **Stepchange Debt Charity** can provide free debt advice, along with assisting in creating a sustainable budget and giving advice on the best debt solution in the particular circumstances. Further information can be found on their website [www.stepchange.org](http://www.stepchange.org) or by phoning **0800 138 1111**.

### Energy efficiency:

- **Arbed Am Byth:** for information about the Arbed 3 programme visit [www.arbedambyth.wales](http://www.arbedambyth.wales), call 03300 414 647 or email [info@arbedambyth.wales](mailto:info@arbedambyth.wales). Arbed 3 is only available in certain geographic areas;
- **Nest:** Information about assistance is available to everyone in Wales by visiting [www.nestwales.org.uk](http://www.nestwales.org.uk) or calling **0808 808 2244**. Some households will be eligible for grants;
- **Warm Wales:** Warm Wales may be able to help people with a low income and high heating bills. This could fund a new gas supply, boiler or help to improve home insulation. Further information is available by visiting [www.warmwales.org.uk](http://www.warmwales.org.uk) or by calling **01656 747623**.

## Energy supplier ECO contacts:

- British Gas: **0800 072 8629** (option 1 - Energy Efficiency team);
- E.ON: [www.eonenergy.com](http://www.eonenergy.com);
- Npower: Tel: **0800 072 1740** (Energy Improvement & Green Deal helpline);
- EDF Energy: **0333 200 5119** (Green Hub - ECO Team);
- SSE (Swalec): **0345 078 3248**;
- Scottish Power: [ecoenquiries@scottishpower.com](mailto:ecoenquiries@scottishpower.com);
- First Utility: [eco@first-utility.com](mailto:eco@first-utility.com);
- Co-operative energy: [eco@cooperativeenergy.coop](mailto:eco@cooperativeenergy.coop);
- Utilita: [ECO@Utilita.co.uk](mailto:ECO@Utilita.co.uk);
- OVO: [ECO@ovoenergy.com](mailto:ECO@ovoenergy.com);
- Utility Warehouse: **0800 781 7777**;
- **Bulb Energy:** [help@bulb.co.uk](mailto:help@bulb.co.uk) / **0300 303 0635**;
- **Green Star:** [eco@mygreenstarenergy.com](mailto:eco@mygreenstarenergy.com) / **0800 012 4510**.

## General advice and information:

- **Citizens Advice:** visit [www.citizensadvice.org.uk/wales](http://www.citizensadvice.org.uk/wales) or for advice on a wide range of issues including debt and benefits or call **0344 477 2020**;
- **Turn2us:** Turn2us helps people in financial need gain access to welfare benefits, charitable grants and other financial help – online, by phone and face to face through partner organisations. **Visit** [www.turn2us.org.uk](http://www.turn2us.org.uk) for further information.